

FY 2019-20: AGRICULTURE AND RURAL DEVELOPMENT
Summary: As Passed by the Senate
Senate Bill 133 (S-1)



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	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Enacted	Difference: Senate From FY 2018-19 YTD	
						Amount	%
IDG/IDT	\$313,900	\$318,400	\$1,315,700	\$318,400		\$4,500	1.4
Federal	11,775,200	11,836,400	11,836,400	11,836,400		61,200	0.5
Local	0	0	0	0		0	--
Private	101,800	101,800	101,800	101,800		0	0.0
Restricted	37,172,000	39,653,700	41,634,400	39,653,700		2,481,700	6.7
GF/GP	60,835,200	57,920,200	54,343,300	60,835,200		0	0.0
Gross	\$110,198,100	\$109,830,500	\$109,231,600	\$112,745,500		\$2,547,400	2.3
FTEs	508.5	509.5	507.5	509.5		1.0	0.2

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) House means House Bill 4229 (H-3), as reported by House Appropriations Committee. (4) Senate means Senate Bill 133 (S-1), as passed by the Senate.

Overview

The Michigan Department of Agriculture and Rural Development's (MDARD) key programs and priorities include ensuring food safety and security, protecting animal health and welfare, managing invasive exotic species, regulating pesticide use, certifying agricultural commodities, ensuring environmental stewardship, consumer protection, and promoting the state's agricultural economy.

Major Budget Changes From FY 2018-19 YTD Appropriations

1. Double Up Food Bucks

Executive had included \$4.0 million GF/GP in its FY 2019-20 budget request: \$2.0 million as ongoing, and \$2.0 million as one-time. The intention was to expend the Double Up Food Bucks program to additional counties in Michigan, and to increase the number of participating retailers in the counties where the program is currently established. Double Up Food Bucks increases purchasing power of Michigan residents who receive Supplemental Nutritional Assistance Program (SNAP) benefits by providing a dollar-for-dollar match of up to \$20 per day to buy fresh fruits and vegetables at participating grocery stores and farmer's markets. Funding would be granted to the Fair Food Network, a private non-profit organization that directly administers the program.

	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Senate Change
Gross	\$0	\$2,000,000
GF/GP	\$0	\$2,000,000

The Executive subsequently included \$2.0 million GF/GP in a current year supplemental request (included in Senate Bill 150, as passed by the Senate on April 25, 2019) which would replace the \$2.0 million in one-time funding proposed for FY 2019-20.

Senate includes \$2.0 million GF/GP (ongoing) for Double Up Food Bucks.

