

**Summary: Executive Budget Recommendation
for Fiscal Year 2021-22
AGRICULTURE AND RURAL DEVELOPMENT**



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	FY 2020-21	FY 2021-22	Difference: FY 2021-22	
	Year-to-Date as of 2/11/21	Executive	Amount	%
IDG/IDT	\$324,400	\$320,000	(\$4,400)	(1.4)
Federal	13,129,500	13,599,800	470,300	3.6
Local	0	0	0	--
Private	71,300	71,300	0	0.0
Restricted	44,153,000	44,377,300	224,300	0.5
GF/GP	63,616,800	57,883,900	(5,732,900)	(9.0)
Gross	\$121,295,000	\$116,252,300	(\$5,042,700)	(4.2)
FTEs	525.0	526.0	1.0	0.2

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (2) Appropriation figures for all years 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.

Major Budget Changes from FY 2020-21 Year-to-Date (YTD) Appropriations	FY 2020-21 YTD (as of 2/11/21)	Executive Change from YTD
1. Office of Rural Development	FTE 0.0	1.0
Includes \$175,000 from the state restricted Rural Development Fund to support 1.0 FTE position, and related costs, in a new Office of Rural Development. The office is intended to address several challenges confronting rural communities in Michigan, including economic opportunities, broadband development, housing access, infrastructure issues, and healthcare access. As noted below, the governor has requested a supplemental appropriation to establish the new position in the current year.	Gross \$0	\$175,000
	Restricted 0	175,000
	GF/GP \$0	\$0
2. End of One-Time CREP Funding	Gross \$4,400,000	(\$4,400,000)
Eliminates one-time \$4.4 million GF/GP appropriation for the Conservation Reserve Enhancement Program (CREP), a targeted environmental protection program. The \$4.4 million in the current year reflects the state's commitment under an agreement between the state and the U. S. Department of Agriculture and will be used to provide part of the required 50% non-federal cost-share for capital projects; \$600,000 GF/GP in ongoing funding for education, outreach, and technical assistance is retained in the Environmental Stewardship program baseline.	GF/GP \$4,400,000	(\$4,400,000)
3. Information Technology	Gross \$2,068,200	\$254,900
Provides ongoing funding for support and maintenance of licensing and inspection systems.	IDG 3,200	0
	Restricted 205,800	44,900
	GF/GP \$1,859,200	\$210,000

Major Budget Changes from FY 2020-21 Year-to-Date (YTD) Appropriations		FY 2020-21 YTD (as of 2/11/21)	Executive Change from YTD
4. Laboratory Services	FTE	108.5	0.0
Recognizes a \$600,000 federal Health and Human Services/Food and Drug Administration grant to support integrated food safety system.	Gross	\$17,752,400	\$600,000
	IDG	227,800	0
	Federal	2,817,600	600,000
	Restricted	7,389,900	0
	GF/GP	\$7,317,100	\$0
5. Michigan Animal Agriculture Alliance	Gross	\$3,000,000	(\$1,253,000)
Recommends \$1.7 million GF/GP for a Michigan State University (MSU) animal agriculture research grant program, a reduction of \$1.3 million from current year. The program is administered by MSU's College of Agriculture and Natural Resources under a Memorandum of Understanding with MDARD.	GF/GP	\$3,000,000	(\$1,253,000)
6. Technical Fund Source Adjustments	Gross	NA	(\$3,900)
Adjusts fund sourcing in some lines to better reflect actual available revenue.	IDGs	NA	(3,200)
	Federal	NA	(101,800)
	Restricted	NA	101,100
	GF/GP	NA	\$0
7. Economic Adjustments	Gross	NA	(\$415,700)
Reflects net decrease of \$415,700 Gross (\$289,900 GF/GP). 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.	IDGs	NA	(1,200)
	Federal	NA	(27,900)
	Restricted	NA	(96,700)
	GF/GP	NA	(\$289,900)

Major Boilerplate Changes from FY 2020-21

Specific Standard Sections – DELETED

The executive recommendation did not include some reporting requirements, or certain legislative directives or restrictions on appropriations. Deleted sections are: Sec. 215, regarding staff communications with the legislature; Sec. 216, report on FTE positions and remote work; Sec. 217, establishes restrictions on use of work project balances; Sec. 218, regarding transfers between line items within budget; Sec. 219, directs record retention policy; Sec. 220, report on impact of new legislation.

Supplemental Recommendations for FY 2020-21 Appropriations		FY 2020-21 Recommendation
1. Office of Rural Development/Rural Development Fund	FTE	1.0
Includes \$87,500 GF/GP to establish an Office of Rural Development and related FTE position. The supplemental request would also provide \$1.0 million GF/GP for the Rural Development Fund/Grant Program – a program of targeted grants for projects that address the expansion and sustainability of land-based industries, that provide worker training related to land-based industries, or that support energy, transportation, communications, water and wastewater infrastructure to benefit rural communities. Current-year budget includes \$2.0 million from the Rural Development Fund, a state restricted fund that receives revenue from an earmark of a nonferrous metallic minerals extraction tax established in 2012 PA 410. Current-year budget also authorizes 1.0 FTE position.	Gross	\$1,087,500
	GF/GP	\$1,087,500
2. Covid-19 Response/Migrant Labor Housing	FTE	3.0
Includes \$1.0 million GF/GP, and authorizes 3.0 FTE positions, for Covid-19 response activities including plan review, inspection, and outreach to prevent exposure and spread of Covid-19 to migrant laborers and other agricultural workers.	Gross	\$1,000,000
	GF/GP	\$1,000,000