

AGRICULTURE, TRADE AND CONSUMER PROTECTION

Budget Summary						FTE Position Summary				
Fund	2006-07 Adjusted Base	Request		2007-09 Change Over Base Year Doubled		2006-07	Request		2008-09 Over 2006-07	
		2007-08	2008-09	Amount	%		2007-08	2008-09	Number	%
GPR	\$27,854,200	\$29,639,400	\$29,639,400	\$3,570,400	6.4%	219.90	219.90	219.90	0.00	0.0%
FED	7,627,700	15,154,500	15,154,500	15,053,600	98.7	71.95	73.95	73.95	2.00	2.8
PR	19,634,700	20,047,900	20,056,100	834,600	2.1	183.40	179.40	179.40	- 4.00	- 2.2
SEG	<u>22,929,100</u>	<u>25,318,000</u>	<u>25,075,000</u>	<u>4,534,800</u>	9.9	<u>97.12</u>	<u>99.12</u>	<u>99.12</u>	<u>2.00</u>	2.1
TOTAL	\$78,045,700	\$90,159,800	\$89,925,000	\$23,993,400	15.4%	<u>572.37</u>	<u>572.37</u>	<u>572.37</u>	0.00	0.0%
BR		\$5,500,000								

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request adjustments to the base budget for: (a) turnover reduction (-\$151,400 GPR and -\$71,400 PR annually); (b) full funding of salaries and fringe benefits (\$1,936,600 GPR, \$217,700 FED, \$435,200 PR and \$534,500 SEG annually); (c) reclassifications (\$43,800 PR in 2007-08 and \$52,000 PR in 2008-09, and \$14,800 SEG in 2007-08 and \$21,800 SEG in 2008-09); and minor transfers within the same alpha appropriation (transfer 1.0 GPR position from meat and poultry inspection to food safety, and 1.0 GPR position from the office of agricultural statistics to the office of the secretary and management services).

GPR	\$3,570,400
FED	435,400
PR	823,400
SEG	<u>1,105,600</u>
Total	\$5,934,800

2. SOIL AND WATER RESOURCE MANAGEMENT BONDING

Request an increase in general obligation bonding authority of \$5,500,000 for the soil and water resource management program. Bonding revenue would be used to provide cost-share grants to counties for land and water resource management projects and animal waste best management practices. The Department of Agriculture, Trade and Consumer Protection (DATCP) is currently authorized \$26,075,000 in bonding for these activities.

BR	\$5,500,000
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3. BIO-INDUSTRY GRANT PROGRAM FUNDING

Request \$1,000,000 annually from the recycling fund for grants under the bio-industry grant program.

SEG	\$2,000,000
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As created under the 2005-07 biennial budget, the bio-industry grant program provides grants for: (a) research and development of technologies that use agricultural products or waste, including digesters, as energy sources; (b) encouraging the use of agricultural products or waste as energy sources; (c) reducing the generation of agricultural wastes or increasing their beneficial uses; and (d) encouraging the development of bio-chemicals from agricultural products. A grant may not exceed \$300,000 to one recipient, of which up to \$150,000 may be for planning and \$150,000 may be for implementation. In 2005 Act 25, funding of \$1,000,000 was provided on a one-time basis, in a biennial appropriation, for the program from the agrichemical management (ACM) fund.

The recycling fund receives revenues from a business tax recycling surcharge and a recycling solid waste tipping fee. Revenues are primarily used to provide financial assistance to local governments and businesses for solid waste recycling and waste reduction purposes.

4. CLEAN SWEEP FUNDING

SEG	\$579,200
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Request \$289,600 annually from the recycling fund for the clean sweep program, which provides grants to counties to fund the collection and disposal of agricultural and household hazardous materials. DATCP is provided \$710,400 recycling fund SEG annually in the 2005-07 biennium for clean sweep grants (the Department would be provided \$1 million annually under the request). The requested funding would likely be used to make additional grants primarily for household waste collection events, as the current administrative rules have had the effect of prioritizing agricultural events (requests of \$206,800 for agricultural events for calendar year 2005, all of which were funded, as opposed to requests of \$711,200 for household events, \$524,600 of which were funded).

The recycling fund receives revenues from a business tax recycling surcharge and a recycling solid waste tipping fee. Revenues are primarily used to provide financial assistance to local governments and businesses for solid waste recycling and waste reduction purposes.

5. FERTILIZER RESEARCH

SEG	\$400,000
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Request \$200,000 annually from the agricultural chemical cleanup program (ACCP) fund in a continuing appropriation for fertilizer research. Specify that DATCP would be allowed to make these expenditures provided the ACCP fund maintains a year-end balance of at least \$500,000.

Currently, DATCP annually provides revenue associated with a 10¢ fertilizer tonnage fee, which totaled \$145,700 in 2005-06, to the Fertilizer Research Council to make competitive grants for fertilizer research. The Fertilizer Research Council is a council of six volunteer voting members consisting of three fertilizer industry representatives and three crop producers who are appointed jointly by DATCP's Secretary and the Dean of the University of Wisconsin-Madison's College of Agricultural and Life Sciences.

The ACCP fund collects revenues from fertilizer and pesticide license and tonnage surcharges and uses the revenues to fund the cleanup of fertilizers and non-household pesticides, including spills occurring at commercial fertilizer blending facilities, commercial pesticide application businesses and farm sites.

6. ANAEROBIC DIGESTOR RESEARCH AND DEVELOPMENT FUNDING

SEG	\$250,000
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Request \$250,000 from the recycling fund in 2007-08 in a new, biennial appropriation that would be available for the research and development of anaerobic digestors at farms participating in the discovery farm program under the Wisconsin agricultural stewardship initiative (WASI). As a biennial appropriation, funding provided in 2007-08 would be available in either year of the 2007-09 biennium, with any unspent funds lapsing back to the recycling fund at the end of the biennium.

