

### Agency Budget Comparison

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Agency Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	118.42	118.42	119.40	119.40	118.42	119.40	0.98	0.82%
Personal Services	5,875,640	6,460,622	6,593,746	6,589,688	12,336,262	13,183,434	847,172	6.87%
Operating Expenses	3,092,278	3,738,378	3,484,741	3,449,791	6,830,656	6,934,532	103,876	1.52%
Equipment & Intangible Assets	375,624	287,276	681,124	376,124	662,900	1,057,248	394,348	59.49%
Grants	4,383,401	5,968,385	4,700,033	4,700,033	10,351,786	9,400,066	(951,720)	(9.19%)
Benefits & Claims	0	0	0	0	0	0	0	n/a
Transfers	326,489	280,000	340,639	340,639	606,489	681,278	74,789	12.33%
Debt Service	0	2,281	0	0	2,281	0	(2,281)	(100.00%)
<b>Total Costs</b>	<b>\$14,053,432</b>	<b>\$16,736,942</b>	<b>\$15,800,283</b>	<b>\$15,456,275</b>	<b>\$30,790,374</b>	<b>\$31,256,558</b>	<b>\$466,184</b>	<b>1.51%</b>
General Fund	880,007	1,020,580	950,916	902,568	1,900,587	1,853,484	(47,103)	(2.48%)
State Special	10,561,977	12,708,587	11,948,475	11,647,754	23,270,564	23,596,229	325,665	1.40%
Federal Special	2,111,490	2,390,235	2,328,952	2,329,665	4,501,725	4,658,617	156,892	3.49%
Other	499,958	617,540	571,940	576,288	1,117,498	1,148,228	30,730	2.75%
<b>Total Funds</b>	<b>\$14,053,432</b>	<b>\$16,736,942</b>	<b>\$15,800,283</b>	<b>\$15,456,275</b>	<b>\$30,790,374</b>	<b>\$31,256,558</b>	<b>\$466,184</b>	<b>1.51%</b>

### Agency Description

Agency Mission: The mission of the Montana Department of Agriculture is to protect producers and consumers, and to enhance and develop agriculture and allied industries.

The Department of Agriculture, required by Article XII, Section 1, of the Montana Constitution, was established to encourage and promote the interests of agricultural and allied industries in Montana. To this end, the department:

- Strengthens and diversifies the Montana agriculture industry through private-public partnerships
- Collects and publishes agricultural production and marketing statistics relating to agricultural products
- Assists, encourages, and promotes the organization of farmers institutes, agricultural societies, fairs, and other exhibitions of agriculture
- Adopts standards for grade and other classifications of farm products
- Coordinates the planning and maintenance of economical and efficient marketing distribution systems
- Gathers and distributes marketing information concerning supply, demand, price, and movement of farm products
- Regulates production and marketing of food and fiber products
- Registers pesticides and fertilizers and enforces laws pertaining to them

## Agency Highlights

<b>Department of Agriculture Major Budget Highlights</b>	
<ul style="list-style-type: none"> <li>◆ The budget increases by almost \$0.5 million over the previous biennium. Major items contributing to this increase include:               <ul style="list-style-type: none"> <li>• Base budget adjustments of \$623,000 in state special authority and \$517,000 in federal funds across all three divisions</li> <li>• \$280,00 of state special revenue for a web-based agricultural product registration system</li> <li>• The addition of 0.60 FTE for a part-time recycling truck driver funded with \$45,000 of federal funds</li> </ul> </li> <li>◆ A number of factors offset these increases, including:               <ul style="list-style-type: none"> <li>• 5% plan reductions totaling \$84,652 of general fund and \$41,234 of state special revenue that eliminated 0.62 FTE</li> <li>• A reduction in funding for grants of over \$950,000</li> </ul> </li> </ul>	

## Summary of Legislative Action

The legislature approved a biennial budget of \$31.3 million. The budget includes \$1.5 million in statewide present law adjustments, \$1.3 million in additional present law adjustments, and \$0.3 million in new proposals. The budget is funded with 6.2% general fund.

Major budget items include:

- \$280,000 state special revenue for a web-based agricultural product registration system
- Grant reductions of almost \$1.0 million

The 5% reduction plan impacted the agency by reducing the budget by over \$125,000, in addition to eliminating 0.62 FTE, which was offset by the addition of 0.60 FTE funded by federal funding for the pesticide recycling program. State special revenue authority was provided for equipment purchase and development of a web-based agricultural product registration system as one-time-only appropriations, and the apiary program was provided an increase of over \$70,000 state special authority for the biennium.

Due to lower than normal expenditures in the base year, the legislature funded base budget adjustments in each of the three program areas, which provided funding for a 30.5% increase in travel expenses and a 17.8% increase in supplies, along with a variety of other operating expenses. These adjustments increase the budget by \$1.3 million for the biennium.

## Agency Discussion

### *Aquatic Invasive Species*

Funding for activities designed to prevent or control aquatic invasive species infestation in Montana was provided to three agencies in the 2013 biennium. The Department of Agriculture received \$558,000 in HB 621 to maintain a list of species subject to control, establish inspection and control measures, carry out public education campaigns, manage restoration of infested areas, enforce quarantine regulations, and develop a Memorandum of Understanding (MOU) for coordination with the Departments of Fish, Wildlife and Parks; and Natural Resources and Conservation to carry out these activities. The figure herein shows total funding for

Aquatic Invasive Species Funding 2012-2013 biennium				
	HB 2	HB 7	HB 621	TOTAL
Agriculture	\$ -	\$ -	\$ 558,000	558,000
FWP	450,000	-	150,000	600,000
DNRC	-	400,000	190,000	590,000
<b>TOTAL</b>	<u>\$ 450,000</u>	<u>\$ 400,000</u>	<u>\$ 898,000</u>	<u>\$ 1,748,000</u>

aquatic invasive species. For a further discussion of the Department of Fish, Wildlife and Parks and the Department of Natural Resources and Conservation, please see those narratives in this section of the LFD 2013 Biennium Fiscal Report.

