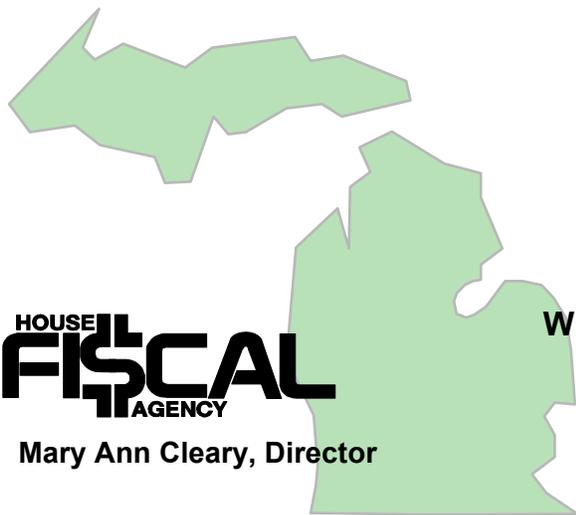


LINE ITEM AND BOILERPLATE SUMMARY

AGRICULTURE AND RURAL DEVELOPMENT

Fiscal Year 2016-17
Article I, Public Act 268 of 2016
House Bill 5294 as Enacted



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AGENCY

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September 2016

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September 2016

TO: Members of the Michigan House of Representatives

The House Fiscal Agency has prepared a **Line Item Summary** for each of the FY 2016-17 appropriation acts. Each **Summary** contains line-by-line appropriation and revenue source detail, and a brief explanation of each boilerplate section in the appropriation bill.

In this report, line item vetoes are presented in the following manner: appropriation amounts shown in ~~strikeout~~ are those that appear in the enrolled bill; amounts shown directly below ~~strikeout~~ amounts reflect the effect of the veto.

Line Item Summaries are available on the HFA website (www.house.mi.gov/hfa), or from Kathryn Bateson, Administrative Assistant (373-8080 or kbateson@house.mi.gov).

A handwritten signature in black ink that reads "Mary Ann Cleary".

Mary Ann Cleary, Director

TABLE OF CONTENTS

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT.....	1
Departmentwide.....	2
Information and Technology	5
Food and Dairy	7
Animal Industry	9
Pesticide and Plant Pest Management.....	11
Environmental Stewardship	14
Laboratory Program	17
Agriculture Development.....	20
Fairs and Expositions.....	22
One-Time Basis Only.....	24
BOILERPLATE SECTION INFORMATION	25

GLOSSARY

APPROPRIATIONS AND FUND SOURCES

Appropriation

Authority to expend funds. An appropriation is not a mandate to spend. Constitutionally, state funds cannot be expended without an appropriation by the Legislature.

Gross Appropriations

Total spending authority from all revenue sources.

Interdepartmental Grant (IDG) Revenue

Funds received by one state department from another state department—usually for service(s) provided.

Adjusted Gross Appropriations

Gross appropriations excluding IDGs; avoids double counting when adding appropriation amounts across budget areas.

Federal Revenue

Federal grant or match revenue; generally dedicated to specific programs or purposes.

Local Revenue

Revenue received from local units of government for state services.

Private Revenue

Revenue from individuals and private entities, including payments for services, grants, and other contributions.

State Restricted Revenue

State revenue restricted by the State Constitution, state statute, or outside restriction that is available only for specified purposes; includes most fee revenue.

General Fund/General Purpose (GF/GP) Revenue

Unrestricted general fund revenue available to fund basic state programs and other purposes determined by the Legislature.

MAJOR STATE FUNDS

General Fund

The state's primary operating fund; receives state revenue not dedicated to another state fund.

School Aid Fund (SAF)

A restricted fund that serves as the primary state funding source for K-12 schools and Intermediate School Districts. Constitutionally, SAF revenue may also be used for postsecondary education.

Budget Stabilization Fund

The Countercyclical Economic and Budget Stabilization Fund (also known as the "rainy day fund"); the Management and Budget Act provides guidelines for making deposits into and withdrawals from the fund.

STATE BUDGET TERMS

Fiscal Year

The state's fiscal year (FY) runs from October to September. FY 2016-17 is October 1, 2016 through September 30, 2017.

Line Item

Specific appropriation amount in a budget bill which establishes spending authorization for a particular program or function.

Boilerplate

Specific language sections in an appropriation bill which direct, limit, or restrict line-item expenditures, express legislative intent, and/or require reports.

Lapse

Appropriated amounts that are unspent or unobligated at the end of a fiscal year. Appropriations are automatically terminated at the end of a fiscal year unless designated as a work project. Lapsed funds are available for expenditure in the subsequent fiscal year.

Work Project

Account authorized through statutory process which allows appropriated spending authorization from one fiscal year to be utilized for expenditures in a succeeding fiscal year or years for a specific project or purpose.

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

The stated mission of the Michigan Department of Agriculture and Rural Development is: "Assure the food safety, agricultural, environmental, and economic interests of the people of the state of Michigan are met through service, partnership, and collaboration." The department's stated priorities are: Assure food safety; protect animal and plant health; sustain environmental stewardship; provide consumer protection; enable rural development; and foster efficient administrative operations.

The department was established by 1921 PA 13 to "foster and promote in every possible way the agricultural interests of this state". Public Act 13 also established the five-member bi-partisan Commission of Agriculture. Members of the Commission are appointed by the Governor, with the consent of the Senate, for four-year terms.

The respective powers and duties of the department and the commission were redefined in Chapter 8 of the Executive Reorganization Act of 1965 (enacted following the ratification of the 1963 Constitution), and more recently by Executive Orders 2009-45 and 2009-54. Executive Order 2009-45 gave to the Governor the power to appoint the Department Director, a power previously held by the Commission. Executive Order 2011-2 changed the name of the department to the Department of Agriculture and Rural Development (MDARD), changed the name of the Commission to the Commission of Agriculture and Rural Development, and rescinded some provisions of Executive Order 2009-54.

Full-time equated unclassified positions	6.0	Full-time equated (FTE) positions not in the state classified service.
Full-time equated classified positions	473.0	Full-time equated (FTE) positions in the state classified service. <i>Note: based on 2,088 hours for 1.0 FTE position.</i>
GROSS APPROPRIATION	\$94,101,300	Total of all applicable line item appropriations.
Total interdepartmental grant/intradepartmental transfer revenue	323,200	Revenue received from other departments or transferred within the department.
ADJUSTED GROSS APPROPRIATION	\$93,778,100	Gross appropriation less (or minus) interdepartmental grant (IDG) and intradepartmental transfer (IDT) revenue.
Total federal revenue	10,471,200	Revenue received from federal departments and agencies.
Total local revenue	0	Revenue received from local units of government.
Total private revenue	130,700	Revenue received from private individuals and entities.
Total state restricted revenue	33,249,300	State revenue dedicated to a specific fund (other than the General Fund) or restricted for a specific purpose.
STATE GENERAL FUND/ GENERAL PURPOSE	\$49,926,900	Unrestricted state revenue from taxes and other sources.
		GF/GP Subtotals: Ongoing 47,536,900 One-time 2,390,000

Statistical reporting service – 1.0 FTE position	153,600	The department works in collaboration with the United States Department of Agriculture (USDA), National Agricultural Statistics Service (NASS), to conduct research and analysis of Michigan's agriculture industry, including estimations of crop and livestock production, value of farm products, and commodity and market prices; maintains the state's agriculture database.
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Funding Source(s):	Private	79,100
	GF/GP	74,500

Related Boilerplate Section(s): None

Emergency management – 3.0 FTE positions	614,600	The Emergency Management program coordinates preparation for and response to emergencies that impact the state's food and agriculture industries. Emergency management activities are supported in part through a federal Health and Human Services-Food and Drug Administration (HHS-FDA) <i>Rapid Response Team</i> grant. Grant funded activities include food safety investigation and response training exercises as well as emergency response training exercises in other states that Michigan has agreed to mentor.
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The Emergency Management Coordinator also functions as the Department's Administrative Law Coordinator whose responsibilities include responding to FOIA requests, representing the department at administrative hearings, and development of administrative rules.

