

**L00A1111**  
**Department of Agriculture – PAYGO**

***Pay-As-You-Go Capital Budget Summary***

(\$ in Thousands)

	<i>FY 2005 Approp.</i>	<i>FY 2006 Approp.</i>	<i>FY 2007 Allowance</i>	<i>Percent Change</i>	<i>DLS Recommd.</i>
Maryland Agricultural Land Preservation Program	\$23,791	\$42,224	\$84,554	100%	\$84,554
Tobacco Transition Program	9,653	9,525	10,065	5.7%	7,650
<b>Total</b>	<b>\$33,444</b>	<b>\$51,749</b>	<b>\$94,619</b>	<b>82.8%</b>	<b>\$92,204</b>

<b>Fund Source</b>					
Special	\$18,119	\$41,749	\$85,619	105.1%	\$85,619
Federal	4,575	5,000	5,000	0%	5,000
<b>PAYGO Subtotal</b>	<b>\$22,694</b>	<b>\$46,749</b>	<b>\$90,619</b>	<b>93.8%</b>	<b>\$90,619</b>
GO Bonds	10,750	5,000	4,000	-20.0%	1,585
<b>Total</b>	<b>\$33,444</b>	<b>\$51,749</b>	<b>\$94,619</b>	<b>82.8%</b>	<b>\$92,204</b>

***Summary of Issues***

***Stretching State Agricultural Land Conservation Funding through Installment Purchase Agreements (IPA):*** To stretch available resources, the Maryland Agricultural Land Preservation Foundation (MALPF) is seeking to establish an IPA program. IPAs are an innovative, conservation easement financing strategy that may advance the State’s short-term land conservation efforts. **The Maryland Department of Agriculture (MDA) should be prepared to discuss the status of its IPA program development efforts as well as the potential impact this approach could have on MALPF’s implementation and future funding.**

***MALPF Audit Findings:*** In May 2005, the Office of Legislative Audits released an audit report on MALPF for the fiscal year ending June 30, 2004. The audit contained several findings and recommendations. **MDA should be prepared to discuss the status of its efforts to resolve each audit finding, with special attention to the repeat audit finding.**

For further information contact: Amanda Mock

Phone: (410) 946-5530

***Tobacco Transition Program General Obligation Bond Extension Proposal:*** In accordance with current law, the Cigarette Restitution Fund (CRF) becomes the Tobacco Transition Program's sole revenue source beginning in fiscal 2010. However, current CRF revenue projections indicate that only \$1.4 million in revenue would be available in fiscal 2010 for program components other than the buyout (i.e. infrastructure programs, agricultural development, and agricultural land preservation). To address this program funding limitation, the 2006 Capital Bond Loan Bill (SB 370/HB 510) proposes several changes to the program's bond authorization. **MDA and the Department of Budget and Management (DBM) should discuss the proposed changes to the Tobacco Transition Program's general obligation bond authorization. In addition, committee narrative is recommended requiring MDA and DBM to submit a report detailing a proposed repayment schedule for debt authorized for the Tobacco Transition Program.**

***How Are Tobacco Buyout Participants Staying in Agriculture?:*** To garner a better understanding of buyout participants' transition to alternative agricultural enterprises, the Tri-County Council (TCC) sent a voluntary survey to approximately 800 buyout participants in October 2005. **TCC should be prepared to discuss the survey results and how they may impact its infrastructure and agricultural development programs in the future.**

## ***Summary of Recommended Actions***

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1. Add budget bill language restricting the use of agricultural land preservation funds.
2. Reduce general obligation bond funding for the Tobacco Transition Program by \$2,415,000.
3. Adopt committee narrative concerning submittal of a tobacco debt repayment report.

***Maryland Agricultural Land Preservation Program (Statewide)***

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<b>PAYGO SF</b>	<b>\$79,554,000</b>	<b>Recommendation:</b>	<b>Add language</b>
<b>PAYGO FF</b>	<b>\$5,000,000</b>		

**Program Description:** The General Assembly created the Maryland Agricultural Land Preservation Program (MALPP) to preserve productive agricultural land and woodland which provides for the continued production of food and fiber; limit the extent of urban development; and protect agricultural land and woodland as open space. The Maryland Agricultural Land Preservation Foundation (MALPF), with the assistance and cooperation of landowners and local governments, promotes the creation of agricultural land preservation districts and purchases development rights easements as a means of protecting agricultural land and woodland production activities.

