

**Summary: Executive Budget Recommendation  
for Fiscal Years 2012-13 and 2013-14  
DEPARTMENT AGRICULTURE AND RURAL DEVELOPMENT**



Analyst: William E. Hamilton

	FY 2011-12 Year-to-Date as of 2/9/12	FY 2012-13 Executive	Difference: FY 2012-13 Vs. FY 2011-12		FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13	
			Amount	%		Amount	%
IDG/IDT	437,700	319,300	(118,400)	(27.1%)	316,900	(2,400)	(0.8%)
Federal	14,587,700	11,199,600	(3,388,100)	(23.2%)	11,488,500	288,900	2.6%
Local	0	0	0	0.0%	0	0	0.0%
Private	178,400	175,800	(\$2,600)	(1.5%)	174,300	(1,500)	(0.9%)
Restricted	29,600,500	28,659,400	(941,100)	(3.2%)	28,813,300	153,900	0.5%
GF/GP	29,878,700	34,160,500	4,281,800	14.3%	32,607,800	(1,552,700)	(4.5%)
<b>Gross</b>	<b>\$74,683,000</b>	<b>\$74,514,600</b>	<b>(\$168,400)</b>	<b>(0.2%)</b>	<b>\$73,400,800</b>	<b>(\$1,113,800)</b>	<b>(1.5%)</b>
FTEs	443.0	424.0	(19.0)	(4.3%)	424.0	0.0	0.0%

Notes: (1) FY 2011-12 year-to-date figures include mid-year budget adjustments through February 9, 2012, as well as anticipated 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 boilerplate appropriations designated as "one-time." (3) FY 2013-14 figures are projected budget amounts only and would not be legally-binding appropriations. (4) Budget changes described below are based on the "Schedule of Program" sections included in the Executive Budget; amounts listed in those schedules are informational in nature and could be potentially adjusted administratively, without legislative approval, within the larger line items into which programs have been rolled up.

**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.

	FY 2011-12 YTD (as of 2/9/12)	Executive Changes	
		FY 2011-12 to FY 2012-13	FY 2012-13 to FY 2013-14
<b>Major Budget Changes From FY 2011-12 YTD Appropriations</b>			
<b>1. Commissions and Boards</b>	<b>Gross \$23,800</b>	<b>\$0</b>	<b>\$0</b>
No change from current year.	Restricted 8,800	0	0
	GF/GP \$15,000	\$0	\$0
<b>2. Unclassified Positions</b>	FTEs 2.0	0.0	0.0
No change from current year.	<b>Gross \$213,300</b>	<b>\$0</b>	<b>\$0</b>
	GF/GP \$213,300	\$0	\$0
<b>3. Executive Direction</b>	FTEs 8.0	1.0	0.0
Reflects economic adjustment; adds 1.0 FTE position.	<b>Gross \$1,133,000</b>	<b>\$154,300</b>	<b>\$0</b>
	Restricted 43,700	5,800	0
	GF/GP \$1,089,300	\$148,500	\$0
<b>4. Management Services/Operational Services</b>	FTEs 15.0	0.0	0.0
Reflects economic adjustment.	<b>Gross \$1,032,600</b>	<b>(\$37,400)</b>	<b>\$0</b>
	IDG 3,000	(3,000)	0
	Restricted 57,800	900	\$0
	GF/GP \$971,800	(\$35,300)	\$0
<b>5. Statistical Reporting Service</b>	FTEs 1.0	0.0	0.0
Reflects economic adjustment.	<b>Gross \$166,300</b>	<b>(\$8,000)</b>	<b>\$0</b>
	Private 91,900	(4,400)	0
	GF/GP \$73,400	(\$3,600)	\$0

