

**AGRICULTURE**  
**Summary: FY 2008-09 Appropriations**  
**Public Act 253 of 2008**  
**House Bill 5807**

**Analyst: William E. Hamilton**

|                   | FY 2007-08 YTD       | FY 2008-09           | FY 2008-09           | FY 2008-09           | FY 2008-09          | Difference: Enacted   |               |
|-------------------|----------------------|----------------------|----------------------|----------------------|---------------------|-----------------------|---------------|
|                   |                      | Executive            | House                | Senate               | Enacted             | From FY 2007-08 YTD   |               |
|                   |                      |                      |                      |                      |                     | Amount                | %             |
| <b>IDG/IDT</b>    | \$9,615,400          | \$9,539,200          | \$9,539,200          | \$11,339,200         | \$9,539,200         | (\$76,200)            | (.8)          |
| <b>Federal</b>    | 21,267,600           | 14,861,000           | 14,861,000           | 14,861,000           | 16,121,900          | (5,145,700)           | (24.2)        |
| <b>Local</b>      | 0                    | 0                    | 0                    | 0                    | 0                   | 0                     | 0.0           |
| <b>Private</b>    | 233,500              | 237,200              | 237,200              | 237,200              | 237,200             | 3,700                 | 1.6           |
| <b>Restricted</b> | 46,121,700           | 45,852,400           | 45,852,400           | 45,927,400           | 36,795,500          | (9,326,200)           | (20.2)        |
| <b>GF/GP</b>      | 31,158,100           | 32,490,200           | 34,453,400           | 32,490,200           | 32,488,600          | 1,330,500             | 4.3           |
| <b>Gross</b>      | <b>\$108,396,300</b> | <b>\$102,980,000</b> | <b>\$104,943,200</b> | <b>\$104,855,000</b> | <b>\$95,182,400</b> | <b>(\$13,213,900)</b> | <b>(12.2)</b> |
| <b>FTEs</b>       | 692.5                | 599.5                | 599.5                | 599.5                | 600.5               | (92.0)                | (13.3)        |

Note: FY 2007-08 figures reflect supplementals and Executive Order (EO) actions through June 27, 2008.

**Overview**

The Department of Agriculture promotes Michigan agricultural products and 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 in food, standard weights/measures, animal health, plant pests, and diseases.

The **Executive** had proposed a continuation budget with no new programs or revenue. With the exception of a \$1.7 million GF/GP increase in the Bovine TB program, a \$15,000 GF/GP increase in Commissions and Boards, and a \$163,400 GF/GP reduction in Management services. Line item changes primarily reflected economic adjustments and/or adjustment of estimated restricted or federal revenue.

The **Enrolled bill** differed from the Executive recommendation with regard to the following line item appropriations:

- Included \$75,000 in Cervid fee revenue in Animal industry.
- Redirected \$1,471,600 in Agriculture Equine Industry Development Fund (AEIDF) revenue from Bovine TB program to Horse race program line items (\$991,600), and to Building and Track Improvement line (\$480,000).
- Included \$10,900 in anticipated federal revenue in Bovine TB program.
- Included \$1.0 million IDG from DNR for Cooperative Resources Management Initiative (CRMI) program.
- Included a new \$130,000 GF/GP line item for Water Withdrawal Assessment Program.
- Reflected \$53,700 GF/GP reduction in several program lines for reduced employee health care (HMO savings) costs.
- Reduced baseline Food and Dairy, Environmental Stewardship, and Laboratory baseline programs by \$30,000, \$30,000, and \$17,900, respectively, in order to attain GF/GP target.
- Included \$3.8 million for Capital Outlay/Farmland Preservation (\$1.25 million federal, \$2.5 million Ag Preservation Fund).

