

FY 2016-17: DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT



Summary: As Passed by the Senate Article I, Senate Bill 800 (S-1)

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IDG/IDT	FY 2015-16 YTD as of 2/10/16 ⁽¹⁾	FY 2016-17 Executive	FY 2016-17 House ⁽³⁾	FY 2016-17 Senate ⁽⁴⁾	FY 2016-17 Enacted	Difference: Senate From FY 2015-16 YTD	
						Amount	%
IDG/IDT	\$317,300	\$323,200	\$323,200	\$323,200		\$5,900	1.9
Federal	10,427,900	10,471,200	10,471,200	10,471,200		43,300	0.4
Local	0	0	0	0		0	--
Private	128,100	130,700	130,700	130,700		2,600	2.0
Restricted	32,647,100	32,629,300	34,129,300	32,629,300		(17,800)	(0.1)
GF/GP	43,073,600	48,036,900	47,488,000	49,536,900		6,463,300	15.0
Gross ⁽²⁾	\$86,594,000	\$91,591,300	\$92,542,400	\$91,091,300		\$4,497,300	5.2
FTEs	460.0	479.0	477.0	479.0		19.0	4.1

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3)"House" reflects House Bill 5294 (H-1) as passed the House, April 27, 2016. (4)"Senate" reflects Senate Bill 800 (S-1) as passed the Senate, May 4, 2016.

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.

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Senate Change
1. Information Technology			
Executive: Provides \$378,000 Gross, (\$257,000 GF/GP) increase to reflect ongoing costs of new licensing and inspection system.	Gross	\$1,372,500	\$378,000
Senate: Concurs with <u>Executive</u> .	IDG	3,200	0
	Restricted	64,600	121,000
	GF/GP	\$1,304,700	\$257,000
2. Food Safety and Quality Assurance			
Executive: Includes \$1.2 million GF/GP increase and 2.0 additional FTE positions for program to assist producers implement on-farm food produce safety standards under the Food Safety Modernization Act (FSMA).	FTEs	91.0	2.0
Senate: Concurs with <u>Executive</u> .	Gross	\$13,537,800	\$0
	Federal	1,250,900	0
	Restricted	4,620,500	0
	GF/GP	\$7,666,400	\$0
3. Farmland and Open Space Preservation			
Executive: Increases baseline GF/GP by \$500,000 to offset decline in restricted Agriculture Preservation Fund revenue that had been intended to support this program, commonly referred to as the PA 116 program.	FTEs	7.0	0.0
Senate: Concurs with <u>Executive</u> .	Gross	\$905,200	\$1,000,000
	Restricted	583,600	0
	GF/GP	\$321,600	\$1,000,000
4. Qualified Forest Program			
Executive: Reduces baseline GF/GP support by \$130,000.	FTE	9.0	0.0
Senate: Concurs with <u>Executive</u> .	Gross	\$2,682,500	(\$130,000)
	Restricted	284,900	0
	GF/GP	\$2,397,600	(\$130,000)
5. Commercial Forestry Audit Program			
Executive: Eliminates funding for this program; the current year budget includes sufficient funding to complete the final two years of the three-year commercial forestry audit.	Gross	\$300,000	(\$300,000)
Senate: Concurs with <u>Executive</u> .	GF/GP	\$300,000	(\$300,000)

