

# **LSC Greenbook**

**Analysis of the Enacted Budget**

**Department of Agriculture**

Shannon Pleiman, Budget Analyst  
Legislative Service Commission

August 2015

# TABLE OF CONTENTS

<b>OVERVIEW</b> .....	<b>1</b>
<b>Agency Overview</b> .....	<b>1</b>
<b>Appropriation Overview</b> .....	<b>1</b>
By Fund Group.....	1
<b>Budget Provisions that Affect the Department of Agriculture</b> .....	<b>2</b>
Transfer of Agricultural Soil and Water Conservation Program .....	2
Agricultural Society Facilities Grant Program.....	3
<b>ANALYSIS OF ENACTED BUDGET</b> .....	<b>4</b>
<b>Introduction</b> .....	<b>4</b>
<b>Category 1: Animal and Food Safety</b> .....	<b>7</b>
Animal Health Programs (700401) .....	8
Dairy Division and Dairy Industry Inspection (700403 and 700637).....	8
Consumer Protection Lab and Animal, Consumer, and ATL Labs (700406 and 700634) .....	9
Food Safety and Food Safety Inspection (700407 and 700610) .....	9
Meat Inspection Program – State Share and Federal Share (700499 and 700618) .....	10
Poultry Inspection and Poultry and Meat Inspection (700415 and 700611) .....	10
Livestock Regulation Program, Livestock Testing and Inspections, and Livestock Management Program (700418, 700424, and 700604).....	11
Dangerous and Restricted Animals, Dangerous and Restricted Animals (700426 and 700657) .....	11
High Volume Breeder Kennel Control and High Volume Breeders and Kennels (700427 and 700658) .....	12
<b>Category 2: Plants and Pesticides</b> .....	<b>13</b>
Plant Industry (700410) .....	13
Commercial Feed and Seed, Plant Pest Program, and Pesticide, Fertilizer, and Lime Inspection Program (700605, 700648, and 700635).....	14
Federal Cooperative Contracts (700601) .....	14
Federal Plant Industry (700614) .....	15
<b>Category 3: Soil and Water</b> .....	<b>16</b>
Soil and Water Division (700428).....	16
Soil and Water Districts (700509 and 700661) .....	16
Heidelberg Water Quality Lab (700660) .....	17
Watershed Assistance (700653).....	17
<b>Category 4: Commodities and Marketing</b> .....	<b>18</b>
Ohio Proud and Ohio Proud Marketing (700404 and 700636) .....	18

Agricultural Commodity Marketing Program and Grain Warehouse Program (700612 and 700627) .....	19
Ohio Grape Industries (700626) .....	19
License Plates – Sustainable Agriculture and License Plate Scholarships (700651 and 700652) .....	19
<b>Category 5: Other Agriculture Services .....</b>	<b>20</b>
Weights and Measures and Metrology Lab and Scale Certification (700412 and 700608) .....	20
Auctioneers and Auction Education (700629 and 700609).....	20
Ride Inspection (700620) .....	21
Brand Registration (700633) .....	21
<b>Category 6: Farmland Preservation.....</b>	<b>22</b>
Farmland Preservation, Agricultural Easement, and Clean Ohio Agricultural Easement Operating (700409, 700641, and 700632) .....	22
County Agricultural Societies (700501) .....	23
Ohio Farm Loan – Revolving (700617).....	23
<b>Category 7: Agriculture Administration.....</b>	<b>25</b>
Utility Radiological Safety (700606) .....	25
Laboratory Administration Support (700644).....	25
Administrative Support (700655) .....	26
Federal Administrative Programs (700607) .....	26

**ATTACHMENT:**

Budget Spreadsheet By Line Item

# Department of Agriculture

- Total appropriations of \$64.4 million in FY 2016 and \$73.9 million in FY 2017
- Transfer of Agricultural Soil and Water Conservation Program from Natural Resources to Agriculture, effective January 1, 2016
- Capital funding of \$4.7 million for County Agricultural Society Facilities

## OVERVIEW

### Agency Overview

The Ohio Department of Agriculture (AGR) is a regulatory agency responsible for the safety of the state's food supply, animal and plant health, proper pesticide use, consumer protection, and creation of economic activity through promotion of agricultural products in domestic and international markets. The Department carries out these responsibilities through 13 operating divisions. As of July 2015, the Department employs 443 full-time staff. This number will increase as additional personnel are transferred from the Ohio Department of Natural Resources (DNR) to AGR as a result of the transfer of the Agricultural Soil and Water Conservation Program included in H.B. 64.

### Appropriation Overview

#### By Fund Group

The budget provides AGR with funding of \$64.4 million in FY 2016 and \$73.9 million in FY 2017. The increase in funding between fiscal years is largely the result of the transfer of the Agricultural Soil and Water Conservation Program from DNR to AGR, effective January 1, 2016. The table below displays the appropriations for departmental operations for the FY 2016-FY 2017 biennium by fund group alongside actual spending for FY 2015.

Appropriations by Fund Group, FY 2016-FY 2017					
Fund Group	FY 2015*	FY 2016	% change, FY 2015-FY 2016	FY 2017	% change, FY 2016-FY 2017
General Revenue	\$15,401,511	\$17,865,418	16.0%	\$22,926,718	28.3%
Dedicated Purpose	\$21,916,148	\$23,951,813	9.3%	\$28,034,313	17.0%
Internal Service Activity	\$5,489,290	\$5,568,073	1.4%	\$5,568,073	0.0%
Capital Projects	\$311,917	\$310,000	-0.6%	\$310,000	0.0%
Federal	\$15,611,827	\$16,728,900	7.2%	\$17,032,500	1.8%
<b>TOTAL</b>	<b>\$58,730,693</b>	<b>\$64,424,204</b>	<b>9.7%</b>	<b>\$73,871,604</b>	<b>14.7%</b>

\*FY 2015 figures represent actual expenditures.

## **Budget Provisions that Affect the Department of Agriculture**

### **Transfer of Agricultural Soil and Water Conservation Program**

H.B. 64 transfers effective January 1, 2016, the administration of the Agricultural Soil and Water Conservation Program from the Division of Soil and Water Resources in DNR to AGR. The transfer includes the Ohio Soil and Water Conservation Commission, support and coordination of Soil and Water Conservation Districts (SWCDs), oversight of agricultural operation and management plans, and control of the Agricultural Pollution Abatement Fund. As a result, approximately 32 full-time employees will be transferred from DNR to AGR to perform these responsibilities. Overall, the budget appropriates \$6.9 million in FY 2016 and \$16.4 million in FY 2017 for AGR to administer these soil and water conservation responsibilities.

