

agstarFCS MONDAY MORNING

Legislative Update

May 4, 2009

HEADING FOR THE GOAL LINE Ag & Vets Conferees Reach Agreement on Spending Measure

While we are a long way from done, a few of the less controversial bills will be finalized and sent to the Governor for signature, this week. Among them is the appropriations bill for agriculture and veterans affairs. House and Senate conferees nearly finished work on their bill on Friday (5/1) evening, in time to have it ready for debate on both floors on Monday (5/4). The only outstanding issue is whether funding for veterans homes will be included in this measure of cut out and sent to the conference committee dealing with health and human services funding.

The House version of the Ag & Veterans Finance bill was heavily weighted in favor of veterans assistance programs after several floor amendments took money from ag programs and moved them into veterans agencies. Details of the floor debate can be found at [Sharing the pain](#). Regardless, conferees made several changes to bring the bill back into balance while assuring that veterans programs will be increased while most others are facing budget cuts.

Overall, the House and Senate conferees “split the difference” in the amount of funding allocated to agriculture in the coming biennium, agreeing to provide \$73 million for Ag Department programs, \$10.5 million for the Board of Animal Health and \$5.766 million to AURI. All the affected agencies agreed that the amounts were workable despite the reduction they faced.

The “hot-button” issues in the conference committee centered around fee increases to fund pesticide and fertilizer activities within the Department of Agriculture, reductions in the department’s budget for personnel, marketing and several small grant programs, as well as consolidation of a couple of financial assistance programs under a new Ag-21 banner.

The new pesticide/fertilizer fees and collection system were adopted. The Department saw an overall budget reduction of approximately 7 percent. In addition, Ag-21 program was approved albeit under a new name – the Agricultural Growth, Research & Innovation Fund (AGRI Fund).

Among other items included in the conference report are authorization for \$35 million in new funding for the Rural Finance Authority, as well as updates in the amounts that the agency can lend under several of its programs. Also, changes to the language of a foreclosure mediation notice will make it easier for the U of M Extension Service to collect data on the size of debts that trigger collection action by a lender. This information will be useful to the committee when it reviews whether to increase the threshold for mandatory mediation, next year.

The conferees were ready to close up shop and bring their bill to both the House and Senate floors but found themselves hide bound by the Chair of the Senate Health and Human Service Budget committee, Senator Linda Berglin (DFL-Mpls). Berglin was insisting that her committee have jurisdiction over spending on veterans homes despite the fact that all other vets and military spending is under the purview of the respective Ag & Vets Affairs committees.

UNITED CEO MARC KNISELY NAMED TO RFA BOARD

Governor Pawlenty has named United FCS CEO Marc Knisely to the Minnesota Rural Finance Authority (RFA) Board of Directors. The RFA offers a variety of loan programs through participating lenders including Farm Credit Services association across Minnesota. These loan programs help new farmers purchase agricultural land, expand livestock production, make physical improvements to farm operations, or invest in a Minnesota value-added farmer owned cooperative. The Authority also operates the Aggie Bond program. The RFA Board is made up of 11 members, including six appointed by the Governor.

Congratulations Marc!

NEWS BRIEFS

MDA Commissioner Hugoson offers suggestions for dealing with new H1N1 "swine" flu at [Commissioner's Column](#)

Legislative Auditor says its time to end state ethanol subsidies. See the report at [Biofuel Policies and Programs](#)

EPA to Determine if Ethanol is Good for the Environment. See the story at [Ethanol & The EPA](#)