

**SUBSTITUTE FOR
SENATE BILL NO. 201**

A bill to make appropriations for the department of agriculture and rural development for the fiscal year ending September 30, 2014; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 PART 1

2 LINE-ITEM APPROPRIATIONS

3 Sec. 101. Subject to the conditions set forth in this act, the
4 amounts listed in this part are appropriated for the department of
5 agriculture and rural development for the fiscal year ending
6 September 30, 2014, from the funds indicated in this part. The
7 following is a summary of the appropriations in this part:

8 **DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT**

1	APPROPRIATION SUMMARY	
2	Full-time equated unclassified positions.....	6.0
3	Full-time equated classified positions.....	429.0
4	GROSS APPROPRIATION.....	\$ 79,143,300
5	Interdepartmental grant revenues:	
6	IDG from LARA (LCC), liquor quality testing fees.....	214,100
7	IDG from MDNR, forest development fund.....	200,000
8	IDG from MDEQ, biosolids.....	110,200
9	Total interdepartmental grants and intradepartmental	
10	transfers	524,300
11	ADJUSTED GROSS APPROPRIATION.....	\$ 78,619,000
12	Federal revenues:	
13	USDA, multiple grants.....	5,814,900
14	EPA, multiple grants.....	1,601,800
15	HHS-FDA.....	2,304,200
16	Total federal revenues.....	9,720,900
17	Special revenue funds:	
18	Total local revenues.....	0
19	Private - slow-the-spread foundation.....	20,400
20	Private - commodity group revenue.....	76,500
21	Total private revenues.....	96,900
22	Agriculture preservation fund.....	1,624,500
23	Agriculture equine industry development fund.....	3,855,500
24	Animal welfare fund.....	214,900
25	Commodity inspection fees.....	432,000
26	Consumer and industry food safety education fund.....	314,800
27	Dairy and food safety fund.....	3,329,600

1	Freshwater protection fund.....	5,173,000
2	Gasoline inspection and testing fund.....	2,723,700
3	Grain dealer fee fund.....	696,900
4	Horticulture fund.....	37,900
5	Industry support funds.....	443,600
6	Licensing and inspection fees.....	4,075,000
7	Migrant labor housing fund.....	162,600
8	Nonretail liquor fees.....	797,700
9	Refined petroleum fund.....	4,012,000
10	Renewable fuels fund.....	51,200
11	Testing fees.....	285,000
12	Weights and measures regulation fees.....	791,000
13	Total other state restricted revenues.....	29,020,900
14	State general fund/general purpose.....	\$ 39,780,300
15	State general fund/general purpose schedule:	
16	Ongoing state general fund/general	
17	purpose	37,180,300
18	One-time state general fund/general	
19	purpose	2,500,000
20	Sec. 102. DEPARTMENTWIDE	
21	Full-time equated unclassified positions.....	6.0
22	Full-time equated classified positions.....	27.0
23	Commissions and boards.....	\$ 23,800
24	Unclassified positions.....	707,000
25	Executive direction--9.0 FTE positions.....	1,360,200
26	Management services--15.0 FTE positions.....	1,041,700
27	Statistical reporting service--1.0 FTE positions.....	148,700

1	Emergency management--2.0 FTE positions	800,700
2	Accounting service center	948,400
3	Rent and building occupancy	<u>1,061,600</u>
4	GROSS APPROPRIATION	\$ 6,092,100
5	Appropriated from:	
6	Federal revenues:	
7	USDA, multiple grants	240,400
8	EPA, multiple grants	186,300
9	HHS-FDA	574,500
10	Special revenue funds:	
11	Private - commodity group revenue	76,500
12	Agriculture preservation fund	24,300
13	Freshwater protection fund	35,900
14	Industry support funds	52,200
15	Licensing and inspection fees	181,600
16	Nonretail liquor fees	39,600
17	Refined petroleum fund	320,300
18	State general fund/general purpose	\$ 4,360,500
19	Sec. 103. INFORMATION AND TECHNOLOGY	
20	Information technology services and projects	\$ <u>1,444,700</u>
21	GROSS APPROPRIATION	\$ 1,444,700
22	Appropriated from:	
23	Interdepartmental grant revenues:	
24	IDG from LARA (LCC), liquor quality testing fees	3,100
25	Special revenue funds:	
26	Agriculture preservation fund	200
27	Agriculture equine industry development fund	83,700

