

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
Summary of FY 2022-23 Enacted
Public Act 166 of 2022 (House Bill 5783, Article 1)

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	FY 2021-22 YTD as of 2/9/22	FY 2022-23 Enacted	Difference: Enacted From FY 2021-22 YTD	
			Amount	%
IDG/IDT	\$320,000	\$326,700	\$6,700	2.1
Federal	13,599,800	19,670,900	6,071,100	44.6
Local	0	0	0	--
Private	71,300	21,300	(50,000)	(70.1)
Restricted	44,327,300	44,706,400	379,100	0.9
GF/GP	97,366,900	122,989,800	25,622,900	26.3
Gross	\$155,685,300	\$187,715,100	\$32,029,800	20.6
FTEs	527.0	537.0	10.0	1.9

Notes:

- (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022.
- (2) 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.

Major Budget Changes from FY 2021-22 YTD Appropriations

		FY 2021-22 Year-to-Date (as of 2/9/22)	FY 2022-23 Enacted Change
1. Emergency Management – Preparedness, Readiness, Response	FTE	4.0	4.0
Includes a \$1.6 million GF/GP increase, and an increase in staffing authorization from 4.0 to 8.0 FTE positions, for the Emergency Management program. The increase is intended to build capacity to prepare for and respond to emergency events affecting the food supply chain – from animal disease readiness to contamination of food and feed.	Gross	\$1,320,700	\$1,600,000
	Federal	447,400	0
	GF/GP	\$873,300	\$1,600,000
2. Animal Industry – Animal Disease Prevention and Response	FTE	62.0	0.0
Includes \$200,000 GF/GP increase intended to offset costs of testing required of privately owned cervids for Bovine TB and CWD. Also recognizes \$500,000 for an anticipated federal USDA CWD research grant.	Gross	\$9,623,100	\$700,000
	Federal	582,500	500,000
	Restricted	221,800	0
	GF/GP	\$8,818,800	\$200,000
3. Bovine TB Quarantine – Producer Reimbursement	Gross	\$400,000	(\$400,000)
Does not retain FY \$400,000 GF/GP one-time funding of financial assistance to livestock producers for costs of maintaining livestock under quarantine.	GF/GP	\$400,000	(\$400,000)
4. Pesticide Safety/Worker Protection	FTE	85.0	6.0
Includes \$1.2 million GF/GP increase in Pesticide and Plant Pest Management (PPPM) program, and related 6.0 FTE increase in staffing authorization, for targeted pesticide safety program. Related boilerplate in Section 502.	Gross	\$14,172,100	\$1,170,000
	Federal	1,281,100	0
	Private	21,300	0
	Restricted	7,633,100	0
	GF/GP	\$5,236,600	\$1,170,000

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		FY 2021-22 Year-to-Date (as of 2/9/22)	FY 2022-23 Enacted Change
<u>Major Budget Changes from FY 2021-22 YTD Appropriations</u>			
5. Local Conservation Districts	Gross	\$3,000,000	\$0
Retains support for local conservation districts at \$3.0 million (\$2.0 million ongoing, \$1.0 million as one-time.) Related boilerplate in Section 609.	GF/GP	\$3,000,000	\$0
6. Climate Action/Reforestation in Northern Michigan	FTE	9.0	0.0
Recognizes \$5.4 million federal USDA grant funding in the ongoing Qualified Forest Program line item. The grant would support a reforestation project – the planting of 5 million native hardwood trees and conifers – on private and state-owned land in the Northern Lower Peninsula.	Gross	\$2,651,700	\$5,400,000
	Federal	0	5,400,000
	Restricted	1,080,100	0
	GF/GP	\$1,571,600	\$0
7. Fair Food Network/Double Up Food Bucks	Gross	\$2,000,000	(\$1,100,000)
Includes \$900,000 GF/GP for program that increases purchasing power of Michigan residents who receive Supplemental Nutritional Assistance Program (SNAP) benefits. The funding represents a \$1.1 million reduction from FY 2021-22, which had included \$1.1 million shown as one-time. Related boilerplate in Section 703.	GF/GP	\$2,000,000	(\$1,100,000)
8. Food and Agriculture Investment Grant Program	Gross	\$2,470,600	\$0
Retains funding level of \$2.5 million GF/GP for program that provides grants for agri-business development projects.	GF/GP	\$2,470,600	\$0
9. Office of Rural Development	FTE	1.0	0.0
Includes \$500,000 GF/GP increase in baseline funding; related boilerplate Sec. 702a.	Gross	\$175,000	\$500,000
	Restricted	0	0
	GF/GP	\$175,000	\$500,000
10. County Fairs/Shows/Expositions Grant Program	Gross	\$2,450,000	(\$1,950,000)
FY 2021-22 budget had included almost \$2.0 million in one-time funding which is not included in FY 2022-23 budget. The budget retains baseline funding of \$500,000 GF/GP for fair capital grant program.	GF/GP	\$2,450,000	(\$1,950,000)
11. Animal Welfare and Veterinary Care	Gross	\$0	\$2,000,000
Includes \$2.0 million GF/GP (one-time) to support Michigan licensed animal shelters and specifically to fund veterinarians and other animal care workers at those shelters. Related boilerplate Section 902.	GF/GP	\$0	\$2,000,000
12. Economic Development for Food and Agriculture Industries	Gross	\$0	\$50,000,000
Includes \$50.0 million GF/GP (one-time) for a new program targeted at supply chain, infrastructure, and workforce issues of Michigan agriculture as affected by the COVID-19 pandemic. Related boilerplate Sec. 901 includes an earmark of \$12.0 million for the Eastern Market (Detroit).	GF/GP	\$0	\$50,000,000
13. Office of Rural Development – (Grants)	Gross	\$0	\$3,000,000
Includes \$3.0 million GF/GP (one-time) for a new program, administered by the Office of Rural Development, to provide grants to rural communities, related to economic development, workforce development, affordable housing, infrastructure, education, and highspeed internet access. Related boilerplate Sec. 900.	GF/GP	\$0	\$3,000,000
14. Buy Michigan Campaign	Gross	\$0	\$1,000,000
Includes \$1.0 million GF/GP (one-time) for a campaign to support Michigan-grown agricultural products.	GF/GP	\$0	\$1,000,000