#### **Ohio Soil and Water Conservation Commission**

The transfer moves the Ohio Soil and Water Conservation Commission from the Division of Soil and Water Resources in DNR to the Division of Soil and Water in AGR. The Commission's main responsibility is to ensure that Ohio counties are supported adequately and effectively by their SWCDs. The Commission recommends to AGR the allocation of state funds to SWCDs and recommends the level of state and federal funds needed by SWCDs. Under AGR, the allocation of state funds for this purpose are provided in GRF line item 700509, Soil and Water District Support, and DPF Soil and Water Districts Assistance Fund (Fund 5BV0) line item 700661, Soil and Water Districts. Together these two line items are appropriated \$4.0 million in FY 2016 and \$11.3 million in FY 2017. Since the transfer is not effective until January 1, 2016, funding will continue in FY 2016 under DNR GRF line item 725502, Soil and Water Districts, and DPF line item 725683, Soil and Water Districts. DNR appropriations under these line items total \$7.3 million in FY 2016. Lastly, the Commission will be responsible for recommending to AGR a procedure and coordination for an agricultural pollution abatement program. The implementation of the program will be based on air and water quality standards.

#### **Soil and Water Division Responsibilities**

H.B. 64 creates the Soil and Water Division within AGR. The Division will be responsible for providing administrative leadership to SWCDs. This includes providing leadership in planning, budgeting, staffing, and administering district programs and training of district supervisors and personnel in their duties. AGR will also be responsible for establishing and developing various rules and standards regarding cooperative programs, conservation practices in farming, agricultural pollution abatement practices, administration of grants to agricultural land owners, and best management practices that should be included in agricultural operation and management plans. AGR may also develop and approve operation and management plans for the owner or operator of agricultural land or an animal feeding operation.

Funding for these duties are supported by GRF line item 700428, Soil and Water Division. H.B. 64 appropriates \$1.8 million in FY 2016 and \$3.6 million in FY 2017 for these purposes.

#### **Agricultural Pollution Abatement Fund**

AGR will also be responsible for managing the Agricultural Pollution Abatement Fund. The fund will be used to pay costs incurred by AGR in investigating, mitigating, minimizing, removing, or abating any state water pollution caused by agricultural pollution or unauthorized release, spill, or discharge of manure into or upon the environment that requires emergency action to protect public health. The revenue in the fund will consist of moneys collected from civil penalties. Civil penalties are collected when a person is liable for causing or allowing the unauthorized spill, release, or discharge of manure or residual farm products. Additionally, civil penalties can come from applying manure or fertilizer on fields under specified weather and soil conditions in the Western Lake Erie Basin that are prohibited in S.B. 1 of the 131st General Assembly.

#### **Agricultural Society Facilities Grant Program**

H.B. 64 created the Agricultural Society Facilities Grant Program for FY 2016 and FY 2017 to provide grants to county agricultural societies and independent agricultural societies to support capital projects that enhance their agricultural facilities. H.B. 64 increases funding for the Administrative Building Fund (Fund 7026) by \$4.7 million in the FY 2015-FY 2016 capital biennium through a new capital appropriation item, C70022, Agricultural Society Facilities, to support this program. The grants will be distributed equally among the agricultural societies that apply for the grants. The grants can be used for the acquisition, construction, reconstruction, expansion, improvement, planning, and equipping facilities.

## ANALYSIS OF ENACTED BUDGET

### Introduction

This section provides an analysis of each appropriation item in AGR's budget. In this analysis, AGR's line items are grouped into seven major categories. For each category a table is provided listing the recommended appropriation in each fiscal year of the biennium. Following the table, a narrative describes how the appropriation is used and any changes affecting the appropriation. The seven categories used in this analysis are as follows:

1. Animal and Food Safety;
2. Plants and Pesticides;
3. Soil and Water;
4. Commodities and Marketing;
5. Other Agriculture Services;
6. Farmland Preservation; and
7. Agriculture Administration.

To aid the reader in finding each item in the analysis, the table below shows the category in which each appropriation has been placed, listing the line items in order within their respective fund groups and funds. This is the same order the line items appear in the budget bill.

Categorization of AGR's Appropriation Line Items for Analysis of H.B. 64		
Fund	ALI and Name	Category
<b>General Revenue Fund</b>		
GRF 700401	Animal Health Programs	1: Animal and Food Safety
GRF 700403	Dairy Division	1: Animal and Food Safety
GRF 700404	Ohio Proud	4: Commodities and Marketing
GRF 700406	Consumer Protection Lab	1: Animal and Food Safety
GRF 700407	Food Safety	1: Animal and Food Safety
GRF 700409	Farmland Preservation	6: Farmland Preservation
GRF 700410	Plant Industry	2: Plants and Pesticides
GRF 700412	Weights and Measures	5: Other Agriculture Services
GRF 700415	Poultry Inspection	1: Animal and Food Safety
GRF 700418	Livestock Regulation Program	1: Animal and Food Safety
GRF 700424	Livestock Testing and Inspections	1: Animal and Food Safety
GRF 700426	Dangerous and Restricted Animals	1: Animal and Food Safety
GRF 700427	High Volume Breeder Kennel Control	1: Animal and Food Safety
GRF 700428	Soil and Water Division	3: Soil and Water
GRF 700499	Meat Inspection Program – State Share	1: Animal and Food Safety

<b>Categorization of AGR's Appropriation Line Items for Analysis of H.B. 64</b>			
<b>Fund</b>		<b>ALI and Name</b>	<b>Category</b>
GRF	700501	County Agricultural Societies	6: Farmland Preservation
GRF	700509	Soil and Water District Support	3: Soil and Water
<b>Dedicated Purpose Fund Group</b>			
4900	700651	License Plates – Sustainable Agriculture	4: Commodities and Marketing
4940	700612	Agricultural Commodity Marketing Program	4: Commodities and Marketing
4960	700626	Ohio Grape Industries	4: Commodities and Marketing
4970	700627	Grain Warehouse Program	4: Commodities and Marketing
4C90	700605	Commercial Feed and Seed	2: Plants and Pesticides
4D20	700609	Auction Education	5: Other Agriculture Services
4E40	700606	Utility Radiological Safety	7: Agriculture Administration
4P70	700610	Food Safety Inspection	1: Animal and Food Safety
4R00	700636	Ohio Proud Marketing	4: Commodities and Marketing
4R20	700637	Dairy Industry Inspection	1: Animal and Food Safety
4T60	700611	Poultry and Meat Inspection	1: Animal and Food Safety
5780	700620	Ride Inspection	5: Other Agriculture Services
5880	700633	Brand Registration	5: Other Agriculture Services
5B80	700629	Auctioneers	5: Other Agriculture Services
5BV0	700660	Heidelberg Water Quality Lab	3: Soil and Water
5BV0	700661	Soil and Water Districts	3: Soil and Water
5CP0	700765	License Plate Scholarships	4: Commodities and Marketing
5FC0	700648	Plant Pest Program	2: Plants and Pesticides
5H20	700608	Metrology Lab and Scale Certification	5: Other Agriculture Services
5L80	700604	Livestock Management Program	1: Animal and Food Safety
5MA0	700657	Dangerous and Restricted Animals	1: Animal and Food Safety
5MR0	700658	High Volume Breeders and Kennels	1: Animal and Food Safety
5QW0	700653	Watershed Assistance	3: Soil and Water
6520	700634	Animal, Consumer, and ATL Labs	1: Animal and Food Safety
6690	700635	Pesticide, Fertilizer, and Lime Inspection Program	2: Plants and Pesticides
<b>Internal Service Activity Fund Group</b>			
5DA0	700644	Laboratory Administration Support	7: Agriculture Administration
5GH0	700655	Administrative Support	7: Agriculture Administration
<b>Capital Projects Fund Group</b>			
7057	700632	Clean Ohio Agricultural Easement Operating	6: Farmland Preservation
<b>Federal Fund Group</b>			
3260	700618	Meat Inspection – Federal Share	1: Animal and Food Safety
3360	700617	Ohio Farm Loan – Revolving	6: Farmland Preservation
3820	700601	Federal Cooperative Contracts	2: Plants and Pesticides
3AB0	700641	Agricultural Easement	6: Farmland Preservation