Funding Source(s):	Federal	331,900
	GF/GP	282,700

Related Boilerplate Section(s): None

Accounting service center	1,141,600	Supports accounting services for the department provided by the Bureau of Finance and Administration within the Michigan Department of Transportation (MDOT).
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Funding Source(s):	GF/GP	1,141,600
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Related Boilerplate Section(s): None

Building occupancy charges	631,200	Supports lease obligations for space occupied by the department in Constitution Hall in downtown Lansing, a state-owned facility managed by the Department of Technology, Management, and Budget (DTMB).
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Funding Source(s):	Restricted	170,700
	GF/GP	460,500

Related Boilerplate Section(s): None

GROSS APPROPRIATION	\$6,406,900	Total of all applicable line item appropriations.
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HHS-multiple grants	331,900	U. S. Department of Health and Human Services, Food and Drug Administration grants (CFDA 93.103), used primarily in support of food safety activities, including the Food Protection Rapid Response Team.
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Private - commodity group revenue	79,100	Money provided by private agri-business groups for targeted agricultural statistical analysis.
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Agriculture preservation fund	15,200	Established in Part 362 of the Natural Resources and Environmental Protection Act (NREPA), the fund receives revenue from the repayment of tax credits on the early termination of development rights agreements under Part 361 of NREPA, often referred to as PA 116 agreements. Fund revenue is used for department administration of farmland/open space preservation programs. [Although an eligible use, fund revenue is not sufficient for purchase of development rights or conservation easements.]
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Agriculture licensing and inspection fees	263,900	Established in the Insect Pest and Plant Disease Act, (1931 PA 189), this is a "catch-all" fund for fees collected from a number of department licensing and inspection activities related to animal industry, pesticide and fertilizer regulation, and nursery inspections. The fund is used to support MDARD agriculture regulatory and inspection programs.
Commodity inspection fees	1,100	Represents fees charged by MDARD for contract inspection services, primarily fruit and vegetable inspections and Good Agricultural Practices (GAP)/Good Handling Practices (GHP) audits; authorized under the Market Conditions Act (1915 PA 91), various other public acts, and Section 301 of appropriations boilerplate. Used to reimburse the department for costs of inspection services.
Dairy and food safety fund	416,900	Established in Section 4117 of the Food Law of 2000, the fund receives revenue from licensing and regulatory fees under the Food Law of 2000, the Grade A Milk Law, and the Manufacturing Milk Law. Fund revenue is used to support food and dairy safety/quality assurance programs.
Feed control fund	38,900	Established under the Feed Law (1975 PA 120), as amended by Public Act 83 of 2015. Fund revenue is derived from licensing and inspection fees established under the act. Fund revenue is designated for administration and enforcement of the act and for education programs to ensure proper handling of animal feed.
Fertilizer control fund	24,000	Section 8514 of NREPA establishes the Fertilizer Control Fund as a state-restricted fund and directs all fertilizer regulatory fee revenue, as well as civil and administrative fines under Part 85 of NREPA, to the fund.
Freshwater protection fund	67,500	Established in Section 8716, Part 87 of NREPA, the fund receives revenue from pesticide and fertilizer water quality protection fees. The fund supports MDARD environmental protection programs, including MAEAP; fund revenue is also used as a match for federal conservation and water quality technical assistance grants.
Gasoline inspection and testing fund	80,000	Established in the Motor Fuels Quality Act (1984 PA 44), the fund receives revenue from a \$1.0 million earmark of certain driver's license fees under the Michigan Vehicle Code, plus inspection fees under 1984 PA 44. The fund is used to support MDARD's motor fuel quality inspection program.
Grain dealers fee fund	7,900	Established in the Grain Dealer's Act, (1939 PA 141), the fund receives revenue from Grain Dealer's Act licensing and inspection fees and from reimbursements of department costs under the Farm Produce Insurance Act (2003 PA 198). The fund is used to support MDARD grain dealer licensing and inspection programs.
Industry support funds	54,300	Although listed as restricted funds in the budget, these are really private funds provided by industry groups to support specific industry events and activities.
Migratory labor housing fund	28,600	Established under Part 124, Public Health Code, the fund receives revenue from migrant labor housing licensing/inspection fees; the fund is used to support MDARD's migrant labor housing inspection program.
Nonretail liquor fees	28,100	The Liquor Control Code (1998 PA 58) earmarks certain non-retail liquor fees to the Michigan Grape and Wine Council, established in MCL 436.1303.
STATE GENERAL FUND/ GENERAL PURPOSE	\$4,969,500	Unrestricted state revenue from taxes and other sources.

SECTION 103: INFORMATION AND TECHNOLOGY

This appropriation unit provides funding for information technology services and projects provided through the Department of Technology, Management, and Budget (DTMB).

Information technology services and projects	\$1,768,500	Supports various information technology services and projects provided by the Department of Technology, Management, and Budget (DTMB). The department indicates that total information technology costs are approximately \$2.5 million. Additional information technology costs not supported by this line item are charged to direct program line items.
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Funding Source(s):	IDG/IDT	3,200
	Restricted	187,600
	GF/GP	1,577,700

Related Boilerplate Section(s): None

GROSS APPROPRIATION	\$1,768,500	Total of all applicable line item appropriations.
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IDG from LARA (LCC), liquor quality testing fees	3,200	Represents the reimbursement by the Department of Licensing and Regulatory Affairs (LARA) of the cost of MDARD laboratory testing/analyzing alcoholic liquor products offered for sale in Michigan; authorized under the Michigan Liquor Control Code (1998 PA 58), and Administrative Rule, R436.1043.
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Agriculture preservation fund	200	Established in Part 362, NREPA, the fund receives revenue from the repayment of tax credits on the early termination of development rights agreements under Part 361 of NREPA, often referred to as PA 116 agreements. Fund revenue is used for department administration of farmland/open space preservation programs. [Although an eligible use, fund revenue is not sufficient for purchase of development rights or conservation easements.]
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Agriculture licensing and inspection fees	93,800	Established in the Insect Pest and Plant Disease Act, (1931 PA 189), this is a "catch-all" fund for fees collected from a number of department licensing and inspection activities related to animal industry, pesticide and fertilizer regulation, and nursery inspections. The fund is used to support MDARD agriculture regulatory and inspection programs.
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Dairy and food safety fund	61,200	Established in Section 4117 of the Food Law of 2000, the fund receives revenue from licensing and regulatory fees under the Food Law of 2000, the Grade A Milk Law, and the Manufacturing Milk Law. Fund revenue is used to support food and dairy safety/quality assurance programs.
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Freshwater protection fund	100	Established in Section 8716, Part 87 of NREPA, the fund receives revenue from pesticide and fertilizer water quality protection fees. The fund supports MDARD environmental protection programs, including MAEAP; fund revenue is also used as a match for federal conservation and water quality technical assistance grants.
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Gasoline inspection and testing fund	31,800	Established in the Motor Fuels Quality Act (1984 PA 44), the fund receives revenue from a \$1.0 million earmark of certain driver's license fees under the Michigan Vehicle Code, plus inspection fees under 1984 PA 44. The fund is used to support MDARD's motor fuel quality inspection program.
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Nonretail liquor fees	500	The Liquor Control Code (1998 PA 58) earmarks certain non-retail liquor fees to Michigan Grape and Wine Council, established in MCL 436.1303.
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STATE GENERAL FUND/ GENERAL PURPOSE	\$1,577,700	Unrestricted state revenue from taxes and other sources.
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SECTION 104: FOOD AND DAIRY

This appropriation unit provides funding for a number of department-administered food safety programs including oversight of local health department food safety inspection activities. Program activities are authorized under the Food Law of 2000 (2000 PA 92), the Manufacturing Milk Law (2001 PA 267), and the Grade A Milk Law (2001 PA 266).

Full-time equated classified positions	123.0	Full-time equated (FTE) positions in the state classified service.
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Food safety and quality assurance – 93.0 FTE positions	\$14,006,400	Supports the staff and other operating costs of the following regulatory and service programs within the Food and Dairy Division:
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Food Safety and Inspection: This is a direct department-administered program to license, regulate, and inspect 19,000 food establishments, including food processing plants, retail grocery and convenience stores, distribution centers, markets, and concessions at fairs. Program helps prevent the sale of adulterated or unsafe food products, outbreaks of food-borne disease, and fraud and deception in the sale of food products. Activities also include food establishment plan review, country of origin labeling inspections, and food recall response. There are approximately 47 field food inspectors and 5 regional supervisors.

Food Service: Under the Food Law of 2000, the department has responsibility for a food service establishment (e.g., restaurants, schools, hospitals, etc.) regulatory program. There are approximately 46,000 food service establishments in Michigan. Actual program work is delegated to local public health departments which perform plan reviews, conduct inspections, process license applications, take enforcement actions, investigate complaints, and conduct foodborne illness outbreak investigations. Local public health operations are evaluated every three years under the Michigan Local Public Health Accreditation Program. There are four MDARD food service consultants and one part-time supervision for this program.

Food Safety Planning and Response: This unit is responsible for MDARD's response to outbreaks of foodborne illnesses (i.e., seizure, recall, and notification of contaminated food products) and the coordination and integration of local, state, and federal public health and food safety components. There are three staff and one supervisor in this unit.

Pure Michigan FIT: A nutritional and fitness initiative focusing on children; provides information for Michigan families to improve healthy eating habits and increase physical activity. The budget supports a program nutritionist.

