AGRICULTURE

Summary: SB 222 Conference Report CR-1

FY 2007-08

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		FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08	Conference Diffe From FY 2006-02	
	FY 2006-07 YTD	Executive	Senate	House Sub	Conference	Amount	%
IDG/IDT	10,367,510	9,390,400	9,390,600	10,390,400	10,615,400	247,890	2.4
Federal	23,542,831	21,990,600	21,115,600	21,240,600	21,240,600	(2,302,231)	(9.8)
Local	0	0	0	0	0	0	0
Private	183,800	188,500	188,500	188,500	263,500	79,700	43.4
Restricted	47,803,959	45,423,700	49,671,800	46,902,400	46,121,700	(1,682,259)	(3.5)
GF/GP	28,333,900	29,337,400	28,798,200	30,104,200	31,158,100	2,824,200	10.0
Gross	\$110,232,000	\$106,330,600	\$109,164,700	\$108,826,100	\$109,399,300	(\$832,700)	(.8)
FTEs	696.0	680.0	684.0	680.0	691.0	(3.5)	(.5)

FY 2006-07 YTD reflects Executive Order 2007-3 which reduced gross appropriations by \$3.1 million (gross), \$2.9 million (GF/GP), and SB436 which reduced GF/GP appropriations by \$286,200.

Executive reflects Executive revision transmitted by the State Budget Office February 12, 2007.

Senate reflects SB 222 as passed the Senate, August 22, 2007

House Sub reflects S B 222(H-1)as reported from the House Committee on Appropriations, September 5, 2007.

Overview

The Department of Agriculture promotes Michigan agricultural products; protects the public from disease and unsanitary conditions in food production and handling; regulates product labeling and producer practices for dairy products, animals, and plants; and enforces consumer protection laws regarding food, standard weights/measures, animal health, and plant pests and diseases.

Note: In the description of Senate/House differences below, reductions in *baseline* program support represent reductions after consideration of economic adjustments and elimination of one-time items.

Conference Agreement on Senate/House/Items of Difference		FY 2006-07 YTD	<u>Senate</u>	<u>House</u>	Conference
I. Commissions and BoardsSenate: Eliminates GF/GP support.House: Same as FY 2006-07 and Exec. Rec.Conference: Concurs with Senate.	Gross	\$47,300	\$17,800	\$47,300	\$17,800
	Restricted	17,800	17,800	17,800	17,800
	GF/GP	\$29,500	\$0	\$29,500	\$0
2. Management Services Senate: Reduces GF/GP baseline by \$500,000. House: Reduces GF/GP baseline by \$100,000. Conference: Reduces GF/GP baseline by \$300,000.	FTEs	34.5	29.5	34.5	31.5
	Gross	\$2,647,700	\$2,230,800	\$2,630,800	\$2,430,800
	Restricted	401,300	418,600	418,600	418,600
	GF/GP	\$2,246,400	\$1,812,200	\$2,212,200	\$2,012,200