Categorization of AGR's Appropriation Line Items for Analysis of H.B. 64			
Fund		ALI and Name	Category
3J40	700607	Federal Administrative Programs	7: Agriculture Administration
3R20	700614	Federal Plant Industry	2: Plants and Pesticides

## Category 1: Animal and Food Safety

This category includes line items that fund 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 Wild Animal Program as well as the Commercial Dog Breeders Program. GRF funding makes up approximately \$14.8 million of the appropriations for this category in FY 2016 and in FY 2017, or 54.2% of funding over the biennium. Dedicated Purpose line items account for a further \$16.1 million (29.5%), followed by federal funds, at just under \$4.5 million (16.3%) of the funding in each fiscal year.

<b>Appropriations for Animal and Food Safety</b>				
<b>Fund</b>	<b>ALI and Name</b>		<b>FY 2016</b>	<b>FY 2017</b>
<b>General Revenue Fund</b>				
GRF	700401	Animal Health Programs	\$3,686,687	\$3,686,687
GRF	700403	Dairy Division	\$1,163,115	\$1,163,115
GRF	700406	Consumer Protection Lab	\$1,287,556	\$1,287,556
GRF	700407	Food Safety	\$1,287,556	\$1,287,556
GRF	700415	Poultry Inspection	\$592,978	\$592,978
GRF	700418	Livestock Regulation Program	\$1,108,071	\$1,108,071
GRF	700424	Livestock Testing and Inspections	\$92,493	\$92,493
GRF	700426	Dangerous and Restricted Animals	\$800,000	\$800,000
GRF	700427	High Volume Breeder Kennel Control	\$350,000	\$350,000
GRF	700499	Meat Inspection Program – State Share	\$4,425,097	\$4,425,097
<b>General Revenue Fund Subtotal</b>			<b>\$14,793,553</b>	<b>\$14,793,553</b>
<b>Dedicated Purpose Fund Group</b>				
4P70	700610	Food Safety Inspection	\$957,328	\$957,328
4R20	700637	Dairy Industry Inspection	\$1,658,247	\$1,658,247
4T60	700611	Poultry and Meat Inspection	\$120,000	\$120,000
5L80	700604	Livestock Management Program	\$135,000	\$135,000
5MA0	700657	Dangerous and Restricted Animals	\$50,000	\$50,000
5MR0	700658	High Volume Breeders and Kennels	\$174,000	\$174,000
6520	700634	Animal, Consumer, and ATL Labs	\$4,966,383	\$4,966,383
<b>Dedicated Purpose Fund Group Subtotal</b>			<b>\$8,060,958</b>	<b>\$8,060,958</b>
<b>Federal Fund Group</b>				
3260	700618	Meat Inspection Program – Federal Share	\$4,450,000	\$4,450,000
<b>Federal Fund Group Subtotal</b>			<b>\$4,450,000</b>	<b>\$4,450,000</b>
<b>Total Funding: Animal and Food Safety</b>			<b>\$27,304,511</b>	<b>\$27,304,511</b>

**Animal Health Programs (700401)**

This GRF line item is the primary funding source for the Division of Animal Industry. 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 Laboratory Diagnosticians. ADDL offers 310 different diagnostic tests and completes approximately 600,000 analyses each fiscal year. The services offered by ADDL are avian serology, bacteriology, molecular diagnostics, pathology, serology, toxicology, and virology. The lab's regulatory responsibilities include oversight of animal disease control and eradication efforts through quarantine, vaccination verification, movement permits, and tracing animal identification. Additionally, ADDL promotes participation in the National Animal Identification System. The system consists of premises registrations, animal identifications, and animal tracking in an attempt to quickly identify animals or premises that have been in contact with a foreign animal disease or other disease of concern within 48 hours of discovery. The appropriation for this line item is \$3.7 million in both FY 2016 and FY 2017.

**Dairy Division and Dairy Industry Inspection (700403 and 700637)**

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. Together, the line items are used to cover payroll and maintenance expenses necessary to license 2,923 dairy producers and 123 dairy processors in Ohio. There are 2,778 active dairy farms in the state of Ohio, of which 2,098 are Grade A farms and 680 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 conducted 116,497 lab tests on licensed producers and processors in calendar year (CY) 2014. The appropriation for the GRF funding component under line item 700403, Dairy Division, is \$1.2 million in each fiscal year of the FY 2016-FY 2017 biennium.

Fund 4R20 line item 700637, Dairy Industry Inspection, is supported by licensing and milk inspection fees, and is used in conjunction with the GRF funding mentioned above 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 receiving reports that each licensed producer is required to file with the Department. The budget appropriates \$1.7 million in each fiscal year for this line item. Fund 4R20 collected approximately \$1.7 million in revenue in FY 2015.

**Consumer Protection Lab and Animal, Consumer, and ATL Labs (700406 and 700634)**

GRF line item 700406, Consumer Protection Lab, is 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. Additionally, the analytical toxicology section annually tests samples for horses competing at Ohio's seven commercial race tracks and more than 60 county fairs. The section provides testing on approximately 9,000 horses each year. The budget provides \$1.3 million in FY 2016 and FY 2017 for this line item.

The second line item, 700634, Animal, Consumer, and ATL Labs, is supported by fees received for laboratory services that are deposited into the Animal and Consumer Analytical Lab Fund (Fund 6520). This fund collected approximately \$5.3 million in revenue in FY 2015. The budget appropriates approximately \$5.0 million in both FY 2016 and FY 2017 under this line item.

**Food Safety and Food Safety Inspection (700407 and 700610)**

GRF line item 700407, Food Safety, is used to cover payroll and maintenance costs for the Food Safety Inspection Division. The Food Safety Inspection Division conducts surveillance, random sampling, facility inspections, consultations, technical assistance, and training. 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. In addition, the Division will be responsible for implementing the Federal Food Modernization Act in conjunction with the FDA, which will eventually require additional inspections. The Division inspects over 2,153 food manufacturing facilities annually, has distributed over 500 bundles of food defense information to food facilities, collects over 950 food samples annually, and offered more than 100 trainings and programs to local health districts. The appropriation for this line item is \$1.3 million in FY 2016 and FY 2017, an increase from FY 2015 spending of approximately \$849,000, or 51.7%.

