



AGRICULTURE AND RURAL DEVELOPMENT

BOILERPLATE DECISION DOCUMENT

FY 2024-25 Budget Recommendations:
Executive Budget Proposal
House Bill 5511 (H-1)
Senate Bill 758(S-3)
Conference Agreement
Compared to FY 2023-24 (Article 1, 2023 PA 119)

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373-8080

**House Appropriations Subcommittee on
Agriculture and Rural Development/
Natural Resources**

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Printed May 6, 2025

<div>HOUSE</div> <div>FISCAL</div> <div>AGENCY</div>	DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT			
	FY 2023-24 CURRENT LAW	FY 2024-25		
		EXECUTIVE	HOUSE	SENATE
<div>GENERAL SECTIONS</div> <div>State Spending from State Resources and Payments to Local Units of Government</div> <div>Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources under part 1 for fiscal year 2023-2024 is \$138,501,700.00 and state spending from state sources to be paid to local units of government for fiscal year 2023-2024 is \$11,900,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:</div> <div>DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT</div> <div>Agricultural preservation easement</div> <div>Grants\$1,900,000</div> <div>Environmental stewardship/MAEAP 4,100,000</div> <div>Local conservation districts3,000,000</div> <div>Qualified forest program1,400,000</div> <div>Rural development fund grant</div> <div>program1,400,000</div> <div>Washtenaw conservation district</div> <div>MIFarmlink pilot project100,000</div> <div>TOTAL\$11,900,000</div>	Revised to reflect 2024-25 fiscal year and other technical changes.	Revised to reflect 2024-25 fiscal year and other technical changes to reflect standard language.	Revised to reflect 2024-25 fiscal year and other technical changes to reflect standard language.	Revised to reflect 2024-25 fiscal year and other technical changes to reflect standard language.
<div>Applicability of Management and Budget Act</div> <div>Sec. 202. The appropriations authorized under part 1 and this part are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.</div>	Technical Changes.	Technical changes to reflect standard language.	Technical changes to reflect standard language.	Technical changes to reflect standard language.



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Definitions

Sec. 203. As used in part 1 and this part:

- (a) "Department" means the department of agriculture and rural development.
- (b) "Director" means the director of the department.
- (c) "Fiscal agencies" means the Michigan house fiscal agency and the Michigan senate fiscal agency.
- (d) "FTE" means full-time equated.
- (e) "IDG" means interdepartmental grant.
- (f) "MAEAP" means the Michigan agriculture environmental assurance program.
- (g) "MDEGLE" means the Michigan department of environment, Great Lakes, and energy.
- (h) "Subcommittees" means all members of the subcommittees of the house and senate appropriations committees with jurisdiction over the budget for the department.
- (i) "TB" means tuberculosis.
- (j) "USDA" means the United States Department of Agriculture.

Technical Changes.

No change from current year other than inclusion of:

"(l) Standard report recipients" means the senate and house appropriations subcommittees on transportation, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office."

No change from current year other than inclusion of:

"(l) Standard report recipients" means the senate and house appropriations subcommittees on transportation, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office."

No change from current year other than inclusion of:

"(l) Standard report recipients" means the senate and house appropriations subcommittees on transportation, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office."

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Internet Reporting Sec. 204. (1) The department shall use the internet to fulfill the reporting requirements of this part. This requirement includes transmission of reports via email to the recipients identified for each reporting requirement and includes placement of reports on an internet site.	Technical Changes.	Technical changes to reflect standard language.	Technical changes to reflect standard language.	Technical changes to reflect standard language.
(2) In fulfilling the reporting requirements of this part, the department shall notify report recipients when reports are posted to the department website.	Not Included.	Not included.	Not included.	Not included.
Report Recipients Sec. 205. Except as otherwise provided in this part, all reports required under this part shall be submitted to the senate and house appropriations subcommittees on agriculture and rural development, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office.	Technical Changes.	Not included (see definition section above).	Not included (see definition section above).	Not included (see definition section above).



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Buy American and Buy Michigan Preference

Sec. 206. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, all of the following apply to funds appropriated in part 1:

(a) Funds appropriated in part 1 must not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available.

(b) Preference must be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.

(c) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Technical Changes.

Technical changes to reflect standard language –
Renumbered as Sec. 205.

Technical changes to reflect standard language –
Renumbered as Sec. 205.

Technical changes to reflect standard language –
Renumbered as Sec. 205.

Communications with the Legislature (Whistleblower)

Sec. 207. The department shall not take disciplinary action against an employee of the department in the state classified civil service because the employee communicates with a member of the senate or house or a member's staff, unless the communication is prohibited by law and the department or agency taking disciplinary action is exercising its authority as provided by law.

**Not Included
Deemed unenforceable.**

Technical changes to reflect standard language –
Renumbered as Sec. 206.

Technical changes to reflect standard language –
Renumbered as Sec. 206.

Technical changes to reflect standard language –
Renumbered as Sec. 206.

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<p>Out-of-State Travel Sec. 208. Consistent with section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, the department shall prepare a report on out-of-state travel expenses not later than January 1 of each year. The travel report shall be a listing of all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The department shall submit the report to the house and senate appropriations committees and to report recipients required in section 205 of this part. The report shall include the following information:</p> <p>(a) The dates of each travel occurrence. (b) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.</p>	<p>Technical Changes.</p>	<p>Technical changes to reflect standard language – Renumbered as Sec. 207.</p>	<p>Technical changes to reflect standard language – Renumbered as Sec. 207.</p>	<p>Technical changes to reflect standard language – Renumbered as Sec. 207.</p>
<p>Hire of Outside Legal Counsel Sec. 209. The department shall not use funds appropriated in part 1 to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those outside services that the attorney general authorizes.</p>	<p>Technical Changes.</p>	<p>Technical changes to reflect standard language – Renumbered as Sec. 208.</p>	<p>Technical changes to reflect standard language – Renumbered as Sec. 208.</p>	<p>Technical changes to reflect standard language – Renumbered as Sec. 208.</p>

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<p>General Fund/General Purpose Lapse Report</p> <p>Sec. 210. Not later than December 15, the state budget office shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the prior fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the chairpersons of the senate and house standing committees on appropriations and the senate and house fiscal agencies.</p>	Technical Changes.	Technical changes to reflect standard language – Renumbered as Sec. 209.	Technical changes to reflect standard language – Renumbered as Sec. 209.	Technical changes to reflect standard language – Renumbered as Sec. 209.
<p>Contingency Appropriations</p> <p>Sec. 211. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$3,000,000.00 for federal contingency authorization. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.</p>	Technical Changes (Changes "authorization" to "funds.")	Technical changes to reflect standard language – Renumbered as Sec. 210.	Technical changes to reflect standard language – Renumbered as Sec. 210.	Technical changes to reflect standard language – Renumbered as Sec. 210.
<p>(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$2,000,000.00 for state restricted contingency authorization. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.</p>	Technical Changes (Changes "authorization" to "funds.")	Technical changes to reflect standard language – Renumbered as Sec. 210.	Technical changes to reflect standard language – Renumbered as Sec. 210.	Technical changes to reflect standard language – Renumbered as Sec. 210.

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(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$100,000.00 for local contingency authorization. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.	Technical Changes (Changes "authorization" to "funds."	Technical changes to reflect standard language – Renumbered as Sec. 210.	Technical changes to reflect standard language – Renumbered as Sec. 210.	Technical changes to reflect standard language – Renumbered as Sec. 210.	
(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$100,000.00 for private contingency authorization. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.	Technical Changes (Changes "authorization" to "funds."	Technical changes to reflect standard language – Renumbered as Sec. 210.	Technical changes to reflect standard language – Renumbered as Sec. 210.	Technical changes to reflect standard language – Renumbered as Sec. 210.	