The **Enacted bill** (Enacted as 2008 PA 253) differs from the Enrolled bill as a result of vetoes. The Governor vetoed the \$1.0 million IDG from the DNR for the CRMI program, all the Horse racing program lines, and the Building and track improvement line. In her signing statement the Governor indicated that she had vetoed the Horse program lines because the Legislature had increased them by reducing funding for the Bovine Tuberculosis program. The Governor indicated that she supports restoration of funding for the Bovine Tuberculosis program, and the Horse race program lines to levels requested in the original Executive budget recommendation. The Governor also indicated that boilerplate Section 902, dealing with the "escrowing" of thoroughbred industry appropriations, was unenforceable in that it attempted to amend other Michigan statutes by reference, a violation of Section 25, Article IV of the Constitution.

| <b>Major Budget Changes From FY 2007-08 YTD Appropriations</b>   | <b>FY 2007-08 YTD</b> | <b>Enacted Change From YTD</b> |                      |
|--|-----------------------|--------------------------------|----------------------|
| <b>1. Commissions and Boards</b>   | <b>Gross</b>          | <b>\$17,800</b>                | <b>\$15,000</b>      |
| Appropriates \$32,800; restores GF/GP support which was eliminated in the current year budget.   | Restricted            | 17,800                         | 0                    |
|  | GF/GP                 | \$0                            | \$15,000             |
| <b>2. Executive Direction</b>  | FTEs                  | 10.0                           | 0.0                  |
| Line reflects economic increases of \$29,700; a \$1,300 GF/GP reduction for employee health insurance (HMO) savings, and a \$263,700 reduction related to transfer of internal audit function to a new line.   | <b>Gross</b>          | <b>\$1,157,900</b>             | <b>(\$235,300)</b>   |
|  | Restricted            | 105,400                        | 2,600                |
|  | GF/GP                 | \$1,052,500                    | (\$237,900)          |
| <b>3. Management Services</b>  | FTEs                  | 31.5                           | (7.5)                |
| Line reflects economic increases of \$55,700, a \$3,000 GF/GP reduction for employee health insurance (HMO) savings, a \$594,300 reduction related to transfer of human resource functions out of the department, and a \$163,400 GF/GP baseline reduction.  | <b>Gross</b>          | <b>\$2,430,800</b>             | <b>(\$705,000)</b>   |
|  | Restricted            | 418,600                        | (282,100)            |
|  | GF/GP                 | \$2,012,200                    | (\$422,900)          |
| <b>4. Agricultural Statistics</b>  | FTEs                  | 2.0                            | (1.0)                |
| Recognizes that funding only supports one FTE position. Reflects economic increases as well as \$100 GF/GP reduction for employee health insurance (HMO) savings.  | <b>Gross</b>          | <b>\$137,600</b>               | <b>\$6,100</b>       |
|  | Restricted            | 75,000                         | 3,400                |
|  | GF/GP                 | \$62,600                       | \$2,700              |
| <b>5. Food Safety and Quality Assurance (Food and Dairy)</b>   | FTEs                  | 107.0                          | 8.0                  |
| This program receives the largest share of GF/GP funding in this budget. The enacted budget reflects economic increases, a \$14,500 GF/GP reduction for employee health insurance (HMO) savings, and a \$30,000 GF/GP baseline reduction to hit the GF/GP target.  | <b>Gross</b>          | <b>\$12,654,600</b>            | <b>(\$56,600)</b>    |
|  | Federal               | 434,300                        | (26,900)             |
|  | Restricted            | 3,013,200                      | (24,400)             |
|  | GF/GP                 | \$9,207,100                    | (\$5,300)            |
| <b>6. Animal Health and Welfare (Animal Industry)</b>  | FTEs                  | 21.5                           | 0.0                  |
