

Greenbook
LSC Analysis of Enacted Budget

Department of Agriculture

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Legislative Service Commission

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ATTACHMENT:

Budget Spreadsheet By Line Item

Department of Agriculture

- Total appropriations of \$81.6 million in FY 2018 and \$82.1 million in FY 2019
- Inflatable amusement ride inspection and reinspection fees to be reduced to reasonably reflect the actual cost of inspection and reinspection
- Extends the sunset on (1) the 2¢ wine tax to support wine marketing, and (2) the 50¢ per tire fee to support soil and water conservation districts

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, soil and water conservation, consumer protection, and creation of economic activity through promotion of agricultural products in domestic and international markets. The Department carries out these responsibilities through 14 operating divisions. As of July 2017, the Department employs 423 full-time staff.

Appropriation Overview

The budget provides AGR with funding of approximately \$81.6 million in FY 2018, an amount that is just over 2.0% higher when compared to FY 2017 spending of almost \$80.0 million on departmental operations. For FY 2019, the Department's budget is \$82.1 million. The table below displays the amounts budgeted under H.B. 49 by fund group alongside actual spending for FY 2017.

Appropriations by Fund Group, FY 2018-FY 2019					
Fund Group	FY 2017*	FY 2018	% change, FY 2017-FY 2018	FY 2019	% change, FY 2018-FY 2019
General Revenue	\$23,625,131	\$21,798,023	-7.7%	\$23,946,139	9.9%
Dedicated Purpose	\$28,804,114	\$32,398,013	12.5%	\$30,804,760	-4.9%
Internal Service Activity	\$5,418,219	\$6,578,674	21.4%	\$6,578,674	0.0%
Capital Projects	\$309,225	\$610,000	97.3%	\$610,000	0.0%
Federal	\$21,797,785	\$20,209,630	-7.3%	\$20,209,630	0.0%
TOTAL	\$79,954,473	\$81,594,340	2.1%	\$82,149,203	0.7%

*FY 2017 figures represent actual expenditures.

Overall, there is a \$1.8 million (7.7%) decrease in GRF funding in FY 2018 compared to FY 2017 spending. However, GRF funding in FY 2019 increases to \$2.1 million (9.9%) over the FY 2018 amounts. For departmental programs supported by fees that are deposited into various accounts that make up the Dedicated Purpose Fund (DPF) Group, there is an increase of approximately \$3.6 million (12.5%) in FY 2018 compared to FY 2017 expenditures, followed by a decrease of \$1.6 million (4.9%) in

FY 2019. These adjustments between GRF and DPF funds are part of an overall strategy to conserve GRF resources by relying more on the fee-based funds where possible during the FY 2018-FY 2019 biennium. Within AGR, the programs where these adjustments occur under H.B. 49 include Ohio Proud Marketing, Weights and Measures, Animal Disease Control, Food and Product Testing, Livestock Regulation, and Soil and Water.

Budget Provisions that Affect the Department of Agriculture

Inflatable Amusement ride Inspection

H.B. 49 revises the law governing the inspection and reinspection fee for inflatable amusement rides by requiring the fee to be less than \$105 and to reasonably reflect the costs of inspection and reinspection. It requires the Director of Agriculture to charge a prorated fee for the issuance of a permit that has a term of less than one year. Currently, the annual permit fee is \$150. The bill also adds two members representing the inflatable amusement ride industry to the existing Advisory Council on Amusement Ride Safety. Inflatable amusement ride inspection and reinspection fees are deposited into the Amusement Ride Inspection Fund (Fund 5780). The changes under H.B. 49 could result in a loss of fee revenue deposited into Fund 5780. From December 2015 through November 2016, the Division of Amusement Ride Safety inspected nearly 2,200 inflatable amusement rides, resulting in approximately \$230,700 deposited into Fund 5780.

Sunset Extension of Certain Fees

H.B. 49 extends the sunset on several fees that are used by the Department. First, the bill extends through June 30, 2019, the 2¢ per-gallon wine tax revenue that is credited to the Ohio Grape Industries Fund (Fund 4960). Fund 4960 is used by the Ohio Grape Industries Program to enhance the sale and production of grape products within the state by providing information on new growing techniques and identification of grape varieties. Second, the bill extends through June 30, 2020, the additional 50¢ fee per tire levied on the sale of tires to assist soil and water conservation districts that is credited to the Soil and Water Conservation District Assistance Fund (Fund 5BV0). Fund 5BV0 is used to distribute money to each of the state's 88 Soil and Water Conservation Districts and provide support to the National Center for Water Quality Research at Heidelberg University in Tiffin. Receipts deposited into Fund 4960 totaled approximately \$1.0 million in FY 2017. Fund 5BV0 received approximately \$3.8 million in FY 2017 specifically from the 50¢ fee per tire levied on the sale of tires.

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 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. 49		
Fund	ALI and Name	Category
General Revenue Fund Group		
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
GRF 700501	County Agricultural Societies	6: Farmland Preservation
GRF 700509	Soil and Water District Support	3: Soil and Water

Categorization of AGR's Appropriation Line Items for Analysis of H.B. 49		
Fund	ALI and Name	Category
Dedicated Purpose Fund Group		
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
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
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
5MS0	700659 Captive Deer	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
Internal Service Activity Fund Group		
5DA0	700644 Laboratory Administration Support	7: Agriculture Administration
5GH0	700655 Administrative Support	7: Agriculture Administration
Capital Projects Fund Group		
7057	700632 Clean Ohio Agricultural Easement Operating	6: Farmland Preservation
Federal Fund Group		
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
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, Commercial Dog Breeders Program, and Pet Store Licensing Program. GRF funding makes up approximately \$14.9 million of the budget for this category in FY 2018 and \$15.9 million in FY 2019, or 51.8% of funding over the biennium. Dedicated Purpose line items account for a further \$18.3 million (30.8%) in biennial funding, followed by federal funds, at just under \$5.2 million (17.4%) of the funding in each fiscal year.