		FY 2011-12 YTD (as of 2/9/12)	Executive Changes	
			FY 2011-12 to FY 2012-13	FY 2012-13 to FY 2013-14
<b>Major Budget Changes From FY 2011-12 YTD Appropriations</b>				
<b>6. Emergency Management</b>	FTEs	2.0	0.0	0.0
Recognizes \$500,000 federal US Food and Drug Administration Rapid Response Team grant. Grant is also available in the current year and the department will be requesting \$500,000 increase in current year spending authority. Budget also recognizes \$12,600 in economic adjustments.	<b>Gross</b>	<b>\$257,900</b>	<b>\$512,600</b>	<b>\$0</b>
	Federal	0	508,300	0
	GF/GP	\$257,900	\$4,300	\$0
<b>7. Accounting Service Center</b>	<b>Gross</b>	<b>\$912,800</b>	<b>\$7,400</b>	<b>\$0</b>
Department reimburses the Michigan Department of Transportation for accounting services. Reflects economic and revenue adjustments.	GF/GP	\$912,800	\$7,400	\$0
<b>8. State Employee One-Time Lump-Sum Payment (One-Time Boilerplate)</b>	<b>Gross</b>	<b>\$0</b>	<b>\$470,300</b>	<b>(\$470,300)</b>
Includes \$470,300 Gross (\$235,300 GF/GP) boilerplate appropriation for negotiated one-time lump sum payments to state employees.	IDG	0	2,400	(2,400)
	Federal	0	85,000	(85,000)
	Restricted	0	146,100	(146,100)
	GF/GP	\$0	\$235,300	(\$235,300)
<b>9. Active and Retiree Insurance and Pension Adjustment</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,356,500</b>
Estimated FY 2013-14 increase related to employee insurances and pension contribution.	Federal	0	0	373,900
	Restricted	0	0	300,000
	GF/GP	\$0	\$0	\$682,600
<b>10. Departmentwide – Rent and Building Occupancy</b>	<b>Gross</b>	<b>\$991,900</b>	<b>\$16,800</b>	<b>\$0</b>
Appropriation for estimated building occupancy costs.	Federal	442,000	7,400	0
	Restricted	499,000	8,600	0
	GF/GP	\$50,900	\$800	\$0
<b>11. Information Technology</b>	<b>Gross</b>	<b>\$1,356,300</b>	<b>\$48,600</b>	<b>\$0</b>
Reflects economic adjustments.	IDG	2,900	100	0
	Restricted	156,100	5,400	0
	GF/GP	\$1,197,300	\$43,100	\$0
<b>12. Food and Dairy – Food Safety and Quality Assurance</b>	FTEs	81.0	(6.0)	0.0
Reflects economic adjustments.	<b>Gross</b>	<b>\$10,433,100</b>	<b>(\$265,600)</b>	<b>\$0</b>
<i>The State Budget Office has indicated that it will request a negative supplemental to reduce current year GF/GP appropriations by \$308,600 in this line to account for assumed employee cost savings that were not realized.</i>	Federal	684,500	2,900	0
	Restr.	3,292,800	3,600	0
	GF/GP	\$6,455,800	(\$272,100)	\$0
<b>13. Food and Dairy – Milk Safety and Quality Assurance</b>	FTEs	23.0	0.0	0.0
Reflects economic adjustments.	<b>Gross</b>	<b>\$3,103,200</b>	<b>\$71,600</b>	<b>\$0</b>
	Federal	35,700	800	0
	Restricted	165,800	3,800	0
	GF/GP	\$2,901,700	\$67,000	\$0
<b>14. Food and Dairy – Healthy Food Initiative (One-Time Boilerplate Appropriation)</b>	FTEs	0.0	5.0	(5.0)
The Governor has recommended a one-time boilerplate appropriation for a new Healthy Food Initiative. Program would "improve farm food safety and provide access to affordable, fresh, and healthy food. Funding will assist in meeting and implementing new food safety requirements." Department anticipates awarding up to \$1.0 million in grants (five grants up to \$200,000 each) to support regional food hubs. The remaining \$500,000 would be used to support additional staffing in needed to develop and implement preventative food safety measures associated with the FDA Food Safety Modernization Act. Department indicates that of the \$500,000, \$93,200 would be used in the Food and Dairy, \$270,000 in Laboratory, and \$136,800 for Animal Health.	<b>Gross</b>	<b>\$0</b>	<b>\$1,500,000</b>	<b>(\$1,500,000)</b>
	GF/GP	\$0	\$1,500,000	(1,500,000)

Total GF/GP appropriations of \$11.4 million for Food and Dairy programs represents the largest use of GF/GP revenue in this budget.

