

FY 2021-22: AGRICULTURE AND RURAL DEVELOPMENT
Summary: As Passed by the Senate
Senate Bill 77 (S-1)



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IDG/IDT	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Executive	FY 2021-22 House	FY 2021-22 Senate	FY 2021-22 Conference	Difference: Senate From FY 2020-21 YTD	
						Amount	%
IDG/IDT	\$324,400	\$320,000	\$80,000	\$320,000	\$	(\$4,400)	(1.4)
Federal	13,129,500	13,599,800	3,400,300	13,599,800		470,300	3.6
Local	0	0	0	0		0	--
Private	71,300	71,300	17,800	71,300		0	0.0
Restricted	44,153,000	44,377,300	11,051,200	44,152,300		(700)	0.0
GF/GP	63,616,800	57,883,900	13,172,900	64,133,900		517,100	(9.0)
Gross	\$121,295,000	\$116,252,300	\$27,722,200	\$122,277,300	\$	(\$5,042,700)	0.8
FTEs	525.0	526.0	507.0	446.1		(78.9)	(15.0)

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) "House" means House Bill 4394(H-3) as passed by the House.

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.

Major Budget Changes from FY 2020-21 YTD Appropriations	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Senate Change
1. Information Technology	Gross \$2,068,200	\$254,900
<u>Executive</u> provides ongoing funding for support and maintenance of licensing and inspection systems. <u>Senate</u> concurs.	IDG 3,200	0
	Restricted 205,800	44,900
	GF/GP \$1,859,200	\$210,000
2. Michigan Animal Agriculture Alliance	Gross \$3,000,000	\$0
<u>Executive</u> includes \$1.7 million GF/GP for a Michigan State University (MSU) animal agriculture research grant program, a \$1.3 million reduction from current year. <u>Senate</u> retains current-year funding level, \$3.0 million GF/GP.	GF/GP \$3,000,000	\$0
3. Local Conservation Districts	Gross \$0	\$3,000,000
<u>Senate</u> includes new line item, \$3.0 million GF/GP, to provide funding for local conservation districts.	GF/GP \$0	\$3,000,000
4. Laboratory Services	Gross \$17,752,400	\$600,000
<u>Executive</u> recognizes a \$600,000 federal Health and Human Services/Food and Drug Administration grant to support integrated food safety system. <u>Senate</u> concurs.	IDG 227,800	0
	Federal 2,817,600	600,000
	Restricted 7,389,900	0
	GF/GP \$7,317,100	\$0
5. Fair Food Network/Double Up Food Bucks	Gross \$900,000	(\$900,000)
<u>Executive</u> retains current year funding level of \$900,000 GF/GP for program that increases purchasing power of Michigan residents who receive Supplemental Nutritional Assistance Program (SNAP). <u>Senate</u> does not include.	GF/GP \$900,000	(\$900,000)

