

AGRICULTURE
Summary of FY 2009-10 Enacted Appropriations
2009 PA 119 (Senate Bill 237)

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IDG/IDT	FY 2008-09 YTD as of 2/12/09	FY 2009-10 Executive	FY 2009-10 Senate	FY 2009-10 House	FY 2009-10 Enacted	Difference: Enacted From FY 2008-09 YTD	
						Amount	%
Federal	\$9,539,200	\$435,700	\$1,362,300	\$685,700	\$712,300	(\$8,826,900)	(92.5)
ARRA							
Non-ARRA	16,121,900	14,231,100	14,231,100	15,531,100	15,531,100	(590,800)	(3.7)
Local	0	0	0	0	0	---	---
Private	237,200	243,200	243,200	243,200	243,200	6,000	2.5
Restricted	46,955,800	34,602,800	40,002,800	39,972,900	26,721,600	(20,234,200)	(43.1)
GF/GP	32,488,600	33,987,100	30,588,400	30,477,000	30,050,500	(2,438,100)	(7.5)
Gross	\$105,642,700	\$83,499,900	\$86,427,800	\$86,909,900	\$73,258,700	(\$32,384,000)	(30.7)
FTEs	600.5	597.5	595.5	597.5	593.5	(7.0)	(1.2)

Notes: (1) FY 2008-09 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2009-10 Executive Budget on February 12. (2) "ARRA" represents temporary funds received under federal American Recovery and Reinvestment Act.

Overview

The Department of Agriculture promotes Michigan agricultural products and protects the public from disease and unsanitary conditions in food production and handling; regulates product labeling and producer practices for dairy products, animals, and plants; and enforces consumer protection laws in food, standard weights/measures, animal health, plant pests, and diseases.

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		<u>FY 2008-09 YTD</u> <u>(as of 2/12/09)</u>	<u>Enacted Change</u> <u>From YTD</u>
1. Commissions and Boards	Gross	\$32,800	(\$9,000)
Appropriates \$23,800; eliminates use of Upper Peninsula State Fair revenue as a fund source.	Restricted	17,800	(9,000)
	GF/GP	\$15,000	\$0
	FTEs	6.0	(4.0)
2. Unclassified Positions	Gross	\$354,000	(\$140,700)
Appropriates \$213,300; eliminates use of State Services Fee Fund (SSFF) revenue. Funding supports two positions: department director, and special projects coordinator.	Restricted	160,500	(160,500)
	GF/GP	\$193,500	\$19,800
	FTEs	10.0	0.0
3. Executive Direction	Gross	\$922,600	\$51,200
Appropriates \$973,800; replaces SSFF revenue with GF/GP. State Budget Office had identified \$63,200 in economic increases.	Restricted	108,000	(71,500)
	GF/GP	\$814,600	\$122,700
	FTEs	24.0	0.0
4. Management Services	Gross	\$1,725,800	\$115,100
Appropriates \$1.8 million; replaces SSFF revenue with GF/GP. State Budget Office had identified \$144,100 in economic increases.	Restricted	136,500	(15,500)
	GF/GP	\$1,589,300	\$130,600
	FTEs	1.0	0.0
5. Statistical Reporting Service	Gross	\$143,700	\$1,300
Appropriates \$145,000; State Budget Office had identified \$2,300 in economic increases.	Restricted	78,400	1,300
	GF/GP	\$65,300	\$0
	FTEs	2.5	4.0
6. Emergency Management	Gross	\$243,300	\$503,800
Appropriates \$747,100; includes \$500,000 and 4.0 new FTE positions related to federal grant first recognized in FY 2008-09 transfer; replaces SSFF revenue with GF/GP; recognizes \$3,820 in economic increases.	Federal	0	500,000
	Restricted	243,300	(243,300)
	GF/GP	\$0	\$247,100