Participation in MALPP is voluntary on the part of landowners. In order for a landowner to participate in the program, they must establish an Agricultural Land Preservation District. To be eligible for district status, a property must have at least 50 contiguous acres with at least 50% of the total soils classified as U.S. Department of Agriculture soil capability Class I, II, III, or woodland group one or two. Landowners also agree to maintain the land in agricultural use for a minimum of five years and not subdivide the land for residential, commercial, or industrial use while under district status. Landowners who include their land within a district become eligible to receive tax credits (if the county where the property is located has a tax credit program) and may submit an application to sell development rights to the State. There is no guarantee that an offer will be made by MALPF.

The maximum price MALPF may pay for an easement is the landowner’s asking price or the easement value, whichever is lower. The easement value is determined by subtracting the agricultural value from the appraised fair market value of the property. Once the development rights have been sold, the property is perpetually protected from further development, with certain rights available only to the owners who originally sold the easement.

**Year Program Began:** 1977

**Comments:** The Administration’s total proposed fiscal 2007 funding for MALPP is \$84.6 million and is comprised of \$79.6 million in special funds and \$5.0 million in federal funds. The proposed level of funding for fiscal 2007 is \$42.3 million, or 100% higher than the fiscal 2006 working appropriation. The PAYGO special fund allowance includes \$61.6 million in property transfer tax revenue, \$5.0 million in estimated agricultural land transfer tax revenues, and \$13.0 million in matching funds from local jurisdictions. Based on an average cost of \$3,500 per acre, the fiscal 2007 allowance would allow MALPF to acquire easements on approximately 24,150 acres.

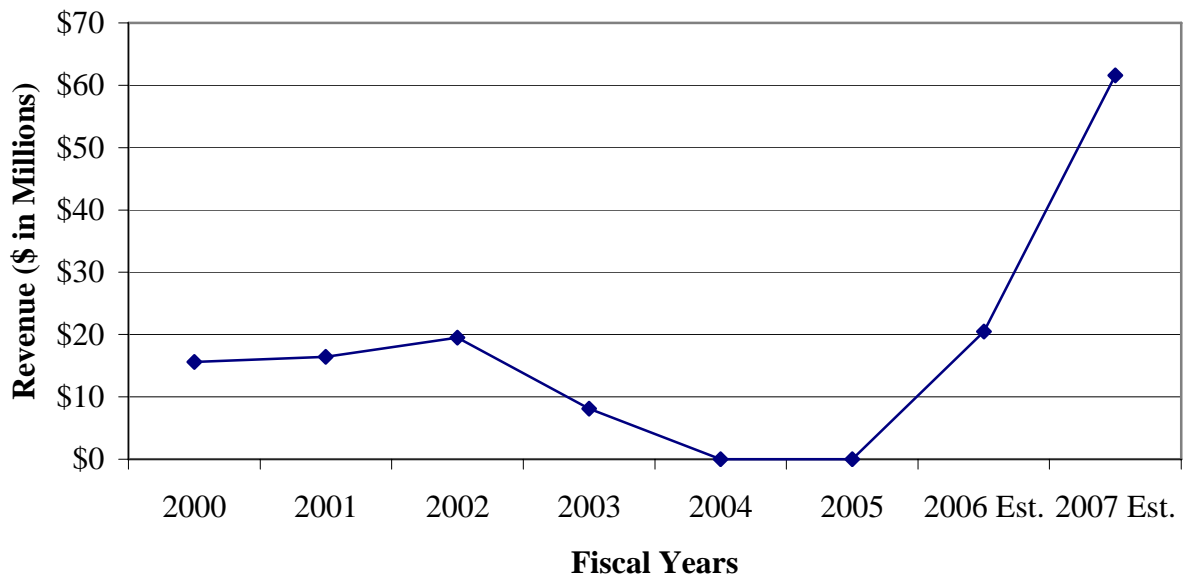
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As shown in **Exhibit 1**, the fiscal 2007 allowance provides a significant increase in property transfer tax revenue for MALPP. This significant increase is due to three factors:

- a high fiscal 2007 transfer tax revenue estimate;
- the availability of \$104.5 million in fiscal 2005 transfer tax revenue that was attained over the budget estimate; and
- the absence of 2006 budget reconciliation legislation that seeks to divert these special funds to the general fund.