Appropriations for Animal and Food Safety				
Fund	ALI and Name		FY 2018	FY 2019
General Revenue Fund				
GRF	700401	Animal Health Programs	\$3,580,022	\$3,676,588
GRF	700403	Dairy Division	\$1,168,769	\$1,168,769
GRF	700406	Consumer Protection Lab	\$1,175,617	\$1,306,567
GRF	700407	Food Safety	\$1,325,582	\$1,325,582
GRF	700415	Poultry Inspection	\$605,471	\$605,471
GRF	700418	Livestock Regulation Program	\$746,212	\$1,134,212
GRF	700424	Livestock Testing and Inspections	\$92,493	\$92,493
GRF	700426	Dangerous and Restricted Animals	\$750,000	\$750,000
GRF	700427	High Volume Breeder Kennel Control	\$894,835	\$1,234,335
GRF	700499	Meat Inspection Program – State Share	\$4,567,547	\$4,567,547
General Revenue Fund Subtotal			\$14,906,548	\$15,861,564
Dedicated Purpose Fund Group				
4P70	700610	Food Safety Inspection	\$993,743	\$993,743
4R20	700637	Dairy Industry Inspection	\$1,852,950	\$1,852,950
4T60	700611	Poultry and Meat Inspection	\$160,000	\$160,000
5L80	700604	Livestock Management Programs	\$500,000	\$332,000
5MA0	700657	Dangerous and Restricted Animals	\$19,000	\$19,000
5MR0	700658	High Volume Breeders and Kennels	\$626,415	\$320,000
5MS0	700659	Captive Deer	\$40,000	\$40,000
6520	700634	Animal, Consumer, and ATL Labs	\$5,305,734	\$5,066,896
Dedicated Purpose Fund Group Subtotal			\$9,497,842	\$8,784,589
Federal Fund Group				
3260	700618	Meat Inspection Program – Federal Share	\$5,194,424	\$5,194,424
Federal Fund Group Subtotal			\$5,194,424	\$5,194,424
Total Funding: Animal and Food Safety			\$29,598,814	\$29,840,577

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 400,000 analyses each fiscal year. The services offered by ADDL are avian serology, bacteriology, molecular diagnostics, pathology, serology, toxicology, and virology. The laboratory's regulatory responsibilities include oversight of animal disease control and eradication efforts through quarantine, vaccination verification, movement permits, and tracing animal identification. Additionally, ADDL 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 approximately \$3.6 million in FY 2018 and \$3.7 million in FY 2019.

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. The appropriation for the GRF funding component under line item 700403, Dairy Division, is just under \$1.2 million in both FY 2018 and FY 2019.

Together, the line items are used to cover payroll and maintenance expenses necessary to license 2,671 dairy producers and 137 dairy processors in Ohio. There are 2,445 active dairy farms in the state of Ohio, of which 1,932 are Grade A farms and 513 are manufactured farms. Registered sanitarians inspect dairy farm operations, tank trucks, and processing and manufacturing facilities to verify sanitary conditions by checking for bacteria, coliform, excessive antibiotics, pesticide residue, foreign substances, and excess water and butterfat. The Dairy Division conducts approximately 7,500 inspections and collects 40,000 bacteriological samplings annually.

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 reports that each licensed producer is required to file with the Department. The budget appropriates approximately \$1.9 million in each fiscal year, a 1.6% increase over FY 2017 spending under the fee-based component of the milk inspection program. Fund 4R20 collected \$1.8 million in FY 2017.

**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. H.B. 49 provides \$1.2 million in FY 2018 and \$1.3 million in FY 2019 for these laboratory services under this GRF 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 \$5.1 million in revenue in FY 2017. The budget appropriates \$5.3 million in FY 2018, a 3.9% increase from FY 2017 spending of \$5.1 million. The amount appropriated for FY 2019 is \$5.1 million.

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 2,900 food manufacturing facilities annually, reviewed over 650 product labels, collects over 1,100 food samples annually, and developed and distributed food defense self-assessment guides, informational brochures, and CDs to over 18,000 retail food establishments and 2,500 food processing establishments. The appropriation for this line item is \$1.3 million in both fiscal years.

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 a little over \$1.0 million in revenue in FY 2017. H.B. 49 appropriates approximately \$994,000 in both FY 2018 and FY 2019 for the various food safety activities funded by these testing and licensing fees.

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 approximately \$4.6 million in both FY 2018 and FY 2019. The federal share, line item 700618, is appropriated \$5.2 million in both FY 2018 and FY 2019.

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 280 meat and poultry establishments statewide. Of those, 206 are fully inspected facilities and provide slaughtering and processing operations for resale. The remaining 74 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 93.0% 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 158,000 tests per year. The budget provides funding of \$605,471 in both FY 2018 and FY 2019 for these regulatory functions associated with poultry production, nearly matching the FY 2017 expenditures for this purpose.

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 nearly \$70,000 in revenue in FY 2017. H.B. 49 appropriates \$160,000 in both FY 2018 and FY 2019 for this line item.