Major Budget Changes From FY 2008-09 YTD Appropriations		FY 2008-09 YTD (as of 2/12/09)	Enacted Change From YTD
7. Internal Audit Services	Gross	\$263,700	(\$263,700)
Internal audit functions were transferred to the Department of Management and Budget/State Budget Office in 2009.	GF/GP	\$263,700	(\$263,700)
8. Departmentwide – Rent and Building Occupancy	Gross	\$1,231,500	(\$810,400)
Appropriates \$421,200; eliminates all GF/GP and SSFF support. Actual building occupancy costs not funded in this line are charged to other department program areas.	Federal	185,400	(32,000)
	Restricted	532,900	(265,200)
	GF/GP	\$513,200	(\$513,200)
9. Food and Dairy – Food Safety and Quality Assurance	FTEs	115.0	0.0
Appropriates \$12.5 million Gross, \$8.9 million GF/GP – the largest appropriation of GF/GP revenue in this budget. Recognizes \$100,000 in increased milk inspection fee revenue; a bill to effect this increase has not yet been introduced. State Budget Office had identified \$213,700 Gross, \$155,300 GF/GP in economic increases.	Gross	\$12,598,000	(\$58,300)
	Federal	407,400	63,100
	Restricted	2,988,800	150,300
	GF/GP	\$9,201,800	(\$271,700)
10. Food and Dairy – Local Public Health Program	Gross	\$8,878,700	(\$8,878,700)
Eliminates line item which had been used as a placeholder to recognize the Department's oversight role in local public health department food service inspection program. Elimination of the line has no program impact; local public health agencies' food service inspection programs are funded in the Department of Community Health budget.	IDG	8,878,700	(8,878,700)
11. Animal Industry – Animal Health and Welfare	FTEs	21.5	0.0
Appropriates \$2.3 million; eliminates \$133,200 in Agriculture Equine Industry Development Fund (AEIDF) support. The \$321,000 in restricted revenue includes \$108,000 from Licensing and inspection fees, \$75,000 in Cervid fees, and \$138,000 in from Animal welfare fund revenue. The Cervid fee appropriation is not supported by actual revenue.	Gross	\$2,382,200	(\$91,400)
	Federal	465,100	5,000
	Restricted	240,100	80,900
	GF/GP	\$1,677,000	(\$177,300)
12. Animal Industry – Bovine Tuberculosis	FTEs	48.5	0.0
Offsets reductions in restricted AEIDF and SSFF support with increased GF/GP. The \$6.6 million GF/GP appropriation is the second largest use of GF/GP within this budget. State Budget Office had identified economic increases related to the two Animal Industry line items to be \$331,700 Gross, \$294,500 GF/GP.	Gross	\$7,425,200	(\$86,900)
	Federal	750,000	31,100
	Restricted	2,120,600	(2,120,600)
	GF/GP	\$4,554,600	\$2,002,600
13. Pesticide and Plant Pest Management – PPPM	FTEs	110.0	0.0
Appropriates \$11.9 million Gross, \$4.0 million GF/GP – GF/GP funding for this program had been \$6.6 million in FY 2000-01. Recognizes anticipated increase in federal grant revenue. State Budget Office had identified \$200,700 Gross, \$72,500 GF/GP in economic increases.	Gross	\$12,073,000	(\$143,700)
	Federal	2,447,700	101,900
	Private	148,000	4,600
	Restricted	5,165,100	46,700
	GF/GP	\$4,312,200	(\$296,900)
14. Emerald Ash Borer Program	FTEs	24.5	0.0
Appropriation of \$3.0 million reflects continuing reduction in federal support for this program; appropriation had been as much as \$25.0 million in FYs 2003-04 and 2004-05.	Gross	\$5,191,400	(\$2,157,200)
	Federal	5,191,400	(2,157,200)
15. Environmental Stewardship	FTEs	27.0	0.0
Appropriates \$2.6 million Gross, \$1.9 million GF/GP – GF/GP funding for this program had been \$2.7 million in FY 2000-01. Although the budget includes a \$351,600 IDG from MDEQ for the MAEAP program, this funding is not supported by actual revenue. Recognizes \$110,000 in proposed migrant labor housing inspection fees; a bill to authorize such fees has not yet been enacted. State Budget Office had identified \$35,400 in economic increases.	Gross	\$2,711,500	(\$129,000)
	IDG	268,600	176,800
	Federal	231,500	(192,000)
	Restricted	49,800	110,600
	GF/GP	\$2,161,600	(\$224,400)