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**Exhibit 1**  
**Property Transfer Tax Revenue Dedicated to MALPP**

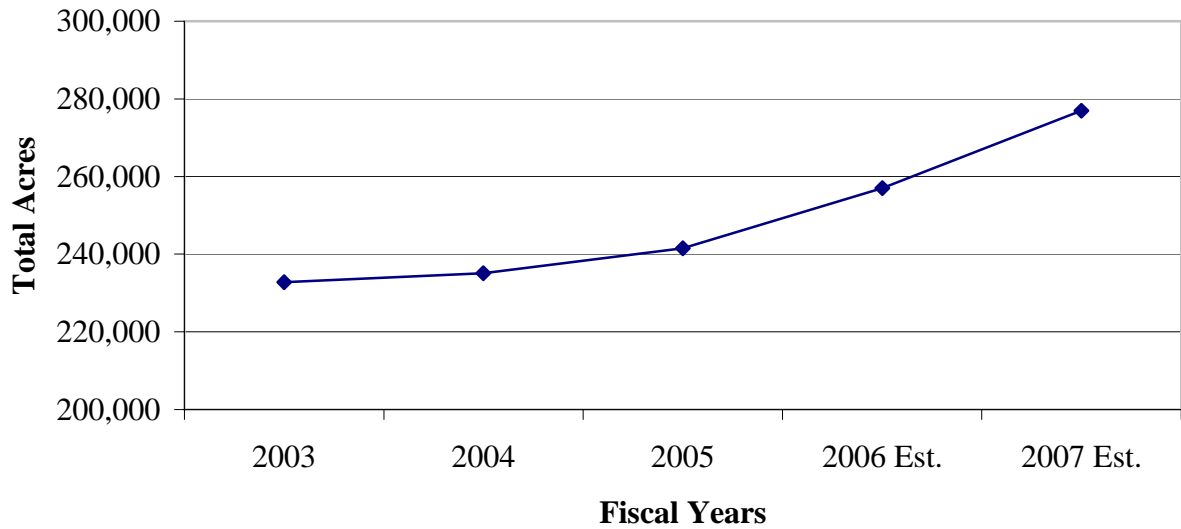


Source: Department of Budget and Management

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**Program Performance Analysis:** In recent years, MALPP has steadily increased the total agricultural acres under protective easements. As shown in **Exhibit 2**, between fiscal 2004 and 2005, there was a 6,420 acre or 3% increase in total MALPP easement acreage. The Maryland Department of Agriculture projects that the increase in easement acreage will grow by 35,500 acres or 14.7% between fiscal 2005 and 2007.

**Exhibit 2**  
**Maryland Agricultural Land Preservation Program Easements**



Source: Budget Books, Fiscal 2006 and 2007

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***Maryland Agricultural Land Preservation Program Fund Data***

**Fund History**

	<i>FY 2005 Actual</i>	<i>FY 2006 Estimated</i>	<i>FY 2007 Estimated</i>
<b>Beginning Balance</b>	\$1,592,196	\$0	\$0
<b>REVENUE</b>			
Transfer Tax	0	19,134,000	61,552,000
Agricultural Transfer Tax	8,378,338	6,000,000	7,000,000
County Participation	6,253,000	13,000,000	13,000,000
Federal Grant	4,575,000	6,035,000	5,000,000
GreenPrint	750,000	0	0
GO Bonds	5,000,000	0	0
Other Income*	58,282	90,000	102,000
<b>TOTAL REVENUE</b>	25,014,620	44,259,000	86,654,000
<b>TOTAL AVAILABLE</b>	26,606,816	44,259,000	86,654,000
<b>ENCUMBRANCES</b>			
Foundation Commitments**	25,382,959	42,580,000	84,554,000
Operating Expenses	1,073,857	1,504,000	1,915,000
Indirect Expenses	150,000	175,000	185,000
<b>TOTAL ENCUMBRANCES</b>	26,606,816	44,259,000	86,654,000
<b>Ending Balance</b>	\$0	\$0	\$0

\*Other income includes various settlement adjustments and old revenue from counties.