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<p>Transparency Website Sec. 212. The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for each department or agency:</p> <p>(a) Fiscal year-to-date expenditures by category. (b) Fiscal year-to-date expenditures by appropriation unit. (c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description. (d) The number of active department employees by job classification. (e) Job specifications and wage rates.</p>	Not Included.	Technical changes to reflect standard language – Renumbered as Sec. 211.	Technical changes to reflect standard language – Renumbered as Sec. 211.	Technical changes to reflect standard language – Renumbered as Sec. 211.
<p>Restricted Fund Balance Report Sec. 213. Within 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide the senate and house appropriations chairs, the subcommittees, respectively, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2023 and September 30, 2024.</p>	Not Included. (Already part of the Executive budget presentation.)	Technical changes to reflect standard language – Renumbered as Sec. 212.	Technical changes to reflect standard language – Renumbered as Sec. 212.	Technical changes to reflect standard language – Renumbered as Sec. 212.
<p>Key Metrics/Scorecard Website Sec. 214. The department shall maintain, on a publicly accessible website, information that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the agency's performance.</p>	Not Included.	Not Included	No change from current year, renumbered as Sec. 213.	Not included

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<p><i>Geographically Disadvantaged Business Enterprises</i> Sec. 216. To the extent permissible under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director shall take all reasonable steps to ensure geographically disadvantaged business enterprises compete for and perform contracts to provide services, supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified geographically disadvantaged business enterprises for services, supplies, or both.</p>	<p>Technical Changes.</p>	<p>Technical changes to reflect standard language. Includes definition of "geographically disadvantaged business enterprises" to mean as that term is defined in Executive Directive No. 2019-08. – Renumbered as Sec. 214.</p>	<p>Technical changes to reflect standard language. Includes definition of "geographically disadvantaged business enterprises" to mean as that term is defined in Executive Directive No. 2019-08. – Renumbered as Sec. 214.</p>	<p>Technical changes to reflect standard language. Includes definition of "geographically disadvantaged business enterprises" to mean as that term is defined in Executive Directive No. 2019-08. – Renumbered as Sec. 214.</p>
<p><i>Report on FTE Positions</i> Sec. 217. On a quarterly basis, the department shall report to the senate and house appropriations committees, the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and the state budget office a comparison by line item of the number of FTEs authorized from funds appropriated in part 1 to the actual number of FTEs employed by the department at the end of the reporting period.</p>	<p>Technical Changes.</p>	<p>Technical changes to reflect standard language – Renumbered as Sec. 215.</p>	<p>Technical changes to reflect standard language – Renumbered as Sec. 215.</p>	<p>Technical changes to reflect standard language – Renumbered as Sec. 215.</p>
<p><i>Remote Work Policy</i> Sec. 218. It is the intent of the legislature that the department maximize the efficiency of the state workforce and, where possible, prioritize in-person work, and post its in-person, remote, or hybrid work policy on its website.</p>	<p>Not Included.</p>	<p>Technical changes to reflect standard language – Renumbered as Sec. 216.</p>	<p>Technical changes to reflect standard language – Renumbered as Sec. 216.</p>	<p>Not Included.</p>

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State Administrative Board Transfers Sec. 219. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under this act, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, intertransfer funds within this article for the particular department, board, commission, officer, or institution.	Not Included. <i>Deemed unenforceable.</i>	Not Included	No change from current year, renumbered as Sec. 217.	Not Included.
Record Retention Sec. 221. The department shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow federal and state guidelines for short-term and long-term retention of records. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.	Not Included.	Technical changes to reflect standard language – Renumbered as Sec. 218.	Technical changes to reflect standard language – Renumbered as Sec. 218.	Technical changes to reflect standard language – Renumbered as Sec. 218.
Impact of New Legislation Sec. 222. The department shall report no later than April 1 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the senate and house appropriations committees, the senate and house subcommittees on agriculture and rural development, the joint committee on administrative rules, and the senate and house fiscal agencies.	Not Included.	Technical changes to reflect standard language – Renumbered as Sec. 219.	Technical changes to reflect standard language – Renumbered as Sec. 219.	Technical changes to reflect standard language – Renumbered as Sec. 219.



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Severance Pay Report

Sec. 223. (1) From the funds appropriated in part 1, the department shall do all of the following:

(a) Report to the house and senate appropriations committees and the report recipients required in section 205 of this part any amount of severance pay for a department director, deputy director, or other high-ranking department official not later than 14 days after a severance agreement with the director or official is signed. The name of the director or official and the amount of severance pay must be included in the report required by this subdivision.

(b) By February 1, report on the total amount of severance pay remitted to former department employees during the fiscal year ending September 30, 2023 and the total number of former department employees that were remitted severance pay during the fiscal year ending September 30, 2023.

Not Included.

Not Included

Retained with technical changes; renumbered as Sec. 220.

Not Included.

(2) As used in this section, "severance pay" means compensation that is both payable or paid upon the termination of employment and in addition to either wages or benefits earned during the course of employment or generally applicable retirement benefits.

Not Included.

**Not Included
[Chair's directive]**

No change from current year.

No change from current year.

Work Project Expenditures

Sec. 225. To the extent possible, the department shall not expend appropriations in part 1 until all existing work project authorization available for the same purposes is exhausted.

**Not Included.
Deemed unenforceable.**

**Technical changes to reflect standard language –
Renumbered as Sec. 221.**

**Technical changes to reflect standard language –
Renumbered as Sec. 221.**

**Technical changes to reflect standard language –
Renumbered as Sec. 221.**



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Access to Government Services

Sec. 226. (1) Money appropriated in part 1 shall not be used to restrict or impede a marginalized community's access to government resources, programs, or facilities.

No Change from Current Year.

Technical changes to reflect standard language –
Renumbered as Sec. 222.

Technical changes to reflect standard language –
Renumbered as Sec. 222.

Technical changes to reflect standard language –
Renumbered as Sec. 222.

(2) From the funds appropriated in part 1, local governments shall report any action or policy that attempts to restrict or interfere with the duties of the local health officer.

No Change from Current Year.

No Change from Current Year.

No Change from Current Year.

No Change from Current Year.

NEW

State Fiscal Recovery Funds

Adds new **Sec. 223**, which provides detailed directives regarding state fiscal recovery funds allocated to this state under the American rescue plan act of 2021, Public Law 117-2. This section is not copied in full in this Decision Document.

NEW

Report on Grant Sponsors and Grant Recipients

Includes as Sec. 250 a new detailed reporting requirement on grant sponsors and grant recipients. This section is not copied in full in this Decision Document.

DEPARTMENTAL ADMINISTRATION AND SUPPORT

Miscellaneous Fees, Use of Fee Revenue, Fee Reports

Sec. 301. (1) The department may establish a fee schedule and collect fees for the following

No Change from Current Year.

No Change from Current Year.

No Change from Current Year.

No Change from Current Year.

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work activities and services: (a) Pesticide and plant pest management propagation and certification of virus-free foundation stock. (b) Fruit and vegetable inspection and grading services at shipping and termination points and processing plants. (c) Laboratory support analyses of food, livestock, and agricultural products for disease, foreign products for disease, toxic materials, foreign substances, and quality standards. (d) Laboratory support test samples for other state and local agencies and public or private organizations.				

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(2) The department may receive and expend revenue from the fees authorized under subsection (1), subject to appropriation, for the purpose of recovering expenses associated with the work activities and services described in subsection (1). Fee revenue collected by the department under subsection (1) shall not lapse to the state general fund at the end of the fiscal year but shall carry forward for appropriation by the legislature in the subsequent fiscal year.	Retained except for striking "subject to appropriation,"	No change from current year other than minor technical drafting changes.	No change from current year other than minor technical drafting changes.	No change from current year other than minor technical drafting changes.
(3) The department shall notify the subcommittees, the fiscal agencies, and the state budget office 30 days prior to proposing changes in fees authorized under this section or under section 5 of 1915 PA 91, MCL 285.35.	No Change from Current Year.	No change from current year other than minor technical drafting changes.	No change from current year other than minor technical drafting changes.	No change from current year other than minor technical drafting changes.
(4) On or before February 1 of each year, the department shall provide a report to the subcommittees, the fiscal agencies, and the state budget office detailing all the fees charged by the department under the authorization provided in this section, including, but not limited to, rates, number of individuals paying each fee, and the revenue generated by each fee in the previous fiscal year.	Retained with minor/technical language changes.	No Change from Current Year.	No Change from Current Year.	No Change from Current Year.

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Grants Reporting Requirements Sec. 302. (1) The department may contract with or provide grants to local units of government, institutions of higher education, or nonprofit organizations to support activities authorized by appropriations in part 1. As used in this section, contracts and grants include, but are not limited to, contracts for delivery of groundwater/freshwater programs, MAEAP technical assistance, forest management, invasive species monitoring, wildlife risk mitigation, grants promoting proper pesticide disposal, and research grants for the purpose of enhancing the agricultural industries in this state.		No change from current year except to strike "MAEAP technical assistance."	No change from current year other than minor technical drafting changes.	No change from current year other than minor technical drafting changes.	Sec. 302. (1) The department may contract with or provide grants to local units of government, institutions of higher education, or nonprofit organizations to support activities authorized by appropriations in part 1.
(2) The department shall provide notice of contracts or grants authorized under this section to the subcommittees, the fiscal agencies, and the state budget office not later than 7 days before the department notifies contract or grant recipients.		No Change from Current Year.	No Change from Current Year.	No Change from Current Year.	No Change from Current Year.
					(3) As used in this section, contracts and grants include, but are not limited to, contracts for delivery of groundwater/freshwater programs, MAEAP technical assistance, forest management, invasive species monitoring, wildlife risk mitigation, grants promoting proper pesticide disposal, and research grants for the purpose of enhancing the agricultural industries in this state.