1	Freshwater protection fund.....	100
2	Gasoline inspection testing fund.....	30,900
3	Licensing and inspection fees.....	31,900
4	Nonretail liquor fees.....	500
5	State general fund/general purpose.....	\$ 1,294,300
6	Sec. 104. FOOD AND DAIRY	
7	Full-time equated classified positions.....	101.0
8	Food safety and quality assurance--75.0 FTE positions	\$ 10,881,200
9	Milk safety and quality assurance--26.0 FTE positions	<u>3,821,300</u>
10	GROSS APPROPRIATION.....	\$ 14,702,500
11	Appropriated from:	
12	Federal revenues:	
13	USDA, multiple grants.....	318,800
14	HHS-FDA.....	961,400
15	Special revenues funds:	
16	Consumer and industry food safety education fund.....	314,800
17	Dairy and food safety fund.....	3,329,600
18	State general fund/general purpose.....	\$ 9,777,900
19	Sec. 105. ANIMAL INDUSTRY	
20	Full-time equated classified positions.....	60.0
21	Animal disease prevention and response--60.0 FTE	
22	positions	\$ 8,706,100
23	Indemnification - livestock depredation.....	<u>50,000</u>
24	GROSS APPROPRIATION.....	\$ 8,756,100
25	Appropriated from:	
26	Federal revenues:	
27	USDA, multiple grants.....	513,400

1	HHS-FDA.....	45,400
2	Special revenue funds:	
3	Animal welfare fund.....	214,900
4	Licensing and inspection fees.....	11,700
5	State general fund/general purpose.....	\$ 7,970,700
6	Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT	
7	Full-time equated classified positions.....	86.0
8	Pesticide and plant pest management--81.0 FTE	
9	positions	\$ 10,876,300
10	Producer security/grain dealers--5.0 FTE positions ...	<u>736,700</u>
11	GROSS APPROPRIATION.....	\$ 11,613,000
12	Appropriated from:	
13	Federal revenues:	
14	USDA, multiple grants.....	822,200
15	EPA, multiple grants.....	719,400
16	HHS-FDA.....	116,900
17	Special revenue funds:	
18	Private - slow-the-spread foundation.....	20,400
19	Commodity inspection fees.....	432,000
20	Grain dealers fee fund.....	696,900
21	Horticulture fund.....	37,900
22	Industry support funds.....	240,300
23	Licensing and inspection fees.....	3,773,300
24	State general fund/general purpose.....	\$ 4,753,700
25	Sec. 107. ENVIRONMENTAL STEWARDSHIP	
26	Full-time equated classified positions.....	50.0
27	Environmental stewardship--18.0 FTE positions	\$ 6,020,400

1	Michigan agriculture environmental assurance	
2	program--7.0 FTE positions	1,668,800
3	Farmland and open space preservation--9.0 FTE	
4	positions	1,300,000
5	Private forest development program.....	200,000
6	Local conservation districts.....	100
7	Migrant labor housing--9.0 FTE positions.....	1,198,500
8	Right-to-farm--3.0 FTE positions.....	571,400
9	Agriculture drain registration.....	100,000
10	Intercounty drains--4.0 FTE positions.....	<u>468,300</u>
11	GROSS APPROPRIATION.....	\$ 11,527,500
12	Appropriated from:	
13	Interdepartmental grant revenues:	
14	IDG from MDNR, forest development fund.....	200,000
15	IDG from MDEQ, biosolids.....	110,200
16	Federal revenues:	
17	USDA, multiple grants.....	912,500
18	EPA, multiple grants.....	304,100
19	Special revenue funds:	
20	Agriculture preservation fund.....	1,300,000
21	Freshwater protection fund.....	5,137,000
22	Migratory labor housing fund.....	162,600
23	State general fund/general purpose.....	\$ 3,401,100
24	Sec. 108. LABORATORY PROGRAM	
25	Full-time equated classified positions..... 90.0	
26	Laboratory services--36.0 FTE positions.....	\$ 5,571,300
27	USDA monitoring--13.0 FTE positions.....	1,586,000

