

FY 2012-13: AGRICULTURE AND RURAL DEVELOPMENT
Summary: Conference Report
Article I, House Bill 5365 (CR-1)



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IDG/IDT	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Conference	Difference: Conference From FY 2011-12 YTD	
						Amount	%
	\$437,700	\$319,300	\$319,300	\$319,300	\$519,300	\$81,600	18.6
Federal	14,587,700	11,199,600	11,199,600	11,199,600	11,199,600	(3,388,100)	(23.2)
Local	0	0	0	0	0	0	--
Private	178,400	175,800	175,800	175,800	175,800	(\$2,600)	(1.5)
Restricted	29,600,500	28,659,400	28,959,400	28,959,400	28,959,400	(641,100)	(2.2)
GF/GP	29,878,700	34,160,500	34,160,500	35,612,200	36,098,900	6,220,200	20.8
Gross	\$74,683,000	\$74,514,600	\$74,814,600	\$76,266,300	\$76,953,000	\$2,270,000	0.3
FTEs	443.0	424.0	424.0	427.0	431.0	(12.0)	(2.7)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683.
(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

Overview

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

Major Budget Changes From FY 2011-12 YTD Appropriations

		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
1. Unclassified Salaries	FTEs	2.0	4.0
<u>Conference</u> follows Target Agreement and adds 4.0 Unclassified FTE positions and \$486,700 GF/GP.	Gross	\$213,300	\$486,700
	GF/GP	\$213,300	\$486,700
2. Information Technology	Gross	\$1,356,300	\$28,600
<u>Conference</u> includes economic adjustments and concurs with House to shift \$20,000 from the Agriculture Equine Industry Development Fund (AEIDF) to Light horse breeders' awards.	IDG	2,900	100
	Restricted	156,100	(14,600)
	GF/GP	\$1,197,300	\$43,100
3. Food and Dairy – Milk Safety and Quality Assurance	FTEs	23.0	3.0
<u>Conference</u> includes economic adjustment; concurs with Senate and includes \$300,000 GF/GP increase as compared to the Executive recommendation, and 3.0 additional FTE positions.	Gross	\$3,103,200	\$371,600
	Federal	35,700	800
	Restricted	165,800	3,800
	GF/GP	\$2,901,700	\$367,000
4. Animal Industry – Indemnity Livestock Depredations	Gross	\$0	\$50,000
<u>Conference</u> adds new line item to account for indemnity payments for livestock depredations as provided in boilerplate Section 453 (2) and (3).	GF/GP	\$0	\$50,000
5. Pesticide and Plant Pest Management – PPPM	FTEs	88.0	(11.0)
<u>Conference</u> reflects economic cost reductions, and \$400,000 restricted fund reduction to reflect actual anticipated revenue. Conference also concurs with Senate and includes \$70,000 GF/GP increase to provide for nursery inspections.	Gross	\$11,025,400	(\$415,300)
	Federal	2,043,900	5,100
	Private	86,500	300
	Restricted	5,224,900	(387,200)
	GF/GP	\$3,670,100	(\$33,500)
6. Producer Security/Grain Dealer Licensing	FTEs	4.0	0.0
<u>Conference</u> concurs with House/Senate and recognizes \$8,200 in economic increases, and \$300,000 in additional restricted revenue from the passage of Senate Bill 887 and Senate Bill 888, bills that would amend Grain Dealers Act (licensing program) the Farm Produce Insurance Act. <u>Conference</u> reduces GF/GP support by a like amount.	Gross	\$566,000	\$8,200
	Restricted	253,600	303,800
	GF/GP	\$312,400	(\$295,600)

