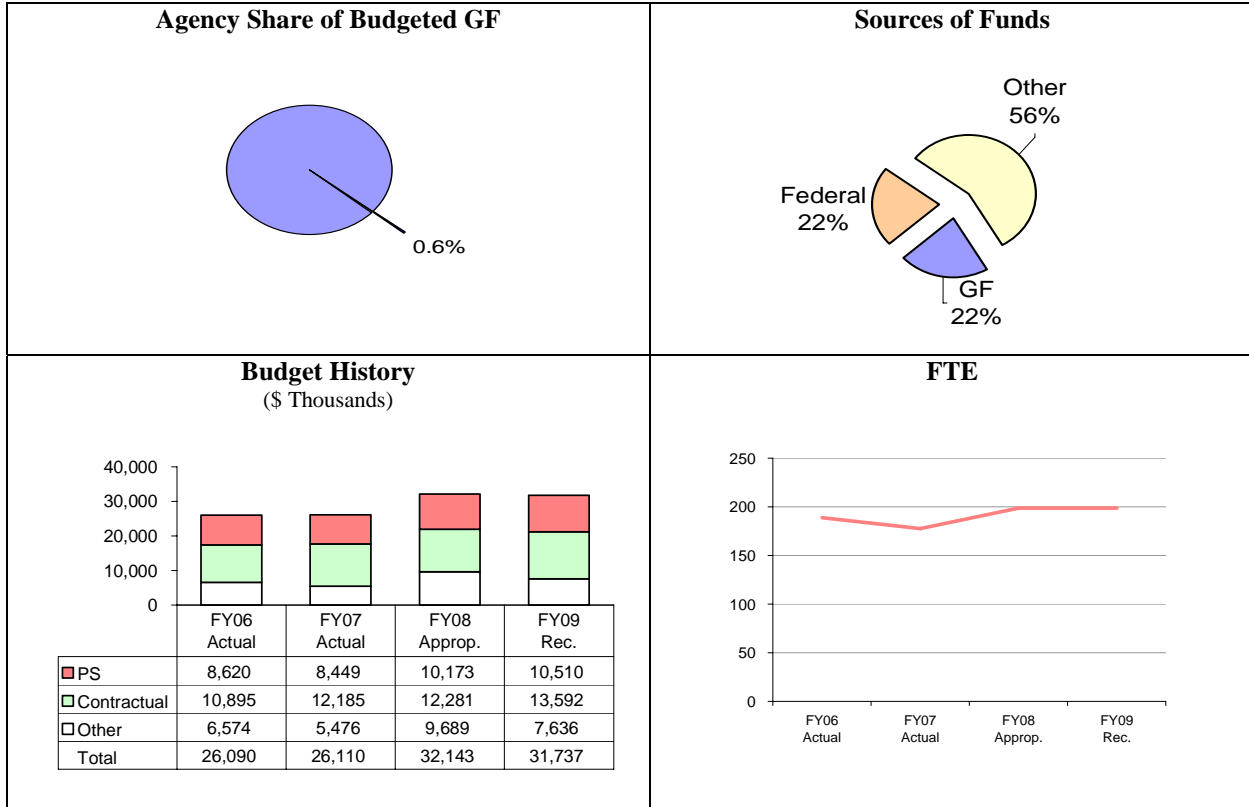


FY09 Budget Briefing

Department of Agriculture



Key Responsibilities

- To promote, protect, and advocate the interests of agriculture; to encourage wise management and protection of the state's soil, water, range and forest resources;
- To promote economically and environmentally sound agricultural practices;
- To protect, maintain, and develop market opportunities for SD crop and livestock industries; and
- To protect producer and consumer interests by inspecting and regulating agricultural products.

Key Personnel

- Department Secretary, William Even
- Finance Officer, Chris Peterson
- State Veterinarian, Sam Holland, DVM

Department of Agriculture Total

For FY09, the Governor recommends a decrease of \$406,034 from all funds from FY08. The FY09 recommended budget consists of \$6,864,513 from general funds, \$7,001,008 in federal fund expenditure authority, and \$17,871,818 in other fund expenditure authority, for a total budget of \$31,737,339 and 198.8 FTEs.

| | Actual FY07 | Budgeted FY08 | Agency Req. FY09 | Gov Rec. FY09 | Inc/Dec FY09 | % Change From FY08 |
|----------------------|-------------------|-------------------|---------------------|-------------------|------------------|-----------------------|
| Personal Services | 8,449,204 | 10,172,825 | 10,174,622 | 10,509,735 | 336,910 | 3.3% |
| Travel | 639,903 | 1,031,003 | 1,034,003 | 1,034,003 | 3,000 | 0.3% |
| Contractual Services | 12,185,297 | 12,281,337 | 13,591,907 | 13,591,907 | 1,310,570 | 10.7% |
| Supplies & Materials | 1,031,396 | 1,371,697 | 1,373,297 | 1,373,297 | 1,600 | 0.1% |
| Grants And Subsidies | 3,171,484 | 6,138,705 | 3,930,341 | 3,930,341 | (2,208,364) | (36.0%) |
| Capital Outlay | 270,680 | 301,011 | 301,211 | 301,211 | 200 | 0.1% |
| Other | 362,178 | 846,795 | 996,845 | 996,845 | 150,050 | 17.7% |
| Total | 26,110,142 | 32,143,373 | 31,402,226 | 31,737,339 | (406,034) | (1.3%) |
| Funding Types | | | | | | |
| General | 5,738,112 | 6,055,911 | 6,678,911 | 6,864,513 | 808,602 | 13.4% |
| Federal | 4,832,508 | 6,732,739 | 6,909,699 | 7,001,008 | 268,269 | 4.0% |
| Other | 15,539,522 | 19,354,723 | 17,813,616 | 17,871,818 | (1,482,905) | (7.7%) |
| Total | 26,110,142 | 32,143,373 | 31,402,226 | 31,737,339 | (406,034) | (1.3%) |
| FTE | 177.8 | 198.8 | 198.8 | 198.8 | - | 0.0% |

The Governor's recommendation throughout this analysis also includes funding for Performance And Compensation Equity (PACE) movement of 2.5% for those employees who are paid under the job-worth of their pay range, a 2.5% across-the-board increase for all permanent employees, and an increase in the employer paid portion of the state health insurance plan.

| | General Funds | Federal Funds | Other Funds | Total |
|-----------------------|----------------|---------------|---------------|----------------|
| 2.5% PACE Movement | 40,325 | 18,617 | 9,703 | 68,645 |
| 2.5% Across-the-Board | 128,347 | 61,609 | 38,800 | 228,756 |
| Health Insurance | 16,930 | 11,083 | 9,699 | 37,712 |
| | 185,602 | 91,309 | 58,202 | 335,113 |

Major Expansions and Reductions

| Budget Item | Agency Request | | | Governor's Recommendation | | |
|-----------------------------------|--------------------|-------------|-----|---------------------------|-------------|-----|
| | State General Fund | All Funds | FTE | State General Fund | All Funds | FTE |
| Fire Suppression | | | | | | |
| Operating Expenses | - | 176,960 | 0.0 | - | 176,960 | 0.0 |
| State Fair | | | | | | |
| Personal Services | 750,000 | - | 0.0 | 750,000 | - | 0.0 |
| Operating Expenses | - | 750,000 | 0.0 | - | 750,000 | 0.0 |
| Animal Industry Board | (127,000) | - | 0.0 | (127,000) | - | 0.0 |
| Ag. Boards and Commissions | - | (1,668,107) | 0.0 | - | (1,668,107) | 0.0 |
| Governor's Salary Policy | - | - | 0.0 | 185,602 | 335,113 | 0.0 |
| Total | 623,000 | (741,147) | 0.0 | 808,602 | (406,034) | 0.0 |

Fire Suppression:

- Contractual Services- The agency requests an increase of \$36,000 in federal fund expenditure authority for the annual payment for office and shop rental space for the Bear Mountain and Black Hat Handcrew Program in Rapid City. The current lease on the free Department of Transportation surplus building ends 12/31/07. The Governor recommends this request.
- Grants and Subsidies- The agency requests an increase of \$140,960 in federal fund expenditure authority in FY09. The increase includes:
 - \$40,960- The Volunteer Fire Assistance Program (VFA) provides grants to rural communities with a population of 10,000 or less to develop and strengthen their wildland and structure fire suppression capabilities. These grants are 50/50 cost-share and the rural fire departments' share must be a hard match.
 - \$100,000- Hazardous Fuels Mitigation grants are available for landowners to reduce the hazardous fuels around their homes and decrease losses from catastrophic wildland fires. These grants are 50/50 cost-share and the landowners' share must be a hard match.

The Governor recommends this request.

State Fair:

- Personal Services- The agency requests an increase of \$750,000 from general funds in FY09. As a result, the department will transfer \$750,000 in other fund expenditure authority from personal services to operating expenses. The increase in general funds will eliminate the need for a yearly special appropriation during the Legislative Session. The department believes that the \$750,000 is essential for the continued success of the State Fair. The Governor recommends this request.
- Travel- The agency requests an increase of \$3,000 in other fund expenditure authority in FY09. This adjustment is related to the movement of other fund authority from personal services to operating expenses. The Governor recommends this request.

- Contractual Services- The agency requests an increase of \$747,000 in other fund expenditure authority in FY09. This adjustment is related to the movement of other fund authority from personal services to operating expenses. The Governor recommends this request.

Animal Industry Board:

- During FY08, the Meat Inspection Program anticipated a potential loss of \$127,000 in federal funding. Due to this federal funding uncertainty, \$112,000 from general funds was added for personal services, and \$15,000 from general funds was added for travel in FY08. In FY09, federal funding for the Meat Inspection Program is still uncertain and the program still anticipates a potential loss of \$127,000 in federal funding. The Meat Inspection Program can utilize other funds rather than general funds in FY09 as a supplement for the potential loss of federal funding. As a result, a decrease of \$127,000 from general funds and a corresponding increase of \$127,000 in other fund expenditure authority are included in the budget for FY09. The Governor recommends this request.

Administration, Secretary of Agriculture

To provide policies and procedures, and maintain administrative functions for the department in an expedient and efficient manner; to provide leadership and direction for the future of South Dakota's number one industry; to work with farmers, ranchers, agricultural industry, the Legislature and South Dakota's congressional delegation, as well as other state and federal agencies to assist, evaluate, and respond to issues that affect South Dakota agriculture at the state, national, and international level; and, to provide assistance, public service, and information to the farmers, ranchers, the agricultural industry, and the public about agriculture, its opportunities, challenges, and needs.

The total recommended budget for Administration consists of \$653,630 from general funds, \$52,393 in federal fund expenditure authority, and \$111,715 in other fund expenditure authority, for a total budget of \$817,738 and 8.5 FTEs.

| | Actual FY07 | Budgeted FY08 | Agency Req. FY09 | Gov Rec. FY09 | Inc/Dec FY09 | % Change From FY08 |
|----------------------|----------------|------------------|---------------------|------------------|-----------------|-----------------------|
| Personal Services | 509,928 | 550,905 | 550,905 | 572,300 | 21,395 | 3.9% |
| Travel | 34,370 | 40,000 | 40,000 | 40,000 | - | 0.0% |
| Contractual Services | 129,293 | 174,399 | 174,399 | 174,399 | - | 0.0% |
| Supplies & Materials | 10,578 | 21,184 | 21,184 | 21,184 | - | 0.0% |
| Grants And Subsidies | - | - | - | - | - | 0.0% |
| Capital Outlay | 5,788 | 9,855 | 9,855 | 9,855 | - | 0.0% |
| Other | - | - | - | - | - | 0.0% |
| Total | 689,957 | 796,343 | 796,343 | 817,738 | 21,395 | 2.7% |
| Funding Types | | | | | | |
| General | 689,182 | 634,825 | 634,825 | 653,630 | 18,805 | 3.0% |
| Federal | - | 51,242 | 51,242 | 52,393 | 1,151 | 2.2% |
| Other | 775 | 110,276 | 110,276 | 111,715 | 1,439 | 1.3% |
| Total | 689,957 | 796,343 | 796,343 | 817,738 | 21,395 | 2.7% |
| FTE | 7.4 | 8.5 | 8.5 | 8.5 | - | 0.0% |

- Personal Services- The Governor's recommended appropriation includes an increase of \$21,395 (\$18,805 general, \$1,151 federal, \$1,439 other) for the FY09 salary policy.

Selected Performance Indicators

| | FY07 | | | FY08 | | | FY09 |
|--|-------------------|--------|--------------------------------|-------------------|------------------|--------------------|----------|
| | Original Estimate | Actual | Difference Over (Under) Estim. | Original Estimate | Current Estimate | Change in Estimate | Estimate |
| Ag Policy: | | | | | | | |
| Meetings/Hearings Attended: | | | | | | | |
| Public Meetings/Hearings | 10 | 8 | (2) | 10 | 10 | 0 | 10 |
| Legislative Meetings/Hearings | 20 | 21 | 1 | 20 | 20 | 0 | 20 |
| Congressional Meetings/Hearings | 2 | 3 | 1 | 2 | 2 | 0 | 2 |
| Workshops/Training--Grant Writing | 6 | 14 | 8 | 6 | 6 | 0 | 6 |
| Grants: Submitted/ Successful/ Pending | | 12/7/3 | n/a | | 15/15/0 | n/a | 15/15/0 |

Agricultural Services & Assistance

The total recommended budget for Agricultural Services consists of \$2,315,794 from general funds, \$2,934,260 in federal fund expenditure authority, and \$2,708,621 in other fund expenditure authority, for a total budget of \$7,958,675 and 84.9 FTEs.

| | Actual FY07 | Budgeted FY08 | Agency Req. FY09 | Gov Rec. FY09 | Inc/Dec FY09 | % Change From FY08 |
|----------------------|------------------------|--------------------------|-----------------------------|--------------------------|-------------------------|-------------------------------|
| Personal Services | 2,910,314 | 3,735,731 | 3,735,731 | 3,856,576 | 120,845 | 3.2% |
| Travel | 166,256 | 276,551 | 276,551 | 276,551 | - | 0.0% |
| Contractual Services | 1,622,045 | 1,845,651 | 1,881,651 | 1,881,651 | 36,000 | 2.0% |
| Supplies & Materials | 679,279 | 764,576 | 764,576 | 764,576 | - | 0.0% |
| Grants And Subsidies | 651,291 | 925,541 | 1,066,501 | 1,066,501 | 140,960 | 15.2% |
| Capital Outlay | 135,269 | 112,820 | 112,820 | 112,820 | - | 0.0% |
| Other | 129 | - | - | - | - | 0.0% |
| Total | 6,164,583 | 7,660,870 | 7,837,830 | 7,958,675 | 297,805 | 3.9% |
| Funding Types | | | | | | |
| General | 2,196,209 | 2,263,226 | 2,263,226 | 2,315,794 | 52,568 | 2.3% |
| Federal | 2,252,679 | 2,709,410 | 2,886,370 | 2,934,260 | 224,850 | 8.3% |
| Other | 1,715,695 | 2,688,234 | 2,688,234 | 2,708,621 | 20,387 | 0.8% |
| Total | 6,164,583 | 7,660,870 | 7,837,830 | 7,958,675 | 297,805 | 3.9% |
| FTE | 71.5 | 84.9 | 84.9 | 84.9 | - | 0.0% |

Revenues

| | <u>FY07</u> | | Difference Over (Under) Estim. | <u>FY08</u> | | | <u>FY09</u> Estimate |
|-------------------------|------------------------------|------------------|---|------------------------------|-----------------------------|-------------------------------|--------------------------------|
| | Original Estimate | Actual | | Original Estimate | Current Estimate | Change in Estimate | |
| Pesticide Fund | 237,000 | 271,748 | 34,748 | 366,000 | 370,000 | 4,000 | 268,000 |
| Weed and Pest Fund | 190,000 | 227,087 | 37,087 | 260,000 | 260,000 | 0 | 230,000 |
| Recycling/Disposal Fund | 11,500 | 18,453 | 6,953 | 8,500 | 19,000 | 10,500 | 20,000 |
| Rodent Control Fund | 175,000 | 263,701 | 88,701 | 145,000 | 260,500 | 115,500 | 260,500 |
| Fertilizer Fund | 100,000 | 87,115 | (12,885) | 121,500 | 95,500 | (26,000) | 88,000 |
| Feed Fund | 128,000 | 148,882 | 20,882 | 236,000 | 233,000 | (3,000) | 135,500 |
| Honey Promotion Fund | 7,000 | 6,930 | (70) | 7,000 | 7,000 | 0 | 7,000 |
| Dairy Fund | 80,600 | 80,600 | 0 | 90,925 | 80,000 | (10,925) | 80,000 |
| Nursery | 7,750 | 12,974 | 5,224 | 59,250 | 59,250 | 0 | 10,250 |
| Seed | 76,750 | 79,813 | 3,063 | 26,000 | 25,500 | (500) | 78,500 |
| Apiary | 83,300 | 81,548 | (1,752) | 83,300 | 82,000 | (1,300) | 82,000 |
| Fire Equipment Shop | 268,000 | 65,793 | (202,207) | 268,000 | 75,000 | (193,000) | 75,000 |
| Total | 1,364,900 | 1,344,644 | (20,256) | 1,671,475 | 1,566,750 | (104,725) | 1,334,750 |

- The Agricultural Services and Assistance includes two divisions: Agricultural Services and Fire Suppression. Budget detail for these divisions can be found on the subsequent pages.