1	Consumer protection program--41.0 FTE positions	<u>6,016,100</u>
2	GROSS APPROPRIATION.....	\$ 13,173,400
3	Appropriated from:	
4	Interdepartmental grant revenues:	
5	IDG from LARA (LCC), liquor quality testing fees	211,000
6	Federal revenues:	
7	USDA, multiple grants.....	1,586,900
8	EPA, multiple grants.....	392,000
9	HHS-FDA.....	606,000
10	Special revenue funds:	
11	Agriculture equine industry development fund.....	604,600
12	Gasoline inspection and testing fund.....	2,692,800
13	Licensing and inspection fees.....	76,500
14	Refined petroleum fund.....	3,691,700
15	Renewable fuels fund.....	51,200
16	Testing fees.....	285,000
17	Weights and measures regulation fees.....	791,000
18	State general fund/general purpose.....	\$ 2,184,700
19	Sec. 109. AGRICULTURAL DEVELOPMENT	
20	Full-time equated classified positions..... 14.0	
21	Agricultural development--11.0 FTE positions	\$ 2,732,600
22	Grape and wine program--3.0 FTE positions	802,600
23	Food and agriculture industry growth initiative	1,000,000
24	Rural development value-added grants.....	<u>1,050,000</u>
25	GROSS APPROPRIATION.....	\$ 5,585,200
26	Appropriated from:	
27	Federal revenues:	

1	USDA, multiple grants.....		1,420,700
2	Special revenue funds:		
3	Industry support funds.....		151,100
4	Nonretail liquor fees.....		757,600
5	State general fund/general purpose.....	\$	3,255,800
6	Sec. 110. FAIRS AND EXPOSITIONS		
7	Full-time equated classified positions.....	1.0	
8	Fairs and racing--1.0 FTE position.....	\$	356,600
9	County fairs capital improvement grants.....		281,600
10	Purses and supplements - fairs/licensed tracks.....		708,300
11	Licensed tracks - light horse racing.....		40,300
12	Light horse racing - breeders awards.....		20,000
13	Standardbred breeders' awards.....		285,900
14	Standardbred purses and supplements - licensed tracks		527,800
15	Standardbred sire stakes.....		239,000
16	Thoroughbred supplements - licensed tracks.....		385,900
17	Thoroughbred breeders' awards.....		358,600
18	Thoroughbred sire stakes.....		<u>244,800</u>
19	GROSS APPROPRIATION.....	\$	3,448,800
20	Appropriated from:		
21	Special revenue funds:		
22	Agriculture equine industry development fund.....		3,167,200
23	State general fund/general purpose.....	\$	281,600
24	Sec. 111. CAPITAL OUTLAY		
25	Farmland and open space development acquisition.....	\$	<u>300,000</u>
26	GROSS APPROPRIATION.....	\$	300,000
27	Appropriated from:		

1	Special revenue funds:	
2	Agriculture preservation fund.....	300,000
3	State general fund/general purpose.....	\$ 0
4	Sec. 112. ONE-TIME BASIS ONLY APPROPRIATIONS	
5	Private forestry program.....	\$ 600,000
6	Ottawa County water resources study.....	200,000
7	Qualified forest affidavit program.....	<u>1,700,000</u>
8	GROSS APPROPRIATION.....	\$ 2,500,000
9	Appropriated from:	
10	State general fund/general purpose.....	\$ 2,500,000