Funding Source(s):	Federal	1,274,100
	Restricted	4,690,600
	GF/GP	8,041,700

Related Boilerplate Section(s): 401, 402

Milk safety and quality assurance – 30.0 FTE positions	4,260,100	Supports the Milk Safety and Quality Assurance Program within the Food and Dairy Division which licenses and inspects dairy industry pursuant to the Manufacturing Milk Law (2001 PA 267) and the Grade A Milk Law (2001 PA 266). Those subject to licensing and inspection include 2,170 Grade A dairy farms, 84 dairy processing plants (which produce bottled milk, cheese, butter, yogurt, ice cream, and other dairy products), and over 700 milk trucks and 1,000 milk haulers. Enforcement actions include seizure and recall of contaminated dairy products.
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Program activities ensure a safe, wholesome supply of milk and dairy products for Michigan and out-of-state consumers. Conformance with the Pasteurized Milk Ordinance, a national standard for dairy-product sanitation developed by the United States Public Health Service, ensures that Michigan milk can be exported for sale out-of-state.

Funding Source(s):	Federal	56,000
	Restricted	219,300
	GF/GP	3,984,800

Related Boilerplate Section(s): 401, 402

GROSS APPROPRIATION	\$18,266,500	Total of all applicable line item appropriations.
HHS, multiple grants	1,193,800	U. S. Department of Health and Human Services, Food and Drug Administration grants (CFDA 93.103), used primarily in support of food safety activities; supports Food Protection Rapid Response Team.
USDA, multiple grants	136,300	This fund source represents a number of U.S. Department of Agriculture (USDA) grant programs including: Plant and Animal Disease, Pest Control, and Animal Care (CDFA 10.025) provided by the USDA Animal and Plant Health Inspection Service (APHIS), the Soil and Water Conservation program (CDFA 10.902), provided by Natural Resources Conservation Service (NRCS); the USDA Pesticide Data Program (CDFA 10.163); and the Specialty Crop Block Grant Program (CDFA 10.170). Many of these federal aid programs are authorized under the Agricultural Aid Act of 2014 (the Farm Bill).
Consumer and industry food safety education fund	355,400	Established in Section 4117 of the Food Law of 2000, the fund receives revenue from a \$3.00 surcharge for each food establishment license fee, and a \$2.00 surcharge for each food service establishment license fee; fee revenue is earmarked for food safety training programs.
Dairy and food safety fund	4,554,500	Established in Section 4117 of the Food Law of 2000, the fund receives revenue from licensing and regulatory fees under the Food Law of 2000, the Grade A Milk Law, and the Manufacturing Milk Law. Fund revenue is used to support food and dairy safety/quality assurance programs.
STATE GENERAL FUND/ GENERAL PURPOSE	\$12,026,500	Unrestricted state revenue from taxes and other sources.

SECTION 105: ANIMAL INDUSTRY

This appropriation unit provides funding for the department's animal disease surveillance, reporting and control activities under the general authority of the Animal Industry Act (1988 PA 466). The Animal Industry Act provides for the appointment of the State Veterinarian.

Full-time equated classified positions	60.0	Full-time equated (FTE) positions in the state classified service.
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Animal disease prevention and response – 60.0 FTE positions	\$9,054,500	Supports the staff and other operating costs of the Animal Industry Division (AID), including the position of State Veterinarian. The primary responsibility of the AID is <u>Animal Disease Surveillance, Reporting, and Control</u> (ADSRC) under the general authority of the Animal Industry Act (1988 PA 466). Program activities are supported in part through a USDA cooperative agreement.
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The ADSRC program works to protect public health and the health of domestic animals; monitors and works to eradicate animal diseases to facilitate import and export of healthy livestock and protect food supply; licenses and regulates various animal industries including livestock dealers. The Electronic Identification (EID) program allows for the tracing of livestock movement.

Bovine Tuberculosis (TB) is one of the largest AID programs accounting for approximately one-half of Division activity. The department has had a dedicated Bovine TB program since 1995 when the disease was first identified in the Lower Peninsula free-ranging white-tailed deer population. Program activities include testing and surveillance, electronic identification to track cattle, depopulation and disposal of infected animals, indemnification of livestock owners, on-farm assistance such as wildlife mitigation and herd reconciliation, and fee-based testing by private veterinarians. The department coordinates program activities with the Department of Natural Resources; the department also collaborates with the USDA under terms of a May 2014 memorandum of understanding and cooperative funding agreement.

Michigan is described as having "split-state status." That is to say, while most of the state is considered TB-free, four counties in Northeastern Lower Michigan have not yet moved to TB-Free status. Producers within these four counties are subject to additional herd testing and restrictions on the movement of cattle.

Other AID Programs

The line item also supports AID activities under several targeted animal health and welfare programs as authorized through the following statutes: Animal Welfare Fund Act, Aquaculture Development Act, Public Act 287 of 1969 (Pet Shops, Dog Pounds, and Animal Shelters), Bodies of Dead Animals Act, Public Act 284 of 1937 (Livestock Dealers), Wildlife Depredations Indemnification Act, and the Privately Owned Cervidae Producers Marketing Act.

Funding Source(s):	Federal	625,300
	Private	30,500
	Restricted	252,600
	GF/GP	8,146,100

Related Boilerplate Section(s): 451, 452, 453, 454, 457, 458, 459

Indemnification – livestock depredation	50,000	Supports indemnification payments, at fair market value, to owners of livestock killed by wolves, coyotes, or cougars and related administrative costs.
		Funding Source(s): GF/GP 50,000
		<i>Related Boilerplate Section(s): 453</i>
Animal agriculture initiative - ongoing	399,000	A new cooperative industry/university partnership. Additional funding for this program is provided in the One-Time Only Basis appropriations unit.
		Funding Source(s): GF/GP 399,000
		<i>Related Boilerplate Section(s): None</i>
GROSS APPROPRIATION	\$9,503,500	Total of all applicable line item appropriations.
Department of interior	50,800	State wildlife grants provided through the Department of Interior, U.S. Fish & Wildlife Service, Wildlife and Sport Fish Restoration Program (CFDA 15.634). This program supports projects that create or enhance wildlife habitat, support research and monitoring, or acquire lands with high value to species of greatest conservation need. Used in this budget only for research and monitoring grants.
HHS, multiple grants	46,600	U. S. Department of Health and Human Services, Food and Drug Administration grants (CFDA 93.103), used primarily in support of food safety activities; supports Food Protection Rapid Response Team.
USDA, multiple grants	527,900	This fund source represents a number of USDA grant programs including: Plant and Animal Disease, Pest Control, and Animal Care (CDFA 10.025) provided by the USDA Animal and Plant Health Inspection Service (APHIS), the Soil and Water Conservation program (CDFA 10.902), provided by Natural Resources Conservation Service (NRCS); the USDA Pesticide Data Program (CDFA 10.163); and the Specialty Crop Block Grant Program (CDFA 10.170). Many of these federal aid programs are authorized under the Agricultural Aid Act of 2014 (the Farm Bill).
Private commodity group revenue	30,500	Money provided by private agri-business groups for specific programs; a specific private grantor or activity has not been identified with respect to the appropriation in Animal Industry.
Agriculture licensing and inspection fees	59,300	Established in the Insect Pest and Plant Disease Act, (1931 PA 189), this is a "catch-all" fund for fees collected from a number of department licensing and inspection activities related to animal industry, pesticide and fertilizer regulation, and nursery inspections. The fund is used to support MDARD agriculture regulatory and inspection programs.
Animal welfare fund	193,300	Established in the Animal Welfare Act (2007 PA 132), the fund receives revenue from a state income tax check-off authorized under MCL 206.435. Fund revenue is used for grants related to the promotion of sterilization and adoption of dogs and cats, education and training regarding the proper care of animals, care and protection of animals pursuant to anticruelty laws.
STATE GENERAL FUND/ GENERAL PURPOSE	\$8,595,100	Unrestricted state revenue from taxes and other sources.

SECTION 106: PESTICIDE AND PLANT PEST MANAGEMENT

This appropriation unit provides funding for the Pesticide and Plant Pest Management Division, which manages plant pest and disease prevention program, regulates seed, plant, grain, and feed products including storage, and regulates the manufacture and use of pesticides and fertilizers.

Full-time equated classified positions	92.0	Full-time equated (FTE) positions in the state classified service.
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Pesticide and plant pest management – 86.0 FTE positions	\$13,672,000	Supports the staff and operations of the following regulatory and service programs within the Pesticide and Plan Pest Management Division:
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Animal Feed Safety and Agricultural Products Consumer Protection: Responsible for the sampling and analysis of animal feed ingredients and products; licensure of feed manufacturers and distributors; inspection of grain elevators and feed mills; and investigation of animal deaths or illnesses potentially caused by feed. Also samples and analyzes fertilizer and liming ingredients and products; licenses fertilizer manufacturers and registers products; and investigates complaints and conducts consultations to ensure proper storage and use.

