

**Summary: Executive Budget Recommendation
for Fiscal Year 2024-25
AGRICULTURE AND RURAL DEVELOPMENT**



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	FY 2023-24	FY 2024-25	Difference: FY 2024-25	
	Enacted as of 2/7/24		Executive	Amount
IDG/IDT	\$327,000	\$332,400	\$5,400	1.7
Federal	29,762,700	20,357,900	(9,404,800)	(31.6)
Local	0	0	0	--
Private	21,300	21,300	0	0.0
Restricted	45,719,900	46,450,900	731,000	1.6
GF/GP	92,781,800	77,056,400	(15,725,400)	(16.9)
Gross	\$168,612,700	\$144,218,900	(\$24,393,800)	(14.5)
FTEs	550.0	579.0	29.0	5.3

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

Michigan Department of Agriculture and Rural Development (MDARD) 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, consumer protection, and promoting the state's agricultural economy.

Note: The Governor's proposed budget reflects MDARD's internal reorganization effective January 1, 2024. However, the analysis of major budget changes below compares like programs and line items in current year and FY 2024-25 and does not show changes associated with MDARD's reorganization or related proposed changes in budget structure.

Major Budget Changes from FY 2023-24 Enacted Appropriations		FY 2023-24 Enacted (as of 2/7/24)	Executive Change from Enacted
1. Unclassified Salaries	FTE	6.0	0.0
Although current budget authorizes 6.0 unclassified FTE positions, the department indicates that current funding is not sufficient to support all six positions. Budget includes \$335,100 increase (\$0 GF/GP) to support all 6.0 authorized unclassified FTE positions.	Gross	\$664,900	\$335,100
	Restricted	0	335,100
	GF/GP	\$664,900	\$0
2. Federal USDA Emergency Management Grant	FTE	8.0	0.0
Includes \$600,000 federal funds increase in Emergency Management to recognize federal United State Department of Agriculture (USDA) Animal and Plant and Health Inspection Service (APHIS) grant awarded to the department for incident command training and other services.	Gross	\$2,918,000	\$600,000
	Federal	432,300	600,000
	GF/GP	\$2,485,700	\$0
3. Environmental Stewardship/MAEAP – Staffing	FTE	26.0	24.0
Requests increase of 24.0 FTE authorization for the Michigan Agriculture Environmental Assurance Program (MAEAP). The department would shift program delivery from Local Conservation District contract technicians to classified state employees with the goal of increased flexibility (cross county responsibility) and accountability. There is no funding impact associated with this change in program delivery. Including 1.0 FTE from internal transfer, total authorized MAEAP staffing would total 51.0 FTEs.	Gross	\$11,744,500	\$0
	Federal	1,982,600	0
	Restricted	8,328,900	0
	GF/GP	\$1,433,000	\$0