11 PART 2

12 PROVISIONS CONCERNING APPROPRIATIONS

13 FOR FISCAL YEAR 2013-2014

14 **GENERAL SECTIONS**

15 Sec. 201. Pursuant to section 30 of article IX of the state

16 constitution of 1963, total state spending from state resources

17 under part 1 for fiscal year 2013-2014 is \$68,801,200.00 and state

18 spending from state resources to be paid to local units of

19 government for fiscal year 2013-2014 is \$3,500,000.00. The itemized

20 statement below identifies appropriations from which spending to

21 local units of government will occur:

22 DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

23	Environmental stewardship.....	\$ <u>3,500,000</u>
24	TOTAL.....	\$ 3,500,000

25 Sec. 202. The appropriations authorized under this act are

1 subject to the management and budget act, 1984 PA 431, MCL 18.1101
2 to 18.1594.

3 Sec. 203. As used in this act:

4 (a) "Department" means the department of agriculture and rural
5 development.

6 (b) "Director" means the director of the department.

7 (c) "EPA" means the United States environmental protection
8 agency.

9 (d) "FTE" means full-time equated.

10 (e) "HHS-FDA" means the United States department of health and
11 human services - food and drug administration.

12 (f) "IDG" means interdepartmental grant.

13 (g) "LARA" means the Michigan department of licensing and
14 regulatory affairs.

15 (h) "MDEQ" means the Michigan department of environmental
16 quality.

17 (i) "USDA" means the United States department of agriculture.

18 Sec. 206. (1) In addition to the funds appropriated in part 1,
19 there is appropriated an amount not to exceed \$5,000,000.00 for
20 federal contingency funds. These funds are not available for
21 expenditure until they have been transferred to another line item
22 in this act under section 393(2) of the management and budget act,
23 1984 PA 431, MCL 18.1393.

24 (2) In addition to the funds appropriated in part 1, there is
25 appropriated an amount not to exceed \$6,000,000.00 for state
26 restricted contingency funds. These funds are not available for
27 expenditure until they have been transferred to another line item

1 in this act under section 393(2) of the management and budget act,
2 1984 PA 431, MCL 18.1393.

3 (3) In addition to the funds appropriated in part 1, there is
4 appropriated an amount not to exceed \$100,000.00 for local
5 contingency funds. These funds are not available for expenditure
6 until they have been transferred to another line item in this act
7 under section 393(2) of the management and budget act, 1984 PA 431,
8 MCL 18.1393.

9 (4) In addition to the funds appropriated in part 1, there is
10 appropriated an amount not to exceed \$100,000.00 for private
11 contingency funds. These funds are not available for expenditure
12 until they have been transferred to another line item in this act
13 under section 393(2) of the management and budget act, 1984 PA 431,
14 MCL 18.1393.

15 Sec. 207. The department shall cooperate with the department
16 of technology, management, and budget to maintain a searchable
17 website accessible by the public at no cost that includes, but is
18 not limited to, all of the following for each department or agency:

19 (a) Fiscal year-to-date expenditures by category.

20 (b) Fiscal year-to-date expenditures by appropriation unit.

21 (c) Fiscal year-to-date payments to a selected vendor,
22 including the vendor name, payment date, payment amount, and
23 payment description.

24 (d) The number of active department employees by job
25 classification.

26 (e) Job specifications and wage rates.

27 Sec. 208. Unless otherwise specified, the departments shall

1 use the Internet to fulfill the reporting requirements of this act.
2 This requirement may include transmission of reports via electronic
3 mail to the recipients identified for each reporting requirement,
4 or it may include placement of reports on an Internet or Intranet
5 site.