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
7. Environmental Stewardship	FTEs	18.0	0.0
<u>Conference</u> reflects economic increases and \$200,100 restricted revenue reduction to reflect actual anticipated revenue. <u>Senate</u> had created a \$100 GF/GP item of difference; this is not recognized in the Conference report.	Gross	\$6,252,500	(\$106,000)
	Federal	1,387,600	21,400
	Restricted	4,864,800	(127,400)
	GF/GP	\$0	\$0
8. Michigan Agriculture Environmental Assurance Program (MAEAP)	FTEs	3.0	4.0
<u>Conference</u> concurs with House/Senate and reflects Executive recommendation; includes economic increases; \$200,100 restricted revenue reduction to reflect actual anticipated revenue; provides \$1.0 million GF/GP increase to baseline funding with the aim of achieving goal of 5,000 MAEAP verifications by 2015.	Gross	\$575,400	\$1,046,100
	Restricted	299,900	23,900
	GF/GP	\$275,500	\$1,022,200
9. Private Forestry Program	Gross	\$0	\$200,000
<u>Conference</u> recognizes \$200,000 IDG from MDNR (Forest development fund) for private forestry program. Department currently administers this program under MOU with MDNR, but is not currently recognized in budget.	IDG	0	200,000
	GF/GP	\$0	\$0
10. Local Conservation Districts	Gross	\$100	\$0
<u>Conference</u> retains \$100 placeholder which had been eliminated in the <u>Executive</u> budget.	GF/GP	\$100	\$0
11. Migrant Labor Housing	FTEs	6.0	3.0
<u>Conference</u> concurs with House/Senate; reflects Executive recommendation to add \$400,000 in baseline GF/GP funding for program which helps ensure safe housing for seasonal farm workers. Department currently conducts pre-season inspections at 850 licensed migrant labor camps in Michigan. Increased funding would support 3.0 additional FTE positions in order to also provide in-season inspections. Also reflects economic adjustments of \$42,500, and elimination of federal fund source.	Gross	\$1,202,600	(\$45,700)
	Federal	488,200	(488,200)
	Restricted	148,200	8,800
	GF/GP	\$566,200	\$433,700
12. Agriculture Development	FTEs	5.0	5.0
<u>Conference</u> concurs with House/Senate; reflects Executive recommendation to add \$600,000 in baseline GF/GP funding to support 5.0 FTE positions to assist with local and regional economic development activities, including promotion of agricultural exports. Also reflects \$45,700 in economic adjustments.	Gross	\$2,066,300	\$645,700
	Federal	1,532,800	34,000
	Restricted	102,200	2,300
	GF/GP	\$431,300	\$609,400
13. Rural Development Value-Added Grant Program	Gross	\$0	\$1,050,000
<u>Conference</u> includes funding for on-going program in Agriculture Development appropriations unit, with additional funding in the One-time section of the budget. See Item #16, below and related boilerplate Section 710.	GF/GP	\$0	\$1,050,000
14. County Fairs Capital Improvement Grants	Gross	\$0	\$281,600
<u>Conference</u> includes a new grant program as an on-going line item in the Fairs and Racing appropriations unit of the budget. See related boilerplate Section 805.	GF/GP	\$0	\$281,600
15. Horse Racing Program – Light Horse Breeders Awards	Gross	\$0	\$20,000
<u>Conference</u> concurs with House and adds line item for Light horse breeders' awards, funded from AEIDF redirected from Information Technology line item.	Restricted	0	20,000
16. One-Time – State Employee Lump-Sum Payment	Gross	\$0	\$470,300
<u>Conference</u> concurs with House/Senate and includes \$470,300 Gross (\$235,300 GF/GP) for negotiated one-time state employee lump sum payment.	IDG	0	2,400
	Federal	0	85,000
	Restricted	0	146,100
	GF/GP	\$0	\$235,300

<u>Major Budget Changes From FY 2011-12 YTD Appropriations</u>		<u>FY 2011-12 Year-to-Date (as of 2/9/12)</u>	<u>Conference Change from Year-to-Date</u>
17. One-Time – Private Forest Development Program	Gross	\$0	\$600,000
<u>House</u> had followed <u>Executive</u> and included \$500,000 GF/GP for Private Forestry Initiative program to provide assistance to private landowners in managing forest land; program to be carried out through grants to local conservation districts. <u>Senate</u> included additional \$100,000 GF/GP and related boilerplate Section 1103.	GF/GP	\$0	\$600,000
<u>Conference</u> concurs with Senate.			
18. One-Time – Healthy Food, Food Safety Modernization	Gross	\$0	\$500,000
<u>Conference</u> concurs with House/Senate and includes \$500,000 GF/GP to develop and implement preventative food safety measures associated with FDA Food Safety Modernization Act; \$93,200 would be used in the Food and Dairy, \$270,000 in Laboratory, and \$136,800 for Animal Health.	GF/GP	\$0	\$500,000
19. One-Time – Healthy Food Grant Program	Gross	\$0	\$0
<u>House</u> had followed <u>Executive</u> and included \$1.0 million GF/GP for Food Hub grant program. <u>Senate</u> did not include but instead created an expanded Rural development value-added program. See Item #16, below.	GF/GP	\$0	\$0
<u>Conference</u> : Not included.			
20. One-Time – Rural Development Grant Program	Gross	\$0	\$900,000
<u>Senate</u> had includes \$2.1 million GF/GP for new grant program as defined in boilerplate Section 1101.	GF/GP	\$0	\$900,000
<u>Conference</u> includes \$900,000 as one-time and an additional \$1.05 million GF/GP as on-going appropriation, as shown in Item #9, above.			
21. One-Time – Antrim County Water Supply Project	Gross	\$0	\$0
<u>Senate</u> included \$100 GF/GP placeholder.	GF/GP	\$0	\$0
<u>Conference</u> : Not included.			
<u>Major Boilerplate Changes From FY 2011-12</u>			
Sec. 204. Civil Service Charge – RETAINED			
Requires Department of Civil Service to bill departments at the end of the first fiscal quarter for 1% charge authorized in the Constitution; payment by the end of the second fiscal quarter.			
Sec. 207. Transparency Report – RETAINED			
Directs department to develop, post, and maintain on a publically accessible website expenditures made during the fiscal year.			
Sec. 211. Information Technology – RETAINED			
Allows establishment of IT projects as Work Projects.			
Sec. 214. Information Technology – RETAINED			
Requires department to pay user fees to DTMB subject to provisions of interagency agreement.			
Sec. 218. Out-of-State Travel – NEW			
Provides for out-of-state travel report. House includes; Senate does not.			
<u>Conference</u> concurs with House and includes.			
Sec. 219. DTMB Office Space Plan – NEW			
Directs state executive branch agencies to cooperate with DTMB office space consolidation plan.			
House includes; Senate does not.			
<u>Conference</u> concurs with House and includes.			
Sec. 230. (Senate Bill) Hiring of Legal Services Other Than Attorney General – NEW			
Prohibits Department from hiring of persons other than the Attorney General to provide legal services.			
Senate includes; House does not.			
<u>Conference</u> concurs with Senate and includes.			