Conference Agreement on Senate/House/Items of Difference		FY 2006-07 YTD	<u>Senate</u>	<u>House</u>	Conference
3. Agricultural Statistics (Statistical reporting) The Executive had recommended a \$261,300 GF/GP reduction from FY 2006-07 as enacted, \$130,600 based on YTD after EO 2007-3. Senate: Reduces baseline by \$155,300 GF/GP from YTD after EO 2007-3. House: Reduces GF/GP baseline by \$30,600. Both House and Senate reflect end of one-time Equine survey funding. Conference: Reduces GF/GP baseline by \$143,800, \$13,200 GF/GP less than Executive; includes \$75,000 in private revenue for matching (related boilerplate Section 306).	FTE	4.0	1.0	1.0	2.0
	Gross	\$245,300	\$51,100	\$175,800	\$137,600
	Restricted	50,000	0	0	0
	Private	0	0	0	75,000
	GF/GP	\$195,300	\$51,100	\$175,800	\$62,600
4. Food Safety and Quality Assurance (Food and Dairy) The Executive had recommended no change in baseline program support. Senate: Adopts Executive recommendation. House: Recognizes \$200,000 in anticipated civil penalty revenue per department request. Conference: Concurs with House.	FTEs	107.0	107.0	107.0	107.0
	Gross	\$11,932,100	\$12,427,600	\$12,627,600	\$12,627,600
	Federal	388,100	407,300	407,300	407,300
	Restricted	2,735,600	2,813,200	3,013,200	3,013,200
	GF/GP	\$8,808,400	\$9,207,100	\$9,207,100	\$9,207,100
5. Animal Heath and Welfare (Animal Industry) The Executive had recommended a \$250,000 GF/GP baseline reduction from FY 2006-07 as enacted, \$125,000 as compared to YTD after EO 2007-3. Senate: Appropriates \$175,000 more GF/GP than Executive; adds \$100 DNR IDG for cervid program. House: Adopts Executive recommendation. Conference: Appropriates \$100,000 more GF/GP than Executive; adds \$75,000 DNR IDG for cervid program.	FTEs	22.5	21.5	19.5	21.5
	Gross	\$2,303,400	\$2,407,500	\$2,232,400	\$2,407,400
	IDG	0	100	0	75,000
	Federal	457,000	469,300	469,300	469,300
	Restricted	163,200	166,100	166,100	166,100
	GF/GP	\$1,683,200	\$1,772,000	\$1,597,000	\$1,697,000
6. Viral Hemorrhagic Septicemia Surveillance Senate: Adds new line item in anticipation of federal funds. House: Funds new line with \$50,000 GF/GP. Conference: Not included as separate line item. Includes related boilerplate Section 458.	Gross	\$0	\$125,000	\$50,000	\$0
	Federal	0	125,000	0	0
	GF/GP	\$0	\$0	\$50,000	\$0
7. Bovine Tuberculosis Program Senate: Includes \$215,500 more in AEIDF support than Executive recommendation. House: Concurs with Senate. Conference: Does not include additional AEIDF; adds \$1.6 million GF/GP per target agreement.	FTEs	26.6	26.6	26.6	36.5
	Gross	\$5,577,400	\$5,707,700	\$5,707,700	\$7,092,200
	Federal	713,200	730,800	730,800	730,800
	Restricted	2,340,900	2,340,900	2,340,900	2,125,400
	GF/GP	\$2,523,300	\$2,636,000	\$2,636,000	\$4,236,000

Conference Agreement on Senate/House/Items of Difference		FY 2006-07 YTD	<u>Senate</u>	House	Conference
8. Pesticide and Plant Pest Management (PPPM) Original enacted budget was reduced \$266,000 GF/GP in SB 436, and by 5/7/07 transfer of \$100,000 (restricted) to another line item. The Executive recommended baseline program reduction of \$200,000 GF/GP as compared to FY 2006-07 as enacted, a \$66,000 increase compared to FY 2006-07 YTD. Senate: Appropriates \$137,600 less GF/GP than Executive; adds \$140,000 commodity inspection fee revenue; \$33,000 licensing and inspection fee revenue. House: Adopts Executive recommendation. Conference: Concurs with Senate funds shifts; adopts further reduction of \$215,800 GF/GP and replaces with \$200,000 Licensing fee revenue (anticipated in SB 682 per Senate estimate).	FTEs	119.8	117.8	116.8	116.8
	Gross	\$13,060,000	\$13,589,000	\$13,553,600	\$13,573,200
	Federal	3,744,600	3,842,200	3,842,200	3,842,200
	Private	143,800	147,700	147,700	147,700
	Restricted	4,567,300	4,962,000	4,789,000	5,162,000
	GF/GP	\$4,604,300	\$4,637,100	\$4,774,700	\$4,421,300
9. Environmental Stewardship Current year was reduced by \$234,700 GF/GP in EO 2007-3. The Executive recommended elimination of intercounty drain program, a \$469,300 GF/GP reduction compared to FY 2006-07 as enacted, a \$234,600 reduction compared to YTD after EO 2007-3; also reduction in right-to-farm program of \$150,000 GF/GP. House and Senate agree with regard to gross appropriations, but differ in source of funds. Senate: Appropriates \$149,900 more GF/GP than Executive (for right to farm); creates new fund source, intercounty drain fund with \$100 placeholder. House: Appropriations \$150,000 more GF/GP than Executive (for intercounty drain). Conference: Appropriates \$290,000 more GF/GP than Executive, includes \$50,000 from freshwater protection fund.	FTEs	32.7	27.7	27.7	30.2
	Gross	\$2,920,600	\$2,667,300	\$2,667,300	\$2,857,300
	IDG	262,100	269,800	269,800	269,800
	Federal	225,700	232,500	232,500	232,500
	Restricted	82,900	100	0	50,000
	GF/GP	\$2,349,900	\$2,164,900	\$2,165,000	\$2,305,000
10. Livestock Facility Construction Certification – NEW Senate: Adds \$100 placeholder. House: Not included Conference: Not included	Gross	\$0	\$100	\$0	\$0
	GF/GP	\$0	\$100	\$0	\$0