**Executive Changes**

<b>Major Budget Changes From FY 2011-12 YTD Appropriations</b>	<b>FY 2011-12 YTD (as of 2/9/12)</b>	<b>Executive Changes</b>	
		<b>FY 2011-12 to FY 2012-13</b>	<b>FY 2012-13 to FY 2013-14</b>
<b>15. Animal Industry – Animal Health and Disease Response</b>			
Recognizes \$153,100 Gross (\$96,100 GF/GP) in economic increases; \$483,500 decrease in federal revenue to reflect actual anticipated federal grants; \$50,000 increase in Animal Welfare Fund revenue (a fund established in 2007 PA 132).	FTEs 64.0	(4.0)	0.0
	<b>Gross \$9,237,100</b>	<b>(\$280,400)</b>	<b>\$0</b>
	Federal 1,323,900	(443,500)	0
	Restricted 267,700	65,000	0
	GF/GP \$7,645,500	\$98,100	\$0
<i>The State Budget Office has indicated that it will request a negative supplemental to reduce current year GF/GP appropriations by \$253,700 in this line to account for assumed employee cost savings that were not realized.</i>			
The \$7.2 million in GF/GP revenue used in this program is the second largest use of GF/GP revenue in this budget.			
<b>16. Pesticide and Plant Pest Management – PPPM</b>	FTEs 88.0	(11.0)	0.0
Recognizes \$86,300 Gross (\$103,500 GF/GP) in economic cost reductions; budget also reduces restricted fund sources by \$400,000 to reflect actual anticipated revenue.	<b>Gross \$11,025,400</b>	<b>(\$485,300)</b>	<b>\$0</b>
	Federal 2,043,900	5,100	0
	Private 86,500	300	0
	Restricted 5,224,900	(387,200)	0
	GF/GP \$3,670,100	(\$103,500)	\$0
<i>The State Budget Office has indicated that it will request a negative supplemental to reduce current year GF/GP appropriations by \$112,500 in this line to account for assumed employee cost savings that were not realized.</i>			
<b>17. Emerald Ash Borer Program</b>	FTEs 7.0	(7.0)	0.0
Reflects elimination of targeted federal support for this program; appropriation had been as much as \$25.0 million in FYs 2003-04 and 2004-05.	<b>Gross \$1,910,200</b>	<b>(\$1,910,200)</b>	<b>\$0</b>
	Federal \$1,910,200	(\$1,910,200)	0
<b>18. Producer Security/Grain Dealer Licensing</b>	FTEs 4.0	0.0	0.0
Recognizes \$8,200 in economic increases. Governor's budget does not reflect any proposed changes in grain dealer licensing fees.	<b>Gross \$566,000</b>	<b>\$8,200</b>	<b>\$0</b>
	Restricted 253,600	3,800	0
	GF/GP \$312,400	\$4,400	\$0
<b>19. Environmental Stewardship</b>	FTEs 18.0	0.0	0.0
Among other things, this line provides technical assistance grants, through local conservation districts, to implement conservation programs. Proposed budget recognizes \$94,100 in economic increases; reduces restricted fund sources by \$200,100 to reflect actual anticipated revenue.	<b>Gross \$6,252,500</b>	<b>(\$106,000)</b>	<b>\$0</b>
	Federal 1,387,600	21,400	0
	Restricted 4,864,900	(127,400)	0
	GF/GP \$0	\$0	\$0
<b>20. Michigan Agriculture Environmental Assurance Program (MAEAP)</b>	FTEs 3.0	4.0	0.0
Provides \$1.0 million GF/GP increase to baseline funding with the aim of achieving goal of 5,000 MAEAP verifications by 2015. MAEAP is a voluntary program for designed to promote natural resources conservation through education, technical assistance, and verification of agri-systems. Program first established in FY 2000-01 budget, established in statute through 2011 PA 1, and 2011 PA 2. Proposed budget also recognizes \$46,100 in economic increases.	<b>Gross \$575,400</b>	<b>\$1,046,100</b>	<b>\$0</b>
	Restricted 299,900	23,900	0
	GF/GP \$275,500	\$1,022,200	\$0
<b>21. Private Forest Development Program (One-Time Boilerplate)</b>	FTEs 0.0	0.0	0.0
Governor recommends \$500,000 GF/GP for Private Forestry Initiative program, to provide assistance to private landowners in managing forest land. This program, which formerly existed as the Cooperative Resources Management Initiative, will be carried out through grants to local conservation districts. This appropriation is identified as one-time.	<b>Gross \$0</b>	<b>\$500,000</b>	<b>(\$500,000)</b>
	GF/GP \$0	\$500,000	(500,000)
<b>22. Farmland/Open Space Preservation</b>	FTEs 9.0	0.0	0.0
Reflects economic adjustment of \$29,100; reduces restricted fund source by \$160,800 to reflect actual anticipated revenue.	<b>Gross \$1,003,700</b>	<b>(\$131,700)</b>	<b>\$0</b>
	Restricted 1,003,700	(131,700)	0
<b>23. Local Conservation Districts</b>	<b>Gross \$100</b>	<b>(\$100)</b>	<b>\$0</b>
Eliminates \$100 placeholder. General Fund support for the <i>Local conservation districts</i> line had been \$2.8 million in FY 2000-01.	GF/GP \$100	(\$100)	0

