

Department of Agriculture and Rural Development

Analyst: William E. Hamilton

	FY 2015-16 Year-to-Date as of 2/10/16	FY 2016-17 Executive	Difference: FY 2016-17 Vs. FY 2015-16	
			Amount	%
IDG/IDT	\$317,300	\$323,200	\$5,900	1.9
Federal	10,427,900	10,471,200	43,300	4.2
Local	0	0	0	
Private	128,100	130,700	2,600	2.0
Restricted	32,647,100	32,629,300	(17,800)	(0.1)
GF/GP	43,073,600	48,036,900	4,963,300	11.5
Gross	\$86,594,000	\$91,591,300	\$4,997,300	5.8
FTEs	460.0	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."

Major Budget Changes From FY 2015-16 Year-to-Date (YTD) Appropriations

Food Safety Programs

Increases baseline GF/GP support by \$1.2 million to help agricultural producers comply with new federal food safety standards, the Food Safety Modernization Act (FSMA).

Laboratory Program

Increases GF/GP support by \$3.1 million for laboratory program, of which \$2.0 million would provide for additional staffing and equipment upgrades at the Geagley Laboratory to enhance food safety and export market testing programs. Increase includes \$1.0 million for Heffron Metrology Laboratory consumer protection programs.

Rural Development Fund Grant Program – New Program

Includes \$2.0 million from Rural Development Fund for new grant/loan program. Fund revenue is generated from a non-ferrous metal mining severance tax established in Public Act 411 of 2012.

Farmland/Open Space Preservation Program

Provides additional \$500,000 GF/GP for department activities in support of a farm tax credit program, often referred to as the PA 116 program. Dedicated restricted revenue is not sufficient to support department activities.

Refined Petroleum Fund – Fund Shift

Reflects partial phase-out of Refined Petroleum Fund (RPF) revenue in this budget. Budget replaces \$1.5 million RPF, primarily in laboratory motor fuel consumer protection programs, with GF/GP.

Baseline GF/GP Reductions

Provides \$500,000 GF/GP for ongoing *Value-added grant* program, \$150,000 less than current year; provides \$2.3 million GF/GP for the *Qualified forest program*, a baseline reduction of \$130,000.

GF/GP Program Eliminations

Eliminates the following GF/GP funded programs: *County fairs capital grants*, (\$300,000), *Shows and expositions*, (\$20,000), and *Commercial forest audit program*, (\$300,000). Also eliminates \$1.2 million in one-time GF/GP appropriations: *Rural development value-added grant program*, (\$550,000); *Tree fruit research*, (\$500,000); and *Laboratory capital equipment*, (\$150,000).

Economic Adjustments

Reflects 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.

Other Supplemental Recommendations for FY 2015-16 Appropriations

- Requests \$1.9 million (\$925,000 federal, \$1.0 million local) increase in spending authority for intercounty drain program to provide for digital elevation mapping project.