

**AGRICULTURE**  
**FY 2010-11 Appropriations**  
**Public 166 of 2010 (House Bill 5875)**



**Analyst: William E. Hamilton**  
**September 30, 2010**

| IDG/IDT        | FY 2009-10           | FY 2010-11                | FY 2010-11          | FY 2010-11          | FY 2010-11           | Difference: Enacted           |               |
|----------------|----------------------|---------------------------|---------------------|---------------------|----------------------|-------------------------------|---------------|
|                | YTD<br>as of 9/30/10 | Executive<br>(As Revised) | House<br>(3-25-10)  | Senate<br>(5-12-10) | Enacted<br>(9-15-10) | From FY 2009-10 YTD<br>Amount | %             |
| <b>Federal</b> |                      |                           |                     |                     |                      |                               |               |
| ARRA           | 1,172,300            |                           |                     |                     |                      | (1,172,300)                   | (100%)        |
| Non-ARRA       | 15,896,100           | 14,766,400                | 14,769,900          | 14,757,600          | 14,922,600           | (973,500)                     | (6.1%)        |
| <b>Local</b>   |                      |                           |                     |                     |                      |                               |               |
| Private        | 243,200              | 260,100                   | 260,100             | 260,100             | 260,100              | 16,900                        | 6.9%          |
| Restricted     | 32,012,406           | 33,343,600                | 32,492,100          | 30,579,400          | 30,679,400           | (1,333,006)                   | (4.2%)        |
| GF/GP          | 29,828,300           | 28,619,600                | 29,381,600          | 30,297,100          | 30,297,100           | 468,800                       | 1.6%          |
| <b>Gross</b>   | <b>\$79,864,606</b>  | <b>\$77,278,700</b>       | <b>\$77,192,800</b> | <b>\$76,183,300</b> | <b>\$76,448,300</b>  | <b>(\$3,416,306)</b>          | <b>(4.3%)</b> |
| FTEs           | 573.0                | 459.9                     | 460.4               | 458.5               | 458.5                | (114.5)                       | (20.0%)       |

Notes: (1) "ARRA" represents funds received under federal American Recovery and Reinvestment Act. (2) FY 2009-10 YTD reflects transfers, Executive Orders, and supplement appropriation adjustments through September 30, 2010. (3) The revised Executive budget recommendation shown in the table above reflects anticipated savings associated with the Civil Service Commission's rejection of a proposed 3% pay increase for non-exclusively represented employees (NERES). This reduced the Executive-proposed budget by \$399,100 (Gross), \$209,100 (GF/GP) from the original proposal.

**Overview**

The Department of Agriculture's mission is "to protect, promote, and preserve the agricultural interests of the people of the State of Michigan." Key department programs and priorities include: ensuring food safety and security; consumer protection including enforcement of standard weight/measures and product labeling laws; protecting animal health and welfare; pesticide regulation; control of plant pests and invasive species; environmental stewardship programs.

**Summary of Major Budget Issues**

The **Executive's** FY 2010-11 budget proposed several changes from the FY 2009-10 budget, including: shifting authority for the Michigan Agriculture Environmental Assurance Program (MAEAP) to Michigan State University's Agriculture Experiment Stations, reduction in support for Right to Farm program by \$150,000 GF/GP and 1.0 FTE position, a \$537,900 reduction in GF/GP support for the Migrant Labor Housing inspection program to be offset with a proposed \$30 per worker inspection fee, a \$379,400 reduction in GF/GP support for Plant Health and Export Certification program, and a reduction of \$500,000 in GF/GP support for the Dairy Inspection program to be offset with a proposed increase in inspection fees.

The **Enacted** budget does not recognize these Executive-proposed program changes. The Enacted budget is \$830,400 (Gross) less than the Executive recommendation; however it appropriates \$1.678 million more in GF/GP funding than the Executive-proposed budget. The Enacted budget reduces full-time equated positions (FTEs) shown in the budget by 114.5 to better align with actual funded positions.