Major Budget Changes From FY 2008-09 YTD Appropriations		FY 2008-09 YTD (as of 2/12/09)	Enacted Change From YTD
16. Groundwater/Freshwater Protection Program	FTEs	15.0	0.0
Appropriates \$5.3 million; federal funding reduced to reflect actual anticipated revenue. Restricted revenue from Freshwater protection fund.	Gross	\$5,472,500	(\$217,400)
	Federal	467,800	(252,300)
	Restricted	5,004,700	34,900
17. Farmland/Open Space Preservation	FTEs	9.0	0.0
Funding from Agriculture Preservation Fund and Freshwater Protection Fund. State Budget Office had identified economic increase of \$21,400.	Gross	\$985,500	\$21,400
	Restricted	985,500	21,400
18. Agriculture Pollution Prevention Program	Gross	\$1,000,100	\$0
No change from current year appropriation.	Federal	1,000,000	0
	Restricted	100	0
19. Technical Assistance Match	Gross	\$252,600	(\$252,600)
Line item had supported program of technical assistance to farmers and landowners in completing federally-funded Natural Resources Conservation Service contracts. Not included in enacted budget.	GF/GP	\$252,600	(\$252,600)
20. Local Conservation Districts - VETOED	Gross	\$916,800	(\$916,800)
The enrolled bill had included \$236,900 GF/GP support; the line was eliminated by the Governor's veto. GF/GP funding for this program had been \$2.8 million in FY 2000-01.	GF/GP	\$916,800	(\$916,800)
21. Aquifer Protection Program	Gross	\$50,000	(\$50,000)
Budget does not include line which had been funded with IDG from MDEQ.	IDG	50,000	(50,000)
22. Water Withdrawal Assessment Program	Gross	\$130,000	(\$130,000)
Budget does not include this line which was new in FY 2008-09 budget.	GF/GP	\$130,000	(\$130,000)
23. Laboratory Services	FTEs	63.0	0.0
Appropriates \$5.9 million Gross, \$2.5 million GF/GP – GF/GP funding for this program had been \$4.0 million in FY 2000-01. Replaces \$519,700 SSFF revenue with AEIDF. State Budget Office had identified \$101,300 Gross, \$47,200 GF/GP in economic increases.	Gross	\$6,318,800	(\$425,700)
	IDG	189,100	0
	Federal	916,200	0
	Restricted	2,276,400	54,200
	GF/GP	\$2,937,100	(\$479,900)
24. USDA Monitoring	FTEs	17.0	0.0
Reflects economic increase.	Gross	\$2,134,200	\$37,500
	Federal	2,134,200	37,500
25. Consumer Protection Program	FTEs	51.0	0.0
Supports motor fuel quality, weights and measures, and metrology laboratory. Restricted revenue from Gasoline inspection and testing fees, Refined petroleum fund, and Weights and measures regulatory fees. Increase reflects economic adjustments.	Gross	\$5,135,200	\$102,200
	Restricted	5,134,800	102,100
	GF/GP	\$400	\$100
26. Agriculture Development – PARTIAL VETO	FTEs	6.0	0.0
Appropriates \$2.5 million Gross, \$327,300 GF/GP – GF/GP funding had been \$915,000 FY 2000-01. Eliminates use of SSFF revenue (\$350,700); recognizes new \$1.3 million federal specialty crop block grant. The enrolled bill had included a \$300,000 IDG from the DELEG; the Governor's veto of boilerplate Section 712 eliminated this funding source. State Budget Office had identified economic increases to be \$15,900.	Gross	\$1,072,000	\$1,105,000
	IDG	0	0
	Private	10,800	100
	Federal	275,200	1,304,100
	Restricted	606,400	(346,900)
	GF/GP	\$179,600	\$147,700
27. Export Market Development	Gross	\$50,000	(\$50,000)
Not included in enacted budget. GF/GP funding for this program had been \$100,000 in FY 2000-01.	GF/GP	\$50,000	(\$50,000)