| Reflects economic decrease adjustment of \$21,300, a \$2,700 GF/GP reduction for employee health insurance (HMO) savings, and the replacement of a \$75,000 IDG from the DNR (cervid fees) with cervid fee restricted revenue as a direct fund source.   | <b>Gross</b>          | <b>\$2,407,400</b>             | <b>(\$25,200)</b>    |
|  | IDG                   | 75,000                         | (75,000)             |
|  | Federal               | 469,300                        | (4,200)              |
|  | Restricted            | 166,100                        | 74,000               |
|  | GF/GP                 | \$1,697,000                    | (\$20,000)           |
| <b>7. Bovine Tuberculosis (Animal Industry)</b>  | FTEs                  | 36.5                           | 12.0                 |
| This program is second in GF/GP support within this budget. The enacted budget reflects economic increases of \$99,800, a \$6,100 GF/GP reduction for employee health insurance (HMO) savings, recognizes \$10,900 in additional federal revenue, and increases baseline GF/GP support of \$1.7 million. The enacted budget also reduced AEIDF support by \$1,471,600 and redirected to the <i>Building &amp; track improvement</i> line and to Horse race program lines. The Governor vetoed the <i>Building and track improvement</i> line and the Horse race program lines and indicated that she would seek restoration of funding for the Bovine Tuberculosis program to the amounts proposed in the original Executive recommendation. | <b>Gross</b>          | <b>\$7,092,200</b>             | <b>\$333,000</b>     |
|  | Federal               | 730,800                        | 19,200               |
|  | Restricted            | 2,125,400                      | (1,471,600)          |
|  | GF/GP                 | \$4,236,000                    | \$1,785,400          |
| <b>8. Pesticide and Plant Pest Management (PPPM)</b>   | FTEs                  | 116.8                          | (6.8)                |
| Reflects economic increase of \$13,700, a \$13,900 GF/GP reduction for employee health insurance (HMO) savings, and a reduction in federal revenue of \$1.4 million to better align budget with actual anticipated revenue. The budget retains \$200,000 in pesticide license fee revenue in baseline. This revenue, which replaced GF/GP in the current year budget, anticipated the passage of Senate Bill 682.  | <b>Gross</b>          | <b>\$13,573,200</b>            | <b>(\$1,400,200)</b> |
|  | Federal               | 3,842,200                      | (1,394,500)          |
|  | Private               | 147,700                        | 300                  |
|  | Restricted            | 5,162,000                      | 3,100                |
|  | GF/GP                 | \$4,421,300                    | (\$9,100)            |
| <b>9. Emerald Ash Borer Program</b>  | FTEs                  | 112.0                          | (87.5)               |
| Appropriates \$5.2 million reflecting continuing reduction in federal support for this program. The appropriation for this program had been as much as \$25.0 million in FYs 2003-04 and 2004-05. The line also reflects economic increases of \$15,100.   | <b>Gross</b>          | <b>\$10,176,300</b>            | <b>(\$4,984,900)</b> |
|  | Federal               | 10,176,300                     | (4,984,900)          |
| <b>10. Environmental Stewardship</b>   | FTEs                  | 30.2                           | (3.2)                |
| Reflects economic adjustments, a \$3,400 GF/GP reduction for employee health insurance (HMO) savings, and a \$30,000 reduction in GF/GP baseline to hit GF/GP target.  | <b>Gross</b>          | <b>\$2,857,300</b>             | <b>(\$45,800)</b>    |
|  | IDG                   | 269,800                        | (1,200)              |
|  | Federal               | 232,500                        | 48,800               |
|  | Restricted            | 50,000                         | (50,000)             |
|  | GF/GP                 | \$2,305,000                    | (\$43,400)           |