6 Sec. 209. Funds appropriated in part 1 shall not be used for
7 the purchase of foreign goods or services, or both, if
8 competitively priced and of comparable quality American goods or
9 services, or both, are available. Preference shall be given to
10 goods or services, or both, manufactured or provided by Michigan
11 businesses, if they are competitively priced and of comparable
12 quality. In addition, preference shall be given to goods or
13 services, or both, that are manufactured or provided by Michigan
14 businesses owned and operated by veterans, if they are
15 competitively priced and of comparable quality.

16 Sec. 211. Amounts appropriated in part 1 for information
17 technology may be designated as work projects and carried forward
18 to support technology projects under the direction of the
19 department of technology, management, and budget. Funds designated
20 in this manner are not available for expenditure until approved as
21 work projects under section 451a of the management and budget act,
22 1984 PA 431, MCL 18.1451a.

23 Sec. 212. The department and agencies receiving appropriations
24 in part 1 shall receive and retain copies of all reports funded
25 from appropriations in part 1. Federal and state guidelines for
26 short-term and long-term retention of records shall be followed.
27 The department may electronically retain copies of reports unless

1 otherwise required by federal and state guidelines.

2 Sec. 215. The department shall not take disciplinary action
3 against an employee for communicating with a member of the
4 legislature or his or her staff.

5 Sec. 218. The departments and agencies receiving
6 appropriations in part 1 shall prepare a report on out-of-state
7 travel expenses not later than January 1 of each year. The travel
8 report shall be a listing of all travel by classified and
9 unclassified employees outside this state in the immediately
10 preceding fiscal year that was funded in whole or in part with
11 funds appropriated in the department's budget. The report shall be
12 submitted to the house and senate standing committees on
13 appropriations, the house and senate fiscal agencies, and the state
14 budget director. The report shall include the following
15 information:

16 (a) The dates of each travel occurrence.

17 (b) The total transportation and related costs of each travel
18 occurrence, including the proportion funded with state general
19 fund/general purpose revenues, the proportion funded with state
20 restricted revenues, the proportion funded with federal revenues,
21 and the proportion funded with other revenues.

22 Sec. 228. Not later than November 15, the department shall
23 prepare and transmit a report that provides for estimates of the
24 total general fund/general purpose appropriation lapses at the
25 close of the fiscal year. This report shall summarize the projected
26 year-end general fund/general purpose appropriation lapses by major
27 departmental program or program areas. The report shall be

1 transmitted to the office of the state budget, the chairpersons of
2 the senate and house of representatives standing committees on
3 appropriations, and the senate and house fiscal agencies.

4 Sec. 229. Within 14 days after the release of the executive
5 budget recommendation, the department shall provide the state
6 budget director, the senate and house appropriations chairs, the
7 senate and house appropriations subcommittees on agriculture and
8 rural development, respectively, and the senate and house fiscal
9 agencies with an annual report on estimated state restricted fund
10 balances, state restricted fund projected revenues, and state
11 restricted fund expenditures for the fiscal years ending September
12 30, 2013 and September 30, 2014.

13 Sec. 230. Funds appropriated in part 1 shall not be used by a
14 principal executive department, state agency, or authority to hire
15 a person to provide legal services that are the responsibility of
16 the attorney general. This prohibition does not apply to legal
17 services for bonding activities and for those outside services that
18 the attorney general authorizes.

19 Sec. 231. The department shall maintain, on a publicly
20 accessible website, a department scorecard that identifies, tracks,
21 and regularly updates key metrics that are used to monitor and
22 improve the agency's performance.

23 **EXECUTIVE**

24 Sec. 301. (1) Pursuant to the appropriations in part 1, the
25 department may receive and expend revenue and use that revenue to
26 cover necessary expenses related to publications, audit and

1 licensing functions, livestock sales, certification of nursery
2 stock, and laboratory analyses as specified in the following:

3 (a) Management services publications.

4 (b) Management services audit and licensing functions.

5 (c) Pesticide and plant pest management propagation and
6 certification of virus-free foundation stock.

7 (d) Pesticide and plant pest management grading services.