Agricultural Services

To protect the producers and consumers of agricultural products from unsafe practices, product misrepresentation, and unfair trade practices; to protect the public health; ensure agricultural commodities will be eligible for export from South Dakota by developing policy; and to ensure coordination and communication with producers, landowners/managers, and agricultural businesses to ensure effective enforcement of statutes and rules.

The total recommended budget for Agricultural Services consists of \$1,199,171 from general funds, \$803,486 in federal fund expenditure authority, and \$1,977,172 in other fund expenditure authority, for a total budget of \$3,979,829 and 34.0 FTEs.

| | Actual FY07 | Budgeted FY08 | Agency Req. FY09 | Gov Rec. FY09 | Inc/Dec FY09 | % Change From FY08 |
|----------------------|------------------------|--------------------------|-----------------------------|--------------------------|-------------------------|-------------------------------|
| Personal Services | 1,490,431 | 1,859,046 | 1,859,046 | 1,919,004 | 59,958 | 3.2% |
| Travel | 87,431 | 190,070 | 190,070 | 190,070 | - | 0.0% |
| Contractual Services | 1,048,930 | 1,216,914 | 1,216,914 | 1,216,914 | - | 0.0% |
| Supplies & Materials | 208,371 | 173,530 | 173,530 | 173,530 | - | 0.0% |
| Grants And Subsidies | 321,913 | 450,541 | 450,541 | 450,541 | - | 0.0% |
| Capital Outlay | 43,024 | 29,770 | 29,770 | 29,770 | - | 0.0% |
| Other | - | - | - | - | - | 0.0% |
| Total | 3,200,100 | 3,919,871 | 3,919,871 | 3,979,829 | 59,958 | 1.5% |
| Funding Types | | | | | | |
| General | 1,120,417 | 1,168,020 | 1,168,020 | 1,199,171 | 31,151 | 2.7% |
| Federal | 721,317 | 791,560 | 791,560 | 803,486 | 11,926 | 1.5% |
| Other | 1,358,366 | 1,960,291 | 1,960,291 | 1,977,172 | 16,881 | 0.9% |
| Total | 3,200,100 | 3,919,871 | 3,919,871 | 3,979,829 | 59,958 | 1.5% |
| FTE | 29.9 | 34.0 | 34.0 | 34.0 | - | 0.0% |

Revenues

| | <u>FY07</u> | | | <u>FY08</u> | | | <u>FY09</u> |
|-------------------------|------------------------------|------------------|---|------------------------------|-----------------------------|-------------------------------|------------------|
| | Original Estimate | Actual | Difference Over (Under) Estim. | Original Estimate | Current Estimate | Change in Estimate | Estimate |
| Pesticide Fund | 237,000 | 271,748 | 34,748 | 366,000 | 370,000 | 4,000 | 268,000 |
| Weed and Pest Fund | 190,000 | 227,087 | 37,087 | 260,000 | 260,000 | 0 | 230,000 |
| Recycling/Disposal Fund | 11,500 | 18,453 | 6,953 | 8,500 | 19,000 | 10,500 | 20,000 |
| Rodent Control Fund | 175,000 | 263,701 | 88,701 | 145,000 | 260,500 | 115,500 | 260,500 |
| Fertilizer Fund | 100,000 | 87,115 | (12,885) | 121,500 | 95,500 | (26,000) | 88,000 |
| Feed Fund | 128,000 | 148,882 | 20,882 | 236,000 | 233,000 | (3,000) | 135,500 |
| Honey Promotion Fund | 7,000 | 6,930 | (70) | 7,000 | 7,000 | 0 | 7,000 |
| Dairy Fund | 80,600 | 80,600 | 0 | 90,925 | 80,000 | (10,925) | 80,000 |
| Nursery | 7,750 | 12,974 | 5,224 | 59,250 | 59,250 | 0 | 10,250 |
| Seed | 76,750 | 79,813 | 3,063 | 26,000 | 25,500 | (500) | 78,500 |
| Apiary | 83,300 | 81,548 | (1,752) | 83,300 | 82,000 | (1,300) | 82,000 |
| Total | 1,096,900 | 1,278,851 | 181,951 | 1,403,475 | 1,491,750 | 88,275 | 1,259,750 |

- Personal Services- The Governor's recommended appropriation includes an increase of \$59,958 (\$31,151 general, \$11,926 federal, \$16,881 other) for FY09 salary policy.

Selected Performance Indicators

| | <u>FY07</u> | | | <u>FY08</u> | | | <u>FY09</u> |
|-------------------------------------|-------------------|-------------|--------------------------------|-------------------|------------------|--------------------|-------------|
| | Original Estimate | Actual | Difference Over (Under) Estim. | Original Estimate | Current Estimate | Change in Estimate | Estimate |
| FERTILIZER: | | | | | | | |
| Distribution License/Product Reg. | 150/25 | 142/50 | n/a | 500/75 | 500/75 | n/a | 150/50 |
| Routine Inspection/Investigation | 285/25 | 321/25 | n/a | 285/25 | 285/25 | n/a | 285/25 |
| Compliance Actions | 140 | 177 | 37 | 140 | 150 | 10 | 150 |
| Samples Taken/Not Passed | 500/75 | 357/49 | n/a | 500/75 | 500/75 | n/a | 500/75 |
| FEED: | | | | | | | |
| Distribution License/Product Reg. | 150/400 | 167/540 | n/a | 700/1,050 | 700/1,050 | n/a | 175/550 |
| Routine Inspections/Investigations | 400/2 | 418/2 | n/a | 400/2 | 400/2 | n/a | 400/2 |
| Compliance Actions | 115 | 137 | 22 | 115 | 140 | 25 | 150 |
| Samples Taken/Not Passed | 800/120 | 635/116 | n/a | 800/120 | 800/120 | n/a | 800/120 |
| PESTICIDES: | | | | | | | |
| Distribution License/Product Reg. | 1500/7500 | 4,858/6,338 | n/a | 4,150/3,750 | 4,150/4,500 | n/a | 4,750/5,500 |
| Routine Inspections/Investigations | 400/125 | 533/92 | n/a | 400/125 | 500/100 | n/a | 500/100 |
| Compliance Actions | 150 | 148 | (2) | 150 | 150 | 0 | 150 |
| Samples Taken/Not Passed | 300/1 | 263/3 | n/a | 300/1 | 300/1 | n/a | 300/1 |
| DAIRY: | | | | | | | |
| Class A/Class B Permits | 475/110 | 475/110 | n/a | 470/100 | 400/70 | n/a | 400/70 |
| Class A - B Inspection/Reinspection | 1,400/145 | 13,500/257 | n/a | 1,400/130 | 13,000/250 | n/a | 13,000/250 |
| Pasteurization Units/Reinspection | 18/30 | 18/30 | n/a | 19/20 | 21/30 | n/a | 21/30 |
| Samples Taken/Not Passed | 12,000/650 | 9,119/288 | n/a | 9,000/625 | 10,000/250 | n/a | 10,000/250 |

Fire Suppression

To protect South Dakota's natural resources from the ravages of wildfire, and to ensure that South Dakota's state wildland fire suppression firefighters and resources are prepared to meet this challenge.

The total recommended budget for Fire Suppression consists of \$1,116,623 from general funds, \$2,130,774 in federal fund expenditure authority, and \$731,449 in other fund expenditure authority, for a total budget of \$3,978,846 and 50.9 FTEs.

| | Actual FY07 | Budgeted FY08 | Agency Req. FY09 | Gov Rec. FY09 | Inc/Dec FY09 | % Change From FY08 |
|----------------------|------------------------|--------------------------|-----------------------------|--------------------------|-------------------------|-------------------------------|
| Personal Services | 1,419,884 | 1,876,685 | 1,876,685 | 1,937,572 | 60,887 | 3.2% |
| Travel | 78,825 | 86,481 | 86,481 | 86,481 | - | 0.0% |
| Contractual Services | 573,115 | 628,737 | 664,737 | 664,737 | 36,000 | 5.7% |
| Supplies & Materials | 470,908 | 591,046 | 591,046 | 591,046 | - | 0.0% |
| Grants And Subsidies | 329,378 | 475,000 | 615,960 | 615,960 | 140,960 | 29.7% |
| Capital Outlay | 92,246 | 83,050 | 83,050 | 83,050 | - | 0.0% |
| Other | 127 | - | - | - | - | 0.0% |
| Total | 2,964,483 | 3,740,999 | 3,917,959 | 3,978,846 | 237,847 | 6.4% |
| Funding Types | | | | | | |
| General | 1,075,792 | 1,095,206 | 1,095,206 | 1,116,623 | 21,417 | 2.0% |
| Federal | 1,531,362 | 1,917,850 | 2,094,810 | 2,130,774 | 212,924 | 11.1% |
| Other | 357,329 | 727,943 | 727,943 | 731,449 | 3,506 | 0.5% |
| Total | 2,964,483 | 3,740,999 | 3,917,959 | 3,978,846 | 237,847 | 6.4% |
| FTE | 41.6 | 50.9 | 50.9 | 50.9 | - | 0.0% |

Revenues

| | FY07 | | | FY08 | | | FY09 |
|---------------------|--------------------------|---------------|---------------------------------------|--------------------------|-------------------------|---------------------------|-----------------|
| | Original Estimate | Actual | Difference Over (Under) Estim. | Original Estimate | Current Estimate | Change in Estimate | Estimate |
| Fire Equipment Shop | 268,000 | 65,793 | (202,207) | 268,000 | 75,000 | (193,000) | 75,000 |
| Total | 268,000 | 65,793 | (202,207) | 268,000 | 75,000 | (193,000) | 75,000 |

- **Personal Services**- The Governor's recommended appropriation includes an increase of \$60,887 (\$21,417 general, \$35,964 federal, \$3,506 other) for personal services for FY09 salary policy.
- **Contractual Services**- The agency requests an increase of \$36,000 in federal fund expenditure authority for the annual payment for office and shop rental space for the Bear Mountain and Black Hat Handcrew Program in Rapid City. The current lease on the free Department of Transportation surplus building ends 12/31/07. The Governor recommends this request.
- **Grants and Subsidies**- The agency requests an increase of \$140,960 in federal fund expenditure authority in FY09. The increase includes:
 - \$40,960- The Volunteer Fire Assistance Program (VFA) provides grants to rural communities with a population of 10,000 or less to develop and strengthen their wildland

and structure fire suppression capabilities. These grants are 50/50 cost-share and the rural fire departments' share must be a hard match.

- \$100,000- Hazardous Fuels Mitigation grants are available for landowners to reduce the hazardous fuels around their homes and decrease losses from catastrophic wildland fires. These grants are 50/50 cost-share and the landowners' share must be a hard match.

The Governor recommends this request.

Selected Performance Indicators

| | <u>FY07</u> | | | <u>FY08</u> | | | <u>FY09</u> |
|---|--------------------------|---------------|---------------------------------------|--------------------------|-------------------------|---------------------------|-----------------|
| | Original Estimate | Actual | Difference Over (Under) Estim. | Original Estimate | Current Estimate | Change in Estimate | Estimate |
| Wild Fires Suppressed (Fires/Acres) | 500/100,000 | 904/288,616 | n/a | 500/100,000 | 800/250,000 | n/a | 800/250,000 |
| Burning Permits Issued | 4,000 | 2,784 | (1,216) | 4,000 | 3,000 | (1,000) | 3,000 |
| Prescribed Burn Plans | 2/200 | 3/420 | n/a | 2/200 | 3/200 | n/a | 3/200 |
| Hazardous Fuel Mitigation -projects/acres | 50/600 | 28/450 | n/a | 50/800 | 50/800 | n/a | 50/800 |
| Interagency Annual Fire Operating Plans | 3 | 2 | (1) | 3 | 2 | (1) | 2 |
| Fire Training (sessions/personnel) | 75/2,500 | 91/1,984 | n/a | 75/2,500 | 90/2,500 | n/a | 90/2,500 |
| Rural Fire Assistance: | | | | | | | |
| Rural VFD's Assisted | 369 | 369 | 0 | 369 | 369 | 0 | 369 |
| Rural Community Fire Grants | 25 | 66 | 41 | 25 | 68 | 43 | 68 |
| Rural Fire Equipment Inspections | 412 | 404 | (8) | 412 | 404 | (8) | 412 |
| Fire Shop: | | | | | | | |
| Fire Shop Vehicles Renovated | 25 | 18 | (7) | 25 | 23 | (2) | 23 |
| Pieces of Excess Property Acquired | 25 | 27 | 2 | 25 | 25 | 0 | 25 |
| Value of Excess Property Acquired | 1,000,000 | 838,000 | (162,000) | 1,000,000 | 1,000,000 | 0 | 1,000,000 |

Agricultural Development & Promotion

The total recommended budget for Agricultural Development consists of \$1,224,866 from general funds, \$1,628,362 in federal fund expenditure authority, and \$1,432,532 in other fund expenditure authority, for a total budget of \$4,285,760 and 28.0 FTEs.

| | Actual FY07 | Budgeted FY08 | Agency Req. FY09 | Gov Rec. FY09 | Inc/Dec FY09 | % Change From FY08 |
|----------------------|------------------|------------------|---------------------|------------------|-----------------|-----------------------|
| Personal Services | 1,422,372 | 1,632,807 | 1,632,807 | 1,688,799 | 55,992 | 3.4% |
| Travel | 114,894 | 148,312 | 148,312 | 148,312 | - | 0.0% |
| Contractual Services | 755,085 | 1,193,782 | 1,193,782 | 1,193,782 | - | 0.0% |
| Supplies & Materials | 67,885 | 130,022 | 130,022 | 130,022 | - | 0.0% |
| Grants And Subsidies | 387,371 | 1,042,345 | 1,042,345 | 1,042,345 | - | 0.0% |
| Capital Outlay | 83,627 | 82,500 | 82,500 | 82,500 | - | 0.0% |
| Other | - | - | - | - | - | 0.0% |
| Total | 2,831,234 | 4,229,768 | 4,229,768 | 4,285,760 | 55,992 | 1.3% |
| Funding Types | | | | | | |
| General | 1,106,338 | 1,191,347 | 1,191,347 | 1,224,866 | 33,519 | 2.8% |
| Federal | 923,505 | 1,615,736 | 1,615,736 | 1,628,362 | 12,626 | 0.8% |
| Other | 801,391 | 1,422,685 | 1,422,685 | 1,432,532 | 9,847 | 0.7% |
| Total | 2,831,234 | 4,229,768 | 4,229,768 | 4,285,760 | 55,992 | 1.3% |
| FTE | 27.2 | 28.0 | 28.0 | 28.0 | - | 0.0% |

- The Agricultural Development and Promotion budget includes two divisions: Agriculture Development and Resource Conservation and Forestry. Budget detail for these divisions can be found on the subsequent pages.