Department of Natural Resources and Conservation Coal Tax Shared State Special Revenue				
	FY 2010	FY 2011	FY 2012	FY 2013
Beginning Balance	\$1,333,774	\$1,142,275	\$1,070,659	\$872,897
<b>Expenditures</b>				
Montana State Library	629,975	630,007	509,800	509,800
Natural Resources & Conservation	1,635,089	1,686,398	2,179,284	2,175,817
Agriculture	<u>338,523</u>	<u>588,211</u>	<u>366,678</u>	<u>366,631</u>
Total Expenditures	2,603,587	2,904,616	3,055,762	3,052,248
Revenues	\$2,412,088	\$2,833,000	\$2,858,000	\$2,906,000
Ending Fund Balance	<u>\$1,142,275</u>	<u>\$1,070,659</u>	<u>\$872,897</u>	<u>\$726,649</u>

**Coal Severance Tax Shared Account**

The legislature appropriates funds from the coal severance tax shared account for the Department of Agriculture’s Growth through Agriculture program, the Department of Natural Resources and Conservation, and general support of the Montana State Library. This table summarizes the appropriations made from the fund. Statute requires that any unencumbered FY 2013 ending fund balance be transferred to general fund. For the 2015 biennial budget, this fund will have a beginning fund balance of zero.

**Funding**

The following table summarizes funding for the agency, by program and source, as adopted by the legislature.

Total Agency Funding 2013 Biennium Budget						
Agency Program	General Fund	State Spec.	Fed Spec.	Proprietary	Grand Total	Total %
15 Centralized Services Division	\$ 245,202	\$ 1,590,014	\$ 253,550	\$ 251,816	\$ 2,340,582	7.49%
30 Agricultural Sciences Division	593,017	13,748,580	4,388,349	-	18,729,946	59.92%
50 Agricultural Development Division	<u>1,015,265</u>	<u>8,257,635</u>	<u>16,718</u>	<u>896,412</u>	<u>10,186,030</u>	<u>32.59%</u>
Grand Total	<u>\$ 1,853,484</u>	<u>\$ 23,596,229</u>	<u>\$ 4,658,617</u>	<u>\$ 1,148,228</u>	<u>\$ 31,256,558</u>	<u>100.00%</u>

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	880,007	880,007	1,760,014	94.96%	14,053,432	14,053,432	28,106,864	89.92%
Statewide PL Adjustments	102,465	54,118	156,583	8.45%	755,283	716,320	1,471,603	4.71%
Other PL Adjustments	12,000	12,000	24,000	1.29%	682,450	657,450	1,339,900	4.29%
New Proposals	(43,556)	(43,557)	(87,113)	(4.70%)	309,118	29,073	338,191	1.08%
<b>Total Budget</b>	<b>\$950,916</b>	<b>\$902,568</b>	<b>\$1,853,484</b>		<b>\$15,800,283</b>	<b>\$15,456,275</b>	<b>\$31,256,558</b>	

**Other Legislation**

**HB 611** - This bill transfers and appropriates \$195,000 each year from the research and commercialization program on an ongoing basis for the food and agricultural development centers .

**HB 621** – This bill revises the Aquatic Nuisance Species act, and provides \$558,000 to the department for the biennium to maintain a list of species subject to control, establish inspection and control measures, carry out public education campaigns, manage restoration of infested areas, enforce quarantine regulations, and develop a Memorandum of Understanding (MOU) for coordination with the Departments of Fish, Wildlife and Parks; and Natural Resources and Conservation.

**SB 126** – This bill revises the licensing requirements and the fees that can be charged for nurseries, plant dealers, and small plant vendors. The legislature added \$169,506 of state special revenue to implement the bill.

### Executive Budget Comparison

The following table compares the legislative budget in the 2013 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2010	Executive Budget Fiscal 2012	Legislative Budget Fiscal 2012	Leg - Exec. Difference Fiscal 2012	Executive Budget Fiscal 2013	Legislative Budget Fiscal 2013	Leg - Exec. Difference Fiscal 2013	Biennium Difference Fiscal 12-13
FTE	118.42	120.40	119.40	(1.00)	120.40	119.40	(1.00)	
Personal Services	5,875,640	6,638,982	6,593,746	(45,236)	6,634,816	6,589,688	(45,128)	(90,364)
Operating Expenses	3,092,278	3,678,299	3,484,741	(193,558)	3,643,452	3,449,791	(193,661)	(387,219)
Equipment & Intangible Assets	375,624	1,033,124	681,124	(352,000)	378,124	376,124	(2,000)	(354,000)
Grants	4,383,401	4,724,401	4,700,033	(24,368)	4,724,401	4,700,033	(24,368)	(48,736)
Benefits & Claims	0	0	0	0	0	0	0	0
Transfers	326,489	410,639	340,639	(70,000)	410,639	340,639	(70,000)	(140,000)
Debt Service	0	0	0	0	0	0	0	0
<b>Total Costs</b>	<b>\$14,053,432</b>	<b>\$16,485,445</b>	<b>\$15,800,283</b>	<b>(\$685,162)</b>	<b>\$15,791,432</b>	<b>\$15,456,275</b>	<b>(\$335,157)</b>	<b>(\$1,020,319)</b>
General Fund	880,007	1,336,381	950,916	(385,465)	1,288,028	902,568	(385,460)	(770,925)
State/Other Special	10,561,977	12,248,172	11,948,475	(299,697)	11,597,451	11,647,754	50,303	(249,394)
Federal Special	2,111,490	2,328,952	2,328,952	0	2,329,665	2,329,665	0	0
Proprietary	499,958	571,940	571,940	0	576,288	576,288	0	0
<b>Total Funds</b>	<b>\$14,053,432</b>	<b>\$16,485,445</b>	<b>\$15,800,283</b>	<b>(\$685,162)</b>	<b>\$15,791,432</b>	<b>\$15,456,275</b>	<b>(\$335,157)</b>	<b>(\$1,020,319)</b>