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Emerging Contaminates

Sec. 303. (1) From the funds appropriated in part 1 for emerging contaminants in food and agriculture the department will support efforts to identify and respond to the impacts of emerging contaminants to the food and agriculture sector, help address and mitigate current issues caused by emerging contaminants, and work to prevent and minimize future impacts. The department shall coordinate these efforts with other state agencies, federal agencies, tribal governments, local governments, institutions of higher learning, and the food and agriculture sector. Emerging contaminants include but are not limited to pesticides, dioxins, and per- and polyfluoroalkyl substances.

No Change from Current Year.

No change from current year other than minor technical drafting changes.

No change from current year other than minor technical drafting changes.

No change from current year other than minor technical drafting changes.

(2) The unexpended funds appropriated in part 1 for emerging contaminants in food and agriculture are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project support efforts to identify and respond to the impacts of emerging contaminants to the food and agriculture sector, help address and mitigate current issues caused by emerging contaminants, and work to prevent and minimize future impacts.

(b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.

(c) The estimated cost of this project is \$1,999,800.00.

(d) The tentative completion date for the work project is September 30, 2028.

Not Included.

No change from current year other than dollar reference (\$2,918.000) and date (September 30, 2029).

Work project language not Included.

No change from current year other than dollar reference (\$2,918.000) and date (September 30, 2029).

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FOOD AND DAIRY <i>Food and Dairy Division Annual Report</i> Sec. 401. (1) The department shall report on the previous fiscal year's activities of the food and dairy division. The report shall include information on activities and outcomes of the dairy safety and inspection program, the food safety inspection program, the foodborne illness and emergency response program, and the food service program.	Retained but modified to include Animal Health activities to reflect reorganization.	No change from current year other than minor technical drafting changes.	Retains but combines with Animal Industry Division report. (See below)	Retains but combines with Animal Industry Division report. (See below)
(2) The report shall include information on significant foodborne outbreaks and emergencies, including any significant enforcement actions taken related to food safety during the prior calendar year.	No Change from Current Year.	No change from current year other than minor technical drafting changes.	No change from current year.	No change from current year.
			(3). The department shall include in the report all indemnification payments for livestock depredation made in the previous calendar year and shall include all of the following: (a) The reason for the indemnification. (b) The amount of the indemnification. (c) The person for whom the indemnification was paid.	(3). The department shall include in the report all indemnification payments for livestock depredation made in the previous calendar year and shall include all of the following: (a) The reason for the indemnification. (b) The amount of the indemnification. (c) The person for whom the indemnification was paid.
(3) The report shall be transmitted to the subcommittees, the fiscal agencies, and the state budget office and posted to the department's website on or before April 1 of each year.	Technical changes.	No change from current year other than minor technical drafting changes.	Renumbered as Subsection (4); Modified as follows: The report shall be transmitted to the subcommittees, the fiscal agencies, and the state budget office and posted to the department's website on or before April 1 of each year.	Renumbered as Subsection (4); Modified as follows: The report shall be transmitted to the subcommittees, the fiscal agencies, and the state budget office and posted to the department's website on or before April 1 of each year.



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ANIMAL INDUSTRY

Bovine Tuberculosis – Whole Herd Testing Costs

Sec. 451. From the funds appropriated in part 1, the department shall pay for all whole herd bovine TB testing costs and individual animal testing costs in the modified accredited zone and buffer counties as referenced in the current memorandum of understanding between the department and the USDA to maintain split-state status requirements. These costs include indemnity and compensation for injury causing death or downer to animals.

No Change from Current Year.

No Change from Current Year.

No Change from Current Year other than renumbering as **Sec. 402.**

No Change from Current Year other than renumbering as **Sec. 402.**

Animal Industry Division Annual Report

Sec. 452. (1) The department shall report on the previous calendar year's activities of the animal industry division. The report shall be transmitted to the subcommittees, the fiscal agencies, and the state budget office and posted to the department's website on or before April 1 of each year.

Retains but combines with Food and Dairy Division report. See Sec. 401, above.

No change from current year other than minor technical drafting changes.

Retains but combines with Food and Dairy Division report. See Sec. 401, above.

Retains but combines with Food and Dairy Division report. See Sec. 401, above.

(2) The department shall include in the report all indemnification payments for livestock depredation made in the previous calendar year and shall include all of the following:

- (a) The reason for the indemnification.
- (b) The amount of the indemnification.
- (c) The person for whom the indemnification was paid.

Retains but combines with Food and Dairy Division report. See Sec. 401, above.

No change from current year other than minor technical drafting changes.

Retains but combines with Food and Dairy Division report. See Sec. 401, above.

Retains but combines with Food and Dairy Division report. See Sec. 401, above.

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		EXECUTIVE	HOUSE	SENATE	CONFERENCE
<i>Bovine Tuberculosis (TB) Program</i> Sec. 454. The department shall use its resources to collaborate with the USDA to monitor bovine TB, consistent with the current required memorandum of understanding between the department and the USDA.	No Change from Current Year.	No Change from Current Year.	No Change from Current Year, other than renumbered as Sec. 403.	No Change from Current Year, other than renumbered as Sec. 403.	
<i>Privately Owned Cervid Testing</i> Sec. 455. From the funds appropriated in part 1 for animal disease prevention and response, \$200,000.00 shall be used to cover costs associated with testing of registered privately owned cervid facilities as follows: for required surveillance testing for chronic wasting disease and for infected herd bovine TB testing.	No Change other than minor/technical change.	No change from current year other than minor technical drafting changes.	No Change from Current Year, other than renumbered as Sec. 404.	No Change from Current Year, other than renumbered as Sec. 404.	

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		EXECUTIVE	HOUSE	SENATE	CONFERENCE
<i>Bovine TB Program Report</i> Sec. 457. (1) On or before October 15 of each year, the department shall provide to the subcommittees, the fiscal agencies, and the state budget office a report on bovine TB status and department activities.		Retained with minor/technical language changes dealing with report recipients.	No Change from Current Year.	No Change from Current Year, other than renumbered as Sec. 405.	No Change from Current Year, other than renumbered as Sec. 405.
(2) For each fiscal quarter following the report required in subsection (1), the department shall provide an update to the subcommittees, the fiscal agencies, and the state budget office. The quarterly update reports shall identify significant impacts to the program, including new incidence of bovine TB in this state, department activity associated with specific new incidence of bovine TB, any changes in USDA requirements or movement orders, and information and data on wildlife risk mitigation plan implementation in the modified accredited zone; implementation of a movement certificate process; progress toward annual surveillance test requirements; efforts to work with slaughter facilities in this state, as well as those that slaughter a significant number of animals from this state; and educational programs and information for this state's livestock community.		Retained with minor/technical language changes dealing with report recipients.	No change from current year other than minor technical drafting changes.	No Change from Current Year, other than renumbered as Sec. 405.	No Change from Current Year, other than renumbered as Sec. 405.
<i>Michigan Animal Agriculture Alliance</i> Sec. 458. From the funds appropriated in part 1 for Michigan animal agriculture alliance, the department shall work with animal industry representatives and state research universities to continue an animal research grant program.		No Change from Current Year.	No Change from Current Year.	No Change from Current Year, other than renumbered as Sec. 406.	No Change from Current Year, other than renumbered as Sec. 406.

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PESTICIDE AND PLANT PEST MANAGEMENT

Pesticide and Plant Pest Management Division (PPPM) Annual Report

Sec. 501. The department shall report on the previous calendar year's activities of the pesticide and plant pest management division. The report shall be transmitted to the subcommittees, the fiscal agencies, and the state budget office and posted to the department's website on or before April 1 of each year.

Retained but modified to reflect reorganization, making the report cover the activities of the Bureau of Environment and Sustainability, rather than a division specific report for PPPM.

No change from current year other than minor technical drafting changes; retained as a division-specific report for PPPM.

Retained but modified to reflect reorganization, making the report cover the activities of the Bureau of Environment and Sustainability, rather than a division specific report for PPPM.

Retained but modified to reflect reorganization, making the report cover the activities of the Bureau of Environment and Sustainability, rather than a division specific report for PPPM.

Agricultural Climate Resiliency

Sec. 503. (1) From the funds appropriated in part 1 for agricultural climate resiliency, the department shall establish an agricultural climate resiliency program.

Combines Sec. 503 (Agricultural Climate Resiliency) and Sec. 504 (Soil Health/Regenerative Agriculture).