Livestock Regulation Program, Livestock Testing and Inspections, and Livestock Management Programs (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 appropriation for this line item is \$746,212 in FY 2018, a 36.1% decrease from FY 2017 spending of \$1.2 million. The GRF component of funding for FY 2019 is \$1.1 million.

There are three primary licenses that exist under the Livestock Environmental Permitting Program. These are the (1) Permit to Install (PTI), (2) Permit to Operate (PTO), and (3) Certified Livestock Manager. The PTI is a one-time fee of \$2,250 that is paid before construction of a livestock facility begins. The PTO fee is \$1,000, and must be renewed every five years. The Certified Livestock Manager fee is \$50, and must be renewed every three years. As of the end of CY 2015, there were 216 licensed permitted farms in Ohio.

The second of these line items, GRF line item 700424, Livestock Testing and Inspections, pays for the supplies necessary to collect urine, blood, or tissue samples from livestock exhibited at 94 Ohio county, independent, and state fairs. Over 1,400 urine and hair samples and 30 milk samples are tested annually on exhibition livestock. These funds also help to support the analytical and toxicology laboratory testing section of CPL. This line item does not directly fund any employees, as separate GRF funding pays those costs. The budget appropriates \$92,493 in both FY 2018 and FY 2019 for this line item, nearly matching FY 2017 spending.

The third line item, 700604, Livestock Management Programs, 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 nearly \$433,000 in revenue in FY 2017. The appropriation for this line item is \$500,000 in FY 2018, a \$303,000 increase from FY 2017 spending. The appropriation for this line item in FY 2019 is \$332,000.

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

These line items are used to administer the Dangerous Wild Animal Program which became fully implemented in the last biennium. In FY 2016, the Department issued 51 dangerous and wild animal owner permits. Since January 2014, approximately 183 animals have been through the temporary holding facility. GRF line item 700426, Dangerous and Restricted Animals, is appropriated \$750,000 in each fiscal year, a 9.0% decrease when compared to FY 2017 expenditures of \$824,808. The GRF funding is supplemented by funding provided by fees that are deposited into the Dangerous and Restricted Animal Fund (Fund 5MA0). Funding from the fee-based component of the Dangerous Wild Animal Program is a relatively small amount – \$19,000 in each fiscal year – and is appropriated under Fund 5MA0, line item 700657, Dangerous and Restricted Animals. Fund 5MA0 collected \$16,212 in FY 2017.

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

These line items will be used to administer the Commercial Dog Breeders Program and the Department's new responsibility to regulate pet stores. GRF line item 700427, High Volume Breeder Kennel Control, is used to cover operating costs, including staff and inspections for the Commercial Dog Breeders Program and new pet store regulations. In regards to the Commercial Dog Breeders Program, the Department annually inspects each facility that is registered as a high volume breeder and inspects these operations if a complaint is filed. The appropriation for this line item is approximately \$895,000 in FY 2018, a 42.1% increase from FY 2017 spending. The appropriation for this line item is \$1.2 million in FY 2019.

Fund 5MR0 line item 700658, High Volume Breeders and Kennels, consists of license fees received from high volume breeders. License fees depend on the number of 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 2017, the Department collected approximately \$381,000 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. The budget appropriates \$626,415 in FY 2018, an approximate increase of \$507,000 from FY 2017 spending. The budget provides \$320,000 in FY 2019 for this line item.

Captive Deer (700659)

This line item is used to fund the Captive Deer Program, a monitoring and testing program to ensure the safety of the captive whitetail deer population from Chronic Wasting Disease. H.B. 49 appropriates \$40,000 in both fiscal years for this line item. Specifically, the line item funds (1) administrative costs associated with

enforcement of the program, (2) licensing of captive deer propagating facilities and hunting reserves, (3) disease testing, mitigation, and elimination, (4) investigations and inspections of the premises of whitetail deer licensees, and (5) education and outreach to facility owners. Currently, there are 476 licensed captive whitetail deer farms and AGR conducted 50 inspections in CY 2016. The license fee ranges from \$25 to \$250 depending on herd size. License fees are deposited into the Captive Deer Fund (Fund 5MS0). In FY 2016, approximately \$13,300 was deposited into Fund 5MS0.

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 \$26.2 million (60.0%) of the budget for this category over the biennium. Dedicated Purpose line items account for approximately \$31.2 million (39.3%), followed by the GRF, at \$291,000 (0.7%) of the funding in each fiscal year.

Appropriations for Plants and Pesticides				
Fund		ALI and Name	FY 2018	FY 2019
General Revenue Fund				
GRF	700410	Plant Industry	\$145,500	\$145,500
General Revenue Fund Subtotal			\$145,500	\$145,500
Dedicated Purpose Fund Group				
4C90	700605	Commercial Feed and Seed	\$1,975,571	\$1,975,571
5FC0	700648	Plant Pest Program	\$1,400,000	\$1,400,000
6690	700635	Pesticide, Fertilizer, and Lime Inspection Program	\$5,200,000	\$5,200,000
Dedicated Purpose Fund Group Subtotal			\$8,575,571	\$8,575,571
Federal Fund Group				
3820	700601	Federal Cooperative Contracts	\$7,000,000	\$7,000,000
3R20	700614	Federal Plant Industry	\$6,095,972	\$6,095,972
Federal Fund Group Subtotal			\$13,095,972	\$13,095,972
Total Funding: Plants and Pesticides			\$21,817,043	\$21,817,043

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 provides \$145,500 in both FY 2018 and FY 2019 for this line item, a 2.7% decrease from FY 2017 spending.

