

HOUSE BILL No. 5875

EXECUTIVE BUDGET BILL

February 23, 2010, Introduced by Rep. Espinoza and referred to the Committee on Appropriations.

A bill to make appropriations for the department of agriculture for the fiscal year ending September 30, 2011; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to require reports, audits, and plans; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by certain state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this bill, the amounts listed in this part are appropriated for the department of agriculture for the fiscal year ending September 30, 2011, from

the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF AGRICULTURE

APPROPRIATION SUMMARY

Full-time equated unclassified positions..... 2.0

Full-time equated classified positions..... 457.9

GROSS APPROPRIATION..... \$ 77,677,800

Interdepartmental grant revenues:

IDG from MDELEG (LCC), liquor quality testing fees ... 191,900

IDG from MDNRE, biosolids..... 97,200

Total interdepartmental grants and intradepartmental

transfers 289,100

ADJUSTED GROSS APPROPRIATION..... \$ 77,388,700

Federal revenues:

DAG, multiple grants..... 10,863,300

EPA, multiple grants..... 1,728,900

HHS-FDA..... 1,713,800

United States department of labor..... 463,900

Total federal revenues..... 14,769,900

Special revenue funds:

Total local revenues..... 0

Private - slow-the-spread foundation..... 166,400

Private - commodity group revenue..... 93,700

Total private revenues..... 260,100

Agricultural preservation fund..... 3,002,700

Agriculture equine industry development fund..... 5,750,700

Agriculture pollution prevention fund..... 100

1	Animal welfare fund.....	142,400
2	Commodity inspection fees.....	1,218,500
3	Consumer and industry food safety education fund.....	278,000
4	Dairy and food safety fund.....	3,516,500
5	Freshwater protection fund.....	5,127,600
6	Gasoline inspection and testing fund.....	2,822,600
7	Horticulture fund.....	89,300
8	Industry support funds.....	821,600
9	Licensing and inspection fees.....	4,281,100
10	Migrant housing inspection fees.....	650,200
11	Migratory labor housing fund.....	28,600
12	Nonretail liquor fees.....	718,800
13	Refined petroleum fund.....	3,870,900
14	State services fee fund.....	53,400
15	Testing fees.....	434,500
16	Weights and measures regulation fees.....	722,500
17	Total other state restricted revenues.....	33,530,000
18	State general fund/general purpose.....	\$ 28,828,700
19	Sec. 102. EXECUTIVE	
20	Full-time equated unclassified positions..... 2.0	
21	Full-time equated classified positions..... 27.0	
22	Commissions and boards.....	\$ 23,800
23	Unclassified positions--2.0 FTE positions.....	213,300
24	Executive direction--8.0 FTE positions.....	1,025,800
25	Management services--12.0 FTE positions.....	1,016,600
26	Statistical reporting service--1.0 FTE position.....	150,300
27	Emergency management--6.0 FTE positions.....	759,400

1	Accounting service center.....	<u>878,300</u>
2	GROSS APPROPRIATION.....	\$ 4,067,500
3	Appropriated from:	
4	Federal revenues:	
5	HHS-FDA.....	512,300
6	Special revenue funds:	
7	Private - commodity group revenue.....	82,600
8	Gasoline inspection and testing fund.....	70,100
9	Industry support funds.....	38,400
10	Nonretail liquor fees.....	8,800
11	Refined petroleum fund.....	57,800
12	State general fund/general purpose.....	\$ 3,297,500
13	Sec. 103. DEPARTMENTWIDE	
14	Rent and building occupancy charges.....	<u>\$ 1,042,200</u>
15	GROSS APPROPRIATION.....	\$ 1,042,200
16	Appropriated from:	
17	Federal revenues:	
18	DAG, multiple grants.....	236,000
19	EPA, multiple grants.....	182,900
20	HHS-FDA.....	45,500
21	Special revenue funds:	
22	Agricultural preservation fund.....	23,900
23	Freshwater protection fund.....	35,200
24	Licensing and inspection fees.....	177,800
25	Nonretail liquor fees.....	30,300
26	Refined petroleum fund.....	257,200
27	State services fee fund.....	53,400

1	State general fund/general purpose.....	\$	0
2	Sec. 104. FOOD AND DAIRY		
3	Full-time equated classified positions.....	107.0	
4	Food safety and quality assurance--107.0 FTE positions	\$	<u>13,159,900</u>
5	GROSS APPROPRIATION.....	\$	13,159,900
6	Appropriated from:		
7	Federal revenues:		
8	DAG, multiple grants.....		61,100
9	HHS-FDA.....		432,600
10	Special revenue funds:		
11	Consumer and industry food safety education fund.....		278,000
12	Dairy and food safety fund.....		3,516,500
13	State general fund/general purpose.....	\$	8,871,700
14	Sec. 105. ANIMAL INDUSTRY		
15	Full-time equated classified positions.....	67.9	
16	Animal health and welfare--12.4 FTE positions.....	\$	2,027,100
17	Bovine tuberculosis program--55.5 FTE positions.....		<u>7,571,700</u>
18	GROSS APPROPRIATION.....	\$	9,598,800
19	Appropriated from:		
20	Federal revenues:		
21	DAG, multiple grants.....		1,215,800
22	HHS-FDA.....		75,400
23	Special revenue funds:		
24	Animal welfare fund.....		142,400
25	Licensing and inspection fees.....		111,400
26	State general fund/general purpose.....	\$	8,053,800
27	Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT		