Agriculture Development

To perform administrative functions for the department through policy formulation, implementation, and financial management; to work with individuals, agricultural groups, the Legislature, South Dakota's congressional delegation, and other state and federal agencies to evaluate and respond to issues that affect South Dakota agriculture at the state, national, and international level; to provide service to the public and inform them about agriculture, its opportunities, challenges and needs; to provide a leadership role in educating, assisting, and guiding the public to foster opportunities to add real value to South Dakota agricultural commodities, including livestock and crops; to evaluate and foster development of markets for South Dakota agricultural commodities and agricultural products derived from such commodities; to sustain the viability of South Dakota agriculture producers by providing access to capital at rates producers can reasonably be expected to pay; and to provide beginning farmers and ranchers access to capital at lower rates through the Value Added Finance Authority.

The total recommended budget for Agriculture Development consists of \$156,990 from general funds, \$297,295 in federal fund expenditure authority, and \$1,060,993 in other fund expenditure authority, for a total budget of \$1,515,278 and 9.0 FTEs.

| | Actual FY07 | Budgeted FY08 | Agency Req. FY09 | Gov Rec. FY09 | Inc/Dec FY09 | % Change From FY08 |
|----------------------|------------------------|--------------------------|-----------------------------|--------------------------|-------------------------|-------------------------------|
| Personal Services | 491,431 | 539,170 | 539,170 | 554,125 | 14,955 | 2.8% |
| Travel | 50,951 | 78,912 | 78,912 | 78,912 | - | 0.0% |
| Contractual Services | 370,232 | 759,828 | 759,828 | 759,828 | - | 0.0% |
| Supplies & Materials | 34,377 | 61,568 | 61,568 | 61,568 | - | 0.0% |
| Grants And Subsidies | 42,984 | 43,245 | 43,245 | 43,245 | - | 0.0% |
| Capital Outlay | 12,561 | 17,600 | 17,600 | 17,600 | - | 0.0% |
| Other | - | - | - | - | - | 0.0% |
| Total | 1,002,536 | 1,500,323 | 1,500,323 | 1,515,278 | 14,955 | 1.0% |
| Funding Types | | | | | | |
| General | 146,886 | 151,630 | 151,630 | 156,990 | 5,360 | 3.5% |
| Federal | 137,707 | 296,784 | 296,784 | 297,295 | 511 | 0.2% |
| Other | 717,943 | 1,051,909 | 1,051,909 | 1,060,993 | 9,084 | 0.9% |
| Total | 1,002,536 | 1,500,323 | 1,500,323 | 1,515,278 | 14,955 | 1.0% |
| FTE | 8.7 | 9.0 | 9.0 | 9.0 | - | 0.0% |

Revenues

| | FY07 | | | FY08 | | | FY09 |
|-----------------------------|------------------------------|----------------|---|------------------------------|-----------------------------|-------------------------------|-----------------|
| | Original Estimate | Actual | Difference Over (Under) Estim. | Original Estimate | Current Estimate | Change in Estimate | Estimate |
| Investment Council Interest | 200,000 | 200,000 | 0 | 200,000 | 200,000 | 0 | 0 |
| Certified Beef | 128,100 | 128,100 | 0 | 128,100 | 128,100 | 0 | 128,100 |
| Miscellaneous | 2,000 | 2,000 | 0 | 2,000 | 2,000 | 0 | 0 |
| Total | 330,100 | 330,100 | 0 | 330,100 | 330,100 | 0 | 128,100 |

- Personal Services- The Governor's recommended appropriation includes an increase of \$14,955 (\$5,360 general, \$511 federal, \$9,084 other) for FY09 salary policy.

Selected Performance Indicators

| | <u>FY07</u> | | | <u>FY08</u> | | | <u>FY09</u> |
|------------------------------------|--------------------------|---------------|---------------------------------------|--------------------------|-------------------------|---------------------------|-----------------|
| | Original Estimate | Actual | Difference Over (Under) Estim. | Original Estimate | Current Estimate | Change in Estimate | Estimate |
| New Loans Processed | 30 | 30 | 0 | 30 | 30 | 0 | 30 |
| New Loan Guaranties | 40 | 40 | 0 | 30 | 30 | 0 | 30 |
| Loans Serviced Annually | 200 | 200 | 0 | 200 | 200 | 0 | 200 |
| Loan Delinquency Rate (%) | 3 | 3 | 0 | 3 | 3 | 0 | 3 |
| BOSDRC Grants | 50 | 50 | 0 | 50 | 50 | 0 | 50 |
| New Ag Finance Counseling Clients | 150 | 150 | 0 | 150 | 150 | 0 | 150 |
| Applications for Mediation Service | 200 | 200 | 0 | 150 | 150 | 0 | 150 |
| Cases to Mediation | 75 | 75 | 0 | 75 | 75 | 0 | 75 |
| Cases Agreement Reached (%) | 85 | 85 | 0 | 85 | 85 | 0 | 85 |
| Potential Processor Contacts | 100 | 100 | 0 | 100 | 100 | 0 | 100 |
| Trade Shows | 15 | 15 | 0 | 15 | 15 | 0 | 15 |
| Marketing Consultations | 300 | 300 | 0 | 300 | 300 | 0 | 300 |
| Beginning Farmer Applications | 25 | 25 | 0 | 25 | 25 | 0 | 25 |

Resource Conservation and Forestry

To conserve, protect, improve, and develop the natural resources of South Dakota for its citizens.

The total recommended budget for Resource Conservation and Forestry consists of \$1,067,876 from general funds, \$1,331,067 in federal fund expenditure authority, and \$371,539 in other fund expenditure authority, for a total budget of \$2,770,482 and 19.0 FTEs.

| | Actual FY07 | Budgeted FY08 | Agency Req. FY09 | Gov Rec. FY09 | Inc/Dec FY09 | % Change From FY08 |
|----------------------|------------------|------------------|---------------------|------------------|-----------------|-----------------------|
| Personal Services | 930,942 | 1,093,637 | 1,093,637 | 1,134,674 | 41,037 | 3.8% |
| Travel | 63,943 | 69,400 | 69,400 | 69,400 | - | 0.0% |
| Contractual Services | 384,852 | 433,954 | 433,954 | 433,954 | - | 0.0% |
| Supplies & Materials | 33,508 | 68,454 | 68,454 | 68,454 | - | 0.0% |
| Grants And Subsidies | 344,387 | 999,100 | 999,100 | 999,100 | - | 0.0% |
| Capital Outlay | 71,066 | 64,900 | 64,900 | 64,900 | - | 0.0% |
| Other | - | - | - | - | - | 0.0% |
| Total | 1,828,698 | 2,729,445 | 2,729,445 | 2,770,482 | 41,037 | 1.5% |
| Funding Types | | | | | | |
| General | 959,452 | 1,039,717 | 1,039,717 | 1,067,876 | 28,159 | 2.7% |
| Federal | 785,798 | 1,318,952 | 1,318,952 | 1,331,067 | 12,115 | 0.9% |
| Other | 83,448 | 370,776 | 370,776 | 371,539 | 763 | 0.2% |
| Total | 1,828,698 | 2,729,445 | 2,729,445 | 2,770,482 | 41,037 | 1.5% |
| FTE | 18.4 | 19.0 | 19.0 | 19.0 | - | 0.0% |

Revenues

| | <u>FY07</u> | | | <u>FY08</u> | | | <u>FY09</u> |
|--|----------------------|----------------|---|----------------------|---------------------|-----------------------|----------------|
| | Original Estimate | Actual | Difference Over (Under) Estim. | Original Estimate | Current Estimate | Change in Estimate | Estimate |
| Administration of Other Programs | 45,000 | 7,111 | (37,889) | 10,000 | 10,000 | 0 | 10,000 |
| Sales & Use Tax - Unrefunded Gas Taxes | 395,000 | 420,438 | 25,438 | 355,000 | 355,000 | 0 | 290,000 |
| Interest/Dividends | 51,000 | 58,803 | 7,803 | 49,500 | 49,500 | 0 | 50,000 |
| Refunds | 150 | 0 | (150) | 150 | 150 | 0 | 0 |
| Miscellaneous Revenue | 500 | 10,419 | 9,919 | 500 | 500 | 0 | 500 |
| Total | 491,650 | 496,771 | 5,121 | 415,150 | 415,150 | 0 | 350,500 |

- Personal Services- The Governor's recommended appropriation includes an increase of \$41,037 (\$28,159 general, \$12,115 federal, \$763 other) for FY09 salary policy.

Selected Performance Indicators

| | FY07 | | | FY08 | | | FY09 |
|---|-------------------|--------------|--------------------------------|-------------------|------------------|--------------------|----------------|
| | Original Estimate | Actual | Difference Over (Under) Estim. | Original Estimate | Current Estimate | Change in Estimate | Estimate |
| Conservation Programs: | | | | | | | |
| News/Radio Spots/TV | 12 | 15 | 3 | 10 | 10 | 0 | 10 |
| Public Involvement Award Programs | 6 | 2 | (4) | 6 | 5 | (1) | 5 |
| Nongrant Related Assists to Districts | 400 | 1,175 | 775 | 400 | 1,000 | 600 | 1,000 |
| New Loans to Conservation Districts | 5/\$40,000 | 3/\$29,500 | n/a | 5/\$40,000 | 5/\$40,000 | n/a | 6/\$50,000 |
| Active Loans to Conservation Districts | 12/\$110,000 | 17/\$202,590 | n/a | 12/\$110,000 | 12/\$110,000 | n/a | 12/\$110,000 |
| Technical Assists/Cost-Share to Districts | 10/\$650,000 | 14/\$409,387 | n/a | 10/\$650,000 | 30/\$1,200,000 | n/a | 25/\$1,200,000 |
| Reviewing District Long-Range Plans | 5 | 4 | (1) | 5 | 15 | 10 | 15 |
| Assist Districts with Grant Process | 250 | 600 | 350 | 250 | 500 | 250 | 500 |
| Range Management Assists | 50 | 5 | (45) | 50 | 10 | (40) | 10 |
| State Soil and Water Coordinated Plan | Ongoing | Ongoing | n/a | Ongoing | Ongoing | n/a | Ongoing |
| Policy Reviews of Other Agencies | 24 | 15 | (9) | 24 | 15 | (9) | 15 |
| Urban Forestry: | | | | | | | |
| Community Forestry Assists | 125 | 175 | 50 | 125 | 125 | 0 | 140 |
| Tree City USA Designations | 39 | 33 | (6) | 36 | 36 | 0 | 39 |
| Shade Tree Assists | 125 | 177 | 52 | 125 | 125 | 0 | 140 |
| Coordinate Tree City USA Program | Ongoing | Ongoing | n/a | Ongoing | Ongoing | n/a | Ongoing |
| Coordinate SD Big Tree Register | Ongoing | Ongoing | n/a | Ongoing | Ongoing | n/a | Ongoing |
| Arbor Day Essay/Poster Contest | Ongoing | Ongoing | n/a | Ongoing | Ongoing | n/a | Ongoing |
| Forest Health: | | | | | | | |
| Insect and Disease Individual Assists | 500 | 792 | 292 | 500 | 500 | 0 | 500 |
| Publish Insect/Disease Tech. Reports | 12 | 38 | 26 | 12 | 30 | 18 | 30 |
| Forest Pest Diagnostics | 500 | 760 | 260 | 500 | 500 | 0 | 600 |
| Forest Pest Surveys | 4 | 5 | 1 | 4 | 4 | 0 | 4 |
| Dutch Elm Disease Community Surveys | 4 | 6 | 2 | 4 | 6 | 2 | 6 |
| Workshops/Training Session | 10 | 20 | 10 | 10 | 10 | 0 | 15 |
| Agro-Forestry/Prairie Forestry: | | | | | | | |
| Prairie Forestry Assists | 216 | 248 | 32 | 250 | 216 | (34) | 216 |
| Wildlife Habitat/Windbreaks-Projects/Acre | 20/70 | 30/59 | n/a | 55/175 | 15/53 | n/a | 15/53 |
| Shelterbelt Renovations (Projects/Acres) | 8/16 | 1/2 | n/a | 25/50 | 8/16 | n/a | 8/16 |
| Living Snow Fence Plans Prepared #/Acres | 5/10 | 4/16 | n/a | 20/50 | 5/10 | n/a | 5/10 |
| Living Snow Fences Completed (#/Acres) | 3/12 | 4/8 | n/a | 20/30 | 5/10 | n/a | 5/10 |
| Field/Farm/Feedlot Windbreaks Proj/Acres | 20/50 | 10/17 | n/a | 10/20 | 15/40 | n/a | 15/40 |
| Other Plantings (Projects/Acres) | 2/10 | 14/31 | n/a | 10/20 | 2/10 | n/a | 2/10 |
| Forest Management: | | | | | | | |
| Forestry Management Assists | 200 | 340 | 140 | 300 | 200 | (100) | 200 |
| Forest Mgmt. Plans (Acres) | 200 | 0 | (200) | 400 | 200 | (200) | 200 |
| Precommercial Thinning Prepared (Acres) | 200 | 126 | (74) | 500 | 200 | (300) | 200 |
| Commercial Thinning Prepared (Acres) | 25 | 10 | (15) | 25 | 25 | 0 | 25 |
| Tree Farm Inspections | 50 | 26 | (24) | 50 | 10 | (40) | 10 |
| Review State Timber Sale Appraisals | 1 | 1 | 0 | 1 | 2 | 1 | 1 |
| Tree Farm Program (Tree Farms) | 197 | 195 | (2) | 205 | 200 | (5) | 205 |
| Forest Industry Utilization/Marketing | 15 | 10 | (5) | 10 | 10 | 0 | 10 |
| Forest Stewardship Program: | | | | | | | |
| Stewardship Assists | 200 | 374 | 174 | 100 | 200 | 100 | 200 |
| Stewardship Projects (#/Acres) | 10/2,000 | 6/559 | n/a | 20/3,000 | 5/600 | n/a | 5/600 |
| SIP Compliance Checks | 5 | 5 | 0 | 5 | 5 | 0 | 5 |
| FSP Recognition Certifications | 30 | 0 | (30) | 0 | 15 | 15 | 15 |

State Fair

To regulate and administer the South Dakota State Fair to the greatest public benefit.

