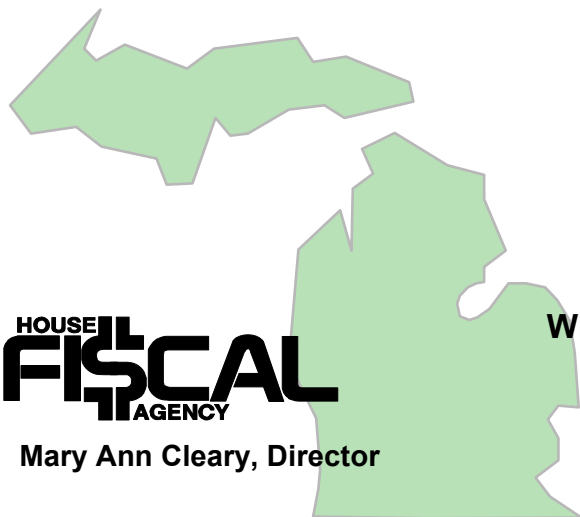


LINE ITEM AND BOILERPLATE SUMMARY

AGRICULTURE AND RURAL DEVELOPMENT

Fiscal Year 2015-16
Article I, Public Act 84 of 2015
Senate Bill 133 as Enacted



William E. Hamilton, Senior Fiscal Analyst
Tumai Burris, Budget Assistant

September 2015

**HOUSE FISCAL AGENCY
GOVERNING COMMITTEE**

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Kevin Cotter

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Harvey Santana

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September 2015

TO: Members of the Michigan House of Representatives

The House Fiscal Agency has prepared a **Line Item Summary** for each of the FY 2015-16 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". The signature is written in a cursive, flowing style.

Mary Ann Cleary, Director

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GLOSSARY

STATE BUDGET TERMS

Line Item

Specific funding amount in an appropriation 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 otherwise provided by law.

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.

APPROPRIATION TERMS AND FUND SOURCES

Appropriations

Authority to expend funds for a particular purpose. An appropriation is not a mandate to spend.

Gross: Total of all applicable appropriations in an appropriation bill.

Adjusted Gross: Net amount of gross appropriations after subtracting interdepartmental grants (IDGs) and intradepartmental transfers (IDTs).

Interdepartmental Grant (IDG) Revenue

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

Intradepartmental Transfer (IDT) Revenue

Funds transferred from one appropriation unit to another within the same departmental budget.

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 non-government entities: rents, royalties or interest payments, payments from hospitals or individuals, or gifts and bequests.

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; at year-end, unused restricted revenue generally remains in the restricted fund.

General Fund/General Purpose (GF/GP) Revenue

Unrestricted general fund revenue available to fund basic state programs and other purposes determined by the Legislature; unused GF/GP revenue lapses to the General Fund at the end of a fiscal year.

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.

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

The stated mission and priorities of the Michigan Department of Agriculture and Rural Development are to 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	454.0	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	\$86,594,000	Total of all applicable line item appropriations.
Total interdepartmental grant/intradepartmental transfer revenue	317,300	Revenue received from other departments and transferred within the department.
ADJUSTED GROSS APPROPRIATION	\$86,276,700	Gross appropriation less (or minus) interdepartmental grant (IDG) and intradepartmental transfer (IDT) revenue.
Total federal revenue	10,427,900	Revenue received from federal departments and agencies.
Total local revenue	0	Revenue received from local units of government.
Total private revenue	128,100	Revenue received from private individuals and entities.
Total state restricted revenue	32,647,100	State revenue dedicated to a specific fund (other than the General Fund) or restricted for a specific purpose.
GENERAL FUND/ GENERAL PURPOSE	\$43,073,600	The state's primary operating fund (the portion of the state's General Fund that does not include restricted revenue).
		GF/GP Subtotals: Ongoing 41,873,600 One-time 1,200,000

SECTION 102: DEPARTMENTWIDE

This appropriation unit supports executive direction and administrative functions, including: administrative and financial direction; policy and budget development; legal, accounting, and statistical services; emergency management; communications; and building occupancy charges.