| <b>Major Budget Changes From FY 2007-08 YTD Appropriations</b>  | <b>FY 2007-08 YTD</b> |                    | <b>Enacted<br/>Change<br/>From YTD</b> |
|---|-----------------------|--------------------|--|
| <b>11. Technical Assistance Match</b>   | <b>Gross</b>          | <b>\$300,000</b>   | <b>\$0</b>                             |
| Retains funding for technicians (working out of local conservation districts) who assist farmers and landowners in completion of federally-funded Natural Resources Conservation Service (NRCS) contracts. Line was new in current year budget. | GF/GP                 | \$300,000          | \$0                                    |
| <b>12. Local Conservation Districts</b>   | <b>Gross</b>          | <b>\$916,800</b>   | <b>\$0</b>                             |
| Retains funding at current year level.  | GF/GP                 | \$916,800          | \$0                                    |
| <b>13. Migrant Labor Housing</b>  | <b>Gross</b>          | <b>\$425,100</b>   | <b>\$0</b>                             |
| Retains funding at current year level. Restricted funds represent Migrant labor housing fund established under 2005 PA 43.  | Federal               | 400,000            | 0                                      |
|   | Restricted            | 25,000             | 0                                      |
|   | GF/GP                 | \$100              | \$0                                    |
| <b>14. Cooperative Resources Management Initiative - VETOED</b>   | <b>Gross</b>          | <b>\$0</b>         | <b>\$0</b>                             |
| This program, funded from an IDG from the DNR, was to have supported forestry services provided out of local conservation districts. The Governor vetoed this line item.  | IDG                   | 0                  | 0                                      |
|   | GF/GP                 | \$0                | \$0                                    |
| <b>15. Water Withdrawal Assessment Program – NEW</b>  | <b>Gross</b>          | <b>\$0</b>         | <b>\$130,000</b>                       |
| Adds new line per Target agreement.   | GF/GP                 | \$0                | \$130,000                              |
| <b>16. Laboratory Services</b>  | FTEs                  | 60.5               | 2.5                                    |
| Reflects economic adjustments, as well as a \$7,900 GF/GP reduction to reflect employee health insurance (HMO) savings. The enacted budget also reduces GF/GP baseline by \$17,900 to hit GF/GP target.   | <b>Gross</b>          | <b>\$6,336,400</b> | <b>(\$17,600)</b>                      |
|   | IDG                   | 189,100            | 0                                      |
|   | Federal               | 916,200            | 0                                      |
|   | Restricted            | 2,272,000          | 4,400                                  |
|   | GF/GP                 | \$2,959,100        | (\$22,000)                             |
| <b>17. Consumer Protection Program</b>  | FTEs                  | 67.5               | (16.5)                                 |
| Supports motor fuel quality, weights and measures, and metrology laboratory. Reflects economic adjustments.   | <b>Gross</b>          | <b>\$5,128,700</b> | <b>\$6,500</b>                         |
|   | Restricted            | 5,128,500          | 6,300                                  |
|   | GF/GP                 | \$200              | \$200                                  |
| <b>18. Agriculture Development</b>  | FTEs                  | 5.0                | 1.0                                    |
| Reflects economic adjustments, as well as an \$800 GF/GP reduction to reflect employee health insurance (HMO) savings.  | <b>Gross</b>          | <b>\$1,070,200</b> | <b>\$1,800</b>                         |
|   | Private               | 10,800             | 0                                      |
|   | Federal               | 274,400            | 800                                    |
|   | Restricted            | 605,700            | 700                                    |
|   | GF/GP                 | \$179,300          | \$300                                  |
| <b>19. Michigan Agricultural Surplus System (Food Bank)</b>   | <b>Gross</b>          | <b>\$630,500</b>   | <b>\$0</b>                             |
| Retains current year funding and fund sources.  | IDG                   | 150,000            | 0                                      |
|   | GF/GP                 | \$480,500          | \$0                                    |
| <b>20. Building and track improvement – county and state fairs - VETOED</b>   | <b>Gross</b>          | <b>\$0</b>         | <b>\$0</b>                             |
| The enrolled bill included \$480,000 from AEIDF (redirected from the Bovine TB program.)  | Restricted            | 0                  | 0                                      |
|   | GF/GP                 | \$0                | \$0                                    |