The total recommended budget for the State Fair consists of \$768,004 from general funds and \$1,890,971 in other fund expenditure authority for a total budget of \$2,658,975 and 19.5 FTEs.

| | Actual FY07 | Budgeted FY08 | Agency Req. FY09 | Gov Rec. FY09 | Inc/Dec FY09 | % Change From FY08 |
|----------------------|------------------|------------------|---------------------|------------------|-----------------|-----------------------|
| Personal Services | 722,093 | 879,287 | 879,287 | 902,314 | 23,027 | 2.6% |
| Travel | 6,138 | 9,756 | 12,756 | 12,756 | 3,000 | 30.8% |
| Contractual Services | 585,924 | 718,645 | 1,465,645 | 1,465,645 | 747,000 | 103.9% |
| Supplies & Materials | 147,619 | 210,260 | 210,260 | 210,260 | - | 0.0% |
| Grants And Subsidies | - | - | - | - | - | 0.0% |
| Capital Outlay | 31,387 | 31,000 | 31,000 | 31,000 | - | 0.0% |
| Other | 30,487 | 37,000 | 37,000 | 37,000 | - | 0.0% |
| Total | 1,523,648 | 1,885,948 | 2,635,948 | 2,658,975 | 773,027 | 41.0% |
| Funding Types | | | | | | |
| General | - | - | 750,000 | 768,004 | 768,004 | 0.0% |
| Federal | - | - | - | - | - | 0.0% |
| Other | 1,523,648 | 1,885,948 | 1,885,948 | 1,890,971 | 5,023 | 0.3% |
| Total | 1,523,648 | 1,885,948 | 2,635,948 | 2,658,975 | 773,027 | 41.0% |
| FTE | 17.3 | 19.5 | 19.5 | 19.5 | - | 0.0% |

Revenues

| | FY07 | | Difference Over (Under) Estim. | FY08 | | | FY09 Estimate |
|---------------|----------------------|------------------|---|----------------------|---------------------|-----------------------|------------------|
| | Original Estimate | Actual | | Original Estimate | Current Estimate | Change in Estimate | |
| Admissions | 200,000 | 254,711 | 54,711 | 260,000 | 264,879 | 4,879 | 275,000 |
| Attractions | 530,000 | 214,993 | (315,007) | 240,000 | 173,424 | (66,576) | 225,000 |
| Carnival | 95,000 | 82,678 | (12,322) | 95,000 | 100,668 | 5,668 | 104,000 |
| Concessions | 179,050 | 146,870 | (32,180) | 160,000 | 154,268 | (5,732) | 160,000 |
| Entry Fees | 35,993 | 43,941 | 7,948 | 45,000 | 56,770 | 11,770 | 59,000 |
| Beer Sales | 127,500 | 77,583 | (49,917) | 85,000 | 147,403 | 62,403 | 153,000 |
| Camping | 135,000 | 143,870 | 8,870 | 145,000 | 155,145 | 10,145 | 160,000 |
| Parking | 10,000 | 15,149 | 5,149 | 15,300 | 23,680 | 8,380 | 25,000 |
| Miscellaneous | 114,600 | 58,640 | (55,960) | 60,000 | 103,398 | 43,398 | 75,000 |
| Total | 1,427,143 | 1,038,435 | (388,708) | 1,105,300 | 1,179,635 | 74,335 | 1,236,000 |

- Personal Services- The agency requests an increase of \$750,000 from general funds in FY09. As a result, the department will transfer \$750,000 in other fund expenditure authority from personal services to operating expenses. The increase in general funds will eliminate the need for a yearly special appropriation during the Legislative Session. The department believes that the \$750,000 is essential for the continued success of the State Fair. The Governor recommends this request. The Governor also recommends an increase of \$23,027 (\$18,004 general, \$5,023 other) for FY09 salary policy.

- Travel- The agency requests an increase of \$3,000 in other fund expenditure authority in FY09. This adjustment is related to the movement of other fund authority from personal services to operating expenses. The Governor recommends this request.
- Contractual Services- The agency requests an increase of \$747,000 in other fund expenditure authority in FY09. This adjustment is related to the movement of other fund authority from personal services to operating expenses. The Governor recommends this request.
- Breakdown of funds appropriated during the 1998-2007 Legislative Sessions.

| <u>Legislative Session</u> | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> | <u>Special Approp.</u> |
|----------------------------|----------------------|----------------------|--------------------|--------------------|--|
| 1998 | \$0 | \$0 | \$1,796,948 | \$1,796,948 | Special Approp. HB1145(1997) \$127,000 |
| 1999 | \$0 | \$0 | \$1,815,737 | \$1,815,737 | No Special Appropriation |
| 2000 | \$0 | \$0 | \$2,065,167 | \$2,065,167 | No Special Appropriation |
| 2001 | \$700,000 | \$0 | \$1,766,302 | \$2,466,302 | No Special Appropriation |
| 2002 | \$0 | \$0 | \$1,872,945 | \$1,872,945 | Special Approp. HB1120 \$900,000 |
| 2003 | \$0 | \$0 | \$1,732,000 | \$1,732,000 | No Special Appropriation |
| 2004 | \$1,630,000 | \$0 | \$1,790,325 | \$3,420,325 | Special Approp. SB19 \$1,370,000 |
| 2005 | \$913,944 | \$0 | \$1,815,772 | \$2,729,716 | Special Approp. HB1058 \$653,944 |
| 2006 | \$0 | \$0 | \$1,859,541 | \$1,859,541 | Special Approp. SB143 \$750,000 |
| 2007 | \$0 | \$0 | \$1,885,948 | \$1,885,948 | Special Approp. HB1074 \$750,000 |

Selected Performance Indicators

| | <u>FY07</u> | | | <u>FY08</u> | | | <u>FY09</u> |
|---------------------------------|--------------------------|---------------|---------------------------------------|--------------------------|-------------------------|---------------------------|-----------------|
| | <u>Original Estimate</u> | <u>Actual</u> | <u>Difference Over (Under) Estim.</u> | <u>Original Estimate</u> | <u>Current Estimate</u> | <u>Change in Estimate</u> | <u>Estimate</u> |
| State Fair Attendance | 160,000 | 133,700 | (26,300) | 140,000 | 151,000 | 11,000 | 157,000 |
| State Fair Exhibitors/Exhibits: | | | | | | | |
| Agriculture | 3/5 | 1/2 | n/a | 3/5 | 2/8 | n/a | 2/8 |
| Beef | 450/1,794 | 130/484 | n/a | 150/600 | 154/612 | n/a | 160/630 |
| Dairy | 250/1,375 | 35/243 | n/a | 50/260 | 38/310 | n/a | 40/320 |
| Dairy/Goat | 400/7,918 | 38/753 | n/a | 40/760 | 37/783 | n/a | 38/810 |
| Domestic Arts | 325/1,503 | 418/2,165 | n/a | 350/1,600 | 334/2,003 | n/a | 345/2,050 |
| Education | 33/4,269 | 31/3,494 | n/a | 35/4,300 | 33/4,197 | n/a | 34/4,250 |
| FFA | 250/754 | 182/442 | n/a | 275/800 | 266/864 | n/a | 275/890 |
| Horse | 275/2,432 | 92/956 | n/a | 115/1,000 | 73/1,048 | n/a | 75/1,080 |
| Horticulture | 80/1,505 | 72/1,328 | n/a | 80/1,525 | 77/1,507 | n/a | 80/1,550 |
| Poultry, Pigeons, and Rabbits | 1,400/23,530 | 67/1,062 | n/a | 85/1,400 | 90/1,224 | n/a | 93/1,270 |
| Sheep | 800/10,978 | 93/1,173 | n/a | 95/1,200 | 89/1,087 | n/a | 92/1,130 |
| Swine | 120/380 | 83/254 | n/a | 115/370 | 114/387 | n/a | 118/400 |

Animal Industry Board

To prevent the importation of animal diseases in the state by requiring health certificates, permits, and tests on all imported animals; to provide animal identification systems for maintenance of animal health and food safety; to maintain an adequate surveillance system for disease by testing blood and tissue samples for brucellosis and tuberculosis from cattle and swine slaughtered; to test swine for pseudorabies; to inspect and test for emerging diseases, emergency diseases, and eradicated diseases; to conduct and control eradication programs both mandatory and voluntary certification programs in brucellosis and pseudorabies in the state; to regulate the livestock auction markets and livestock dealers by inspecting, licensing, and bonding; to license and inspect rendering plants and enforce the disposal of dead animals; to enforce the animal welfare laws (inhumane treatment) of livestock; to regulate the breeding, raising, producing, marketing, and distribution of certain nondomestic animals; to give an ante mortem and post mortem inspection of slaughtered animals; to perform processing inspection; and to inspect each custom exempt facility for sanitation.

The total recommended budget for the Animal Industry Board consists of \$1,902,219 from general funds, \$2,385,993 in federal fund expenditure authority, and \$256,494 in other fund expenditure authority, for a total budget of \$4,544,706 and 44.9 FTEs.

| | Actual FY07 | Budgeted FY08 | Agency Req. FY09 | Gov Rec. FY09 | Inc/Dec FY09 | % Change From FY08 |
|----------------------|------------------|------------------|---------------------|------------------|-----------------|-----------------------|
| Personal Services | 2,239,449 | 2,537,741 | 2,537,741 | 2,632,943 | 95,202 | 3.8% |
| Travel | 254,565 | 367,334 | 367,334 | 367,334 | - | 0.0% |
| Contractual Services | 496,333 | 1,327,722 | 1,327,722 | 1,327,722 | - | 0.0% |
| Supplies & Materials | 99,667 | 167,871 | 167,871 | 167,871 | - | 0.0% |
| Grants And Subsidies | 309,091 | - | - | - | - | 0.0% |
| Capital Outlay | 11,444 | 48,836 | 48,836 | 48,836 | - | 0.0% |
| Other | - | - | - | - | - | 0.0% |
| Total | 3,410,549 | 4,449,504 | 4,449,504 | 4,544,706 | 95,202 | 2.1% |
| Funding Types | | | | | | |
| General | 1,746,383 | 1,966,513 | 1,839,513 | 1,902,219 | (64,294) | (3.3%) |
| Federal | 1,656,324 | 2,356,351 | 2,356,351 | 2,385,993 | 29,642 | 1.3% |
| Other | 7,842 | 126,640 | 253,640 | 256,494 | 129,854 | 102.5% |
| Total | 3,410,549 | 4,449,504 | 4,449,504 | 4,544,706 | 95,202 | 2.1% |
| FTE | 43.1 | 44.9 | 44.9 | 44.9 | - | 0.0% |

- During FY08, the Meat Inspection Program anticipated a potential loss of \$127,000 in federal funding. Due to this federal funding uncertainty, \$112,000 from general funds was added for personal services, and \$15,000 from general funds was added for travel in FY08. In FY09, federal funding for the Meat Inspection Program is still uncertain and the program still anticipates a potential loss of \$127,000 in federal funding. The Meat Inspection Program can utilize other funds rather than general funds in FY09 as a supplement for the potential loss of federal funding. As a result, a decrease of \$127,000 from general funds and a corresponding increase of \$127,000 in other fund expenditure authority are included in the budget for FY09. The Governor recommends this request.
- The Governor's recommended appropriation includes an increase of \$95,202 (\$62,706 general, \$29,642 federal, \$2,854 other) for FY09 salary policy.

Revenues

| | <u>FY07</u> | | | <u>FY08</u> | | | <u>FY09</u> |
|---|-------------------|------------------|--------------------------------|-------------------|------------------|--------------------|------------------|
| | Original Estimate | Actual | Difference Over (Under) Estim. | Original Estimate | Current Estimate | Change in Estimate | Estimate |
| Rendering Plant License* | 125 | 75 | (50) | 125 | 125 | 0 | 125 |
| Livestock Dealer License* | 13,000 | 14,000 | 1,000 | 13,000 | 13,000 | 0 | 13,000 |
| Auction Agency Inspection 90% of Fees** | 500,000 | 539,587 | 39,587 | 500,000 | 500,000 | 0 | 500,000 |
| Auction Agency 10% of Fees | 55,000 | 59,956 | 4,956 | 55,000 | 55,000 | 0 | 55,000 |
| Auction Agency License | 4,000 | 4,100 | 100 | 4,000 | 4,000 | 0 | 4,000 |
| Federal Clerical | 8,054 | 8,054 | 0 | 8,054 | 8,054 | 0 | 8,054 |
| Veterinary Medical Exam Board* | 22,500 | 22,500 | 0 | 22,500 | 22,500 | 0 | 22,500 |
| Nondomestic Animal Permits* | 7,000 | 6,200 | (800) | 7,000 | 7,000 | 0 | 7,000 |
| Federa; PRV Slaughter Surveillance | 150,000 | 54,963 | (95,037) | 150,000 | 150,000 | 0 | 150,000 |
| Meat Establishment License* | 14,500 | 11,550 | (2,950) | 14,500 | 14,500 | 0 | 14,500 |
| Federal Reimbursement- Meat Inspection | 750,000 | 645,117 | (104,883) | 750,000 | 750,000 | 0 | 750,000 |
| Johnes | 200,000 | 225,193 | 25,193 | 200,000 | 200,000 | 0 | 200,000 |
| Emergency Preparedness | 120,000 | 111,465 | (8,535) | 120,000 | 120,000 | 0 | 120,000 |
| Animal Production Food Safety | 50,000 | 50,000 | 0 | 50,000 | 50,000 | 0 | 50,000 |
| Swine Health Protection* | 30,000 | 40,375 | 10,375 | 30,000 | 30,000 | 0 | 30,000 |
| Animal Identification | 500,000 | 603,260 | 103,260 | 350,000 | 326,000 | (24,000) | 350,000 |
| Scrapie | 50,000 | 22,361 | (27,639) | 50,000 | 50,000 | 0 | 50,000 |
| Avian Influenza | 175,000 | 90,765 | (84,235) | 150,000 | 150,000 | 0 | 150,000 |
| Total | 2,649,179 | 2,509,521 | (139,658) | 2,474,179 | 2,450,179 | (24,000) | 2,474,179 |

*Revenue Deposited in State General Fund

**Deposited to Reimburse Inspecting Veterinarians

Selected Performance Indicators

| | <u>FY07</u> | | | <u>FY08</u> | | | <u>FY09</u> |
|--|-------------------|------------|--------------------------------|-------------------|------------------|--------------------|-------------|
| | Original Estimate | Actual | Difference Over (Under) Estim. | Original Estimate | Current Estimate | Change in Estimate | Estimate |
| Livestock Disease Control: | | | | | | | |
| % Counties Designated Class Free Status | 100% | 100% | 0 | 100% | 100% | 0 | 100% |
| % Cattle Reacting to Brucellosis Testing | 0.01% | 0.01% | 0 | 0.01% | 0.01% | 0 | 0.01% |
| Cattle Herds Infected with TB/Backtagged | 0/350,000 | 0/378,590 | n/a | 0/350,000 | 0/350,000 | n/a | 0/350,000 |
| Pullorum Typhoid- Poultry Breeding Flocks | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sheep Flocks Infected with Scrapies | 4 | 5 | 1 | 4 | 4 | 0 | 4 |
| Sheep Flocks Enrolled in Scrapie Plan | 30 | 15 | (15) | 30 | 30 | 0 | 30 |
| Brucellosis Ovis Free Sheep Flocks | 35 | 34 | (1) | 35 | 35 | 0 | 35 |
| % of Slaughtered Swine Reactors to Brucellosis Testing | 0.01% | 0.00% | -0.01% | 0.01% | 0.01% | 0.00% | 0.01% |
| % of Swine Reactors to Tuberculosis | 0% | 0% | 0 | 0% | 0% | 0 | 0% |
| Pseudorabies Cases | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pseudorabies Surveillance Tests | 75,000 | 14,828 | (60,172) | 75,000 | 75,000 | 0 | 75,000 |
| Inhumane Treatment Investigations | 100 | 100 | 0 | 100 | 100 | 0 | 100 |
| Nondomestic Animal Permits | 110 | 89 | (21) | 110 | 110 | 0 | 110 |
| Meat Inspection: | | | | | | | |
| Pounds Reinspected State and Federal | 14,000,000 | 11,803,549 | (2,196,451) | 14,000,000 | 14,000,000 | 0 | 14,000,000 |
| Pounds of Processed Product Under | 5,000,000 | 8,435,896 | 3,435,896 | 5,000,000 | 5,000,000 | 0 | 5,000,000 |
| Pounds Inspected | 19,000,000 | 20,239,445 | 1,239,445 | 19,000,000 | 19,000,000 | 0 | 19,000,000 |
| Pounds Condemned | 400,000 | 854,396 | 454,396 | 400,000 | 400,000 | 0 | 400,000 |
| Animals Slaughtered- State Establishments | 40,000 | 44,585 | 4,585 | 40,000 | 40,000 | 0 | 40,000 |
| Slaughter Processing and Custom Meat Establishments | 100 | 88 | (12) | 100 | 100 | 0 | 100 |
| Retail Meat Processing Establishments | 230 | 207 | (23) | 230 | 230 | 0 | 230 |

American Dairy Association--Informational

To promote the purchase of dairy products through advertising, merchandising, research, public relations, and nutrition education; and to comply with the intent of SDCL 40-31.