Full-time equated unclassified positions	6.0	Full-time equated (FTE) positions not in the state classified service.	
Full-time equated classified positions	28.0	Full-time equated (FTE) positions in the state classified service.	
Commission and boards	\$23,800	Supports per diem compensation and necessary expenses for the five members of the Commission of Agriculture and Rural Development and the eleven members of the Grape and Wine Industry Council, in addition to staff support for the Commission and Council.	
		Funding Source(s):	Restricted 8,800 GF/GP 15,000
		<i>Related Boilerplate Section(s): None</i>	
Unclassified positions – 6.0 FTE positions	532,600	Supports salaries of six unclassified positions. Currently five of the six positions are filled: Department Director, Legislative Liaison, Policy Specialist, Business Performance Specialist, and Communications Specialist. One authorized unclassified position is unfilled. Benefit costs of unclassified positions are funded through the <i>Executive direction</i> line item.	
		Funding Source(s):	GF/GP 532,600
		<i>Related Boilerplate Section(s): None</i>	
Executive direction – 9.0 FTE positions	1,376,100	Supports staff and other operating costs of the department's Executive Office, including the Chief Deputy Director, Budget Officer, communications staff, and support staff; provides overall strategic, policy, and operational direction for the department. Insurance and retirement benefit costs for unclassified positions are also funded from this line.	
		Funding Source(s):	Restricted 52,800 GF/GP 1,323,300
		<i>Related Boilerplate Section(s): 205, 207, 218, 229, 231, 302</i>	
Operational services – 15.0 FTE positions	1,736,700	Supports staff and other operating costs of the Operational Services and Central Licensing Division, which manages office services, business processes, and assists with procurement and contract procedures; provides a single point of contact for applicants for licenses issued by the department.	
		Funding Source(s):	Restricted 730,500 GF/GP 1,006,200
		<i>Related Boilerplate Section(s): 209, 210, 301, 303</i>	

Statistical reporting service – 1.0 FTE position	150,400	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	77,400
	GF/GP	73,000

Related Boilerplate Section(s): None

Emergency management – 3.0 FTE positions	600,300	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	324,100
	GF/GP	276,200

Related Boilerplate Section(s): None

Accounting service center	1,115,900	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	1,115,900
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Related Boilerplate Section(s): None

Building occupancy charges	625,300	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). This line item supports only part of the department's building occupancy charges, estimated to be \$1,061,000 in total. Costs not supported in this line item are charged to department programs.
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Funding Source(s):	Restricted	331,400
	GF/GP	293,900

Related Boilerplate Section(s): None

GROSS APPROPRIATION	\$6,161,100	Total of all applicable line item appropriations.
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HHS-FDA	324,100	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	77,400	Money provided by private agri-business groups for targeted agricultural statistical analysis.
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Agriculture preservation fund	15,100	Established in Part 362 of the Natural Recourses 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.]
Agriculture licensing and inspection fees	293,200	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	384,400	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. Appropriated FY 2015-16 revenue recognizes additional revenue from food inspection fee increases made in House Bill 4470, enacted as 2015 PA 61.
Freshwater protection fund	22,300	Established in 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. Appropriated FY 2015-16 revenue recognizes additional revenue from water quality protection fee increases made in House Bill 4391, enacted as 2015 PA 118.
Gasoline inspection and testing fund	74,000	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	7,300	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	52,800	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	26,200	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.
Nonretail liquor fees	27,900	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.
Refined petroleum fund	220,300	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.
GENERAL FUND/ GENERAL PURPOSE	\$4,636,100	The state's primary operating fund (the portion of the state's General Fund that does not include restricted revenue).

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	\$1,372,500	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 \$3.0 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	64,600
	GF/GP	1,304,700

Related Boilerplate Section(s): None

GROSS APPROPRIATION	\$1,372,500	Total of all applicable line item appropriations.
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.
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.]
Agriculture licensing and inspection fees	32,400	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.
Freshwater protection fund	100	Established in 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. Appropriated FY 2015-16 revenue recognizes additional revenue from water quality protection fee increases made in House Bill 4391, enacted as 2015 PA 118.
Gasoline inspection and testing fund	31,400	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.
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.
GENERAL FUND/ GENERAL PURPOSE	\$1,304,700	The state's primary operating fund (the portion of the state's General Fund that does not include restricted revenue).