No change from current year other than minor technical drafting changes; references section 901 boilerplate appropriation.

Note:
Senate both combines current year sections 503 (Agricultural Climate Resiliency) and 504 (Soil Health/ Regenerative Agriculture) and restructures into three separate sections (Secs 502, 503, and 504 in the Senate bill).

These lengthy and detailed sections are not copied this Decision Document.

Note:
Conference combines Sec. 503 (Agricultural Climate Resiliency) and Sec. 504 (Soil Health/ Regenerative Agriculture) into new **Sec. 502.**

Sec. 502 is reproduced in full at the end of this Decision Document.



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	(2) The purpose of the agricultural climate resiliency program is to promote the usage and implementation of best regenerative agricultural farming practices and new technologies related to environmental sustainability, including measures to address the impacts of climate change. Program goals include enhancing soil and plant health, soil carbon sequestration, efficient use of water, and protection of water resources.	Combines Sec. 503 (Agricultural Climate Resiliency) and Sec. 504 (Soil Health/Regenerative Agriculture).	No change from current year other than minor technical drafting changes.	See Note above (Page 21)	See Note above (Page 21)
	(3) The department shall promote the principles of soil health and regenerative agriculture, including maintaining soil cover, minimization of soil disturbance, plant and crop diversity, maintenance of live plants and roots, and integration of livestock into cropping systems.	Combines Sec. 503 (Agricultural Climate Resiliency) and Sec. 504 (Soil Health/Regenerative Agriculture).	No change from current year other than minor technical drafting changes (subsections 3 and 4 are combined.)	See Note above (Page 21)	See Note above (Page 21)
	(4) The department shall promote the goals and principles of soil health and regenerative agriculture, including increasing soil organic matter content, improving soil water infiltration capacity, increasing soil water holding capacity, improving soil biological capacity to break down plant residue and other substances and to maintain soil aggregation, improving soil nutrient sequestration and cycling capacity, reducing nutrient losses, and increasing carbon sequestration capacity of soil.	Combines Sec. 503 (Agricultural Climate Resiliency) and Sec. 504 (Soil Health/Regenerative Agriculture).	No change from current year other than minor technical drafting changes (subsections 3 and 4 are combined.)	See Note above (Page 21)	See Note above (Page 21)
	(5) Program funds may not be used for applied research into precision application of fertilizer, pesticides or herbicides.	Combines Sec. 503 (Agricultural Climate Resiliency) and Sec. 504 (Soil Health/Regenerative Agriculture).	No change from current year other than minor technical drafting changes (renumbered as subsection 4).	See Note above (Page 21)	See Note above (Page 21)



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(6) Of the funds appropriated in part 1 for agricultural climate resiliency, the following amounts must be used by the department to partner with a state land-grant university to develop, implement, and evaluate a soil health, regenerative agriculture, and climate resiliency program: not less than \$1,000,000.00 in ongoing funding and not less than \$5,000,000.00 in 1-time funding. The partnership must be focused on researching and assisting the agricultural industry in implementing climate resiliency, soil health, and regenerative agricultural principles and techniques. Partnership goals must include, but are not limited to, establishing program priorities, developing metrics, implementing goals, evaluating outcomes, and engaging with stakeholders.

Combines Sec. 503 (Agricultural Climate Resiliency) and Sec. 504 (Soil Health/Regenerative Agriculture).

Renumbers as subsection 5; earmarks up to \$6.0 million to partner with a state land-grant university. Includes:

A state land-grant university partner receiving funds through appropriations made in part 1 and section 901 for agriculture climate resiliency must use the funds for direct research support. No funds may be charged to the program for university indirect costs or administrative burden.

See Note above (Page 21)

See Note above (Page 21)

(7) In addition to the report required under section 501, by April 1, the department shall prepare a report to be posted on the department's website and provided to the relevant house and senate standing committees and appropriations subcommittees as well as to the fiscal agencies and state budget office. The report shall provide information on the agricultural climate resiliency program, including department activities, uses of program funds by activity or project, contractors, grantees, and a summary of projects and project results.

Combines Sec. 503 (Agricultural Climate Resiliency) and Sec. 504 (Soil Health/Regenerative Agriculture). References Sec. 501 report.

No change from current year other than minor technical drafting changes (renumbered as subsection 6).

See Note above (Page 21)

See Note above (Page 21)

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<p>Soil Health/Regenerative Agriculture Sec. 504. (1) From the funds appropriated in part 1 for soil health/regenerative agriculture, the department shall establish a program with the purpose of advancing the adoption of soil health and regenerative agriculture principles in Michigan agriculture.</p>	No Change from Current Year.	No change from current year other than minor technical drafting changes.	<p>Note: Senate both combines current year sections 503 (Agricultural Climate Resiliency) and 504 (Soil Health/ Regenerative Agriculture) and restructures into three separate sections (Secs 502, 503, and 504 in the Senate bill).</p> <p>These lengthy and detailed sections are not copied this Decision Document.</p>	<p>Note: Conference combines Sec. 503 (Agricultural Climate Resiliency) and Sec. 504 (Soil Health/ Regenerative Agriculture) into new Sec. 502.</p> <p>Sec. 502 is reproduced in full at the end of this Decision Document.</p>
<p>(2) The department may engage partners to achieve the purposes of the program, including agriculture extension offices, the national resources conservation service, conservation districts, and nongovernmental organizations to build farmer-to-farmer networks to disseminate practices and information to improve adoption of soil health and regenerative agriculture practices, and other needs that the department identifies to improve adoption of these principles. Program funds may not be used for applied research into precision application of fertilizer, pesticides, or herbicides.</p>	No Change from Current Year.	No change from current year other than minor technical drafting changes.	See Note above	See Note above
<p>(3) The department shall promote the principles of soil health and regenerative agriculture, which include maintaining soil cover, minimization of soil disturbance, plant/crop diversity, maintenance of continual live plant/root, and integration of livestock into cropping systems.</p>	Included with Sec. 503 (Agricultural Climate Resiliency)	No change from current year other than minor technical drafting changes (subsections 3, 4, and 5 are combined.)	See Note above	See Note above



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(4) The department shall promote the goals of the principles of soil health and regenerative agriculture, which include increasing soil organic matter content, improving soil water infiltration capacity, increasing soil water holding capacity, improving soil biological capacity to break down plant residue and other substances and to maintain soil aggregation, improving soil nutrient sequestration and cycling capacity, reducing nutrient losses, and increasing carbon sequestration capacity of soil.

**Included with Sec. 503
(Agricultural Climate Resiliency)**

No change from current year other than minor technical drafting changes (subsections 3, 4, and 5 are combined.)

See Note above (Page 24)

See Note above (Page 24)

(5) The department shall promote the practices of soil health and regenerative agriculture, which include the use of no-till farming, intercropping, cover crops, multispecies cover crops, roll cropping, managed rotational grazing, and other practices identified that utilize natural biological processes to advance the goals of soil health and regenerative agriculture.

**Included with Sec. 503
(Agricultural Climate Resiliency)**

No change from current year other than minor technical drafting changes (subsections 3, 4, and 5 are combined.)

See Note above (Page 24)

See Note above (Page 24)

(6) The program's objectives shall be accomplished by utilizing state employees or contracts with service providers, or both. Any program partners receiving funding shall indicate the conservation outcomes they are intending to achieve and how they will measure achievement of those outcomes and provide a report to the department on the uses of funding received and achievement of any outcomes.

No Change from Current Year.

No change from current year other than minor technical drafting changes (renumbered as subsection 4).

See Note above (Page 24)

See Note above (Page 24)

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(7) In addition to the report required under section 501, by April 1, the department shall prepare a report to be posted on the department's website and provided to the relevant house and senate standing committees and appropriations subcommittees as well as to the fiscal agencies and state budget office. The report shall provide information on the soil health and regenerative agriculture program, including department activities, uses of program funds by activity or project, contractors, grantees, and a summary of projects and project results.	Retained with technical language changes dealing with report recipients, references Sec. 501 report.	No change from current year other than minor technical drafting changes (renumbered as subsection 5).	See Note above (Page 24)	See Note above (Page 24)
<u>ENVIRONMENTAL STEWARDSHIP</u> <i>Environmental Stewardship/MAEAP</i> Sec. 601. The funds appropriated in part 1 for environmental stewardship/MAEAP shall be used to support department agriculture pollution prevention programs, including groundwater and freshwater protection programs under part 87 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.8701 to 324.8717, and technical assistance in implementing conservation grants available under the federal farm bill.	Retained current year language except to strike " <i>and technical assistance in implementing conservation grants available under the federal farm bill.</i> "	No change from current year other than minor technical drafting changes.	No change from current year other than minor technical drafting changes, renumbered as Sec. 505.	No change from current year other than minor technical drafting changes, renumbered as Sec. 505.