Exotic and Invasive Pest Detection and Response: Responsible for the early detection of exotic and invasive pests of agriculture and forestry products via pathway analysis, risk-based trapping, and inspections for high-risk species and the management of these pests before they become established.

Plant Health and Export Certification: Responsible for the prevention of the introduction and dissemination of injurious insects and plant diseases and the facilitation of the importation and exportation of nursery stock, plants, and plant products through the detection, eradication, monitoring, and control of certain insects and diseases.

Pesticide Certification, Registration, and Enforcement: Responsible for the regulation of the distribution, sale, storage, usage, and disposal of pesticides to prevent or mitigate adverse effects of pesticides on health and the environment, including the registration of pesticide products, certification of pesticide applicators, licensure of pesticide dealers and applicators, inspection of pesticide manufacturers and warehouse, investigation of complaints of pesticide misuse, and enforcement via administrative and judicial actions.

Fruit and Vegetable Inspection: Responsible for inspection of imported and domestically grown produce, certification of produce for export or government use, USDA food safety audits, licensure of controlled atmosphere storage, phytosanitary inspections, and organic cost share and registration.

Funding Source(s):	Federal	1,803,600
	Private	21,100
	Restricted	6,224,500
	GF/GP	5,622,800

Related Boilerplate Section(s): 301, 501

Producer security/grain dealers– 6.0 FTE positions	653,500	Supports the staff and operations of the Producer Security Program. This program, established under the Grain Dealers Act, helps protect farm producers who store grain in elevators through financial regulatory oversight of grain dealers. Activities include audits of grain dealers for financial solvency and confirmation of accurate measure of grain inventory. The Producer Security Program also administers the Farm Producers Insurance Fund.
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Funding Source(s):	Restricted	635,400
	GF/GP	18,100

Related Boilerplate Section(s): None

GROSS APPROPRIATION \$14,325,500 Total of all applicable line item appropriations.

Department of interior	101,700	State wildlife grants provided through the Department of Interior, U.S. Fish & Wildlife Service, Wildlife and Sport Fish Restoration Program (CFDA 15.634). This program supports projects that create or enhance wildlife habitat, support research and monitoring, or acquire lands with high value to species of greatest conservation need.
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EPA, multiple grants	533,100	Represents two U.S. Environmental Protection Agency (EPA) grant programs: Performance Partnership grants (CDFA 66.605) which partner with states within 18 separate categorical programs, and Great Lakes Program (CDFA 66.469) which supports the Great Lakes Restoration Initiative.
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HHS, multiple grants	325,000	U. S. Department of Health and Human Services, Food and Drug Administration grants (CFDA 93.103), used primarily in support of food safety activities; supports Food Protection Rapid Response Team.
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USDA, multiple grants	843,800	This fund source represents a number of USDA grant programs including: Plant and Animal Disease, Pest Control, and Animal Care (CDFA 10.025) provided by the USDA Animal and Plant Health Inspection Service (APHIS), the Soil and Water Conservation program (CDFA 10.902), provided by Natural Resources Conservation Service (NRCS); the USDA Pesticide Data Program (CDFA 10.163); and the Specialty Crop Block Grant Program (CDFA 10.170). Many of these federal aid programs are authorized under the Agricultural Aid Act of 2014 (the Farm Bill).
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Private - slow-the-spread foundation	21,100	Funds provided by the private Gypsy Moth Slow-the-Spread Foundation, passed through to the department by the USDA, Funds are used to support MDARD activities associated with an annual pesticide applicator fly-in.
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Agriculture licensing and inspection fees	3,611,600	Established in the Insect Pest and Plant Disease Act, (1931 PA 189), this is a "catch-all" fund for fees collected from a number of department licensing and inspection activities related to animal industry, pesticide and fertilizer regulation, and nursery inspections. The fund is used to support MDARD agriculture regulatory and inspection programs.
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Commodity inspection fees	514,900	Represents fees charged by MDARD for contract inspection services, primarily fruit and vegetable inspections and Good Agricultural Practices (GAP)/Good Handling Practices (GHP) audits; authorized under the Market Conditions Act (1915 PA 91), various other public acts, and Section 301 of appropriations boilerplate. Used to reimburse the department for costs of inspection services.
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Feed control fund	948,600	Established under the Feed Law (1975 PA 120), as amended by Public Act 83 of 2015. Fund revenue is derived from licensing and inspection fees established under the act. Fund revenue is designated for administration and enforcement of the act and for education programs to ensure proper handling of animal feed.
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Fertilizer control fund	738,600	Section 8514 of NREPA establishes the Fertilizer Control Fund as a state-restricted fund and directs all fertilizer regulatory fee revenue, as well as civil and administrative fines under Part 85 of NREPA, to the fund.
Freshwater protection fund	153,900	Established in Section 8716, Part 87 of NREPA, the fund receives revenue from pesticide and fertilizer water quality protection fees. The fund supports MDARD environmental protection programs, including MAEAP; fund revenue is also used as a match for federal conservation and water quality technical assistance grants.
Grain dealers fee fund	607,100	Established in the Grain Dealer's Act, (1939 PA 141), the fund receives revenue from Grain Dealer's Act licensing and inspection fees and from reimbursements of department costs under the Farm Produce Insurance Act (2003 PA 198). The fund is used to support MDARD grain dealer licensing and inspection programs.
Horticulture fund	38,800	Section 209(4) of the Insect Pest and Plant Disease Act, (1931 PA 189), earmarks a portion of nursery license fees, not to exceed \$70,000 each year, for research grants associated with horticulture industry.
Industry support funds	246,400	Although listed as restricted funds in the budget, these are really private funds provided by industry groups to support specific industry events and activities.
STATE GENERAL FUND/ GENERAL PURPOSE	\$5,640,900	Unrestricted state revenue from taxes and other sources.

SECTION 107: ENVIRONMENTAL STEWARDSHIP

This appropriation unit supports assistance to local conservation districts, local governments, drain commissioners, and land users with conservation and development of state soil and water resources. Programs encourage installing and managing sustainable resource protection practices at the local level.

Full-time equated classified positions	55.0	Full-time equated (FTE) positions in the state classified service.
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Environmental stewardship – MAEAP - 23.0 FTE positions	\$9,146,800	Provides funding for a number of targeted programs:
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Supports the staff and operations of the Michigan Agriculture Environmental Assurance Program (MAEAP), within the Environmental Stewardship Division. Responsible for the verification and re-verification of farm systems that have implemented environmentally sound practices required under the MAEAP; monitoring verified farm systems for continue compliance with MAEAP requirements; and administering grants to local conservation districts for the provision of information and educational sessions, farm-specific technical assistance, and on-farm risk assessments.

Supports grants to local conservation districts for the implementation of various state and federal environmental conservation and freshwater protection programs, including technical assistance to agriculture producers implementing eligible conservation practices. This program helps producers access cost-sharing programs established under the Farm Bill.

Groundwater Monitoring: Provides water quality information to private well owners; works under federal monitoring requirements for pesticides.

Michigan Clean Sweep: Program develops legal, safe disposal system for old/unwanted/suspended/canceled pesticides.

Contamination Response: Responds to events involving pesticide contamination of groundwater.

Pesticide Container Recycling: Encourages pesticide users to recycle empty containers at pre-selected sites.

Funding Source(s):	Federal	1,651,900
	Restricted	6,179,800
	GF/GP	1,315,100

Related Boilerplate Section(s): 601, 602, 604

Farmland and open space preservation – 7.0 FTE positions	1,422,100	Supports the staff and operations of the Farmland and Open Space Preservation Program, within the Environmental Stewardship Division. Responsible for the administration, implementation and execution of farmland development rights agreements, conservation easement donations, designated open space easements, appeals of local open space easements, and the purchase of development rights.
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Funding Source(s):	Restricted	1,094,400
	GF/GP	327,700

Related Boilerplate Section(s): 602

Qualified forest program – 9.0 FTE positions	2,582,700	Supports the staff and operations of the Qualified Forest Program (QFP), within the Environmental Stewardship Division. Responsible for the review and approval of applications for property tax exemptions; oversight of activities pursuant to forest management plans; provision and verification of affidavits for landowners; audit of property tax receipts; and implementation of outreach, education, and technical assistance under the program.
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Funding Source(s):	Restricted	288,200
	GF/GP	2,294,500

Related Boilerplate Section(s): 602, 608

Migrant labor housing – 9.0 FTE positions	1,199,400	Supports the staff and operations of the Migrant Labor Housing Program, within the Environmental Stewardship Division. Responsible for the licensing and inspection of housing provided to migrant farm workers; includes inspection of the structural, mechanical, plumbing, electrical, fire safety, egress suitability, hazardous material storage, and other aspects relevant to residential homes and farm operations.
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Funding Source(s):	Restricted	139,200
	GF/GP	1,060,200

Related Boilerplate Section(s): 602

Right-to-farm – 3.0 FTE positions	577,600	Administers Right to Farm Act (1981 PA 93). Activities include investigation and resolution of nuisance complaints involving farm operations in Michigan (pesticide application, livestock production facilities, land application of production by-products). Also administers siting program to ensure that new or expanding livestock and poultry production facilities meet sound construction standards, follow environmental management plans, and are compatible with non-farm neighbors. The Right-to-Farm unit also performs annual reviews of Generally Accepted Agricultural and Management Practices and provides education and technical assistance for biosolids management.
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Funding Source(s):	IDG/IDT	103,100
	GF/GP	474,500

Related Boilerplate Section(s): 602

Intercounty drain – 4.0 FTE positions	484,400	Oversees all intercounty drain construction/financing under authority of the state Drain Code; MDARD staff chair all intercounty drainage boards.
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Funding Source(s):	GF/GP	484,400
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Related Boilerplate Section(s): 602

GROSS APPROPRIATION \$15,413,000 Total of all applicable line item appropriations.