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. The 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 approximately \$2.0 million in both FY 2018 and FY 2019, an increase of 2.1% from FY 2017 spending of \$1.9 million in this area.

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 under H.B. 49 is \$1.4 million in both FY 2018 and FY 2019, an increase of 15.9% over FY 2017 spending. Fund 5FC0 collected approximately \$1.4 million in revenues in FY 2017.

The appropriation for line item 700635, Pesticide, Fertilizer, and Lime Inspection Program, is \$5.2 million in both FY 2018 and FY 2019, a decrease of 1.4% when compared to FY 2017 spending. This funding is used to register pesticides, license applicators, test applicators, perform routine pesticide inspections, investigate citizen complaints, and enforce pesticide laws. This line item also is used to provide funding for the Fertilizer Applicator Certification Program that was established in the 130th General Assembly. The Department contracts with OSU Extension for the training courses and materials related to the certification process. The funding under this line item comes from license fees collected from dealers and applicators that are deposited into the Pesticide, Fertilizer, and Lime Program Fund (Fund 6690). Fund 6690 received \$4.5 million in revenue in FY 2017.

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 also includes 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 \$8.6 million in FY 2017. The appropriations for these federal awards are \$7.0 million in both FY 2018 and FY 2019, a decrease of 21.8% when compared to FY 2017 spending on these various federally funded projects.

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 as well as for operating 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 \$6.1 million in both FY 2018 and FY 2019 for insect control and eradication, a decrease of 14.1% from FY 2017 spending on these efforts.

Category 3: Soil and Water

This category of funding includes line items within the Department's budget that fund AGR's soil and water conservation responsibilities that AGR inherited as the result of the transfer of the Agricultural Soil and Water Conservation Program from DNR that became effective January 1, 2016. Dedicated Purpose line items account for approximately \$18.1 million (58.4%) of the budget for this category over the biennium. The remaining \$12.9 million (41.6%) of the budget comes from GRF funding over the biennium.

Appropriations for Soil and Water				
Fund		ALI and Name	FY 2018	FY 2019
General Revenue Fund				
GRF	700428	Soil and Water Division	\$3,510,430	\$3,510,430
GRF	700509	Soil and Water District Support	\$2,553,941	\$3,329,941
General Revenue Fund Subtotal			\$6,064,371	\$6,840,371
Dedicated Purpose Fund Group				
5BV0	700660	Heidelberg Water Quality Lab	\$250,000	\$250,000
5BV0	700661	Soil and Water Districts	\$8,600,000	\$8,000,000
5QW0	700653	Watershed Assistance	\$515,000	\$515,000
Dedicated Purpose Fund Group Subtotal			\$9,365,000	\$8,765,000
Total Funding: Soil and Water			\$15,429,371	\$15,605,371

Soil and Water Division (700428)

Appropriations for this GRF line item are \$3.5 million in both FY 2018 and FY 2019, a 4.3% decrease from FY 2017 spending. It serves as the primary source of operating support for the Division of Soil and Water Conservation. The Division has approximately 25 full-time and four part-time employees that consist of nutrient management specialists, professional engineers, program specialists, and soil scientists. The Division assists Soil and Water Conservation Districts (SWCDs) to implement statewide agricultural and nonpoint source water pollution control programs; install equipment and practices for pollution reduction; and provide administrative, financial, organizational, and strategic planning assistance. In addition, the Division assists the Ohio Soil and Water Conservation Commission in conducting its authorities relating to SWCDs.

Soil and Water Districts (700509 and 700661)

Combined appropriations for these two line items are \$11.2 million in FY 2018 and \$11.3 million in FY 2019. Specifically, GRF line item 700509, Soil and Water District Support, is appropriated \$2.6 million in FY 2018, or \$733,000 (22.3%) less than FY 2017 spending of \$3.3 million. Funding in FY 2019, however, returns to a level of \$3.3 million.

The appropriation for DPF line item 700661, Soil and Water Districts, is \$8.6 million in FY 2018 and \$8.0 million in FY 2019. This appropriation 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. As mentioned in the "**Overview**," H.B. 49 extends from June 30, 2018 to June 30, 2020, the sunset of the additional 50¢ per tire on the sale of new tires deposited into Fund 5BV0.

The Division of Soil and Water Conservation uses 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 base of \$15,000 to each SWCD regardless of the total local match revenue. The first \$20,000 of local match revenue is matched by the state at 200% in FY 2018. All funds above \$20,000 and below \$500,000 will be matched at a uniform match rate that is calculated on the remaining available state match funds. If an SWCD receives over \$500,000 in local funds, the state will match 60% of the amount that would otherwise have gone to that district under the match percentage determined by the formula.

In addition, uncodified language in H.B. 49 earmarks \$350,000 in each fiscal year 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 in complying with provisions of S.B. 1 of the 131st General Assembly. S.B. 1 prohibited the application of fertilizer and manure in the Western Lake Erie Basin on frozen ground, saturated soil, and during certain weather conditions. Lastly, H.B. 49 allows the Department, in addition to state payments to SWCDs, to pay any SWCD an annual amount not to exceed \$40,000 upon receipt of request and justification from the district and approval by the Ohio Soil and Water Conservation Commission.