The legislatively approved budget has about \$0.7 million less general fund compared to the executive budget. Across fund types, the budget is lower by over \$1.0 million. The largest part is due to not approving \$667,000 for funding related to the Aquatic Invasive Species act, which was requested as a one-time-only appropriation. Instead, \$558,000 was provided in HB 621 as discussed earlier. In addition, the legislature did not approve a \$72,400 request to increase the base budget for operations in the Ag Development Division. Other differences include:

- o 5% plan reductions exceeded the executive proposal by \$29,000 general fund and \$41,000 state special revenue
- o \$350,000 of state special revenue authority for laboratory equipment purchase was not approved
- o \$72,000 of general fund requested for increasing the base budget for travel was not approved
- o A \$27,000 reduction was made from the coal tax shared fund requested amount

### Language and Statutory Authority

The legislature included the following language in HB 2.

"Central Management Division includes a reduction in general fund money of \$1,233 in FY 2012 and \$1,228 in FY 2013. The agency may allocate this reduction in funding among programs when developing 2013 biennium operating plans."

### Program Budget Comparison

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	14.87	14.87	14.87	14.87	14.87	14.87	0.00	0.00%
Personal Services	977,749	982,589	986,230	986,809	1,960,338	1,973,039	12,701	0.65%
Operating Expenses	184,301	204,104	205,240	162,303	388,405	367,543	(20,862)	(5.37%)
<b>Total Costs</b>	<b>\$1,162,050</b>	<b>\$1,186,693</b>	<b>\$1,191,470</b>	<b>\$1,149,112</b>	<b>\$2,348,743</b>	<b>\$2,340,582</b>	<b>(\$8,161)</b>	<b>(0.35%)</b>
General Fund	125,228	130,061	146,413	98,789	255,289	245,202	(10,087)	(3.95%)
State Special	747,596	764,959	794,994	795,020	1,512,555	1,590,014	77,459	5.12%
Federal Special	146,259	147,439	126,775	126,775	293,698	253,550	(40,148)	(13.67%)
Other	142,967	144,234	123,288	128,528	287,201	251,816	(35,385)	(12.32%)
<b>Total Funds</b>	<b>\$1,162,050</b>	<b>\$1,186,693</b>	<b>\$1,191,470</b>	<b>\$1,149,112</b>	<b>\$2,348,743</b>	<b>\$2,340,582</b>	<b>(\$8,161)</b>	<b>(0.35%)</b>

### Program Description

The Central Services Division (CSD) performs technical, fiscal, and administrative support functions for the department's internal operations and related programs. Responsibilities include accounting, budgeting, payroll, human resources, purchasing, property control, data processing, systems analysis and computer programming, equal opportunity administration, public information, and legal support to all programs within the department. Included in this division is the Director's Office, which provides overall policy development for the department.

### Program Highlights

<b>Central Services Division Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ The budget decreases by 0.4% from the previous biennium, primarily due to a reduced allocation from the coal tax shared account</li> </ul>

### Program Narrative

The legislature approved a biennial budget of \$2.3 million for the CSD. This is a slight decrease of less than 0.4% from the 2011 biennium. An increase was approved to adjust the base budget for supplies and travel, which was offset by a reduced allocation from the coal shared account and a general fund reduction in anticipation of workers' compensation costs savings.

### Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as adopted by the legislature.

Program Funding Table						
Centralized Services Division						
Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
01000 Total General Fund	\$ 125,228	10.8%	\$ 146,413	12.3%	\$ 98,789	8.6%
01100 General Fund	125,228	10.8%	146,413	12.3%	98,789	8.6%
02000 Total State Special Funds	747,596	64.3%	794,994	66.7%	795,020	69.2%
02040 Wheat & Barley Research & Mktg	82,811	7.1%	96,289	8.1%	96,289	8.4%
02068 Noxious Weed Admin Account	104,030	9.0%	106,391	8.9%	106,391	9.3%
02071 Anhydrous Ammonia Account	4,565	0.4%	4,182	0.4%	4,182	0.4%
02192 Pesticide Groundwater Account	148,813	12.8%	146,506	12.3%	146,506	12.7%
02193 Pesticide Account	121,782	10.5%	127,761	10.7%	127,761	11.1%
02198 Fert. Groundwater Account	4,404	0.4%	5,000	0.4%	5,000	0.4%
02264 Organic Certification	15,017	1.3%	18,406	1.5%	18,432	1.6%
02265 Fsi Produce	23,423	2.0%	41,680	3.5%	41,680	3.6%
02266 Commodity Dealer/Warehouse	8,327	0.7%	9,207	0.8%	9,207	0.8%
02267 Nursery Account	17,679	1.5%	20,069	1.7%	20,069	1.7%
02268 Produce Account	39,432	3.4%	48,090	4.0%	48,090	4.2%
02269 Seed Account	11,118	1.0%	11,834	1.0%	11,834	1.0%
02340 Coal Sev. Tax Shared Ssr	12,822	1.1%	-	-	-	-
02452 Commercial Fertilizer	34,812	3.0%	42,403	3.6%	42,403	3.7%
02453 Grain Services	58,459	5.0%	63,400	5.3%	63,400	5.5%
02454 Commercial Feed	54,530	4.7%	47,603	4.0%	47,603	4.1%
02792 Apiary Account	5,572	0.5%	6,173	0.5%	6,173	0.5%
03000 Total Federal Special Funds	146,259	12.6%	126,775	10.6%	126,775	11.0%
03120 Agriculture Cmd Federal	146,259	12.6%	126,775	10.6%	126,775	11.0%
06000 Total Proprietary Funds	142,967	12.3%	123,288	10.3%	128,528	11.2%
06052 Hail Insurance	142,967	12.3%	123,288	10.3%	128,528	11.2%
Grand Total	<u>\$ 1,162,050</u>	<u>100.0%</u>	<u>\$ 1,191,470</u>	<u>100.0%</u>	<u>\$ 1,149,112</u>	<u>100.0%</u>