**Major Budget Changes From FY 2007-08 YTD Appropriations**

**FY 2007-08 YTD**

**Enacted  
Change  
From YTD**

**21. Horse Industry Programs - VETOED**

The proposed Executive budget would have maintained current year appropriation of \$10.2 million from the AEIDF for various horse race programs/purses/awards. The enrolled bill included an additional \$991,600 in AEIDF funding by redirecting funds from the Bovine TB program.

**Gross \$10,160,300 (\$10,160,300)**  
**Restricted 10,160,300 (10,160,300)**

|   | <b>FY 2007-08<br/>YTD</b> | <b>FY 2008-09<br/>Enrolled<br/>Bill</b> | <b>Enacted</b> |
|---|---------------------------|---|----------------|
| Purses and supplements - fairs/licensed tracks        | 2,370,000                 | 2,601,300                               | 0              |
| Licensed tracks - light horse racing                  | 132,000                   | 144,900                                 | 0              |
| Standardbred breeders' awards                         | 969,000                   | 1,063,600                               | 0              |
| Standardbred purses and supplements - licensed tracks | 1,789,300                 | 1,963,900                               | 0              |
| Standardbred sire stakes                              | 810,000                   | 889,100                                 | 0              |
| Thoroughbred sire stakes                              | 830,000                   | 911,000                                 | 0              |
| Standardbred training and stabling                    | 36,000                    | 39,500                                  | 0              |
| Thoroughbred program                                  | 2,400,000                 | 2,634,200                               | 0              |
| Thoroughbred owners' awards                           | 124,000                   | 136,100                                 | 0              |
| Distribution of outstanding winning tickets           | 700,000                   | 768,300                                 | 0              |
| <b>Total</b>  | <b>\$10,160,300</b>       | <b>\$11,151,900</b>                     | <b>\$0</b>     |

**22. Capital Outlay: Farmland and Open Space Development Acquisition**

**The enacted bill adds Capital Outlay item to Agriculture budget: \$1,250,000 in Federal, \$2.5 million from Ag. Preservation Fund.**

**Gross N/A \$3,750,000**  
**Federal N/A 1,250,000**  
**Restricted N/A 2,500,000**  
**GF/GP N/A \$0**

**23. Economics**

Provides \$280,000 net for employee related economic increases, including salaries and wages, insurance, and retirement contributions. Offset in part by \$98,600 reduction in estimated building occupancy costs.

**Gross N/A \$184,200**  
**IDG N/A (1,200)**  
**Federal N/A 20,400**  
**Private N/A 3,700**  
**Restricted N/A 27,800**  
**GF/GP N/A \$133,500**

**Major Boilerplate Changes From FY 2007-08**

**Sec. 201. Total State Payments and Report to Locals – MODIFIED**

Identifies payments of state funds to local units of government from the funds appropriated. Updated to reflect Part 1 appropriations.

**Sec. 202. Management and Budget Act – RETAINED**

Subjects authorized appropriations to the Management and Budget Act.

**Sec. 203. Abbreviations – MODIFIED**

Defines abbreviations; includes DHS.

**Sec. 204. Civil Service Charge – MODIFIED**

Requires Department of Civil Service to bill departments at the end of the first fiscal quarter for 1% charge authorized in the Constitution; requires payment by the end of the second fiscal quarter. Replaces "Department of Civil Service" with "Civil Service Commission."

## **Major Boilerplate Changes From FY 2007-08**

### **Sec. 205. *Hiring Freeze* – RETAINED**

Imposes a hiring freeze on state classified civil service.

### **Sec. 208. *Internet Reporting* – RETAINED**

Requires Department to use the Internet to fulfill reporting requirements.

### **Sec. 209. *Buy American* – RETAINED**

Prohibits purchase of foreign goods and services when competitively-priced American goods and services are available. Requires that preference be given to Michigan businesses and Michigan businesses owned and operated by veterans.

### **Sec. 210. *Deprived/Depressed Communities* – RETAINED**

Requires director to take reasonable steps to ensure businesses in depressed communities compete for/perform contracts to provide services and supplies, and to encourage contractors to subcontract with such businesses.

### **Sec. 212. *Indemnification Payments* – RETAINED**

Authorizes Department to provide for indemnity pursuant to Animal Industry Act; limits indemnification orders to \$100,000 per order; requires report on reason for, amount of, and person to whom indemnification is to be paid. Subsection (2) authorizes Department to indemnify for livestock killed by wolves, coyotes, or cougars and to expend funds received from Department of Natural Resources for indemnification payments made pursuant to this section.

### **Sec. 214. *Grants Reporting* – RETAINED**

Requires ten-day notice to House and Senate appropriations subcommittees on Agriculture when a grant is made from any line item other than a grant line item.

### **Sec. 219. *Information Technology* – RETAINED**

Requires Department to pay user fees to DIT subject to provisions of interagency agreement.

### **Sec. 220. *Information Technology Work Projects* – RETAINED**

Authorizes carryforward of funds for technology projects.

### **Sec. 223. *Out-of-State Travel Restriction* – RETAINED**

Requires a report and places limits on all out-of-state travel.