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		FY 2008-09 YTD (as of 2/12/09)	Enacted Change From YTD
36. Information Technology	Gross	\$1,525,000	\$15,300
Recognizes economic increases of \$38,800; eliminates Upper Peninsula State Fair revenue as fund source (\$900); recognizes costs of Microsoft upgrades, \$86,200; and One-stop permit portal, \$74,900. Replaces \$1.0 million SSFF revenue, in part, with GF/GP.	IDG	2,800	0
	Restricted	1,296,700	(887,200)
	GF/GP	\$225,500	\$902,500
Appropriation of \$1.5 million does not reflect all information technology costs. Costs not supported in the Information Technology line item are charged to other department program areas.			
37. Capital Outlay - Farmland/Open Space Development Acquisition	Gross	\$3,750,000	\$0
Retains current year funding and funds sources. State restricted funds in line are from Agriculture Preservation Fund.	Federal	1,250,000	0
	Restricted	2,500,000	0
38. Economics	Gross	N/A	\$1,418,400
The State Budget Office had identified \$1.4 million (net) for economic increases: \$1,470,800 for employee economics; \$38,800 for information technology; and a \$91,200 reduction in building occupancy charges.	IDG	N/A	1,300
	Federal	N/A	166,700
	Private	N/A	6,000
	Restricted	N/A	492,700
	GF/GP	N/A	\$751,700

Major Boilerplate Changes From FY 2008-09

Sec. 215. Transparency – NEW

Requires Department to develop, post, and maintain publicly accessible internet site showing expenditures; cost of site limited to \$10,000.

Sec. 225. Agriculture and Livestock Education Pavilion – NOT INCLUDED

Related to MSU Pavilion for Agriculture and Livestock Education.

Sec. 227. Return on Investment – NOT INCLUDED

Return on investment report.

Sec. 228. Contingency Appropriations – RETAINED

Includes \$5.0 million federal, \$6.0 million state restricted, and \$100,000 each local and private.

Sec. 236. Ag Equine Industry Development Fund – NEW

Requires AEIDF appropriations to be spent for equine-related purposes.

Sec. 237. GF/GP Lapse Report – NEW

Requires a report by September 30, 2010 on estimated GF/GP lapses.

Sec. 238. FTE Report – NEW

Requires bi-monthly report on FTEs.

Sec. 304. Motor Fuel Quality Inspector – RETAINED

Requires Department to maintain motor fuel quality program at FY 2006-07 level of effort. The Governor's signing statement indicates that this section is unconstitutional infringement on executive branch.

Sec. 406. Food Safety FTEs – RETAINED

Exempts food and dairy inspectors from hiring freeze.

Sec. 407. Earmark for Dairy Inspection Programs – NEW

Directs funds appropriated for the Food Safety and Quality Assurance, not less than \$3.1 million, be expended for dairy inspection programs.

Sec. 460. Agriculture Equine Fund Prorated Reductions – RETAINED

Requires department to make proportionate reductions in all appropriations from the AEIDF if revenue decreases. The Governor's signing statement indicates that this section is an unconstitutional attempt to amend statute by reference.

Major Boilerplate Changes From FY 2008-09

Sec. 501. *Laboratory Services* – NOT INCLUDED

Provides a sufficient amount from licensing and inspection fees to provide for animal feed testing programs.