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	121.0	Full-time equated (FTE) positions in the state classified service.
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Food safety and quality assurance – 91.0 FTE positions	\$13,537,800	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 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 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	1,250,900
	Restricted	4,620,500
	GF/GP	7,666,400

Related Boilerplate Section(s): 402

Milk safety and quality assurance – 30.0 FTE positions	4,170,600	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	54,900
	Restricted	214,600
	GF/GP	3,901,100

Related Boilerplate Section(s): None

GROSS APPROPRIATION	\$17,708,400	Total of all applicable line item appropriations.
HHS-FDA	1,172,000	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.
USDA, multiple grants	133,800	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	348,800	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	4,486,300	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. Appropriated FY 2015-16 revenue recognizes additional revenue from food inspection fee increases made in House Bill 4470, enacted as 2015 PA 61.
GENERAL FUND/ GENERAL PURPOSE	\$11,567,500	The state's primary operating fund (the portion of the state's General Fund that does not include restricted revenue).

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	\$8,881,000	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 three-quarters 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	584,200
	Private	29,900
	Restricted	266,000
	GF/GP	8,000,900

Related Boilerplate Section(s): 451, 453, 454, 456, 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.
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Funding Source(s): GF/GP 50,000

Related Boilerplate Section(s): 453

GROSS APPROPRIATION	\$8,931,000	Total of all applicable line item appropriations.
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HHS-FDA	65,600	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.
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USDA, multiple grants	518,600	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 commodity group revenue	29,900	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.
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Agriculture licensing and inspection fees	48,900	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.
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Animal welfare fund	217,100	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.
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GENERAL FUND/ GENERAL PURPOSE	\$8,050,900	The state's primary operating fund (the portion of the state's General Fund that does not include restricted revenue).
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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	85.0	Full-time equated (FTE) positions in the state classified service.
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Pesticide and plant pest management – 80.0 FTE positions	\$13,271,100	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	1,895,800
	Private	20,800
	Restricted	5,776,800
	GF/GP	5,577,700

Related Boilerplate Section(s): 301

Producer security/grain dealers– 5.0 FTE positions	643,800	Supports the staff and operations of the Producer Security Program, Provides financial regulatory oversight under the Grain Dealers Act to protect farm producers who store grain in elevators; audits for financial solvency and accurate measure of grain inventory. Administers the Farm Producers Insurance Fund.
		Funding Source(s): Restricted 626,200 GF/GP 17,600

Related Boilerplate Section(s): None

GROSS APPROPRIATION \$13,914,900 Total of all applicable line item appropriations.

Department of interior	222,000	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.
EPA, multiple grants	524,300	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.
HHS-FDA	319,700	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	829,800	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).
Private - slow-the-spread foundation	20,800	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.
Agriculture licensing and inspection fees	3,893,600	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.
Commodity inspection fees	508,600	Represents fees charged for MDARD Fees 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.
Feed control fund	971,000	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.

Freshwater protection fund	151,400	Established in 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. Appropriated FY 2015-16 revenue recognizes additional revenue from water quality protection fee increases made in House Bill 4391, enacted as 2015 PA 118.
Grain dealers fee fund	597,900	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.
Horticulture fund	38,200	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	242,300	Although listed as restricted funds in the budget, these are really private funds provided by industry groups to support specific industry events and activities.
GENERAL FUND/ GENERAL PURPOSE	\$5,595,300	The state's primary operating fund (the portion of the state's General Fund that does not include restricted revenue).

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	\$9,128,500	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	1,521,400
	Restricted	6,263,400
	GF/GP	1,343,700

Related Boilerplate Section(s): 601, 604, 605

Farmland and open space preservation – 7.0 FTE positions	905,200	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	583,600
	GF/GP	321,600

Related Boilerplate Section(s): None

Qualified forest program – 9.0 FTE positions	2,682,500	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	284,900
	GF/GP	2,397,600

Related Boilerplate Section(s): None

Commercial forestry audit program	300,000	Supports grant funding for a private nonprofit entity, associated with sustainable forestry initiatives, to collaborate with landowners, state employees, university faculty, and conservation groups to prepare an analysis and audit of statewide best management practices for water quality and the forest ecosystem.
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Funding Source(s):	GF/GP	300,000
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Related Boilerplate Section(s): 609