Heidelberg Water Quality Lab (700660)

The appropriation for line item 700660, Heidelberg Water Quality Lab, is \$250,000 in both FY 2018 and FY 2019, the same amount as was disbursed in FY 2017 for 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 grants, fees, and contributions that are deposited into the Watershed Assistance Fund (Fund 5QW0). The appropriation for this line item is \$515,000 in both FY 2018 and FY 2019, a 6.6% increase from FY 2017 spending. Specifically, this line item will support the Muskingum Water District Program and SWCD Staff Technical and Administrative Development programs. The Muskingum Watershed Conservancy District provides local SWCDs to cost-share with landowners for projects that conserve and manage natural resources and ecosystems within the Muskingum River and Duck Creek watersheds. The Staff Technical and Administrative Development programs are training programs for newly hired SWCD staff. Additionally, the line item will pay for any remaining encumbrances against 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 2018	FY 2019
General Revenue Fund				
GRF	700404	Ohio Proud	\$19,400	\$48,500
General Revenue Fund Subtotal			\$19,400	\$48,500
Dedicated Purpose Fund Group				
4900	700651	License Plates – Sustainable Agriculture	\$17,500	\$17,500
4940	700612	Agricultural Commodity Marketing Program	\$253,000	\$253,000
4960	700626	Ohio Grape Industries	\$1,100,000	\$1,100,000
4970	700627	Grain Warehouse Program	\$450,000	\$450,000
4R00	700636	Ohio Proud Marketing	\$60,500	\$30,500
Dedicated Purpose Fund Group Subtotal			\$1,881,000	\$1,851,000
Total Funding: Commodities and Marketing			\$1,900,400	\$1,899,500

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 514 partners in 77 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 43.5% of the overall funding for the initiative. The appropriation for this line item is \$19,400 in FY 2018 and \$48,500 in FY 2019. The appropriation for the Ohio Proud Marketing Program Fund (Fund 4R00) line item 700636, Ohio Proud Marketing, is \$60,500 in FY 2018, an increase of \$30,259 compared to FY 2017 spending. The funding drops back to \$30,500 in FY 2019. The revenue to support this appropriation comes from the initial \$100 fee paid by companies to join Ohio Proud. This money is deposited into the Ohio Proud Marketing Fund (Fund 4R00). While there are differences in the amount appropriated between the two line items in each fiscal year, on a biennial basis the amount provided for Ohio Proud marketing between these two line items in each fiscal year totals about \$79,000.

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 appropriation for this line item is \$253,000 in both FY 2018 and FY 2019, an increase of 17.7% compared to FY 2017 spending of \$215,000.

H.B. 49 establishes the Soybean Marketing Program and requires it to be operated under the same operating procedures and requirements that apply to the Grain Marketing Program. It specifies that the assessment levied on soybean producers is 0.5% of the per-bushel price at first point of sale. However, the bill prohibits from levying assessments if assessments are levied under the National Soybean Checkoff Program, which is the current practice.

Line item 700627, Grain Warehouse Program, is used to pay the costs of licensing and regulating grain warehouses and handlers. The line item covers funding 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. Examination fees range from \$50 to \$1,200 depending on the size of the facility. The appropriation for this line item is \$450,000 in both FY 2018 and FY 2019.

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 240 licensed wineries in Ohio, an increase of 93.5% since FY 2008. This program is funded through a 5¢ per gallon tax on all wine sales in Ohio that is deposited into the Ohio Grape Industries Fund (Fund 4960). Receipts from this source amounted to approximately \$1.0 million in FY 2017. The appropriation for this line item is \$1.1 million in both FY 2018 and FY 2019.

License Plates – Sustainable Agriculture (700651)

This line item, 700651, License Plates – Sustainable Agriculture, is used to promote agriculture awareness and programs through the issuance of license plates. The budget appropriates \$17,500 in each fiscal year for this line item, an increase of \$11,090 from FY 2017 spending.

H.B. 49 alters the purposes for which money generated from the registration and renewal of "Ohio Agriculture" license plates may be used. Under the bill, the Director of AGR must use the money solely for promoting agriculture in Ohio. Current law also requires the money to be used for 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. The bill eliminates the Scholarship Program, the Ohio Agriculture License Plate Scholarship Board, and the Ohio Agriculture License Plate Scholarship Fund (Fund 5CP0). Instead, it requires money generated from the license plate to be deposited into the Agro Ohio Fund (Fund 4900). The bill also requires the Director of Budget and Management to transfer the cash in Fund 5CP0 to Fund 4900 on July 1, 2017 or as soon as possible thereafter and abolishes Fund 5CP0 on completion of the transfer. Currently, the cash balance in Fund 5CP0 is approximately \$39,000.

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 2018	FY 2019
General Revenue Fund				
GRF	700412	Weights and Measures	\$208,644	\$596,644
General Revenue Fund Subtotal			\$208,644	\$596,644
Dedicated Purpose Fund Group				
4D20	700609	Auction Education	\$50,000	\$50,000
5780	700620	Ride Inspection	\$1,351,974	\$1,351,974
5B80	700629	Auctioneers	\$361,450	\$361,450
5H20	700608	Metrology Lab and Scale Certification	\$1,175,000	\$925,000
Dedicated Purpose Fund Group Subtotal			\$2,938,424	\$2,688,424
Total Funding: Other Agriculture Services			\$3,147,068	\$3,285,068

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. Specifically, GRF line item 700412, Weights and Measures, is used to pay the operating costs of the Division, which primarily entails employee salaries. The appropriation for this line item is \$208,644 in FY 2018 and \$596,644 in FY 2019. Funding for this program under DPF line item 700608, Metrology Lab and Scale Certification, is \$1.2 million in FY 2018, and \$925,000 in FY 2019. This line item 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). The funding is used to certify and ensure the accuracy of secondary weights and measures standards. While there are substantial differences in funding between the GRF and non-GRF appropriations for these line items between fiscal years, combined funding amounts to \$1.4 million in FY 2018 and \$1.5 million in FY 2019.