IDG from MDEQ, biosolids	103,100	Represents a 10% earmark of revenue collected by the Department of Environmental Quality for deposit to the Sewage Sludge Land Application Fund under Part 31, NREPA (MCL 324.3132). Fund revenue is used for education and technical assistance related to land application of sewage sludge and its derivatives.
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Department of interior	121,300	State wildlife grants provided through the Department of Interior, U.S. Fish & Wildlife Service, Wildlife and Sport Fish Restoration Program (CFDA 15.634). This program supports projects that create or enhance wildlife habitat, support research and monitoring, or acquire lands with high value to species of greatest conservation need.
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EPA, multiple grants	608,300	Represents two U.S. Environmental Protection Agency (EPA) grant programs: Performance Partnership grants (CDFA 66.605) which partner with states within 18 separate categorical programs, and Great Lakes Program (CDFA 66.469) which supports the Great Lakes Restoration Initiative.
USDA, multiple grants	922,300	This fund source represents a number of USDA grant programs including: Plant and Animal Disease, Pest Control, and Animal Care (CDFA 10.025) provided by the USDA Animal and Plant Health Inspection Service (APHIS), the Soil and Water Conservation program (CDFA 10.902), provided by Natural Resources Conservation Service (NRCS); the USDA Pesticide Data Program (CDFA 10.163); and the Specialty Crop Block Grant Program (CDFA 10.170). Many of these federal aid programs are authorized under the Agricultural Aid Act of 2014 (the Farm Bill).
Agriculture preservation fund	1,094,400	Established in Part 362, NREPA, the fund receives revenue from the repayment of tax credits on the early termination of development rights agreements under Part 361 of NREPA, often referred to as PA 116 agreements. In addition, House Bill 5190, enacted as 2016 PA 266 amended the Income Tax Act to earmark and redirect certain GF/GP revenue to the fund. Fund revenue is used for department administration of farmland/open space preservation programs. [Although an eligible use, fund revenue is not sufficient for purchase of development rights or conservation easements.]
Freshwater protection fund	6,179,800	Established in Section 8716, Part 87 of NREPA, the fund receives revenue from pesticide and fertilizer water quality protection fees. The fund supports MDARD environmental protection programs, including MAEAP; fund revenue is also used as a match for federal conservation and water quality technical assistance grants. [Water quality protection fee increases were made in House Bill 4391, enacted as 2015 PA 118.]
Migratory labor housing fund	139,200	Established under Part 124, Public Health Code, the fund receives revenue from migrant labor housing licensing/inspection fees; the fund is used to support MDARD's migrant labor housing inspection program.
Private forestland enhancement fund	288,200	Established under Part 513, NREPA, the fund receives revenue from a 2 mill fee levied on property enrolled in the QFP, and from tax recapture assessed on property withdrawn from the program. The fund is used for administrative costs of the QFP and for programs to encourage management of private nonindustrial forest lands, incentive and cost share programs to assist land owners, education/training programs, and technical assistance.
STATE GENERAL FUND/ GENERAL PURPOSE	\$5,956,400	Unrestricted state revenue from taxes and other sources.

SECTION 108: LABORATORY PROGRAM

This appropriation unit provides funding for analytical and diagnostic testing services and inspection programs for consumers, industry, and government agencies. The Laboratory Division provides scientific and analytical services in support of programs of the department and other agencies, both federal and state, and testing and consulting services on a fee basis to Michigan's industry and private citizens. The division operates two laboratories: the W. C. Geagley Laboratory in East Lansing and the E. C. Heffron Metrology Laboratory in Williamston.

Full-time equated classified positions	96.0	Full-time equated (FTE) positions in the state classified service.
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Laboratory services – 42.0 FTE positions	\$6,611,000	Supports the staff and operations of the following testing and analysis programs within the W.C. Geagley Laboratory:
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Animal Disease Surveillance: Responsible for the provision of analytical testing to certify that certain animals are free from specific diseases; also participates in university studies and assists with federal disease surveillance.

FDA Food Emergency Response Network: Responsible for the provision of increased sample analysis capacity during the outbreak of foodborne illness or large-scale food adulteration or contamination emergency.

Food and Dairy Microbiology: Responsible for the provision of legally defensible analytic determination of compliance with state and federal food and dairy laws to assure products are safe for human consumption.

Pesticide and Environment: Responsible for the protection of human, animal, and plant health and the environment from the adverse effects of pesticides or misuse of pesticide products.

Feed Safety Testing: Responsible for the provision of analytical testing of animal feed to detect accidental or intentional contamination and prevent deficient or fraudulent nutritional and drug ingredient labeling.

Food Safety Testing: Responsible for the provision of analytical testing of food and beverage products and ingredients to detect the presence of prohibited, extraneous, deleterious, injurious, and filthy substances.

Motor Fuel Quality Testing: Responsible for the protection of consumers and industry from economic fraud by ensuring that gasoline does not contain prohibited fuel extenders, water, or sediment.

Funding Source(s):	IDG/IDT	216,900
	Federal	795,900
	Restricted	1,092,700
	GF/GP	4,505,500

Related Boilerplate Section(s): 301, 651, 652

USDA monitoring program – 13.0 FTE positions	1,616,500	This line item represents the Pesticide Data Program, a work program established under cooperative agreement with the USDA to monitor for pesticide residue in food and agricultural products. The USDA agreement supports staff and other program operating costs at the W.C. Geagley Laboratory, one of seven state laboratories, in addition to a USDA laboratory, performing residue testing under this program. Test results are included in the USDA Pesticide Data Program database and annual summary reports.
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According to the USDA, Agricultural Marketing Service website, the Pesticide Data Program enables the U.S. Environmental Protection Agency to assess dietary exposure to certain pesticides, facilitates the global marketing of U.S. agricultural products, and provides guidance for the U.S. Food and Drug Administration and other governmental agencies to make informed decisions regarding pesticide exposure.

Funding Source(s): Federal 1,616,500

Related Boilerplate Section(s): 651

Consumer protection program – 41.0 FTE positions	6,637,400	Supports the staff and operations of the following testing and analysis programs within the E.C. Heffron Metrology Laboratory:
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Metrology Laboratory: Responsible for the assurance of accurate standards utilized by commercial measurement and manufacturing systems, certification of standards upon request or as required by law, maintenance of standards that conform with nationally accredited standards, verification and calibration of every legal standard used by state officials, and training and certification of metrologists.

Motor Fuel Quality: Responsible for the establishment and enforcement of product quality, labeling, and environmental standards for motor fuels and additives; investigation of consumer complaints; examination of the accuracy, design, proper use, and potential fraud of pumps and devices; and licensure of motor fuel retailers.

Weights and Measures: Responsible for the protection of consumers and industry from weights and measures economic fraud. Activities include: execution of random audits and undercover purchases to ensure accurate product labeling and content; investigation of consumer and industry complaints; administration of voluntary registration program; utilization of national evaluations to ensure that devices meet national standards; and participation in the development of uniform national standards.

