

AGRICULTURE AND RURAL DEVELOPMENT
Summary of FY 2013-14 Enacted Appropriations
Article I, 2013 Public Act 59 (House Bill 4328)



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	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Enacted	Difference: Enacted From FY 2012-13 YTD	
						Amount	%
IDG/IDT	\$519,300	\$524,300	\$524,300	\$524,300	\$524,300	\$5,000	1.0
Federal	11,199,600	9,720,900	9,720,900	9,720,900	9,960,900	(1,238,700)	(11.1)
Local	0	0	0	0	0	0	--
Private	175,800	96,900	96,900	96,900	96,900	(78,900)	(44.9)
Restricted	28,959,400	29,020,900	29,020,900	29,020,900	29,020,900	61,500	0.2
GF/GP	36,098,900	37,630,300	37,430,300	39,780,300	40,580,300	4,481,400	12.4
Gross	\$76,953,000	\$76,993,300	\$76,793,300	\$79,143,300	\$80,183,300	\$3,230,300	4.2
FTEs	431.0	434.0	434.0	435.0	440.0	9.0	2.1

Notes: (1) FY 2012-13 year-to-date (YTD) figures include mid-year budget adjustments through February 7, 2013.
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.

Overview

Key programs and priorities of the Department of Agriculture and Rural Development include ensuring food safety and security, protecting animal health and welfare, managing invasive exotic species, regulating pesticide use, certifying agricultural commodities, ensuring environmental stewardship, protecting consumers, and promoting the state's agricultural economy.

Major Budget Changes From FY 2012-13 YTD Appropriations

1. Economic Adjustments

Reflects increased costs of \$1.8 million Gross (\$904,600 GF/GP) for negotiated salary and wage amounts, insurance rate increases, actuarially-required retirement rate increases, building and other economic adjustments.

	FY 2012-13 YTD (as of 2/7/13)	Enacted Change From YTD
Gross	N/A	\$1,764,400
IDG	N/A	7,400
Federal	N/A	230,300
Private	N/A	3,400
Restricted	N/A	618,700
GF/GP	N/A	\$904,600

2. Food Safety

Includes net \$250,000 GF/GP reduction for food safety wholesale and retail sampling and follow-up and related laboratory testing with elimination of \$500,000 GF/GP one-time funding, offset by \$250,000 GF/GP increase in ongoing funding. The ongoing funding increase is allocated \$65,000 to food safety and \$185,000 to laboratory services. YTD shown is Food Safety and Quality Assurance line item, and one-time New Food Safety Requirements line item.

Gross	\$10,667,500	(\$250,000)
Federal	687,400	0
Restricted	3,296,400	0
GF/GP	\$6,683,700	(\$250,000)

3. Pesticide and Plant Pest Management

Provides net increase of 4.0 FTEs and \$787,600 Gross (\$1.8 million GF/GP) for agriculture product assurance and export assistance to maintain current inspection and certification programs. GF/GP is increased by \$1.0 million to offset federal and state restricted funds reductions to the program of the same amount. One-time funding of \$800,000 GF/GP is also provided to offset shortfall in state restricted revenue from agriculture licensing and inspection fees.

FTEs	77.0	4.0
Gross	\$10,610,100	\$787,600
Federal	2,049,300	(435,600)
Private	86,800	(66,800)
Restricted	4,837,400	(510,000)
GF/GP	\$3,636,600	\$1,800,000

4. Department of Interior Grant Funds

Includes new federal grant funds of \$120,000 for the pesticide and plant pest management program and \$120,000 for the environmental stewardship program from the U. S. Department of the Interior.