\*\*Foundation commitments represent pending agreements (encumbered funds) for the current fiscal year and usually result in easement purchases in future fiscal years.

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(\$ in Millions)

<i>Description</i>	<i>2005 Approp.</i>	<i>2006 Approp.</i>	<i>2007 Request</i>	<i>2008 Estimate</i>	<i>2009 Estimate</i>	<i>2010 Estimate</i>	<i>2011 Estimate</i>
PAYGO SF	\$13.466	\$37.224	\$79.554	\$75.681	\$64.423	\$65.997	\$68.289
PAYGO FF	4.575	5.000	5.000	5.000	5.000	5.000	5.000
GO Bonds	5.000	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable	0.750	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total</b>	<b>\$23.791</b>	<b>\$42.224</b>	<b>\$84.554</b>	<b>\$80.681</b>	<b>\$69.423</b>	<b>\$70.997</b>	<b>\$73.289</b>

## *Issues*

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### **1. Stretching Agricultural Land Conservation Funding Via Installment Purchase Agreements**

Over the past few years, one of the biggest challenges to the Maryland Agricultural Land Preservation Program (MALPP) was securing adequate funding to meet demand and purchase large conservation easements. To stretch available resources, MALPP is seeking to establish an installment purchase agreement (IPA) program. IPAs are a conservation easement financing strategy that may advance the State's short-term land conservation efforts. IPAs spread out payments so that landowners receive semi-annual, tax-exempt interest over a term of 10 to 30 years. The principal is due at the end of the contract term. In 2004, the General Assembly authorized MALPP to:

- purchase easements on eligible properties under IPAs up to a maximum of 15 years (Agriculture Article, Section 2-510(k)); and
- make grants to county partners with approved IPA programs, to purchase co-held easements on farmland and woodland properties (Agriculture Article, Section 2-510.1).

In winter 2006, a Request for Proposals will be released in hopes of engaging a qualified financial advisor to facilitate and assist with the implementation of the new IPA authority. The financial advisor that is ultimately chosen will be responsible for developing 25- and 30-year IPA options, identifying potential sources of dedicated funding for the IPA program, and studying the options available to fund a Critical Farms Program to acquire easements on farms that would otherwise be sold for nonagricultural uses.

**MDA should be prepared to discuss the status of its IPA program development efforts as well as the potential impact this approach could have on MALPP's implementation and future funding.**

## 2. Maryland Agricultural Land Preservation Foundation Audit Findings

In May 2005, the Office of Legislative Audits released an audit report on MALPF for the fiscal year ending June 30, 2004. The audit contained several findings and recommendations, as summarized in **Exhibit 3**.

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### Exhibit 3 MALPF Audit Findings and Recommendations

<u>Findings</u>	<u>Recommendations</u>
MALPF did not ensure that each county had performed inspections of easement properties in accordance with board policy.*	<ul style="list-style-type: none"><li>• Ensure inspections are performed in accordance with policy.</li><li>• Conduct follow-up efforts if inspections are not done in a timely manner.</li></ul>
Outstanding easement installment accounts were not reconciled with related funds invested by the State Treasurer; and \$456,000 was improperly transferred to a nonbudgeted account.	<ul style="list-style-type: none"><li>• Periodically reconcile outstanding easement installment accounts with the State Treasurer and resolve any differences.</li><li>• Investigate and resolve deficit balances in the nonbudgeted fund installment account.</li></ul>
Federal fund reimbursements for easement acquisition costs were not always submitted in a timely manner, resulting in a loss of State investment income.	<ul style="list-style-type: none"><li>• Request reimbursement in a timely manner.</li><li>• Ensure timely receipt of recorded deeds of easement for all related acquisitions.</li></ul>

\*Finding repeated from preceding audit report.