### **Sec. 224. *Employee Discipline* – MODIFIED**

Prohibits disciplinary action against an employee for communicating with a member of the Legislature. Modified to add "truthfully and to the best of his or her knowledge."

### **Sec. 225. *Agriculture and Livestock Education Pavilion* – RETAINED**

Indicates legislative intent that Department explore opportunities to expand facilities and size of MSU Pavilion for Agriculture and Livestock Education.

### **Sec. 227. *Return on Investment* – MODIFIED**

Requires summary report on real and potential return on investment for each of Department's programs.

### **Sec. 228. *Contingency Appropriations* – RETAINED**

Includes \$5.0 million federal, \$6.0 million state restricted, and \$100,000 each local and private.

### **Sec. 229. *Impact of New Legislation and Administrative Rules* – MODIFIED**

Requires Department to report on policy changes made to implement enacted legislation; prohibits disproportionate impact on small businesses. **Adopts new Target language.**

### **Sec. 230. *Hire of Outside Legal Counsel* – RETAINED**

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

### **Sec. 231. *Management Service* – RETAINED**

Establishes baseline level of direct service Department employees.

### **Sec. 232. *Implement Continuous Improvements* – RETAINED**

Requires report by Department director on continuous improvement.

### **Sec. 234. *Travel to Out-of-State Training* – NEW**

Sets guidelines for out-of-state travel to conferences or training seminars.

**Adopts new Target language.**

### **Sec. 235. *C. S. Mott Group* – NEW**

Allows the department to provide funds to C. S. Mott group from sustainable food systems at MSU to plan coordinate and leverage federal funds to enhance local markets.

### **Sec. 301. *Commission and Boards* – NOT INCLUDED**

Sets the per diem rates for commodity boards. Not included.

## **Major Boilerplate Changes From FY 2007-08**

### **Sec. 302. *Miscellaneous Expenditures* – RETAINED**

Allows Department to receive/expend revenue to cover expenses related to publications, audits, sales, inspections, and other Department functions; requires legislative notification 30 days prior to proposing fee increases; requires annual report on fees charged by Department.

### **Sec. 304. *Motor Fuel Quality Inspector* – RETAINED**

Requires Department to maintain motor fuel quality program at FY 2006-07 level of effort and requires that Department maintain additional field and laboratory staff for the motor fuel quality program.

### **Sec. 306. *Matching Funds for Agriculture Statistics Studies* – RETAINED**

Requires industry matching funds for study costs.

### **Sec. 401. *Restaurant Inspection and Licensing* – RETAINED**

Requires Department to monitor restaurant inspection/licensing activities conducted by locals and report to Legislature.

### **Sec. 402. *Food Safety* – RETAINED**

Requires Department to provide reports on food-borne outbreaks and emergencies related to food safety.

### **Sec. 403. *Local Programs* – RETAINED**

Requires that local units of government obtain permission from the Department prior to moving or reallocating program funds appropriated in section 104.

### **Sec. 404. *Consumer and Industry Food Education Fund* – RETAINED**

Requires that not less than \$150,000 from the fund be expended for purposes required under Section 4117 of the Food Act of 2000.

### **Sec. 406. *Food Safety FTEs* – RETAINED**

Exempts food and dairy inspectors from hiring freeze.

### **Sec. 407. *Carry Forward for Food and Dairy E-inspector Program* – RETAINED**

Directs that funds from FY 2007-08 budget not lapse, but be carried forward as a work project for the e-inspector program.

### **Sec. 450. *Bovine Tuberculosis* – RETAINED**

Requires Department to reimburse DNR for mutually-agreed-to bovine tuberculosis costs.

### **Sec. 451. *Bovine Tuberculosis Split State Status* – RETAINED**

Requires Department to pay for all whole-herd and individual-animal testing costs to maintain split-state status, including indemnity.

### **Sec. 452. *Bovine TB* – RETAINED**

Requires Department to apply for all available federal funds to support program.

### **Sec. 454. *Bovine TB* – RETAINED**

Directs Department to collaborate with USDA and work to eradicate Bovine TB.

### **Sec. 455. *Cattle ID* – RETAINED**

Directs Department to prepare a plan to provide for cattle without identification in saleyard. Not included in Executive budget; House/Senate retain current language.