CSD is funded from derived calculations based on the expenditures of the two line divisions of the agency and their funding sources. A portion of the funding is an indirect cost reimbursement from federal grants administered by the agency. The division also uses an administrative assessment charged to the general fund, state special, and proprietary revenue accounts used by the divisions that are supported by CSD activities. General fund is used to account for any difference between the assessed amount and the budgeted expenditures for the CSD and for costs associated with the legislative audit.

### Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	125,228	125,228	250,456	102.14%	1,162,050	1,162,050	2,324,100	99.30%
Statewide PL Adjustments	22,418	(25,211)	(2,793)	(1.14%)	16,486	(25,877)	(9,391)	(0.40%)
Other PL Adjustments	0	0	0	0.00%	28,000	28,000	56,000	2.39%
New Proposals	(1,233)	(1,228)	(2,461)	(1.00%)	(15,066)	(15,061)	(30,127)	(1.29%)
<b>Total Budget</b>	<b>\$146,413</b>	<b>\$98,789</b>	<b>\$245,202</b>		<b>\$1,191,470</b>	<b>\$1,149,112</b>	<b>\$2,340,582</b>	

### Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget adopted by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Present Law Adjustments										
Personal Services					50,859					51,455
Vacancy Savings					(41,145)					(41,167)
Inflation/Deflation					24					42
Fixed Costs					6,748					(36,207)
<b>Total Statewide Present Law Adjustments</b>		<b>\$22,418</b>	<b>\$61,231</b>	<b>(\$47,484)</b>	<b>\$16,486*</b>		<b>(\$25,211)</b>	<b>\$61,257</b>	<b>(\$47,484)</b>	<b>(\$25,877)*</b>
DP 151 - Program 15 Base Budget Adjustments	0.00	0	0	28,000	28,000	0.00	0	0	28,000	28,000
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$28,000</b>	<b>\$28,000</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$28,000</b>	<b>\$28,000</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$22,418</b>	<b>\$61,231</b>	<b>(\$19,484)</b>	<b>\$44,486*</b>	<b>0.00</b>	<b>(\$25,211)</b>	<b>\$61,257</b>	<b>(\$19,484)</b>	<b>\$2,123*</b>

\* "Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 151 - Program 15 Base Budget Adjustments - The legislature approved authority for federal funds for additional supplies and travel as an adjustment to the base budget.

### New Proposals

Program	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 7501 - Reduction in SSR - Change in Revenue Allocation										
15	0.00	0	(13,833)	0	(13,833)	0.00	0	(13,833)	0	(13,833)
DP 97100 - Reduction in Worker's Compensation Costs										
15	0.00	(1,233)	0	0	(1,233)	0.00	(1,228)	0	0	(1,228)
<b>Total</b>	<b>0.00</b>	<b>(\$1,233)</b>	<b>(\$13,833)</b>	<b>\$0</b>	<b>(\$15,066)</b>	<b>0.00</b>	<b>(\$1,228)</b>	<b>(\$13,833)</b>	<b>\$0</b>	<b>(\$15,061)</b>

DP 7501 - Reduction in SSR - Change in Revenue Allocation - The legislature approved a reduction in expenditures from the coal tax shared fund used to support the division.

DP 97100 - Reduction in Worker's Compensation Costs - The legislature reduced general fund support for worker's compensation costs based upon the anticipated impact of HB 334. The agency may allocate this reduction in funding among programs.

### Program Budget Comparison

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	64.18	64.18	65.78	65.78	64.18	65.78	1.60	2.49%
Personal Services	3,466,481	3,682,047	3,817,227	3,816,457	7,148,528	7,633,684	485,156	6.79%
Operating Expenses	1,541,910	1,529,808	1,825,843	1,831,475	3,071,718	3,657,318	585,600	19.06%
Equipment & Intangible Assets	360,624	217,276	666,124	361,124	577,900	1,027,248	449,348	77.76%
Grants	2,930,006	3,735,632	3,130,006	3,130,006	6,665,638	6,260,012	(405,626)	(6.09%)
Transfers	61,692	80,000	75,842	75,842	141,692	151,684	9,992	7.05%
Debt Service	0	2,281	0	0	2,281	0	(2,281)	(100.00%)
<b>Total Costs</b>	<b>\$8,360,713</b>	<b>\$9,247,044</b>	<b>\$9,515,042</b>	<b>\$9,214,904</b>	<b>\$17,607,757</b>	<b>\$18,729,946</b>	<b>\$1,122,189</b>	<b>6.37%</b>
General Fund	289,370	309,536	296,527	296,490	598,906	593,017	(5,889)	(0.98%)
State Special	6,114,471	6,734,971	7,024,697	6,723,883	12,849,442	13,748,580	899,138	7.00%
Federal Special	1,956,872	2,202,537	2,193,818	2,194,531	4,159,409	4,388,349	228,940	5.50%
Other	0	0	0	0	0	0	0	n/a
<b>Total Funds</b>	<b>\$8,360,713</b>	<b>\$9,247,044</b>	<b>\$9,515,042</b>	<b>\$9,214,904</b>	<b>\$17,607,757</b>	<b>\$18,729,946</b>	<b>\$1,122,189</b>	<b>6.37%</b>

