

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT**  
**Summary of FY 2021-22 Enacted**  
**Public Act 87 of 2021 (Senate Bill 82, Article 1)**

**Analyst: William E. Hamilton**

	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Enacted	Difference: Enacted From FY 2020-21 YTD	
			Amount	%
<b>IDG/IDT</b>	\$324,400	\$320,000	(\$4,400)	(1.4)
<b>Federal</b>	13,129,500	13,599,800	470,300	3.6
<b>Local</b>	0	0	0	--
<b>Private</b>	71,300	71,300	0	0.0
<b>Restricted</b>	44,153,000	44,202,300	49,300	0.1
<b>GF/GP</b>	63,616,800	97,366,900	33,750,100	53.1
<b>Gross</b>	<b>\$121,295,000</b>	<b>\$155,560,300</b>	<b>\$34,265,300</b>	<b>28.2</b>
<b>FTEs</b>	525.0	527.0	2.0	0.4

**Notes:**

- (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021.
- (2) Appropriation figures include all proposed appropriation amounts, including amounts designated as "one-time".

**Overview**

Michigan Department of Agriculture and Rural Development (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.

<b>Major Budget Changes from FY 2020-21 YTD Appropriations</b>	<b>FY 2020-21 Year-to-Date (as of 2/11/21)</b>	<b>FY 2021-22 Enacted Change</b>
<b>1. Unclassified Salaries</b>	FTE 6.0	0.0
Includes \$617,900 GF/GP for unclassified salaries, an increase of \$18,000 GF/GP.	<b>Gross \$599,900</b>	<b>\$18,000</b>
	GF/GP \$599,900	\$18,000
<b>2. Information Technology</b>	<b>Gross \$2,068,200</b>	<b>\$254,900</b>
Includes \$254,900 Gross (\$210,000 GF/GP) increase for ongoing support and maintenance of licensing and inspection systems.	IDG 3,200	0
	Restricted 205,800	44,900
	GF/GP \$1,859,200	\$210,000
<b>3. Food Safety and Quality Assurance</b>	FTE 103.0	0.0
Retains baseline funding and FTE authorization at FY 2020-21 levels for food safety inspection and regulatory program.	<b>Gross \$18,276,600</b>	<b>\$0</b>
	Federal 2,698,000	0
	Restricted 6,319,800	0
	GF/GP \$9,258,800	\$0
<b>4. Milk Safety and Quality Assurance</b>	FTE 103.0	0.0
Retains baseline funding and FTE authorization at FY 2020-21 levels for dairy inspection and regulatory program.	<b>Gross \$18,276,600</b>	<b>\$0</b>
	Federal 2,698,000	0
	Restricted 6,319,800	0
	GF/GP \$9,258,800	\$0
<b>5. Michigan Animal Agriculture Alliance</b>	<b>Gross \$3,000,000</b>	<b>\$0</b>
Retains funding at \$3.0 million GF/GP for program that supports animal agriculture research grants through Michigan State University.	GF/GP \$3,000,000	\$0