### **Sec. 456. *Electronic Animal Identification* – RETAINED**

Prohibits use of funds to enforce electronic ID program for domestic animals other than cattle without specific authorization in statute. Not included in Executive budget. House/Senate retain current language.

### **Sec. 457. *Bovine TB Report* – MODIFIED**

Requires quarterly report on Bovine TB program; modified from current year which had required a monthly report.

### **Sec. 458. *Aquaculture and Viral Hemorrhagic Septicemia (VHS) Eradication Programs* – RETAINED**

Requires Department support for inspection and testing of aquaculture facilities; states legislative intent with regard to VHS surveillance program.

### **Sec. 459. *Bovine TB FTEs* – RETAINED**

Exempts Bovine TB program from hiring freeze.

### **Sec. 460. *Agriculture Equine Fund Prorated Reductions* – NEW**

Requires that department make proportionate reductions in all appropriations from the AEIDF if revenue falls.

### **Sec. 501. *Laboratory Services* – RETAINED**

Provides a sufficient amount from licensing and inspection fees to provide for animal feed testing programs.

## **Major Boilerplate Changes From FY 2007-08**

### **Sec. 551. *Fruit and Vegetables Industry Inspections* – NEW**

States legislative intent that the Department work with fruit and vegetable industry to ensure development of a sustainable system of third-party inspections of fruits and vegetables.

### **Sec. 603. *Migrant Labor Housing* – RETAINED**

Requires Department to apply for any available federal funds to support the migrant labor housing program.

### **Sec. 604. *Local Soil Conservation Districts* – RETAINED**

Allocates \$11,605 per local conservation district.

### **Sec. 605. *Technical Assistance Match* – RETAINED**

Appropriates \$300,000 to fund local conservation district technical assistance for contracts under Farm Bill of 2002.

### **Sec. 606. *Environmental Quality Incentives* – RETAINED**

Requires the department to actively search for all possible funding sources to be used to match federal funds in the USDA environmental quality incentives program.

### **Sec. 607. *Inter-County Drain Program* – RETAINED**

Indicates legislative intent that Department continue its activities as provided under the Drain Code.

### **Sec. 702. *Food Bank* – RETAINED**

Allows the Food Bank Council to expend unused funds for direct food purchase.

### **Sec. 703. *Northwest Michigan Horticultural Research Station* – NOT INCLUDED**

This section was vetoed by Governor from current year budget. Not included.

### **Sec. 705. *Export Market* – RETAINED**

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

### **Sec. 706. *Agricultural Development* – RETAINED**

Requires Department to report on agricultural development and export market development activities.

### **Sec. 707. *Agricultural Development Fund Grants* – RETAINED**

Requires Department, in awarding grants from the fund, to give due consideration to the diversity of Michigan agriculture and its economic importance.

### **Sec. 708. *Agricultural Development Fund* – RETAINED**

Authorizes Department to receive and expend monies from the fund.

### **Sec. 709. *Grape and Wine Industry Council* – RETAINED**

Requires Department to provide report describing activities of the council.

### **Sec. 710. *Export Markets* – RETAINED**

Allows Department to match external funding for domestic and international marketing programs to develop new and enhance existing export markets for Michigan agricultural products.

### **Sec. 711. *Michigan Strategic Fund* – NEW**

Indicates legislative intent that MSF work with MDA to promote Michigan agriculture.

### **Sec. 712. *Specialty Crop* – NOT INCLUDED**

Requires 20% of Department applications for USDA specialty block grants be for support of farm markets and agriculture tourism.

### **Sec. 801. *State Simulcasting Tax Revenue Report* – MODIFIED**

Requires Department to submit a monthly report on state simulcasting tax revenue and license fees.

*"Within sixty days of the close of each fiscal quarter, the department shall report to the state budget director, the senate and house of representatives appropriations committees on agriculture, and the senate and house fiscal agencies on the agriculture equine industry development fund established in the Horse Racing Law of 1995 (PA 279 of 1995). The report shall identify actual revenue and fund balance through the preceding fiscal quarter and estimated revenue and fund balance through the end of the fiscal year. The report shall identify simulcast racing revenue generated by each licensed track, license fees, and revenue generated from the casino wagering tax."*

### **Sec. 802. *Purses and Supplements - Licensed Tracks* – VETOED**

Reduces boilerplate earmark for Michigan-bred 4-year olds from \$280,000 to \$220,000 (AEIDF).