Major Boilerplate Changes From FY 2011-12

Sec. 231. (House Bill) Measuring Outcomes – NEW

Requires Department to identify and report on 10 measurable outcomes.

House includes; Senate does not.

Conference concurs with House and includes.

Sec. 450. Bovine TB – Reimburse DNR for Monitoring/Testing – NOT INCLUDED

Requires department to reimburse DNR for monitoring and testing for Bovine TB.

Senate includes; House does not.

Conference Not included.

Sec. 451 Bovine Tuberculosis Split State Status – RETAINED

Requires department to pay for all whole-herd and individual-animal testing costs to maintain split-state status, including indemnity.

Senate includes; House does not.

Conference concurs with Senate and includes.

Sec. 453. Indemnification Payments – MODIFIES

Authorizes department to provide for indemnity pursuant to Animal Industry Act; limits indemnification orders to \$100,000 per order; provides for report. Subsection (2) authorizes department to indemnify for livestock killed by wolves, coyotes, or cougars.

Senate includes; House does not.

Conference modifies to strike reference to use of DNR funds, and adds new subsection (3) indicating that new line item for indemnification, livestock depredation is to be used to support payments under Subsection (2); provides for report.

Sec. 552. Clean Sweep Program – NEW

Encourages department to work with local public health departments and the USDA to maintain and expand Clean Sweep program, including disposal of prescription drugs. Provides reporting requirement.

Conference concurs with House and includes.

Sec. 608. MAEAP and Lake St. Clair Water Quality – NEW

Directs the department to address water quality issues affecting Lake St. Clair, including non-point source pollution.

House includes; Senate does not.

Conference concurs with House and includes.

Sec. 710. (House Bill) Rest Areas and Welcome Centers for Farm Markets – NOT INCLUDED

Requires department to work with MDOT to facilitate use of rest areas and welcome centers for farm markets.

House includes; Senate does not.

Conference Not included.

Sec. 710. Rural Development Value-Added Grant Program – NEW

Conference includes new section which references boilerplate Section 1101 regarding administration of new program.

Sec. 805. County Fair Capital Grant Program – NEW

Provides for matching program for county fair capital grants appropriated in part 1.

House includes; Senate included related Section 1102.

Conference: Includes Senate Section 1102 language renumbered as Section 805.

Sec. 1101. (House Bill) Healthy Food Grant Program – NOT INCLUDED

Provides criteria for the one-time Health Food (food hubs) grant program: grants not to exceed \$200,000. Provides for report.

House includes; Senate does not.

Conference: Not included.

Sec. 1101. (Senate Bill) Rural Development Value-Added Grant Program – NEW

Provides criteria for Rural Development value-added grant program. Provides for reports.

Senate includes; House does not.

Conference: Concurs with Senate and includes.

Sec. 1102. (Senate Bill) County Fair Grant Program – (See Section 805, above)

Sec. 1103. (Senate Bill) Private Forestry Program – NEW

Provides guidance for one-time Private Forestry Program.

Senate includes; House does not.

Conference: Concurs with Senate.

Sec. 1201. Provisions FY 2012-13 Appropriations – MODIFIED

Indicates legislative intent with regard to FY 2013-14 appropriations. Minor House/Senate differences.

Conference: Concurs with Senate.