**Executive Changes**

<b>Major Budget Changes From FY 2011-12 YTD Appropriations</b>	<b>FY 2011-12 YTD (as of 2/9/12)</b>	<b>FY 2011-12 to FY 2012-13</b>	<b>FY 2012-13 to FY 2013-14</b>
<b>24. Migrant Labor Housing</b>	FTEs 6.0	3.0	0.0
Includes \$400,000 additional 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.	<b>Gross \$1,202,600</b>	<b>(\$45,700)</b>	<b>\$0</b>
	Federal 488,200	(488,200)	0
	Restricted 148,200	8,800	0
	GF/GP \$566,200	\$433,700	\$0
Budget also reflects economic adjustments of \$42,500, and elimination of federal fund source. The source of restricted Migrant Labor Housing funds in this line is the migrant labor housing inspection fee of \$5 per allowable occupant established in 2010 PA 13 and 2010 PA 14.			
<b>25. Right to Farm</b>	FTEs 3.0	0.0	0.0
Reflects economic adjustment.	<b>Gross \$541,400</b>	<b>\$13,700</b>	<b>\$0</b>
	IDG 104,300	2,700	0
	GF/GP \$437,100	\$11,000	\$0
<b>26. Intercounty Drains</b>	FTEs 3.0	0.0	0.0
Reflects economic increase.	<b>Gross \$446,200</b>	<b>\$6,900</b>	<b>\$0</b>
	Restricted 0	0	0
	GF/GP \$446,200	\$6,900	\$0
<b>27. Laboratory Services</b>	FTEs 42.0	(4.0)	0.0
Recognizes \$99,400 Gross (\$4,300 GF/GP) in economic increases; \$22,700 reduction in anticipated federal USDA grants; \$150,000 reduction in restricted gasoline inspection and testing fees to reflect actual anticipated revenue.	<b>Gross \$5,759,700</b>	<b>(\$73,300)</b>	<b>\$0</b>
	IDG 215,800	(8,900)	0
	Federal 976,600	2,200	0
	Restricted 2,612,800	(70,900)	0
	GF/GP \$1,954,500	\$4,300	\$0
<i>The State Budget Office has indicated that it will request a negative supplemental to reduce current year GF/GP appropriations by \$45,500 in this line to account for assumed employee cost savings that were not realized.</i>			
<b>28. USDA Monitoring</b>	FTEs 13.0	0.0	0.0
Economic increase of \$66,400 is partially by \$30,000 reduction in federal fund source. Department's Geagley Laboratory is one of eight state laboratories in the United States which performs analytic testing services for the USDA Microbiological Data Program, a program which collects data on pathogens in fresh produce. Although this program was not included in the President's proposed FY 2012-13 federal budget, the potential reduction in federal funds was not reflected in the Governor's budget.	<b>Gross \$2,512,300</b>	<b>\$36,400</b>	<b>\$0</b>
	Federal 2,512,300	36,400	0
<b>29. Consumer Protection Program</b>	FTEs 39.0	0.0	0.0
Line supports motor fuel quality program, weights and measures, and metrology laboratory. Restricted revenue includes \$3.3 million from the Refined petroleum fund. Governor's budget reflects net \$1,500 decrease related to economic adjustments; \$150,000 reduction in restricted gasoline inspection and testing fees to reflect actual anticipated revenue; and \$50,000 in funding from new Renewable Fuels Fund.	<b>Gross \$5,768,800</b>	<b>(\$101,500)</b>	<b>\$0</b>
	IDG 111,700	(111,700)	0
	Restricted 5,656,500	10,200	0
	GF/GP \$600	\$0	\$0
<b>30. Agriculture Development</b>	FTEs 5.0	5.0	0.0
Proposes \$600,000 GF/GP baseline increase 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.	<b>Gross \$2,066,300</b>	<b>\$645,700</b>	<b>\$0</b>
	Federal 1,532,800	34,000	0
	Restricted 102,200	2,300	0
	GF/GP \$431,300	\$609,400	\$0
<b>31. Grape and Wine Program</b>	FTEs 3.0	0.0	0.0
Recognizes \$53,300 economic adjustment; \$17,600 decrease in restricted funds to reflect actual anticipated revenue.	<b>Gross \$752,900</b>	<b>\$35,700</b>	<b>\$0</b>
	Restricted 752,900	35,700	0

