

Department of Agriculture

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- The enacted budget contains increases in many fees to offset GRF decreases for many programs
- Enacted budget of \$47.95 million in FY 2006 and \$48.16 million in FY 2007

OVERVIEW

Duties and Responsibilities

Ohio's Department of Agriculture (AGR) is primarily a regulatory agency responsible for the safety of the state's food supply. The agency's other priorities include promoting Ohio's agricultural products in domestic and international markets, controlling livestock diseases, and inspecting food supplies both at the producer level and at retail establishments. The Department administers these activities through 12 separate program areas that are highlighted in the "Analysis of the Enacted Budget" section of this analysis.

Agency in Brief

Agency In Brief					
Number of Employees*	Total Appropriations-All Funds		GRF Appropriations		Appropriation Bill(s)
	2006	2007	2006	2007	
539	\$47.95 million	\$48.16 million	\$18.96 million	\$18.72 million	Am. Sub. H.B. 66

*Employee count obtained from the Department of Administrative Services (DAS) payroll reports as of June 2005.

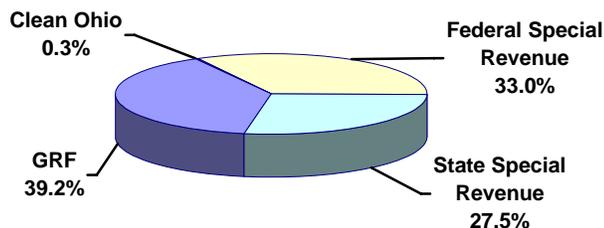
Vetoed Provisions

The Governor did not veto any provisions affecting the Department of Agriculture.

Enacted Budget

The pie chart below shows how the Department's funding is split among the General Revenue Fund, State Special Revenue Fund, and Federal Special Revenue Fund.

Total FYs 2006-2007 Budget by Fund Group



Another way to analyze the enacted budget is to do so by program series. The table below shows that the Plant Industry, Meat Inspection and Program Management program series account for more than 60% of the Department's total funding for the FY 2006-2007 biennium.

Department of Agriculture Biennium Funding by Program Series		
Program Series	Biennium Total Funding	% of Total
Plant Industry	\$21,648,946	22.5%
Meat Inspection	\$19,890,948	20.7%
Program Management	\$16,810,714	17.5%
Animal Disease Control	\$9,770,904	10.2%
Food, Dairy, and Drugs	\$9,324,324	9.7%
Agriculture Market Development	\$4,171,031	4.3%
Consumer Analytical Lab	\$3,616,708	3.8%
Weights and Measures	\$3,114,052	3.2%
Large Livestock Regulation	\$2,916,992	3.0%
Amusement Ride Safety	\$2,220,872	2.3%
General Agriculture	\$1,732,188	1.8%
Auctioneers Licensing	\$779,266	0.8%
Total*	\$96,107,907	100%

*Total includes \$110,962 that was not made known to LSC how it would be allocated

Regulatory Fees Changes

The enacted budget includes several fee increases for the Department of Agriculture, which are estimated to bring in an additional \$1.8 million to the Department's rotary funds. These increases in fees are used to offset a reduction in GRF funding. These fee increases are displayed in the table below, and their impacts outlined in the Analysis of the Enacted Budget.

Description of Fee	Current Fee	Proposed Fee	New Revenue Generated
Plant Industries Fees			
Fertilizer (Fund 4C9)	\$0.12 per ton	\$0.25 per ton	\$305,766
Feed (Fund 4C9)	\$0.10 per ton	\$0.25 per ton	\$500,562
Pesticide Product Registration (Fund 669)	\$100 annual	\$150 annual	\$650,000
Amusement Ride Fees			
Amusement Ride Permits	\$50	\$150	\$250,000
Food Safety and Inspection Fees (Fund 4P7)			
Cannery	\$100	\$200	\$12,300
Soft Drink Bottler	\$100	\$200	\$22,300
Cold Storage Warehouse	\$100	\$200	\$3,800
Frozen Food	\$25	\$50	\$4,700
Syrup and Extract	\$50	\$100	\$1,400
Certificate of Health and Freesale	\$0	\$20 per certificate	\$52,000
Total Fees Generated			\$1,802,828

Fund Modifications

There were several funds that were modified, created, or changed in the enacted version of the budget. The changes are listed below.

- The existing Animal Industry Laboratory Fund (Fund 4V5) merged with the existing Laboratory Services Fund (Fund 652) to create the Animal Health and Food Safety Fund (Fund 652). In addition, appropriation item 700-634 was renamed Animal Health and Food Safety to coincide with the changed fund name. Furthermore, all assets of Fund 4V5 were transferred to Fund 652.
- The existing Commercial Feed, Fertilizer, and Lime Inspection and Laboratory Fund (Fund 4C9) merged with the existing Seed Fund (Fund 5Z4) to create the Commercial Feed, Fertilizer, Seed, and Lime Inspection and Laboratory Fund (Fund 4C9). All assets of Fund 5Z4 were transferred to Fund 4C9.
- The Laboratory and Administrative Support Fund (Fund 5DA) was created, which is to consist of moneys received by the Department of Agriculture from auditorium rentals and other miscellaneous sources. The Department is authorized to use moneys in the fund to pay costs associated with any of the Department's programs. The Department collected fees from auditorium and conference room rentals and deposits these fees in the Indirect Cost Fund (Fund 3J4). However, the Department anticipates the collection of fees for utilities and maintenance from the Department of Health, the Environmental Protection Agency, and the Racing Commission for use of the Department's laboratories. The Department estimates that the revenue from these new and current fees will be \$2,096,000.
- The existing Scale Certification Fund (Fund 579) was renamed to the Metrology and Scale Certification Fund (Fund 5H2). All assets of Fund 579 were transferred to Fund 5H2.

Transfers of Funds

The enacted budget contains provisions that make various transfers of funds that effect the Department of Agriculture's programs. The provisions include:

- The ability of the Director of Budget and Management to transfer cash credited to the Commercial Feed, Fertilizer, Seed, and Lime Inspection and Laboratory Fund (Fund 4C9) or the Pesticide Program Fund (Fund 669) to any other fund administered by the Director of Agriculture. This provision allows the Director wide discretion and flexibility in directing funding to programs where it is needed.
- A transfer of up to \$1 million in each fiscal year from the Facilities Establishment Fund (Fund 037) to the Family Farm Loan Fund (Fund 5H1) in the Department of Development, subject to Controlling Board approval.
- A transfer of \$21,790 in each fiscal year from Unclaimed Funds to the Food Safety Fund (Fund 4P7). The transfer will replace the revenue that would have been lost without an increase in bakery registration fees.
- A transfer of federal moneys for agricultural-related aspects of the National Pollutant Discharge Elimination System (NPDES) from the Ohio Environmental Protection Agency to

the Ohio Department of Agriculture through the Controlling Board once the Department of Agriculture's state program is submitted and approved by the U.S. EPA and the federal moneys are disbursed. The provision specifies that the Ohio EPA, the Department of Agriculture, and OBM must calculate the amount of compensation to be made to either the Ohio EPA or the Department of Agriculture and the amount of state matching funding that is required.