Major Budget Changes From FY 2018-19 YTD Appropriations		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Senate Change
2. Agriculture Preservation Easement Grants			
<u>Executive</u> proposed \$2.0 million from the state restricted Agriculture Preservation Fund to provide grants to local units of government for the purchase of agricultural conservation easements, as authorized under Part 362 of the Natural Resources and Environmental Protection Act. <u>Senate</u> concurs with <u>Executive</u> .	Gross	\$0	\$2,000,000
	Restricted	0	2,000,000
	GF/GP	\$0	\$0
3. Environmental Contamination Response Activities			
FY 2018-19 supplemental appropriation act, 2018 PA 618, had included \$400,000 GF/GP, and 2.0 FTE positions, related to MDARD environmental contamination response activities. [1.0 FTE and \$200,000 was shown as ongoing in <u>Executive</u> direction; 1.0 FTE and \$200,000 was included as a one-time Emergency management line item.] <u>Executive</u> would carry the spending authorization and FTEs into FY 2019-20. <u>Senate</u> concurs with <u>Executive</u> .	FTE	2.0	0.0
	Gross	\$400,000	\$0
	GF/GP	\$400,000	\$0
4. Michigan Animal Agriculture Alliance (MAAA)			
<u>Senate</u> includes \$3.0 million GF/GP for an ongoing line item to support a Michigan State University (MSU) animal industry research grant program. The program, identified as the Animal Agriculture Initiative in the current year budget, and funded at \$2.0 million GF/GP (one-time), was not included in the <u>Executive</u> budget request.	Gross	\$2,000,000	\$1,000,000
	GF/GP	\$2,000,000	\$1,000,000
5. Indemnification – Livestock Depredation			
<u>Senate</u> concurs with the <u>Executive</u> and retains current year funding for a program that reimburses eligible livestock producers for animals lost to depredation by wildlife, a program authorized under the Wildlife Depredations I Act (Public Act 487 of 2012).	Gross	\$50,000	\$0
	GF/GP	\$50,000	\$0
6. Pesticide and Plant Pest Management/Animal Feed Safety			
FY 2018-19 supplemental appropriation act, 2018 PA 618, had included \$150,000 GF/GP (one-time) to be used for activities under the Industrial Hemp Research Act, 2014 PA 547. <u>Executive</u> would carry the spending authorization into FY 2019-20 and recognize the associated FTE position. [The \$150,000 for the position is not an increase as compared to the current year, just a shift from the one-time to ongoing funding.]	FTE	87.0	1.0
	Gross	\$14,172,700	(\$500,000)
	Federal	1,686,900	0
	Private	21,300	0
	Restricted	6,737,900	0
	GF/GP	\$5,726,600	(\$500,000)
<u>Senate</u> concurs with the <u>Executive</u> with respect to the Industrial Hemp position; reduces baseline funding by \$500,000 million GF/GP. <u>Senate</u> also unrolls \$1.8 million into new Animal Feed Safety line item;			
7. Environmental Stewardship/MAEAP			
<u>Senate</u> concurs with <u>Executive</u> and makes no change to baseline funding.	FTE	25.0	0.0
	Gross	\$10,191,300	\$0
	Federal	1,479,100	0
	Restricted	7,714,900	0
	GF/GP	\$997,300	\$0
8. Farmland and Open Space Preservation			
This program, commonly referred to as the PA 116 program, provides tax credits to qualified farmers and landowners who agree to restrictions on development rights. The Farmland and Openspace line item supports MDARD administration of the program. <u>Senate</u> concurs with <u>Executive</u> and retains baseline funding.	FTE	10.0	0.0
	Gross	\$1,545,000	\$0
	Restricted	1,425,700	0
	GF/GP	\$119,300	\$0
9. Migrant Labor House			
<u>Senate</u> concurs with <u>Executive</u> and increases baseline GF/GP support by \$50,000 (from reduction in Qualified Forest Program).	FTE	9.0	0.0
	Gross	\$1,231,100	\$50,000
	Restricted	140,100	0
	GF/GP	\$1,091,000	\$50,000