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Senate Sec. 505 continued

(2) From the funds appropriated in part 1 for environmental stewardship/MAEAP, \$3,000,000.00 must be used to establish a contractual agreement with the Michigan State University extension for the purpose of assisting MAEAP programs. The agreement must reflect negotiated goals, outcomes, and performance standards between the 2 parties.

In negotiating the agreement, the department must:

(a) Prioritize the hiring of existing MAEAP technicians for equivalent positions within extension by considering relevant work experience and years of services in the MAEAP program.

(b) Encourage collaboration between extension and the conservation districts for the use and maintenance of necessary resources including office space, records, or equipment.

(c) Consult with the MAEAP Advisory Council (MCL 324.8708) regarding the standards included in the agreement and provide for continued input from the council.

Not Included

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				(3) Prior to confirmation of the contract, the department shall present the agreement to the Michigan commission of agriculture and rural development for input and recommendations.	Not Included
				(4) The contract between the department and extension must be signed and operational no later than March 1, 2025.	Not Included
				(5) By not later than June 1, 2025, the department shall report to the agriculture committees and subcommittees of the Senate and House of Representatives on the status of the transition of MAEAP technical staff to extension.	Not Included
<div>Environmental Stewardship Division</div> <div>Annual Report</div> <div>Sec. 602. The department shall report on the previous calendar year's activities of the environmental stewardship division. The report shall be transmitted to the subcommittees, the fiscal agencies, and the state budget office and posted to the department's website on or before April 1 of each year.</div>	<div>Not Included.</div> <div>(Report consolidated with the Sec. 501 report to reflect reorganization.)</div>	<div>No change from current year other than minor technical drafting changes; retained as a division-specific report for Environmental Stewardship Division.</div>	<div>See Sec. 501, above:</div> <div>Retained but modified to reflect reorganization, making the report cover the activities of the Bureau of Environment and Sustainability, rather than a division-specific report for Environmental stewardship Division.</div>	<div>See Sec. 501, above:</div> <div>Retained but modified to reflect reorganization, making the report cover the activities of the Bureau of Environment and Sustainability, rather than a division-specific report for Environmental stewardship Division.</div>	



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Agricultural Nutrient Best Management Voluntary Practices Report

Sec. 603. In addition to the report required under section 602, by April 1, the department shall prepare a report to be posted on the department's website and provided to the relevant house and senate standing committees and appropriations subcommittees as well as to the fiscal agencies and state budget office. The report shall contain the following information for agriculture nutrient best management voluntary practices program: number and location of acres enrolled in nutrient management or other best management practices; number of acres enrolled that were not previously verified under the MAEAP; summary of practices implemented and available incentive programs; starting and ending balances of the program; summary of outreach and training efforts; and testing results.

Not Included.

No change from current year other than minor technical drafting changes.

Not Included.

Retained as Sec. 503, with minor technical changes from current year.

Receive and Expend Authorization for Additional Federal Revenues

Sec. 604. The department may receive and expend federal revenues up to a total of \$1,000,000.00 in excess of the federal revenue appropriated in section 107 of part 1 for environmental stewardship and MAEAP activities. The department shall notify the subcommittees, the fiscal agencies, and the state budget office prior to expending federal revenues authorized under this section.

Retained with minor/technical language changes.

No change from current year other than minor technical drafting changes.

No change from current year other than minor technical drafting changes, renumbered as Sec. 506.

No change from current year other than minor technical drafting changes, renumbered as Sec. 506.

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		EXECUTIVE	HOUSE	SENATE	CONFERENCE
Qualified Forest Program Sec. 608. (1) The appropriations in part 1 for the qualified forest program are for the purpose of increasing the knowledge of nonindustrial private forestland owners of sound forest management practices and increasing the amount of commercial timber production from those lands.		No Change from Current Year other than to move to 700 series to reflect transfer to Agriculture Development.	No Change from Current Year.	No Change from Current Year other than renumbering as Sec. 708.	No Change from Current Year other than renumbering as Sec. 708.
(2) The department shall 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 timber product industry.		No Change from Current Year other than to move to 700 series to reflect transfer to Agriculture Development.	No Change from Current Year.	No Change from Current Year other than renumbering as Sec. 708.	No Change from Current Year other than renumbering as Sec. 708.
Local Conservation Districts Sec. 609. (1) The appropriations in part 1 for local conservation districts shall be distributed in equal amounts to local conservation districts in this state that were in operation as of April 15, 2021.		No Change from Current Year other than minor/technical changes.	No Change from Current Year other than minor/technical changes.	Modified as follows: Sec. 507. (1) From the appropriations in part 1 for local conservation districts, \$3,000,000.00 must be distributed in equal amounts to local conservation districts in this state that were in operation in the previous fiscal year.	Modified as follows: Sec. 507. (1) From the appropriations in part 1 for local conservation districts, \$3,000,000.00 must be distributed through a grant program to local conservation districts in this state that were in operation in the previous fiscal year, based on criteria established by the department.



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Not Included.

NEW

(2) From the appropriations in part 1 for local conservation districts, \$3,000,000.00 must be distributed to local conservation districts through memoranda of understandings (MOU) between the department and districts, with distribution dependent upon the execution and maintenance of memoranda of understandings (MOU) agreements on the provision of services delivered and appropriate reporting of the provision of services.

(2) On or before March 1, 2024, the department shall report on the previous calendar year's activities of local conservation districts. The report shall include descriptions of local conservation district activities and funding, including uses of appropriations made in part 1. In preparing this report, the department shall coordinate with representatives of local conservation districts. The report shall be transmitted to the subcommittees, the fiscal agencies, and the state budget office and posted to the department's website.

No Change from Current Year other than minor/technical changes and date references.

No Change from Current Year other than minor/technical changes and date references.

Revised and renumbered:
(3) On or before March 1, the department shall report on the previous calendar year's activities of local conservation districts. The report must include descriptions of local conservation district activities and the use of funding, including uses of appropriations made in part 1 as provided in subsection (1). The report must also include an accounting of funds spent as provided in subsection (2), including a list of districts that entered into memoranda of understandings (MOU) agreements with the department and the services the districts performed as part of the agreements. In preparing this report, the department shall coordinate with representatives of local conservation districts.

Revised and renumbered:
(2) On or before **April 1**, the department shall report on the previous calendar year's activities of local conservation districts. The report must include descriptions of local conservation district activities and the use of funding. In preparing this report, the department shall coordinate with representatives of local conservation districts.

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<p><i>Farmland/Open Space Tax Credit</i> Sec. 610. From the funds appropriated in part 1, the department shall maintain coordination with the department of treasury to improve the timely processing and issuance of tax credits under section 36109 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.36109, for the Michigan's farmland and open space preservation program under parts 361 and 362 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.36101 to 324.3116 and 324.36201 to 324.36207. This includes, but is not limited to:</p> <p>(a) Timely review of mailed applications and paperwork. (b) Timely and proactive communications to applicants on the status of their application. (c) A clear and understood timeline for the issuance of any tax credits.</p>	<p>No Change from Current Year other than to move to 700 series to reflect transfer to Agriculture Development.</p>	<p>No Change from Current Year.</p>	<p>No Change from Current Year other than renumbering as Sec. 709.</p>	<p>No Change from Current Year other than renumbering as Sec. 709.</p>
<p><u>LABORATORY PROGRAM</u></p> <p><i>Laboratory Division Annual Report</i> Sec. 651. The department shall report on the previous calendar year's activities of the laboratory division. The report shall be transmitted to the subcommittees, the fiscal agencies, and the state budget office and posted to the department's website on or before April 1 of each year.</p>	<p>No Change from Current Year other than minor/technical changes (report recipients).</p>	<p>No change from current year other than minor technical drafting changes.</p>	<p>No change from current year other than minor technical drafting changes and renumbered as Sec. 601.</p>	<p>No change from current year other than minor technical drafting changes and renumbered as Sec. 601.</p>