ANALYSIS OF THE ENACTED BUDGET

Program Series 1

General Agriculture

Purpose: Supports county agricultural societies across the state, breeder awards, and the Ohio Farm Loan program.

The following table shows the line items that are used to fund the General Agriculture program series, as well as the enacted budget's funding levels.

Fund	ALI	Title	FY 2006	FY 2007
General Revenue Fund				
GRF	700-501	County Agricultural Societies	\$358,226	\$358,226
GRF	700-409	Farmland Preservation	\$241,573	\$241,573
General Revenue Fund Subtotal			\$599,799	\$599,799
State Special Revenue Fund				
4E4	700-606	Utility Radiological Safety	\$73,059	\$73,059
State Special Revenue Fund Subtotal			\$73,059	\$73,059
Federal Special Revenue Fund				
336	700-617	Ohio Farm Loan Revolving Fund	\$43,793	\$44,679
Federal Special Revenue Fund Subtotal			\$43,793	\$44,679
Clean Ohio Fund				
057	700-632	Clean Ohio Agricultural Easement	\$149,000	\$149,000
Clean Ohio Fund Subtotal			\$149,000	\$149,000
Total Funding: General Agriculture			\$865,651	\$866,537

The activities of the General Agriculture program are summarized below.

- **Program 1.1: County Agriculture Society**
- **Program 1.2: Ohio Farm Loan Revolving Program**
- **Program 1.3: Farmland Preservation**
- **Program 1.4: Utility Radiological Safety**

County Agriculture Society

Program Description: Agricultural societies provide educational opportunities for junior fair participants, in addition to providing premiums and cash awards at the annual county and independent fairs. There are approximately 100,000 junior fair participants in Ohio. The County Agriculture Society program reimburses junior fair expenditures at the state's 94 county and independent agricultural societies

throughout Ohio. This program disburses funds each January, after the agricultural societies provide a junior fair report on the magnitude of junior fair expenses at their respective fairs during the previous year.

Funding Source: General Revenue Fund

Implication of the Enacted Budget: The enacted budget appropriates \$358,226 in FY 2006 and \$358,226 in FY 2007. The enacted budget provides for full funding of the County Agricultural Society program.

Ohio Family Farm Loan Program

Program Description: Pursuant to an agreement with the U.S. Department of Agriculture, the Ohio Department of Agriculture works with the Ohio Department of Development to administer the Ohio Family Farm Loan Program. The Ohio Family Farm Loan is designed to help high credit risk farmers that would have difficulty obtaining conventional credit. If a financial institution determines that a project needs a loan guarantee, it will forward a loan guarantee application to the Department of Development, which then verifies that the lender's application meets the requirements of the program. The Agricultural Financing Commission, an independent loan review committee appointed by the Governor, then evaluates the loan applications and makes recommendations to the Director of Agriculture. If the Director approves the loan guarantee, the application is forwarded to the Ohio Controlling Board, which must approve the release of funds from the Family Farm Loan Fund (Fund 5H1) in the Department of Development.

Funding Source: Federal grants

Implication of the Enacted Budget: The enacted budget appropriates \$43,793 in FY 2006 and \$43,793 in FY 2007. The enacted budget provides for full funding of the Ohio Farm Loan program.

Temporary and Permanent Law Provisions: Family Farm Loan Program (Section 203.24). Temporary law authorizes the transfer of up to \$1,000,000 in each fiscal year from moneys in the Facilities Establishment Fund (Fund 037) to the Family Farm Loan Fund (Fund 5H1) in the Department of Development.

Family Farm Loan Program (R.C. 122.011). A permanent law provision extends the sunset of the Family Farm Loan Program from October 15, 2005, to October 15, 2007.

Farmland Preservation

Program Description: The program facilitates the preservation of farmland and also educates the public about this issue. The program's Clean Ohio Fund Agricultural Easement Purchase Program was established in 2001. The program initiates purchases of agricultural easements from volunteer landowners. In addition, legislation signed in 2002, permits landowners to donate development rights of their land to the state or local governments for the purpose of protecting productive farmland from converting to nonagricultural use. Approximately \$1.5 million was disbursed in FY 2005 for the purchase of agricultural easements to maintain productive farmland available for agricultural production.

Funding Source: General Revenue Fund and interest earned on the Clean Ohio Revitalization Fund

Implication of the Enacted Budget: The enacted budget appropriates \$390,573 in FY 2006 and \$390,573 in FY 2007. The enacted budget provides for full funding of the Farmland Preservation program.

Utility Radiological Safety

Program Description: The Utility Radiological Safety program is responsible for performing sampling of food grown or processed within allowable distances from nuclear plants in Ohio to ensure a safe food supply for the Ohio consumer in the event of a nuclear power plant release.

Funding Source: Assessments on power plants

Implication of the Enacted Budget: The enacted budget appropriates \$73,059 in FY 2006 and \$73,059 in FY 2007. The enacted budget provides for full funding of the Utility Radiological Safety program.

Temporary Law Provisions: Utility Radiological Safety Board Assessments (Section 306.03). Temporary law sets the assessments against nuclear electric utilities for the Department of Agriculture's Utility Radiological Safety Fund (Fund 4E4) at \$73,059 in FY 2006 and \$73,059 in FY 2007.

Program Series 2

Amusement Ride Safety

The following table shows the line items that are used to fund the Amusement Ride Safety program series, as well as the enacted budget's funding levels.

Fund	ALI	Title	FY 2006	FY 2007
State Special Revenue Fund				
578	700-620	Ride Inspection Fees	\$1,105,436	\$1,115,436
Total Funding: Amusement Ride Safety			\$1,105,436	\$1,115,436

The activities of the Amusement Ride Safety program are summarized below.

Amusement Ride Safety

Program Description: The Amusement Ride Safety program deals with the inspection of permanent and portable amusement rides throughout the state on an annual basis. In addition to site inspection, division personnel review safety records with ride operators, ensure that operators are informed of any maintenance updates or safety bulletins that may apply to certain rides, and monitor ride accidents and help determine their cause. The Department inspects, licenses, and maintains records on over 2,200 amusement rides in the state. The division is also responsible for licensing and regulating over 1,100 games and sideshows at the 94 county and independent fairs and the state fair.

Funding Sources: Fees and fines associated with the regulation of amusement rides

Implication of the Enacted Budget: The enacted budget appropriates \$1,105,436 in FY 2006 and \$1,115,436 in FY 2007. The enacted budget provides for full funding of the Amusement Ride Safety program and allows the program to maintain FY 2005 service levels.