Funding Source(s): Restricted 4,543,200
 GF/GP 2,094,200

Related Boilerplate Section(s): 301, 651, 652

GROSS APPROPRIATION	\$14,864,900	Total of all applicable line item appropriations.
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IDG from LARA (LCC), liquor quality testing fees	216,900	Represents the reimbursement by LARA of the cost of MDARD laboratory testing/analyzing alcoholic liquor products offered for sale in Michigan; authorized under the Michigan Liquor Control Code (1998 PA 58), and Administrative Rule, R436.1043.
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EPA, multiple grants	171,700	Represents two U.S. Environmental Protection Agency (EPA) grant programs: Performance Partnership grants (CDFA 66.605) which partner with states within 18 separate categorical programs, and Great Lakes Program (CDFA 66.469) which supports the Great Lakes Restoration Initiative.
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HHS, multiple grants	623,300	U. S. Department of Health and Human Services, Food and Drug Administration grants (CFDA 93.103), used primarily in support of food safety activities; supports Food Protection Rapid Response Team.
USDA, multiple grants	1,617,400	This fund source represents a number of USDA grant programs including: Plant and Animal Disease, Pest Control, and Animal Care (CDFA 10.025) provided by the USDA Animal and Plant Health Inspection Service (APHIS), the Soil and Water Conservation program (CDFA 10.902), provided by Natural Resources Conservation Service (NRCS); the USDA Pesticide Data Program (CDFA 10.163); and the Specialty Crop Block Grant Program (CDFA 10.170). Many of these federal aid programs are authorized under the Agricultural Aid Act of 2014 (the Farm Bill).
Agriculture licensing and inspection fees	78,800	Established in the Insect Pest and Plant Disease Act, (1931 PA 189), this is a "catch-all" fund for fees collected from a number of department licensing and inspection activities related to animal industry, pesticide and fertilizer regulation, and nursery inspections. The fund is used to support MDARD agriculture regulatory and inspection programs.
Dairy and food safety fund	71,200	Established in Section 4117 of the Food Law of 2000, the fund receives revenue from licensing and regulatory fees under the Food Law of 2000, the Grade A Milk Law, and the Manufacturing Milk Law. Fund revenue is used to support food and dairy safety/quality assurance programs.
Feed control fund	147,700	Established under the Feed Law (1975 PA 120), as amended by Public Act 83 of 2015. Fund revenue is derived from licensing and inspection fees established under the act. Fund revenue is designated for administration and enforcement of the act and for education programs to ensure proper handling of animal feed.
Gasoline inspection and testing fund	1,878,400	Established in the Motor Fuels Quality Act (1984 PA 44), the fund receives revenue from a \$1.0 million earmark of certain driver's license fees under the Michigan Vehicle Code, plus inspection fees under 1984 PA 44. The fund is used to support MDARD's motor fuel quality inspection program.
Refined petroleum fund	2,373,200	Established in Part 215, NREPA, the fund receives revenue from a refined petroleum regulatory fee; used in MDARD budget to support the department's Consumer Protection/motor fuel quantity testing program. Senate Bill 791, enacted as 2014 PA 416, will sunset the use of the Refined Petroleum Fund for this purpose after December 31, 2016.
Testing fees	293,100	Revenue from fees charged for laboratory testing/analysis services provided by the department on request. Fees are established by the department as authorized by Section 301 of appropriations boilerplate. Fees are used to reimburse the department for the costs of laboratory analysis services.
Weights and measures regulation fees	793,500	Fund established under the Weights and Measures Act (1964 PA 283), the fund receives revenue from fees collected from owners/operators of scales and other weighing/measuring instruments. Revenue used to support MDARD's Consumer protection/weights and measures program.
STATE GENERAL FUND/ GENERAL PURPOSE	\$6,599,700	Unrestricted state revenue from taxes and other sources.

SECTION 109: AGRICULTURE DEVELOPMENT

This appropriation unit provides funding for the Office of Agriculture Development, which promotes international marketing; endeavors to attract, expand, and retain jobs and investment; and administers various grant programs.

Full-time equated classified positions	15.0	Full-time equated (FTE) positions in the state classified service.
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Agriculture development – 11.0 FTE positions	\$3,604,300	Supports the staff and operations of the following economic and rural development programs within the Office of Agriculture Development:
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Business Development: Responsible for the facilitation of growth of and provision of assistance for the food and agriculture industry and workforce.

Rural Development: Responsible for addressing the needs of businesses and communities to encourage and promote development of rural areas.

International Market Development: Responsible for the provision of assistance for food and agriculture businesses to explore and exploit trade opportunities.

Domestic Marketing: Responsible for the increase of market access for a variety of Michigan-produced food and agriculture products.

Commodity Coordination: Responsible for the coordination of certain agriculture commodities, consisting of regulatory oversight duties.

Grants Administration: Responsible for the administration of state and federal grant programs, including \$1.9 million USDA Specialty Crop grant program.

Funding Source(s):	Federal	2,316,000
	Restricted	87,200
	GF/GP	1,201,100

Related Boilerplate Section(s): 706

Grape and wine program – 3.0 FTE positions	921,000	Supports the staff and operations of the Grape and Wine Industry Council, staffed by the Office of Agriculture Development. Responsible for the provision of research on the making and marketing of wine, information relative to proper methods of wine making and marketing, market surveys and analysis, promotion of the sale of wine grapes and wine, and the administration of financial aid for wine grape growers.
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Additional funding for this program is provided in the One-Time Only Basis appropriations unit.

Funding Source(s):	Restricted	921,000
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Related Boilerplate Section(s): 709

Value-added grants – on-going	500,000	Supports the value-added grant program, which seeks to promote and enhance Michigan's food and agriculture industry. Additional funding for this program is provided in the One-Time Only Basis appropriations unit.
		Funding Source(s): GF/GP 500,000
		<i>Related Boilerplate Section(s): 701</i>
Rural development fund grant program – 1.0 FTE position	2,000,000	Supports the Rural development fund grant program established in 2012 PA 411. Eligibility requirements for these grants include: <ul style="list-style-type: none"> • Projects that address the expansion and sustainability of land-based industries • Projects addressing worker training related to land based industries • Projects addressing energy, transportation, communications, water and wastewater infrastructure to benefit rural communities and micropolitan statistical areas as defined by the US Office of Management and Budget.
		Funding Source(s): Restricted 2,000,000
		<i>Related Boilerplate Section(s): 702</i>
GROSS APPROPRIATION	\$7,025,300	Total of all applicable line item appropriations.
USDA, multiple grants	2,316,000	This fund source represents a number of USDA grant programs including: Plant and Animal Disease, Pest Control, and Animal Care (CDFA 10.025) provided by the USDA Animal and Plant Health Inspection Service (APHIS), the Soil and Water Conservation program (CDFA 10.902), provided by Natural Resources Conservation Service (NRCS); the USDA Pesticide Data Program (CDFA 10.163); and the Specialty Crop Block Grant Program (CDFA 10.170). Many of these federal aid programs are authorized under the Agricultural Aid Act of 2014 (the Farm Bill).
Industry support funds	132,600	Although listed as restricted funds in the budget, these are really private funds provided by industry groups to support specific industry events and activities.
Nonretail liquor fees	875,600	The Liquor Control Code (1998 PA 58) earmarks certain non-retail liquor fees to Michigan Grape and Wine Council, established in MCL 436.1303.
Rural development fund	2,000,000	Fund revenue is derived from a nonferrous metallic minerals extraction tax established in 2012 PA 410.
STATE GENERAL FUND/ GENERAL PURPOSE	\$1,701,100	Unrestricted state revenue from taxes and other sources.

SECTION 110: FAIRS AND EXPOSITIONS

This appropriation unit provides funding for the administration of various financial assistance programs to encourage horse racing, county fairs, and agriculture expositions in Michigan.

Fairs and racing	\$256,600	Supports the administration of purses, supplements, awards, and stakes to encourage Standardbred, Thoroughbred, and light horse breeding and racing in Michigan and the collection of specimens from Standardbred horses at county fairs for drug testing.	
		Funding Source(s):	Restricted 256,600
		<i>Related Boilerplate Section(s): 801, 802</i>	
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County fairs, shows, and exhibitions grants	470,000	Supports competitive grant program to promote and encourage investment in building and other capital improvements at county fairgrounds in Michigan. Supports competitive grant program to promote and encourage equine, livestock, and other agricultural commodity shows and expositions in Michigan.	
		Funding Source(s):	GF/GP 470,000
		<i>Related Boilerplate Section(s): 805</i>	
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Purses and supplements – fairs/licensed tracks	708,300	Supports purse supplements for Standardbred horse races at county fairs and licensed racetracks, special purses for races of 2- and 3-year-old Standardbred horses at county fairs, payments to presiding judges and clerks of the course at county fairs, and the collection of specimens and conducting of tests.	
		Funding Source(s):	Restricted 708,300
		<i>Related Boilerplate Section(s): 801, 802, 804</i>	
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Licensed tracks – light horse racing	40,300	Supports purse supplements for races conducted exclusively for Michigan-bred Quarter, Appaloosa, Arabian, or American Paint horses.	
		Funding Source(s):	Restricted 40,300
		<i>Related Boilerplate Section(s): 801, 802, 804</i>	
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Light horse racing – breeders' awards	20,000	Supports breeders' awards for Michigan-bred Quarter, Appaloosa, Arabian, or American Paint horses winning races at county fairs or licensed racetracks.	
		Funding Source(s):	Restricted 20,000
		<i>Related Boilerplate Section(s): 801, 802, 804</i>	
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Standardbred breeders' awards	345,900	Supports breeders' awards for Michigan-bred Standardbred horses winning races at county fairs or licensed racetracks.	
		Funding Source(s):	Restricted 345,900
		<i>Related Boilerplate Section(s): 801, 802, 804</i>	
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Standardbred purses and supplements – licensed tracks	671,800	Supports purse supplements for Standardbred horse races at county fairs and licensed racetracks and for special 4-year-old filly and colt Standardbred horse races at licensed racetracks.	
		Funding Source(s):	Restricted 671,800
		<i>Related Boilerplate Section(s): 801, 802, 804</i>	