Fund 4P70 line item 700610, Food Safety Inspection, consists of 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 \$957,227 in revenue in FY 2015. H.B. 64 appropriates \$957,328 in both FY 2016 and FY 2017 for use under this line item.

**Meat Inspection Program – State Share and Federal Share (700499 and 700618)**

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 appropriation for the GRF state match under line item 700499, is \$4.4 million in both FY 2016 and FY 2017. The federal share is appropriated \$4.5 million in both FY 2016 and FY 2017 under line item 700618.

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 regulates 292 meat and poultry establishments statewide. Of those, 213 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 90.0% 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.

**Poultry Inspection and Poultry and Meat Inspection (700415 and 700611)**

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. ADDL conducts all of the testing associated with these activities, which number about 160,000 tests per year. The budget provides funding of \$592,978 in both FY 2016 and FY 2017 for the GRF component of the poultry inspection program.

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 approximately \$67,000 in revenue in FY 2015. H.B. 64 appropriates \$120,000 in both FY 2016 and FY 2017 for this line item.

**Livestock Regulation Program, Livestock Testing and Inspections, and Livestock Management Program (700418, 700424, and 700604)**

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 odor control. The line item is appropriated \$1.1 million in both FY 2016 and FY 2017.

There are three primary licenses that exist under this program: Permit to Install (PTI), Permit to Operate (PTO), and Certified Livestock Manager. There is a one-time fee of \$2,250 for the PTI 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.

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. 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 budget appropriates \$92,493 in both FY 2016 and FY 2017 for this line item.

The third 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 deposited into the Livestock Management Fund (Fund 5L80). This fund collected approximately \$126,000 in revenue in FY 2015. The line item is appropriated \$135,000 in both FY 2016 and FY 2017.

**Dangerous and Restricted Animals, Dangerous and Restricted Animals (700426 and 700657)**

These line items are used to administer the Dangerous Wild Animal Program. Five employees work under this program. They include two inspectors, two shared clerical staff, and one shared veterinarian between this program and the Commercial Dog Breeders Program. Since January 2015, the Department has issued 55 dangerous and wild animal owner permits. Approximately 64 animals have been through the temporary holding facility since the beginning of the program in January 2014. GRF line item 700426, Dangerous and Restricted Animals, is appropriated \$800,000 in each fiscal

year. The GRF funding is supplemented by fees deposited into the Dangerous and Restricted Animal Fund (Fund 5MA0).

Funding from the fee-based component of the Dangerous Wild Animal Program is \$50,000 in each fiscal year and is appropriated under Fund 5MA0, line item 700657, Dangerous and Restricted Animals. Fund 5MA0 collected \$20,000 in FY 2015.

### **High Volume Breeder Kennel Control and High Volume Breeders and Kennels (700427 and 700658)**

These line items are used to administer 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. The Department annually inspects each facility that is registered as a high volume breeder and inspects these operations if a complaint is filed. The appropriation for this line item is \$350,000 in both FY 2016 and FY 2017. Overall, the GRF portion accounts for 66.8% of the overall funding for the Commercial Dog Breeders Program.

The remaining 33.2% of program spending for the FY 2016-FY 2017 biennium, amounting to \$174,000 in each fiscal year, comes from license fees received from high volume breeders that are deposited into the High Breeder Kennel Control License Fund (Fund 5MR0). This funding is appropriated under line item 700658, High Volume Breeders and Kennels.

License fees depend on the number of litters produced by a high volume breeder. Fees range from no fee for animal rescues to \$750 if the high volume breeder has more than 46 litters. In FY 2015, the Department collected approximately \$206,000 in license and registration fees. 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.

## Category 2: Plants and Pesticides

This category funds the Department's plant inspection 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. Federal funding makes up \$22.0 million (59.4%) of the budget for this category over the biennium. Dedicated purpose line items account for approximately \$14.7 million (39.8%), followed by the GRF, at \$150,000 (0.8%) of the funding in each fiscal year.

<b>Appropriations for Plants and Pesticides</b>				
<b>Fund</b>		<b>ALI and Name</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>General Revenue Fund</b>				
GRF	700410	Plant Industry	\$150,000	\$150,000
<b>General Revenue Fund Subtotal</b>			<b>\$150,000</b>	<b>\$150,000</b>
<b>Dedicated Purpose Fund Group</b>				
4C90	700605	Commercial Feed and Seed	\$1,760,000	\$1,760,000
5FC0	700648	Plant Pest Program	\$1,190,000	\$1,190,000
6690	700635	Pesticide, Fertilizer, and Lime Inspection Program	\$4,418,041	\$4,418,041
<b>Dedicated Purpose Fund Group Subtotal</b>			<b>\$7,368,041</b>	<b>\$7,368,041</b>
<b>Federal Fund Group</b>				
3820	700601	Federal Cooperative Contracts	\$4,827,900	\$5,131,500
3R20	700614	Federal Plant Industry	\$6,000,000	\$6,000,000
<b>Federal Fund Group Subtotal</b>			<b>\$10,827,900</b>	<b>\$11,131,500</b>
<b>Total Funding: Plants and Pesticides</b>			<b>\$18,345,941</b>	<b>\$18,649,541</b>

### Plant Industry (700410)

GRF line item 700410, Plant Industry, is used by 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 of products such as lumber, logs, seed, fruit, and vegetables. The budget appropriates \$150,000 in both FY 2016 and FY 2017 for these purposes.



**Commercial Feed and Seed, Plant Pest Program, and Pesticide, Fertilizer, and Lime Inspection Program (700605, 700648, and 700635)**

These line items fund the Plant Division's various responsibilities relating to testing germination of packaged seeds, verifying label statements on feed and fertilizers, and regulating nursery stock. Commercial Feed and Seed Fund (Fund 4C90) 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. Fund 4C90 revenues consist of per-unit fees charged to feed dealers for feed inspections. The appropriation for this line item is \$1.8 million in both FY 2016 and FY 2017.

Line item 700648, Plant Pest Program, is supported through various nursery stock fees that are deposited into the Plant Pest Program Fund (Fund 5FC0). This line item is used to fund annual inspections of nursery stock producers. State and federal pest quarantines are also administered under funding in this line item. The appropriation for this line item is approximately \$1.2 million in both FY 2016 and FY 2017. Fund 5FC0 collected \$1.3 million in revenues in FY 2015.

The appropriation for line item 700635, Pesticide, Fertilizer, and Lime Inspection Program, is \$4.4 million in both FY 2016 and FY 2017. This funding is used to register pesticides, license applicators, test applicators, perform routine pesticide inspections, investigate citizen complaints, and enforce pesticide laws. The source of revenue for these regulatory activities is license fees collected from dealers and applicators that are deposited into the Pesticide, Fertilizer, and Lime Program Fund (Fund 6690). Fund 6690 received \$4.2 million in revenue in FY 2015.