Gross	\$0	\$240,000
Federal	0	240,000
GF/GP	\$0	\$0

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 YTD (as of 2/7/13)	Enacted Change From YTD
5. Animal Industry - Disease Prevention and Response	Gross	\$8,956,700	(\$449,300)
Recognizes \$449,300 of reduced federal and state restricted revenue for the animal disease prevention and response program reflecting declines of \$336,200 from federal USDA grants and \$113,100 from agriculture licensing and inspection fees.	Federal	880,400	(336,200)
	Restricted	332,700	(113,100)
	GF/GP	\$7,743,600	\$0
6. Producer Security/Grain Dealer Program	FTEs	4.0	1.0
Reflects increase of 1.0 FTE and \$150,000 of state restricted fee revenue from recently enacted grain dealer license fee increase (PA 148 of 2012). Funds are used to provide regulatory oversight of grain dealers and administer the farm producer security program.	Gross	\$574,200	\$150,000
	Restricted	557,400	150,000
	GF/GP	\$16,800	\$0
7. Farmland and Open Space Preservation	Gross	\$1,372,000	\$192,500
Increases funding for administration of the Farmland and Open Space Preservation program by \$392,500 from the state restricted Agricultural Preservation Fund, an increase from \$872,000 to \$1.26 million, which requires statutory amendment (enacted in Public Act 86 of 2013 (HB 4663)). Also, reduces capital outlay appropriation for farmland and open space development acquisition from \$500,000 to \$300,000, funded by the Agricultural Preservation Fund.	Restricted	1,372,000	192,500
	GF/GP	\$0	\$0
8. USDA Monitoring	Gross	\$2,548,700	(\$1,000,000)
Recognizes \$1.0 million reduction in funding for the USDA Monitoring Program from USDA federal grants. Program collects data on pesticide residue and microbiological pathogens in foods, and has food emergency response network capabilities in case of microbiological threat agents in food.	Federal	2,548,700	(1,000,000)
	GF/GP	\$0	\$0
9. Agriculture Development Staffing	FTE	10.0	1.0
Includes an increase of \$130,000 GF/GP and 1.0 FTE to add an agriculture economic development specialist position with a focus on the Upper Peninsula.	Gross	\$2,712,000	\$130,000
	Federal	1,566,800	0
	Restricted	104,500	0
	GF/GP	\$1,040,700	\$130,000
10. New Food and Agriculture Industry Strategic Growth Initiative	Gross	N/A	\$1,000,000
Provides \$1.0 million GF/GP for new competitive grant program to foster agriculture industry-wide development and growth, focused on removing barriers and leveraging opportunities in food processing and other areas as identified by an advisory group formed by the Director. Sec. 711 is related new boilerplate, which also allows for receipt and expenditure of funds for the program from the Michigan Strategic Fund or the Michigan Economic Development Corporation.	GF/GP	N/A	\$1,000,000
11. County Fairs Capital Improvement Grants	Gross	\$281,600	\$20,000
Increases grants for capital improvements for county fairs by \$20,000 GF/GP.	GF/GP	\$281,600	\$20,000
12. Qualified Forest Affidavit Program	FTE	0.0	5.0
Provides \$1.7 million GF/GP increase for one-time funding for qualified forest affidavit program, as enacted June 2013 in a 9-bill package. Current year one-time funding of \$600,000 GF/GP for this program is continued and combined with the new funding. Ongoing funding of \$200,000 GF/GP (private forest development line item) is maintained and 5.0 FTEs are added to administer the expanded program.	Gross	\$800,000	\$1,700,000
	GF/GP	\$800,000	\$1,700,000
13. Water Resources Study - One-Time Appropriation	Gross	N/A	\$300,000
Include new one-time funding of \$300,000 GF/GP for an Ottawa County water resources study. Sec. 1104 is new related boilerplate defining participation and scope of study. Findings shall be made available to the Department and to the Department of Environmental Quality.	GF/GP	N/A	\$300,000

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 YTD (as of 2/7/13)	Enacted Change From YTD
14. Other One-Time Appropriations	Gross	\$1,370,300	(\$1,370,300)
Discontinues a one-time appropriation for lump-sum payments to state employees of \$470,300 Gross (\$235,300 GF/GP), and a one-time appropriation for rural development value-added grants of \$900,000 GF/GP.	IDG	2,400	(2,400)
	Federal	85,000	(85,000)
	Private	1,500	(1,500)
	Restricted	146,100	(146,100)
	GF/GP	\$1,135,300	(\$1,135,300)
15. Technical Fund Source Change	Gross	N/A	N/A
Fund source identified in the budget as "Licensing and inspection fees" is revised to "Agriculture licensing and inspection fees".	GF/GP	N/A	N/A

Major Boilerplate Changes From FY 2012-13

Sec. 231. Report on Ten Measurable Outcomes – REVISED

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

Sec. 453. Indemnification Payments - REVISED

(1) Allows the Department to provide for indemnification payments pursuant to the Animal Industry Act, not to exceed \$100,000 per order; requires report prior to an indemnification. (2) Requires the Department to make an indemnification payment for the fair market value of livestock killed by wolves, coyotes, or cougars. (3) Directs that the part 1 appropriation is for indemnifications under (2) and related costs, and provides for a report. In a signing letter dated June 13, 2013, the Governor asserts that (2) of this boilerplate section is unenforceable.

Sec. 551. Commodity Export Inspection Programs – DELETED

States Legislative intent that the Department work with industry to ensure development of a sustainable system of third-party inspections of fruits and vegetables. Allocates \$200,000 to ensure timely commodity export inspections.

Sec. 552. Clean Sweep Program – DELETED

Encourages the Department to work with local public health departments and the USDA to maintain and expand the Clean Sweep program, including disposal of prescription drugs; requires report.

Sec. 608. Lake St. Clair Water Quality - DELETED

Requires the Department to work to address water quality issues affecting Lake St. Clair including efforts to reduce nonpoint source pollution, from the funds appropriated for the Michigan agriculture environmental assurance program.

Sec. 803. Thoroughbred Program Escrow - REVISED

Requires that if there is no live thoroughbred race meet in 2013 or 2014 all purse money and program money appropriated for the thoroughbred program be held in escrow for a stated period, and establishes the portion of the purse pool distribution related to thoroughbred races that is to be held in escrow. In a signing letter dated June 13, 2013, the Governor asserts that this boilerplate section is unenforceable.

Sec. 1101. Rural Development Value-Added Grant Program – REVISED

Provides criteria for the Rural Development Value-Added Grant Program, and requires reports. Sec. 1101 is moved from One-Time Basis Only Appropriations section to Agriculture Development section, and renumbered to Sec. 701.

Sec. 1201. Anticipated FY 2014-15 Appropriations – REVISED

States Legislative intent to provide FY 2014-15 appropriations for the line items in part 1, anticipated to be the same as FY 2013-14 except for adjustments for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue.

Sec. 1202. FY 2014-15 Retirement Costs – NEW

Establishes Legislative intent that the Department identify normal retirement costs and legacy retirement costs for the line items for FY 2014-15.