Source: Office of Legislative Audits, May 2005 MALPF Audit

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**MDA should be prepared to discuss the status of its efforts to resolve each audit finding, with special attention to the repeat audit finding.**

## ***Recommended Actions***

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1. Add the following language to the special fund appropriation:

provided that \$2,415,000 of these funds may only be used by the Tri-County Council for Southern Maryland for agricultural land preservation projects.

**Explanation:** This budget bill language restricts the use of \$2.4 million in fiscal 2007 Maryland Agricultural Land Preservation Program funding for the Tri-County Council for Southern Maryland’s agricultural land preservation efforts. Due to the \$42 million increase in funds available for agricultural land preservation programs in fiscal 2007, it is not necessary to use bond funding for the Tri-County Council program.

## ***Tobacco Transition Program (Statewide)***

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<b>PAYGO SF</b>	<b>\$6,065,000</b>	<b>Recommendation:</b>	<b>Reduce GO bonds and adopt committee narrative</b>
<b>GO Bonds</b>	<b>\$4,000,000</b>		

**Program Description:** In 1999, the General Assembly created the Cigarette Restitution Fund (CRF). Part of this fund is to be earmarked to end tobacco growing in Maryland. Under the legislation, the CRF is to fund the “...implementation of the Southern Maryland Regional Strategy Action Plan for Agriculture adopted by the Tri-County Council for Southern Maryland (TCC) with an emphasis on alternative crop uses for agricultural land now used for growing tobacco.” Funds are appropriated to the Maryland Department of Agriculture, which then issues grants to TCC. TCC is a nonprofit, quasi-governmental body that works with the Southern Maryland Agricultural Development Commission to develop programs to stabilize the region’s agricultural economy as Maryland growers’ transition away from tobacco production.

TCC’s Strategy Action Plan has three main components: the tobacco buyout, infrastructure/agricultural development, and agricultural land preservation.

- The tobacco buyout component is a voluntary program that provides funds to (a) support all eligible Maryland tobacco growers who choose to give up tobacco production forever while remaining in agricultural production, and (b) restrict the land from tobacco production for 10 years should the land transfer to new ownership. A total of 854 farmers and 7.65 million pounds of tobacco are enrolled in the program and out of production.
- The infrastructure/agricultural development program seeks to foster profitable natural resource based economic development for Southern Maryland by helping farmers and related businesses to diversify and develop and/or expand market-driven agricultural enterprises in the region through economic development and education.
- The agricultural land preservation component seeks to provide an incentive to tobacco farmers to place land in agricultural preservation, enhance participation in existing preservation programs, and assist in the acquisition of land for farmers’ markets.

**Year Program Began:** 2000

**Comments:** The fiscal 2007 allowance includes a total of \$11.6 million in operating and capital funds for the Tobacco Transition Program. Funds are spread among three different areas of the allowance:

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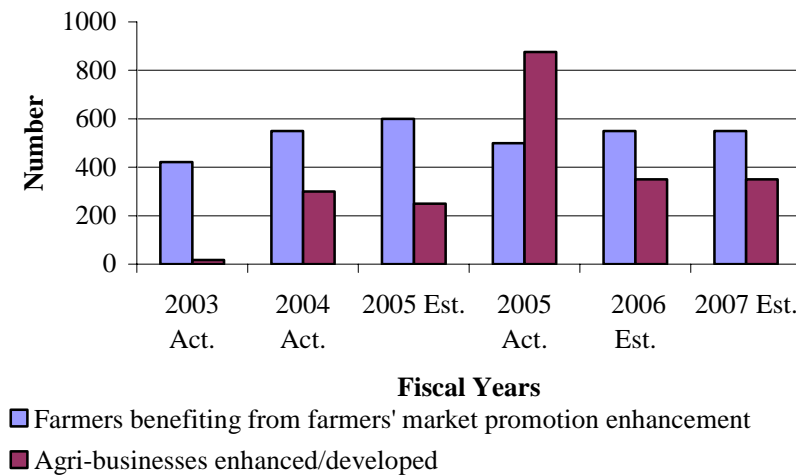
- \$1,500,000 in CRF special funds in the operating budget for administrative expenses (\$400,000) and noncapital grants for infrastructure/agricultural development programs (\$1,100,000);
- \$6,065,000 in CRF special funds in the PAYGO budget for the tobacco buyout program; and
- \$4,000,000 in general obligation (GO) bonds in the capital budget for the tobacco buyout (\$1,585,000) and land preservation programs (\$2,415,000).