| <b>Budget Changes From FY 2009-10 YTD Appropriations</b> |              | <b>FY 2009-10 YTD<br/>(as of 9/30/10)</b> | <b>Enacted Change<br/>From YTD</b> |
|--|--------------|---|------------------------------------|
| <b>1. Commissions and Boards</b>                         | <b>Gross</b> | <b>\$23,800</b>                           | <b>\$0</b>                         |
| No change from current year.                             | Restricted   | 8,800                                     | 0                                  |
|  | GF/GP        | \$15,000                                  | \$0                                |
| <b>2. Unclassified Positions</b>                         | FTEs         | 2.0                                       | 0.0                                |
| Economic increase.                                       | <b>Gross</b> | <b>\$211,000</b>                          | <b>\$2,300</b>                     |
|  | GF/GP        | \$211,000                                 | \$2,300                            |

| <b><u>Budget Changes From FY 2009-10 YTD Appropriations</u></b>  | <b><u>FY 2009-10 YTD<br/>(as of 9/30/10)</u></b>  | <b><u>Enacted Change<br/>From YTD</u></b>                  |
|--|---|--|
| <b>3. Executive Direction</b><br>Reduces FTE count to better align with actual.  | FTEs 10.0<br><b>Gross \$963,900</b><br>Restricted 36,500<br>GF/GP \$927,400                             | (2.0)<br><b>\$32,300</b><br>1,900<br>\$30,400              |
| <b>4. Management Services</b><br>Reflects shift of 8.0 FTEs and \$878,300 GF/GP to the Michigan Department of Transportation as part of accounting function consolidation (see item 8 below). Makes an additional 4.0 FTE reduction to better align with actual funded employees.  | FTEs 24.0<br><b>Gross \$1,816,800</b><br>Restricted 101,000<br>GF/GP \$1,715,800                        | (12.0)<br><b>(\$888,200)</b><br>(43,200)<br>(\$845,000)    |
| <b>5. Statistical Reporting Service</b>  | FTEs 1.0<br><b>Gross \$145,000</b><br>Restricted 79,700<br>GF/GP \$65,300                               | 0.0<br><b>\$3,500</b><br>2,900<br>\$600                    |
| <b>6. Emergency Management</b>   | FTEs 6.5<br><b>Gross \$745,600</b><br>Federal 500,000<br>Restricted 0<br>GF/GP \$245,600                | 0.0<br><b>(\$3,800)</b><br>0<br>0<br>(\$3,800)             |
| <b>7. Producer Security/Grain Dealer Licensing</b><br>Function transferred to Pesticide and Plant Pest Management Division (see Item #14 below).   | FTEs 5.0<br><b>Gross \$238,500</b><br>Restricted 238,500<br>GF/GP \$0                                   | (5.0)<br><b>(\$238,500)</b><br>(238,500)<br>\$0            |
| <b>8. Accounting Service Center</b><br>Reflects consolidation and transfer of accounting functions and related funding/FTEs to Michigan Department of Transportation.  | <b>Gross \$0</b><br>GF/GP \$0   | <b>\$878,300</b><br>\$878,300                              |
| <b>9. Departmentwide – Rent and Building Occupancy</b><br>Increase from current year better reflects actual building occupancy costs. The appropriation includes no GF/GP revenue; the restricted funds appropriated may not be fully supported by actual revenue. Building occupancy costs not supported by actual revenue are charged to department program lines.   | <b>Gross \$421,100</b><br>Federal 153,400<br>Restricted 267,700<br>GF/GP \$0                            | <b>\$621,100</b><br>311,000<br>310,100<br>\$0              |
| <b>10. Food and Dairy – Food/Milk Safety and Quality Assurance</b><br>The Enacted budget retains \$100,000 in restricted dairy inspection fee revenue added in FY 2009-10 to reflect 2010 increase in dairy inspection fees made by 2010 PA 41 and 2010 PA 42, and \$165,000 federal USDA grant for country-of-origin inspections. The budget does not include an additional \$500,000 increase proposed by the Executive. Appropriates \$9.2 million in GF/GP revenue, the largest use of GF/GP revenue in this budget. | FTEs 115.0<br><b>Gross \$12,624,300</b><br>Federal 635,500<br>Restricted 3,139,100<br>GF/GP \$8,849,700 | (8.0)<br><b>\$379,800</b><br>23,200<br>24,400<br>\$332,200 |

The Enacted budget unrolls what had been a single line item into two lines. The new unrolled lines are shown below.

| <b>New Unrolled Line Items</b>                            |              | <b>FY 2010-11<br/>Appropriation</b> |
|---|--------------|-------------------------------------|
| <i>Food and Dairy – Food Safety and Quality Assurance</i> | FTEs         | 81.0                                |
|   | <b>Gross</b> | <b>\$9,744,900</b>                  |
|   | Federal      | 624,200                             |
|   | Restricted   | 3,003,500                           |
|   | GF/GP        | \$6,117,200                         |
| <i>Milk Safety and Quality Assurance</i>                  | FTEs         | 26.0                                |
|   | <b>Gross</b> | <b>\$3,259,200</b>                  |
|   | Federal      | 34,500                              |
|   | Restricted   | 160,000                             |
|   | GF/GP        | \$3,064,700                         |