Executive Changes

**Major Budget Changes From FY 2011-12 YTD Appropriations**

**32. Horse Racing Programs**

The fund source for this line item is the Agriculture Equine Industry Development Fund (AEIDF). Governor's proposed budget recognizes economic increase for grant administration function, and rolls up some horse racing grant lines.

	FY 2011-12 YTD (as of 2/9/12)	FY 2011-12 to FY 2012-13	FY 2012-13 to FY 2013-14
FTEs	3.0	0.0	0.0
<b>Gross</b>	<b>\$3,139,200</b>	<b>\$2,500</b>	<b>\$0</b>
Restricted	3,139,200	2,500	0

	FY 2011-12 YTD	FY 2012-13 Exec.	Difference
Horse racing administration	348,600	351,100	2,500
Purses & supplements-fairs/licensed tracks	611,400	708,300	96,900
Licensed tracks - light horse racing	34,100	40,300	6,200
Standardbred (SB) breeders' awards	250,000	285,900	35,900
SB purses/supplements-licensed tracks	461,600	527,800	66,200
SB sire stakes	209,000	239,000	30,000
SB training and stabling	9,300	0	(9,300)
Thoroughbred owners' awards	31,900	0	(31,900)
Thoroughbred supplements-licensed tracks	309,600	385,900	76,300
Thoroughbred breeders awards	309,600	358,600	49,000
Thoroughbred sire stakes	214,100	244,800	30,700
Distribution of outstanding winning tickets	350,000	0	(350,000)
<b>Total</b>	<b>\$3,139,200</b>	<b>\$3,141,700</b>	<b>\$2,500</b>

**33. Capital Outlay - Farmland/Open Space Acquisition**

Recommends appropriation of \$500,000 from state restricted Agriculture Preservation Fund; reflects actual anticipated revenue.

	<b>Gross</b>	<b>\$2,300,000</b>	<b>(\$1,800,000)</b>	<b>\$0</b>
Federal	1,250,000	(1,250,000)	0	0
Restricted	1,050,000	(550,000)	0	\$0

**34. Economics**

Net economic increase of \$1.2 million Gross (\$716,400 GF/GP), reflects \$408,300 increase for negotiated employee salary and wages; \$2.9 million decrease for actuarially-required retirement contributions; \$270,600 decrease for employee insurances; \$54,600 reduction in worker's compensation costs; \$16,800 increase in building occupancy. Economic increase also reflects \$4.0 million Gross (\$2.0 million GF/GP) for Other Post Retirement Benefit contribution. Economic increase of \$1.4 million Gross (\$682,600 GF/GP) projected for FY 2013-14.

Economic changes are included in the above line item change descriptions.

**35. New Fees/Fee Extensions**

Governor's budget does not include any new or increased fees related to department programs. The budget does assume the extension of certain fees currently scheduled to sunset. Those fees and related estimated revenue are: Nursery and Plant Grower's license fees, \$250,000; Pesticide applicator registration fees, \$100,000; and Livestock dealer's fees, \$21,000.