8 (e) Laboratory support testing for testing horses in draft
9 horse pulling contests at county fairs when local jurisdictions
10 request state assistance.

11 (f) Laboratory support analyses to determine foreign
12 substances in horses engaged in racing or pulling contests at
13 tracks.

14 (g) Laboratory support analyses of food, livestock, and
15 agricultural products for disease, foreign products for disease,
16 toxic materials, foreign substances, and quality standards.

17 (h) Laboratory support test samples for other agencies and
18 organizations.

19 (i) Fruit and vegetable inspection at shipping and termination
20 points and processing plants.

21 (2) The department shall notify the senate and house
22 appropriations subcommittees on agriculture and rural development
23 and the senate and house fiscal agencies 30 days prior to proposing
24 changes in fees authorized under this section or under section 5 of
25 1915 PA 91, MCL 285.35.

26 (3) Annually, before February 1, the department shall provide
27 a report to the senate and house appropriations subcommittees on

1 agriculture and rural development and the senate and house fiscal
2 agencies detailing all the fees charged by the department under the
3 authorization provided in this section, including, but not limited
4 to, rates, number of individuals paying each fee, and the revenue
5 generated by each fee in the previous fiscal year.

6 **FOOD AND DAIRY**

7 Sec. 402. Not later than April 1, 2014, the department shall
8 provide a report to the senate and house appropriations
9 subcommittees on agriculture and rural development and the senate
10 and house fiscal agencies describing significant food-borne
11 outbreaks and emergencies, including any enforcement actions taken
12 related to food safety during the 2012-2013 fiscal year.

13 **ANIMAL INDUSTRY**

14 Sec. 451. From the funds appropriated in part 1 for bovine
15 tuberculosis, the department shall pay for all whole herd testing
16 costs and individual animal testing costs in the modified
17 accredited zone to maintain split-state status requirements. These
18 costs include indemnity and compensation for injury causing death
19 or downer to animals.

20 Sec. 454. The department shall use its resources to
21 collaborate with the United States department of agriculture and
22 rural development to obtain TB-free status for the area of the
23 Lower Peninsula that is zoned as modified accredited advanced. The
24 department shall also aggressively work toward eradicating bovine
25 TB in the modified accredited zone. The department shall also

1 convene a workgroup to work toward eradicating bovine TB in the
2 modified accredited zone.

3 Sec. 456. Of the funds appropriated in part 1, no funds shall
4 be used to enforce the mandatory electronic animal identification
5 program for any domestic animals other than cattle until specific
6 procedures and guidelines for electronic animal identification are
7 outlined in statute.

8 Sec. 457. On or before October 15, 2013, the department shall
9 report to the senate and house agriculture committees, the senate
10 and house appropriations subcommittees on agriculture and rural
11 development, and the senate and house fiscal agencies on the
12 department's progress toward meeting the USDA requirements as
13 outlined in the March 2007 bovine TB program review. The report
14 shall include, but is not limited to, information and data on:
15 wildlife risk mitigation plan implementation in the modified
16 accredited zone; implementation of a movement certificate process;
17 progress toward annual surveillance test requirements set out in
18 the June 2007 MOU; efforts to work with slaughter facilities in
19 Michigan, as well as those that slaughter a significant number of
20 animals from Michigan; educational programs and information for
21 Michigan's livestock community; any other item the legislature
22 should be aware of that will promote or hinder efforts to achieve
23 bovine TB-free status for Michigan.

24 Sec. 458. From the funds appropriated in part 1 for animal
25 industry, the department shall provide inspection and testing of
26 aquaculture facilities and aquaculture researchers as provided
27 under section 7 of the Michigan aquaculture development act, 1996

1 PA 199, MCL 286.877. It is the intent of the legislature that the
2 department shall work with aquaculture facilities and aquaculture
3 researchers to identify, contain, and eradicate viral hemorrhagic
4 septicemia in this state.