**Budget Changes From FY 2009-10 YTD Appropriations**

**FY 2009-10 YTD  
(as of 9/30/10)**      **Enacted Change  
From YTD**

**11. Animal Industry – Animal Health and Disease Response**

The Enacted budget rolls up what had been two separate line items, *Animal Health and Welfare*, and *Bovine Tuberculosis*, into a single *Animal Health and Disease Response* line item. The columns to the right compare the combined current year line items with the new rolled up line item.

|              |                    |                    |
|--------------|--------------------|--------------------|
| FTEs         | 70.0               | (2.0)              |
| <b>Gross</b> | <b>\$9,906,200</b> | <b>(\$432,000)</b> |
| IDG          | 75,000             | (75,000)           |
| Federal      | 1,551,200          | (260,000)          |
| Fed/ARRA     | 22,300             | (22,300)           |
| Restricted   | 246,000            | 7,800              |
| GF/GP        | \$8,011,700        | (\$82,500)         |

Budget eliminates \$75,000 IDG related to Cervid fees; no actual revenue is available to support this IDG.

Appropriates \$7.9 million GF/GP revenue, the second largest use of GF/GP within this budget.

The department has indicated that GF/GP support is not sufficient to support all statutory animal health and welfare programs. Programs eliminated or maintained with only restricted fund support include: Animal Control Shelter program (\$150,000), Animal Protection Shelters (\$70,400), Aquaculture licensing program (\$20,000), Bodies of Dead Animals program (\$750), Livestock Marketing (\$2,200), Animal Shelters program (\$8,000), Animal Welfare program (\$8,000).

**12. Pesticide and Plant Pest Management – PPPM**

Reduces FTE count by 16.0 to better align with actual. Reduces federal USDA and EPA grant revenue to better reflect actual. Appropriates \$4.0 million in GF/GP revenue; GF/GP support had been \$6.6 million in FY 2000-01.

|              |                     |                    |
|--------------|---------------------|--------------------|
| FTEs         | 110.0               | (16.0)             |
| <b>Gross</b> | <b>\$11,896,300</b> | <b>(\$549,300)</b> |
| Federal      | 2,549,600           | (530,100)          |
| Private      | 152,600             | 13,800             |
| Restricted   | 5,211,800           | (77,600)           |
| GF/GP        | \$3,982,300         | \$44,600           |

Budget retains \$200,000 in pesticide dealer license fee revenue in the base. This restricted revenue was used to replace GF/GP in the FY 2007-08 budget, based on the anticipated passage of 2008 PA 18. This fee generated no additional revenue in FY 2007-08 and only \$17,700 in actual revenue in FY 2008-09.

**13. Emerald Ash Borer Program – PPPM**

Appropriation of \$2.1 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.

|              |                    |                      |
|--------------|--------------------|----------------------|
| FTEs         | 24.5               | (14.5)               |
| <b>Gross</b> | <b>\$4,084,200</b> | <b>(\$1,945,700)</b> |
| Federal      | 2,934,200          | (795,700)            |
| Fed/ARRA     | 1,150,000          | (1,150,000)          |

**14. Producer Security/Grain Dealer Licensing – PPPM**

In FY 2009-10 this line item was in the Executive direction appropriation unit, funded with all restricted funds at \$238,500. Moved to the PPPM appropriation unit, the enacted budget reflects economic increase of \$14,100 (restricted), and adds \$300,000 GF/GP to baseline program.

|              |            |                  |
|--------------|------------|------------------|
| FTEs         | 0.0        | 4.0              |
| <b>Gross</b> | <b>\$0</b> | <b>\$552,600</b> |
| Restricted   | 0          | 252,600          |
| GF/GP        | \$0        | \$300,000        |

**15. Environmental Stewardship**

Appropriates only \$94,400 for this line, using \$41,700 federal, and \$52,700 restricted, with no GF/GP or FTE positions. The reduction reflects the unrolling of several programs into separate line items, as shown below, including: MEAEP, Right-to-Farm, and Intercountry Drains. In addition, all funding for the Migrant Labor Housing inspection program is now reflected in a single programmatic line item, as shown in Item #20 below.

|              |                    |                      |
|--------------|--------------------|----------------------|
| FTEs         | 27.0               | (27.0)               |
| <b>Gross</b> | <b>\$2,568,600</b> | <b>(\$2,474,200)</b> |
| IDG          | 445,400            | (445,400)            |
| Federal      | 39,500             | 2,200                |
| Restricted   | 160,400            | (107,700)            |
| GF/GP        | \$1,923,300        | (\$1,923,300)        |