The total recommended budget for the American Dairy Association consists of \$1,763,270 in other fund expenditure authority and 0.0 FTE.

| | Actual FY07 | Budgeted FY08 | Agency Req. FY09 | Gov Rec. FY09 | Inc/Dec FY09 | % Change From FY08 |
|----------------------|------------------------|--------------------------|-----------------------------|--------------------------|-------------------------|-------------------------------|
| Personal Services | 260 | - | - | - | - | 0.0% |
| Travel | 136 | - | - | - | - | 0.0% |
| Contractual Services | 1,497,406 | 1,545,600 | 1,763,020 | 1,763,020 | 217,420 | 14.1% |
| Supplies & Materials | 180 | 50 | 250 | 250 | 200 | 400.0% |
| Grants And Subsidies | - | - | - | - | - | 0.0% |
| Capital Outlay | - | - | - | - | - | 0.0% |
| Other | - | - | - | - | - | 0.0% |
| Total | 1,497,982 | 1,545,650 | 1,763,270 | 1,763,270 | 217,620 | 14.1% |
| Funding Types | | | | | | |
| General | - | - | - | - | - | 0.0% |
| Federal | - | - | - | - | - | 0.0% |
| Other | 1,497,982 | 1,545,650 | 1,763,270 | 1,763,270 | 217,620 | 14.1% |
| Total | 1,497,982 | 1,545,650 | 1,763,270 | 1,763,270 | 217,620 | 14.1% |
| FTE | - | - | - | - | - | 0.0% |

Revenues

| | FY07 | | Difference Over (Under) Estim. | FY08 | | | FY09 Estimate |
|-----------------------------|------------------------------|------------------|---|------------------------------|-----------------------------|-------------------------------|--------------------------|
| | Original Estimate | Actual | | Original Estimate | Current Estimate | Change in Estimate | |
| Dairy Assessment | 1,405,000 | 1,552,564 | 147,564 | 1,487,000 | 1,676,000 | 189,000 | 1,710,000 |
| Investment Council Interest | 4,500 | 4,500 | 0 | 8,000 | 12,000 | 4,000 | 12,000 |
| Miscellaneous | 25 | 25 | 0 | 25 | 25 | 0 | 25 |
| Total | 1,409,525 | 1,557,089 | 147,564 | 1,495,025 | 1,688,025 | 193,000 | 1,722,025 |

- The association requests increases of \$217,420 in contractual services and \$200 in supplies and materials in order to bring the budget in line with the association's approved budget for FY09. The Governor recommends this request.

Selected Performance Indicators

| | FY07 | | Difference Over (Under) Estim. | FY08 | | | FY09 Estimate |
|-----------------------------|------------------------------|---------------|---|------------------------------|-----------------------------|-------------------------------|--------------------------|
| | Original Estimate | Actual | | Original Estimate | Current Estimate | Change in Estimate | |
| TRP's (Total Rating Points) | 2,000 | 2,000 | 0 | 2,000 | 2,000 | 0 | 2,000 |

Wheat Commission--Informational

To optimize South Dakota's wheat production, marketing and utilization through research, market development, education, and promotion.

The total recommended budget for the Wheat Commission consists of \$1,689,328 in other fund expenditure authority and 3.0 FTEs.

| | Actual FY07 | Budgeted FY08 | Agency Req. FY09 | Gov Rec. FY09 | Inc/Dec FY09 | % Change From FY08 |
|----------------------|------------------------|--------------------------|-----------------------------|--------------------------|-------------------------|-------------------------------|
| Personal Services | 176,204 | 193,608 | 197,223 | 201,578 | 7,970 | 4.1% |
| Travel | 41,720 | 53,500 | 53,500 | 53,500 | - | 0.0% |
| Contractual Services | 482,055 | 413,478 | 413,478 | 413,478 | - | 0.0% |
| Supplies & Materials | 9,107 | 20,500 | 19,000 | 19,000 | (1,500) | (7.3%) |
| Grants And Subsidies | 534,328 | 557,427 | 557,427 | 557,427 | - | 0.0% |
| Capital Outlay | - | - | - | - | - | 0.0% |
| Other | 315,790 | 444,345 | 444,345 | 444,345 | - | 0.0% |
| Total | 1,559,204 | 1,682,858 | 1,684,973 | 1,689,328 | 6,470 | 0.4% |
| Funding Types | | | | | | |
| General | - | - | - | - | - | 0.0% |
| Federal | - | - | - | - | - | 0.0% |
| Other | 1,559,204 | 1,682,858 | 1,684,973 | 1,689,328 | 6,470 | 0.4% |
| Total | 1,559,204 | 1,682,858 | 1,684,973 | 1,689,328 | 6,470 | 0.4% |
| FTE | 3.0 | 3.0 | 3.0 | 3.0 | - | 0.0% |

Revenues

| | FY07 | | Difference Over (Under) Estim. | FY08 | | | FY09 Estimate |
|-----------------------------|------------------------------|------------------|---|------------------------------|-----------------------------|-------------------------------|--------------------------|
| | Original Estimate | Actual | | Original Estimate | Current Estimate | Change in Estimate | |
| Wheat Assessment | 1,412,700 | 1,305,047 | (107,653) | 1,600,000 | 1,530,900 | (69,100) | 1,530,900 |
| Investment Council Interest | 16,000 | 23,948 | 7,948 | 16,000 | 16,000 | 0 | 16,000 |
| Miscellaneous | 3,000 | 465 | (2,535) | 3,000 | 3,000 | 0 | 3,000 |
| Total | 1,431,700 | 1,329,460 | (102,240) | 1,619,000 | 1,549,900 | (69,100) | 1,549,900 |

- The commission requests an increase of \$3,615 in personal services and a decrease of \$1,500 in supplies and materials in order to bring the budget in line with the commission's approved budget for FY09. The Governor recommends this request. The Governor also recommends an increase of \$4,355 for FY09 salary policy.

Selected Performance Indicators

| | <u>FY07</u> | | | <u>FY08</u> | | | <u>FY09</u> |
|--|-------------------|--------|--------------------------------|-------------------|------------------|--------------------|-------------|
| | Original Estimate | Actual | Difference Over (Under) Estim. | Original Estimate | Current Estimate | Change in Estimate | Estimate |
| Trade Servicing Programs | 10 | 10 | 0 | 10 | 10 | 0 | 10 |
| Research Grants | 21 | 4 | (17) | 21 | 4 | (17) | 4 |
| Other Contracts and Grants | 10 | 27 | 17 | 10 | 27 | 17 | 27 |
| Education & Promotional Programs | 25 | 25 | 0 | 25 | 25 | 0 | 15 |
| Producer Education Meetings & Activities | 25 | 25 | 0 | 25 | 25 | 0 | 15 |
| Refunds | 10% | 9% | -1% | 10% | 13% | 3% | 13% |

Oilseeds Council--Informational

To promote better methods of producing, processing, and marketing sunflower, canola, safflowers, and flax in South Dakota.

The total recommended budget for the Oilseeds Council consists of \$175,600 in other fund expenditure authority and 0.0 FTE.

| | Actual FY07 | Budgeted FY08 | Agency Req. FY09 | Gov Rec. FY09 | Inc/Dec FY09 | % Change From FY08 |
|----------------------|------------------------|--------------------------|-----------------------------|--------------------------|-------------------------|-------------------------------|
| Personal Services | - | - | - | - | - | 0.0% |
| Travel | 1,250 | 4,000 | 4,000 | 4,000 | - | 0.0% |
| Contractual Services | 40,395 | 19,000 | 149,600 | 149,600 | 130,600 | 687.4% |
| Supplies & Materials | 405 | 100 | 1,000 | 1,000 | 900 | 900.0% |
| Grants And Subsidies | 84,829 | 156,000 | 6,000 | 6,000 | (150,000) | (96.2%) |
| Capital Outlay | - | - | - | - | - | 0.0% |
| Other | 15,000 | 15,000 | 15,000 | 15,000 | - | 0.0% |
| Total | 141,879 | 194,100 | 175,600 | 175,600 | (18,500) | (9.5%) |
| Funding Types | | | | | | |
| General | - | - | - | - | - | 0.0% |
| Federal | - | - | - | - | - | 0.0% |
| Other | 141,879 | 194,100 | 175,600 | 175,600 | (18,500) | (9.5%) |
| Total | 141,879 | 194,100 | 175,600 | 175,600 | (18,500) | (9.5%) |
| FTE | - | - | - | - | - | 0.0% |

Revenues

| | FY07 | | | FY08 | | | FY09 |
|-----------------------------|------------------------------|----------------|---|------------------------------|-----------------------------|-------------------------------|-----------------|
| | Original Estimate | Actual | Difference Over (Under) Estim. | Original Estimate | Current Estimate | Change in Estimate | Estimate |
| Sunflower Assessment | 200,000 | 181,450 | (18,550) | 160,000 | 170,000 | 10,000 | 170,000 |
| Safflower Assessment | 1,000 | 2,095 | 1,095 | 1,000 | 2,000 | 1,000 | 2,000 |
| Canola Assessment | 0 | 159 | 159 | 0 | 0 | 0 | 0 |
| Flax Assessment | 1,000 | 281 | (719) | 1,000 | 1,000 | 0 | 1,000 |
| Investment Council Interest | 4,000 | 5,379 | 1,379 | 4,000 | 5,000 | 1,000 | 5,000 |
| Total | 206,000 | 189,364 | (16,636) | 166,000 | 178,000 | 12,000 | 178,000 |

- The council requests an increase of \$130,600 in contractual services, an increase of \$900 in supplies and materials, and a decrease of \$150,000 in grants and subsidies in order to bring the budget in line with the council's approved budget for FY09. The Governor recommends this request.

Selected Performance Indicators

| | <u>FY07</u> | | | <u>FY08</u> | | | <u>FY09</u> |
|---|--------------------------|---------------|---------------------------------------|--------------------------|-------------------------|---------------------------|-----------------|
| | Original Estimate | Actual | Difference Over (Under) Estim. | Original Estimate | Current Estimate | Change in Estimate | Estimate |
| National Sunflower Association Refund % | 65% | 60% | -5% | 65% | 60% | -5% | 60% |
| Research Support | \$36,000 | \$25,000 | (\$11,000) | \$40,000 | 45,000 | \$5,000 | 40,000 |
| Grower Meetings | 6 | 3 | (3) | 3 | 3 | 0 | 3 |
| Other Grants | 1 | 1 | 0 | 0 | 0 | 0 | 0 |
| Maximum Refund Percentage | 10% | 6% | -4% | 10% | 10% | 0% | 10% |

Soybean Research & Promotion Council--Informational

Create more opportunities for the South Dakota soybean producer to be more competitive while maximizing profits.

The total recommended budget for Soybean Research and Promotion consists of \$3,064,558 in other fund expenditure authority and 3.0 FTEs.

| | Actual FY07 | Budgeted FY08 | Agency Req. FY09 | Gov Rec. FY09 | Inc/Dec FY09 | % Change From FY08 |
|----------------------|------------------|------------------|---------------------|------------------|-----------------|-----------------------|
| Personal Services | 172,091 | 192,316 | 201,932 | 206,490 | 14,174 | 7.4% |
| Travel | - | 1,000 | - | - | (1,000) | (100.0%) |
| Contractual Services | 1,942,552 | 1,400,000 | 1,591,000 | 1,591,000 | 191,000 | 13.6% |
| Supplies & Materials | 8,320 | 13,000 | 10,500 | 10,500 | (2,500) | (19.2%) |
| Grants And Subsidies | 1,203,075 | 1,455,892 | 1,256,568 | 1,256,568 | (199,324) | (13.7%) |
| Capital Outlay | - | - | - | - | - | 0.0% |
| Other | - | - | - | - | - | 0.0% |
| Total | 3,326,038 | 3,062,208 | 3,060,000 | 3,064,558 | 2,350 | 0.1% |
| Funding Types | | | | | | |
| General | - | - | - | - | - | 0.0% |
| Federal | - | - | - | - | - | 0.0% |
| Other | 3,326,038 | 3,062,208 | 3,060,000 | 3,064,558 | 2,350 | 0.1% |
| Total | 3,326,038 | 3,062,208 | 3,060,000 | 3,064,558 | 2,350 | 0.1% |
| FTE | 3.0 | 3.0 | 3.0 | 3.0 | - | 0.0% |

Revenues

| | <u>FY07</u> | | | <u>FY08</u> | | | <u>FY09</u> |
|-------------------------------------|----------------------|------------------|---|----------------------|---------------------|-----------------------|------------------|
| | Original Estimate | Actual | Difference Over (Under) Estim. | Original Estimate | Current Estimate | Change in Estimate | Estimate |
| Carryover from Previous Year | 696,567 | 0 | (696,567) | 0 | 799,124 | 799,124 | 0 |
| Soybean Assessment | 2,433,200 | 3,733,886 | 1,300,686 | 3,000,000 | 2,754,200 | (245,800) | 3,000,000 |
| Less United Soybean Board | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Less Qualified State Soybean Boards | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Less Committed Dollars | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Investment Council Interest | 58,000 | 71,575 | 13,575 | 55,000 | 62,000 | 7,000 | 60,000 |
| Other Income | 0 | 261,961 | 261,961 | 0 | 0 | 0 | 0 |
| Refund of Prior Year's Expenditures | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 3,187,767 | 4,067,422 | 879,655 | 3,055,000 | 3,615,324 | 560,324 | 3,060,000 |

- The council requests increases of \$9,616 in personal services and \$191,000 in contractual services and decreases of \$1,000 in travel, \$2,500 in supplies and materials, and \$199,324 in grants and subsidies in order to bring the budget in line with the council's approved budget for FY09. The Governor recommends this request. The Governor also recommends an increase of \$4,558 for FY09 salary policy.

Selected Performance Indicators

| | <u>FY07</u> | | | <u>FY08</u> | | | <u>FY09</u> |
|---|-------------------|--------|--------------------------------|-------------------|------------------|--------------------|-------------|
| | Original Estimate | Actual | Difference Over (Under) Estim. | Original Estimate | Current Estimate | Change in Estimate | Estimate |
| Research - Other | 1 | 1 | 0 | 1 | 1 | 0 | 1 |
| Consumer Education and Promotion: Programs/Activities | 6 | 6 | 0 | 6 | 5 | (1) | 5 |
| Producer Education and Promotion: Programs/Activities | 10 | 8 | (2) | 8 | 10 | 2 | 8 |
| Research - SDSU | 10 | 11 | 1 | 10 | 11 | 1 | 10 |
| Industry/Value Added | 10 | 11 | 1 | 10 | 10 | 0 | 8 |
| International Marketing--Domestic | 1 | 1 | 0 | 1 | 1 | 0 | 1 |

Brand Board--Informational

To issue, record, and maintain a record of livestock brands in South Dakota; and to enforce laws pertaining to the ownership, transportation, inspection, and sale of livestock in South Dakota as contained in SDCL Chapters 40-19 through 40-22, and 40-29.