Migrant labor housing – 9.0 FTE positions	1,186,600	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	138,200
	GF/GP	1,048,400

Related Boilerplate Section(s): None

Right-to-farm – 3.0 FTE positions	567,900	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	101,200
	GF/GP	466,700

Related Boilerplate Section(s): None

Intercounty drain – 4.0 FTE positions	474,100	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	474,100
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Related Boilerplate Section(s): 607

GROSS APPROPRIATION	\$15,244,800	Total of all applicable line item appropriations.
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IDG from MDEQ, biosolids	101,200	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	120,600	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.
EPA, multiple grants	604,700	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.
USDA, multiple grants	916,700	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	583,600	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.]
Freshwater protection fund	6,142,800	Established in 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. Appropriated FY 2015-16 revenue recognizes additional revenue from water quality protection fee increases made in House Bill 4391, enacted as 2015 PA 118.
Migratory labor housing fund	138,200	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	284,900	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.
GENERAL FUND/ GENERAL PURPOSE	\$6,352,100	The state's primary operating fund (the portion of the state's General Fund that does not include restricted revenue).

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	90.0	Full-time equated (FTE) positions in the state classified service.
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Laboratory services – 37.0 FTE positions	\$5,322,000	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.

Equine Drug Testing: Responsible for the provision of animal drug testing for the department, Michigan Gaming Control Board, fairs, shows, and exhibitions to foster public confidence, promote fair competition, and protect integrity.

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	212,900
	Federal	781,100
	Restricted	2,123,500
	GF/GP	2,204,500

Related Boilerplate Section(s): 301, 802

USDA monitoring program – 13.0 FTE positions	1,596,700	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 1,596,700

Related Boilerplate Section(s): None

Consumer protection program – 40.0 FTE positions	6,072,200	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 6,071,600
GF/GP 600

Related Boilerplate Section(s): None

GROSS APPROPRIATION	\$12,990,900	Total of all applicable line item appropriations.
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IDG from LARA (LCC), liquor quality testing fees	212,900	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	168,500	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-FDA	611,700	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	1,597,600	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 equine industry development fund	610,300	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).
Agriculture licensing and inspection fees	77,400	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.
Gasoline inspection and testing fund	2,513,300	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	3,654,300	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.
Renewable fuels fund	51,800	Established in the Motor Fuels Quality Act (1984 PA 44), as amended by 2008 PA 321, the fund receives revenue from a state income tax check-off authorized under MCL 206.435. Fund revenue may be used for grants related to renewable fuel research.
Testing fees	287,600	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	1,000,400	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.
GENERAL FUND/ GENERAL PURPOSE	\$2,205,100	The state's primary operating fund (the portion of the state's General Fund that does not include restricted revenue).

