

Revised

Fiscal Note

2023-2024 Legislative Session

HF3411 - 0 - Minnesota Agricultural Fertilizer Research

Chief Author: **Peter Fischer**
 Committee: **Agriculture Finance And Policy**
 Date Completed: **2/27/2024 2:46:14 PM**
 Agency: **Agriculture Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Agriculture Fund	-	-	(1,270)	-	-	-
Total	-	-	(1,270)	-	-	-
Biennial Total			(1,270)			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Agriculture Fund	-	-	-	.65	.65
Total	-	-	-	.65	.65

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

The fiscal note was revised to accurately show the costs in the correct fiscal years based on the amended expiration dates.

LBO Signature: Chloe Burns **Date:** 2/27/2024 2:46:14 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2023	FY2024	FY2025	FY2026	FY2027
Agriculture Fund	-	-	-	(1,270)	-	-
Total	-	-	-	(1,270)	-	-
Biennial Total				(1,270)		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Agriculture Fund	-	-	-	-	1,270	1,270
Total	-	-	-	-	1,270	1,270
Biennial Total				-		2,540
2 - Revenues, Transfers In*						
Agriculture Fund	-	-	-	1,270	1,270	1,270
Total	-	-	-	1,270	1,270	1,270
Biennial Total				1,270		2,540

Bill Description

Senate File 3719/House File 3411 extends by ten years the agricultural fertilizer research and education fee, the Minnesota Agricultural Fertilizer Research and Education Council, the Minnesota agricultural fertilizer research and education program, and the agricultural fertilizer research and education account by amending Minnesota.

Statutes 2022, sections 18C.70, subdivision 5; 18C.71, subdivision 4; 18C.80, subdivision 2 and Statutes 2023 Supplement, section 18C.425, subdivision 6.

Section 1 amends the expiration date to June 30, 2034.

Sections 2,3,4 amend the expiration dates to June 30, 2035.

Assumptions

The Agricultural Fertilizer Research and Education Council (AFREC) and the associated funding provided by a forty cent per ton fee on all fertilizer sales were established to ensure that farmers and ag professionals have access to high quality soil fertility recommendations, development of decision tools, and educational programing. AFREC provides research priorities and is responsible for awarding the funding allocations. The MDA receives an annual allocation from this dedicated account which is used for a variety of fiscal and organizational services in support to AFREC.

MS 18C.80 establishes an account in the agricultural fund. Money in the account, including interest earned, is appropriated to the commissioner for grants determined by AFREC under section 18C.71. The commissioner may use up to \$80,000 each fiscal year for direct costs incurred to provide fiscal and administrative support to the council. The commissioner may also recover associated indirect costs from the account based on our approved agency rate. Estimated indirect cost rate is 15% for fiscal years 25-27.

Expenditure and/or Revenue Formula

Revenue Calculation	FY25	FY26	FY27
ITC Interest Earnings	35	35	35
Com Fert Insp	1,189	1,189	1,189

Revised

Spec Fert Insp Fee	28	28	28
Soil - Plt Amend Insp	18	18	18
Revenue Total	1,270	1,270	1,270
Expense Calculations		FY26	FY27
Salary and Fringe*		79	79
Centralized IT Services		1	1
Agency Indirect Costs		166	166
Aid-Grants to Higher Ed Inst		925	925
Aid-Grants to NGO		75	75
Aid-Grants to Individuals		24	24
Expense Total		1,270	1,270

*Salary and Fringe
Based on SEMA4 FY25 payroll projections:
\$31,388 - State Prog Admin Sr @.30 FTE (\$24,213 sal/\$7,175 fringe)
\$39,240 -Soil Scientist 2 @.30 FTE (\$27,447 sal/\$11,793 fringe)
\$8,254 - Program Manager @.05 FTE (\$6,076 sal/\$2,178 fringe)
Salary increases 0% per year in FY26-27
** Estimated Indirect Cost Rate of 15% per year in FY25-27

Long-Term Fiscal Considerations

N/A

Local Fiscal Impact

N/A

References/Sources

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