**VETOED ALONG WITH RELATED Line item.**

## **Major Boilerplate Changes From FY 2007-08**

### **Sec. 803. *Thoroughbred Program Tracks* – VETOED**

Provides funds from Thoroughbred program line to Michigan United Thoroughbred Breeders and Owners Association to conduct a thoroughbred yearling show. Reduces earmark from \$30,500 to \$23,500 (AEIDF).

**VETOED ALONG WITH RELATED Line item.**

### **Sec. 804. *Thoroughbred Owners Awards* – VETOED**

Provides funding for thoroughbred owners' awards; references Horse Racing Law of 1995.

**VETOED ALONG WITH RELATED Line item.**

### **Sec. 805. *Agriculture Equine Fund Reduction Report* – MODIFIES**

Requires Department to notify Legislature on November 1, 2008 and April 1, 2009 on allocations or expenditures from the Agriculture Equine Industry Development Fund.

### **Sec. 806. *Fairs* – RETAINED**

Requires fairs to publish rules and guidelines for exhibits eligible for state premiums; establishes grievance procedures.

### **Sec. 807. *Purse Supplements* – VETOED**

Provides for overnight purse supplements.

**VETOED ALONG WITH RELATED Line item.**

### **Sec. 808. *Livestock and Equine Exhibits* – RETAINED**

Allocates \$91,400 from Premiums-county and state fairs line item for grants for large livestock and equine exhibitors, including Michigan Horse Show Association's Fall Youth Show.

### **Sec. 809. *Youth in Agriculture* – RETAINED**

Allocates \$40,000 from Premiums-county and state fairs line for a grant to promote youth involvement and adult exhibitions in the animal agriculture industry.

### **Sec. 811. *Outstanding Unclaimed Tickets* – VETOED**

Prohibits using funds for distribution of outstanding winning tickets until they are deposited in the Agriculture Equine Industry Development Fund. Department is to provide ten-day notice before funds are spent.

**VETOED ALONG WITH RELATED Line item.**

### **Sec. 813. *Building and Track Improvement* – NOT INCLUDED**

Indicated legislative intent to restore line in FY 2008-09.

### **Sec. 901. *Criminal Activity Information Rewards* – RETAINED**

Allows racing commissioner to pay rewards up to \$5,800 to individuals who provide information on criminal activity involving the horse racing industry.

### **Sec. 902. *Thoroughbred Program Escrow* – RETAINED**

Provides for "escrowing" of funds for thoroughbred program.

The enacted bill retained current language, (*updated to reflect 2008-09 fiscal year*). The Governor indicated that the section was unenforceable in that it attempted to amend other Michigan statutes by reference, a violation of Section 25, Article IV of the Constitution.

### **Sec. 903. *Audit of Licensed Tracks* – NEW**

Requires Office of Racing Commissioner to perform audits.

## **CAPITAL OUTLAY – NEW per Target Agreement**

### **Sec. 1001. *Farmland and Open Space Development Rights* – NEW**

Indicates that the appropriation for farmland and open space development acquisition shall be used for the purchase of development rights and the awarding of grants by the agriculture preservation fund board under the natural resources and environmental protection act.

**Adopts language from previous Capital Outlay bills.**

### **Sec. 1002. *Provisions Regarding Lump Sum Payments* – NEW**

Indicates that the director shall allocate lump-sum appropriations made in this act consistent with statutory provisions and the purposes for which funds were appropriated. Limits lump sum appropriation carry forward to no more than 3 fiscal years following appropriation and provides for lapse of funds to original fund source per DMB Act.

**Adopts standard language from previous Capital Outlay bills.**

### **Sec. 1003. *Provisions Regarding Carry Forward Authority* – NEW**

Provides for appropriation carry-forward authority per DMB Act.

**Adopts standard language from previous Capital Outlay bills.**