**AGRICULTURE AND RURAL DEVELOPMENT**

<b><u>Major Budget Changes from FY 2020-21 YTD Appropriations</u></b>		<b>FY 2020-21 Year-to-Date (as of 2/11/21)</b>	<b>FY 2021-22 Enacted Change</b>
<b>6. Local Conservation Districts</b>	<b>Gross</b>	<b>\$0</b>	<b>\$3,000,000</b>
Includes \$3.0 million GF/GP to provide baseline funding for local conservation districts. Of the \$3.0 million, \$2.0 million is shown as ongoing and \$1.0 million as one-time. Related boilerplate in Section 609.	GF/GP	\$0	\$3,000,000
<b>7. Qualified Forest Program</b>	FTE	9.0	0.0
Retains baseline funding and FTE authorization at FY 2020-21 for program that assists owners managing private nonindustrial forestland.	<b>Gross</b>	<b>\$2,662,800</b>	<b>\$0</b>
	Restricted	1,080,100	0
	GF/GP	\$1,582,700	\$0
<b>8. Laboratory Services</b>	<b>Gross</b>	<b>\$17,752,400</b>	<b>\$600,000</b>
Recognizes a \$600,000 federal Health and Human Services (HHS)/Food and Drug Administration multi-year grant to support integrated food safety system. [This grant was recognized in FY 2020-21 through a legislative transfer of \$500,000, approved June 24, 2021. The transfer reflected State Budget Office request, 2021-3.]	IDG	227,800	0
	Federal	2,817,600	600,000
	Restricted	7,389,900	0
	GF/GP	\$7,317,100	\$0
<b>9. Fair Food Network/Double Up Food Bucks</b>	<b>Gross</b>	<b>\$900,000</b>	<b>\$1,100,000</b>
Includes \$1.1 million GF/GP to augment program that increases purchasing power of Michigan residents who receive Supplemental Nutritional Assistance Program (SNAP) benefits. Of the \$2.0 million, \$900,000 is shown as ongoing and \$1.1 million as one-time. Related boilerplate in Section 703.	GF/GP	\$900,000	\$1,100,000
<b>10. Food and Agriculture Investment Grant Program</b>	<b>Gross</b>	<b>\$2,470,600</b>	<b>\$0</b>
Retains FY 2020-21 funding level of \$2.5 million GF/GP for program that provides grants for agri-business development projects.	GF/GP	\$2,470,600	\$0
<b>11. Office of Rural Development</b>	FTE	0.0	1.0
Includes \$175,000 GF/GP and authorizes 1.0 FTE position for staffing and related costs in a new Office of Rural Development.	<b>Gross</b>	<b>\$0</b>	<b>\$175,000</b>
	Restricted	0	0
	GF/GP	\$0	\$175,000
<b>12. County Fairs</b>	<b>Gross</b>	<b>\$500,000</b>	<b>\$1,950,000</b>
Increases baseline funding for county fair grant program by \$2.0 million GF/GP to \$2.5 million GF/GP. Of the \$2.5 million, \$500,000 is shown as ongoing and \$2.0 million as one-time.	GF/GP	\$500,000	\$1,950,000
<b>13. Agricultural Nutrient Best Management Voluntary Practices</b>	FTE	0.0	1.0
Includes \$25.0 million GF/GP for a new voluntary agricultural nutrient best management practices program. Related boilerplate Section 1001 defines the program, targeted for water quality improvement in the western Lake Erie basin. An additional 1.0 FTE position is authorized in the Environmental stewardship/MEAEP line to support this program.	<b>Gross</b>	<b>\$0</b>	<b>\$25,000,000</b>
	GF/GP	\$0	\$25,000,000
<b>14. Agriculture Equine Industry Development Fund (AEIDF)</b>	<b>Gross</b>	<b>\$0</b>	<b>\$3,200,000</b>
Appropriates \$3.2 million GF/GP for deposit into the AEIDF, a state restricted fund established in Section 20 of the Horse Racing Law of 1995. The AEIDF provides purse supplements and various awards to owners and breeders of thoroughbred and standardbred racehorses. Related boilerplate is in Section 1002.	GF/GP	\$0	\$3,200,000
<b>15. Bovine TB Quarantine – Producer Reimbursement</b>	<b>Gross</b>	<b>\$0</b>	<b>\$400,000</b>
Includes \$400,000 GF/GP for a new program to provide financial assistance to livestock producers for costs of maintaining livestock under quarantine. Related boilerplate in Section 1003.	GF/GP	\$0	\$400,000

**AGRICULTURE AND RURAL DEVELOPMENT**

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<b>16. Farm Innovation Grant Program</b>	<b>Gross</b>	<b>\$0</b>	<b>\$3,180,000</b>
Includes \$3.2 million GF/GP for a new grant program that supports innovative solutions to real, immediate, and future farm problems. Related boilerplate in Section 1004.	GF/GP	\$0	\$3,180,000
<b>17. Farm Stress</b>	<b>Gross</b>	<b>\$0</b>	<b>\$225,000</b>
Includes \$225,000 GF/GP for new farm stress program. Related boilerplate in Section 1005.	GF/GP	\$0	\$225,000
<b>18. One-Time CREP Funding Removal</b>	<b>Gross</b>	<b>\$4,400,000</b>	<b>(\$4,400,000)</b>
Does not include the \$4.4 million GF/GP one-time appropriation for the Conservation Reserve Enhancement Program (CREP), a targeted environmental protection program.	GF/GP	\$4,400,000	(\$4,400,000)
<b>19. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>(\$415,700)</b>
Reflects a net decrease of \$415,700 Gross (\$289,900 GF/GP) in budgeted operating costs as computed by the State Budget Office. Budgeted increases for salaries and wages (negotiated 2.0% increase on October 1, 2021 and 1.0% on April 1, 2022), and increases related to actuarially required retirement contributions, worker's compensation, and building occupancy charges, are offset by a reduction in calculated contributions for retiree medical benefits.	IDG	NA	(1,200)
	Federal	NA	(27,900)
	Restricted	NA	(96,700)
	GF/GP	NA	(\$289,900)

**Major Boilerplate Changes from FY 2020-21**

**Sec. 210. Use of Contingency Fund Transfers – REVISED**

Revises section that provides for contingency fund transfers in accordance with the Management and Budget Act to reference contingency "authorization," rather than "fund."