In addition, budget includes \$4.0 million in appropriations from the Refined Petroleum Fund, a fund administered by the Department of Environmental Quality. The Governor's budget assumes that the December 2012 sunset of the refined petroleum regulatory fee will be extended.

Executive Changes

**Major Budget Changes From FY 2011-12 YTD Appropriations**

FY 2011-12 YTD (as of 2/9/12)	FY 2011-12 to FY 2012-13	FY 2012-13 to FY 2013-14
--	--------------------------------	--------------------------------

***FY 2013-14 Planning Budget***

The Governor's FY 2013-14 proposed budget is \$1.1 million Gross (\$1.6 million GF/GP) less than the proposed FY 2012-13 budget. The FY 2013-14 budget includes \$1.4 million increase for "Active and retiree insurance and pension adjustment." That increase is offset by \$2.2 million decrease for items designated as one-time in FY 2012-13. These changes are included in the above line item change descriptions.

**Gross**  
IDG  
Federal  
Private  
Restricted  
GF/GP

**Boilerplate Changes From FY 2011-12**

**Sec. 201. Total State Payments/Payments to Local Units – MODIFIED**

Identifies total state spending and payments of state funds to local units of government. Updated to reflect Part 1 appropriations; renumbered as Sec. 1-201.

**Sec. 202. Management and Budget Act – RETAINED**

Indicates that appropriations are subject to the Management and Budget Act; renumbered as Sec. 20-202.

**Sec. 203. Abbreviations – MODIFIED**

Defines abbreviations used in the bill; renumbered as Sec. 1-202.

**Sec. 204. Civil Service Charge – DELETED**

Requires Department of Civil Service to bill departments at the end of the first fiscal quarter for 1% charge authorized in the Constitution; requires payment by the end of the second fiscal quarter.

**Sec. 206. Contingency Appropriations – RETAINED**

Provides for contingent federal, state, local, and private appropriations per DMB Act; renumbered as Sec. 1-203.

**Sec. 207. Transparency Report – RETAINED**

Directs department to develop, post, and maintain on a publically accessible website expenditures made during the fiscal year; renumbered as Sec. 20-205.

**Sec. 208. Internet Reporting – RETAINED**

Requires department to use the Internet to fulfill reporting requirements; renumbered as Sec. 20-203.

**Sec. 209. Purchase of Foreign Goods – DELETED**

Prohibits the purchase of foreign-made goods if comparable American or Michigan goods are available. Gives preference to Michigan businesses owned or operated by veterans.

**Sec. 211. Information Technology – DELETED**

Allows establishment of IT projects as Work Projects.

**Sec. 212. Receive/Retain Reports – DELETED**

Requires department to retain reports funded from appropriation in part 1.

**Sec. 214. Information Technology – DELETED**

Requires department to pay user fees to Department of Technology, Management, and Budget subject to provisions of interagency agreement.

**Sec. 215. Communication with the Legislature – DELETED**

Prohibits the department from taking disciplinary action against an employee for communicating with a legislator or his/her staff.

**Sec. 228. General Fund Lapse Report – RETAINED**

Requires report on estimated GF/GP lapses; renumbered as Sec. 20-204.

## **Boilerplate Changes From FY 2011-12**

### **Sec. 229. Restricted Fund Balance Report – RETAINED**

Requires report on restricted fund revenue, expenditure, and balances; renumbered as Sec. 20-206.

### **Sec. 1-204. Hire of Outside Legal Counsel – NEW**

Prohibits the department from hiring a person to provide legal services that are the responsibility of the Attorney General; exempts legal services for bonding or other activities authorized by the Attorney General.

### **Sec. 301. Miscellaneous Revenue/Expenditures – RETAINED**

Allows department to receive/expend revenue to cover expenses related to publications, audits, sales, inspections, and other department functions; requires legislative notification 30 days prior to proposing fee increases; requires annual report on fees charged by department; renumbered as Sec. 1-301.

### **Sec. 302. Grant Notification – DELETED**

Requires report on grants made to local units of government, institutions of higher education, or non-profit organizations.

### **Sec. 402. Food-borne Illness Report – DELETED**

Requires department to provide reports on food-borne outbreaks and emergencies related to food safety.