General fund support for the entire *Environmental stewardship* appropriation unit, including MAEAP, Right-to-Farm, Intercountry Drains, and Migrant Labor Housing, is \$1.4 million – GF/GP funding for comparable *Environmental stewardship* programs had been \$3.7 million in FY 2000-01.

| <b><u>Budget Changes From FY 2009-10 YTD Appropriations</u></b>  | <b><u>FY 2009-10 YTD<br/>(as of 9/30/10)</u></b> | <b><u>Enacted Change<br/>From YTD</u></b> |
|--|--|---|
| <b>15a. Michigan Agriculture Environmental Assurance Program (MAEAP)</b>   | FTEs 0.0   | 3.0                                       |
| The Enacted budget did not follow the Executive proposal to shift authority for MAEAP to Michigan State University's Agriculture Experiment Stations. Instead the Enacted budget unrolls the program into a separate line with \$262,000 GF/GP funding and 3.0 FTE positions. In the current year, the program had been funded at \$586,400 GF/GP with 5.0 FTE positions, within the <i>Environmental stewardship</i> line item. | <b>Gross \$0</b>                                 | <b>\$262,000</b>                          |
|  | GF/GP \$0  | \$262,000                                 |
| Eliminates \$351,600 IDG from MDEQ related to MAEAP program; the IDG is not supported by actual revenue.   |  |   |
| <b>15b. Right to Farm</b>  | FTEs   | 3.0                                       |
| The Enacted budget unrolls the program into a separate line with \$407,100 GF/GP funding and 3.0 FTE positions.  | <b>Gross</b>                                     | <b>\$504,300</b>                          |
|  | IDG  | 97,200                                    |
|  | GF/GP  | \$407,100                                 |
| <b>15c. Intercounty Drains</b>   | FTEs   | 3.0                                       |
| The Enacted budget unrolls the program into a separate line with \$416,100 GF/GP funding and 3.0 FTE positions.  | <b>Gross</b>                                     | <b>\$416,100</b>                          |
|  | GF/GP  | \$416,100                                 |
| <b>16. Groundwater/Freshwater Protection Program</b>   | FTEs 15.0  | 0.0                                       |
| Economic increase of \$99,000 spread to federal EPA grant; restricted revenue from Freshwater protection fund.   | <b>Gross \$5,207,400</b>                         | <b>\$146,700</b>                          |
|  | Federal 215,500                                  | 99,000                                    |
|  | Restricted 4,991,900                             | 47,700                                    |
| <b>17. Farmland/Open Space Preservation</b>  | FTEs 9.0   | 0.0                                       |
| Reduces funding from Freshwater Protection Fund by \$131,000 to better reflect actual revenue. Economic increases of \$52,700 are spread to Agriculture Preservation Fund.   | <b>Gross \$1,006,900</b>                         | <b>(\$78,300)</b>                         |
|  | Restricted 1,006,900                             | (78,300)                                  |
| <b>18. Agriculture Pollution Prevention Program</b>  | <b>Gross \$1,000,100</b>                         | <b>\$0</b>                                |
| No change from current year appropriation.   | Federal 1,000,000                                | 0   |
|  | Restricted 100                                   | 0   |
| <b>19. Local Conservation Districts</b>  | <b>Gross</b>                                     | <b>\$100</b>                              |
| Includes \$100 placeholder. General fund support for Local conservation districts had been \$2.8 million in FY 2000-01.  | GF/GP  | \$100                                     |
| <b>20. Migrant Labor Housing</b>   | FTEs 0.0   | 6.0                                       |
| Consolidates inspection program (by transfer from <i>Environmental stewardship</i> line) with federal housing grant program. Retains \$110,000 in restricted funding from \$5 per occupant migrant labor housing inspection fee established in 2010 PA 13 and 2010 PA 14, but does not include an Executive-proposed \$25 increase in the inspection fee.  | <b>Gross \$425,100</b>                           | <b>\$717,700</b>                          |
|  | Federal 400,000                                  | 63,900                                    |
|  | Restricted 25,000                                | 115,900                                   |
|  | GF/GP \$100                                      | \$537,900                                 |
| <b>21. Laboratory Services</b>   | FTEs 63.0  | (18.0)                                    |
| Reduces FTE count to better align with actual. Appropriation includes \$2.5 million GF/GP – GF/GP funding for this program had been \$4.0 million in FY 2000-01.   | <b>Gross \$5,865,300</b>                         | <b>\$220,300</b>                          |
|  | IDG 189,100                                      | 0   |
|  | Federal 916,200                                  | 0   |
|  | Restricted 2,330,600                             | 145,400                                   |
|  | GF/GP \$2,429,400                                | \$74,900                                  |
| <b>22. USDA Monitoring</b>   | FTEs 17.0  | (4.0)                                     |
| Reflects economic increase. Reduces FTE count to better align with actual.   | <b>Gross \$2,171,700</b>                         | <b>\$87,300</b>                           |
|  | Federal 2,171,700                                | 87,300                                    |