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 appropriation for this line item is \$361,450 in both FY 2018 and FY 2019, an increase of 3.9% over FY 2017 spending. 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 2017, Fund 5B80 collected \$291,500 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 \$50,000 in both FY 2018 and FY 2019. 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 \$22,800 in FY 2017.

Ride Inspection (700620)

This line item is used to oversee and enforce safety requirements for the operation of amusement rides, games, and concessions. The line item funds ten employees, and is supported by fees for licenses, inspections, reinspections, and fines for amusement ride operators. The Amusement Ride Inspection Fund (Fund 5780) collected \$1.2 million in revenue in FY 2017. The appropriation for this line item is \$1.4 million in both FY 2018 and FY 2019, an increase of approximately 8.4% over spending for FY 2017. As mentioned in the "**Overview**," H.B. 49 requires the inflatable amusement ride inspection and reinspection fee to be less than \$105 (it is \$150 currently) and to reasonably reflect the costs of inspection and reinspection. This change will probably result in some loss of inspection revenue.

Category 6: Farmland Preservation

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

Appropriations for Farmland Preservation				
Fund	ALI and Name		FY 2018	FY 2019
General Revenue Fund				
GRF	700409	Farmland Preservation	\$73,887	\$73,887
GRF	700501	County Agricultural Societies	\$379,673	\$379,673
General Revenue Fund Subtotal			\$453,560	\$453,560
Capital Projects Fund Group				
7057	700632	Clean Ohio Agricultural Easement Operating	\$610,000	\$610,000
Capital Projects Fund Group Subtotal			\$610,000	\$610,000
Federal Fund Group				
3360	700617	Ohio Farm Loan – Revolving	\$360,000	\$360,000
3AB0	700641	Agricultural Easement	\$350,000	\$350,000
Federal Fund Group Subtotal			\$710,000	\$710,000
Total Funding: Farmland Preservation			\$1,773,560	\$1,773,560

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.

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 just under \$74,000 in each fiscal year.

Line item 700641, Agricultural Easement, is used to help with purchases of agricultural easements. The Agricultural Easement Fund (Fund 3AB0) received matching grants from the federal government for the purchase of agricultural

easements through the federal Farm and Ranch Land Protection Program. However, note that federal matching funds under the 2014 Farm Bill started to flow directly to the landowner when the easement is purchased. At the end of FY 2017, Fund 3AB0 had a cash balance of approximately \$2.0 million. The appropriations are \$350,000 in both FY 2018 and FY 2019, an increase of \$192,099 over FY 2017 spending in this area.

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 2016, the Department purchased a total of 32 easements for approximately \$5.6 million through Clean Ohio Agricultural Easement funds. The appropriation for this line item is \$610,000 in both FY 2018 and FY 2019, an increase of just over \$300,000 from FY 2017 spending. The increase in funding will support the Department's efforts to increase the number of agricultural easements purchased in order to preserve farmland throughout the state.

Since the implementation of the agricultural easement purchase program, approximately \$40.4 million in Clean Ohio funds, \$22.8 million in matching federal funds, and \$1.5 million in Tobacco Master Settlement funds have been disbursed to preserve approximately 57,459 acres of farmland through 326 easements. The agricultural donation program has preserved approximately 7,400 acres of farmland from 64 donations.

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 \$360,000 in both FY 2018 and FY 2019, an increase of just over \$210,000 from FY 2017 spending.

The increase in appropriations for the biennium is the result of the Department increasing the number of loans being made to support local agricultural economic development projects and adding an additional staff member to administer the program. The FY 2017 closing balance in the Ohio Farm Loan Fund (Fund 3360) was \$2.1 million.

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 appropriation for this line item is \$379,673 in both FY 2018 and FY 2019, a slight decrease in funding when compared to FY 2017 spending of \$387,139 for these purposes.

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 2018	FY 2019
Dedicated Purpose Fund Group				
4E40	700606	Utility Radiological Safety	\$140,176	\$140,176
Dedicated Purpose Fund Group Subtotal			\$140,176	\$140,176
Internal Service Activity Fund Group				
5DA0	700644	Laboratory Administration Support	\$1,204,626	\$1,204,626
5GH0	700655	Administrative Support	\$5,374,048	\$5,374,048
Internal Service Activity Fund Group Subtotal			\$6,578,674	\$6,578,674
Federal Fund Group				
3J40	700607	Federal Administrative Programs	\$1,209,234	\$1,209,234
Federal Fund Group Subtotal			\$1,209,234	\$1,209,234
Total Funding: Agriculture Administration			\$7,928,084	\$7,928,084

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, which provides AGR's share of these expenses, is \$140,176 in both FY 2018 and FY 2019.

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 funding is supported by quarterly payments from the Department of Health and the Environmental Protection Agency for their share of utility, supply, and repair costs for the facility that are deposited into the Laboratory Administration Fund (Fund 5DA0). Those receipts amounted to \$984,023 in FY 2017. The appropriation for this line item is \$1.2 million in both FY 2018 and FY 2019.