Temporary and Permanent Law Provisions: Advisory Council on Amusement Ride Safety (R.C. 1711.52). A permanent law provision in the enacted budget requires the existing Advisory Council on Amusement Ride Safety to prepare and submit a report, not later than December 31, 2006, to the Governor, Speaker of the House of Representatives, President of the Senate, Minority Leader of the House of Representatives, Minority Leader of the Senate, and Director of Agriculture concerning the Council's recommendations for alternative funding sources for the Amusement Ride Safety program. This provision may result in a minimal increase in administrative expenses in order to prepare the report.

Amusement Ride Permit Fee (R.C. 1711.53 and 203.24). A provision in the enacted budget increases the fee for all annual amusement ride permits from \$50 to \$150. This provision should result in an increase of \$250,000 per year in revenue to the Ride Inspection Fund (Fund 578).

Requirements for Electrical Connections for Amusement Rides (R.C. 1711.53 and 1711.531). A provision in the enacted budget requires amusement rides that are operated from an electric light company source to be operated only through a properly installed fusible switch, enclosed circuit breaker, or panel board. According to the Department of Agriculture, this provision will not result in an increase in expenditures to inspect electrical connections on amusement rides as Department inspectors do not inspect these electrical connections. The Department primarily inspects the generators that power most of the portable amusement rides. A professional electrician would be needed to inspect the electrical connection on rides that are operated from an electric light company source.

Program Series 3

Food, Dairy, and Drugs

Purpose: Supports the operations of the Food Safety and the Dairy Inspection Divisions.

The following table shows the line items that are used to fund the Food, Dairy, & Drugs program series, as well as the enacted budget's funding levels.

Fund	ALI	Title	FY 2006	FY 2007
General Revenue Fund				
GRF	700-403	Dairy Division	\$1,304,504	\$1,304,504
GRF	700-407	Food Safety	\$939,099	\$939,099
General Revenue Fund Subtotal			\$2,243,603	\$2,243,603
State Special Revenue Fund				
4R2	700-637	Dairy Industry Inspection	\$1,541,466	\$1,621,460
4P7	700-610	Food Safety Inspection	\$816,096	\$858,096
State Special Revenue Fund Subtotal			\$2,357,562	\$2,479,556
Total Funding: Food, Dairy, and Drugs			\$4,601,165	\$4,723,159

The activities of the Food, Dairy, and Drugs program are summarized below.

- **Program 3.1: Dairy Inspection**
- **Program 3.2: Food Safety**

Dairy Inspection

Program Description: This regulatory and licensure program ensures that all milk and milk products emanating from Ohio dairies are safe for human consumption. This involves the licensure and inspection of dairies, milk haulers, and dealers in Ohio to ensure the sanitary production, processing, and transportation of milk-based products.

Funding Sources: General Revenue Fund and licensing and milk inspection fees

Implication of the Enacted Budget: The enacted budget appropriates \$2,845,970 in FY 2006 and \$2,925,964 in FY 2007. The enacted budget provides for full funding of the Dairy Inspection program.

Food Safety

Program Description: The Food Safety program ensures the safe food supply through surveillance, sampling, inspection, consultation, technical assistance, and training. The Division of Food Safety regulates food processing plants, wholesale storage, and distribution sites, and retail facilities that produce, process, label, store, distribute, and sell food products in the state. The Division also receives and investigates consumer complaints regarding food safety. Another responsibility of the Division is to inspect retail food establishments and provide enforcement support to the 143 local health departments. The Division's partnership with the local health departments provides an additional outlet to transmit consumer notices regarding food safety recalls of food and drug products.

Funding Sources: General Revenue Fund and fees collected from local health departments and license fees collected from retail and wholesale sectors

Implication of the Enacted Budget: The enacted budget appropriates \$1,755,195 in FY 2006 and \$1,797,795 in FY 2007. The enacted budget provides for full funding of the Food Safety program with additional funds to be used for an increase in testing and surveillance of the food supply.

Temporary and Permanent Law Provisions: Fee for Issuance of Certificates of Health and Freesale (R.C. 915.24 and 3715.04). Permanent law provisions authorize the Director of Agriculture to issue a certificate of health and freesale to a food processing establishment, manufacturer of over-the-counter drugs, or manufacturer of cosmetics upon request for purposes of certifying that products have been produced and warehoused under sanitary conditions as determined through inspection by the Department of Agriculture, establishes a \$20 fee for the issuance of such a certificate, and requires the Director to deposit any such fees that are collected to the credit of the existing Food Safety Fund. These provisions should result in an increase of \$52,000 in revenue to the Food Safety Fund (Fund 4P7).

Cannery License Fee (R.C. 913.02). A permanent law provision increases the cannery license fee and license renewal fee from \$100 to \$200. This provision should result in an increase of \$12,300 in revenue to the Food Safety Fund (Fund 4P7).

Soft Drink Manufacturing or Bottling and Sale of Syrup or Extract Fees (R.C. 913.23). A permanent law provision increases the soft drink manufacturing or bottling license fee from \$100 to \$200, increases the out-of-state soft drink manufacturing or bottling registration fee from \$100 to \$200, and increases the license fee from \$50 to \$100 for the sale, use, or possession with intent to sell of any soda water syrup or extract or soft drink syrup to be used in making, drawing, or dispensing soda water or

other soft drinks. This provision should result in an increase of \$23,700 in revenue to the Food Safety Fund (Fund 4P7).

Cold Storage Warehouse Operation License Fee (R.C. 915.02). A permanent law provision increases the fee for a license to operate a cold-storage warehouse from \$100 to \$200. This provision should result in an increase in revenue of \$3,800 to the Food Safety Fund (Fund 4P7).

Annual License Fee for Food Locker Plan Establishments (R.C. 915.16). A permanent law provision increases the annual fee for a license to operate a frozen food manufacturing facility, slaughterhouse, locker room, locker, chill room, sharp freezing room and facilities, or sharp freezing cabinet from \$25 to \$50. This provision should result in an increase in revenue of \$4,700 to the Food Safety Fund (Fund 4P7).

Program Series 4

Agriculture Market Development

Purpose: Boosts the sales of Ohio's agricultural products in domestic and international markets.

The following table shows the line items that are used to fund the Agriculture Market Development program series, as well as the enacted budget's funding levels.

Fund	ALI	Title	FY 2006	FY 2007
General Revenue Fund				
GRF	700-404	Ohio Proud	\$185,395	\$185,395
GRF	700-411	International Trade and Market Development	\$617,524	\$517,524
General Revenue Fund Subtotal			\$802,919	\$702,919
State Special Revenue Fund				
494	700-612	Agricultural Commodity Marketing Program	\$170,220	\$170,220
496	700-626	Ohio Grape Industries	\$1,071,099	\$1,071,054
4R0	700-636	Ohio Proud Marketing	\$38,300	\$38,300
4T7	700-613	International Trade and Market Development	\$52,000	\$54,000
State Special Revenue Fund Subtotal			\$1,331,619	\$1,333,574
Total Funding: Agriculture Market Development			\$2,134,538	\$2,036,493

The activities of the Agriculture Market Development program are summarized below.

