

**FY 2013-14: DEPARTMENT OF  
AGRICULTURE AND RURAL DEVELOPMENT  
Summary: Conference Report  
Senate Bill 201 (S-1) CR-1**



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IDG/IDT	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Executive	FY 2013-14 House-HB 4211	FY 2013-14 Senate	FY 2013-14 Conference	Difference: Conference From FY 2012-13 YTD	
						Amount	%
	\$519,300	\$524,300	\$524,300	\$524,300	\$524,300	\$5,000	1.0
<b>Federal</b>	11,199,600	9,720,900	9,720,900	9,720,900	9,960,900	(1,238,700)	(11.1)
<b>Local</b>	0	0	0	0	0	0	--
<b>Private</b>	175,800	96,900	96,900	96,900	96,900	(78,900)	(44.9)
<b>Restricted</b>	28,959,400	29,020,900	29,020,900	29,020,900	29,020,900	61,500	0.2
<b>GF/GP</b>	36,098,900	37,630,300	37,430,300	39,780,300	40,580,300	4,481,400	12.4
<b>Gross</b>	<b>\$76,953,000</b>	<b>\$76,993,300</b>	<b>\$76,793,300</b>	<b>\$79,143,300</b>	<b>\$80,183,300</b>	<b>\$3,230,300</b>	<b>4.2</b>
<b>FTEs</b>	431.0	434.0	434.0	435.0	440.0	9.0	2.1

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

**Overview**

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

<u>Major Budget Changes From FY 2012-13 YTD Appropriations</u>	<b>FY 2012-13 Year-to-Date (as of 2/7/13)</b>	<b>FY 2013-14 Conference Change</b>
<b>1. Pesticide and Plant Pest Management</b>		
Provides ongoing increase of \$1.0 million GF/GP and 8.0 FTEs for agriculture product assurance and export assistance to maintain current inspection and certification programs, offsetting federal and state restricted funds reductions to the program of \$1.0 million and 4.0 related FTEs. Provides one-time funding of \$800,000 GF/GP for the pesticide and plant pest management program to offset shortfall in state restricted revenue from agriculture licensing and inspection fees.	FTEs 77.0 <b>Gross \$10,610,100</b>	4.0 <b>\$787,600</b>
	Federal 2,049,300	(435,600)
	Private 86,800	(66,800)
	Restricted 4,837,400	(510,000)
	GF/GP \$3,636,600	\$1,800,000
<b>2. Agriculture Drain Survey and Registration</b>	<b>Gross N/A</b>	<b>\$0</b>
Does not include funding to conduct a survey and registration of existing agriculture drains.	GF/GP N/A	\$0
<b>3. Agriculture Development Staffing</b>		
Provides an increase of \$130,000 GF/GP and 1.0 FTE to add an agriculture economic development specialist position with a focus on the Upper Peninsula.	FTE 10.0 <b>Gross \$2,712,000</b>	1.0 <b>\$130,000</b>
	Federal 1,566,800	0
	Restricted 104,500	0
	GF/GP 1,040,700	\$130,000
<b>4. New Food and Agriculture Industry Strategic Growth Initiative</b>	<b>Gross N/A</b>	<b>\$1,000,000</b>
Provides \$1.0 million GF/GP for new grants program to foster agriculture industry-wide development and growth. Sec. 711 is related boilerplate, which also allows for receipt and expenditure of funds for the program from Michigan Strategic Fund or Michigan Economic Development Corporation.	GF/GP N/A	\$1,000,000
<b>5. County Fairs Capital Improvement Grants</b>	<b>Gross \$281,600</b>	<b>\$20,000</b>
Increases county fairs capital improvement grants program by \$20,000 GF/GP.	GF/GP \$281,600	\$20,000

<u>Major Budget Changes From FY 2012-13 YTD Appropriations</u>		<u>FY 2012-13 Year-to-Date (as of 2/7/13)</u>	<u>FY 2013-14 Conference Change</u>
<b>6. Qualified Forest Affidavit Program</b>	FTE	0.0	5.0
Provides an increase in one-time funding for a qualified forest affidavit program, as proposed in bills currently being considered by the Legislature. Current year one-time funding of \$600,000 for private forestry program is rolled up with new funding into one line item. Ongoing funding of \$200,000 for private forest development is maintained and 5.0 FTEs are added to administer the expanded program anticipated to be enacted.	<b>Gross</b>	<b>\$800,000</b>	<b>\$1,700,000</b>
	GF/GP	\$800,000	\$1,700,000
<b>7. Water Resources Study - One-Time Appropriation</b>	<b>Gross</b>	<b>NA</b>	<b>\$300,000</b>
Include new one-time funding of \$300,000 GF/GP for an Ottawa County water resources study. Sec. 1104 is related boilerplate defining participation and scope of study. Findings shall be made available to the Department and to the Department of Environmental Quality.	GF/GP	NA	\$300,000

**Major Boilerplate Changes From FY 2012-13**

**Sec. 231. Report on Ten Measurable Outcomes – REVISED**

Requirement to report on ten measurable outcomes is revised to require that the Department maintain a public scorecard on a publicly accessible website which updates key metrics used to monitor and improve the agency's performance.

**Sec. 402. Food Safety – RETAINED**

Requires report on food-borne outbreaks and emergencies related to food safety by April 1.

**Sec. 453. Indemnification Payments – RETAINED**

Authorizes Department to provide for indemnity pursuant to Animal Industry Act; limits indemnification, requires report on reason for, amount of, and person to whom indemnification is to be paid, and report on overall costs.

**Sec. 551. Commodity Export Inspection Programs – DELETED**

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

**Sec. 552. Clean Sweep Program – DELETED**

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

**Sec. 601. Environmental Stewardship – RETAINED**

Clarifies intent that funding 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, 1994 PA 451, and technical assistance in implementing conservation grants available under the federal Farm Bill of 2008.

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

Requires report due April 1 on agricultural development and export market development activities.

**Sec. 801. Agriculture Equine Industry Development Fund - RETAINED**

Requires that appropriations of the Agriculture Equine Industry Development Fund be spent on equine-related purposes.

**Sec. 803. Thoroughbred Program Escrow – RETAINED**

Provides for "escrowing" of funds for thoroughbred program if there is no live thoroughbred race meet in 2011 or 2012.

**Sec. 804. Michigan Gaming Control Board – RETAINED**

Requires the Michigan Gaming Control Board to use actual expenditure data in determining regulatory costs of conducting racing dates.

**Sec. 1101. Rural Development Value-Added Grant Program – RETAINED, MOVED**

Provides criteria for Rural Development Value-Added Grant Program, and provides for reports. Boilerplate is retained and moved from One-Time Basis Only Appropriations section to Agriculture Development section, renumbering to Sec. 701.

**Sec. 1202. FY 2014-15 Distinguish Retirement Costs - NEW**

Includes new boilerplate establishing Legislative intent that the Department identify normal retirement costs and legacy retirement costs for FY 2014-15.