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	14.0	Full-time equated (FTE) positions in the state classified service.									
Agriculture development – 11.0 FTE positions	\$3,576,700	<p>Supports the staff and operations of the following economic and rural development programs within the Office of Agriculture Development:</p> <p><u>Business Development</u>: Responsible for the facilitation of growth of and provision of assistance for the food and agriculture industry and workforce.</p> <p><u>Rural Development</u>: Responsible for addressing the needs of businesses and communities to encourage and promote development of rural areas.</p> <p><u>International Market Development</u>: Responsible for the provision of assistance for food and agriculture businesses to explore and exploit trade opportunities.</p> <p><u>Domestic Marketing</u>: Responsible for the increase of market access for a variety of Michigan-produced food and agriculture products.</p> <p><u>Commodity Coordination</u>: Responsible for the coordination of certain agriculture commodities, consisting of regulatory oversight duties.</p> <p><u>Grants Administration</u>: Responsible for the administration of state and federal grant programs.</p> <table style="margin-left: auto; margin-right: 0; border: none;"> <tr> <td style="padding-right: 20px;">Funding Source(s):</td> <td style="padding-right: 20px;">Federal</td> <td style="text-align: right;">2,298,200</td> </tr> <tr> <td></td> <td>Restricted</td> <td style="text-align: right;">86,600</td> </tr> <tr> <td></td> <td>GF/GP</td> <td style="text-align: right;">1,191,900</td> </tr> </table> <p style="margin-left: 40px;"><i>Related Boilerplate Section(s): 706</i></p>	Funding Source(s):	Federal	2,298,200		Restricted	86,600		GF/GP	1,191,900
Funding Source(s):	Federal	2,298,200									
	Restricted	86,600									
	GF/GP	1,191,900									
Grape and wine program – 3.0 FTE positions	856,500	<p>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.</p> <table style="margin-left: auto; margin-right: 0; border: none;"> <tr> <td style="padding-right: 20px;">Funding Source(s):</td> <td style="padding-right: 20px;">Restricted</td> <td style="text-align: right;">856,500</td> </tr> </table> <p style="margin-left: 40px;"><i>Related Boilerplate Section(s): 709</i></p>	Funding Source(s):	Restricted	856,500						
Funding Source(s):	Restricted	856,500									
Rural development value-added grants	650,000	<p>Supports the Rural development 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.</p> <table style="margin-left: auto; margin-right: 0; border: none;"> <tr> <td style="padding-right: 20px;">Funding Source(s):</td> <td style="padding-right: 20px;">GF/GP</td> <td style="text-align: right;">650,000</td> </tr> </table> <p style="margin-left: 40px;"><i>Related Boilerplate Section(s): 701</i></p>	Funding Source(s):	GF/GP	650,000						
Funding Source(s):	GF/GP	650,000									
GROSS APPROPRIATION	\$5,083,200	Total of all applicable line item appropriations.									

USDA, multiple grants	2,298,200	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	131,600	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	811,500	The Liquor Control Code (1998 PA 58) earmarks certain non-retail liquor fees to Michigan Grape and Wine Council, established in MCL 436.1303.
GENERAL FUND/ GENERAL PURPOSE	\$1,841,900	The state's primary operating fund (the portion of the state's General Fund that does not include restricted revenue).

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.

Full-time equated classified positions	1.0	Full-time equated (FTE) positions in the state classified service.
Fairs and racing – 1.0 FTE position	\$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, 803</i>
Shows and expositions	20,000	Supports competitive grant program to promote and encourage equine, livestock, and other agricultural commodity shows and expositions in Michigan. Funding Source(s): GF/GP 20,000 <i>Related Boilerplate Section(s): 806</i>
County fairs capital improvement grants	300,000	Supports competitive grant program to promote and encourage investment in building and other capital improvements at county fairgrounds in Michigan. Funding Source(s): GF/GP 300,000 <i>Related Boilerplate Section(s): 805</i>
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): 802, 803</i>
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): 802</i>
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): 802</i>
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): 802, 803</i>

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): 802, 803</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): 802, 803</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): 802, 803</i>			
Thoroughbred breeders' awards	448,600	Supports breeders' awards for Michigan-bred Thoroughbred horses winning races at county fairs or licensed race tracks.	Funding Source(s): Restricted 448,600
<i>Related Boilerplate Section(s): 802, 803</i>			
Thoroughbred sire stakes	298,800	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 298,800
<i>Related Boilerplate Section(s): 802, 803</i>			
GROSS APPROPRIATION	\$3,987,200	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).	
GENERAL FUND/ GENERAL PURPOSE	\$320,000	The state's primary operating fund (the portion of the state's General Fund that does not include restricted revenue).	

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.

Rural development value-added grants	\$550,000	Supports the Rural development 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 550,000
		<i>Related Boilerplate Section(s): 701</i>
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Tree fruit research grants	500,000	Supports one-time appropriation for a new grant program.
		Funding Source(s): GF/GP 500,000
		<i>Related Boilerplate Section(s): None</i>
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Geagley laboratory	150,000	Supports one-time appropriation for the purchase of capital equipment at the laboratory.
		Funding Source(s): GF/GP 150,000
		<i>Related Boilerplate Section(s): None</i>
<hr/>		
GROSS APPROPRIATION	\$1,200,000	Total of all applicable line item appropriations.
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GENERAL FUND/ GENERAL PURPOSE	\$1,200,000	The state's primary operating fund (the portion of the state's General Fund that does not include restricted revenue).
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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. 205. Benchmarks for New Programs or Program Expansions

Provides for a report, due November 1, 2015, on specific metrics for new programs or program enhancements for which funds in excess of \$500,000 are appropriated.