- **Program 4.1: International and Domestic Market**
- **Program 4.2: Commodity Marketing**
- **Program 4.3: Ohio Proud Marketing**
- **Program 4.4: Grape Industry Research and Marketing**

International and Domestic Market

Program Description: The International and Domestic Marketing program provides marketing services to Ohio's food and agricultural industry to promote and provide a competitive advantage for Ohio-based products that are marketed internationally and nationally. The Division of Markets is comprised of International Market Development, Domestic Market Development, the OHIO PROUD

program, and commodity marketing programs. The International Market Development program participates in trade shows, coordinates trade missions, conducts training seminars on exporting and provides market research information to help promote international development of Ohio-based products.

Funding Sources: General Revenue Fund and reimbursements from participants of trade missions

Implication of the Enacted Budget: The enacted budget appropriates \$617,524 in FY 2006 and \$517,524 in FY 2007. The enacted budget provides for full funding of the International and Domestic Market program, with \$100,000 of the amount appropriated in FY 2006 being earmarked for the Ohio-Israel Agricultural Initiative. The purpose of the Initiative is to promote agricultural cooperation between Ohio and Israel through their governments, farmers, research institutions, trade associations, and private companies; generate commercial exchanges and markets; identify potential agribusiness opportunities for development in both regions; and identify and coordinate joint research and international development projects.

Temporary Law Provisions: Ohio-Israel Agricultural Initiative (Section 203.34). A temporary law provision earmarks \$100,000 of GRF appropriation item 700-411, International Trade and Market Development, to be used in FY 2006 for the Ohio-Israel Agricultural Initiative. The purpose of the Ohio-Israel Agriculture Initiative is described above.

Commodity Marketing

Program Description: The Commodity Marketing program currently provides oversight for six marketing programs including: apple, beef, corn, egg, small fruit and vegetable, and sheep and wool. These marketing committees promote their product, provide research and conduct educational programs for the betterment of their commodity. Commodity committees are either appointed by the Director of Agriculture or elected by the producers for that commodity group. The commodity committees collect check-off fees that fund their activities. Depending on the committee, the Department either provides financial oversight, or the Department collects the fees from the committee and returns the fee to the committee through a pass-through procedure. Currently, three of the six commodity groups utilize the pass-through procedures offered by the Department.

Funding Source: Assessments from producers collected by commodity committees for the promotion of their product

Implication of the Enacted Budget: The enacted budget appropriates \$170,220 in FY 2006 and \$170,220 in FY 2007. The enacted budget provides for full funding of the Commodity Marketing program.

Ohio Proud Marketing

Program Description: The Department developed this marketing program in 1993 in an effort to increase sales of agricultural goods grown or processed in the state. One of the most prominent features of the marketing program is the "Ohio Proud" shelf tags and labels affixed to products displayed in grocery stores. Consumer awareness has risen steadily since its inception. The Department has an Ohio Proud van that travels throughout the state to display information to consumers about the program. The van participates in approximately 80 events each year. According to the Department, 204 companies from 61 counties participate in this program.

Funding Sources: General Revenue Fund and revenues collected from membership of the Ohio Proud program

Implication of the Enacted Budget: The enacted budget appropriates \$223,695 in FY 2006 and \$223,695 in FY 2007. The enacted budget provides for full funding of the Ohio Proud Marketing program.

Grape Industry Research and Marketing

Program Description: The Ohio Grape Industry program was established in 1985 to serve the Ohio grape and wine producers through research that focuses on expanded production, and marketing programs to help expand the demand of grape-related products. The number of licensed and bonded Ohio wineries is approximately 90. The research done by the program has focused on disease management, pest control, and development of grapevines suitable to Ohio weather. The research is made available to Ohio grape growers. The Department has adopted an aggressive marketing strategy and hopes to increase consumer recognition regarding Ohio grape products.

Funding Source: A portion of the tax revenues collected from wine and liquor sales throughout the state

Implication of the Enacted Budget: The enacted budget appropriates \$1,071,099 in FY 2006 and \$1,071,054 in FY 2007. The enacted budget provides for full funding of the Grape Industry Research and Marketing program.

Program Series 5

Plant Industry

Purpose: Assures consumers of accurate product labeling, minimize plant loss caused by pests and diseases, protect against the misuse of chemicals on agricultural products, and protect farmers in case of grain elevator failures.

The following table shows the line items that are used to fund the Plant Industry program series, as well as the enacted budget's funding levels.

Fund	ALI	Title	FY 2006	FY 2007
General Revenue Fund				
GRF	700-410	Plant Industry	\$391,216	\$50,000
GRF	700-413	Gypsy Moth Prevention	\$200,000	\$200,000
General Revenue Fund Subtotal			\$591,216	\$250,000
Federal Special Revenue Fund				
3R2	700-614	Federal Plant Industry	\$4,800,000	\$4,800,000
Federal Special Revenue Fund Subtotal			\$4,800,000	\$4,800,000
State Special Revenue Fund				
497	700-627	Commodity Handlers Regulatory Program	\$515,820	\$529,978
4C9	700-605	Feed, Fertilizer, Seed, & Lime Inspection	\$1,922,857	\$1,891,395
669	700-635	Pesticide Program	\$2,993,232	\$3,354,448
State Special Revenue Fund Subtotal			\$5,431,909	\$5,775,821
Total Funding: Plant Industry			\$10,823,125	\$10,825,821

The activities of the Plant Industry program are summarized below.

- **Program 5.1: Plant Pest Control, Apiary and Seed**
- **Program 5.2: Gypsy Moth Suppression**
- **Program 5.3: Feed Fertilizer and Lime Inspection**
- **Program 5.4: Grain Warehouse**
- **Program 5.5: Pesticide Regulation**

Plant Pest Control, Apiary and Seed

Program Description: The Plant Pest Control program inspects and certifies/licenses nursery stock producers and dealers. Inspectors examine agricultural and forest products for harmful pests and issue state and federal phytosanitary certificates. The program administers compliance agreements under state and federal plant pest quarantines, initiates, and administers and enforces state plant pest quarantines. The Apiary Section is responsible for registering over 5,000 apiary locations annually, and inspecting over 20,000 colonies to determine their health. The Seed program is responsible for the inspection of seed labeling, procedures, and records; sampling of seed lots for the purpose and assurance of quality seed being supplied to the consuming public and farmers; germination and purity testing for farmers' seed; testing seed that is sampled by inspectors and inspecting inoculants for proper labeling; and the issuance of permits. In addition, the Division received federal grant funding related to activities of the Division for the Consumer Analytical Laboratory, the agency's regulatory laboratory that conducts the testing, as well as for the eradication of the Emerald Ash Borer in northwest Ohio.