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<p><i>Prohibition on Use of Fund to Consolidate State-Run Laboratories</i></p> <p>Sec. 652. No funds from the appropriations in part 1 may be used for the purpose of consolidating state-run laboratories.</p>	No Change from Current Year	No Change from Current Year	No Change from Current Year; renumbered as Sec. 602.	No Change from Current Year; renumbered as Sec. 602.	
<p><u>AGRICULTURE DEVELOPMENT</u></p> <p><i>Food and Agriculture Investment Grant Program</i></p> <p>Sec. 701. (1) From the funds appropriated in part 1 for the food and agriculture investment program, the department shall establish and administer a food and agriculture investment program.</p>	No Change from Current Year	No Change from Current Year	No Change from Current Year	No Change from Current Year	
<p>(2) The food and agriculture investment program shall do all of the following:</p> <p>(a) Expand the Michigan food and agriculture sector.</p> <p>(b) Promote food security.</p> <p>(c) Develop local and regional food systems.</p> <p>(d) Grow Michigan exports.</p> <p>(e) Promote the development of value-added agricultural production.</p> <p>(f) Support urban farms, food hubs, food incubators, and community-based processing facilities with a focus on new and expanding protein processors.</p> <p>(g) Promote the expansion of farm markets, flower markets, and urban agriculture, including hoop houses.</p> <p>(h) Increase food processing activities within this state by accelerating investment projects and infrastructure development that support growth in production agriculture and food and agriculture processing, expand opportunity to new agricultural producers and processors, promote agriculture tourism and agricultural heritage, and develop agricultural education and interpretation activities.</p>	No Change from Current Year	No Change from Current Year	No Change from Current Year	No Change from Current Year	

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(3) In addition to the funds appropriated in part 1, the department may receive and expend funds received from outside sources for the food and agriculture investment program.	No Change from Current Year	No Change from Current Year	No Change from Current Year	No Change from Current Year
(4) Before the allocation of funding, all projects shall receive approval from the Michigan commission of agriculture and rural development, except for projects selected through a competitive process by a joint evaluation committee selected by the director and consisting of representatives that have agriculture, food security, local and regional food systems, business, and economic development expertise. Projects funded through the food and agriculture investment program will be required to have a grant agreement that outlines milestones and activities that must be met in order to receive a disbursement of funds. Projects must also identify measurable project outcomes.	No Change from Current Year	No change from current year other than minor technical drafting changes.	No Change from Current Year	No Change from Current Year
(5) The department shall include in the agriculture development annual report a report on the food and agriculture investment program for the previous fiscal year that includes a listing of the grantees, award amounts, match funding, project locations, and project outcomes.	Not Included.	No Change from Current Year.	No Change from Current Year	No Change from Current Year



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(6) The unexpended funds appropriated in part 1 for the food and agriculture investment program are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to promote and expand the Michigan food and agriculture sector, grow Michigan exports, and increase food processing activities within the state.

(b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.

(c) The estimated cost of this project is identified in the appropriation line item.

(d) The tentative completion date for the work project is September 30, 2026.

No change other than minor/technical changes (date references).

No change other than minor/technical changes (date references).

No change other than minor/technical changes (date references).

No change other than minor/technical changes (date references).

(7) The department may expend money from the funds appropriated in part 1 for the food and agriculture investment program, including all of the following activities:

- (a) Grants.
- (b) Loans or loan guarantees.
- (c) Infrastructure development.
- (d) Other economic assistance.
- (e) Program administration.
- (f) Export assistance

No Change from Current Year

No Change from Current Year.

No Change from Current Year.

No Change from Current Year.

(8) The department shall expend no more than 5% from the funds appropriated in part 1 for the food and agriculture investment program for administrative purposes.

No Change from Current Year other than increasing administrative percentage to 10%.

No Change from Current Year.

No Change from Current Year.

No Change from Current Year.

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(9) In awarding grants under the food and agriculture investment program, the department shall identify and encourage applications from members of socially disadvantaged groups, women, veterans, and beginning farmers and ranchers. In awarding grants under the food and agriculture investment program, the department must also prioritize Michigan-based small businesses, nonprofits, and organizations promoting agriculture and food security activities.	No Change from Current Year other than striking "prioritize" and inserting "encourage".	No Change from Current Year.	No Change from Current Year.	No Change from Current Year.	
Rural Development Fund Grants Sec. 702. The office of rural development shall act to encourage and enable appropriate community advancements and improvements, including, but not limited to, housing, infrastructure, education, workforce development, and other needs uniquely present in rural areas of this state that will assist in expansion of rural agriculture development.	Not Included. Office of Rural Development was transferred to LEO.	Not Included. Office of Rural Development was transferred to LEO.	Not Included. Office of Rural Development was transferred to LEO.	Not Included. Office of Rural Development was transferred to LEO.	
Double Up Food Bucks Program Sec. 703. (1) From the funds appropriated in part 1 for fair food network – double up food bucks, the department shall work with the fair food network to ensure that at least 80% of the funds allocated to the double up food bucks program are directly used for the payments to participating vendors.	No Change from Current Year	No Change from Current Year other than reference to appropriation in section 901.	No Change from Current Year	No Change from Current Year	

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(2) The department shall work with the department of health and human services to do all of the following: (a) Notify recipients of food assistance program benefits that food assistance program benefits can be accessed at many farmer's markets in this state with bridge cards. (b) Notify recipients of food assistance program benefits about the double up food bucks program that is administered by the fair food network. Food assistance program recipients shall receive information about the double up food bucks program.	No Change from Current Year	No Change from Current Year.	No Change from Current Year.	No Change from Current Year.	
(3) The department shall work with the fair food network to expand access to the double up food bucks program in each of the state's counties with grocery stores or farmer's markets that meet the program's eligibility requirements.	No Change from Current Year	No Change from Current Year.	No Change from Current Year.	No Change from Current Year.	
(4) On or before June 1, 2024, the department shall submit a report on activities and outcomes of the double up food bucks program to the subcommittees and the fiscal agencies. The report shall contain all of the following: (a) Counties in this state with participating double up food bucks vendors, the number of vendors by county, and the name and location of vendors, as of May 1, 2022. (b) Counties in this state with participating double up food bucks vendors, the number of vendors by county, and the name of location of vendors, as of May 1, 2023. The report shall highlight counties and vendors added to the program since May 1, 2022. (c) Number of individuals participating in the program, by county.	Retained with minor/technical changes (date references and report recipients).	Retained with minor/technical changes and date references.	Retained with minor/technical changes and date references.	Retained with minor/technical changes and date references.	



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Agriculture Development Division Annual Report

Sec. 706. (1) The department shall report on the previous calendar year's activities of the agriculture development division. The report shall be transmitted to the subcommittees, the fiscal agencies, and the state budget office and posted to the department's website on or before April 1 of each year.

Retained with minor/technical changes (report date reference and report recipients).

Retained with minor/technical changes and date references.

Retained with minor/technical changes and date references.

Retained with minor/technical changes and date references.

(2) The report shall include the following information on any grants awarded during the prior fiscal year:

- (a) The name of the grantee.
- (b) The amount of the grant.
- (c) The purpose of the grant, including measurable outcomes.
- (d) Additional state, federal, private, or local funds contributed to the grant project.
- (e) The completion date of grant-funded activities.

No Change from Current Year.

Retained with minor/technical changes.

Retained with minor/technical changes.

Retained with minor/technical changes.

(3) The report shall include the following information on the Michigan craft beverage council established under section 303 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1303:

- (a) Council activities and accomplishments for the previous fiscal year.
- (b) Council expenditures for the previous fiscal year by category of administration, industry support, research and education grants, and promotion and consumer education.
- (c) Grants awarded during the previous fiscal year and the results of research grant projects completed during the previous fiscal year.

No Change from Current Year.

Retained with minor/technical changes.

Retained with minor/technical changes.

Retained with minor/technical changes.

(4) The report shall identify grant recipients who are members of socially disadvantaged groups, women, veterans, and beginning farmers and ranchers.

No Change from Current Year.

Retained with minor/technical changes.

Retained with minor/technical changes.

Retained with minor/technical changes.

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<i>Industry Support Fund Carry-Forward</i> Sec. 707. Unexpended industry support fund revenues at the end of the fiscal year may be carried forward into the industry support fund in the succeeding fiscal year and shall not lapse to the general fund.		No Change from Current Year.	No Change from Current Year.	No Change from Current Year.	No Change from Current Year.
<u>FAIRS AND EXPOSITIONS</u> <i>Agriculture Equine Industry Development Fund (AEIDF)</i> Sec. 801. All appropriations from the agriculture equine industry development fund shall be spent on equine- related purposes. No funds from the agriculture equine industry development fund shall be expended for non-equine-related purposes without prior approval of the legislature.		No Change from Current Year.	Retained with minor/technical changes.	Retained with minor/technical changes.	Retained with minor/technical changes.

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Agriculture Equine Industry Development Fund Reductions

Sec. 802. From the funds appropriated in part 1 from agriculture equine industry development funds, available revenue shall be allocated in the following priority order:

(a) To support all administrative, contractual, and regulatory costs incurred by the department and the Michigan gaming control board.

(b) Any remaining funds collected through September 30, 2023, after the obligations in subdivision (a) have been met, shall be prorated equally among the county fairs, supplements, breeders' awards, and sire stakes awards to eligible race meeting licensees in accordance with section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320.