During the FY 2016-FY 2017 biennium, this line item will also be used to provide funding for the Fertilizer Applicator Certification Program that was established in S.B. 150 of the 130th General Assembly. The funding will cover the cost of seven new employees that will administer this program. This includes three inspectors, two clerical staff, one field supervisor, and one administrator.

**Federal Cooperative Contracts (700601)**

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 Consolidated Pesticide Enforcement Cooperative Agreements. Additionally, this line item will also include new federal grants as a result of the transfer of 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 \$4.3 million in FY 2015. The appropriation for this line item is \$4.8 million in FY 2016 and \$5.1 million in FY 2017.

**Federal Plant Industry (700614)**

Line item 700614, Federal Plant Industry, is also 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 the Pesticide Program and performing pest and disease surveys for the USDA. Additionally, this line item is used for Asian Longhorned Beetle eradication, which has posed a threat to Ohio's timber crop. The appropriation for this line item is \$6.0 million in both FY 2016 and FY 2017.

### Category 3: Soil and Water

This category includes line items that fund AGR's new soil and water conservation responsibilities as the result of the transfer of the Agricultural Soil and Water Conservation Program from DNR to AGR. As mentioned previously, the transfer becomes effective January 1, 2016.

<b>Appropriations for Soil and Water</b>				
<b>Fund</b>	<b>ALI and Name</b>		<b>FY 2016</b>	<b>FY 2017</b>
<b>General Revenue Fund</b>				
GRF	700428	Soil and Water Division	1,807,700	\$3,619,000
GRF	700509	Soil and Water District Support	\$0	\$3,250,000
<b>General Revenue Fund Subtotal</b>			<b>\$1,807,700</b>	<b>\$6,869,000</b>
<b>Dedicated Purpose Fund Group</b>				
5BV0	700660	Heidelberg Water Quality Lab	\$125,000	\$250,000
5BV0	700661	Soil and Water Districts	\$4,000,000	\$8,000,000
5QW0	700653	Watershed Assistance	\$557,500	\$515,000
<b>Dedicated Purpose Fund Group Subtotal</b>			<b>\$4,682,500</b>	<b>\$8,765,000</b>
<b>Total Funding: Soil and Water</b>			<b>\$6,490,200</b>	<b>\$15,634,000</b>

#### Soil and Water Division (700428)

This GRF line item serves as the primary source of operating support for the newly established Soil and Water Division. The Division will have approximately 32 full-time employees that will be transferred from DNR to AGR. Appropriations for this line item are \$1.8 million in FY 2016 and \$3.6 million in FY 2017. These funds provide payroll, maintenance, and equipment costs for the Division. As mentioned in the "**Overview**," the Division will provide assistance to SWCDs and have oversight of agricultural operation and management plans. The Division will also be responsible for enforcing manure and fertilizer regulations that were established in S.B. 1 of the 131st General Assembly.

#### Soil and Water Districts (700509 and 700661)

Combined appropriations for these two line items are \$4.0 million in FY 2016 and \$11.3 million in FY 2017, with the increase between fiscal years reflecting the ramp-up of the program during the biennium. While no GRF assistance to SWCDs is provided in FY 2016 under 700509, Soil and Water District Support, \$4.0 million in assistance in FY 2016 is appropriated under line item 700661, Soil and Water Districts. The latter appropriation item is supported by the Soil and Water Districts Assistance Fund (Fund 5BV0), which 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. For FY 2017, there is approximately

\$3.3 million in GRF support for SWCDs under line item 700509 and \$8.0 million in fee-based assistance under line item 700661.

The Soil and Water Division will use these 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 dollar-for-dollar match to the first \$15,000 a district receives in local funds. State funds are then distributed to SWCDs using a match percentage based on the total amount of local funds appropriated for SWCDs statewide divided by the amount of state funds available to match those local 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.

In addition, uncodified language in H.B. 64 earmarks \$350,000 in FY 2017 from GRF appropriation item 700509, Soil and Water District Support, to be used for a program to support SWCDs in the Western Lake Erie Basin to comply with provisions of S.B. 1. As mentioned previously, S.B. 1 prohibits the application of fertilizer and manure in the Western Lake Erie Basin on frozen ground, saturated soil, and during certain weather conditions.

#### **Heidelberg Water Quality Lab (700660)**

This line item, funded at \$125,000 in FY 2016 and \$250,000 in FY 2017, provides support to 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.

#### **Watershed Assistance (700653)**

This line item is used to support Ohio's watersheds and is funded by various grant moneys from several state sources. The line item is funded at \$557,500 in FY 2016 and \$515,000 in FY 2017. Specifically, this line item will support the Watershed Coordinator grant, the Electric Power Research Institute grant, and the Muskingum Water District Program. Additionally, the line item will incur any remaining encumbrances to the Healthy Lake Erie Fund (Fund 5PP0). Fund 5PP0 was supported by one time funding through unexpended funds that were appropriated to SWCDs related to the Conservation Reserve Enhancement Program. The fund was used to support activities related to nutrient reduction in Lake Erie.

### 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.

Appropriations for Commodities and Marketing				
Fund		ALI and Name	FY 2016	FY 2017
<b>General Revenue Fund</b>				
GRF	700404	Ohio Proud	\$50,000	\$50,000
<b>General Revenue Fund Subtotal</b>			<b>\$50,000</b>	<b>\$50,000</b>
<b>Dedicated Purpose Fund Group</b>				
4900	700651	License Plates – Sustainable Agriculture	\$7,000	\$7,000
4940	700612	Agricultural Commodity Marketing Program	\$213,000	\$213,000
4960	700626	Ohio Grape Industries	\$970,000	\$970,000
4970	700627	Grain Warehouse Program	\$332,672	\$332,672
4R00	700636	Ohio Proud Marketing	\$35,500	\$35,500
5CP0	700652	License Plate Scholarships	\$10,000	\$10,000
<b>Dedicated Purpose Fund Group Subtotal</b>			<b>\$1,568,172</b>	<b>\$1,568,172</b>
<b>Total Funding: Commodities and Marketing</b>			<b>\$1,618,172</b>	<b>\$1,618,172</b>

#### Ohio Proud and Ohio Proud Marketing (700404 and 700636)

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. There are approximately 475 partners in 79 counties that produce more than 3,000 different products 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. These line items fund two employees.

GRF line item 700404, Ohio Proud, pays the operating costs of the program, and constitutes 58.5% of the overall funding for the initiative. The appropriation for this line item is \$50,000 in both FY 2016 and FY 2017. Line item 700636, Ohio Proud Marketing, is funded through the initial \$100 fee paid by companies to join Ohio Proud. The amount budgeted for this line item is \$35,500 in both FY 2016 and FY 2017. The Ohio Proud Marketing Program Fund (Fund 4R00) collected \$25,000 in FY 2015.

### **Agricultural Commodity Marketing Program and Grain Warehouse Program (700612 and 700627)**

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 division provides oversight for six marketing programs: (1) apple, (2) beef, (3) corn, (4) egg, (5) small fruit and vegetable, and (6) sheep and wool. The budget appropriates \$213,000 in both FY 2016 and FY 2017 for this line item.