Funding Sources: General Revenue Fund and federal grants

Implication of the Enacted Budget: The enacted budget appropriates \$5,191,216 in FY 2006 and \$4,850,000 in FY 2007. The effect of the enacted budget for the Plant Pest Control, Apiary and Seed program is yet to be determined. Funding from the federal government will allow the Department to maintain the eradication efforts of the Emerald Ash Borer. However, the Department may need to go before the Controlling Board to ask for an increase in appropriation as the enacted budget appropriated significantly less than what the program has spent in recent years. The Department noted that such a decision would depend on the revenue that the program will receive.

Gypsy Moth Suppression

Program Description: The Gypsy Moth is an insect that is highly destructive to forests, trees, and landscapes throughout the nation. It also decreases timber value, lowers the quality of life for people living in infected areas, affects water quality, and damages wildlife habitats. It is an introduced pest and as such has few natural enemies. Currently, the pest has invaded 43 of Ohio's 88 counties. The Department has two programs aimed at controlling the Gypsy Moth. The first program is the Suppression program, which prevents tree mortality through the use of aerial treatments of control products. The Slow-The-Spread program monitors and eradicates the pest. Its objectives are to slow the advance of the pest to its natural movement of less than seven miles per year.

Funding Source: General Revenue Fund

Implication of the Enacted Budget: The enacted budget appropriates \$200,000 in FY 2006 and \$200,000 in FY 2007. According to the Department, the funding needed to suppress the Gypsy Moth depends on the level of infestation. The level of infestation depends on how much rain the state gets in the spring. If the infestation is significant in the FY 2006-2007 biennium, this funding level will not adequately support this program.

As a partial fix, temporary law language allows the Director of Budget and Management to transfer the cash credited to the Commercial Feed, Fertilizer, Seed, and Lime Inspection and Laboratory Fund (Fund 4C9) or the Pesticide Program Fund (Fund 669) to any other fund administered by the Director of Agriculture. This language would give the Department the flexibility to fund the Gypsy Moth program if more suppression is needed.

Feed, Fertilizer, and Lime Inspection

Program Description: The Feed, Fertilizer, and Lime Inspection program provides a level of protection to the purchasing consumer of feeds, fertilizers, and liming material products to assure that the products purchased contain the amount of nutrients and/or minerals as claimed on the label by obtaining samples of different animal feeds, pet foods, agricultural fertilizers, lawn fertilizers, and lime products. Inspectors also conduct safety checks on anhydrous ammonia equipment to ensure safe storage and handling of ammonia fertilizer, check contaminated areas around fertilizer tanks and verify that large fertilizer tanks meet API Standards, and perform inspections on a contract basis for the FDA.

Funding Source: Fees charged to feed dealers for inspections

Implication of the Enacted Budget: The enacted budget appropriates \$1,922,857 in FY 2006 and \$1,891,395 in FY 2007. The enacted budget provides for full funding of the Feed, Fertilizer, and Lime Inspection program.

Temporary and Permanent Law Provisions: Fertilizers, Seed, Pesticides, Feed, Plants, and Metrology and Scale Certification Fund (R.C. 905.32, 905.33, 905.331, 905.36, 905.37, 905.38, 905.381, 905.50, 905.66, 907.16, 921.16, 923.44, 923.45, 923.46, 927.69, 1327.511). Permanent law provisions change the annual schedule for fertilizer-related licensure and registration and change the fertilizer tonnage report from a semiannual report to an annual report. The provisions also increase various fees (please refer to the table on pages 2 and 3) to replace GRF funding. This provision also merges the Commercial Feed, Fertilizer, and Lime Inspection and Laboratory Fund (Fund 4C9) and the Seed Fund (Fund 5Z4) to create the Commercial Feed, Fertilizer, Seed, and Lime Inspection and Laboratory Fund (Fund 4C9) and changes the name of the Scale Certification Fund to the Metrology and Scale Certification Fund (Fund 5H2). These provisions should increase revenues to the Commercial Feed, Fertilizer, Seed, and Lime Inspection and Laboratory Fund (Fund 4C9).

Fertilizer-Related Licensure and Registration (Section 203.24.03). A temporary law provision facilitates the implementation of the new schedule for fertilizer-related licensure, registration, and reporting established under sections 905.32, 905.33, 905.331 and 905.36 of the Revised Code, as amended by the enacted budget. As such, the provision sets the period for which the fertilizer-related licenses and registrations are valid. In addition, the provision sets the date that fertilizer tonnage reports are due.

Prohibition Against Regulation of Fertilizer and Seed by Political Subdivisions (R.C. 905.501, 907.111). A permanent law provision in the enacted budget prohibits political subdivisions from regulating or enacting legislation relating to the registration, packaging, labeling, sale, storage, distribution, use or application of fertilizer and from regulating or enacting legislation related to the registration, labeling, sale, or storage, transportation, distribution, notification of use, use, or planting of seed.

Transfer Between Funds (Section 203.24.03). Temporary law allows the Director of Budget and Management to transfer cash credited to the Commercial Feed, Fertilizer, Seed, and Lime Inspection and

Laboratory Fund (Fund 4C9) or the Pesticide Program Fund (Fund 669) to any other fund administered by the Director of Agriculture. This would allow for flexibility in directing funding to programs where it is needed. As noted previously, one possible use of the transfer would be to facilitate Gypsy Moth suppression.

Commercial Feed, Fertilizer, Seed, and Lime Inspection and Laboratory Fund (Section 203.24.03). A temporary law provision in the bill transfers all assets, liabilities, revenues, and obligations associated with the Seed Fund (Fund 5Z4) to the Commercial Feed, Fertilizer, Seed, and Lime Inspection and Laboratory Fund (Fund 4C9) on July 1, 2005. The amount of the transfer is approximately \$294,475.

Grain Warehouse

Program Description: The Grain Warehouse program monitors the financial adequacy of the 245 companies with 485 locations of grain elevators across the state. Each licensee is responsible for submitting an annual financial statement, providing adequate insurance coverage of the inventory and maintaining adequate records of its grain transactions. In addition, this program is also responsible for maintaining the indemnity fund that reimburses eligible farmers in the event a licensed handler becomes insolvent. The goal of this program is to prevent loss of grain proceeds to farmers that may result from a failed grain elevator.

Funding Source: Fees paid by commodity handlers

Implication of the Enacted Budget: The enacted budget appropriates \$515,820 in FY 2006 and \$529,978 in FY 2007. The enacted budget provides for full funding of the Grain Warehouse program.

Permanent Law Provisions: **Agricultural Commodity Handlers Law Definition Changes (R.C. 926.01).** A provision in the bill revises two definitions in the Agricultural Commodity Handlers Law governing the application of that law. First, the provision modifies the definition of "agricultural commodity handling" by specifying that it includes engaging in or participating in the business of purchasing from producers of agricultural commodities for any use in excess of 30,000 bushels annually rather than, as in current law, engaging in or participating in the business of purchasing an agricultural commodity for sale, resale, processing, or any other use in volumes exceeding 30,000 bushels annually from producers, 100,000 bushels annually from agricultural commodity handlers, or 100,000 bushels annually from both producers and handlers.