**Budget Changes From FY 2009-10 YTD Appropriations**

**FY 2009-10 YTD  
(as of 9/30/10)**      **Enacted Change  
From YTD**

**23. Consumer Protection Program**

Reflects economic adjustments of \$260,700 Gross; \$100 GF/GP.

Line item supports motor fuel quality program, weights and measures, and metrology laboratory. Restricted revenue includes \$3.0 million from the Refined petroleum fund. The fee that supports the Refined petroleum fund is set to sunset on December 31, 2010. The budget assumes extending the sunset.

|              |                    |                  |
|--------------|--------------------|------------------|
| FTEs         | 51.0               | (12.0)           |
| <b>Gross</b> | <b>\$5,237,400</b> | <b>\$260,700</b> |
| Restricted   | 5,236,900          | 260,600          |
| GF/GP        | \$500              | \$100            |

**24. Agriculture Development**

Reduces FTE count to better align with actual and baseline GF/GP reduction. Appropriation includes \$298,200 GF/GP – GF/GP funding had been \$915,000 FY 2000-01.

|              |                    |                   |
|--------------|--------------------|-------------------|
| FTEs         | 6.0                | (2.0)             |
| <b>Gross</b> | <b>\$2,124,800</b> | <b>(\$68,100)</b> |
| Private      | 10,900             | 200               |
| Federal      | 1,579,300          | 25,700            |
| Restricted   | 209,500            | (67,100)          |
| GF/GP        | \$325,100          | (\$26,900)        |

**25. Grape and Wine Program**

Recognizes economic increase.

|              |                  |                 |
|--------------|------------------|-----------------|
| FTEs         | 3.0              | 0.0             |
| <b>Gross</b> | <b>\$722,200</b> | <b>\$14,600</b> |
| Restricted   | 722,200          | 14,600          |
| GF/GP        | \$0              | \$0             |

**26. Fairs and Racing**

The fund source for this line item is the Agriculture Equine Industry Development Fund (AEIDF).

|              |                  |                   |
|--------------|------------------|-------------------|
| FTEs         | 4.0              | (1.0)             |
| <b>Gross</b> | <b>\$461,745</b> | <b>(\$67,345)</b> |
| Restricted   | 461,745          | (67,345)          |
| GF/GP        | \$0              | \$0               |

**27. Horse Racing Programs**

AEIDF funding for horse racing programs is shown below:

|              |                    |                  |
|--------------|--------------------|------------------|
| <b>Gross</b> | <b>\$2,955,581</b> | <b>\$470,119</b> |
| Restricted   | 2,955,581          | 470,119          |

|   | Current YTD        | FY 2010-11         |
|---|--------------------|--------------------|
| Purses & supplements-fairs/licensed tracks              | \$815,280          | 764,300            |
| Licensed tracks - light horse racing                    | 4,544              | 42,600             |
| Standardbred (SB) breeders' awards                      | 131,058            | 312,500            |
| SB purses/supplements-licensed tracks                   | 306,832            | 577,000            |
| SB sire stakes  | 278,640            | 261,200            |
| SB training and stabling                                | 12,400             | 11,600             |
| Thoroughbred owners' awards                             | 42,640             | 39,900             |
| Thoroughbred program (unrolled into two separate lines) | 634,756            |                    |
| Thoroughbred supplements-licensed tracks                |                    | 387,000            |
| Thoroughbred breeders awards                            |                    | 387,000            |
| Thoroughbred sire stakes                                | 285,520            | 267,600            |
| Distribution of outstanding winning tickets             | 443,911            | 375,000            |
| <b>Total</b>  | <b>\$2,955,581</b> | <b>\$3,425,700</b> |

**28. Office of Racing Commissioner**

Reflects the transfer of this office to the Michigan Gaming Control Board (MGCB). The related funding from the AEIDF was also transferred to the MGCB in the General Government budget.

|              |                    |                      |
|--------------|--------------------|----------------------|
| FTEs         | 10.0               | (10.0)               |
| <b>Gross</b> | <b>\$1,785,000</b> | <b>(\$1,785,000)</b> |
| Restricted   | 1,785,000          | (1,785,000)          |