No Change from Current Year other than date references.

Revised as follows:

Sec. 802. Appropriations from the agriculture equine industry development fund must be allocated in the following priority order:

(a) To support actual costs of the Michigan gaming control board attributable to licensing and regulatory activities under the horse racing law of 1995.

(b) To support actual costs of the department in administering fair racing programs and awards and supplements authorized under the horse racing law of 1995.

(c) For purses and supplements, breeders' awards, and sire stakes awards, in accordance with section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320, and including Michigan sired championship races as appropriated in part 1 and defined in section 803.

No Change from Current Year other than date references.

No Change from Current Year other than date references.

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NEW

Sec. 803 (1). Subject to subsection (2), From the funds appropriated in part 1 for Michigan sired championship stakes, \$720,000.00 is designated for races run at a county fair exclusively for 2-year old and 3-year old Michigan sired standardbred horses.

(2) The appropriation in part 1 for Michigan sired championship stakes may be expended only if either of the following apply:

(a) There is no standardbred race meeting in this state that is licensed as under the horse racing law of 1995, 1995 PA 279, MCL 431.301.

(b) There is no standardbred race meeting in this state that is licensed as described in subdivision (a) and that has facilities capable of hosting Michigan sired standardbred stakes races as described under section 20(5)(i) of the horse racing law of 1995, 1995 PA 279, MCL 431.320.

(3) As used in this section, "Michigan sired standardbred horses" means that term as defined in section 20(5)(i) of the horse racing law of 1995, 1995 PA 279, MCL 431.320.

NEW

Sec. 803. From the funds appropriated in part 1 from purses and supplements – fairs/licensed tracks, \$720,000.00 may be spent only if there is no standardbred race meeting in this state that is licensed under the horse racing law of 1995, 1995 PA 279, MCL 431.301 to 431.336, by January 1, 2025.



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County Fair Capital Grant Program

Sec. 805. (1) From the funds appropriated in part 1 for county fairs, shows, and expositions, the department shall establish and administer a county fairs, shows, and expositions grant program. The program shall have the following objectives:

- (a) Assist in the financing of building improvements or other capital improvements at county fairgrounds of this state.
- (b) Provide financial support, promotion, prizes, and premiums of equine, livestock, and other agricultural commodity expositions in this state.

No Change from Current Year.

Retained with minor/technical changes.

Retained with minor/technical changes; renumbered as Sec. 803.

Retained with minor/technical changes; renumbered as Sec. 803.

(2) The department shall award grants on a competitive basis to county fairs or other organizations from the funds appropriated in part 1 for county fairs, shows, and expositions grants. Grantees will be required to provide a 50% cash match with grant awards and identify measurable project outcomes. A county fair organization that received a county fair capital improvement grant in the prior fiscal year shall not receive a grant from the appropriation in part 1.

No Change from Current Year.

Retained with minor/technical changes.

Retained with minor/technical changes.

Retained with minor/technical changes.

(3) From the amount appropriated in part 1 for county fairs, shows, and expositions, up to \$25,000.00 shall be expended for the purpose of financial support, promotion, prizes, and premiums of equine, livestock, and other agricultural commodity expositions and festivals in this state.

No Change from Current Year.

Retained with minor/technical changes.

Retained with minor/technical changes.

Retained with minor/technical changes.

(4) All fairs receiving grants under this section shall provide a report to the department on the financial impact resulting from the capital improvement project on both fair and nonfair events. These reports are due for 3 years immediately following the completion of the capital improvement project.

No Change from Current Year.

Retained with minor/technical changes.

Retained with minor/technical changes.

Retained with minor/technical changes.



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	EXECUTIVE	HOUSE	SENATE	CONFERENCE
(5) The department shall identify criteria, evaluate applications, and provide recommendations to the director for final approval of grant awards.	No Change from Current Year.	No Change from Current Year.	No Change from Current Year.	No Change from Current Year.
(6) The department may expend money from the funds appropriated in part 1 for the county fairs, shows, and expositions for administering the program.	No Change from Current Year.	No Change from Current Year.	No Change from Current Year.	No Change from Current Year.
<p>(7) The unexpended portion of the appropriation in part 1 for county fairs, shows, and expositions grants are designated as a work project appropriation and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in accordance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:</p> <p>(a) The purpose of the project is to support building improvements or other capital improvements at county fairgrounds of this state.</p> <p>(b) All grants will be distributed in accordance with this section and the grant guidelines published prior to the request for proposals.</p> <p>(c) The project will be accomplished by utilizing state employees or contracts with service providers, or both.</p> <p>(d) The estimated cost of the project is \$2,500,000.00.</p> <p>(e) The tentative completion date for the work project is September 30, 2026.</p>	<p>No Change from Current Year other than estimated project cost (\$500,000) and estimated completion date (September 30, 2027).</p>	<p>No Change from Current Year</p> <p>[Drafting error: failed to update estimated project cost of \$2,500,000 and estimated completion date of September 30, 2026.]</p>	<p>No Change from Current Year other than estimated project cost (\$500,000) and estimated completion date (September 30, 2027).</p>	<p>No Change from Current Year other than estimated project cost (\$500,000) and estimated completion date (September 30, 2027).</p>

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

FY 2023-24 CURRENT LAW	FY 2024-25			
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(8) The department shall provide a year-end report on the county fairs, shows, and expositions grants no later than December 1, 2024 to the subcommittees, the fiscal agencies, and the state budget director that includes a listing of the grantees, award amounts, match funding, project outcomes, and department costs of grant administration.	No Change from Current Year other than report recipients, and report due date (December 1, 2025).	No Change from Current Year other than report due date (December 1, 2025).	No Change from Current Year other than report due date (December 1, 2025).	No Change from Current Year other than report due date (December 1, 2025).
		NEW WORK PROJECT REPURPOSE Sec. 901. (1) From the unexpended and unencumbered funds appropriated in article 1, 2021 PA 87, for agricultural nutrient best management voluntary practices program, the following appropriations shall be made: (a) \$1,000,000.00 for fair food network - double up food bucks to be used by the department in accordance with Sec. 703. (b) \$3,000,000.00 for agricultural climate resiliency to be used by the department in accordance with Sec. 503. (c) \$850,000.00 to the Michigan craft beverage council. (d) \$150,000.00 to the Flint Farmers' Market.	NEW WORK PROJECT REPURPOSE Sec. 907. (1) It is the intent of the legislature that the state budget director use their authority under section 451a of the management and budget act to lapse a total of \$15.5 million appropriated under 2021 PA 87 for work project number TW3069022, designated for agricultural nutrient best management voluntary practices (2) It is the intent of the legislature that funds appropriated in part 1 from work project lapse fund are available for expenditure for the purposes identified in part 1 using proceeds of the work project lapse listed in subsection 1. (3) It is the intent of the legislature that an appropriation using the proceeds from the lapsed work project identified under subsection 1 may be spent only if the appropriation is for a purpose that is an allowable use of the fund source for the work project identified to be lapsed under subsection (1).	Not Included.

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	FY 2023-24 CURRENT LAW	FY 2024-25		
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<u>ONE-TIME APPROPRIATIONS</u> <i>Minority-Owned Food and Agriculture Ventures</i> Sec. 902. (1) From the 1-time funds appropriated in part 1 for minority-owned food and agriculture ventures, the department shall create a grant program to expand minority businesses in food and agriculture. Grant recipients must be majority minority-owned or ventures that are providing access to predominately majority minority-owned businesses.	Not Included (One-Time).	Not Included (One-Time).	No change from Current Year; renumbered as Sec. 901.	Renumbered as Sec. 901; revised as follows: (1) From the 1-time funds appropriated in part 1 for underserved-owned food and agriculture ventures, the department shall create a grant program to expand underserved businesses in food and agriculture. Grant recipients must be majority underserved-owned or ventures that are providing access to predominately majority underserved-owned businesses.
(2) From the 1-time funds appropriated in part 1 for minority-owned food and agriculture ventures, \$400,000.00 shall be allocated to the communities first organization to provide retail space and assistance for predominately minority-owned entrepreneurial businesses.	Not Included (One-Time).	Not Included	Not Included	Not Included

HOUSE FISCAL AGENCY	DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT			
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(3) The unexpended funds appropriated in part 1 for minority-owned food and agriculture ventures are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a: (a) The purpose of the project is the expansion of minority-owned businesses in food and agriculture. (b) The project will be accomplished by utilizing state employees or contracts with service providers, or both. (c) The estimated cost of this project is \$2,900,000.00. (d) The tentative completion date for the work project is September 30, 2028.	Not Included (One-Time).	Not Included (One-Time).	No change from Current Year, other than project cost reference (\$500,000) and date reference (September 30, 2029).	Revised as follows: (2) The unexpended funds appropriated in part 1 for underserved-owned food and agriculture ventures are designated as a work project appropriation, and any unencumbered or unallotted funds do not lapse at the end of the fiscal year and are available for expenditures for projects under this section until projects have been completed. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.145a: (a) The purpose of the project is the expansion of underserved-owned businesses in food and agriculture. (b) The project is to be accomplished by utilizing state employees or contracts with service providers, or both. (c) The estimated cost of this project is \$500,000.00. (d) The tentative completion date for the work project is September 30, 2029.