5 **PESTICIDE AND PLANT PEST MANAGEMENT**

6 Sec. 551. (1) It is the intent of the legislature that the
7 department work with the fruit and vegetable industry to ensure the
8 development of a sustainable system of third-party inspections of
9 fruits and vegetables.

10 (2) From the funds appropriated in part 1 for pesticide and
11 plant pest management, not less than \$200,000.00 shall be used for
12 the purpose to ensure that Michigan commodities receive
13 departmental inspections required by other governments to ship
14 commodities out of Michigan. The department shall devise a plan to
15 provide these required government inspections in a timely manner.

16 **ENVIRONMENTAL STEWARDSHIP**

17 Sec. 601. The part 1 appropriation line item environmental
18 stewardship shall be used to support department agriculture
19 pollution prevention programs, including groundwater and freshwater
20 protection programs under part 87 of the Michigan natural resources
21 and environmental protection act, 1994 PA 451, MCL 324.8701 to
22 324.8717, and technical assistance in implementing conservation
23 grants available under the federal farm bill of 2008.

24 Sec. 607. (1) It is the intent of the legislature that the
25 department continue its activities in support of intercounty

1 drainage districts as provided in chapter 5 of the drain code of
2 1956, 1956 PA 40, MCL 280.101 to 280.106.

3 (2) The department shall work with representatives of
4 intercounty drainage districts to develop a mutually agreeable
5 method of funding department costs associated with the intercounty
6 drainage program.

7 **AGRICULTURE DEVELOPMENT**

8 Sec. 701. (1) The department shall establish and administer a
9 rural development value-added grant program. The program shall
10 promote the expansion of value-added agricultural production,
11 processing, and access within the state.

12 (2) The department shall award grants on a competitive basis
13 from the funds appropriated in part 1 for rural development value-
14 added grants. Grantees will be required to provide a cash match and
15 identify measurable project outcomes. Eligible grantees may
16 include, but are not limited to, individuals, partnerships,
17 cooperatives, private or public corporations, and local units of
18 government.

19 (3) A joint evaluation committee shall be selected by the
20 director with representatives with agriculture, business, and
21 economic development expertise. The joint evaluation committee
22 shall identify criteria, evaluate applications, and provide
23 recommendations to the director for final approval of grant awards.

24 (4) The department may expend money from the funds
25 appropriated in part 1 for the rural development value-added grants
26 for administering the program.

1 (5) The department shall provide an interim report no later
2 than March 15, 2014 and year-end report no later than September 30,
3 2014 to the senate and house appropriations subcommittees on
4 agriculture and rural development and the senate and house fiscal
5 agencies, including the grantees, award amount, match funding, and
6 project outcomes.

7 Sec. 702. (1) The department shall establish and administer
8 the food and agriculture industry growth initiative. The program
9 shall use a grant process to support research, education, and
10 technical assistance efforts focused on removing barriers and
11 leveraging opportunities identified by those in the food and
12 agriculture industry as critical to business development and growth
13 within the state.

14 (2) In addition to the funds appropriated in part 1, the
15 department of agriculture and rural development may receive and
16 expend up to \$2,000,000.00 in funds received from the Michigan
17 strategic fund or the Michigan economic development corporation for
18 the food and agriculture industry growth initiative.

19 (3) The director shall establish a consortium of interested
20 parties including those involved in the food and agriculture
21 industry sector to develop the program priorities described in
22 subsection (1).

23 (4) The department shall award grants from the funds
24 appropriated in part 1 or received from the Michigan strategic fund
25 or the Michigan economic development corporation under subsection
26 (2) for food and agriculture industry growth initiative grants.
27 Grantees will be required to identify measurable project outcomes.

Senate Bill No. 201 as amended April 24, 2013

(5) A joint evaluation committee selected by the director shall evaluate applications and provide recommendations to the director for final approval of grant awards.

(6) The department may expend money from the funds appropriated in part 1 for the food and agriculture industry growth initiative for administering the program.