Second, the provision removes from the definition of "agricultural commodity handler" or "handler" the exclusion in current law of a person who does not handle agricultural commodities in volumes of 30,000 or fewer bushels annually from producers or 100,000 or fewer bushels annually from agricultural commodity handlers unless the combined annual volume of purchases from producers and handlers exceeds 100,000 bushels. According to the Department, this provision will result in only a negligible loss in commodity handling license and renewal revenue, as there will be a small number of handlers that will not require a license. Furthermore, there will also be no significant cost to enforce this provision because it loosens handler requirements.

Pesticide Regulation

Program Description: The Pesticide Regulation program oversees the application of pesticides, the labeling of pesticide products and the testing and licensing of pesticide applicators in the state. The Department licenses commercial pesticide operators, dealers of restricted-use pesticides, and certification of private applicators desiring to purchase restricted-use products. In addition, the Department also

investigates complaints of misuse of pesticides and of improper storage or disposal of products. On average, the Department receives over 300 complaints each year. The Department administers the Clean Sweep Program, a regional pesticide disposal program to protect consumers and the environment. This program is free of charge to the public.

Funding Source: Fees charged to pesticide dealers and applicators

Implication of the Enacted Budget: The enacted budget appropriates \$2,993,232 in FY 2006 and \$3,354,448 in FY 2007. The enacted budget provides for full funding of the Pesticide Regulation program while also allowing for the control of invasive species that may develop and for additional supervision of pesticides used on farms throughout Ohio.

Temporary Law Provisions: Transfer Between Funds (Section 203.24.03). Temporary law allows the Director of Budget and Management to transfer cash credited to the Commercial Feed, Fertilizer, Seed, and Lime Inspection and Laboratory Fund (Fund 4C9) or the Pesticide Program Fund (Fund 669) to any other fund administered by the Director of Agriculture. This would allow for flexibility in directing funding to programs where it is needed.

Program Series 6

Weights and Measures

The following table shows the line items that are used to fund the Weights & Measures program series, as well as the enacted budget's funding levels.

Fund	ALI	Title	FY 2006	FY 2007
General Revenue Fund				
GRF	700-412	Weights and Measures	\$1,100,000	\$1,300,000
State Special Revenue Fund				
5H2	700-608	Metrology Lab and Scale Certification	\$351,526	\$362,526
Total Funding: Weights and Measures			\$1,451,526	\$1,662,526

The activities of the Weights and Measures program are summarized below.

Weights & Measures

Program Description: The Weights and Measures Division regulates the state's agricultural weighing and measuring devices and inspect commodities packaged and sold by the state's wholesale and retail marketers. The types of devices inspected range from livestock scales to grocery store price scanners. Packaged goods that are subject to inspection range from breakfast cereals to bagged manure. Since there are thousands of such devices statewide which require frequent inspection, the division trains county and municipal inspectors to carry out weight and measuring certification on the local level. Within the program there are two laboratories.

The Division maintains a National Type Evaluation Program (NTEP) laboratory, one of only four in the country. This is a self-funded program. Scale and measuring device manufacturers may bring their new equipment to this lab for testing and approval. If the NTEP lab approves the device, the manufacturer can sell the device nationally. The lab works with others in California, Maryland, and New York to develop acceptable and uniform weight and measurement standards. The NTEP is funded through fees charged to manufacturers who submit their devices to the laboratory for certification.

The metrology lab houses standards of mass, length, and volume for the state of Ohio. The standards are traceable to U.S. standards and the world standards house in Paris, France. The Department's laboratory is the only U.S. Department of Commerce authorized metrology laboratory in the state. The workload for this program has doubled within the past ten years.

Funding Sources: GRF and fees charged to manufacturers for inspection of large meters and large scales

Implication of the Enacted Budget: The enacted budget appropriates \$1,451,526 in FY 2006 and \$1,662,526 in FY 2007. The enacted budget provides for full funding of the Weights and Measures program and the replacement of at least one of the three trucks due to poor condition.

Permanent and Temporary Law Provisions: **Metrology Lab and Scale Certification Fund (Section 203.24.03)**. Temporary law transfers all assets, liabilities, revenues, and obligations associated with the Scale Certification Fund (Fund 579) to the Metrology Lab and Scale Certification Fund (Fund 5H2) on July 1, 2005. That amounted to \$282,399, which will be available for the same uses in the renamed fund.

Fertilizers, Seed, Pesticides, Feed, Plants, and Metrology and Scale Certification Fund (R.C. 905.32, 905.33, 905.331, 905.36, 905.37, 905.38, 905.381, 905.50, 905.66, 907.16, 921.16, 923.44, 923.45, 923.46, 927.69, 1327.511). Among other changes described above, this provision also changes the name of the Scale Certification Fund (Fund 579) to the Metrology and Scale Certification Fund (Fund 5H2). As noted above, all assets, liabilities, revenues, and obligations of Fund 579 were transferred to Fund 5H2.

Program Series 7

Animal Disease Control

Purpose: Detects and controls livestock and poultry diseases, licenses dealers and others involved in bringing livestock and poultry to market, protects consumers from tissue and milk drug residue, as well as protects livestock and poultry production interests.

The following table shows the line items that are used to fund the Animal Disease Control program series, as well as the enacted budget's funding levels.

Fund	ALI	Title	FY 2006	FY 2007
General Revenue Fund				
GRF	700-401	Animal Disease Control	\$3,574,506	\$3,574,506
GRF	700-405	Animal Damage Control	\$60,000	\$60,000
GRF	700-415	Poultry Inspection	\$325,000	\$325,000
GRF	700-424	Livestock Testing & Inspections	\$115,946	\$115,946
General Revenue Fund Subtotal			\$4,075,452	\$4,075,452
State Special Revenue Fund				
652	700-634	Animal Health and Food Safety	\$810,000	\$810,000
State Special Revenue Fund Subtotal			\$810,000	\$810,000
Total Funding: Animal Disease Control			\$4,885,452	\$4,885,452

The activities of the Animal Disease Control program are summarized below.

- **Program 7.1: Animal Disease Control**
- **Program 7.2: Animal Damage Control**
- **Program 7.3: Poultry Inspection**
- **Program 7.4: Livestock Testing and Inspection**

Animal Disease Control

Program Description: The mission of the Animal Disease Control program is to protect and promote the health of Ohio's livestock and poultry. The division's mission is to maintain disease-free status for Ohio's flock and herd; protect livestock and poultry from emerging, foreign, and reemerging diseases; protect consumers from tissue and milk residues; protect livestock and poultry interests; and provide high caliber animal disease diagnostic laboratory services. Due to the outbreak of foreign animal disease such as Foot and Mouth Disease and Mad Cow Disease, the Animal Disease Control program substantially increased staff time and resources to prepare and assure Ohio's ability to respond to emergency situations.