**29. Information Technology**

Reflects transfer of Office of Racing Commission to the MGCB and related transfer of \$120,000 in associated AEIDF revenue. Budget recognizes \$82,800 in economic increases.

|              |                    |                  |
|--------------|--------------------|------------------|
| <b>Gross</b> | <b>\$1,506,080</b> | <b>(\$5,680)</b> |
| IDG          | 2,800              | 0                |
| Restricted   | 377,180            | (69,380)         |
| GF/GP        | \$1,126,100        | \$63,700         |

**30. Capital Outlay - Farmland/Open Space Acquisition**

Adjusts state restricted Agriculture Preservation Fund support to better align with available revenue.

|              |                    |                    |
|--------------|--------------------|--------------------|
| <b>Gross</b> | <b>\$3,750,000</b> | <b>(\$450,000)</b> |
| Federal      | 1,250,000          | 0                  |
| Restricted   | 2,500,000          | (450,000)          |

**Budget Changes From FY 2009-10 YTD Appropriations**

**FY 2009-10 YTD  
(as of 9/30/10)**      **Enacted Change  
From YTD**

**31. Economics**

State Budget Office had originally identified \$3.2 million for economic increases: \$857,200 for employee salary and wages, \$528,900 for insurances, \$1.2 million for retirement contributions, \$31,600 for workers compensation, and \$621,100 for building occupancy charges.

The increase in building occupancy better reflects actual department building occupancy costs, which have been under-appropriated. In addition, the budget recognizes \$82,800 in economic increases related to information technology.

|              |            |                    |
|--------------|------------|--------------------|
| <b>Gross</b> | <b>N/A</b> | <b>\$3,241,300</b> |
| IDG          | N/A        | 3,400              |
| Federal      | N/A        | 917,000            |
| Private      | N/A        | 16,900             |
| Restricted   | N/A        | 1,147,200          |
| GF/GP        | N/A        | \$1,156,800        |

Note that these computed economic increases will be partially offset by an estimated \$399,100 in savings from the Civil Service Commission's rejection of a proposed 3% pay increase for non-represented employees.

**Boilerplate Changes From FY 2009-10**

**Sec. 201. Total State Payments/Payments to Local Units – MODIFIED**

Identifies total state spending; payments of state funds to local units of government from the funds appropriated. Updated to reflect Part 1 appropriations.

**Sec. 202. Management and Budget Act – RETAINED**

Subjects authorized appropriations to the Management and Budget Act.

**Sec. 203. Abbreviations – MODIFIED**

Defines abbreviations.

**Sec. 204. Civil Service Charge – RETAINED**

Requires Department of Civil Service to bill departments at the end of the first fiscal quarter for 1% charge authorized in the Constitution; requires payment by the end of the second fiscal quarter.

**Sec. 205. Hiring Freeze – RETAINED**

Imposes a hiring freeze on state classified civil service.

**Sec. 208. Internet Reporting – RETAINED**

Requires Department to use the Internet to fulfill reporting requirements.

**Sec. 209. Buy American – MODIFIED**

Prohibits purchase of foreign goods and services when competitively-priced American goods and services are available. Requires that preference be given to Michigan businesses and Michigan businesses owned and operated by veterans. Replaces "should" with "shall."

**Sec. 210. Deprived/Depressed Communities – RETAINED**

Requires director to take reasonable steps to ensure businesses in depressed communities compete for/perform contracts to provide services and supplies, and to encourage contractors to subcontract with such businesses.

**Sec. 212. Indemnification Payments – RETAINED**

Authorizes Department to provide for indemnity pursuant to Animal Industry Act; limits indemnification orders to \$100,000 per order; requires report on reason for, amount of, and person to whom indemnification is to be paid. Subsection (2) authorizes Department to indemnify for livestock killed by wolves, coyotes, or cougars and to expend funds received from Department of Natural Resources and Environment for indemnification payments made pursuant to this section.

**Sec. 214. Grants Reporting – RETAINED**

Requires ten-day notice to House and Senate appropriations subcommittees on Agriculture when a grant is made from any line item other than a grant line item.

**Sec. 215. Transparency – RETAINED**

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

**Sec. 219. Information Technology – RETAINED**

Requires Department to pay user fees to Department of Technology, Management, and Budget subject to provisions of interagency agreement.

**Sec. 220. Information Technology Work Projects – RETAINED**

Authorizes carryforward of funds for technology projects.

**Sec. 223. Out-of-State Travel Restriction – RETAINED**

Requires a report and places limits on all out-of-state travel.