### Program Description

The Agricultural Sciences Division (ASD) administers, manages, coordinates, and evaluates the following major activities and programs:

- o Pesticide management
- o Pest management
- o Analytical laboratory services
- o Noxious weed management
- o Agricultural chemical groundwater program
- o Seed, feed, and fertilizer program
- o Organic certification
- o Nursery program
- o Apiary program
- o Commodity programs
- o Invasive species

Duties also include administering agricultural programs related to the production, manufacturing, and marketing of commodities exported from or distributed in the state. The division provides support to the Montana Noxious Weed Management Advisory Council, Noxious Weed Seed Free Forage Advisory Council, Montana Noxious Weed Summit Advisory Council, Montana Organic Commodity Advisory Council, and the Montana Mint Committee.

## Program Highlights

<b>Agricultural Sciences Division</b> <b>Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ The budget increases by \$1.1 million, or 6.4% from the prior biennium due generally to:               <ul style="list-style-type: none"> <li>• Present law adjustments related primarily to personal services</li> <li>• Increased operating expenditures for base budget adjustments</li> <li>• Increased funding for lab equipment</li> <li>• A web-based licensing system</li> <li>• A recycling program funded with federal funds that provides 0.60 FTE</li> </ul> </li> <li>◆ Partially offsetting these increases were decreases including:               <ul style="list-style-type: none"> <li>• Removal of aquatic nuisance species funding in HB 2, with funding provided through HB 621</li> <li>• A reduction to operating expenses of less than \$12,000</li> </ul> </li> </ul>

## Program Narrative

The legislature approved a biennial budget of \$18.7 million for the Agricultural Sciences Division. This is an increase of 6.4% from the 2011 biennium. In addition to a statewide present law adjustment of \$0.6 million, a base adjustment increased travel and supplies expenses by \$0.8 million.

The largest new initiative increasing the budget was a \$0.3 million appropriation to allow the department to spend state special revenue on the continued upgrading of a web-based licensing and registration system for agricultural products.

## Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as adopted by the legislature.

Program Funding Table							
Agricultural Sciences Division							
Program Funding		Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
01000	Total General Fund	\$ 289,370	3.5%	\$ 296,527	3.1%	\$ 296,490	3.2%
	01100 General Fund	289,370	3.5%	296,527	3.1%	296,490	3.2%
02000	Total State Special Funds	6,114,471	73.1%	7,024,697	73.8%	6,723,883	73.0%
	02037 Mint Committee	2,500	0.0%	15,000	0.2%	15,000	0.2%
	02068 Noxious Weed Admin Account	2,588,129	31.0%	2,585,873	27.2%	2,587,345	28.1%
	02071 Anhydrous Ammonia Account	28,748	0.3%	30,624	0.3%	30,442	0.3%
	02072 Manuals & Training Account	34,976	0.4%	35,229	0.4%	35,229	0.4%
	02093 Alfalfa Leaf Cutting Bee	1,099	0.0%	1,322	0.0%	1,317	0.0%
	02192 Pesticide Groundwater Account	880,838	10.5%	1,093,668	11.5%	953,720	10.3%
	02193 Pesticide Account	1,008,323	12.1%	1,241,961	13.1%	1,102,016	12.0%
	02198 Fert. Groundwater Account	17,541	0.2%	17,686	0.2%	17,610	0.2%
	02264 Organic Certification	193,912	2.3%	212,490	2.2%	212,365	2.3%
	02265 Fsi Produce	199,377	2.4%	279,063	2.9%	278,893	3.0%
	02266 Commodity Dealer/Warehouse	65,559	0.8%	73,672	0.8%	73,292	0.8%
	02267 Nursery Account	135,923	1.6%	259,734	2.7%	261,110	2.8%
	02268 Produce Account	281,151	3.4%	302,804	3.2%	302,874	3.3%
	02269 Seed Account	53,080	0.6%	73,471	0.8%	73,113	0.8%
	02341 Weed Seed Free Forage Account	24,927	0.3%	28,349	0.3%	28,362	0.3%
	02452 Commercial Fertilizer	251,052	3.0%	328,424	3.5%	317,375	3.4%
	02454 Commercial Feed	305,653	3.7%	366,294	3.8%	355,001	3.9%
	02792 Apiary Account	41,683	0.5%	79,033	0.8%	78,819	0.9%
03000	Total Federal Special Funds	1,956,872	23.4%	2,193,818	23.1%	2,194,531	23.8%
	03118 Agriculture Asd Federal	1,956,872	23.4%	2,193,818	23.1%	2,194,531	23.8%
06000	Total Proprietary Funds	-	-	-	-	-	-
	06011 Alfalfa Leaf Cutting Bee	-	-	-	-	-	-
<b>Grand Total</b>		<b>\$ 8,360,713</b>	<b>100.0%</b>	<b>\$ 9,515,042</b>	<b>100.0%</b>	<b>\$ 9,214,904</b>	<b>100.0%</b>

The Agricultural Sciences Division is funded with general fund, state special revenue, and federal special revenue. State special revenue is the prominent funding source, the largest of which is the noxious weed administrations account, which provides grants throughout the state for monitoring and control of noxious weeds. Two other significant state special funds are the pesticide groundwater account and pesticide account, which serve to license and control pesticide application, and monitor the presence and concentration of pesticides.

### Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	289,370	289,370	578,740	97.59%	8,360,713	8,360,713	16,721,426	89.28%
Statewide PL Adjustments	(649)	(686)	(1,335)	(0.23%)	321,448	326,354	647,802	3.46%
Other PL Adjustments	12,000	12,000	24,000	4.05%	451,700	426,700	878,400	4.69%
New Proposals	(4,194)	(4,194)	(8,388)	(1.41%)	381,181	101,137	482,318	2.58%
<b>Total Budget</b>	<b>\$296,527</b>	<b>\$296,490</b>	<b>\$593,017</b>		<b>\$9,515,042</b>	<b>\$9,214,904</b>	<b>\$18,729,946</b>	

### Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget adopted by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	Fiscal 2012					Fiscal 2013				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					419,088					418,525
Vacancy Savings					(155,302)					(155,278)
Inflation/Deflation					6,421					8,423
Fixed Costs					51,241					54,684
<b>Total Statewide Present Law Adjustments</b>		<b>(\$649)</b>	<b>\$338,022</b>	<b>(\$15,925)</b>	<b>\$321,448</b>		<b>(\$686)</b>	<b>\$342,208</b>	<b>(\$15,168)</b>	<b>\$326,354</b>
DP 3001 - Program 30 Base Budget Adjustments	0.00	12,000	148,775	230,500	391,275	0.00	12,000	148,775	230,500	391,275
DP 3002 - Analytical Lab Equipment (Bien - OTO)	0.00	0	25,000	0	25,000	0.00	0	0	0	0
DP 3009 - Apiary Program Increase	0.00	0	35,425	0	35,425	0.00	0	35,425	0	35,425
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$12,000</b>	<b>\$209,200</b>	<b>\$230,500</b>	<b>\$451,700</b>	<b>0.00</b>	<b>\$12,000</b>	<b>\$184,200</b>	<b>\$230,500</b>	<b>\$426,700</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$11,351</b>	<b>\$547,222</b>	<b>\$214,575</b>	<b>\$773,148</b>	<b>0.00</b>	<b>\$11,314</b>	<b>\$526,408</b>	<b>\$215,332</b>	<b>\$753,054</b>

DP 3001 - Program 30 Base Budget Adjustments - The legislature approved an increase in operations and equipment authority, primarily for increased travel and supplies.

DP 3002 - Analytical Lab Equipment (Bien - OTO) - The legislature approved \$25,000 for replacement of a LECO FP-528 nitrogen combustion instrument, designating this funding as one-time-only.

DP 3009 - Apiary Program Increase - The legislature approved a request for an increase in state special revenue funding to support efforts to prevent the spread of pests and contagious and infectious disease among bees and apiaries.

### New Proposals

New Proposals	Fiscal 2012					Fiscal 2013					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 3006 - Web AG Product Registration System (Bien - OTO)	30	0.00	0	280,000	0	280,000	0.00	0	0	0	0
DP 3007 - Pesticide Recycling Truck Driver	30	0.60	0	0	22,371	22,371	0.60	0	0	22,327	22,327
DP 3010 - SB 126 - Agriculture Inspections	30	1.00	0	84,753	0	84,753	1.00	0	84,753	0	84,753
DP 95131 - 5% Plan - Operating Expense Reduction	30	0.00	(4,194)	(1,749)	0	(5,943)	0.00	(4,194)	(1,749)	0	(5,943)
<b>Total</b>	<b>1.60</b>	<b>(\$4,194)</b>	<b>\$363,004</b>	<b>\$22,371</b>	<b>\$381,181</b>	<b>1.60</b>	<b>(\$4,194)</b>	<b>\$83,004</b>	<b>\$22,327</b>	<b>\$101,137</b>	

DP 3006 - Web AG Product Registration System (Bien - OTO) - The legislature approved funding to continue upgrading an existing licensing and registration system to allow web based product and apiary registrations.

DP 3007 - Pesticide Recycling Truck Driver - The legislature approved federal funding authority for 0.6 FTE to hire a pesticide recycling truck driver.

DP 3010 - SB 126 - Agriculture Inspections - The legislature approved funding for the implementation of SB 126, revising fees, licensing, and inspection of plant nurseries and vendors.

DP 95131 - 5% Plan - Operating Expense Reduction - The legislature approved a 5% reduction plan for the Agriculture Sciences Division to include operating expenditure reductions from the general fund and from the state special revenue account for manuals and training totaling \$11,886 over the biennium. The agency included this reduction in the statutorily required plan to reduce base expenditures of general fund and certain state special revenue funds by 5%.