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). This fund collected \$4.2 million in FY 2017 from among the Department's divisions. The appropriation for this line item is \$5.4 million in both FY 2018 and FY 2019.

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. The appropriation for this line item is \$1.2 million in both FY 2018 and FY 2019. Expenses that are paid from this source of funding include utility billings as well as the cost of salaries that are typically applied to federal grants, such as administrative staff. The Indirect Cost Fund (Fund 3J40) consists of federal grant moneys for cooperative agreements with Ohio for such activities as meat and poultry inspections and pesticide enforcement. AGR's indirect cost plan is to periodically take 20% of payroll costs and deposit them into Fund 3J40. In FY 2017, this fund collected approximately \$1.0 million in revenues.

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FY 2018 - FY 2019 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency

			FY 2016	FY 2017	Appropriation FY 2018	FY 2017 to FY 2018 % Change	Appropriation FY 2019	FY 2018 to FY 2019 % Change
Report For Main Operating Appropriations Bill			Version: As Enacted					
AGR Department of Agriculture								
GRF	700401	Animal Health Programs	\$ 3,751,420	\$ 3,790,178	\$ 3,580,022	-5.54%	\$ 3,676,588	2.70%
GRF	700403	Dairy Division	\$ 1,152,110	\$ 1,189,191	\$ 1,168,769	-1.72%	\$ 1,168,769	0.00%
GRF	700404	Ohio Proud	\$ 51,919	\$ 33,444	\$ 19,400	-41.99%	\$ 48,500	150.00%
GRF	700406	Consumer Protection Lab	\$ 1,321,322	\$ 1,343,311	\$ 1,175,617	-12.48%	\$ 1,306,567	11.14%
GRF	700407	Food Safety	\$ 1,308,266	\$ 1,275,727	\$ 1,325,582	3.91%	\$ 1,325,582	0.00%
GRF	700409	Farmland Preservation	\$ 74,149	\$ 75,960	\$ 73,887	-2.73%	\$ 73,887	0.00%
GRF	700410	Plant Industry	\$ 149,519	\$ 149,594	\$ 145,500	-2.74%	\$ 145,500	0.00%
GRF	700412	Weights and Measures	\$ 604,775	\$ 615,087	\$ 208,644	-66.08%	\$ 596,644	185.96%
GRF	700415	Poultry Inspection	\$ 589,439	\$ 607,003	\$ 605,471	-0.25%	\$ 605,471	0.00%
GRF	700418	Livestock Regulation Program	\$ 1,103,821	\$ 1,169,386	\$ 746,212	-36.19%	\$ 1,134,212	52.00%
GRF	700424	Livestock Testing and Inspections	\$ 98,568	\$ 92,472	\$ 92,493	0.02%	\$ 92,493	0.00%
GRF	700426	Dangerous and Restricted Animals	\$ 977,067	\$ 824,080	\$ 750,000	-8.99%	\$ 750,000	0.00%
GRF	700427	High Volume Breeder Kennel Control	\$ 352,833	\$ 629,540	\$ 894,835	42.14%	\$ 1,234,335	37.94%
GRF	700428	Soil and Water Division	\$ 1,463,488	\$ 3,667,081	\$ 3,510,430	-4.27%	\$ 3,510,430	0.00%
GRF	700499	Meat Inspection Program - State Share	\$ 4,466,787	\$ 4,489,377	\$ 4,567,547	1.74%	\$ 4,567,547	0.00%
GRF	700501	County Agricultural Societies	\$ 391,412	\$ 387,139	\$ 379,673	-1.93%	\$ 379,673	0.00%
GRF	700509	Soil and Water District Support	\$ 56,234	\$ 3,286,561	\$ 2,553,941	-22.29%	\$ 3,329,941	30.38%
General Revenue Fund Total			\$ 17,913,129	\$ 23,625,131	\$ 21,798,023	-7.73%	\$ 23,946,139	9.85%
4900	700651	License Plates - Sustainable Agriculture	\$ 3,565	\$ 6,410	\$ 17,500	173.00%	\$ 17,500	0.00%
4940	700612	Agricultural Commodity Marketing Program	\$ 234,304	\$ 214,627	\$ 253,000	17.88%	\$ 253,000	0.00%
4960	700626	Ohio Grape Industries	\$ 990,852	\$ 915,989	\$ 1,100,000	20.09%	\$ 1,100,000	0.00%
4970	700627	Grain Warehouse Program	\$ 266,519	\$ 379,647	\$ 450,000	18.53%	\$ 450,000	0.00%
4C90	700605	Commercial Feed and Seed	\$ 1,673,424	\$ 1,934,744	\$ 1,975,571	2.11%	\$ 1,975,571	0.00%
4D20	700609	Auction Education	\$ 41,323	\$ 8,047	\$ 50,000	521.37%	\$ 50,000	0.00%
4E40	700606	Utility Radiological Safety	\$ 121,755	\$ 110,006	\$ 140,176	27.43%	\$ 140,176	0.00%