The Animal Disease Diagnostic Lab (ADDL) is a significant aspect of this program, conducting a variety of testing procedures on samples from livestock producers. The ADDL is a full-service veterinary diagnostic laboratory. There are only 36 labs accredited by the American Association of Veterinary Laboratory Diagnosticians in the nation.

Funding Sources: General Revenue Fund and fees charged for laboratory services

Implication of the Enacted Budget: The enacted budget appropriates \$4,384,506 in FY 2006 and \$4,384,506 in FY 2007. The enacted budget provides for full funding of the Animal Disease Control program.

Temporary and Permanent Law Provisions: Merger of Animal Industry Laboratory Fund and Laboratory Services Fund (R.C. 901.43). A permanent law provision in the enacted budget merges the existing Animal Industry Laboratory Fund (Fund 4V5) with the existing Laboratory Services Fund (Fund 652) and names the new, combined fund as the Animal Health and Food Safety Fund (Fund 652), and retains existing fund provisions concerning sources and uses of money.

Animal Health and Food Safety Fund (Section 203.24.03). A temporary law provision in the enacted budget transfers all assets, liabilities, revenues, and obligations associated with the Animal Industry Laboratory Fund (Fund 4V5) to the Animal Health and Food Safety Fund (Fund 652) on July 1, 2005. It is uncertain what the amount of the transfer will be as, at the time of this writing, the transfer had yet to take place.

Creation of Laboratory and Administrative Support Fund (R.C. 901.44). A permanent law provision creates the Laboratory and Administrative Support Fund consisting of moneys received by the Department of Agriculture from auditorium rentals and other miscellaneous sources and authorizes the Department to use moneys in the Fund to pay costs associated with any of the Department's programs. The Department currently collects fees from auditorium and conference room rentals and deposits these fees in Fund 3J4. However, the Department anticipates the collection of fees for utilities and maintenance from the Department of Health and the Environmental Protection Agency, and possibly the Racing Commission for use of the Department's laboratories. The Department estimates that the revenue from these new and current fees will be \$2,096,000. Under this provision, all of these fees will be deposited into this new Laboratory and Administrative Support Fund.

Animal Damage Control

Program Description: This program supports efforts to address wildlife depredation on domestic animals through a coordinated approach with the United States Department of Agriculture - Animal and Plant Health Inspection Service (APHIS), and the Ohio Department of Natural Resources. The agency maintains and manages an indemnity fund for producers' injury or loss to livestock or poultry due to coyotes and black vultures. The program goal is to prevent and/or minimize damage and nuisance effects caused by mammals and birds to agricultural production, with emphasis placed on coyote and black vulture depredation.

Funding Source: General Revenue Fund

Implication of the Enacted Budget: The enacted budget appropriates \$60,000 in FY 2006 and \$60,000 in FY 2007. The enacted budget allows the Animal Damage Control program to continue paying indemnity claims. A total of \$23,693 was paid for indemnity claims on 541 head of livestock in FY 2003 and \$33,325 was paid in indemnity claims for 484 head in FY 2004.

Poultry Inspection

Program Description: This program develops testing and disease control initiatives involving Ohio's poultry industry. Ohio ranks second in the nation in chicken layer inventory and second in the nation in egg production. The Animal Disease Diagnostic Laboratory (ADDL) conducts over 230,000 tests per year on poultry and eggs. A relatively new initiative is the Ohio Egg Quality Assurance

program. This program is a major effort at assessing, controlling, and reducing the threat of Salmonella Enteritidis in Ohio table eggs. According to the Department of Agriculture, the incidence of Salmonella Enteritidis in Ohio has decreased from 9.4% in 1999 to 2.1% in 2003.

Funding Source: General Revenue Fund

Implication of the Enacted Budget: The enacted budget appropriates \$325,000 in FY 2006 and \$325,000 in FY 2007. The enacted budget provides for full funding of the Poultry Inspection program and allows for continued salmonella surveillance and testing.

Livestock Testing and Inspection

Program Description: The Livestock Testing and Inspection program supports the testing of exhibition livestock at 94 county and independent fairs, the Ohio State Fair and testing at other exhibitions, such as preview shows, the Dairy Expo and Beef Expo.

Funding Source: General Revenue Fund

Implication of the Enacted Budget: The enacted budget appropriates \$115,946 in FY 2006 and \$115,946 in FY 2007. The enacted budget provides for full funding of the Livestock Testing and Inspection program.

Program Series 8

Meat Inspection

The following table shows the line items that are used to fund the Meat Inspection program series, as well as the enacted budget's funding levels.

Fund	ALI	Title	FY 2006	FY 2007
General Revenue Fund				
GRF	700-499	Meat Inspection Program-State Share	\$4,696,889	\$4,696,889
Federal Special Revenue Fund				
326	700-618	Meat Inspection Program-Federal Share	\$5,201,291	\$5,201,291
State Special Revenue Fund				
4T6	700-611	Poultry and Meat Inspection	\$47,294	\$47,294
Total Funding : Meat Inspection			\$9,945,474	\$9,945,474

The activities of the Meat Inspection program are summarized below.

Meat Inspection

Program Description: The primary goal of the Meat Inspection program is to regulate and ensure the safety of meat and poultry products produced and processed in Ohio. Federal inspection guidelines, called Hazard Analysis and Critical Control Point (HACCP) systems, forced rapid changes in Ohio's meat and poultry inspection program. In general, HACCP involves the design of step-by-step meat inspection programs customized to each plant. Previous inspection methods relied on sight and smell inspections that occurred as the meat product was prepared for shipment. By the year 2000, all meat and poultry inspections had to have been conducted using the HACCP model. The Division also regulates the labeling of meat and poultry products that allows consumers to make informed decisions about ingredients and nutrition values. There are approximately 229 meat-processing plants under full inspection.

Funding Sources: General Revenue Fund, federal grants, and fees paid for overtime inspection services provided to the processors

Implication of the Enacted Budget: The enacted budget appropriates \$9,765,474,474 in FY 2006 and \$9,765,474 in FY 2007. The enacted budget provides for full funding of the Meat Inspection program.

Program Series 9**Consumer Analytical Laboratory**

The following table shows the line items that are used to fund the Consumer Analytical Laboratory program series, as well as the enacted budget's funding levels.

Fund	ALI	Title	FY 2006	FY 2007
General Revenue Fund				
GRF	700-406	Consumer Analytical Lab	\$819,907	\$819,907
State Special Revenue Fund				
652	700-634	Animal Health and Food Safety	\$989,447	\$987,447
Total Funding: Consumer Analytical Laboratory			\$1,809,354	\$1,807,354

The activities of the Consumer Analytical Laboratory are summarized below.

