



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-2768
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 222 (S-1, Draft 1, as reported)
Committee: Appropriations

Throughout this document Senate means Subcommittee.

| | |
|---|----------------------|
| FY 2006-07 Year-to-Date Gross Appropriation | \$111,335,600 |
| Changes from FY 2006-07 Year-to-Date: | |
| 1. Local Conservation Districts. Gov. eliminated GF/GP funding for grants of \$19,200 to 79 local conservation districts. Senate restored partial funding (grants of \$11,605). | (600,000) |
| 2. Intercounty Drain Program. Gov. eliminated GF/GP funding (5.0 FTE positions) for the Intercounty Drain Program. Senate provided a placeholder in anticipation of funding resources. | (469,200) |
| 3. Agricultural Statistics. Gov. reduced funding for this program and eliminated 3.0 FTE positions. Senate reduced the program further to provide for 90 days of funding to complete current projects. | (286,000) |
| 4. Aquaculture and Cervid Culture Program. Gov. eliminated GF/GP funding and 3.0 FTE positions for these outreach programs. Senate restored partial funding, eliminated 1.0 FTE position, and provided a placeholder in anticipation of funding resources. | (74,900) |
| 5. Agriculture Development. Gov. eliminated the NW Horticulture Research Station grant. Senate retains amount of reduction, but includes boilerplate requiring that grant be funded. | (30,000) |
| 6. Agriculture Equine Industry Development Fund. Gov. recommended reductions in AEIDF funding for horse racing purses and supplements (\$3,684,500) and Bovine TB (\$215,500). Senate restored funding. | 0 |
| 7. FFA and 4H Grants. Gov. eliminated AEIDF funding for the FFA grant (\$80,000) and the 4H grant (\$20,000). Senate restored the funding. | 0 |
| 8. Emerald Ash Borer. Gov. reduced funding to the program to reflect anticipated reductions in federal revenue. | (3,800,000) |
| 9. Program Reductions. Gov. reduced GF/GP funding in Right to Farm (\$150,000; 2.0 FTE), Laboratory Services-Agriculture Products Testing (\$150,000; 2.0 FTE), and the Plant Industry and Pesticide Section (\$200,000; 3.0 FTE). Senate restored Right to Farm and partial funding for Lab Services (reduction of \$75,000 Gross and \$150,000 GF) and PPPM (reduction of \$164,600 Gross and \$337,600 GF). | (239,600) |
| 10. Buy Michigan. Gov. shifted resources from the reduced programs in Item 9 to the Buy Michigan program (\$500,000 and 2.0 FTE). Senate did not increase funding for this program. | 0 |
| 11. Cooperative Resources Management Initiative. Gov. eliminated funding for this program due to declining revenue. The program is funded through the District Forestry and Wildlife Program in the Department of Natural Resources. Senate provided a placeholder in anticipation of future funding resources. | (999,900) |
| 12. Executive Division. Senate reduced GF funding for Management Services (\$500,000 and 5.0 FTE) and Commissions and Boards (\$29,500). | (529,500) |
| 13. Federal Funding Contingency Line Item. Gov. added a line item. Senate removed the line item. | 0 |
| 14. Export Marketing. The Senate reduced GF funding for the program. | (50,000) |
| 15. Revenue Adjustments. Gov. adjusted funding to reflect anticipated revenue. | 808,300 |
| 16. Economic Adjustments. Gov. added standard economic adjustments. | 2,411,000 |
| 17. Other Changes. Gov. recommended an administrative reduction for IT (\$12,900), a reduction for retirement adjustments (\$113,600); elimination of one-time funding for the Equine Industry Survey (\$50,000); and a reduction for HR Optimization Charges (\$13,600). | (190,100) |
| 18. One-time Adjustments. Adjustments made account for one-time FY2006-07 reductions in EO 2007-3. | 2,293,200 |
| 19. Comparison to Gov's Rec. The substitute is \$3,248,300 over the Gov.'s rec. The GF recs. are the same. | |
| Total Changes | (\$1,756,700) |
| FY 2007-08 Senate Appropriations Subcommittee Gross Appropriation | \$109,578,900 |