Sec. 604. *Local Soil Conservation Districts* – VETOED

Directs that department work with local conservation districts on the most efficient use of funding provided in the bill; directs that funding be used to draw down federal funds.

Sec. 605. *Technical Assistance Match* – NOT INCLUDED

Appropriates \$300,000 to fund local conservation district technical assistance for contracts under Farm Bill of 2002.

Sec. 608. *Right to Farm* – NEW

Exempts Right to Farm from budgetary reductions in FY 2009-10 budget year. The Governor's signing statement indicates that this section is an unconstitutional attempt to amend statute by reference.

Sec. 609. *Migrant Labor Housing Inspection Fees* – NEW

Indicates legislative intent that Department work with industry to develop a migrant labor housing inspection fee, not to exceed \$5 per farm, effective no later than April 1, 2010.

Sec. 610. *Water Withdrawal* – NEW

Indicates that \$130,000 funding for water withdrawal program is contingent on the department inputting data received under Section 32708(3) of the Natural Resources and Environmental Protection Act.

Sec. 702. *Food Bank* – VETOED

Allows the Food Bank Council to expend unused funds for direct food purchase.

Sec. 712. *MDELEG IDG – Designation of Fund Uses* – VETOED

Directs use of funds provided by new \$300,000 IDG from DELEG.

Sec. 713. *Agriculture Development* – NEW

Directs that \$100,000 be used for agriculture export market development.

Sec. 801. *State Simulcasting Tax Revenue Report* – VETOED

Requires Department to submit a monthly report on state simulcasting tax revenue and license fees.

Sec. 802. *Purses and Supplements - Licensed Tracks* – VETOED

Boilerplate earmark for Michigan-bred 4-year-olds – \$220,000 (AEIDF).

Sec. 803. *Thoroughbred Program Tracks* – VETOED

Provides funds from Thoroughbred program line to Michigan United Thoroughbred Breeders and Owners Association to conduct a thoroughbred yearling show – \$23,500 (AEIDF).

Sec. 804. *Thoroughbred Owners Awards* – VETOED

Provides funding for thoroughbred owners' awards; references Horse Racing Law of 1995.

Sec. 805. *Agriculture Equine Fund Reduction* – VETOED

Requires that department make proportionate reductions in all appropriations from the AEIDF if revenue falls.

Sec. 806. *Fairs* – VETOED

Requires fairs to publish rules and guidelines for exhibits eligible for state premiums; establishes grievance procedures.

Sec. 807. *Purse Supplements* – VETOED

Provides for overnight purse supplements.

Sec. 808. *Livestock and Equine Exhibits* – VETOED

Allocates \$91,400 from Premiums-county and state fairs line item for grants for large livestock and equine exhibitors, including Michigan Horse Show Association's Fall Youth Show.

Sec. 809. *Youth in Agriculture* – VETOED

Allocates \$40,000 from *Premiums-county and state fairs* line item for youth involvement and adult exhibitions in the animal agriculture industry.

Sec. 811. *Outstanding Unclaimed Tickets* – VETOED

Prohibits using funds for distribution of outstanding winning tickets until they are deposited in the AEIDF.

Major Boilerplate Changes From FY 2008-09

Sec. 812. *Agriculture Equine Fund Payments* – VETOED

New section requires "timely payments" from AEIDF.

Sec. 901. *Criminal Activity Information Rewards* – VETOED

Allows racing commissioner to pay rewards up to \$5,800 to individuals who provide information on criminal activity involving the horse racing industry.

Sec. 902. *Thoroughbred Program Escrow* – VETOED

Provides for "escrowing" of funds for thoroughbred program.

Sec. 903. *Notice of Intent to File Administrative Rules* – VETOED

Requires Office of Racing Commissioner to inform certified horsemen's organization of intent to file administrative rules.

Sec. 904. *Office of Racing Commissioner* – VETOED

Indicates legislative intent that office of racing commissioner no longer be designated as a type I agency and be administered as part of the department for budgetary savings.