The total recommended budget for the Brand Board consists of \$459,799 in other fund expenditure authority and 6.0 FTEs.

| | Actual FY07 | Budgeted FY08 | Agency Req. FY09 | Gov Rec. FY09 | Inc/Dec FY09 | % Change From FY08 |
|----------------------|------------------------|--------------------------|-----------------------------|--------------------------|-------------------------|-------------------------------|
| Personal Services | 203,888 | 300,012 | 315,612 | 322,899 | 22,887 | 7.6% |
| Travel | 16,691 | 25,550 | 26,050 | 26,050 | 500 | 2.0% |
| Contractual Services | 59,646 | 86,500 | 78,050 | 78,050 | (8,450) | (9.8%) |
| Supplies & Materials | 7,283 | 20,100 | 14,600 | 14,600 | (5,500) | (27.4%) |
| Grants And Subsidies | 1,500 | 1,500 | 1,500 | 1,500 | - | 0.0% |
| Capital Outlay | 3,162 | 16,000 | 16,200 | 16,200 | 200 | 1.3% |
| Other | 774 | 450 | 500 | 500 | 50 | 11.1% |
| Total | 292,944 | 450,112 | 452,512 | 459,799 | 9,687 | 2.2% |
| Funding Types | | | | | | |
| General | - | - | - | - | - | 0.0% |
| Federal | - | - | - | - | - | 0.0% |
| Other | 292,944 | 450,112 | 452,512 | 459,799 | 9,687 | 2.2% |
| Total | 292,944 | 450,112 | 452,512 | 459,799 | 9,687 | 2.2% |
| FTE | 4.3 | 6.0 | 6.0 | 6.0 | - | 0.0% |

Revenues

| | FY07 | | | FY08 | | | FY09 |
|-----------------------------|------------------------------|----------------|---|------------------------------|-----------------------------|-------------------------------|-----------------|
| | Original Estimate | Actual | Difference Over (Under) Estim. | Original Estimate | Current Estimate | Change in Estimate | Estimate |
| Livestock Holds | 1,000 | 518 | (482) | 1,000 | 1,000 | 0 | 1,000 |
| Brand Inspection | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Investment Council Interest | 30,000 | 42,282 | 12,282 | 20,000 | 20,000 | 0 | 20,000 |
| Brand License | 6,000 | 18,580 | 12,580 | 6,000 | 6,000 | 0 | 6,000 |
| Brand Renewals | 5,000 | 38,895 | 33,895 | 8,000 | 8,000 | 0 | 8,000 |
| Brand Transfers | 10,000 | 14,050 | 4,050 | 10,000 | 10,000 | 0 | 10,000 |
| Duplicate Certificates | 100 | 42 | (58) | 100 | 100 | 0 | 100 |
| Brand Books | 1,500 | 4,354 | 2,854 | 1,500 | 1,500 | 0 | 1,500 |
| Total | 53,600 | 118,721 | 65,121 | 46,600 | 46,600 | 0 | 46,600 |

- The board requests increases of \$15,600 in personal services, \$500 in travel, \$200 in capital outlay, and \$50 in other and decreases of \$8,450 in contractual services and \$5,500 in supplies and materials in order to bring the budget in line with the board's approved budget for FY09. The Governor recommends this request. The Governor also recommends an increase of \$7,287 for FY09 salary policy.

Selected Performance Indicators

| | <u>FY07</u> | | Difference Over (Under) Estim. | <u>FY08</u> | | | <u>FY09</u> |
|----------------------------|----------------------|-----------|---|----------------------|---------------------|-----------------------|-------------|
| | Original Estimate | Actual | | Original Estimate | Current Estimate | Change in Estimate | Estimate |
| Brand Licenses | 300 | 514 | 214 | 300 | 300 | 0 | 300 |
| Brand Renewals | 300 | 514 | 214 | 300 | 300 | 0 | 300 |
| Brand Transfers | 500 | 538 | 38 | 450 | 450 | 0 | 400 |
| Duplicate Licenses | 20 | 20 | 0 | 20 | 20 | 0 | 20 |
| Brand Books | 100 | 99 | (1) | 100 | 100 | 0 | 75 |
| Livestock Inspected | 1,300,000 | 1,497,972 | 197,972 | 1,300,000 | 1,300,000 | 0 | 1,300,000 |
| Cases Investigated | 300 | 297 | (3) | 200 | 200 | 0 | 200 |
| Arrests | 10 | 10 | 0 | 10 | 10 | 0 | 3 |
| Livestock Missing/Stolen | 500 | 500 | 0 | 500 | 500 | 0 | 1,058 |
| Livestock Recovered | 500 | 500 | 0 | 100 | 100 | 0 | 118 |
| Livestock Estrays Returned | 0 | 0 | 0 | 300 | 300 | 0 | 0 |

Corn Utilization Council--Informational

To increase the demand for corn and the profitability of South Dakota corn growers by market maintenance and expansion, research, education, improved transportation, and the prevention, modification, or elimination of trade barriers that obstruct the free flow of corn and corn products to market.

The total recommended budget for the Corn Utilization Council consists of \$4,260,142 in other fund expenditure authority and 1.0 FTE.

| | Actual FY07 | Budgeted FY08 | Agency Req. FY09 | Gov Rec. FY09 | Inc/Dec FY09 | % Change From FY08 |
|----------------------|------------------|------------------|---------------------|------------------|--------------------|-----------------------|
| Personal Services | 91,753 | 148,169 | 121,135 | 123,548 | (24,621) | (16.6%) |
| Travel | - | 100,000 | 100,000 | 100,000 | - | 0.0% |
| Contractual Services | 4,538,588 | 3,514,060 | 3,506,560 | 3,506,560 | (7,500) | (0.2%) |
| Supplies & Materials | - | 20,034 | 30,034 | 30,034 | 10,000 | 49.9% |
| Grants And Subsidies | - | 2,000,000 | - | - | (2,000,000) | (100.0%) |
| Capital Outlay | - | - | - | - | - | 0.0% |
| Other | - | 350,000 | 500,000 | 500,000 | 150,000 | 42.9% |
| Total | 4,630,341 | 6,132,263 | 4,257,729 | 4,260,142 | (1,872,121) | (30.5%) |
| Funding Types | | | | | | |
| General | - | - | - | - | - | 0.0% |
| Federal | - | - | - | - | - | 0.0% |
| Other | 4,630,341 | 6,132,263 | 4,257,729 | 4,260,142 | (1,872,121) | (30.5%) |
| Total | 4,630,341 | 6,132,263 | 4,257,729 | 4,260,142 | (1,872,121) | (30.5%) |
| FTE | 1.0 | 1.0 | 1.0 | 1.0 | - | 0.0% |

Revenues

| | <u>FY07</u> | | | <u>FY08</u> | | | <u>FY09</u> |
|--------------------------------------|----------------------|------------------|---|----------------------|---------------------|-----------------------|------------------|
| | Original Estimate | Actual | Difference Over (Under) Estim. | Original Estimate | Current Estimate | Change in Estimate | Estimate |
| Corn Checkoff Assessment Net Refunds | 2,500,000 | 2,500,000 | 0 | 2,500,000 | 3,400,000 | 900,000 | 3,500,000 |
| Interest Earned | 100,000 | 100,000 | 0 | 100,000 | 100,000 | 0 | 100,000 |
| Miscellaneous Income | 10,000 | 10,000 | 0 | 10,000 | 5,000 | (5,000) | 5,000 |
| Total | 2,610,000 | 2,610,000 | 0 | 2,610,000 | 3,505,000 | 895,000 | 3,605,000 |

- The council requests increases of \$10,000 in supplies and materials and \$150,000 in other and decreases of \$27,034 in personal services, \$7,500 in contractual services, and \$2,000,000 in grants and subsidies in order to bring the budget in line with the council's approved budget for FY09. The Governor recommends this request. The Governor also recommends an increase of \$2,413 for FY09 salary policy.
- The Corn Utilization Council requested a \$2,000,000 increase in Grants and Subsidies in FY08. The council's original plan was to secure federal research grant funding and pass those funds over to SDSU to do the research. Over the past year, the council has helped SDSU secure grant funding for research but the funding has gone directly to SDSU. As a result, the council has requested a \$2,000,000 decrease since they no longer need authority in Grants and Subsidies.

Selected Performance Indicators

| | <u>FY07</u> | | | <u>FY08</u> | | | <u>FY09</u> |
|--------------------------------|-------------------|-----------|--------------------------------|-------------------|------------------|--------------------|-------------|
| | Original Estimate | Actual | Difference Over (Under) Estim. | Original Estimate | Current Estimate | Change in Estimate | Estimate |
| Education/Promotion Activities | 30 | 30 | 0 | 35 | 35 | 0 | 45 |
| Low Interest Loans | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Value-Added/Industry | 30 | 30 | 0 | 30 | 30 | 0 | 10 |
| Research (In-State) | 10 | 10 | 0 | 15 | 15 | 0 | 10 |
| Program Budget Request | 0 | 0 | 0 | Annual | Annual | 0 | Annual |
| Refunds | \$350,000 | \$350,000 | 0 | \$350,000 | \$400,000 | \$50,000 | \$500,000 |

Board of Veterinary Medicine Examiners--Informational

To protect the public by licensing qualified individuals to practice as veterinarians and veterinary technicians; and to ensure adherence to the governing statutes.

The total recommended budget for the Board of Veterinary Examiners consists of \$58,788 in other fund expenditure authority and 0.0 FTE.

| | Actual FY07 | Budgeted FY08 | Agency Req. FY09 | Gov Rec. FY09 | Inc/Dec FY09 | % Change From FY08 |
|----------------------|------------------------|--------------------------|-----------------------------|--------------------------|-------------------------|-------------------------------|
| Personal Services | 852 | 2,249 | 2,249 | 2,288 | 39 | 1.7% |
| Travel | 3,883 | 5,000 | 5,500 | 5,500 | 500 | 10.0% |
| Contractual Services | 35,953 | 42,500 | 47,000 | 47,000 | 4,500 | 10.6% |
| Supplies & Materials | 1,072 | 4,000 | 4,000 | 4,000 | - | 0.0% |
| Grants And Subsidies | - | - | - | - | - | 0.0% |
| Capital Outlay | - | - | - | - | - | 0.0% |
| Other | - | - | - | - | - | 0.0% |
| Total | 41,760 | 53,749 | 58,749 | 58,788 | 5,039 | 9.4% |
| Funding Types | | | | | | |
| General | - | - | - | - | - | 0.0% |
| Federal | - | - | - | - | - | 0.0% |
| Other | 41,760 | 53,749 | 58,749 | 58,788 | 5,039 | 9.4% |
| Total | 41,760 | 53,749 | 58,749 | 58,788 | 5,039 | 9.4% |
| FTE | - | - | - | - | - | 0.0% |

Revenues

| | <u>FY07</u> | | | <u>FY08</u> | | | <u>FY09</u> |
|-----------------------------|------------------------------|---------------|---|------------------------------|-----------------------------|-------------------------------|--------------------|
| | Original Estimate | Actual | Difference Over (Under) Estim. | Original Estimate | Current Estimate | Change in Estimate | Estimate |
| Examination Fees | 5,500 | 4,505 | (995) | 5,500 | 5,500 | 0 | 5,500 |
| New License Fees | 4,000 | 3,300 | (700) | 4,000 | 4,000 | 0 | 4,000 |
| Renewal Fees | 40,000 | 55,255 | 15,255 | 40,000 | 40,000 | 0 | 45,000 |
| Materials Sold | 700 | 2,000 | 1,300 | 1,000 | 1,000 | 0 | 1,000 |
| Interest Income | 3,000 | 2,637 | (363) | 3,000 | 3,000 | 0 | 3,000 |
| License Reinstatements | 1,000 | 450 | (550) | 1,000 | 1,000 | 0 | 1,000 |
| Corporation Renewal Fees | 600 | 840 | 240 | 1,000 | 1,000 | 0 | 1,000 |
| New Corporation Fees | 500 | 250 | (250) | 500 | 500 | 0 | 500 |
| Technician Registration Fee | 500 | 230 | (270) | 500 | 500 | 0 | 500 |
| Total | 55,800 | 69,467 | 13,667 | 56,500 | 56,500 | 0 | 61,500 |

- The board requests increases of \$500 in travel and \$4,500 in contractual services in order to bring the budget in line with the board's approved budget for FY09. The Governor recommends this request. The Governor also recommends an increase of \$39 for FY09 salary policy.

Selected Performance Indicators

| | <u>FY07</u> | | | <u>FY08</u> | | | <u>FY09</u> |
|---|--------------------------|---------------|---------------------------------------|--------------------------|-------------------------|---------------------------|--------------------|
| | Original Estimate | Actual | Difference Over (Under) Estim. | Original Estimate | Current Estimate | Change in Estimate | Estimate |
| Licenses Renewed | 350 | 551 | 201 | 350 | 350 | 0 | 450 |
| New Licenses | 50 | 37 | (13) | 50 | 50 | 0 | 50 |
| Practitioners | 400 | 588 | 188 | 400 | 400 | 0 | 500 |
| Examinations: | | | 0 | | | 0 | |
| Nationally Prepared (Times Given) | 1 | 1 | 0 | 1 | 1 | 0 | 1 |
| Applicants Examined/Passed (Includes Reexams) | 20/20 | 13/12 | n/a | 20/20 | 20/20 | n/a | 20/20 |
| State Prepared (Times Given) | 1 | 1 | 0 | 1 | 1 | 0 | 1 |
| Applicants Examined/Passed | 35/35 | 34/34 | n/a | 35/35 | 35/35 | n/a | 35/35 |
| Complaints: | | | | | | | |
| Received/Investigated/Resolved | 20/20/20 | 13/13/10 | n/a | 20/20/20 | 20/20/20 | n/a | 20/20/20 |
| Hearings Pending | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Inquiries Received and Answered | 250 | 250 | 0 | 250 | 250 | 0 | 250 |
| Applicants Denied Licensure | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Board Meetings Held | 4 | 3 | (1) | 4 | 4 | 0 | 4 |

Pulse Crops Council

To promote research, education, production, processing, marketing, and end usage of pulse crops in South Dakota, thereby enhancing profitability.