This allocation assumes that a total of \$7,650,000 will be dedicated to buyout payments and \$2,415,000 to agricultural land preservation.

The 2006 CIP assumes several adjustments to the program’s preauthorized GO bond funding in fiscal 2008 through 2011. Specifically the bond authorization period is extended to fiscal 2010 and new pre-authorized appropriation amounts are identified for fiscal 2007 through 2010. These changes are described in greater detail in the Issues section of this analysis.

**Program Performance Analysis:** Participation in the tobacco buyout program has been higher than anticipated, and the performance data associated with TCC’s efforts to help farmers transition to other agricultural opportunities suggests some success as well. As shown in **Exhibit 4**, the number of farmers and agri-businesses benefiting from TCC’s marketing efforts declined slightly in 2005. However, agri-business enhancement and development efforts more than doubled between fiscal 2004 and 2005, but a return to close to the fiscal 2004 level is anticipated in fiscal 2006 and 2007.

**Exhibit 4**  
**Tobacco Transition Program Performance Measurements**  
**Fiscal 2003 – 2007**



Source: Tri-County Council Fiscal Year 2005 End of Year Report

## ***Tobacco Transition Fund Data***

### **Fund History**

	<i>FY 2005 Actual</i>	<i>FY 2006 Estimated</i>	<i>FY 2007 Estimated</i>
<b>Beginning Balance</b>	\$0	\$0	\$0
<b>REVENUE</b>			
CRF Funds	5,653,000	5,956,000	7,565,000
GO Bonds	5,000,000	5,000,000	4,000,000
<b>TOTAL REVENUE</b>	10,653,000	10,956,000	11,565,000
<b>TOTAL AVAILABLE</b>	10,653,000	10,956,000	11,565,000
<b>ENCUMBRANCES</b>			
Buyout Program	7,649,586	7,650,000	7,650,000
Ag. Land Preservation Program	1,853,000	1,875,000	2,415,000
Infrastructure Grants	751,613	1,081,000	1,100,000
Operating Expenses	398,801	350,000	400,000
<b>TOTAL ENCUMBRANCES</b>	10,653,000	10,956,000	11,565,000
<b>Ending Balance</b>	\$0	\$0	\$0

### **(\$ in Millions)**

<i>Description</i>	<i>2005 Approp.</i>	<i>2006 Approp.</i>	<i>2007 Request</i>	<i>2008 Estimate</i>	<i>2009 Estimate</i>	<i>2010 Estimate</i>	<i>2011 Estimate</i>
PAYGO SF	\$4.653	\$4.525	\$6.065	\$7.300	\$7.300	\$7.300	\$7.500
GO Bonds	5.000	5.000	4.000	3.000	3.000	5.000	0.000
<b>Total</b>	<b>\$9.653</b>	<b>\$9.525</b>	<b>\$10.065</b>	<b>\$10.300</b>	<b>\$10.300</b>	<b>\$12.300</b>	<b>\$7.500</b>

## *Issues*

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### **1. Tobacco Transition Program General Obligation Bond Extension Proposal**

Chapter 103, Acts of 2001 provides \$5.0 million in general obligation bonding authority each year for six consecutive years (fiscal 2004 through 2009) for the Southern Maryland Regional Strategy-Action Plan for Agriculture, commonly referred to as the Tobacco Transition Program.<sup>1</sup> These funds supplement CRF revenue and help ensure that adequate revenue is available for buyout payments and associated programs. In accordance with current law, the CRF becomes the Tobacco Transition Program's sole revenue source beginning in fiscal 2010. **Appendix 1** details the estimated revenue available to pay the principal on the GO bonds and available for other programs. This table illustrates that in fiscal 2010, when CRF becomes the program's sole revenue source, only \$1.4 million in revenue would be available in fiscal 2010 for program components other than the buyout (i.e. infrastructure programs, agricultural development, and agricultural land preservation).