Sec. 206. 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.

Sec. 207. 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. 208. Internet Reporting

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

Sec. 209. 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. 210. 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. 212. Record Retention

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

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. 218. Out-of-State Travel

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

Sec. 228. 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. 229. 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. 230. 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.

Sec. 231. Key Metrics Scorecard Website

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

BOILERPLATE SECTION INFORMATION

Sec. 232. Annual Legacy Costs

Section identifies estimated department "legacy costs" for the fiscal year ending September 30, 2016 of \$12.8 million, of which of pension related costs were \$7.2 million and retiree health care costs \$5.5 million.

DEPARTMENTWIDE

Sec. 301. Miscellaneous Revenue and Expenditures

Allows department to receive and expend revenue to cover expenses related to publications, audit and licensing functions, certification of nursery stock, laboratory analyses, inspections, and other department functions; requires legislative notification 30 days prior to proposing fee increases or changes; requires annual report on February 1 on fees charged by department.

Sec. 302. Grants Reporting Requirements

Prohibits the department from awarding grants, excluding line item grants, unless the department provides notice to the Legislature at least 10 days prior to award. The section specifies that grants are to be used for research or other related activities for the purpose of enhancing the agricultural industries of the state.

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. 402. Foodborne Illness Reporting Requirement

Requires the department to provide information on significant foodborne illness outbreaks and emergencies, including enforcement actions taken related to food safety during the previous fiscal year. This information is to be included as part of the department's Food and Dairy annual report, due no later than April 1.

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. 453. Livestock Indemnification Payments

Subsection 1 authorizes the department to use Part 1 appropriations to provide for indemnity pursuant to Animal Industry Act, not to exceed \$100,000 per order from any current fiscal year line item. The subsection also requires a report on reason for and amount of the indemnification and the person to whom indemnification is to be paid. Subsection 2 requires the department to make an indemnification payment for fair market value of livestock killed by wolves, coyotes, or cougars, if the kill is verified by the Michigan Department of Natural Resources. This subsection references the Animal Industry Act. Subsection 3 indicates that the appropriation in part 1 for indemnification is for indemnifications under subsection 2 and related department costs; requires a report, due March 1, 2014.

In his signing letter dated June 17, 2015, the Governor indicated that he considered subsection 2 to be unenforceable. The department indicates that the Governor's concern is that the subsection references the Animal Industry Act instead of what appears to be the controlling statute, the Wildlife Depredations Indemnification Act, (2012 PA 487).

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. 456. Electronic Animal Identification

Prohibits the use of funds to enforce the mandatory electronic animal identification program for any domestic animals other than cattle until specific procedures and guidelines are established in statute.

Sec. 457. Bovine Tuberculosis Program Report

Requires the department to submit quarterly reports on the bovine tuberculosis program; indicates specific information to be included in reports including progress toward meeting USDA requirements outlined in the March 2007 bovine TB program review.

BOILERPLATE SECTION INFORMATION

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; states legislative intent that the department work with aquaculture facilities and researchers to identify, contain, and eradicate viral hemorrhagic septicemia (VHS).

Sec. 459. Bovine TB Testing/Retesting Limitations

Indicates that it is the intent of the Legislature 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.

ENVIRONMENTAL STEWARDSHIP

Sec. 601. Environmental Stewardship/MAEAP

Directs that the 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. 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; requires the department to notify the Legislature prior to expending federal revenue received and appropriated under this section.

Sec. 608. Qualified Forest Program

Defines purpose of program as increasing knowledge of nonindustrial private forestland owners' best management practices and increasing the amount of commercial timber production from those lands; 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 forest products industry.

Sec. 609. Commercial Forestry Audit Program

Defines purpose and uses of commercial forestry audit appropriation in part 1; directs the department to develop and analysis and audit of forestry best management practices; indicates appropriation is a work project; provides for a report.