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Senate Change
<u>Major Budget Changes From FY 2018-19 YTD Appropriations</u>			
10. Qualified Forest Program	FTE	9.0	0.0
<u>Executive</u> reduces support by \$126,400 GF/GP (shifts \$50,000 to Migrant Labor Housing). This GF/GP reduction is offset with a \$200,000 increase in restricted Private Forestland Development Fund. <u>Senate</u> concurs with <u>Executive</u> changes but makes an additional \$500,000 GF/GP reduction.	Gross	\$2,590,000	(\$426,400)
	IDG	0	0
	Restricted	581,500	200,000
	GF/GP	\$2,008,500	(\$626,400)
11. Agriculture Development	FTE	13.0	0.0
<u>Executive</u> increases baseline GF/GP support by \$50,000 (from reduction in Food and Agriculture Investment Program. <u>Senate</u> concurs with <u>Executive</u> .	Gross	\$4,253,100	\$50,000
	Federal	2,273,200	0
	Private	50,000	0
	Restricted	135,000	0
	GF/GP	\$1,794,900	\$50,000
12. Food and Agriculture Investment Grant Program	Gross	\$5,125,000	(\$1,125,000)
<u>Executive</u> includes \$2.5 million GF/GP, a baseline reduction of \$2.6 million (including \$50,000 shift to the Agriculture Development line, above). <u>Senate</u> retains \$4.0 million GF/GP baseline funding for grant program that supports food and agriculture business expansion and attraction.	GF/GP	\$5,125,000	(\$1,125,000)
13. County Fairs, Shows, and Expositions Grants	Gross	\$1,325,000	(\$325,000)
Current year includes \$400,000 in ongoing funding, plus \$925,000 shown as one-time. <u>Executive</u> includes \$200,000 GF/GP in ongoing support. <u>Senate</u> includes \$1.0 million GF/GP in ongoing funding for program that provides grants to county fairs, shows, and expositions.	GF/GP	\$1,325,000	(\$325,000)
14. Elimination of One-Time Funding	Gross	\$1,930,000	(\$1,930,000)
<u>Senate</u> eliminates \$1.9 million GF/GP for the following projects or programs identified in the current year budget as one-time: ACRE Ag Incubator, (\$260,000); Dairy Assistance Program, (\$1.0 million); MSU/Agriculture Industry Research and Development, (\$550,000); ODC network/Project clarity, (\$120,000).	GF/GP	\$1,930,000	(\$1,930,000)
[Note: Some items shown as one-time in the current year budget are reviewed separately in this analysis, above. Specifically: Item #3, Emergency management, (\$200,000); Item #4, Animal agriculture initiative, (\$2.0 million); Item #6, Industrial Hemp position, (\$150,000); and Item #13, County fairs, shows, and expositions, (\$925,000).			
15. Local Conservation Districts – Pilot Project	Gross	\$0	\$3,000,000
<u>Senate</u> includes \$3.0 million GF/GP for new program defined in boilerplate Section 901.	GF/GP	\$0	\$3,000,000
16. Economic Adjustments	Gross	NA	\$1,075,600
<u>Executive</u> reflects increased costs of \$1.0 million Gross (\$740,000 GF/GP) for negotiated salary and wage increases (2.0% ongoing, 2.0% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>Senate</u> concurs with <u>Executive</u> .	IDG	NA	4,500
	Private	NA	0
	Federal	NA	61,200
	Restricted	NA	269,900
	GF/GP	NA	\$740,000

Major Boilerplate Changes From FY 2018-19

Sec. 215. Communication with the Legislature – RETAINED

Senate retains section that prohibits department from taking disciplinary action against an employee for communicating with the legislature.

Sec. 234. Record Retention – RETAINED

Senate retains section that requires department to retain reports funded from part 1 appropriations; specifies record retention guidelines.

Major Boilerplate Changes From FY 2018-19

Sec. 451. Bovine TB Whole-Herd Testing – RETAINED

Senate retains section that requires department to pay for the costs of whole-herd testing and individual animal testing in the Modified Accredited Zone, including indemnity and compensation for animal injury.

Sec. 457. Bovine TB Quarterly Report – RETAINED

Senate retains current specific reporting requirements related to Bovine TB program.

Sec. 459. Bovine TB Testing, Legislative Intent – RETAINED

Senate retains section that expresses legislative intent that department not conduct whole-herd testing of any one herd in a TB-free zone more often than once every four years, except under specific conditions.

Sec. 462. Apiary Protection – DELETED

Senate does not include \$20,000 earmark for an apiary protection program.

Sec. 604. Authorization to Receive and Expend Federal Funds – DELETED

Senate deletes language that authorizes the department to receive and expend federal funds in excess of line item appropriations for environmental stewardship and MAEAP programs.

Sec. 802. Agriculture Equine Industry Development Fund (AEIDF) – MODIFIED

Senate modifies current year language prescribing priority order of AEIDF expenditures; deletes earmark for Purses and supplements, licensed tracks.

Sec. 805. County Fair Capital Grant Program – MODIFIED

Executive revises language governing matching program for county fair capital grants program. Revised to reflect new matching requirements; deletes current year earmarks. Senate concurs with Executive, but also adds a \$50,000 earmark for the promotion of festivals and events.

Sec. 901. Local Conservation District Pilot Program – NEW

Senate includes boilerplate section defining use of a \$3.0 million one-time appropriation. The section indicates that the appropriation for conservation districts pilot project must be distributed in equal amounts to each conservation district in the state, to be used to develop a natural resources assessment, an assessment to describe the conservation district and to identify the top 5 natural resources needs for each district; provides for a report by September 30, 2020.