Prepared by the Legislative Service Commission

FY 2018 - FY 2019 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency

			FY 2016	FY 2017	Appropriation FY 2018	FY 2017 to FY 2018 % Change	Appropriation FY 2019	FY 2018 to FY 2019 % Change
AGR Department of Agriculture								
4P70	700610	Food Safety Inspection	\$ 894,247	\$ 738,755	\$ 993,743	34.52%	\$ 993,743	0.00%
4R00	700636	Ohio Proud Marketing	\$ 39,487	\$ 30,241	\$ 60,500	100.06%	\$ 30,500	-49.59%
4R20	700637	Dairy Industry Inspection	\$ 1,686,403	\$ 1,823,599	\$ 1,852,950	1.61%	\$ 1,852,950	0.00%
4T60	700611	Poultry and Meat Inspection	\$ 17,585	\$ 104,968	\$ 160,000	52.43%	\$ 160,000	0.00%
5780	700620	Ride Inspection	\$ 1,203,327	\$ 1,247,729	\$ 1,351,974	8.35%	\$ 1,351,974	0.00%
5880	700633	Brand Registration	\$ 4,460	\$ 4,467	\$ 0	-100.00%	\$ 0	N/A
5B80	700629	Auctioneers	\$ 332,290	\$ 347,802	\$ 361,450	3.92%	\$ 361,450	0.00%
5BV0	700660	Heidelberg Water Quality Lab	\$ 125,000	\$ 250,000	\$ 250,000	0.00%	\$ 250,000	0.00%
5BV0	700661	Soil and Water Districts	\$ 3,794,506	\$ 7,639,845	\$ 8,600,000	12.57%	\$ 8,000,000	-6.98%
5CP0	700652	License Plate Scholarships	\$ 6,500	\$ 5,500	\$ 0	-100.00%	\$ 0	N/A
5FC0	700648	Plant Pest Program	\$ 1,189,014	\$ 1,207,485	\$ 1,400,000	15.94%	\$ 1,400,000	0.00%
5H20	700608	Metrology Lab and Scale Certification	\$ 559,906	\$ 612,526	\$ 1,175,000	91.83%	\$ 925,000	-21.28%
5L80	700604	Livestock Management Programs	\$ 166,935	\$ 197,803	\$ 500,000	152.78%	\$ 332,000	-33.60%
5MA0	700657	Dangerous and Restricted Animals	\$ 54,159	\$ 15,524	\$ 19,000	22.39%	\$ 19,000	0.00%
5MR0	700658	High Volume Breeders and Kennels	\$ 101,286	\$ 119,672	\$ 626,415	423.44%	\$ 320,000	-48.92%
5MS0	700659	Captive Deer	\$ 0	\$ 0	\$ 40,000	N/A	\$ 40,000	0.00%
5QW0	700653	Watershed Assistance	\$ 21,705	\$ 483,077	\$ 515,000	6.61%	\$ 515,000	0.00%
5U10	700624	Auction Recovery	\$ 1,254	\$ 9,115	\$ 0	-100.00%	\$ 0	N/A
6520	700634	Animal, Consumer, and ATL Labs	\$ 5,506,533	\$ 5,122,517	\$ 5,305,734	3.58%	\$ 5,066,896	-4.50%
6690	700635	Pesticide, Fertilizer, and Lime Inspection Program	\$ 4,453,530	\$ 5,274,017	\$ 5,200,000	-1.40%	\$ 5,200,000	0.00%
Dedicated Purpose Fund Group Total			\$ 23,489,872	\$ 28,804,114	\$ 32,398,013	12.48%	\$ 30,804,760	-4.92%
5DA0	700644	Laboratory Administration Support	\$ 1,149,935	\$ 1,189,890	\$ 1,204,626	1.24%	\$ 1,204,626	0.00%
5GH0	700655	Administrative Support	\$ 4,262,563	\$ 4,228,328	\$ 5,374,048	27.10%	\$ 5,374,048	0.00%
Internal Service Activity Fund Group Total			\$ 5,412,498	\$ 5,418,219	\$ 6,578,674	21.42%	\$ 6,578,674	0.00%
7057	700632	Clean Ohio Agricultural Easement Operating	\$ 286,788	\$ 309,225	\$ 610,000	97.27%	\$ 610,000	0.00%

FY 2018 - FY 2019 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency

			Appropriation	FY 2017 to FY 2018	Appropriation	FY 2018 to FY 2019		
			FY 2016	FY 2017	FY 2018	FY 2019		
					% Change	% Change		
AGR Department of Agriculture								
Capital Projects Fund Group Total			\$ 286,788	\$ 309,225	\$ 610,000	97.27%	\$ 610,000	0.00%
3260	700618	Meat Inspection Program - Federal Share	\$ 4,521,107	\$ 4,380,992	\$ 5,194,424	18.57%	\$ 5,194,424	0.00%
3360	700617	Ohio Farm Loan - Revolving	\$ 101,000	\$ 149,605	\$ 360,000	140.63%	\$ 360,000	0.00%
3820	700601	Federal Cooperative Contracts	\$ 4,686,139	\$ 8,956,166	\$ 7,000,000	-21.84%	\$ 7,000,000	0.00%
3AB0	700641	Agricultural Easement	\$ 123,359	\$ 157,901	\$ 350,000	121.66%	\$ 350,000	0.00%
3J40	700607	Federal Administrative Programs	\$ 1,154,686	\$ 1,060,754	\$ 1,209,234	14.00%	\$ 1,209,234	0.00%
3R20	700614	Federal Plant Industry	\$ 5,459,939	\$ 7,092,368	\$ 6,095,972	-14.05%	\$ 6,095,972	0.00%
Federal Fund Group Total			\$ 16,046,230	\$ 21,797,785	\$ 20,209,630	-7.29%	\$ 20,209,630	0.00%
Department of Agriculture Total			\$ 63,148,517	\$ 79,954,473	\$ 81,594,340	2.05%	\$ 82,149,203	0.68%