AGRICULTURE DEVELOPMENT

Sec. 701. Rural Development Value-Added Grant Program

Directs the department to establish and administer the Rural Development Value-Added Grant Program; authorizes the department to receive and expend funds received from "outside sources" for rural development value-added grants; identifies eligible grantees; provides for appointment and duties of a joint evaluation committee; designates unexpended appropriation as work project; requires semiannual reports to the Legislature.

Sec. 706. Agriculture Development/Export Market Development Report

Requires the department to submit a report to the Legislature describing prior year agriculture development and export market development activities, including grant awards and resultant private and federal revenue availability.

Sec. 709. Grape and Wine Industry Council Report

Requires a report to the Legislature describing the activities of the Grape and Wine Industry Council, including prior year accomplishments, expenditures, and grant awards.

FAIRS AND EXPOSITIONS

Sec. 801. Agriculture Equine Industry Development Fund

Requires that all appropriations from the Agriculture Equine Industry Fund shall be spent on equine-related purposes.

Sec. 802. Agriculture Equine Industry Development Fund Reductions

Requires the department to make proportional reductions from AEIDF-funded appropriations if AEIDF revenues decline to a level lower than the amounts appropriated.

Sec. 804. Michigan Gaming Control Board Costs

States legislative intent that the Michigan Gaming Control Board (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 Fair Capital Grant Program

Requires the department to establish a capital improvement grant program for county fairs; specifies procedures for a competitive matching grant program for such financial support; directs the department to identify criteria, evaluate applications, and make recommendations; authorizes expenditure for administrative expenses; designates unexpended revenue as a work project; and requires annual report pertaining to the grant program.

Sec. 806. Shows and Expositions Grants

States that amounts appropriated for shows and expositions are for the purpose of providing financial support, promotions, prizes, and premiums for equine, livestock, and other agricultural commodity expositions in Michigan; specifies procedures for a competitive matching grant program for such financial support; directs the department to identify criteria, evaluate applications, and make recommendations; designates unexpended revenue as a work project; and requires annual report pertaining to grants for shows and expositions.

PART 2A: GENERAL SECTIONS

Sec. 1201. FY 2016-17 Appropriation

Stipulates legislative intent that the FY 2016-17 appropriations are anticipated to be the same as FY 2015-16 appropriations, except for adjustments for changes in caseloads, federal match rates, economic factors, and available revenue.



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 Kyle I. Jen, Deputy Director
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AREAS OF RESPONSIBILITY

Agriculture and Rural Development	William E. Hamilton
Attorney General	Perry Zielak
Auditor General	Benjamin Gielczyk
Bill Analysis	Chris Couch Edith Best; Joan Hunault; Josh Roesner; Sue Stutzky
Capital Outlay	Benjamin Gielczyk
Civil Rights	Perry Zielak
Community Colleges	Marilyn Peterson
Corrections	Robin R. Risko
Economic and Revenue Forecast	Jim Stansell
Education (Department)	Samuel Christensen
Environmental Quality	Austin Scott
Executive Office	Benjamin Gielczyk
Fiscal Oversight, Audit, and Litigation	Mary Ann Cleary
Health and Human Services:	
Human Services	Viola Bay Wild
Medicaid, Physical and Behavioral Health	Kevin Koorstra; Kyle I. Jen
Public Health, Aging, Departmentwide Administration	Susan Frey
Higher Education	Marilyn Peterson
Insurance and Financial Services	Paul B.A. Holland
Judiciary	Robin R. Risko
Legislature	Benjamin Gielczyk
Licensing and Regulatory Affairs	Paul B.A. Holland
Local Finance	Jim Stansell
Lottery	Benjamin Gielczyk
Michigan Strategic Fund	Benjamin Gielczyk
Military and Veterans Affairs	Perry Zielak
Natural Resources	Austin Scott
Natural Resources Trust Fund	Benjamin Gielczyk; Austin Scott
Retirement	Bethany Wicksall; Kyle I Jen
Revenue Sharing/EVIP	Jim Stansell; Benjamin Gielczyk
School Aid	Bethany Wicksall; Samuel Christensen
State (Department)	Perry Zielak
State Police	Paul B.A. Holland
Supplemental Coordinator	Kyle I. Jen
Tax Analysis	Jim Stansell
Technology, Management, and Budget	Perry Zielak
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