The total recommended budget for the Pulse Crops Council consists of \$0 and 0.0 FTE.

| | Actual FY07 | Budgeted FY08 | Agency Req. FY09 | Gov Rec. FY09 | Inc/Dec FY09 | % Change From FY08 |
|----------------------|------------------------|--------------------------|-----------------------------|--------------------------|-------------------------|-------------------------------|
| Personal Services | - | - | - | - | - | 0.0% |
| Travel | - | - | - | - | - | 0.0% |
| Contractual Services | 24 | - | - | - | - | 0.0% |
| Supplies & Materials | - | - | - | - | - | 0.0% |
| Grants And Subsidies | - | - | - | - | - | 0.0% |
| Capital Outlay | - | - | - | - | - | 0.0% |
| Other | - | - | - | - | - | 0.0% |
| Total | 24 | - | - | - | - | 0.0% |
| Funding Types | | | | | | |
| General | - | - | - | - | - | 0.0% |
| Federal | - | - | - | - | - | 0.0% |
| Other | 24 | - | - | - | - | 0.0% |
| Total | 24 | - | - | - | - | 0.0% |
| FTE | - | - | - | - | - | 0.0% |

Other Departmental Issues

A. Budget Transfers:

| | | |
|--|-------------------|----------------------------|
| \$100,000 no FTE | One-time transfer | 01/09/2007 approved by BFM |
| The Department of Agriculture transferred \$100,000 in federal fund expenditure authority from Agriculture Development and Promotion to other fund expenditure authority in Agriculture Services and Assistance. This is a one time transfer involving personal services and operating expenses. The funds transferred will be used for treatment of prairie dog infestations. The funds are available due to reduced federal participation in the Forestry programs. | | |
| \$60,000 no FTE | One-time transfer | 03/13/2007 approved by BFM |
| The Department of Agriculture transferred \$60,000 of federal fund expenditure authority to other fund expenditure authority with Agriculture Development and Promotion. This is a one-time transfer involving operating expenses and personal services. The funds transferred will be used for personal services within the urban forestry and service forestry programs. Funds are available due to less than anticipated federal funding. | | |
| \$75,000 no FTE | One-time transfer | 05/04/2007 approved by BFM |
| The Department of Agriculture transferred \$20,000 of general funds from Agriculture Services and Assistance and \$55,000 of general funds from Agriculture Development and Promotion to the Secretary's office. This is a one time transfer involving personal services and operating expenses. The funds transferred will be used to cover shortfalls due to retirement payouts and departmental administrative activities. Funds are available due to employees in Ag Services and Ag Development devoting more time to administrative functions. | | |
| Total of all Transfers: \$235,000 | | |

B. General Fund Reversions FY03-FY07

FY03- \$22,421
FY04- \$29,040
FY05- \$303,459
FY06- \$9,873
FY07- \$0

C. Committee Requests

- Provide a status update on the vacant State Fair manager position.
- List the benefits of placing the State Fair as a line item in the general bill versus as a special appropriation as done in previous years.

October 26, 2007

SOYBEAN RESEARCH & PROMOTION



South Dakota Legislative Research Council

Frequently Asked Questions

The purpose of this FAQ sheet is to provide information to the Joint Committee on Appropriations regarding Informational Budgets in the South Dakota budgetary system. The information was compiled by the Legislative Research Council with assistance from the Department of Legislative Audit and the Government Operations and Audit Committee.

When and why was this fund created?

The South Dakota Soybean Research & Promotion Council (SDSR&PC) and the Soybean Research & Promotion Fund was established by the 1984 Legislature for the purpose of creating a revolving fund for money collected from soybean checkoff fees. The council is composed of nine members who are participating growers and elected by participating growers. The secretary is an ex officio, nonvoting member of the council. The fund is attached to the Department of Agriculture for informational budgeting and administrative support.

The soybean checkoff has been a national checkoff since 1991. The checkoff is governed by the United States Department of Agriculture (USDA) – Ag Marketing Service. The checkoff assessment is mandatory therefore no refunds are available to producers. Producers do, however, have an opportunity every five years to file a referendum to discontinue the national checkoff program.

Where does the revenue come from?

Revenue for the fund comes from soybean checkoff fees. An assessment at the rate of one-half of one percent (0.5% or \$5 cents for \$100 of sales) of the value of the net market price is imposed by the Soybean Research and Promotion Council upon all soybeans grown in the state or sold to a first purchaser within the state. This assessment is due upon any identifiable lot or quantity of soybeans. Any soybean producer operating under a national organic program approved by the United States Department of Agriculture who produces and markets only commodities that may be labeled one hundred percent organic is eligible for exemption from paying the soybean assessment.

Where do the Checkoff Dollars Go?

The SDSR&PC is required to send 50% of the revenue derived from the soybean checkoff fee to the United Soybean Board. The United Soybean Board is comprised of 59 farmer-directors who oversee the investments of the soybean checkoff on behalf of all U.S. soybean farmers. The SDSR&PC spends the remaining 50% of the revenue on soybean related projects.

To keep South Dakota soybean farmers well positioned in the world marketplace, checkoff dollars are invested in market development programs in South Dakota, as well as nationally. Some of these programs include the following: Ag United for SD, American Soybean Association, National Biodiesel Board, USA Poultry Egg Export Council, US Meat Export Federation, US Soybean Export Council, United Soybean Board, and World Initiative for Soy in Human Health.

The SDSR&PC also invests checkoff dollars to find new, more efficient, and profitable ways that benefit South Dakota farmers. Research projects and activities by the North Central Soybean Research Program, South Dakota State University, and the United Soybean Board seek to address production and research challenges for soybean farmers.

The SDSR&PC focuses on the contribution the soybean industry makes to South Dakota's economy and builds producer awareness about how South Dakota's portion of the soybean checkoff is invested to enhance producer profitability.

The SDSR&PC promotes the importance of soy foods through creating awareness and educating consumers on the health benefits of soy. The council increases the demand for soy foods by educating and communicating with health professionals, food service managers, consumers, and youth about the new uses of soybeans, the new health claim and health benefits of soy foods, and ways to incorporate more soy into their food preparation.

What spending restrictions exist on the fund?

Money in the Soybean Research & Promotion Fund is continuously appropriated. (38-29-6) Expenditures of these funds are made in accordance with the provisions of Title 4.

The Council is required to send a budget proposal to the USDA for approval. The USDA reviews the proposal to ensure that the funds are spent appropriately based on the federal guidelines.

Is the fund on the state accounting system? What is the timing of the Fiscal Year?

The fund is on the state accounting system. The fiscal year runs the same as the State Fiscal Year which is from July 1 to June 30.

What Oversight Exists?

An independent audit performed by Eide Bailly was completed on the financial statements of the Soybean Research and Promotion Council as of June 30, 2006. The council was also recently reviewed by the Government Operations & Audit Committee during the 2007 interim. The fund is also reviewed annually by the Joint Appropriation's Committee during the budget hearing process for the Department of Agriculture.

2007 Government Operations and Audit Committee "Blue Book"

Prepared by the Department of Legislative Audit

Other Fund Information

Department of Agriculture
State Accounting System - Other Fund Balances
Company 3054 - Soybean Research and Promotion

| | FY2004 | FY2005 | FY2006 | FY2007 |
|--|----------------|----------------|----------------|--------------|
| 1 Cash Pooled with State Treasurer | 2,109,817.26 | 2,215,159.48 | 2,205,424.99 | 2,684,664.48 |
| 2 Cash and Cash Equivalents | 1,676,523.65 | 7,122.45 | 7,122.45 | - |
| 3 Total Assets | 3,786,340.91 | 2,222,281.93 | 2,212,547.44 | 2,684,664.48 |
| 4 | | | | |
| 5 Accounts Payable | - | - | - | - |
| 6 Total Liabilities | - | - | - | - |
| 7 | | | | |
| 8 Reserve for Encumbrances | - | - | - | - |
| 9 Unreserved Fund Balance | 3,786,340.91 | 2,222,281.93 | 2,212,547.44 | 2,684,664.48 |
| 10 Total Fund Equity | 3,786,340.91 | 2,222,281.93 | 2,212,547.44 | 2,684,664.48 |
| 11 Total Liabilities and Fund Equity | 3,786,340.91 | 2,222,281.93 | 2,212,547.44 | 2,684,664.48 |
| 12 | | | | |
| 13 | | | | |
| 14 Licenses, Permits and Fees | 4,169,167.23 | 3,309,584.41 | 3,129,467.73 | 3,733,886.10 |
| 15 Use of Money and Property | 73,247.83 | 54,305.80 | 56,580.76 | 71,391.75 |
| 16 Total Operating Revenue | 4,242,415.06 | 3,363,890.21 | 3,186,048.49 | 3,805,277.85 |
| 17 | | | | |
| 18 Personal Services and Benefits | 160,889.02 | 163,485.88 | 165,129.76 | 172,090.92 |
| 19 Travel | 410.24 | 384.64 | 489.16 | - |
| 20 Contractual Services | 1,460,865.80 | 3,094,607.79 | 1,696,947.23 | 1,942,551.62 |
| 21 Supplies and Materials | 19.93 | 69.68 | 8,147.33 | 8,319.91 |
| 22 Grants and Subsidies | - | - | 1,325,069.50 | 1,203,075.91 |
| 23 Capital Outlay | - | - | - | - |
| 24 Total Operating Expenditures/Expenses | 1,622,184.99 | 3,258,547.99 | 3,195,782.98 | 3,326,038.36 |
| 25 | | | | |
| 26 Transfers In | - | - | 2,215,159.48 | - |
| 27 Transfers Out | - | - | (2,215,159.48) | - |
| 28 Net Transfers In (Out) | - | - | - | - |
| 29 | | | | |
| 30 Net Change | 2,620,230.07 | 105,342.22 | (9,734.49) | 479,239.49 |
| 31 | | | | |
| 32 Beginning Fund Equity | 4,482,972.08 | 3,786,340.91 | 2,222,281.93 | 2,212,547.44 |
| 33 Prior Period Adjustment | (3,316,861.24) | (1,669,401.20) | - | (7,122.45) |
| 34 Ending Equity | 3,786,340.91 | 2,222,281.93 | 2,212,547.44 | 2,684,664.48 |

Company: 3054

Company Name: Soybean Research & Promo Council

Fund Name: Soybean Research and Promotion Fund

Fund Type: Special Revenue

Purpose: SDCL 38-29-6 created a special revolving fund for the soybean research and promotion council. Source: Moneys collected from soybean checkoff fees. Use: Soybean research and promotion.

Budget Information: Included in the General Appropriations Bill as an informational budget.

Provided by the South Dakota Soybean Research & Promotion Council on 10/15/07

**SD Department of Agriculture
SD Soybean Research & Promotion Council
CONDITION STATEMENT (3054)**

| | <u>ACTUAL</u> <u>FY2006</u> | <u>ACTUAL</u> <u>FY2007</u> | <u>BUDGETED</u> <u>FY2008</u> | <u>BUDGETED</u> <u>FY2009</u> |
|--|--------------------------------|--------------------------------|----------------------------------|----------------------------------|
| <u>RECEIPTS</u> | | | | |
| Taxes | | | | |
| Licenses, Permits & Fees | | | | |
| Rev/Use of Money/Property | | | | |
| Charges for Sales & Services | | | | |
| Retirement Trust Revenue | | | | |
| Administered Program Revenues | | | | |
| Other Revenues <i>(50% of total remittances sent to United Soybean Board)</i> | 3,265,653 | 4,067,422 | 3,615,324 | 3,060,000 |
| Nonoperating Revenues | | | | |
| TOTAL RECEIPTS | <u>\$3,265,653</u> | <u>\$4,067,422</u> | <u>\$3,615,324</u> | <u>\$3,060,000</u> |
| <u>DISBURSEMENTS</u> | | | | |
| Salaries | 131,470 | 136,527 | 154,406 | 162,126 |
| Benefits | 33,660 | 35,564 | 37,910 | 39,806 |
| Travel | 586 | | | |
| Contractual Services <i>(includes 50% of total remittances to United Soybean Board)</i> | 1,681,764 | 1,946,699 | 1,850,500 | 1,591,000 |
| Supplies | 9,043 | 8,320 | 10,500 | 10,500 |
| Grants | 1,421,444 | 1,456,073 | 1,562,008 | 1,256,568 |
| Capital Outlay | | | | |
| Other | | | | |
| TOTAL DISBURSEMENTS | <u>\$3,277,967</u> | <u>\$3,583,183</u> | <u>\$3,615,324</u> | <u>\$3,060,000</u> |
| NET (Receipts less Disbursements) | <u>(\$12,314)</u> | <u>\$484,239</u> | <u>\$0</u> | <u>\$0</u> |
| BEGINNING CASH BALANCE | \$2,217,765 | \$2,205,451 | \$2,401,505 | \$2,401,505 |
| ENDING CASH BALANCE | <u>\$2,205,451</u> | <u>\$2,689,690</u> | <u>\$2,401,505</u> | <u>\$2,401,505</u> |
| COMMITMENTS | | <u>\$288,185</u> | | |
| ENDING BALANCE | <u>\$2,205,451</u> | <u>\$2,401,505</u> | <u>\$2,401,505</u> | <u>\$2,401,505</u> |

BRAND BOARD



South Dakota Legislative Research Council

Frequently Asked Questions

The purpose of this FAQ sheet is to provide information to the Joint Committee on Appropriations regarding Informational Budgets in the South Dakota budgetary system. The information was compiled by the Legislative Research Council with assistance from the Department of Legislative Audit and the Government Operations and Audit Committee.

When and why was this fund created?

The Brand Board and the Brand Fund were created by the 1937 Legislature for the purpose of administering livestock brand registrations. The 1943 Legislature created the Livestock Ownership Inspection and Theft Prevention Fund for livestock ownership inspection and theft prevention programs. The Brand Board is attached to the Department of Agriculture for reporting purposes. (SDCL 40-18 thru 40-21)

Where does the revenue come from?

Revenue for the Brand Fund comes from user fees generated from livestock brand registration, renewals, and transfers. Revenue for the Livestock Ownership Inspection and Theft Prevention Fund comes from inspection fees.

Brand Fees:

Brand Registration- \$25.00 – plus \$10.00 for each year remaining in the current brand renewal period.

Brand Renewal- \$50.00 – Occurs every five years for years ending in a 0 or 5 (such as 2005, 2010, and 2015). All brands are subject to renewal during January 2 through May 1 of the renewal year.

Brand Transfer- \$25.00 – for any modification of the brand ownership as currently recorded.

Duplicate Certificate Fee- \$2.00 for each duplicate of a brand registration certificate.

Inspection Fees:

Livestock Brand Inspection- \$0.80 per head

Lifetime Horse Transportation Permit- \$10.00 per head

Annual Horse Transportation Permit- \$3.00 per head

What spending restrictions exist on the fund?

All expenses for salary of employees, per diem, and traveling expenses of members of the board, books, records, files, and office equipment necessary for the maintenance of a permanent system of brand registration, rerecording, and renewals, and the execution and enforcement of brand registration, inspection, and theft protections laws, shall be allowed upon vouchers approved by the board and warrants issued by the state auditor, and paid out of the brand fund by the state treasurer. The expenses referred to in this section include the expense of printing brand books and supplements sold for a price to be fixed by the board at not less than cost. The receipts from sales shall be paid to the state treasurer and shall be deposited in the brand fund. (40-19-23) Money in the Brand Fund may not revert to the general fund of the state or be diverted to any other purpose. (40-19-22)

All money in the Livestock Ownership Inspection and Theft Prevention Fund is used by the Brand Board for the administration and enforcement of livestock ownership, brand inspection, and theft prevention. (40-21-9)

Has the original purpose of the board or fund changed?

The original purpose of the Brand Board was to administer livestock brand registrations. In 1943, the Legislature created the South Dakota livestock ownership inspection area which now consists of all counties west of the Missouri River. The Legislature also allowed the board to enter into a contract with a nonprofit corporation to carry out livestock ownership inspections. The nonprofit corporation is required to prepare a monthly report of fees collected and expenses prorated for the ownership inspection program. A copy of the report is filed monthly with the Brand Board, the Secretary of Agriculture, and the Auditor General. Currently, the Brand Board authorizes the South Dakota Stockgrower's Association to inspect cattle, horses, or mules for ownership within the livestock ownership inspection area and at designated open markets outside the ownership inspection area.

Is the fund on the state accounting system? What is the timing of the Fiscal Year?

The funds are on the state accounting system. The fiscal year runs the same as the State Fiscal Year which is from July 1 to June 30.

What oversight exists?

The South Dakota Department of Legislative Audit has audited the financial statements of the South Dakota Brand Board as of June 30, 2006. The Brand Board has recently been reviewed by the Government Operations & Audit Committee during the 2007 interim. The board is also reviewed annually by the Joint Appropriation's Committee during the budget hearing process for the Department of Agriculture.