Line item 700627, Grain Warehouse Program, is used to pay the costs of licensing and regulating grain warehouses and handlers. Funds are used to pay for two employees and for the cost of inspecting 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. The budget appropriates \$332,672 in both FY 2016 and FY 2017.

### **Ohio Grape Industries (700626)**

This line item is used to fund 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 funding 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. Currently, there are 170 licensed wineries in Ohio, an increase of 41% since FY 2008. This line item 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). This has yielded receipts of approximately \$1.2 million in FY 2015. The appropriation for this line item is \$970,000 in both FY 2016 and FY 2017.

### **License Plates – Sustainable Agriculture and License Plate Scholarships (700651 and 700652)**

The first line item, 700651, License Plates – Sustainable Agriculture, is used to promote agriculture awareness and programs through the issuance of license plates. The budget provides \$7,000 in each fiscal year for this line item. The second line item, 700652, License Plate Scholarships, is used to help fund the Ohio Agriculture License Plate Scholarship Program, which is designed to help benefit individuals who attend an institution of higher learning located in this state and are enrolled in a program related to agriculture. This line item is appropriated \$10,000 in each fiscal year. The source of funding for both line items is license plate fee revenue collected by the Registrar of Motor Vehicles.

### Category 5: Other Agriculture Services

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

Appropriations for Other Agriculture Services				
Fund		ALI and Name	FY 2016	FY 2017
<b>General Revenue Fund</b>				
GRF	700412	Weights and Measures	\$600,000	\$600,000
<b>General Revenue Fund Subtotal</b>			<b>\$600,000</b>	<b>\$600,000</b>
<b>Dedicated Purpose Fund Group</b>				
4D20	700609	Auction Education	\$35,000	\$35,000
5780	700620	Ride Inspection	\$1,215,142	\$1,215,142
5880	700633	Brand Registration	\$5,000	\$5,000
5B80	700629	Auctioneers	\$340,000	\$340,000
5H20	700608	Metrology Lab and Scale Certification	\$552,000	\$552,000
<b>Dedicated Purpose Fund Group Subtotal</b>			<b>\$2,147,142</b>	<b>\$2,147,142</b>
<b>Total Funding: Other Agriculture Services</b>			<b>\$2,747,142</b>	<b>\$2,747,142</b>

#### Weights and Measures and Metrology Lab and Scale Certification (700412 and 700608)

These line items are used to pay the operating expenses of the Division of Weights and Measures, which consists of 11 employees. The Division oversees commercial marketplace scales, gas pumps, and supermarket check outs. It provides advice, assists, and trains county and city weights and measures staff, and enforces laws pertaining to true weights and measures. GRF line item 700412, Weights and Measures, is used to pay the operating costs of the Division, which primarily entails employee salaries. The budget appropriates \$600,000 in each fiscal year for this line item.

The second line item, 700608, Metrology Lab and Scale Certification, is funded through fees paid by private companies for calibration and measuring device certification services which are deposited into the Metrology and Scale Certification Fund (Fund 5H20). This line item provides funding to certify and ensure the accuracy of secondary weights and measures standards. The appropriation for line item 700608, Metrology Lab and Scale Certification, is \$552,000 in both FY 2016 and FY 2017. In FY 2015, Fund 5H20 receipts were \$801,742.

#### Auctioneers and Auction Education (700629 and 700609)

These 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 3,200 statewide.

The budget provides \$340,000 in both FY 2016 and FY 2017 for this licensing function. Auctioneers are required to renew their license biennially, which includes a fee of \$200 that is deposited into the Auctioneer Fund (Fund 5B80). In FY 2015, Fund 5B80 collected \$311,040 in revenue.

The funding under line item 700609, Auction Education, is used to provide continuing education to licensed auctioneers. The appropriation for this line item is \$35,000 in both FY 2016 and FY 2017. 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 were approximately \$25,000 in FY 2015.

### **Ride Inspection (700620)**

This line item is used to oversee and enforce safety requirements for the operation of amusement rides. The appropriation for this line item is \$1.2 million in both FY 2016 and FY 2017. The line item funds 11 employees, and is supported by fees for permits, inspections, reinspections, and fines for amusement ride operators. The Amusement Ride Inspection Fund (Fund 5780) collected \$1.2 million in revenue in FY 2015.

### **Brand Registration (700633)**

This line item is used to pay for the cost of recording livestock brands and keeping a central registry of brands used on livestock. Brands are used infrequently, explaining the modest amount appropriated for this purpose. The budget provides funding of \$5,000 in both FY 2016 and FY 2017 for this line item.



## Category 6: Farmland Preservation

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

<b>Appropriations for Farmland Preservation</b>				
<b>Fund</b>		<b>ALI and Name</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>General Revenue Fund</b>				
GRF	700409	Farmland Preservation	\$72,750	\$72,750
GRF	700501	County Agricultural Societies	\$391,415	\$391,415
<b>General Revenue Fund Subtotal</b>			<b>\$464,165</b>	<b>\$464,165</b>
<b>Capital Projects Fund Group</b>				
7057	700632	Clean Ohio Agricultural Easement Operating	\$310,000	\$310,000
<b>Capital Projects Fund Group Subtotal</b>			<b>\$310,000</b>	<b>\$310,000</b>
<b>Federal Fund Group</b>				
3360	700617	Ohio Farm Loan – Revolving	\$101,000	\$101,000
3AB0	700641	Agricultural Easement	\$150,000	\$150,000
<b>Federal Fund Group Subtotal</b>			<b>\$251,000</b>	<b>\$251,000</b>
<b>Total Funding: Farmland Preservation</b>			<b>\$1,025,165</b>	<b>\$1,025,165</b>

### Farmland Preservation, Agricultural Easement, and Clean Ohio Agricultural Easement Operating (700409, 700641, and 700632)

These line items fund 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. In 2013, the program was re-aligned from a state implemented easement purchase program to a state assisted, local sponsor administered easement purchase program. This shifted greater responsibility to the local level rather than add staff at the state level as the program grew. The decentralized program was designed to control administrative costs while boosting local decision making.

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. The appropriation for this line item is \$72,750 in both FY 2016 and FY 2017.

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 will start to flow directly to the landowner when the easement is purchased. The funding for this purpose is \$150,000 in each fiscal year of the FY 2016-FY 2017 biennium.

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) collects interest from the Clean Ohio Fund. In CY 2014, the Department purchased a total of 49 easements for approximately \$6.0 million through Clean Ohio Agricultural Easement funds. The appropriation for this line item is \$310,000 in both FY 2016 and FY 2017.

Since the implementation of the agricultural easement purchase program, approximately \$37.4 million in Clean Ohio funds, \$14.4 million in matching federal funds, and \$1.5 million in Tobacco Master Settlement funds have been disbursed to preserve approximately 48,516 acres of farmland through 261 easements. The agricultural donation program has preserved approximately 7,431 acres of farmland from 64 donations.