Conference Agreement on Senate/House/Items		FY 2006-07			
of Difference		YTD	<u>Senate</u>	House	Conference
11. Technical Assistance Match – NEW Senate: Adds \$100 placeholder to provide funding for local conservation district technicians (working out of local conservation districts) who assist farmers and landowners in completion of federally-funded NRCS contracts. Related boilerplate section 605. House: Not included Conference: Includes \$300,000 GF/GP funding.	Gross	\$0	\$100	\$0	\$300,000
	Restricted	0	100	0	0
	GF/GP	\$0	\$0	0	\$300,000
12. Local Conservation Districts FY 2006-07 was reduced by \$758,400 GF/GP in EO 2007-3. The Executive had recommended elimination of this GF/GP grant program. Both House and Senate appropriate \$916,800, \$158,400 more than current-year-to-date, \$600,000 less than original FY 2006-07 enacted. This equates to \$11,600 per district. For information only, not item of difference.	Gross	\$758,400	\$916,800	\$916,800	\$916,800
	GF/GP	\$758,400	\$916,800	\$916,800	\$916,800
13. Cooperative Resource Management Initiative The Executive proposed elimination of line to reflect loss of DNR funding from Forest Development Fund. Senate: Adds \$100 placeholder. House: Retains current year fund source. Conference: Concurs with House.	Gross IDG	\$1,000,000 1,000,000	\$100 100	\$1,000,000 1,000,000	\$1,000,000 1,000,000
14. Migrant Labor Housing Both House and Senate recognize \$25,000 from Migrant labor house fund established under 2005 PA 43. Senate: Adopts Executive recommendation. House: House adds \$250,000 (federal) to recognize additional federal grants the department anticipates receiving. Conference: Concurs with House.	Gross	\$150,100	\$175,100	\$425,100	\$425,100
	Federal	150,000	150,000	400,000	400,000
	Restricted	0	25,000	25,000	25,000
	GF/GP	\$100	\$100	\$100	\$100
15. Laboratory Services Senate: Adopts Executive recommendation with regard to \$150,000 GF/GP reduction in animal feed testing program; Senate adds \$75,000 from licensing and inspection fee increase. House: Concurs with Executive. Conference: Concurs with Senate.	FTEs	62.5	61.5	60.5	60.5
	Gross	\$6,239,900	\$6,336,400	\$6,261,400	\$6,336,400
	IDG	189,100	189,100	189,100	189,100
	Federal	916,200	916,200	916,200	916,200
	Restricted	2,107,400	2,272,000	2,197,000	2,272,000
	GF/GP	\$3,027,200	\$2,959,100	\$2,959,100	\$2,959,100

Conference Agreement on Senate/House/Items		FY 2006-07			
of Difference		<u>YTD</u>	Senate	House	Conference
16. Agriculture Development FY 2006-07 was reduced by \$15,000 GF/GP in EO 2007-3, and increased by \$256,000 (restricted and federal) by transfer from other lines. The Executive had proposed a \$500,000 GF/GP increase as compared to original enacted budget for Select Michigan program.	FTEs Gross Private Federal Restricted GF/GP	5.0 \$1,142,800 40,000 342,500 574,500 \$185,800	5.0 \$1,100,200 40,800 274,400 605,700 \$179,300	5.0 \$1,250,200 40,800 274,400 605,700 \$329,300	5.0 \$1,100,200 40,800 274,400 605,700 \$179,300
Senate: Does not include increase over current year baseline. House: Adds \$150,000 GF/GP compared to enacted current baseline. House bill eliminates \$30,000 GF/GP grant to the NW Michigan Horticulture Station. Conference: Concurs with Senate.					
17. Export Market Development Program Senate: Eliminates line. House: Retains baseline funding (Exec rec.) Conference: Concurs with House.	Gross GF/GP	\$50,000 \$50,000	\$0 \$0	\$50,000 \$50,000	\$50,000 \$50,000
18. Future Farmers of America/Michigan 4-H The Executive had proposed elimination of grant funding due to anticipated reduction in AEIDF revenue.	Gross Restricted	\$100,000 100,000	\$100,000 100,000	\$100,000 100,000	\$0 \$0
House and Senate bills retained AEIDF support for FFA (\$80,000) and Michigan 4-H, (\$20,000).					
Conference committees agreed to move these grant programs to the Higher Education budget.					
19. Michigan Agricultural Surplus System Both House and Senate bills retain funding.	Gross IDG	\$630,500	\$630,500 0	\$630,500 0	\$630,500 150,000
Conference committees agreed to provide \$150,000 from DHS budget through an interdepartmental grant.	GF/GP	\$630,000	\$630,000	\$630,000	\$480,500
20. Building and Track Improvement – County and State Fairs Both House and Senate bills retain current year funding. The Executive had proposed elimination of grants due to reduction in AEIDF revenue.	Gross Restricted	\$963,200 963,200	\$963,200 963,200	\$963,200 963,200	\$0 0
Not included in Conference Report. Related boilerplate Section 813.					
21. Budgetary Savings - NEW Senate: Creates new line. House: Not included. Conference: Not included.	Gross GF/GP	\$0 \$0	(\$539,300 (\$539,300)	\$0 \$0	\$0 \$0