Standardbred sire stakes	275,000	Supports purses for races conducted exclusively for 2- and 3-year-old Michigan-sired Standardbred horses at licensed racetracks.
		Funding Source(s): Restricted 275,000
		<i>Related Boilerplate Section(s): 801, 802, 804</i>
Thoroughbred supplements – licensed tracks	601,900	Supports purse supplements for races conducted exclusively for Michigan-bred Thoroughbred horses and for 4-year-old and older filly and colt Thoroughbred horse races at licensed racetracks.
		Funding Source(s): Restricted 601,900
		<i>Related Boilerplate Section(s): 801, 802, 804</i>
Thoroughbred breeders' awards	368,600	Supports breeders' awards for Michigan-bred Thoroughbred horses winning races at county fairs or licensed race tracks.
		Funding Source(s): Restricted 368,600
		<i>Related Boilerplate Section(s): 801, 802, 804</i>
Thoroughbred sire stakes	378,800	Supports purses for races conducted exclusively for 2- and 3-year-old Michigan-sired Thoroughbred horses at licensed race tracks and awards for owners of Michigan-sired horses or stallions.
		Funding Source(s): Restricted 378,800
		<i>Related Boilerplate Section(s): 801, 802, 804</i>
GROSS APPROPRIATION	\$4,137,200	Total of all applicable line item appropriations.
Agriculture equine industry development fund	3,667,200	Established in the Horse Racing Law of 1995, fund revenue is primarily derived from a 3.5% tax on simulcast horse racing wagering. Fund revenue is used for horse racing purse supplements, and horse racing regulatory costs of the Michigan Gaming Control Board (in the Treasury budget).
STATE GENERAL FUND/ GENERAL PURPOSE	\$470,000	Unrestricted state revenue from taxes and other sources.

SECTION 111: ONE-TIME BASIS ONLY

This appropriation unit includes all FY 2016-17 appropriations intended by the Legislature to be one-time allocations which are not intended to be reauthorized for future fiscal years.

Value-added grants – one-time	\$1,000,000	Supports the value-added grant program, which seeks to promote and enhance Michigan's food and agriculture industry. Additional funding for this program is provided in the Agriculture Development appropriations unit.
		Funding Source(s): GF/GP 1,000,000
		<i>Related Boilerplate Section(s): 701</i>
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Grape and wine council – one-time	170,000	This one-time GF/GP appropriation supplements ongoing funding for the Grape and wine council in Agriculture Development.
		Funding Source(s): GF/GP 170,000
		<i>Related Boilerplate Section(s): 702</i>
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Vital agriculture infrastructure grant program	220,000	This appropriation supports a one-time capital construction project.
		Funding Source(s): GF/GP 220,000
		<i>Related Boilerplate Section(s): None</i>
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Tree fruit research grants	500,000	Supports a one-time appropriation for tree fruit research grants.
		Funding Source(s): GF/GP 500,000
		<i>Related Boilerplate Section(s): None</i>
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Animal agriculture initiative – one-time	500,000	This one-time GF/GP appropriation supplements ongoing funding for this program in Animal Industry.
		Funding Source(s): GF/GP 500,000
		<i>Related Boilerplate Section(s): None</i>
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GROSS APPROPRIATION	\$2,390,000	Total of all applicable line item appropriations.
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STATE GENERAL FUND/ GENERAL PURPOSE	\$2,390,000	Unrestricted state revenue from taxes and other sources.
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BOILERPLATE SECTION INFORMATION

GENERAL SECTIONS

Sec. 201. State Spending From State Resources and Payments to Local Units of Government

Identifies state spending from state resources and state resources to be paid to local units of government.

Sec. 202. Applicability of Management and Budget Act

References the Management and Budget Act (1984 PA 431).

Sec. 203. Definitions

Defines various terms and acronyms appearing in the article.

Sec. 204. Internet Reporting

Requires the department to use the Internet to fulfill legislative reporting requirements.

Sec. 205. Buy American and Buy Michigan

Prohibits the purchase of foreign goods or services if competitively priced and comparable quality American goods and services are available; requires that preference be given to Michigan businesses and to Michigan businesses owned and operated by veterans.

Sec. 206. Deprived and Depressed Communities

Directs department director to take reasonable steps to insure that businesses in deprived and depressed communities compete for and perform contracts for services or supplies, or both; directs the department director to encourage department contractors to subcontract with certified businesses in deprived and depressed communities.

Sec. 207. Out-of-State Travel

Provides for annual out-of-state travel report due January 1 of each year.

Sec. 208. Hire of Outside Legal Counsel

Prohibits the department from hiring a person to provide legal services that are the responsibility of the Attorney General; exempts bond counsel or outside legal counsel authorized by the Attorney General.

Sec. 209. General Fund/General Purpose Lapse Report

Requires the State Budget Office to prepare and transmit a report, by November 30, of estimated GF/GP lapses for department programs or program areas for the prior fiscal year.

Sec. 210. Contingency Appropriations

Provides contingent spending authority of \$5.0 million federal funds, \$6.0 million state restricted funds, \$100,000 local funds, and \$100,000 private funds, subject to legislative transfer process of Section 393(2) of the Management and Budget Act.

Sec. 211. Transparency Website

Directs the department, in cooperation with DTMB, to maintain a searchable website accessible by the public at no cost that includes various appropriation, expenditure, procurement, and staffing information.

Sec. 212. Restricted Fund Balance Report

Requires report on restricted fund revenues, expenditures, and estimated year-end balances; report due within 14 days of the release of the Executive budget recommendation.

Sec. 213. Key Metrics/Scorecard Website

Requires the department to maintain, on a publicly accessible website, a "scorecard" that identifies, tracks, and regularly updates, key metrics used to monitor and improve the department's performance.

Sec. 214. Annual Legacy Costs

Section identifies estimated department "legacy costs" for the fiscal year ending September 30, 2017 of \$11.9 million, of which of pension related costs were \$6.6 million and retiree health care costs \$5.3 million.

Sec. 215. Communications with the Legislature

Prohibits the department from taking disciplinary action against an employee for communicating with a member of the Legislature or legislative staff.

Sec. 234. Record Retention

Requires the department to retain records in accordance with state and federal guidelines.

BOILERPLATE SECTION INFORMATION

DEPARTMENTWIDE

Sec. 301. *Miscellaneous Fees, Use of Fee Revenue, Fee Reports*

Authorizes the department to establish a fee schedule and collect fees for various work activities and services; authorizes the department to receive and expend fee revenue, subject to appropriation, for the purpose of recovering expenses related to specific work activities and services; authorizes unexpended fee revenue to carry forward for appropriation in subsequent fiscal years; requires the department to notify appropriation subcommittees and fiscal agencies 30 days prior to proposing changes to fees; requires a report, due on February 1 of each year, on fee rates, number of individuals paying each fee, and revenue generated from each fee in the previous fiscal year.

Sec. 302. *Grants Reporting Requirements*

Authorizes the department to contract with or provide grants to local units of government, institutions of higher education, or nonprofit organizations to support activities authorized by appropriations, including research grants for the purpose of enhancing the agricultural industries of the state. Requires the department to notify the appropriations subcommittees and fiscal agencies at least 7 days prior to notification of contract or grant recipients.

Sec. 303. *Online Licensing Applications*

Indicates Legislative intent that the department use revenue from licensing and inspection fees to increase the use of technology in licensing and inspection activities to make licensing and inspection functions, including reporting, more efficient. Directs the department to work to ensure that all license and registration applications can be completed online through a secure web portal.

FOOD AND DAIRY

Sec. 401. *Food and Dairy Division Annual Report*

Requires the department to report on the previous calendar year's activities of the Food and Dairy Division, including information on significant food-borne outbreaks and emergencies, and enforcement actions taken related to food safety. The section requires the department to transmit the report to the appropriations subcommittees and fiscal agencies by April 1 of each year.

Sec. 403. *Food Safety & Modernization Act Program (FSMA)*

Indicates legislative intent that the department work with the U.S. Food and Drug Administration and representatives of agriculture producers to develop on-farm FSMA education and training programs; authorizes the department to receive and expend federal funds in addition to those appropriated in Part 1; requires the department to notify the appropriations subcommittees and fiscal agencies prior to expending additional federal funds authorized under the section.