**Sec. 224. Employee Discipline – RETAINED**

Prohibits disciplinary action against an employee for "truthfully and to the best of his or her knowledge" communicating with a member of the Legislature.

**Sec. 228. Contingency Appropriations – RETAINED**

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

**Sec. 229. Impact of New Legislation and Administrative Rules – RETAINED**

**Boilerplate Changes From FY 2009-10**

Requires Department to report on policy changes made to implement enacted legislation; prohibits disproportionate impact on small businesses. Updates report date to April 1, 2011,

**Sec. 230. Hire of Outside Legal Counsel – RETAINED**

Prohibits state departments from hiring legal services that are the responsibility of the attorney general.

**Sec. 231. Direct Service Levels – RETAINED**

Establishes baseline level of 315 direct service Department employees.

**Sec. 232. Implement Continuous Improvements – NOT INCLUDED**

Deletes reporting requirement in FY 2009-10 budget act.

**Sec. 234. Travel to Out-of-State Training – NOT INCLUDED**

Deletes restrictions imposed in FY 2009-10 budget act.

**Sec. 235. C. S. Mott Group – NOT INCLUDED**

Deletes language which had been in FY 2009-10 budget act.

**Sec. 236. Ag Equine Industry Development Fund – MOVED TO Section 801**

**Sec. 237. GF/GP Lapse Report – RETAINED**

Requires report by September 30, 2011 of estimated GF/GP appropriation lapses at the close of the fiscal year.

**Sec. 238. FTE Report – NOT INCLUDED**

Deletes reporting requirement in FY 2009-10 budget act.

**Sec. 302. Miscellaneous Revenue/Expenditures – MODIFIED**

Allows Department to receive/expend revenue to cover expenses related to publications, audits, sales, inspections, and other Department functions; requires legislative notification 30 days prior to proposing fee increases; requires annual report on fees charged by Department. Adds "Pesticide and plant pest management grading services."

**Sec. 304. Motor Fuel Quality Inspector – NOT INCLUDED**

Deletes requirement in FY 2009-10 budget act to maintain motor fuel quality program at FY 2006-07 level of effort.

**Sec. 306. Matching Funds for Agriculture Statistics Studies – RETAINED**

Requires industry matching funds for study costs.

**Sec. 401. Restaurant Inspection and Licensing – RETAINED**

Requires Department to monitor restaurant inspection/licensing activities conducted by locals and report to Legislature.

**Sec. 402. Food Safety – RETAINED**

Requires Department to provide reports on food-borne outbreaks and emergencies related to food safety.

**Sec. 404. Consumer and Industry Food Education Fund – RETAINED**

Requires that not less than \$150,000 from the fund be expended for purposes required under Section 4117 of the Food Act of 2000.

**Sec. 406. Food Safety FTEs – RETAINED**

Exempts food and dairy inspectors from hiring freeze.

**Sec. 407. Earmark for Dairy Inspection Programs – NOT INCLUDED**

Deletes dairy inspection earmark which had been in FY 2009-10 budget act; the Enacted budget separates dairy inspection program into new line item for FY 2010-11.

**Sec. 450. Bovine Tuberculosis – RETAINED**

Requires Department to reimburse DNRE for mutually-agreed-to bovine tuberculosis costs.

**Sec. 451. Bovine Tuberculosis Split State Status – RETAINED**

Requires Department to pay for all whole-herd and individual-animal testing costs to maintain split-state status, including indemnity.

**Sec. 452. Bovine TB – RETAINED**

Requires Department to apply for all available federal funds to support program.

**Sec. 454. Bovine TB – RETAINED**

Directs Department to collaborate with USDA and work to eradicate Bovine TB.

**Sec. 455. Cattle EID – NOT INCLUDED**

Deletes requirement in FY 2009-10 budget act which had directed the Department to prepare a plan to provide for cattle without identification in saleyard.

**Sec. 456. Electronic Animal Identification – RETAINED**

Prohibits use of funds to enforce electronic ID program for domestic animals other than cattle without specific authorization in statute.

**Sec. 457. Bovine TB Report – RETAINED**

Requires quarterly report on Bovine TB program.

**Sec. 458. Aquaculture and Viral Hemorrhagic Septicemia (VHS) Eradication Programs – RETAINED**

Requires Department support for inspection and testing of aquaculture facilities; states legislative intent with regard to VHS surveillance program.

**Sec. 459. Bovine TB FTEs – RETAINED**

Exempts Bovine TB program from hiring freeze.

**Sec. 460. Aquaculture Reductions – RETAINED**

Excludes aquaculture program from potential reductions in animal health and welfare appropriations.