22. Horse Industry Programs

Senate: Maintains FY 2006-07 appropriation levels.

House: Adopts Executive proposal and appropriates \$10.2 million in AEIDF revenue for various horse

programs/purses/awards; reduction from current year reflects reduction in estimated AEIDF revenue after completion of

two permanent Detroit casinos, anticipated in 2007 and 2008.

Conference: Concurs with Executive and House.

	FY 2006-07 YTD	FY 2007-08 Senate	FY 2007-08 House	FY 2007-08 Conference
Licensed tracks - light horse racing	\$170,900	\$170,900	\$132,000	\$132,000
Purses and supplements - fairs/licensed tracks	3,031,700	3,031,700	2,370,000	2,370,000
Standardbred breeders' awards Standardbred purses and supplements - licensed	1,273,000	1,273,000	969,000	969,000
tracks	2,305,700	2,305,700	1,789,300	1,789,300
Standardbred sire stakes	1,040,000	1,040,000	810,000	810,000
Standardbred training and stabling	44,900	44,900	36,000	36,000
Thoroughbred owners' awards	159,900	159,900	124,000	124,000
Thoroughbred program	3,092,400	3,092,400	2,400,000	2,400,000
Thoroughbred sire stakes	1,063,100	1,063,100	830,000	830,000
Distribution of winning tickets	700,000	700,000	700,000	700,000
TOTAL	\$12,881,600	\$12,881,600	\$10,160,300	\$10,160,300

Boilerplate Items of Difference

Sec. 205. Hiring Freeze

Senate: Modifies

House: Retains current year language. **Conference**: **Adopts standard language.**

Sec. 209. Foreign Goods and Services (Buy American)

Senate: Modifies

House: Retains current year language. Conference: Adopts standard language.

Sec. 223. Out-of-State Travel
Senate: Retains current year language.

House: Modifies current year language to eliminate specific date reference.

Conference: House

Sec. 228. Contingency Appropriations (House)

Senate: Not included.

House: Includes \$200 million federal, \$40 million state restricted, and \$1 million each local and private.

Conference: House

Sec. 228. Hire of Outside Legal Counsel – NEW in Senate Bill

Senate: Prohibits state departments from hiring legal services that are the responsibility of the attorney general.

House: Not included.

Conference: Adopts standard language.

Sec. 229. Implement Continuous Improvements – NEW in House Bill

House: Requires report by the Chief Justice on continuous improvement.

Senate: Not included.

Conference: Adopts standard language.

Boilerplate Items of Difference

Sec. 229. Impact of New Legislation and Administrative Rules – NEW in Senate Bill

Senate: Requires the department to report on policy changes made to implement enacted legislation; prohibits

disproportionate impact on small businesses.

House: Not included.

Conference: Adopts standard language.

Sec. 230. Budgetary Savings – NEW in Senate Bill

Senate: Adds new section. **House**: Not included.

Conference: House (not included)

Sec. 231. Management Service- NEW

Conference: Adopts new language regarding funding for department employees.

Sec. 304. Motor Fuel Quality

Senate: Retains current law.

House: House requires department to maintain same level of effort as in current fiscal year; eliminates specific \$3.8 million designation for program in current law.

Conference: House

Sec. 305. Equine Industry Survey

Senate: Retains current language.

House: House does not include one-time survey of the equine industry in Michigan.

Conference: House

Sec. 306. Agriculture Statistics

Conference: Adopts new language requiring industry matching funds.

Sec. 405. Food Safety Contingency – NEW in House Bill

Senate: Not included.

House: Includes an additional \$600,000 GF/GP appropriation contingent on the passage by the legislature of legislation to

increase GF/GP revenue by not less than \$1.0 billion.

Conference: Senate (not included)

Sec. 406. Food Safety FTEs

Conference: Adopts new language exempting food safety from hiring freeze.