### **Sec. 450. Bovine Tuberculosis – Reimburse DNR for Monitoring/Testing – DELETED**

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

### **Sec. 451 Bovine Tuberculosis Split State Status – DELETED**

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

### **Sec. 453. Indemnification Payments – DELETED**

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.

### **Sec. 454. Bovine TB – DELETED**

Directs department to collaborate with USDA and work to eradicate Bovine TB.

### **Sec. 456. Electronic Animal Identification (EID) – DELETED**

Prohibits use of funds to enforce EID program for domestic animals other than cattle without specific authorization in statute.

### **Sec. 457. Bovine TB Report – DELETED**

Requires quarterly report on Bovine TB program.

### **Sec. 458. Aquaculture and Viral Hemorrhagic Septicemia (VHS) Eradication Programs – DELETED**

Requires department support for inspection and testing of aquaculture facilities; states legislative intent with regard to VHS surveillance program.

### **Sec. 551. Fruit and Vegetables Industry Inspections – DELETED**

Legislative intent that the department work with fruit and vegetable industry to ensure development of a sustainable system of third-party inspections of fruits and vegetables.

### **Sec. 601. Environmental Stewardship – DELETED**

Clarifies intent of line item funding: "*The part 1 appropriation line item environmental stewardship shall be used to support department agriculture pollution prevention programs, including groundwater and freshwater protection programs under Part 87 of the Michigan natural resources and environmental protection act, 1994 PA 451, and technical assistance in implementing conservation grants available under the federal farm bill of 2008.*"

### **Sec. 606. Environmental Quality Incentives – DELETED**

Requires the department to actively search for all possible funding sources to be used to match federal funds in the USDA environmental quality incentives program.

### **Sec. 607. Inter-County Drain Program – DELETED**

Indicates legislative intent that department continue its activities as provided under the Drain Code.

**Boilerplate Changes From FY 2011-12**

**Sec. 706. Agricultural Development – DELETED**

Requires department to report on agricultural development and export market development activities.

**Sec. 709. Grape and Wine Industry Council – DELETED**

Requires department to provide report describing activities of the council.

**Sec. 801. Ag Equine Industry Development Fund – DELETED**

Requires that all appropriations in part 1 from the AEIDF be spent for equine-related purposes.

**Sec. 802. Agriculture Equine Fund Reduction – RETAINED**

Requires that department make proportionate reductions in AEIDF appropriations, except for the racing commission and laboratory analysis, if AEIDF revenue falls below original appropriation amounts; renumbered as Sec. 1-401.

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

Provides for "escrowing" of funds for thoroughbred program.

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

Requires MGCB to use actual expenditure data in determining regulatory costs.

**Sec. 1002. Provisions Regarding Lump Sum Payments – RETAINED**

Indicates that the director shall allocate lump-sum appropriations made in this act consistent with statutory provisions and the purposes for which funds were appropriated. Limits lump sum appropriation carry forward to no more than 3 fiscal years following appropriation and provides for lapse of funds to original fund source per DMB Act; renumbered as Sec. 1-501.

**Sec. 1003. Provisions Regarding Carry Forward Authority – RETAINED**

Provides for appropriation carry-forward authority per DMB Act; renumbered as Sec. 1-502.

**Sec. 1201. Provisions FY 2012-13 Appropriations – DELETED**

Indicates legislative intent with regard to FY 2012-13 appropriations.

**Sec. 1-601. One-Time Basis Only – NEW**

For the state fiscal year ending September 30, 2013, there is appropriated, on a 1-time basis only, \$2,235,300.00 from general fund/general purpose revenue and related federal and state restricted revenue for the following purposes:

State employee lump sum payments .....	470,300
Private forestry program .....	500,000
Healthy Food program .....	1,500,000
<b>GROSS APPROPRIATION .....</b>	<b>\$ 2,470,300</b>
Appropriated from:	
Interdepartmental grant revenues .....	2,400
Federal revenues .....	85,000
Private revenues .....	1,500
State restricted revenues .....	146,100
State general fund/general purpose .....	2,235,300

**Supplemental Recommendations for FY 2011-12 Appropriations**

1. None

**FY 2011-12  
Recommendation**

FTE  
Gross  
GF/GP