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		<u>FY 2020-21 Year-to-Date (as of 2/11/21)</u>	<u>FY 2021-22 Senate Change</u>
6. Food and Agriculture Investment Grant Program	Gross	\$2,470,600	\$740,000
<u>Executive</u> retains current year funding level of \$2.5 million GF/GP for program that provides grants for agri-business development projects. <u>Senate</u> increases by \$740,000 GF/GP, to \$3.2 million.	GF/GP	\$2,470,600	\$740,000
7. Office of Rural Development	FTE	0.0	0.0
<u>Executive</u> proposed using \$175,000 from the Rural Development Fund to support 1.0 FTE position, and related costs, in a new Office of Rural Development. [<u>Executive</u> had also requested a current year supplemental appropriation for this position.] <u>Senate</u> does not include.	Gross	\$0	\$0
	Restricted	0	0
	GF/GP	\$0	\$0
8. County Fairs	Gross	\$500,000	\$2,000,000
<u>Executive</u> retains current year funding level of \$500,000 GF/GP. <u>Senate</u> increases baseline funding for county fair grant program to \$2.5 million GF/GP, a \$2.0 million increase.	GF/GP	\$500,000	\$2,000,000
9. Farm Stress	Gross	\$0	\$225,000
<u>Senate</u> includes funding for new farm stress program defined in boilerplate section 902.	GF/GP	\$0	\$225,000
10. Full-Time Equated Position (FTE) Authorization	FTE	525.0	(78.9)
<u>Senate</u> reduces FTE authorization across a number of MDARD operating line items: Executive Direction, (4.2 FTEs); Food Safety, (17.7 FTEs); Animal Industry, (10.2 FTEs); Pesticide and Plant Pest Management, (15.1 FTEs); Environmental Stewardship/MAEAP, (6.6 FTEs); Farmland/Open Space, (2.3 FTEs); Intercounty Drain, (2.1 FTEs); Migrant Labor Housing, (0.5 FTEs); Qualified Forest Program, (0.9 FTEs); Right to Farm, (0.4 FTEs); Laboratory Programs, (19.2 FTEs); and Agriculture Development programs, (5.7 FTEs). <u>Senate</u> increases FTE authorization for Emergency Management, 2.6 FTEs; and Milk Safety, 3.4 FTEs. These changes result in a net reduction of 78.9 FTE positions as compared to the current year.			
11. End of One-Time CREP Funding	Gross	\$4,400,000	(\$4,400,000)
<u>Executive</u> eliminated \$4.4 million GF/GP one-time appropriation for the Conservation Reserve Enhancement Program (CREP), a targeted environmental protection program. <u>Senate</u> concurs and does not include this one-time item in FY 2021-22 baseline.	GF/GP	\$4,400,000	(\$4,400,000)
12. Technical Fund Source Adjustments	Gross	NA	(\$3,900)
<u>Executive</u> and <u>Senate</u> adjust fund sourcing in some lines to better reflect actual available revenue.	IDG	NA	(3,200)
	Federal	NA	(101,800)
	Restricted	NA	101,100
	GF/GP	NA	\$0
13. Economic Adjustments	Gross	NA	(\$415,700)
Reflects net decrease of \$415,700 Gross (\$289,900 GF/GP). Budgeted increases for salaries and wages (negotiated 2.0% increase on October 1, 2021 and 1.0% on April 1, 2022), and increases related to actuarially required retirement contributions, worker's compensation, and building occupancy charges, are offset by a reduction in calculated contributions for retiree medical benefits. <u>Executive</u> and <u>Senate</u> include.	IDG	NA	(1,200)
	Federal	NA	(27,900)
	Restricted	NA	(96,700)
	GF/GP	NA	(\$289,900)

Major Boilerplate Changes from FY 2020-21

Sec. 210. Use of Contingency Fund Transfers – NOT INCLUDED

Senate deletes section that provide for contingency fund transfers in accordance with the Management and Budget Act.

Major Boilerplate Changes from FY 2020-21

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

Executive deletes section that prohibits department from taking disciplinary action against an employee for communicating with the Legislature. Senate retains.

Sec. 216. *Report on FTE Positions and Remote Work* – RETAINED

Executive deletes reporting requirement on staffing levels in relation to FTE authorization; employees authorized to work remotely; and related cost savings. Senate retains.

Sec. 217. *Work Project Limits* – RETAINED

Executive deletes section that requires that work project balances be exhausted before expenditure from part 1 appropriations. Senate retains.

Sec. 218. *State Administrative Board Transfers* – RETAINED

Executive deletes section that provides for the legislature to intertransfer funds within departmental budget if the State Administrative Board transfers funds from an appropriation within this departmental budget. Senate retains.

Sec. 220. *Impact of New Legislation* – RETAINED

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

Sec. 609. *Local Conservation Districts* – NEW

Senate includes new language directing the distribution of \$3.0 million appropriation equally among local conservation districts.

Sec. 610. *Farmland/Opens Space Tax Credit Processing* – NEW

Senate includes new language requiring the department to coordinate with the Michigan Department of Treasury to improve timely processing of tax credits under farmland and open space preservation programs.

Sec. 902. *Farm Stress Program* – NEW

Senate includes language defining the purpose of the part 1 appropriation.