<u>Major Budget Changes from FY 2023-24 Enacted Appropriations</u>	<u>FY 2023-24 Enacted (as of 2/7/24)</u>	<u>Executive Change from Enacted</u>
4. Farm to Family Program – NEW	FTE	0.0
Recommends \$4.0 million GF/GP, and 6.0 FTE authorization, for a new ongoing program to support regenerative farming, agriculture supply chains, and the promotion of Michigan food products.	Gross	\$0
	GF/GP	\$0
		6.0
		\$4,000,000
		\$4,000,000
5. Office of Rural Development Transfer	FTE	1.0
Reflects Executive Order 2023-6 transfer of the Office of Rural Development to the Department of Labor and Economic Opportunity (LEO). In effect, \$697,400 GF/GP, and 1.0 FTE position, is shifted from the MDARD budget to the LEO budget.	Gross	\$678,000
	GF/GP	\$678,000
		(1.0)
		(\$678,000)
		(\$678,000)
6. Removal of FY 2023-24 One-Time Appropriations	Gross	\$30,600,000
Removes \$30.6 million Gross (\$20.5 million GF/GP) of one-time funding that was included in the FY 2023-24 budget to support the following:	Federal	10,100,000
<ul style="list-style-type: none"> • Agricultural Climate Resiliency, \$6.0 million GF/GP. (Budget retains \$1.0 million GF/GP ongoing). • County Fairs, Shows, and Expositions, \$2.0 million GF/GP. (Budget retains \$500,000 GF/GP ongoing). • Emerging Contaminants in Food and Agriculture, \$2.0 million GF/GP. (Budget retains \$2.1 million GF/GP ongoing). • Food and Agriculture Supply Chain Investment, \$1.0 million GF/GP. (Budget retains \$804,900 GF/GP ongoing). • Laboratory Animal Welfare, \$500,000 GF/GP. • Local Conservation Districts, \$1.0 million GF/GP. (Budget retains \$2.0 million GF/GP ongoing). • Minority-owned Food and Agriculture Ventures, \$2.9 million GF/GP. • Northern Michigan Herd Protection, \$100 GF/GP. • Rural Venture Capital Program, \$100 GF/GP. • Soil Health and Regenerative Agriculture, \$5.0 million GF/GP. (Budget retains \$1.0 million GF/GP ongoing). • Washtenaw conservation district - MiFarmLink pilot project, \$100,000 GF/GP. • ARP - Resilient Food Systems Infrastructure, \$10.1 million federal. 	GF/GP	\$20,500,000
		(\$30,600,000)
		(10,100,000)
		(\$20,500,000)
7. Economic Adjustments	Gross	NA
Reflects increased costs of \$2.0 million Gross (\$1.5 million GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2024), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	IDG/IDT	NA
	Federal	NA
	Restricted	NA
	GF/GP	NA
		5,400
		95,200
		395,900
		\$1,968,500
		\$1,472,000

Major Boilerplate Changes from FY 2023-24

Executive Boilerplate Deletions

As shown below, the Executive budget deletes a number of boilerplate sections included in the FY 2023-24 budget.

Sec. 207. Communication with the Legislature – DELETED

Deletes section that prohibits department from taking disciplinary action against an employee for communicating with the Legislature.

Sec. 212. Transparency Website – DELETED

Deletes section that requires the department to cooperate with the Department of Technology, Management and Budget to maintain a searchable website, accessible by the public, that provides expenditure and staffing information.

Sec. 213. Restricted Fund Report – DELETED

Deletes section that requires the department to work with the State Budget Office to provide a report on restricted fund revenues, expenditures, and fund balances. [This report is currently included in the annual Budget Presentation.]

Major Boilerplate Changes from FY 2023-24

Sec. 214. Key Metrics – DELETED

Deletes section that requires the department to maintain on a publicly accessible website information on key metrics and performance measures.

Sec. 218. Remote Work Policy – DELETED

Deletes section that indicates legislative intent 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.

Sec. 219. State Administrative Board Transfers – DELETED

Deletes section that authorizes the legislature to intertransfer funds within budget if the State Administrative Board transfers funds from an appropriation within this budget.

Sec. 221. Record Retention Policy – DELETED

Deletes section that prescribes the department's record retention policy.

Sec. 222. Impact of New Legislation – DELETED

Deletes section that requires a report on specific policy changes made to implement new public acts enacted in prior calendar year.

Sec. 223. Severance Pay Report – DELETED

Deletes section that established reporting requirements related to severance pay paid to department personnel upon the termination of employment.

Sec. 225. Work Project Expenditures – DELETED

Deletes section that requires that work project balances be exhausted before expenditure from part 1 appropriations.

<u>Supplemental Recommendations for FY 2023-24 Appropriations</u>	<u>FY 2023-24 Recommendation</u>	
1. Employee Lump Sum Payments	Gross	\$780,100
Includes \$780,100 GF/GP to cover costs of one-time lump sum payments for eligible state employees. The Civil Service Commission approved payments of \$2,250 for staff employed full-time as of December 23, 2023.	GF/GP	\$780,100