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Senate Change
6. Laboratory Services	FTEs	37.0	5.0
<u>Executive</u> : Reflects two programmatic changes: Elimination of Agriculture Equine Industry Development Fund (AEIDF) revenue (\$600,200), to reflect transfer of horse race testing program to Michigan Gaming Control Board (MGCB); increase in funding for Geagley Laboratory by \$2.1 million GF/GP to support additional staffing/equipment upgrades for food safety and export market testing programs.	Gross	\$5,322,000	\$1,269,800
	IDG	212,900	0
	Federal	781,100	0
	Restricted	2,123,500	(800,200)
<u>Senate</u> : Provides \$200,000 less GF/GP than <u>Executive</u> .	GF/GP	\$2,204,500	\$2,070,000
7. Consumer Protection Program	FTEs	40.0	1.0
<u>Executive</u> : Reflects \$1.0 million GF/GP increase in baseline support for consumer protection programs at the Heffron Metrology Laboratory.	Gross	\$6,072,200	\$220,000
<u>Senate</u> : Provides \$820,000 less GF/GP than <u>Executive</u> .	Restricted	6,071,600	0
	GF/GP	\$600	\$220,000
8. Diagnostic Center for Population and Animal Health – NEW	Gross	\$0	\$1,000,000
<u>Senate</u> : Provides funding for MSU Diagnostic Laboratory.	GF/GP	\$0	\$1,000,000
9. Rural Development (Value-Added) Grants	Gross	\$1,200,000	\$300,000
Current year total of \$1.2 million reflects \$650,000 in ongoing, and \$550,000 in one-time funding. <u>Executive</u> : Recommends total of \$500,000 GF/GP; renames program "Value-added grants."	GF/GP	\$1,200,000	\$300,000
<u>Senate</u> : Provides \$1.5 million GF/GP; \$1.0 million more than <u>Executive</u> .			
10. Rural Development Fund Grant Program – NEW	Gross	\$0	\$2,000,000
<u>Executive</u> : Includes \$2.0 million from Rural Development Fund for new grant/loan program for projects that address expansion and sustainability of agriculture, mining, forestry, oil and gas exploration, and tourism. Fund revenue is generated from a nonferrous metal mining severance tax established in Public Act 411 of 2012.	Restricted	\$0	\$2,000,000
<u>Senate</u> : Concurs with <u>Executive</u> .			
11. Vital Agriculture Infrastructure Grant Program – NEW	Gross	\$0	\$0
This line item is in the House-passed budget, not included in the Senate bill.	GF/GP	\$0	\$0
12. Healthy Food Assistance Program – NEW	Gross	\$0	\$0
This line item is in the House-passed budget, not included in the Senate bill.	GF/GP	\$0	\$0
13. County Fairs Capital Improvement Grants	Gross	\$300,000	\$0
<u>Executive</u> : Eliminates GF/GP program that provides matching grants for county fair improvement projects. <u>Senate</u> : Retains current year funding.	GF/GP	\$300,000	\$0
14. Shows and Expositions	Gross	\$20,000	\$0
<u>Executive</u> : Eliminates GF/GP program that provides grants for agricultural shows and expositions. <u>Senate</u> : Retains current year funding.	GF/GP	\$20,000	\$0
15. Horse Racing Programs	FTEs	1.0	(1.0)
<u>Executive</u> : Eliminates 1.0 FTE position for fairs and racing administration functions. Retains current year funding for horse racing awards and purse supplements, but increases Thoroughbred sire stakes by \$80,000 and reduces Thoroughbred breeders' awards by a like amount.	Gross	\$3,667,200	\$0
<u>Senate</u> : Concurs with <u>Executive</u> .	Restricted	3,667,200	0
16. Tree Fruit Research (One-Time)	Gross	\$500,000	(\$500,000)
<u>Executive</u> : Eliminates one-time GF/GP authorization for grant program.	GF/GP	\$500,000	(\$500,000)
<u>Senate</u> : Concurs with <u>Executive</u> .			
17. One-Time Capital Equipment for Geagley Laboratory	Gross	\$150,000	(\$150,000)
<u>Executive</u> : Eliminates one-time GF/GP authorization.	GF/GP	\$150,000	(\$150,000)
<u>Senate</u> : Concurs with <u>Executive</u> .			
New. Eastern Market Food Innovation Zone (One-Time)	Gross	\$0	\$200,000
<u>Senate</u> : Includes new one-time grant.	GF/GP	\$0	\$200,000
New. Muskegon Farmer's Market Food Incubator (One-Time)	Gross	\$0	\$100
<u>Senate</u> : Includes placeholder for new one-time grant.	GF/GP	\$0	\$100

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18. Refined Petroleum Fund – Offset with GF/GP		Gross	NA
<u>Executive</u> : Reduces Refined Petroleum Fund (RPF) by \$1.5 million; offsets with GF/GP in <i>Laboratory services</i> and <i>Consumer protection</i> programs.		Restricted	0
<u>Senate</u> : Concurs with <u>Executive</u> .		GF/GP	\$0
19. Technical Revenue Adjustments – GF/GP		Gross	NA
<u>Executive</u> : Unspecified reductions to balance to GF/GP target as follows: Food and dairy, (\$48,400); PPPM, (\$20,700); and Environmental stewardship, (\$30,000). <u>Senate</u> : Concurs with <u>Executive</u> .		GF/GP	(\$99,100)
20. Technical Revenue Adjustments – Federal and Restricted		Gross	NA
<u>Executive</u> : Adjusts federal and restricted revenue in various line items to reflect best estimates of available federal grants and restricted revenue sources. <u>Senate</u> : Concurs with <u>Executive</u> .		Federal	(91,800)
		Restricted	(344,100)
		GF/GP	\$0
21. Economic Adjustments		Gross	\$1,313,100
<u>Executive</u> and <u>Senate</u> reflect increased costs of \$1.3 million Gross (\$727,500 GF/GP) for negotiated salary and wage increases (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required retirement contributions, and other economic adjustments.		IDG	5,900
		Federal	135,100
		Private	2,600
		Restricted	442,000
		GF/GP	\$727,500
22. End of Five-Year Early Retirement Sick Leave Payouts		Gross	NA
<u>Executive</u> and <u>Senate</u> recognizes the end of employee accumulated sick-leave payouts from 2010 early retirement incentive; those payments had been spread over 5 years and will end in FY 2015-16.		Restricted	(136,500)
		GF/GP	(\$101,100)

Major Boilerplate Changes From FY 2015-16