### **County Agricultural Societies (700501)**

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 is dependent upon the number of fairs seeking reimbursement, and the amount 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. The budget provides \$391,415 in both FY 2016 and FY 2017, matching FY 2015 spending for these purposes.

### **Ohio Farm Loan – Revolving (700617)**

This line item is used to issue loans or grants for projects that will generate economic activity in rural areas. Under the program, the state will guarantee 40% of the loan. The minimum loan that can be granted is \$25,000, with the maximum being generally \$200,000. The interest rate on the guaranteed portion is not to exceed 5% and the loan is not to exceed ten years. Program funds 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. Loans cannot be used for refinancing, working capital, inventory or receivables, speculative real estate development, or relocation costs. The appropriation for this line item is \$101,000 in both FY 2016 and FY 2017.

## Category 7: Agriculture 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.

Appropriations for Agriculture Administration				
Fund	ALI and Name		FY 2016	FY 2017
<b>Dedicated Purpose Fund Group</b>				
4E40	700606	Utility Radiological Safety	\$125,000	\$125,000
<i>Dedicated Purpose Fund Group Subtotal</i>			<b>\$125,000</b>	<b>\$125,000</b>
<b>Internal Service Activity Fund Group</b>				
5DA0	700644	Laboratory Administration Support	\$1,164,000	\$1,164,000
5GH0	700655	Administrative Support	\$4,404,073	\$4,404,073
<i>Internal Service Activity Fund Group Subtotal</i>			<b>\$5,568,073</b>	<b>\$5,568,073</b>
<b>Federal Fund Group</b>				
3J40	700607	Federal Administrative Programs	\$1,200,000	\$1,200,000
<i>Federal Fund Group Subtotal</i>			<b>\$1,200,000</b>	<b>\$1,200,000</b>
<b>Total Funding: Agriculture Administration</b>			<b>\$6,893,073</b>	<b>\$6,893,073</b>

### Utility Radiological Safety (700606)

This line item is used to pay 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. The appropriation for this line item, AGR's share of these expenses, is \$125,000 in both FY 2016 and FY 2017.

### Laboratory Administration Support (700644)

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 line item 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. These amounts are deposited into the Laboratory Administration Fund (Fund 5DA0). The appropriation for this line item is approximately \$1.2 million in both FY 2016 and FY 2017.

**Administrative Support (700655)**

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). The appropriation for this line item is \$4.4 million in both FY 2016 and FY 2017.

**Federal Administrative Programs (700607)**

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. Indirect cost activities include the payment of utilities 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, soil and water, and pesticide enforcement. AGR's indirect cost plan is to periodically take 20% of payroll costs and deposit them into Fund 3J40. The budget provides \$1.2 million in both FY 2016 and FY 2017 for the purposes supported by this line item.

AGR.docx/th

# FY 2016 - FY 2017 Final Appropriation Amounts

# All Fund Groups

## Line Item Detail by Agency

			FY 2014	FY 2015	Appropriation FY 2016	FY 2015 to FY 2016 % Change	Appropriation FY 2017	FY 2016 to FY 2017 % Change
<b>Report For Main Operating Appropriations Bill</b>			<b>Version: As Enacted</b>					
<b>AGR Department of Agriculture</b>								
GRF	700401	Animal Health Programs	\$ 3,926,779	\$ 3,949,411	\$ 3,686,687	-6.65%	\$ 3,686,687	0.00%
GRF	700403	Dairy Division	\$ 1,106,002	\$ 1,088,135	\$ 1,163,115	6.89%	\$ 1,163,115	0.00%
GRF	700404	Ohio Proud	\$ 49,965	\$ 49,973	\$ 50,000	0.05%	\$ 50,000	0.00%
GRF	700406	Consumer Protection Lab	\$ 1,284,779	\$ 1,290,142	\$ 1,287,556	-0.20%	\$ 1,287,556	0.00%
GRF	700407	Food Safety	\$ 848,791	\$ 848,519	\$ 1,287,556	51.74%	\$ 1,287,556	0.00%
GRF	700409	Farmland Preservation	\$ 72,532	\$ 72,392	\$ 72,750	0.49%	\$ 72,750	0.00%
GRF	700410	Plant Industry	\$0	\$0	\$ 150,000	N/A	\$ 150,000	0.00%
GRF	700412	Weights and Measures	\$ 594,856	\$ 600,549	\$ 600,000	-0.09%	\$ 600,000	0.00%
GRF	700415	Poultry Inspection	\$ 590,827	\$ 615,969	\$ 592,978	-3.73%	\$ 592,978	0.00%
GRF	700418	Livestock Regulation Program	\$ 1,063,036	\$ 1,144,579	\$ 1,108,071	-3.19%	\$ 1,108,071	0.00%
GRF	700424	Livestock Testing and Inspections	\$ 108,901	\$ 122,053	\$ 92,493	-24.22%	\$ 92,493	0.00%
GRF	700426	Dangerous and Restricted Animals	\$ 507,582	\$ 865,607	\$ 800,000	-7.58%	\$ 800,000	0.00%
GRF	700427	High Volume Breeder Kennel Control	\$ 394,658	\$ 202,595	\$ 350,000	72.76%	\$ 350,000	0.00%
GRF	700428	Soil and Water Division	\$0	\$0	\$ 1,807,700	N/A	\$ 3,619,000	100.20%
GRF	700499	Meat Inspection Program - State Share	\$ 4,225,845	\$ 4,160,170	\$ 4,425,097	6.37%	\$ 4,425,097	0.00%
GRF	700501	County Agricultural Societies	\$ 391,360	\$ 391,415	\$ 391,415	0.00%	\$ 391,415	0.00%
GRF	700509	Soil and Water District Support	\$0	\$0	\$ 0	N/A	\$ 3,250,000	N/A
<b>General Revenue Fund Total</b>			<b>\$ 15,165,913</b>	<b>\$ 15,401,511</b>	<b>\$ 17,865,418</b>	<b>16.00%</b>	<b>\$ 22,926,718</b>	<b>28.33%</b>
4900	700651	License Plates - Sustainable Agriculture	\$ 10,000	\$ 9,250	\$ 7,000	-24.32%	\$ 7,000	0.00%
4940	700612	Agricultural Commodity Marketing Program	\$ 215,399	\$ 191,033	\$ 213,000	11.50%	\$ 213,000	0.00%
4960	700626	Ohio Grape Industries	\$ 893,546	\$ 985,398	\$ 970,000	-1.56%	\$ 970,000	0.00%
4970	700627	Grain Warehouse Program	\$ 341,293	\$ 277,892	\$ 332,672	19.71%	\$ 332,672	0.00%
4980	700628	Commodity Indemnity Fund	\$0	\$ 2,913,965	\$0	N/A	\$0	N/A
4C90	700605	Commercial Feed and Seed	\$ 1,692,964	\$ 1,830,354	\$ 1,760,000	-3.84%	\$ 1,760,000	0.00%
4D20	700609	Auction Education	\$ 28,711	\$ 20,041	\$ 35,000	74.64%	\$ 35,000	0.00%