Consumer Analytical Laboratory

Program Description: The Consumer Analytical Laboratory (CAL) provides laboratory-testing services of samples that are collected primarily by employees of the regulatory divisions of the agency. Samples are collected from agency programs, both state and federally funded, or received from other state agencies, local health districts, school districts, private companies, and Ohio residents. The tests performed by CAL include testing for food-borne pathogens such as Salmonella, Listeria, and E-coli; analyzing agricultural liming and fertilizers; determining pesticide residue levels in food and milk; testing water for metals, volatile organic compounds and other contaminants; and determining the cause of livestock and poultry death. Annually, scientists perform 50,000 tests on more than 20,000 samples.

Funding Sources: General Revenue Fund and fees charged for performing laboratory tests

Implication of the Enacted Budget: The enacted budget appropriates \$1,809,354 in FY 2006 and \$1,809,354 in FY 2007. The enacted budget provides for full funding of the Consumer Analytical Laboratory program.

Temporary Law Provisions: Animal Health and Food Safety Fund (Section 203.24.03). A temporary law provision in the enacted budget transfers all assets, liabilities, revenues, and obligations associated with the Animal Industry Laboratory Fund (Fund 4V5) to the Animal Health and Food Safety Fund (Fund 652) on July 1, 2005. It is uncertain what the amount of the transfer will be as, at the time of this writing, the transfer had yet to take place.

Program Series 10**Large Livestock Regulation**

The following table shows the line items that are used to fund the Large Livestock Regulation program series, as well as the enacted budget's funding levels.

Fund	ALI	Title	FY 2006	FY 2007
General Revenue Fund				
GRF	700-418	Livestock Regulation Program	\$1,428,496	\$1,428,496
State Special Revenue Fund				
5L8	700-604	Livestock Management Program	\$30,000	\$30,000
Total Funding: Large Livestock Regulation			\$1,458,496	\$1,458,496

The activities of the Large Livestock Regulation program are summarized below.

Large Livestock Regulation

Program Description: The Large Livestock Regulation program monitors large livestock operations, including all aspects of manure storage, handling, transportation and land-application by these farms, and the farm's insect and rodent control plans. This program also provides permits and certifications for the large livestock facilities, establishes building standards for new facilities, and oversees the consolidated feeding operations of 1,000 or more animal units. In addition, funding in this program provides the administrative costs for the Concentrated Animal Feeding Facility Advisory Committee.

Funding Sources: General Revenue Fund and fees charged for livestock facilities permits

Implication of the Enacted Budget: The enacted budget appropriates \$1,458,496 in FY 2006 and \$1,458,496 in FY 2007. The enacted budget provides for full funding of the Large Livestock Regulation program and for the hiring of, most likely, three additional employees. The Department of Agriculture stated that one of the employees would be an inspector that would deal with farm compliance issues, the second would be an engineer that would help enforce construction standards for permitted farms, and the third would be another engineer that would be involved both in enforcement of construction standards as well as on-site farm inspections.

Program Series 11**Auctioneers Licensing**

The following table shows the line items that are used to fund the Auctioneers Licensing program series, as well as the enacted budget's funding levels.

Fund	ALI	Title	FY 2006	FY 2007
State Special Revenue Fund				
4D2	700-609	Auction Education	\$23,885	\$24,601
5B8	700-629	Auctioneers	\$365,390	\$365,390
Total Funding: Auctioneers Licensing			\$389,275	\$389,991

The activities of the Auctioneers Licensing program are summarized below.

Auctioneers Licensing

Program Description: In October 2001, the licensing function and administration of the Ohio Auctioneer program was transferred from the Ohio Department of Commerce to the Ohio Department of Agriculture. The Department of Agriculture licenses more than 3,300 auctioneers. In addition, the program is responsible for providing training sessions for auctioneers and promotion of the auction industry.

Funding Source: Fees charged to license and train auctioneers

Implication of the Enacted Budget: The enacted budget appropriates \$389,275 in FY 2006 and \$389,991 in FY 2007. The enacted budget provides for full funding of the Auctioneers Licensing program.

Program Series 12**Program Management**

The following table shows the line items that are used to fund the Program Management program series, as well as the enacted budget's funding levels.

Fund	ALI	Title	FY 2006	FY 2007
General Revenue Fund				
GRF	700-321	Operating Expenses	\$2,605,330	\$2,605,330
General Revenue Fund Subtotal			\$2,605,330	\$2,605,330
Federal Special Revenue Fund				
382	700-601	Cooperative Contracts	\$4,300,000	\$4,300,000
3J4	700-607	Indirect Cost	\$1,500,027	\$1,500,027
Federal Special Revenue Fund Subtotal			\$5,800,027	\$5,800,027
Total Funding: Program Management			\$8,405,357	\$8,405,357

Program Management

Program Description: Program Management includes the offices of the Director, Fiscal, Human Resources, Enforcement, Laboratory and Building Maintenance, Information Technology, Legal, Tobacco Program Management, Communications, and Rural Development Partnership. Program Management also houses line items used to receive revenue from federal agencies and pay for indirect costs. For instance, appropriation item 700-601, Cooperative Contracts, receives federal moneys for grants and contracted services provided by the Ohio Department of Agriculture. These programs have been combined and are operated through one fund as a matter of convenience and to aid cash flow where revenue is received intermittently. During FY 2005, approximately 34 separate grants or contracts were deposited into this fund. Appropriation item 700-607, Indirect Cost, is used to pay indirect costs that are derived from administrative, utility, vehicle, and Auditor of State services as well as from the Statewide Indirect Cost Allocation Project (SWICAP).

Funding Sources: General Revenue Fund and federal grants

Implication of the Enacted Budget: The enacted budget appropriates \$8,405,357 in FY 2006 and \$8,405,357 in FY 2007. The enacted budget provides for full funding for Program Management.

Temporary and Permanent Law Provisions: Transfer Between Funds (Section 203.24.03). Temporary law allows the Director of Budget and Management to transfer cash credited to the Commercial Feed, Fertilizer, Seed, and Lime Inspection and Laboratory Fund (Fund 4C9) or the Pesticide Program Fund (Fund 669) to any other fund administered by the Director of Agriculture. This would allow for flexibility in directing funding to programs where it is needed.

Background Information for Installation or Operating of a Concentrated Animal Feeding Facility (R.C. 903.55). A provision in the enacted budget expands the scope of background information that must be submitted to the Director of Agriculture by an applicant for a permit to install or operate a concentrated animal feeding facility who has not operated such a facility in Ohio for at least two of the five years immediately preceding the submittal of the application. The provision requires an applicant to describe all animal-feeding facilities that the applicant has operated rather than just the current animal feeding facility the applicant operated or is operating. The Department notes that the added expense of reviewing additional background information will be quite minimal, as applicants are already obliged to disclose all of the information that they are aware of.