Discovery farms are a series of operating, commercial farms conducting on-farm research while cooperating with each other, a research farm at UW-Platteville, and researchers at UW-Madison.

The DATCP request is in response to a provision in 2005 Act 141 that requires the Department to submit a proposal to provide additional funding for the research and development of anaerobic digestors at farms participating in the discovery farms program as part of its 2007-09 biennial budget request.

The recycling fund receives revenues from a business tax recycling surcharge and a recycling solid waste tipping fee. Revenues are primarily used to provide financial assistance to local governments and businesses for solid waste recycling and waste reduction purposes.

7. EMERALD ASH BORER SURVEILLANCE

Request \$100,000 forestry account SEG annually and 2.0 SEG positions for emerald ash borer surveillance efforts.

	Funding	Positions
PR	-\$208,800	- 2.00
SEG	<u>200,000</u>	<u>2.00</u>
Total	-\$8,800	0.00

The emerald ash borer is an invasive species that infests and destroys ash trees. Its presence has been confirmed in Illinois and the Upper Peninsula of Michigan.

Further, delete \$104,400 PR annually and 2.0 PR positions from the food regulation program, to allow a reallocation of existing position authority.

The positions that DATCP wishes to reallocate are two currently vacant food safety inspectors. These positions are currently authorized for the state's food safety program and are funded from related food and dairy inspection licensing activities. The two SEG positions

requested would perform surveys, conduct inspections, and provide education to prevent the introduction, establishment, and spread of the emerald ash borer in Wisconsin.

The forestry account of the conservation fund receives the majority of its revenue from the forestry mill tax, a statewide property tax of 0.2 mill (20¢ per \$1,000 of property value), with other forestry account revenue derived from state forest admission and camping fees and timber harvest-related activities. Forestry account revenues are used to fund several forestry programs and related administrative activities.

8. FEDERAL REVENUE REESTIMATES

FED	\$14,405,200
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Request increased expenditure authority of \$7,202,600 in various federal appropriations to align expenditure authority with projected funding levels. The table below depicts the funding increases by appropriation.

<u>Appropriation</u>	<u>Annual Amount</u>
Food safety inspection	\$143,400
Meat safety inspection	112,800
Animal health	2,497,300
Marketing services	3,001,800
United States Department of Agriculture funding	143,300
Central office and services funding	<u>1,304,000</u>
Total	\$7,202,600

The requested increase in the animal health appropriation is due to a variety of federal animal health grants, primarily related to Johnes disease and chronic wasting disease.

The requested marketing services increase is predominantly due to \$4.5 million in federal grants for the value added dairy initiative.

The majority of the requested central services increase is due to a \$1.75 million federal grant to be used for the development and implementation of the state's animal premises registration system.

9. PROGRAM REVENUE REESTIMATES

PR	\$433,000
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Request increased expenditure authority of \$216,500 annually. Of this amount, \$195,000 annually is requested for increased rent costs associated with the Department's new weights and measures inspection laboratory (the remaining \$21,500 annually is for agricultural impact statements).

10. REVENUE AND POSITION ADJUSTMENTS

Request \$106,500 FED and 2.0 FED positions annually and delete \$106,500 PR and 2.0 PR positions annually to reflect anticipated revenues and modified position duties.

	Funding	Positions
FED	\$213,000	2.00
PR	<u>-213,000</u>	<u>-2.00</u>
Total	\$0	0.00

Transfer \$120,800 GPR and 1.5 GPR positions as follows: (a) delete \$43,900 and 0.5 economist position from food safety; (b) delete \$76,900 and 1.0 information systems development position from animal health; and (c) provide \$120,800 and 1.5 positions for DATCP's central administrative services.

Annual PR adjustments would be as follows:

<u>Appropriation</u>	<u>Funding</u>	<u>Positions</u>
Fruit and vegetable inspection	-\$55,900	-1.50
Ozone-depleting refrigerants registration	5,700	0.15
Food regulation	-54,900	-1.05
Weights and measures inspection	13,400	0.35
Plant protection	2,600	0.05
Telephone solicitation	19,100	0.50
Administrative services	<u>-36,500</u>	<u>-0.50</u>
Total	-\$106,500	-2.00

The net result of the PR modifications would be to eliminate 2.55 fruit, vegetable and related food safety inspectors and a 0.5 communications specialist position, and provide fractions of position increases, totaling 1.05 positions, to the ozone-depleting refrigerants registration, weights and measures inspection, plant protection and telephone solicitation appropriations, yielding a net reduction of 2.0 PR positions.

Annual FED adjustments include providing \$161,800 and 3.0 positions to DATCP's federal indirect cost reimbursement (FICR) appropriation and deleting \$55,300 and 1.0 executive staff assistant position from the food safety appropriation.

The cumulative effect of these modifications is to delete 4.05 positions related to food safety inspection and create equal position authority in other appropriations, predominantly for DATCP's central administration (3.5 positions).

10% Budget Reduction Plan

	<u>Amount of Reduction</u>	
	<u>2007-08</u>	<u>2008-09</u>
Retail Food and Dairy Inspection Programs.	\$1,847,100	\$1,847,100
Reduce operations costs by \$1,847,100 annually in an unspecified mix of GPR and PR and eliminate an undetermined number of positions related to the Department's retail food inspection and dairy inspection programs through: (a) increasing the number of local governments that contract with DATCP for retail food inspection responsibilities otherwise administered by DATCP; and (b) subject to a change in federal law, streamlining aspects of the dairy inspection program.		