### Program Budget Comparison

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	39.37	39.37	38.75	38.75	39.37	38.75	(0.62)	(1.57%)
Personal Services	1,431,410	1,795,986	1,790,289	1,786,422	3,227,396	3,576,711	349,315	10.82%
Operating Expenses	1,366,067	2,004,466	1,453,658	1,456,013	3,370,533	2,909,671	(460,862)	(13.67%)
Equipment & Intangible Assets	15,000	70,000	15,000	15,000	85,000	30,000	(55,000)	(64.71%)
Grants	1,453,395	2,232,753	1,570,027	1,570,027	3,686,148	3,140,054	(546,094)	(14.81%)
Benefits & Claims	0	0	0	0	0	0	0	n/a
Transfers	264,797	200,000	264,797	264,797	464,797	529,594	64,797	13.94%
<b>Total Costs</b>	<b>\$4,530,669</b>	<b>\$6,303,205</b>	<b>\$5,093,771</b>	<b>\$5,092,259</b>	<b>\$10,833,874</b>	<b>\$10,186,030</b>	<b>(\$647,844)</b>	<b>(5.98%)</b>
General Fund	465,409	580,983	507,976	507,289	1,046,392	1,015,265	(31,127)	(2.97%)
State Special	3,699,910	5,208,657	4,128,784	4,128,851	8,908,567	8,257,635	(650,932)	(7.31%)
Federal Special	8,359	40,259	8,359	8,359	48,618	16,718	(31,900)	(65.61%)
Other	356,991	473,306	448,652	447,760	830,297	896,412	66,115	7.96%
<b>Total Funds</b>	<b>\$4,530,669</b>	<b>\$6,303,205</b>	<b>\$5,093,771</b>	<b>\$5,092,259</b>	<b>\$10,833,874</b>	<b>\$10,186,030</b>	<b>(\$647,844)</b>	<b>(5.98%)</b>

### Program Description

The Agricultural Development Division (ADD) administers programs to promote Montana agriculture. The division is comprised of the following bureaus:

- o Rural Development
- o Wheat and Barley
- o Agriculture Marketing & Business Development
- o The State Grain Laboratory

The program has four councils:

- o The Montana Agriculture Development Council, which is allocated to the Department of Agriculture for administrative purposes, is composed of seven members appointed by the Governor for 3 year terms and oversees the Montana Growth through Agriculture Program
- o The Weed Advisory Councils:
  - Noxious Weed Management Advisory Council, comprised of eleven members appointed by the director of the department
  - Noxious Weed Summit Advisory Council
  - Noxious Weed Seed Free Forage Advisory Council, comprised of twelve members appointed by the director of the department

There are seven agricultural industry committees that are administratively attached to the Department of Agriculture and supported by the Agricultural Development Division. These committees are comprised primarily of producers of their given commodities who provide direction for the development, research, and marketing of their products and industries.

These committees are:

- o The Alfalfa Seed Committee
- o The Mint Committee
- o The Montana Wheat and Barley Committee
- o The Cherry Advisory Committee
- o The Organic Advisory Committee
- o The Potato Advisory Committee
- o The Pulse Crop Advisory Committee

The division houses two proprietary programs:

- o The Hail Insurance Program, managed by the Hail Insurance Board, providing low-cost hail insurance coverage for crops grown in Montana
- o The Farm and Ranch Loan Program, a federally supported program to assist beginning farmers and ranchers in the state to acquire agricultural land

The division also provides administrative support and shares an employee with the Ag in Montana Schools program.

### Program Highlights

<b>Agricultural Development Division Major Budget Highlights</b>	
◆	The budget decreases by 6.0% from the previous biennium resulting primarily from two factors: <ul style="list-style-type: none"> <li>• Budgeted grants for the upcoming biennium are over \$500,000 less than budgeted grants for the previous biennium</li> <li>• A reduction in personal services and operating expenses totaling \$0.1 million</li> </ul>
◆	These reductions are partially offset by statewide present law adjustments and a base budget increase for operating expenses totaling \$1.2 million

### Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as adopted by the legislature.

Program Funding Table						
Agricultural Development Division						
Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
01000 Total General Fund	\$ 465,409	10.3%	\$ 507,976	10.0%	\$ 507,289	10.0%
01100 General Fund	465,409	10.3%	507,976	10.0%	507,289	10.0%
02000 Total State Special Funds	3,699,910	81.7%	4,128,784	81.1%	4,128,851	81.1%
02040 Wheat & Barley Research & Mktg	2,818,060	62.2%	2,961,660	58.1%	2,962,545	58.2%
02066 Agriculture In Mt Schools Act.	10,001	0.2%	9,501	0.2%	9,501	0.2%
02268 Produce Account	511	0.0%	511	0.0%	511	0.0%
02340 Coal Sev. Tax Shared Ssr	384,330	8.5%	366,678	7.2%	366,631	7.2%
02453 Grain Services	463,257	10.2%	743,955	14.6%	743,184	14.6%
02461 Alfalfa Seed Assessment	23,751	0.5%	38,729	0.8%	38,729	0.8%
02582 Certified Natural Beef	-	-	7,750	0.2%	7,750	0.2%
03000 Total Federal Special Funds	8,359	0.2%	8,359	0.2%	8,359	0.2%
03225 Agriculture Add Federal	8,359	0.2%	8,359	0.2%	8,359	0.2%
06000 Total Proprietary Funds	356,991	7.9%	448,652	8.8%	447,760	8.8%
06052 Hail Insurance	356,991	7.9%	448,652	8.8%	447,760	8.8%
Grand Total	<u>\$ 4,530,669</u>	<u>100.0%</u>	<u>\$ 5,093,771</u>	<u>100.0%</u>	<u>\$ 5,092,259</u>	<u>100.0%</u>

The funding for the Agricultural Development Division is predominately state special revenue funds. Major sources include the wheat and barley research and marketing fund, which is funded through a check-off fee on grain growers, and is used for research and market development; the grain services fund that provides federal grading and quality testing for Montana crops; and the coal tax shared account used to provide financial assistance to value-added agricultural business endeavors. General fund supports division administration, agricultural marketing, agricultural statistics functions, and the state grain lab. Federal special revenue is from federal grants used to develop agriculture markets, marketing projects, and related operating costs.

### Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	465,409	465,409	930,818	91.68%	4,530,669	4,530,669	9,061,338	88.96%
Statewide PL Adjustments	80,696	80,015	160,711	15.83%	417,349	415,843	833,192	8.18%
Other PL Adjustments	0	0	0	0.00%	202,750	202,750	405,500	3.98%
New Proposals	(38,129)	(38,135)	(76,264)	(7.51%)	(56,997)	(57,003)	(114,000)	(1.12%)
<b>Total Budget</b>	<b>\$507,976</b>	<b>\$507,289</b>	<b>\$1,015,265</b>		<b>\$5,093,771</b>	<b>\$5,092,259</b>	<b>\$10,186,030</b>	

### Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget adopted by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					462,015					457,991
Vacancy Savings					(75,345)					(75,182)
Inflation/Deflation					709					1,290
Fixed Costs					29,970					31,744
<b>Total Statewide Present Law Adjustments</b>		<b>\$80,696</b>	<b>\$284,992</b>	<b>\$0</b>	<b>\$417,349*</b>		<b>\$80,015</b>	<b>\$285,059</b>	<b>\$0</b>	<b>\$415,843*</b>
DP 5001 - Program 50 Base Budget Adjustments	0.00	0	162,750	0	202,750*	0.00	0	162,750	0	202,750*
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$162,750</b>	<b>\$0</b>	<b>\$202,750*</b>	<b>0.00</b>	<b>\$0</b>	<b>\$162,750</b>	<b>\$0</b>	<b>\$202,750*</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$80,696</b>	<b>\$447,742</b>	<b>\$0</b>	<b>\$620,099*</b>	<b>0.00</b>	<b>\$80,015</b>	<b>\$447,809</b>	<b>\$0</b>	<b>\$618,593*</b>

\* "Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 5001 - Program 50 Base Budget Adjustments - The legislature approved an increase in operations and equipment authority, primarily for increased travel and supplies.

### New Proposals

New Proposals	-----Fiscal 2012-----					-----Fiscal 2013-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 55400 - 4% Personal Services Reduction	50	(0.62)	(27,791)	0	0	(27,791)	(0.62)	(27,797)	0	0	(27,797)
DP 95151 - 5% Plan - Operating Expense Reduction	50	0.00	(10,338)	(18,868)	0	(29,206)	0.00	(10,338)	(18,868)	0	(29,206)
<b>Total</b>	<b>(0.62)</b>	<b>(\$38,129)</b>	<b>(\$18,868)</b>	<b>\$0</b>	<b>(\$56,997)</b>	<b>(0.62)</b>	<b>(\$38,135)</b>	<b>(\$18,868)</b>	<b>\$0</b>	<b>(\$57,003)</b>	

DP 55400 - 4% Personal Services Reduction - The legislature approved a reduction of 4% in general fund personal services as proposed in the executive budget. The agency did not specify which 0.62 FTE position would be eliminated.

DP 95151 - 5% Plan - Operating Expense Reduction - The legislature approved a reduction of general operating expenditures totaling \$114,222 over the biennium. The agency included this reduction in the statutorily required plan to reduce base expenditures of general fund and certain state special revenue funds by 5%.

## **Proprietary Rates**

### **Proprietary Program Description**

The Agricultural Development Division operates two proprietary programs: the Hail Insurance Program and the Montana Beginning Farmer/Rancher Loan Program.

#### *Hail Insurance Program*

The function of the program is to provide low cost hail insurance coverage for crops grown in Montana.

#### *Beginning Farm and Ranch Loan Program*

The Montana Beginning Farmer/Rancher Loan Program is a tax-exempt bond program designed to assist beginning farmers/ranchers in the State of Montana to acquire agricultural property at lower interest rates. The program enables lenders, individuals, partnerships, corporations, and other entities to receive federally tax-exempt interest with respect to a loan or contract sale made to a qualifying beginning farmer/rancher.

## **Proprietary Revenues and Expenses**

#### *Hail Insurance Program*

The program insures approximately 1.9 million acres of crops with coverage exceeding \$85 million each year. A reserve is maintained at a level which is actuarially sound based on annual review by an accredited actuarial consultant. This ensures that adequate funds are available to pay any losses, even if a catastrophic year should occur. The Board of Hail Insurance is responsible for estimating annual expenses and recommending the premium to be imposed on participating producers. The Department of Revenue issues the insurance policies to producers.

#### *Beginning Farm and Ranch Loan Program*

The financial institution, after creating the loan or sales contract in conjunction with the program, will exchange the loan or sales contract for a federally tax-exempt bond in the amount of the loan or sales contract from the Montana agriculture loan authority. The loan and its collateral will be assigned to the financial institution as security for the bond in the event of default by the borrower. In the case of a contract sale, the contract will be entered into by the authority, and the financial institution will receive the bond to evidence the authority's obligations under the contract. The authority's right, title and interest in the contract will then be assigned to the beginning farmer/rancher who assumes payment obligations of the authority under the contract. Payments pass through the authority to the bond holder who receives the interest payment portion of the obligation free of federal taxes.

## **Proprietary Rate Explanation**

#### *Hail Insurance Program*

Premium rates are determined by the Board of Hail Insurance. The program is funded with an enterprise type proprietary fund. As such, the legislature does not appropriate funds or approve rates for the program. Instead, the legislature reviews the report for the enterprise fund and identifies any concerns with the financial position of the fund.

#### *Beginning Farm and Ranch Loan Program*

The program's rates are \$50 per loan application and 1.5% of loan balance. The program is funded with an enterprise type proprietary fund. As such, the legislature does not appropriate funds or approve rates for the program. Instead, the legislature reviews the report for the enterprise fund and identifies any concerns with the financial position of the fund.