Changes from FY 2006-07 Year to Date:

1. **Indemnification Payments.** Gov. removed and the Senate retained language requiring the department to make indemnification payments for livestock killed by a wolf, coyote, or cougar.
2. **Restrictions on Departmental Operations.** Gov. removed and the Senate retained a number of restrictions on the operations of the department: notification of appropriations committees prior to awarding of grants to local government agencies, institutions of higher education, or nonprofit organizations (Sec. 214); disciplinary action against an employee for communicating with the Legislature (Sec. 224); exploration of expansion of the MSU Pavilion for Agriculture and Livestock Education (Sec. 225); per diem rates for commodity committees (Sec 301); development of approval process for local units of government to reallocate restaurant inspection program funds (Sec 403); application for all eligible federal funds for migrant labor housing (Sec 603); use of appropriation for the Export Market Development Program (Sec 705); awarding of Julian-Stille grants (Sec 707 and 708); notification of Legislature prior to reducing expenditures from the Agriculture Equine Industry Development Fund (Sec 805); and a requirement that uncashed winning race tickets must be deposited into the AEIDF prior to distribution. (Sec 811)
3. **Legislative Reports:** Gov. removed and the Senate retained a number of required legislative reports: return on investment for each of the department's programs (Sec. 227); notification prior to and an annual report on fee changes (Sec 302); bi-annual report on motor fuel quality inspection data (sec 304); conformance of local health departments with restaurant inspection requirements (Sec 401); food-borne outbreaks (Sec 402); Agriculture Development and Export Market Development activities (Sec 706); activities of the Grape and Wine Industry Council (Sec 709); and simulcasting revenues and license fees. (Sec 801)
4. **Contingency Funds.** Gov. included contingency fund language. Senate removed the language.
5. **Motor Fuel Quality Program.** Gov. removed and the Senate retained language requiring expenditures of at least \$3.8 million for the motor fuel quality program. (Sec 304)
6. **Food-borne Disease Outbreaks.** Gov. removed and the Senate retained language requiring the department to seek additional resources to reimburse local units of government for costs resulting from a food-borne disease outbreak. (Sec. 401)
7. **Language Related to Appropriation Line Items.** Gov. removed boilerplate language related to several appropriation line items for which funding was eliminated: survey of the equine industry (Sec 305); distribution of funds to local conservation districts (Sec 604); and the FFA grant (Sec 704). The Senate retained these items due to appropriations adjustments. In addition, adjustments to boilerplate allocations were made concerning Purses and Supplements (Sec 802) and the Thoroughbred Program. (Sec 803)
8. **MSU Northwest Horticultural Research Station.** Gov. removed language earmarking \$30,000 GF/GP for the Research Station. (Sec. 703) Senate retained the language and added a match requirement.
9. **Match Requirements.** The Senate added match requirements for the FFA grant (Sec. 704) and the 4H grant (Sec. 711).
10. **Feed Testing.** The Senate added language requiring the department to use \$75,000 appropriated to Laboratory Services from feed fees for feed testing. (Sec 501)
11. **Legal Services.** Senate added language prohibiting the hiring of an individual to provide legal services which are the responsibility of the Attorney General. (Sec 228)
12. **Bovine TB.** Senate added language requiring the department to apply for all eligible federal and private bovine TB funds. (Sec 452)
13. **PPPM Reductions.** The Senate added language allowing the department to increase fees to offset GF reductions. (Sec 502)
14. **EQIP.** Senate added language requiring the department to search for any source of funding to match federal funds for the USDA Environmental Quality Incentives Program. (Sec 606)
15. **Reporting Requirement.** The Senate added language requiring an annual report to the Joint Committee on Administrative Rules. (Sec 229)
16. **AEIDF Expenditures.** The Senate added language requiring expenditures from the AEIDF to be reduced if casino revenue to the fund falls below a level consistent with current appropriations. (Sec. 453 and Sec. 812)

Date Completed: 4-17-07

Fiscal Analyst: Debra Hollon