**Sec. 551. Fruit and Vegetables Industry Inspections – RETAINED**

### **Boilerplate Changes From FY 2009-10**

States legislative intent that the Department work with fruit and vegetable industry to ensure development of a sustainable system of third-party inspections of fruits and vegetables.

#### **Sec. 552. Provisions Regarding Invasive Species – NEW**

Requires Department to evaluate methods of limiting transport of invasive species on shipping pallets; requires report. .

#### **Sec. 553. Earmark for Export Inspections – NEW**

Earmarks \$200,000 in PPM to ensure commodity export inspections.

#### **Sec. 603. Migrant Labor Housing – RETAINED**

Requires Department to apply for any available federal funds to support the migrant labor housing program.

#### **Sec. 604. Local Soil Conservation Districts – NOT INCLUDED**

The Enacted budget does not include section from House bill directing department to work with local conservation districts on the most effective efficient use of funding provided in the bill.

#### **Sec. 606. Environmental Quality Incentives – RETAINED**

Requires the department to actively search for all possible funding sources to be used to match federal funds in the USDA environmental quality incentives program.

#### **Sec. 607. Inter-County Drain Program – RETAINED**

Indicates legislative intent that Department continue its activities as provided under the Drain Code.

#### **Sec. 608. Right to Farm – NOT INCLUDED**

Deletes language regarding Right to Farm which had been in FY 2009-10 budget act.

#### **Sec. 609. Migrant Labor Housing Inspection Fees – NOT INCLUDED**

Deletes language regarding Migrant Labor Housing fees which had been in FY 2009-10 budget act.

#### **Sec. 610. Water Withdrawal Assessment – NOT INCLUDED**

Deletes language regarding program which had been in FY 2009-10 budget act.

#### **Sec. 705. Export Market Development Program – NOT INCLUDED**

Deletes language regarding program which had been in FY 2009-10 budget act.

#### **Sec. 706. Agricultural Development – RETAINED**

Requires Department to report on agricultural development and export market development activities. Requires report.

#### **Sec. 707. Agricultural Development Fund Grants – NOT INCLUDED**

Deletes language regarding grant program which had been in FY 2009-10 budget act.

#### **Sec. 709. Grape and Wine Industry Council – RETAINED**

Requires Department to provide report describing activities of the council.

#### **Sec. 710. Domestic/International Marketing Program Match – NOT INCLUDED**

Deletes language which had been in FY 2009-10 budget act regarding marketing programs.

#### **Sec. 711. Michigan Strategic Fund – RETAINED**

Indicates legislative intent that MSF work with MDA to promote Michigan agriculture.

#### **Sec. 713. Agriculture Development Earmark – NOT INCLUDED**

Deletes earmark that had been in FY 2009-10 budget act.

#### **Sec. 801. Ag Equine Industry Development Fund – MOVED from Section 236**

Requires that all appropriations in part 1 from the AEIDF be spent for equine-related purposes.

#### **Sec. 802. Agriculture Equine Fund Reduction – MODIFIED**

Requires that department make proportionate reductions in AEIDF appropriations, except for the racing commission and laboratory analysis, if AEIDF revenue falls below original appropriation amounts.

#### **Sec. 803. Thoroughbred Program Escrow – MOVED from Section 902**

Provides for "escrowing" of funds for thoroughbred program; updated to reflect 2009-10 and 2010-11 fiscal years. The Governor's signing statement indicated that the section was unenforceable in that it attempted to amend other Michigan statutes by reference, a violation of Section 25, Article IV of the Constitution.

#### **Sec. 804. Michigan Gaming Control Board (MGCB) – NEW**

Requires MGCB to use actual expenditure data in determining regulatory costs. The Governor's signing statement indicated that the section was unenforceable in that there was no money appropriated for the MGCB in this budget.

#### **Sec. 1001. Farmland and Open Space Development Rights – RETAINED**

Indicates that the appropriation for farmland and open space development acquisition shall be used for the purchase of development rights and the awarding of grants by the agriculture preservation fund board under the MNREPA.

#### **Sec. 1002. Provisions Regarding Lump Sum Payments – RETAINED**

Indicates that the director shall allocate lump-sum appropriations made in this act consistent with statutory provisions and the purposes for which funds were appropriated. Limits lump sum appropriation carry forward to no more than 3 fiscal years following appropriation and provides for lapse of funds to original fund source per DMB Act.

#### **Sec. 1003. Provisions Regarding Carry Forward Authority – RETAINED**

Provides for appropriation carry-forward authority per DMB Act.