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		EXECUTIVE	HOUSE	SENATE	CONFERENCE
					<div>NEW</div> <p>Sec. 902. (1) From funds appropriated for the fruit and vegetable prescription program, the department shall allocate \$500,000.00 to expand the fruit and vegetable prescription program in Genesee County and allow participants to redeem prescriptions at qualified full-service grocery stores and farmer's markets participating in the program to positively impact the nutrition and health of children and families. 15 16 (2) On or before June 1, 2025, the administrators of the fruit and vegetable prescription program shall submit a report to the department, and the department shall then distribute the report to standard report recipients required on the activities and outcomes of the fruit and vegetable prescription program. The report must include a description of the program's activities and contain both of the following: (a) The number of fruit and vegetable prescriptions redeemed. (b) The dollar amount of fruit and vegetable prescriptions redeemed.</p>

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		EXECUTIVE	HOUSE	SENATE	CONFERENCE
					NEW Sec. 903. The unexpended funds appropriated in part 1 for study of agriculture stewardship is designated as a work project appropriation, and any unencumbered or unallotted funds do not lapse at the end of the fiscal year and are available for expenditures for those projects until the projects have been completed. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.145a: (a) The purpose of the project is to create a report on the goals of agriculture stewardship with recommendations as to future strategies to best achieve those goals. (b) The project is to be accomplished by utilizing contracts with service providers. (c) The estimated cost of this project is \$250,000.00. (d) The tentative completion date for the work project is September 30, 2029.

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	FY 2023-24 CURRENT LAW	FY 2024-25		
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<p><i>Agricultural Climate Resiliency</i> Sec. 903. The 1-time unexpended funds appropriated in part 1 for agricultural climate resiliency are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:</p> <p>(a) The purpose of the project is to promote the usage and implementation of best regenerative agricultural farming practices and new technologies related to environmental sustainability, including measures to address the impacts of climate change.</p> <p>(b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.</p> <p>(c) The estimated cost of this project is \$6,000,000.00.</p> <p>(d) The tentative completion date for the work project is September 30, 2028.</p>	Not Included (One-Time).	Not Included (One-Time).	Not Included (One-Time).	Not Included (One-Time).

<div>HOUSE</div> <div>FISCAL</div> <div>AGENCY</div>	DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT				
	FY 2023-24 CURRENT LAW	FY 2024-25			
		EXECUTIVE	HOUSE	SENATE	CONFERENCE
<i>Soil Health/Regenerative Agriculture</i> Sec. 904. The unexpended funds appropriated in part 1 for soil health/regenerative agriculture are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a: (a) The purpose of the project is advancing the adoption of soil health and regenerative agriculture principles in Michigan agriculture. (b) The project will be accomplished by utilizing state employees or contracts with service providers, or both. (c) The estimated cost of this project is \$5,000,000.00. (d) The tentative completion date for the work project is September 30, 2028.		Not Included (One-Time).	Not Included (One-Time).	Not Included (One-Time).	Not Included (One-Time).
<i>Washtenaw County Local Conservation District</i> Sec 905. The 1-time appropriation for Washtenaw conservation district shall be used for a 2-year MIFarmLink pilot project to connect new farmers with opportunities to gain access to land to start their own farms.		Not Included (One-Time).	Not Included (One-Time).	Not Included (One-Time).	Not Included (One-Time).
				Sec. 902 – Soil Health Workshops and Education Establishes \$249,900 part 1 appropriation as a work project.	Not Included

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		EXECUTIVE	HOUSE	SENATE	CONFERENCE
				Sec. 903 – Local Conservation District Study Establishes \$249,900 part 1 appropriation as a work project.	Not Included
				Sec. 904 – Cost Sharing for No-Till, Western Lake Erie Basin Establishes \$9.0 million part 1 appropriation as a work project.	Not Included
				Sec. 905 – Risk mitigation costs of no-till adoption in western Lake Erie Basin Establishes \$4.0 million part 1 appropriation as a work project.	Not Included
				Sec. 906. Soil health education in western Lake Erie Basin Establishes \$2.5 million part 1 appropriation as a work project.	Not Included
				Sec. 907 – Work Project Lapse Describes legislative intent with respect to \$15.5 million work project lapse. (See Sec. 901, above for House version).	Not Included

Senate Bill 747(CR-1) Section 502

Agricultural climate resiliency/Soil health/regenerative agriculture

Enacted budget combines and revises two FY 2023-24 sections: Sec. 503 (Agricultural Climate Resiliency) and Sec. 504 (Soil Health/ Regenerative Agriculture) and restructures into a single section, **Sec. 502**.

Sec. 502. (1) The purpose of the part 1 appropriation for agricultural climate resiliency is to promote the usage and implementation of best regenerative agricultural farming practices and new technologies related to environmental sustainability, including measures to address the impacts of climate change. Program goals include enhancing soil and plant health, soil carbon sequestration, efficient use of water, and protection of water resources.

(2) The purpose of the part 1 appropriation for soil health/regenerative agriculture is advancing the adoption of soil health and regenerative agriculture principles in agriculture in this state.

(3) From the funds appropriated in part 1 for agricultural climate resiliency and soil health/regenerative agriculture, the department shall do both of the following:

(a) Promote the principles of soil health and regenerative agriculture through at least the following:

- (i) The maintenance of soil cover.
- (ii) The minimization of soil disturbance.
- (iii) The maximization of plant and crop diversity.
- (iv) The maximization of the presence of living roots.
- (v) The integration of livestock into the cropping systems.

(b) Ensure that program outcomes include at least the following:

- (i) The integration of livestock into the cropping systems.
- (ii) The increase of soil organic matter content.
- (iii) The improvement of soil water infiltration capacity.
- (iv) The increase in soil water holding capacity.
- (v) The improvement of soil biological capacity to break down plant residue and other substances and to maintain soil aggregation.
- (vi) The improvement of soil nutrient sequestration and cycling capacity.
- (vii) The reduction of nutrient losses.
- (viii) The increase of carbon sequestration capacity of soil.

(4) From the funds appropriated in part 1 for agricultural climate resiliency and soil health/regenerative agriculture, the department shall promote practices of soil health and regenerative agriculture, including the use of no-till farming, intercropping, cover crops, multispecies cover crops, roller crimping, managed rotational grazing, and other practices identified that utilize natural biological processes to advance the goals of soil health and regenerative agriculture.

(5) No funds appropriated in part 1 for agricultural climate resiliency and soil health/regenerative agriculture may be used for applied research into the precision application of fertilizer, pesticides, or herbicides.

(6) It is the intention of the legislature that the department engage with program partners to achieve the purposes of the agricultural climate resiliency and soil health/regenerative agriculture programs through research, education, and outreach. Program partners include, but are not limited to, farmer-to-farmer networks, Michigan State University Extension, Michigan State University AgBioResearch, the USDA Natural Resources Conservation Service, local conservation districts, and other nongovernmental organizations. Agreements with program partners receiving funds through agricultural climate resiliency and soil health/regenerative agriculture appropriations must describe intended outcomes and how intended outcomes will be measured and require the provision of a report to the department on uses of funding received and a progress report on outcomes.

(7) The department may use state employees or contract service providers, or both, to achieve the purposes of the agricultural climate resiliency and soil health/regenerative agriculture programs.

(8) In the report required under section 501 of this part, the department shall provide information on the program described in this section, including department activities, uses of program funds by activity or project, contractors, grantees, and a summary of projects and project results.

(9) Of the funds appropriated in part 1 for agricultural climate resiliency, not less than \$6,100,000.00 must be used by the department to partner with the state land grant university through MSU Extension and AgBioResearch to develop, implement, and evaluate a soil health, regenerative agriculture, and climate resiliency program. The partnership described in this subsection must be focused on researching and assisting the agricultural industry in implementing climate resiliency, soil health, and regenerative agricultural principles and techniques. Partnership goals must include, but are not limited to, establishing program priorities, developing metrics, implementing goals, evaluating outcomes, and engaging with stakeholders.