ANIMAL INDUSTRY

Sec. 451. *Bovine Tuberculosis – Whole Herd Testing Costs*

Requires the department to pay for all whole herd and individual animal testing costs in the modified accredited zone to maintain split-state status requirements. Indicates that these testing costs include indemnity and compensation for injuries causing animal death or downer.

Sec. 452. *Animal Industry Division Annual Report*

Requires the department to report on the previous calendar year's activities of the Animal Industry Division; requires the department to transmit the report to the appropriations subcommittees and fiscal agencies by April 1 of each year.

Sec. 453. *Livestock Indemnification Payments*

Subsection 1 authorizes the department to provide for indemnity payments, pursuant to Animal Industry Act (1988 PA 466), from the *Animal disease prevention and response* line item, not to exceed \$100,000 per order. Subsection 2 requires the department, prior to making an indemnification payment, to report to the appropriations subcommittees and fiscal agencies on the reason for the indemnification, the amount of the indemnification, and the person to whom the indemnification is to be paid. Subsection 3 requires the department to make indemnification payments from the line item *Indemnification - livestock depredation* for livestock killed by wolves, coyotes, or cougars, pursuant to the Wildlife Depredation Indemnification Act, (2012 PA 487). Subsection 4 requires the department to report to the appropriations subcommittees and fiscal agencies prior to March 1, 2017 on the previous fiscal year's livestock depredation indemnification payments, specifically, the reason for the indemnification payment, the amount of the indemnification, and the person to whom the indemnification was paid.

BOILERPLATE SECTION INFORMATION

Sec. 454. Bovine Tuberculosis (TB) Program

Directs the department to collaborate with the USDA to monitor bovine TB consistent with the May 2014 memorandum of understanding between the department and the USDA.

Sec. 457. Bovine TB Program Report

Requires the department to submit an initial report on or before October 15, 2016, and quarterly reports thereafter, to the appropriations subcommittees and fiscal agencies on Bovine TB status and department activities; the section identifies specific information to be included in the reports.

Sec. 458. Aquaculture Facility Testing

Requires the department to provide inspection and testing of aquaculture facilities and aquaculture researchers as provided under Section 7 of the Aquaculture Development Act (1996 PA 199).

Sec. 459. Bovine TB Testing/Retesting Limitations

Indicates Legislative intent that the 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.

PESTICIDE AND PLANT PEST MANAGEMENT

Sec. 501. Pesticide and Plant Pest Management Division (PPPM) Annual Report

Requires the department to report on the previous calendar year's activities of the PPPM Division. The section requires the department to transmit the report to the appropriations subcommittees and fiscal agencies by April 1 of each year.

ENVIRONMENTAL STEWARDSHIP

Sec. 601. Environmental Stewardship/MAEAP

Directs that the *Environmental Stewardship/MAEAP* line item be used to support department agriculture pollution prevention programs, including groundwater and freshwater protection programs under Part 87 of the Michigan Natural Resources and Environmental Protection Act, and technical assistance in implementing conservation grants available under the Federal Farm bill of 2014.

Sec. 602. Environmental Stewardship Division Annual Report

Requires the department to report on the previous calendar year's activities of the Environmental Stewardship Division. The section requires the department to transmit the report to the appropriations subcommittees and fiscal agencies by April 1 of each year.

Sec. 604. Appropriation of Additional Federal Revenues

Authorizes the department to receive and expend federal revenues in excess of the amounts appropriated under Part 1, Section 107 for environmental stewardship and MAEAP activities; requires the department to notify the Legislature prior to expending federal revenue received and appropriated under Section 604.

Sec. 608. Qualified Forest Program

Defines the purpose of the program as increasing nonindustrial private forestland owners' knowledge of best management practices and increasing the amount of commercial timber production from nonindustrial private forestland; directs the department to work in partnership with stakeholder groups and other state and federal agencies to increase the active management of nonindustrial private forestland to foster the growth of Michigan's timber product industry.

LABORATORY PROGRAM

Sec. 651. Laboratory Division Annual Report

Requires the department to report on the previous calendar year's activities of the Laboratory Division. The section requires the department to transmit the report to the appropriations subcommittees and fiscal agencies by April 1 of each year.

Sec. 652. Laboratory Program Turnaround Times

Requires the department's laboratory program to increase turnaround times at the Geagley Laboratory and implement a risk-based inspection program on devices and package content in the consumer protection program. Directs the department to track program outcomes by measuring turnaround times, and the percentage on compliant measurement devices inspected in the fiscal year.

BOILERPLATE SECTION INFORMATION

AGRICULTURE DEVELOPMENT

Sec. 701. Value-Added Grant Program

Subsection 1 directs the department to: 1) establish and administer a competitive grant program, and 2) establish and administer a food and agriculture investment program. Subsection 2 directs both programs to promote the expansion of value-added agricultural production, processing, and access within the state. Subsection 3 authorizes the department to receive and expend funds received from outside sources for both grant programs. Subsection 4 indicates that grantees funded through the competitive grant program will be required to provide a cash match [the amount of the match is not specified], and identify project outcomes. Grantees may include individuals, partnerships, cooperatives, and private or public corporations. Subsection 5 establishes a selection process for the competitive grant program; Subsection 6 requires the department to provide to the appropriations subcommittee and fiscal agencies a year-end report on the competitive grant program, due no later than September 30 "of the current fiscal year." Subsection 7 provides criteria for the administration of the food and agriculture investment program. Subsection 8 authorizes unexpended funds from the value-added to be considered a work project. Subsection 9 authorizes the department to expend money appropriated for the value-added grant program for administration of the program.

Sec. 702. Rural Development Fund

Directs the department to work with the Rural Development Fund Board to establish a process and criteria for funding projects as well as establishing metrics and measurable outcomes for the program established under 2012 PA 41.

Sec. 706. Agriculture Development Division Annual Report

Requires the department to report on the previous calendar year's activities of the Agriculture Development Division, including specific information on agriculture development grant awards. The section requires the department to transmit the report to the appropriations subcommittees and fiscal agencies by April 1 of each year.

Sec. 709. Grape and Wine Industry Council Report

Requires the department to report on the previous calendar year's activities of the Grape and Wine Industry Council, including specific information on Council prior year activities and accomplishments, expenditures by category, and grant awards. The section requires the department to transmit the report to the appropriations subcommittees and fiscal agencies by April 1 of each year.

FAIRS AND EXPOSITIONS

Sec. 801. Agriculture Equine Industry Development Fund (AEIDF)

Requires that all appropriations from the AEIDF be spent on equine-related purposes.

Sec. 802. Agriculture Equine Industry Development Fund Reductions

Directs that appropriations from the AEIDF, other than the Michigan Gaming Control Board (MGCB) regulatory expenses, and the department's expenses for horse racing program administrative and laboratory analysis, be reduced proportionally if AEIDF revenues decline to a level lower than the amounts appropriated.

Sec. 804. Michigan Gaming Control Board Costs

States legislative intent that the MGCB use actual expenditure data in determining the actual regulatory costs of conducting horse racing dates; directs the MGCB to provide expenditure data to the Legislature by November 1.

BOILERPLATE SECTION INFORMATION

Sec. 805. County Fairs, Shows, and Exhibitions Grant Program

Subsection 1 requires the department to establish a county fairs, shows, and exhibitions grant program to assist in the promotion of building improvements or other capital improvements at county fairgrounds of the state, and to provide financial support, promotion, prizes and premiums for equine, livestock, and other agricultural expositions in the state. Subsection 2 establishes a process for awarding county fair capital grants. Subsection 3 earmarks \$20,000 for the purpose of financial support, promotion, prizes and premiums for equine, livestock, and other agricultural expositions in the state. Subsection 4 establishes a process for awarding shows and expositions grants. Subsection 5 directs the department to identify criteria, evaluate applications, and provide recommendations to the director for final approval of grant awards. Subsection 6 provides a \$60,000 earmark for capital improvements at the Lenawee County Fair. Subsection 7 provides a \$50,000 earmark for capital improvements at the Tuscola County Fair. Subsection 8 provides a \$40,000 earmark for capital improvements at the Monroe County Fair. Subsection 9 authorizes the department to expend money appropriated for the grant program for administration of the program. Subsection 10 authorizes unexpended funds from the grant program to be considered a work project. Subsection 11 requires a year-end report to the appropriations subcommittees and fiscal agencies, due not later than December 1, 2017, listing grantees, award amounts, match funding, and project outcomes.

PART 2A: GENERAL SECTIONS

Sec. 1201. FY 2017-18 Appropriation

Stipulates legislative intent that the FY 2017-18 appropriations are anticipated to be the same as FY 2016-17 appropriations, except for adjustments for changes in caseloads, federal match rates, economic factors, and available revenue.



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