To address this program funding limitation, the 2006 Capital Bond Loan Bill (SB 370/HB 510) proposes several changes to Chapter 103, Acts of 2001. Specifically, the legislation proposes to:

- extend the bond authorization period by one year to fiscal 2010;
- reduce the pre-authorized appropriation for fiscal 2007, 2008, and 2009; and
- authorize \$5.0 million in GO bond funding for fiscal 2010.

The proposed changes to the GO bond authorizations are illustrated in **Exhibit 5**.

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#### **Exhibit 5 Proposed Changes to Tobacco Transition GO Bond Authorizations**

<u>Fiscal Year</u>	<u>Current Statute</u>	<u>Proposal</u>
2007	\$5.0	\$4.0
2008	5.0	3.0
2009	5.0	3.0
2010	0	5.0
<b>Total</b>	<b>\$15.0</b>	<b>\$15.0</b>

Source: 2006 Capital Bond Loan Bill (SB 370/HB510)

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<sup>1</sup> The General Assembly reduced the fiscal 2004 GO bond appropriation authorization to \$4.0 million.

MDA and the Department of Budget and Management (DBM) should discuss the proposed changes to the Tobacco Transition Program's GO bond authorization. In addition, committee narrative is recommended requiring MDA and DBM to submit a report detailing a proposed repayment schedule for debt authorized for the Tobacco Transition Program.

## **2. How Are Tobacco Buyout Participants Staying in Agriculture?**

### **Background**

Tobacco buyout participants are required to give up tobacco production forever while remaining in agricultural production for the 10-year buyout payment period. To help participants develop new or expanded agricultural enterprises to replace tobacco, the TCC is implementing a variety of infrastructure and agricultural development programs. Recent development programs include the following:

- Marketing Southern Maryland – *So. Maryland, So Good* marketing campaign directories, web site, and promotional materials and advertising;
- Agritourism – Southern Maryland Agritourism brochure; agritourism field day event, including field trip to successful programs, workshops on living heritage trail development; research on grape and wine production potential;
- Leadership and Entrepreneurial Development – Southern Maryland farm Viability Enhancement Grant program business planning assistance; farmer seminars and workshops on marketing and agriculture alternatives;
- Education – *Kids Cook* farm visits for elementary and high school students; and development of a documentary video on Southern Maryland agriculture and natural resources.

To garner a better understanding of buyout participants' transition to alternative agricultural enterprises, the TCC sent a voluntary survey to approximately 800 buyout participants in October 2005. Approximately 589 surveys, or 74% of the surveys sent, were completed and returned in response to the information request. The survey results indicate the following trends:

- nearly 50% of the respondents were over 60 years old;
- 30% of the respondents no longer farm full-time and more participants are becoming part-time farmers with part-time off-farm jobs;
- many respondents are growing and/or raising grain and soybeans (56.8%), hay (37.6%), vegetables (29.8%), and livestock (22.8%);

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- since the buyout began, respondent’s farming operations have been downsized (46.5%), maintained (40%), and expanded (13.5%);
- in 5 to 10 years, most respondents believe that their business will remain the same (41.8%), decrease (5.5%), or they will be retired (10%); and
- respondents would like assistance with identifying the best farming alternatives to tobacco, financial/retirement issues, and specific farming enterprises.

