

**Summary: Executive Budget Recommendation
for Fiscal Year 2019-20
DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT**



Analyst: William E. Hamilton

	FY 2018-19 Year-to-Date as of 3/5/19	FY 2019-20 Executive	Difference: FY 2019-20 Vs. FY 2018-19	
			Amount	%
IDG/IDT	\$313,900	\$318,400	\$4,500	1.4
Federal	11,775,200	11,836,400	61,200	0.5
Local	0	0	0	--
Private	101,800	101,800	0	0.0
Restricted	37,172,000	39,653,700	2,481,700	6.7
GF/GP	60,835,200	57,920,200	(2,915,000)	(4.8)
Gross	\$110,198,100	\$109,830,500	(\$367,600)	(0.3)
FTEs	508.5	509.5	1.0	0.2

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Michigan Department of Agriculture and Rural Development's (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.

Major Budget Changes From FY 2018-19 Year-to-Date (YTD) Appropriations	FY 2018-19 YTD (as of 3/5/19)	Executive Change from YTD
1. Double Up Food Bucks	Gross	\$0
Includes \$4.0 million GF/GP for expansion of the Double Up Food Bucks program to all 83 Michigan counties, as well as increase the number of participating retailers in the counties where the program is currently established. Double Up Food Bucks increases purchasing power of Michigan residents who receive Supplemental Nutritional Assistance Program (SNAP) benefits by providing a dollar-for-dollar match of up to \$20 per day to buy fresh fruits and vegetables at participating grocery stores and farmer's markets.	GF/GP	\$0
		\$4,000,000
		\$4,000,000
2. Agriculture Preservation Easement Grants	Gross	\$0
Includes \$2.0 million from the state restricted Agriculture Preservation Fund to provide grants to local units of government for the purchase of agricultural conservation easements, as authorized under Part 362 of the Natural Resources and Environmental Protection Act. Agricultural conservation easements are legal agreements under which a property owner relinquishes property development rights. These agreements are used to preserve critical farmland from development. There is a sufficient balance in the Agriculture Preservation Fund to provide these grants. Available fund revenue began to increase after the enactment of a farmland preservation bill package in 2016, including 2016 PA 265.	Restricted	0
	GF/GP	\$0
		\$2,000,000
		2,000,000
		\$0

Major Budget Changes From FY 2018-19 Year-to-Date (YTD) Appropriations		FY 2018-19 YTD (as of 3/5/19)	Executive Change from YTD
3. Environmental Contamination Response Activities	FTE	2.0	0.0
Includes FY 2018-19 supplemental appropriation act, 2018 PA 618, \$400,000 GF/GP and authorized 2.0 FTE positions related to MDARD environmental contamination response activities. One FTE position and \$200,000 of the additional funding was to help the department evaluate the impact of environmental contaminants on the agriculture sector as well for the enhancement of the department's Geographic Information Systems capabilities. One FTE position and \$200,000 GF/GP was to assist the MDARD Emergency Management coordinator in tracking agriculture-related PFAS activities. The governor's proposed budget would carry the increase in support into FY 2019-20.	Gross	\$400,000	\$0
	GF/GP	\$400,000	\$0
4. Agriculture Development	FTE	0.0	1.0
Includes FY 2018-19 supplemental appropriation act, 2018 PA 618, \$150,000 GF/GP to be used for activities under the Industrial Hemp Research Act, 2014 PA 547. The governor's proposed budget would carry the added funding into FY 2019-20. The governor's budget also authorizes 1.0 FTE position associated with this activity.	Gross	\$150,000	\$0
	GF/GP	\$150,000	\$0
5. County Fairs, Shows, and Expositions Grants	Gross	\$1,325,000	(\$1,125,000)
Includes \$200,000 GF/GP for grants to county fairs, shows, and expositions, a reduction of \$1.1 million from current year.	GF/GP	\$1,325,000	(\$1,125,000)
6. Food and Agriculture Investment Grant Program	Gross	\$5,125,000	(\$2,600,000)
Reduces funding by \$2.6 million GF/GP for a program that provides grants in support of projects that help expand food and agriculture processing. Program funding would be \$2.5 million GF/GP under the proposed FY 2019-20 budget.	GF/GP	\$5,125,000	(\$2,600,000)
7. Elimination of One-Time Funding	Gross	\$3,930,000	(\$3,930,000)
Eliminates \$3.9 million GF/GP for the following projects or programs identified in the current year budget as one-time: Michigan State University/Animal agriculture initiative, (\$2.0 million); dairy industry assistance, (\$1.0 million); Michigan State University/Agriculture Industry Research and Development, (\$550,000); ACRE Ag Incubator, (\$260,000); ODC network - project clarity, (\$120,000).	GF/GP	\$3,930,000	(\$3,930,000)
8. Technical and Revenue Adjustments	Gross	NA	\$211,800
Includes various technical and revenue adjustments.	Federal	NA	0
	Restricted	NA	211,800
	GF/GP	NA	\$0
9. Economic Adjustments	Gross	NA	\$1,075,600
Reflects increased costs of \$1.0 million Gross (\$740,000 GF/GP) for negotiated salary and wage increases (2.0% ongoing, 2.0% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA	4,500
	Private	NA	0
	Federal	NA	61,200
	Restricted	NA	269,900
	GF/GP	NA	\$740,000

Major Boilerplate Changes From FY 2018-19

Sec. 215. Communication with the Legislature – DELETED

Prohibits department from taking disciplinary action against an employee for communicating with the legislature.

Sec. 234. Record Retention – DELETED

Requires department to retain reports funded from part 1 appropriations; specifies record retention guidelines.

Sec. 451. Bovine TB Whole-Herd Testing – DELETED

Requires department to pay for the costs of whole-herd testing and individual animal testing in the Modified Accredited Zone, including indemnity and compensation for animal injury.

Major Boilerplate Changes From FY 2018-19

Sec. 457. Bovine TB Quarterly Report – DELETED

Establishes specific reporting requirements related to Bovine TB program.

Sec. 459. Bovine TB Testing, Legislative Intent – DELETED

Expresses legislative intent that department not conduct whole-herd testing of any one herd in a TB-free zone more often than once every four years, except under specific conditions.

Sec. 462. Apiary Protection – DELETED

Establishes a \$20,000 earmark for an apiary protection program.

Sec. 802. Agriculture Equine Industry Development Fund (AEIDF) – REVISED

Includes new language prescribing priority order of AEIDF expenditures.

Sec. 805. County Fair Capital Grant Program – REVISED

Current language governs matching program for county fair capital grants program. Revised to reflect new matching requirements; deletes current year earmarks.