Sec. 407. Carry Forward for Food and Dairy E-inspector Program NEW in House Bill

Senate: Not included.

House: Directs that funds from FY 2006-07 budget not lapse but be carried forward as a work project for the e-inspector

program.

Conference: House

Sec. 452. Bovine TB – NEW in Senate Bill

Senate: Requires the department to apply for all available federal funds to support program.

House: Not included. Conference: Senate

Sec. 452. Bovine TB – NEW in House Bill

Senate: Not included.

House: Includes an additional \$200,000 GF/GP appropriation contingent on the passage by the legislature of legislation to

increase GF/GP revenue by not less than \$1.0 billion.

Conference: Senate (not included)

Sec. 453. Equine Industry Fund Reductions –NEW in Senate Bill

Senate: Directs that Animal Industry expenditures from appropriations be consistent with AIEDF revenue.

House: Not included.

Conference: House (not included)

Boilerplate Items of Difference

Sec. 454. Bovine TB – NEW in Senate Bill

Senate: Directs the department to work with USDA and work to eradicate Bovine TB.

House: Not included. Conference: Senate

Sec. 455. Cattle ID – NEW in Senate Bill

Senate: Directs the department to prepare a plan to provide for cattle without identification in saleyard.

House: Not included. Conference: Senate

Sec. 457 Bovine TB Report – NEW in Senate Bill

Senate: Provides for report House: Not included.
Conference: Senate

Sec. 457. Aquaculture Carry-forward – NEW in House Bill

Senate: Not included.

House: Provides for carry forward of animal health and welfare program funds, from FY 2006-07 to FY 2007-08, to be used

for acquaculture program.

Conference: Senate (not included)

Sec. 458. Earmark for Aquaculture and VHS eradication programs –NEW in House Bill

Senate: Not included.

House: Identifies funding for Viral Hemorrhagic Septicemia Surveillance and sets department program requirements.

Conference: Adopts modified language.

Sec. 459. Bovine TB FTEs

Conference: Adopts new language exempting Bovine TB program from hiring freeze.

Sec. 501. Laboratory Services

Senate: Earmarks \$75,000 from licensing and inspection feed revenue for animal feed testing.

House: House provides a "sufficient amount" from licensing and inspection fees to provide for animal feed testing

programs.

Conference: House

Sec. 502 PPPM Legislative Intent on Fees – NEW in Senate Bill

Senate: Indicates intent that GF/GP reductions be offset by increased commodity inspection fees.

House: Not included. Conference: Senate

Sec. 605. Technical Assistance Match – NEW in Senate Bill

Senate: Appropriates \$100 to fund local conservation district technical assistance for contracts under Farm Bill of 2002.

House: Not included.

Conference: Modifies to reflect \$300,000 appropriation.

Sec. 607. Inter-county Drain Program – NEW in House Bill

Senate: Not included.

House: Indicates legislative intent that department continue its activities as provided under the Drain Code.

Conference: House

Sec. 608. Contingent for Right to Farm—NEW in House Bill

Senate: Not included.

House: Includes an additional \$150,000 GF/GP appropriation contingent on the passage by the legislature of legislation to

increase GF/GP revenue by not less than \$1.0 billion.

Conference: Senate (not included)

Sec. 703. Northwest Michigan Horticultural Research Station

Senate: Modifies to indicate that \$30,000 is a matching grant.

House: Not included. **Conference**: **Senate**

Boilerplate Items of Difference

Sec. 705. Export Market

Directs state funding to be used to leverage export marketing programs offered by the federal government.

Senate: Not included.

House: Retains current language.

Conference: House

Sec. 712. Specialty Crop – NEW in Senate Bill

Senate: Requires that 20% of federal specialty crop funds be used to support farm markets.

House: Not included.

Conference: Modifies to reference applications, not spending.

Sec. 802. Purses and Supplements - Licensed Tracks

Senate: Retains current language.

House: House concurs with Executive in reduction from \$280,000, to \$220,000 from the AEIDF.

Conference: House

Sec. 803. Thoroughbred Program

Provides funding from the *Thoroughbred program* line item to the Michigan United Thoroughbred Breeders and Owners

Association to conduct a thoroughbred yearling show.

Senate: Retains current language.

House: House concurs with the Executive in reduction from \$30,500, to \$23,500 from the AEIDF

Conference: House

Sec. 812. AEIDF – NEW in Senate Bill

Senate: Directs that expenditures from Horse program appropriations be consistent with AIEDF revenue.

House: Not included. Conference: House

Sec. 813. Building and Track Improvement

Conference: Adopts new language indicating intent to restore line next year.