**Sec. 215. Communication with the Legislature – RETAINED**

Retains section that prohibits department from taking disciplinary action against an employee for communicating with the Legislature. *The Governor's signing letter indicated that this section was unenforceable in that it impinged on executive branch authority in violation of Article 3, Section 2 of the Michigan Constitution which deals with the separation of powers.*

**Sec. 217. Work Project Limits – RETAINED**

Retains section that requires that work project balances be exhausted before expenditure from part 1 appropriations. *The Governor's signing letter indicated that this section was unenforceable in that impinged on executive branch authority in violation of Article 3, Section 2 of the Michigan Constitution which deals with the separation of powers.*

**Sec. 218. State Administrative Board Transfers – RETAINED**

Retains section that provides for the legislature to intertransfer funds within departmental budget if the State Administrative Board transfers funds from an appropriation within this departmental budget. *The Governor's signing letter indicated that this section was unenforceable in that impinged on executive branch authority in violation of Article 3, Section 2 of the Michigan Constitution which deals with the separation of powers, as well as two sections under Article 4 the Michigan Constitution: Section 22 which requires that all legislation be by bill, and Section 33 which prescribes how bills are enacted into law.*

**Sec. 221. Severance Pay Report – NEW**

Includes new reporting requirements related to severance pay paid to department personnel upon the termination of employment.

**Sec. 222. Restrictions on Covid-19 Passport – NEW**

Includes restrictions on the use of Covid-19 "passports" to document vaccination status.

**Sec. 609. Local Conservation Districts – NEW**

Includes new language directing that the appropriation for local conservation districts be distributed equally among local conservation districts; includes a reporting requirement.

**AGRICULTURE AND RURAL DEVELOPMENT**

**Major Boilerplate Changes from FY 2020-21**

**Sec. 610. Farmland/Opens Space Tax Credit Processing – NEW**

Includes new language requiring the department to coordinate with the Michigan Department of Treasury to improve timely processing of tax credits under farmland and open space preservation programs.

**Sec. 701. Food and Agriculture Investment Grant Program – REVISED**

Modifies current section to include the promotion of community based processing facilities with a focus on expanding protein processors.

**Sec. 703. Double Up Food Bucks Program – REVISED**

Revises section to direct the department to work with the Fair Food Network to ensure that at least 80% of program funds be used as a direct reimbursement of participating vendors. Updates reporting requirements.

**Sec. 1001. Agricultural Nutrient Best Management Voluntary Practices Program – NEW**

Includes section to define the new program; identifies program goals, including water quality improvement in the western Lake Erie basin; and designates appropriation as work project.

**Sec. 1002. Agriculture Equine Industry Development Fund (AEIDF) Appropriation – NEW**

Includes language describing the \$3.2 million GF/GP appropriation to the AEIDF; references Section 320 of the Horse Racing Act of 1995.

**Sec. 1003. Bovine TB Quarantine – Producer Reimbursement – NEW**

Includes language defining costs eligible for reimbursement under a new grant program intended to provide financial assistance to livestock producers for costs of maintaining livestock under quarantine.

**Sec. 1004. Farm Innovation Grant Program – NEW**

Requires funds appropriated in part 1 for program to support innovate solutions to real, immediate, and future farm problems; establishes eligible grantees; establishes a reporting requirement.

**Sec. 1005. Farm Stress Program – NEW**

Requires funds appropriated in part 1 for program to be used to respond to the mental stress and fatigue of Michigan farmers and agricultural producers and their families.

**FY 2020-21 Supplemental Appropriation Items**  
**Public Act 87 of 2021 (Senate Bill 82, Article 14)**

**Appropriation  
Change**

**1. Farm Stress Program**

Includes \$500,000 in federal CRRSAA funding for a stress assistance program for individuals who are engaged in farming and other agriculture-related occupations.

<b>Gross</b>	<b>\$500,000</b>
Federal	500,000
GF/GP	\$0

**2. Specialty Crop Block Grant Program**

Includes \$2.6 million in federal CRRSAA funding to enhance the competitiveness of Michigan specialty crops including fruits, vegetables, tree nuts, dried fruits, horticulture, and nursery crops.

<b>Gross</b>	<b>\$2,600,000</b>
Federal	2,600,000
GF/GP	\$0

**FY 2020-21 Supplemental Boilerplate Items**  
**Public Act 87 of 2021 (Senate Bill 82, Article 14)**

**Sec. 301. Farm Stress Program**

Designates appropriation for the Farm Stress program as a work project appropriation; specifies that the purpose of the appropriation is to establish a stress assistance program for individuals who are engaged in farming and other agriculture-related occupations.

**Sec. 302. Specialty Crop Block Grant Program**

Designates appropriation for the Specialty Crop Block Grant program as a work project appropriation; specifies that the purpose of the appropriation is to enhance the competitiveness of Michigan specialty crops.