2007 Government Operations and Audit Committee "Blue Book"

Prepared by the Department of Legislative Audit

Other Fund Information

Department of Agriculture
State Accounting System - Other Fund Balances
Company 3057 - Brand Fund

| | FY2004 | FY2005 | FY2006 | FY2007 |
|--|---------------|---------------|----------------|---------------|
| 1 Cash Pooled with State Treasurer | 500,465.17 | 1,460,028.42 | 1,333,418.94 | 1,158,678.76 |
| 2 Total Assets | 500,465.17 | 1,460,028.42 | 1,333,418.94 | 1,158,678.76 |
| 3 | | | | |
| 4 Accounts Payable | - | - | - | - |
| 5 Total Liabilities | - | - | - | - |
| 6 | | | | |
| 7 Reserve for Encumbrances | - | - | - | - |
| 8 Unreserved Fund Balance | 500,465.17 | 1,460,028.42 | 1,333,418.94 | 1,158,678.76 |
| 9 Total Fund Equity | 500,465.17 | 1,460,028.42 | 1,333,418.94 | 1,158,678.76 |
| 10 Total Liabilities and Fund Equity | 500,465.17 | 1,460,028.42 | 1,333,418.94 | 1,158,678.76 |
| 11 | | | | |
| 12 | | | | |
| 13 Licenses, Permits and Fees | 31,622.12 | 1,213,506.56 | 140,602.00 | 71,567.00 |
| 14 Use of Money and Property | 42,188.94 | 23,054.27 | 22,144.15 | 42,282.47 |
| 15 Sales and Services | 1,729.95 | 924.00 | 13,658.00 | 4,354.00 |
| 16 Total Operating Revenue | 75,541.01 | 1,237,484.83 | 176,404.15 | 118,203.47 |
| 17 | | | | |
| 18 Personal Services and Benefits | 216,298.11 | 194,516.50 | 190,056.83 | 203,887.56 |
| 19 Travel | 8,030.13 | 11,404.73 | 17,137.84 | 16,690.79 |
| 20 Contractual Services | 64,619.51 | 48,800.42 | 55,206.37 | 59,645.70 |
| 21 Supplies and Materials | 8,147.45 | 19,653.34 | 33,864.11 | 7,282.69 |
| 22 Grants and Subsidies | 1,500.00 | 1,000.00 | 1,000.00 | 1,500.00 |
| 23 Capital Outlay | 7,932.97 | 2,455.61 | 5,291.61 | 3,162.48 |
| 24 Other Expense | 89.85 | 90.98 | 456.87 | 774.43 |
| 25 Total Operating Expenditures/Expenses | 306,618.02 | 277,921.58 | 303,013.63 | 292,943.65 |
| 26 | | | | |
| 27 Transfers In | - | 160.12 | 1,460,028.42 | 89.29 |
| 28 Transfers Out | - | (160.12) | (1,460,028.42) | (89.29) |
| 29 Net Transfers In (Out) | - | - | - | - |
| 30 | | | | |
| 31 Net Change | (231,077.01) | 959,563.25 | (126,609.48) | (174,740.18) |
| 32 | | | | |
| 33 Beginning Fund Equity | 731,542.18 | 500,465.17 | 1,460,028.42 | 1,333,418.94 |
| 34 Ending Equity | 500,465.17 | 1,460,028.42 | 1,333,418.94 | 1,158,678.76 |

Company: 3057

Company Name: Brand Board Funds

Fund Name: Brand Fund

Fund Type: Enterprise

Purpose: SDCL 40-19-22 created the Brand Fund. Source: Monies derived from the collection of fees for brand applications, transfers and renewals. Use: Administration of the brand board.

Budget Information: Included in the General Appropriations Bill as an informational budget.

2007 Government Operations and Audit Committee "Blue Book"

Prepared by the Department of Legislative Audit

Other Fund Information

Department of Agriculture

State Accounting System - Other Fund Balances

Company 3057 - Livestock Ownership Inspection and Theft Prevention Fund

| | FY2004 | FY2005 | FY2006 | FY2007 |
|--|-----------|------------|--------------|------------|
| 1 Cash Pooled with State Treasurer | 93,114.24 | 107,688.43 | 112,051.40 | 112,569.99 |
| 2 Total Assets | 93,114.24 | 107,688.43 | 112,051.40 | 112,569.99 |
| 3 | | | | |
| 4 Accounts Payable | - | - | - | - |
| 5 Total Liabilities | - | - | - | - |
| 6 | | | | |
| 7 Reserve for Encumbrances | - | - | - | - |
| 8 Unreserved Fund Balance | 93,114.24 | 107,688.43 | 112,051.40 | 112,569.99 |
| 9 Total Fund Equity | 93,114.24 | 107,688.43 | 112,051.40 | 112,569.99 |
| 10 Total Liabilities and Fund Equity | 93,114.24 | 107,688.43 | 112,051.40 | 112,569.99 |
| 11 | | | | |
| 12 | | | | |
| 13 Licenses, Permits and Fees | 46,166.89 | 21,346.02 | 4,362.97 | 518.59 |
| 14 Other Revenue | - | 30.00 | - | - |
| 15 Total Operating Revenue | 46,166.89 | 21,376.02 | 4,362.97 | 518.59 |
| 16 | | | | |
| 17 Personal Services and Benefits | - | - | - | - |
| 18 Travel | 572.14 | 81.21 | - | - |
| 19 Contractual Services | 19,875.57 | 5,763.95 | - | - |
| 20 Supplies and Materials | 150.00 | - | - | - |
| 21 Grants and Subsidies | - | - | - | - |
| 22 Capital Outlay | 1,014.75 | 956.67 | - | - |
| 23 Total Operating Expenditures/Expenses | 21,612.46 | 6,801.83 | - | - |
| 24 | | | | |
| 25 Transfers In | - | - | 107,888.43 | - |
| 26 Transfers Out | - | - | (107,888.43) | - |
| 27 Net Transfers In (Out) | - | - | - | - |
| 28 | | | | |
| 29 Net Change | 24,554.43 | 14,574.19 | 4,362.97 | 518.59 |
| 30 | | | | |
| 31 Beginning Fund Equity | 68,559.81 | 93,114.24 | 107,688.43 | 112,051.40 |
| 32 Ending Equity | 93,114.24 | 107,688.43 | 112,051.40 | 112,569.99 |

Company: 3057

Company Name: Brand Board

Fund Name: Livestock Ownership Inspection and Theft Prevention Fund

Fund Type: Enterprise

Purpose: SDCL 40-21-9 created the Livestock Ownership Inspection and Theft Prevention Fund. Source: Inspection fees. Use: Operation of ownership inspection program.

Budget Information: There have been no disbursements from this fund requiring an appropriation.

Condition Statement Prepared by the Bureau of Finance and Management on 12/21/07

**Department of Agriculture
Brand Fund
Condition Statement (3057-03451-INFO)**

| | ACTUAL FY2006 | ACTUAL FY2007 | BUDGETED FY2008 | PROJECTED FY2009 |
|-----------------------------------|--------------------|--------------------|--------------------|---------------------|
| TOTAL RECEIPTS | \$176,404 | \$118,203 | \$147,304 | \$132,754 |
| TOTAL DISBURSEMENTS | \$302,924 | \$293,033 | \$450,112 | \$450,112 |
| NET (Receipts less Disbursements) | (\$126,520) | (\$174,830) | (\$302,808) | (\$317,358) |
| BEGINNING CASH BALANCE | \$1,460,028 | \$1,333,508 | \$1,158,679 | \$855,872 |
| ENDING BALANCE | \$1,333,508 | \$1,158,679 | \$855,871 | \$538,514 |

**Department of Agriculture
Livestock Ownership Inspection & Theft Prevention Fund
Condition Statement (3057)**

| | ACTUAL FY2006 | ACTUAL FY2007 | BUDGETED FY2008 | PROJECTED FY2009 |
|-----------------------------------|------------------|------------------|--------------------|---------------------|
| TOTAL RECEIPTS | \$4,363 | \$519 | \$500 | \$500 |
| TOTAL DISBURSEMENTS | \$0 | \$0 | \$100,000 | \$0 |
| NET (Receipts less Disbursements) | \$4,363 | \$519 | (\$99,500) | \$500 |
| BEGINNING CASH BALANCE | \$107,688 | \$112,051 | \$112,570 | \$13,070 |
| ENDING BALANCE | \$112,051 | \$112,570 | \$13,070 | \$13,570 |

CORN UTILIZATION COUNCIL



South Dakota Legislative Research Council

Frequently Asked Questions

The purpose of this FAQ sheet is to provide information to the Joint Committee on Appropriations regarding Informational Budgets in the South Dakota budgetary system. The information was compiled by the Legislative Research Council with assistance from the Department of Legislative Audit and the Government Operations and Audit Committee.

When and why was this fund created?

The South Dakota Corn Utilization Council (SDCUC) and the Corn Utilization Council Fund were established by the 1988 Legislature for the purpose of creating a revolving fund for money collected from corn checkoff fees. The council is composed of fifteen directors who are participating growers and elected by participating growers. The secretary is an ex officio, nonvoting director of the council. The fund is attached to the Department of Agriculture for informational budgeting and administrative support.

Where does the revenue come from?

Revenue for the fund comes from corn checkoff fees. An assessment of one cent per bushel is imposed by the council on all corn marketed to a first purchaser within the state.

The money in the fund makes needed corn utilization research possible, allowing the SDCUC to develop new and innovative uses for corn and corn byproducts which benefit South Dakota economically and environmentally. South Dakota corn producers, through SDCUC check-off dollars, also fund the U.S. Grains Council, U.S. Meat Export Federation, the American Coalition for Ethanol, and the National Corn Growers Association.

Any grower subject to the assessment may, within sixty days following the assessment, make application to the council for a refund of the assessment. Upon the return of the refund application, accompanied by a record of the assessment by the first purchaser, the grower will be refunded the net amount of the assessment collected within sixty days. However, a grower who has paid the assessment more than once on the same corn is entitled to a refund of the overpayment. Historically, the number of producers that request a refund is approximately 10 percent.

What spending restrictions exist on the fund?

Money in the Corn Utilization Council Fund is continuously appropriated. (38-32-12) Expenditures of these funds are made in accordance with the provisions of Title 4.

Has the original purpose of the fund changed?

The original purpose was to create a corn utilization council and revolving fund for corn checkoff fees. The money in the fund is used for research and market development and promotion for the corn industry. The purpose has not changed since the fund was created.

Is the fund on the state accounting system? What is the timing of the Fiscal Year?

The fund is on the state accounting system, however, the Council writes refund checks to growers through a local bank account. The fiscal year runs the same as the State Fiscal Year which is from July 1 to June 30.

What oversight exists?

An Independent Audit performed by Eide Bailly was completed on the financial statements of the Corn Utilization Council as of June 30, 2006. The Corn Utilization Council was recently reviewed by the Government Operations & Audit Committee during the 2007 interim. The fund is also reviewed annually by the Joint Appropriation's Committee during the budget hearing process for the Department of Agriculture.

2007 Government Operations and Audit Committee "Blue Book"

Prepared by the Department of Legislative Audit

Other Fund Information

Department of Agriculture
State Accounting System - Other Fund Balances
Company 3055 - Corn Utilization Council

| | FY2004 | FY2005 | FY2006 | FY2007 |
|--|----------------|----------------|----------------|----------------|
| 1 Cash Pooled with State Treasurer | 3,479,630.47 | 2,521,182.39 | 2,837,349.71 | 1,403,629.60 |
| 2 Cash and Cash Equivalents | 2,226,058.00 | 30,000.00 | 30,000.00 | - |
| 3 Total Assets | 5,705,688.47 | 2,551,182.39 | 2,867,349.71 | 1,403,629.60 |
| 4 | | | | |
| 5 Accounts Payable | - | - | - | - |
| 6 Total Liabilities | - | - | - | - |
| 7 | | | | |
| 8 Reserve for Encumbrances | - | - | - | - |
| 9 Unreserved Fund Balance | 5,705,688.47 | 2,551,182.39 | 2,867,349.71 | 1,403,629.60 |
| 10 Total Fund Equity | 5,705,688.47 | 2,551,182.39 | 2,867,349.71 | 1,403,629.60 |
| 11 Total Liabilities and Fund Equity | 5,705,688.47 | 2,551,182.39 | 2,867,349.71 | 1,403,629.60 |
| 12 | | | | |
| 13 | | | | |
| 14 Licenses, Permits and Fees | 2,804,695.38 | 3,271,395.47 | 3,387,663.92 | 3,103,371.72 |
| 15 Use of Money and Property | 97,165.28 | 91,376.65 | 78,921.48 | 93,248.96 |
| 16 Total Operating Revenue | 2,901,860.66 | 3,362,772.12 | 3,466,585.40 | 3,196,620.68 |
| 17 | | | | |
| 18 Personal Services and Benefits | 90,192.47 | 92,907.38 | 97,161.96 | 91,753.41 |
| 19 Travel | - | 90,000.00 | - | - |
| 20 Contractual Services | 4,556.09 | 3,475,777.98 | 3,053,222.54 | 4,538,587.38 |
| 21 Supplies and Materials | 19.91 | 40,034.84 | 33.58 | - |
| 22 Grants and Subsidies | - | 496,825.00 | - | - |
| 23 Capital Outlay | - | - | - | - |
| 24 Other Expense | - | 100,000.00 | - | - |
| 25 Total Operating Expenditures/Expenses | 94,768.47 | 4,295,545.20 | 3,150,418.08 | 4,630,340.79 |
| 26 | | | | |
| 27 Transfers In | - | - | 2,779,742.37 | - |
| 28 Transfers Out | - | - | (2,779,742.37) | - |
| 29 Net Transfers In (Out) | - | - | - | - |
| 30 | | | | |
| 31 Net Change | 2,807,092.19 | (932,773.08) | 316,167.32 | (1,433,720.11) |
| 32 | | | | |
| 33 Beginning Fund Equity | 4,487,615.50 | 5,705,688.47 | 2,551,182.39 | 2,867,349.71 |
| 34 Prior Period Adjustment | (1,589,019.22) | (2,221,733.00) | - | (30,000.00) |
| 35 Ending Equity | 5,705,688.47 | 2,551,182.39 | 2,867,349.71 | 1,403,629.60 |

Company: 3055

Company Name: Corn Utilization Council

Fund Name: Corn Utilization Council

Fund Type: Special Revenue

Purpose: SDCL 38-32-12 created a special revolving fund for the corn council. Source: Moneys collected from corn checkoff fees. Use: Corn research and promotion.

Budget Information: Included in the General Appropriations Bill as an informational budget.

Condition Statement Prepared by the Bureau of Finance and Management on 12/21/07

**Department of Agriculture
Corn Utilization Council
Condition Statement (3055-INFO)**

| | ACTUAL FY2006 | ACTUAL FY2007 | BUDGETED FY2008 | PROJECTED FY2009 |
|-----------------------------------|--------------------|--------------------|----------------------|----------------------|
| TOTAL RECEIPTS | \$3,466,585 | \$3,196,621 | \$3,331,603 | \$3,264,112 |
| TOTAL DISBURSEMENTS | \$3,150,418 | \$4,630,341 | \$6,132,263 | \$4,257,729 |
| NET (Receipts less Disbursements) | \$316,167 | (\$1,433,720) | (\$2,800,660) | (\$993,617) |
| BEGINNING CASH BALANCE | \$2,521,182 | \$2,867,350 | \$1,403,630 | (\$1,397,030) |
| NET (Transfers In/Out) | \$0 | \$0 | \$0 | \$0 |
| ENDING CASH BALANCE | \$2,837,349 | \$1,433,630 | (\$1,397,030) | (\$2,390,648) |
| Cash in Local Checking Account | \$30,000 | \$0 | \$0 | \$0 |
| Prior Period Adjustment | \$0 | (\$30,000) | \$0 | \$0 |
| ENDING BALANCE | \$2,867,350 | \$1,403,630 | (\$1,397,030) | (\$2,390,648) |