**The TCC should be prepared to discuss the survey results and how they may impact its infrastructure and agricultural development programs in the future.**

### ***Recommended Actions***

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1. Reduce general obligation bonds by \$2,415,000. This would provide the \$1.6 million needed for buyout payments. Fiscal 2007 Maryland Agricultural Land Preservation Program funds may be used for the Tri-County Council’s agricultural land preservation efforts.
2. Adopt the following narrative:

**Report on Repayment of Tobacco Transition Program General Obligation Bonds:** The committees would like to ensure that a repayment strategy for general obligation bonds issued to support Tobacco Transition Program is developed, in accordance with Chapter 103, Acts of 2001. Therefore, the committees request that the Maryland Department of Agriculture (MDA), Department of Budget and Management (DBM), and Tri-County Council (TCC) for Southern Maryland submit a report detailing a proposed repayment schedule for debt authorized for the Tobacco Transition Program.

<b>Information Request</b>	<b>Authors</b>	<b>Due Date</b>
Tobacco debt repayment report	MDA DBM TCC	September 29, 2006

**Tobacco Transition Program Resources**  
(\$ in Thousands)

<b>Fiscal Year</b>	<b>CRF Grant to Tri-County Council*</b>	<b>Bonds Authorized</b>	<b>Buyout Payment</b>	<b>CRF Share of Buyout**</b>	<b>Other Tri-County Council Programs***</b>	<b>Avail. for Bond Repayment and Programs</b>
2004	\$5,100	\$4,000	\$7,331	\$3,331	\$1,965	-\$196
2005	5,653	5,000	7,700	2,700	2,953	0
2006	5,956	5,000	7,700	2,700	3,156	100
2007	7,565	5,000	7,700	2,700	3,915	950
2008	9,028	5,000	7,700	2,700	3,954	2,374
2009	9,069	5,000	7,700	2,700	3,994	2,375
2010	9,069	0	7,700	7,700	1,369	0
2011	9,069	0	2,264	2,264	4,074	2,731
2012	9,069	0	1,288	1,288	4,115	3,666
2013	9,069	0	892	892	4,156	4,021
2014	9,069	0	369	369	4,197	4,503
2015	9,069	0	0	0	4,239	4,830
2016	9,069	0	0	0	4,282	4,787
2017	9,069	0	0	0	4,325	4,744
2018	9,069	0	0	0	4,368	4,701
<b>Total</b>		<b>\$29,000</b>	<b>\$58,344</b>	<b>\$29,344</b>		

\*CRF estimates as of January 2006.

\*\*Net buyout is total buyout less general obligation capital appropriation.

\*\*\*Other expenditures include agricultural land preservation, infrastructure programs, and administrative costs. Other expenditures inflation rate is 1%.

**Fiscal Summary  
Department of Agriculture PAYGO**

<u>Program/Unit</u>	<u>FY05 Actual</u>	<u>FY06 Wrk Approp</u>	<u>FY07 Allowance</u>	<u>Change</u>	<u>FY06 - FY07 % Change</u>
11 Capital Appropriation	\$ 26,531,303	\$ 42,224,015	\$ 84,554,000	\$ 42,329,985	100.3%
13 Tobacco Transition	4,653,000	4,525,000	6,065,000	1,540,000	34.0%
<b>Total Expenditures</b>	<b>\$ 31,184,303</b>	<b>\$ 46,749,015</b>	<b>\$ 90,619,000</b>	<b>\$ 43,869,985</b>	<b>93.8%</b>
Special Fund	\$ 25,859,000	\$ 41,749,015	\$ 85,619,000	\$ 43,869,985	105.1%
Federal Fund	4,575,303	5,000,000	5,000,000	0	0%
<b>Total Appropriations</b>	<b>\$ 30,434,303</b>	<b>\$ 46,749,015</b>	<b>\$ 90,619,000</b>	<b>\$ 43,869,985</b>	<b>93.8%</b>
Reimbursable Fund	\$ 750,000	\$ 0	\$ 0	\$ 0	0.0%
<b>Total Funds</b>	<b>\$ 31,184,303</b>	<b>\$ 46,749,015</b>	<b>\$ 90,619,000</b>	<b>\$ 43,869,985</b>	<b>93.8%</b>

Note: The fiscal 2006 appropriation does not include deficiencies, and the fiscal 2007 allowance does not reflect contingent reductions.