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<u>Major Budget Changes from FY 2021-22 YTD Appropriations</u>	FY 2021-22 Year-to-Date (as of 2/9/22)	FY 2022-23 Enacted Change
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15. Back Out FY 2021-22 One-Time GF/GP	Gross	\$31,605,000	(\$31,605,000)
The FY 2021-22 budget included \$36.1 million GF/GP in "one-time only" appropriations. The \$36.1 million included the following items, totaling \$31.6 million: Agricultural Nutrient Best Management Voluntary Practices, \$25.0 million; Agriculture Equine Industry Development Fund deposit, \$3.2 million; Farm Innovation Grant program, \$3.2 million; Farm Stress, \$225,000. These items were not carried into FY 2022-23.	GF/GP	\$31,605,000	(\$31,605,000)

Some FY 2021-22 one-time items, totaling \$4.5 million, are addressed in Major Budget Changes Item #s 3, 5, 7, and 10, above.

16. Economic Adjustments	Gross	NA	\$1,714,800
Reflects increased costs of \$1.7 million Gross (\$1.2 million GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2022 1.0% increase that began on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA	6,700
	Federal	NA	121,100
	Restricted	NA	379,100
	GF/GP	NA	\$1,207,900

Major Boilerplate Changes from FY 2021-22

The Governor's signing letter stated that several sections of 2022 PA 166 were unenforceable in that they violated various sections of the Michigan Constitution:

- Article 3, Section 2: Separation of powers of government
- Article 4, Section 22 and Article 4, Section 33: An attempt to authorize legislation other than by bill
- Article 4, Section 24: No law shall embrace more than one object, which shall be expressed in its title
- Article 4, Section 25: Amendment by reference
- Article 4, Section 53: Duties of the Auditor General
- Article 5, Section 28: Duties of the State Transportation Commission
- Article 11, Section 5: Authority of the Civil Service Commission to regulate conditions of employment

Sections 215, 217, and 218 in the MDARD budget were specifically cited as unenforceable, as described below.

Sec. 215. Communication with the Legislature – RETAINED (UNENFORCEABLE)

Retains section that prohibits department from taking disciplinary action against an employee for communicating with the Legislature. *The Governor's signing letter indicated that this section was unenforceable in that it impinged on executive branch authority in violation of Article 3, Section 2 of the Michigan Constitution which deals with the separation of powers*

Sec. 217. Use of Work Projects – RETAINED (UNENFORCEABLE)

Retains section that requires that work project balances be exhausted before expenditure from part 1 appropriations. *The Governor's signing letter indicated that this section was unenforceable in that it impinged on executive branch authority in violation of Article 3, Section 2 of the Michigan Constitution which deals with the separation of powers*

Sec. 218. State Administrative Board Transfers – RETAINED (UNENFORCEABLE)

Retains 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. *The Governor's signing letter indicated that this section was unenforceable in that impinged on executive branch authority in violation of Article 3, Section 2 of the Michigan Constitution which deals with the separation of powers, as well as two sections under Article 4 the Michigan Constitution: Section 22 which requires that all legislation be by bill, and Section 33 which prescribes how bills are enacted into law.*

Sec. 224. Limitation on Remote Work – NEW

Includes new intent language: "that departments maximize the efficiency of the state workforce and, where possible, prioritize in-person work", and that executive branch agencies post in-person, remote, or hybrid work policy on their websites.

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Major Boilerplate Changes from FY 2021-22

Sec. 241. Incident Notification – NEW

Requires the department to notify legislators when incident management team is activated.

Sec. 301. Miscellaneous Fees, Use of Fee Revenue, Fee Reports – REVISED

This section authorizes the department to establish a fee schedule and collect fees for various work activities and services and that authorizes the department to receive and expend fee revenue. Revises to include new subsection 5 that asks the department to work with testing vendors to ensure adequate testing capacity and reasonable cost structures.

Sec. 455. Cervid Facility Testing Costs – NEW

Earmarks \$200,000 to reimburse privately owned cervid facilities for the costs of CWD testing.

Sec. 502. Pesticide Safety/Worker Protection – NEW

Designates \$1.2 million PPPM funding increase for staffing and operational support for education and compliance assistance efforts to ensure uniform application of pesticide regulations.

Sec. 707. Industry Support Fund Lapse – NEW

Provides for unexpended Industry Support Funds to lapse to the Industry Support Fund.

Sec. 900. Office of Rural Development (Grant Program) – NEW

Defines \$3.0 million one-time line item for the Office of Rural Development; authorizes 3.0 FTEs (limited term) to administer program; establishes as work project.

Sec. 901. Economic Development for Food and Agriculture (Grant Program) – NEW

Defines the \$50.0 million one-time line item; authorizes 8.0 FTEs (limited term) to administer program; establishes as work project; earmarks \$12.0 million for Eastern Market (Detroit).

Sec. 902. Animal Welfare and Veterinary Care – NEW

Defines the \$2.0 million one-time line item; establishes as work project.