Prepared by the Legislative Service Commission

# FY 2016 - FY 2017 Final Appropriation Amounts

# All Fund Groups

## Line Item Detail by Agency

			FY 2014	FY 2015	Appropriation FY 2016	FY 2015 to FY 2016 % Change	Appropriation FY 2017	FY 2016 to FY 2017 % Change
<b>AGR Department of Agriculture</b>								
4E40	700606	Utility Radiological Safety	\$ 117,791	\$ 119,266	\$ 125,000	4.81%	\$ 125,000	0.00%
4P70	700610	Food Safety Inspection	\$ 1,019,461	\$ 1,006,120	\$ 957,328	-4.85%	\$ 957,328	0.00%
4R00	700636	Ohio Proud Marketing	\$ 24,877	\$ 43,175	\$ 35,500	-17.78%	\$ 35,500	0.00%
4R20	700637	Dairy Industry Inspection	\$ 1,613,768	\$ 1,792,474	\$ 1,658,247	-7.49%	\$ 1,658,247	0.00%
4T60	700611	Poultry and Meat Inspection	\$ 131,741	\$ 103,000	\$ 120,000	16.51%	\$ 120,000	0.00%
5780	700620	Ride Inspection	\$ 1,151,156	\$ 1,172,469	\$ 1,215,142	3.64%	\$ 1,215,142	0.00%
5880	700633	Brand Registration	\$ 581	\$ 6,112	\$ 5,000	-18.20%	\$ 5,000	0.00%
5B80	700629	Auctioneers	\$ 314,331	\$ 331,574	\$ 340,000	2.54%	\$ 340,000	0.00%
5BV0	700660	Heidelberg Water Quality Lab	\$ 0	\$ 0	\$ 125,000	N/A	\$ 250,000	100.00%
5BV0	700661	Soil and Water Districts	\$ 0	\$ 0	\$ 4,000,000	N/A	\$ 8,000,000	100.00%
5CP0	700652	License Plate Scholarships	\$ 540	\$ 0	\$ 10,000	N/A	\$ 10,000	0.00%
5FC0	700648	Plant Pest Program	\$ 2,466,794	\$ 1,241,651	\$ 1,190,000	-4.16%	\$ 1,190,000	0.00%
5H20	700608	Metrology Lab and Scale Certification	\$ 529,544	\$ 556,964	\$ 552,000	-0.89%	\$ 552,000	0.00%
5HP0	700656	Livestock Care Standards Board	\$ 51,322	\$ 0	\$ 0	N/A	\$ 0	N/A
5L80	700604	Livestock Management Program	\$ 63,204	\$ 24,148	\$ 135,000	459.06%	\$ 135,000	0.00%
5MA0	700657	Dangerous and Restricted Animals	\$ 1,186	\$ 1,921	\$ 50,000	2,502.47%	\$ 50,000	0.00%
5MR0	700658	High Volume Breeders and Kennels	\$ 160,750	\$ 146,817	\$ 174,000	18.52%	\$ 174,000	0.00%
5QW0	700653	Watershed Assistance	\$ 0	\$ 0	\$ 557,500	N/A	\$ 515,000	-7.62%
5U10	700624	Auction Recovery Fund	\$ 0	\$ 1,400	\$ 0	-100.00%	\$ 0	N/A
6520	700634	Animal, Consumer, and ATL Labs	\$ 5,288,156	\$ 5,293,181	\$ 4,966,383	-6.17%	\$ 4,966,383	0.00%
6690	700635	Pesticide, Fertilizer, and Lime Inspection Program	\$ 3,971,845	\$ 3,847,944	\$ 4,418,041	14.82%	\$ 4,418,041	0.00%
<b>Dedicated Purpose Fund Group Total</b>			<b>\$ 20,088,960</b>	<b>\$ 21,916,148</b>	<b>\$ 23,951,813</b>	<b>9.29%</b>	<b>\$ 28,034,313</b>	<b>17.04%</b>
5DA0	700644	Laboratory Administration Support	\$ 1,122,441	\$ 1,032,071	\$ 1,164,000	12.78%	\$ 1,164,000	0.00%
5GH0	700655	Administrative Support	\$ 4,283,513	\$ 4,457,218	\$ 4,404,073	-1.19%	\$ 4,404,073	0.00%
<b>Internal Service Activity Fund Group Total</b>			<b>\$ 5,405,954</b>	<b>\$ 5,489,290</b>	<b>\$ 5,568,073</b>	<b>1.44%</b>	<b>\$ 5,568,073</b>	<b>0.00%</b>
7057	700632	Clean Ohio Agricultural Easement Operating	\$ 347,474	\$ 311,917	\$ 310,000	-0.61%	\$ 310,000	0.00%

Prepared by the Legislative Service Commission

## FY 2016 - FY 2017 Final Appropriation Amounts

## All Fund Groups

### Line Item Detail by Agency

			FY 2014	FY 2015	Appropriation FY 2016	FY 2015 to FY 2016 % Change	Appropriation FY 2017	FY 2016 to FY 2017 % Change
<b>AGR Department of Agriculture</b>								
<b>Capital Projects Fund Group Total</b>			<b>\$ 347,474</b>	<b>\$ 311,917</b>	<b>\$ 310,000</b>	<b>-0.61%</b>	<b>\$ 310,000</b>	<b>0.00%</b>
3260	700618	Meat Inspection Program - Federal Share	\$ 4,443,600	\$ 4,111,492	\$ 4,450,000	8.23%	\$ 4,450,000	0.00%
3360	700617	Ohio Farm Loan - Revolving	\$ 72,903	\$ 82,039	\$ 101,000	23.11%	\$ 101,000	0.00%
3820	700601	Federal Cooperative Contracts	\$ 3,665,312	\$ 4,272,293	\$ 4,827,900	13.00%	\$ 5,131,500	6.29%
3AB0	700641	Agricultural Easement	\$ 358,327	\$ 26,827	\$ 150,000	459.14%	\$ 150,000	0.00%
3J40	700607	Federal Administrative Programs	\$ 1,088,604	\$ 1,109,897	\$ 1,200,000	8.12%	\$ 1,200,000	0.00%
3R20	700614	Federal Plant Industry	\$ 7,058,493	\$ 6,009,278	\$ 6,000,000	-0.15%	\$ 6,000,000	0.00%
<b>Federal Fund Group Total</b>			<b>\$ 16,687,240</b>	<b>\$ 15,611,827</b>	<b>\$ 16,728,900</b>	<b>7.16%</b>	<b>\$ 17,032,500</b>	<b>1.81%</b>
<b>Department of Agriculture Total</b>			<b>\$ 57,695,541</b>	<b>\$ 58,730,692</b>	<b>\$ 64,424,204</b>	<b>9.69%</b>	<b>\$ 73,871,604</b>	<b>14.66%</b>