<<Sec. 703. (1) Not later than April 1, the department shall provide a report to the senate and house appropriations subcommittees on agriculture and rural development and the senate and house fiscal agencies describing the activities of the grape and wine industry council established under section 303 of the Michigan liquor control act of 1998, 1998 PA 58, MCL 436.1303.

(2) The report shall include all of the following:

(a) Council activities and accomplishments for the previous fiscal year.

(b) Council expenditures for the previous fiscal year by category of administration, industry support, research and education grants, and promotion and consumer education.

(c) Grants awarded during the prior fiscal year and the results of research grant projects completed during the prior fiscal year.>>

FAIRS AND EXPOSITIONS

Sec. 802. All appropriations from the agriculture equine industry development fund, except for the racing commission and laboratory analysis program appropriations, shall be reduced proportionately if revenues to the agriculture equine industry development fund decline during the fiscal year ending September 30, 2013 to a level lower than the amounts appropriated in section 108.

Sec. 805. (1) The department shall establish and administer a county fairs capital improvement grant program. The program shall assist in the promotion of building improvements or other capital improvements at county fairgrounds of the state.

(2) The department shall award grants on a competitive basis to county fair organizations from the funds appropriated in part 1 for county fairs capital improvements grants. Grantees will be required to provide a dollar-for-dollar cash match with grant awards and identify measurable project outcomes.

(3) The department shall identify criteria, evaluate applications, and provide recommendations to the director for final approval of grant awards.

1 (4) The department may expend money from the funds
2 appropriated in part 1 for the county fairs capital improvement
3 grants for administering the program.

4 (5) The department shall provide an interim report no later
5 than March 15, 2014 and a year-end report no later than September
6 30, 2014 to the senate and house appropriations subcommittees on
7 agriculture and rural development and the senate and house fiscal
8 agencies, including the grantees, award amount, match funding, and
9 project outcomes.

10 **CAPITAL OUTLAY**

11 Sec. 1003. The appropriations in part 1 for capital outlay
12 shall be carried forward at the end of the fiscal year consistent
13 with the provisions of section 248 of the management and budget
14 act, 1984 PA 431, MCL 18.1248.

15 **ONE-TIME BASIS ONLY APPROPRIATIONS**

16 Sec. 1103. (1) The appropriations in part 1 for private
17 forestry program is for the purpose of increasing the knowledge of
18 nonindustrial private forestland owners of sound forest management
19 practices and increasing the amount of commercial timber production
20 from those lands.

21 (2) The department shall work in partnership with stakeholder
22 groups and other state and federal agencies to increase the active
23 management of nonindustrial private forestland to foster the growth
24 of Michigan's timber product industry.

25 Sec. 1104. The appropriations in part 1 for an Ottawa County

1 water resources study shall include test well monitoring of glacial
2 and bedrock aquifers for quantity and quality, and precise,
3 calibrated flow models of glacial and bedrock aquifers, modeling of
4 different impact scenarios based on usage, climate, and policies,
5 and solutions to address declining groundwater levels with the
6 findings to be made available to both the department and the MDEQ.

7 PART 2A

8 PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS

9 FOR FISCAL YEAR 2014-2015

10 GENERAL SECTIONS

11 Sec. 1201. It is the intent of the legislature to provide
12 appropriations for the fiscal year ending on September 30, 2015 for
13 the line items listed in part 1. The fiscal year 2014-2015
14 appropriations are anticipated to be the same as those for fiscal
15 year 2013-2014, except that the line items will be adjusted for
16 changes in caseload and related costs, federal fund match rates,
17 economic factors, and available revenue. These adjustments will be
18 determined after the January 2014 consensus revenue estimating
19 conference.

20 Sec. 1202. It is the intent of the legislature that the
21 department identify the amounts for normal retirement costs and
22 legacy retirement costs for the fiscal year ending on September 30,
23 2015 for the line items listed in part 1.