1	Full-time equated classified positions.....	108.0	
2	Pesticide and plant pest management--94.0 FTE		
3	positions		\$ 11,366,800
4	Emerald ash borer control program--10.0 FTE positions		2,138,500
5	Producer security/grain dealers--4.0 FTE positions ...		<u>252,600</u>
6	GROSS APPROPRIATION.....		\$ 13,757,900
7	Appropriated from:		
8	Interdepartmental grant revenues:		
9	Federal revenues:		
10	DAG, multiple grants.....		3,214,400
11	EPA, multiple grants.....		838,600
12	HHS-FDA.....		105,000
13	Special revenue funds:		
14	Private - slow-the-spread foundation.....		166,400
15	Commodity inspection fees.....		1,218,500
16	Horticulture fund.....		89,300
17	Industry support funds.....		461,900
18	Licensing and inspection fees.....		3,833,600
19	State general fund/general purpose.....		\$ 3,830,200
20	Sec. 107. ENVIRONMENTAL STEWARDSHIP		
21	Full-time equated classified positions.....	40.0	
22	Environmental stewardship--8.0 FTE positions		\$ 910,100
23	Groundwater and freshwater protection program--15.0		
24	FTE positions		5,354,100
25	Farmland and open space preservation--9.0 FTE		
26	positions		928,600
27	Agriculture pollution prevention program.....		1,000,100

1	Migrant labor housing--8.0 FTE.....	<u>1,142,800</u>
2	GROSS APPROPRIATION.....	\$ 9,335,700
3	Appropriated from:	
4	Interdepartmental grant revenues:	
5	IDG from MDEQ, biosolids.....	97,200
6	Federal revenues:	
7	DAG, multiple grants.....	1,000,000
8	EPA, multiple grants.....	356,200
9	United States department of labor.....	463,900
10	Special revenue funds:	
11	Agricultural preservation fund.....	928,600
12	Agriculture pollution prevention fund.....	100
13	Freshwater protection fund.....	5,092,300
14	Migrant housing inspection fees.....	650,200
15	Migratory labor housing fund.....	28,600
16	State general fund/general purpose.....	\$ 718,600
17	Sec. 108. LABORATORY PROGRAM	
18	Full-time equated classified positions.....	97.0
19	Laboratory services--45.0 FTE positions.....	\$ 6,142,500
20	USDA monitoring--13.0 FTE positions.....	2,259,000
21	Consumer protection program--39.0 FTE positions.....	<u>5,498,100</u>
22	GROSS APPROPRIATION.....	\$ 13,899,600
23	Appropriated from:	
24	Interdepartmental grant revenues:	
25	IDG from MDELEG (LCC), liquor quality testing fees...	189,100
26	Federal revenues:	
27	DAG, multiple programs.....	2,281,000

1	EPA, multiple programs.....	351,200
2	HHS-FDA.....	543,000
3	Special revenue funds:	
4	Agriculture equine industry development fund.....	541,700
5	Gasoline inspection and testing fund.....	2,639,400
6	Licensing and inspection fees.....	79,500
7	Refined petroleum fund.....	3,555,900
8	Testing fees.....	434,500
9	Weights and measures regulation fees.....	722,500
10	State general fund/general purpose.....	\$ 2,561,800
11	Sec. 109. AGRICULTURE DEVELOPMENT	
12	Full-time equated classified positions..... 7.0	
13	Agriculture development--4.0 FTE positions.....	\$ 2,185,100
14	Grape and wine program--3.0 FTE positions.....	<u>736,800</u>
15	GROSS APPROPRIATION.....	\$ 2,921,900
16	Appropriated from:	
17	Federal revenues:	
18	DAG, multiple grants.....	1,605,000
19	Special revenue funds:	
20	Private - commodity group revenue.....	11,100
21	Industry support funds.....	321,300
22	Nonretail liquor fees.....	679,200
23	State general fund/general purpose.....	\$ 305,300
24	Sec. 110. FAIRS AND EXPOSITIONS	
25	Full-time equated classified positions..... 4.0	
26	Fairs and racing --4.0 FTE positions.....	\$ 525,900
27	Purses and supplements - fairs/licensed tracks.....	1,019,100

1	Licensed tracks - light horse racing.....	56,800
2	Standardbred breeders' awards.....	416,700
3	Standardbred purses and supplements - licensed tracks	769,400
4	Standardbred sire stakes.....	348,300
5	Standardbred training and stabling.....	15,500
6	Thoroughbred owners' awards.....	53,300
7	Thoroughbred program.....	1,032,000
8	Thoroughbred sire stakes.....	356,900
9	Distribution of outstanding winning tickets.....	<u>500,000</u>
10	GROSS APPROPRIATION.....	\$ 5,093,900
11	Appropriated from:	
12	Special revenue funds:	
13	Agriculture equine industry development fund.....	5,093,900
14	State general fund/general purpose.....	\$ 0
15	Sec. 111. INFORMATION AND TECHNOLOGY	
16	Information technology services and projects.....	<u>\$ 1,500,400</u>
17	GROSS APPROPRIATION.....	\$ 1,540,400
18	Appropriated from:	
19	Interdepartmental grant revenues:	
20	IDG from MDELEG (LCC), liquor quality testing fees...	2,800
21	Special revenue funds:	
22	Agricultural preservation fund.....	200
23	Agriculture equine industry development fund.....	115,100
24	Gasoline inspection testing fund.....	113,100
25	Freshwater protection fund.....	100
26	Licensing and inspection fees.....	78,800
27	Nonretail liquor fees.....	500

1	State general fund/general purpose	\$	1,189,800
2	Sec. 112. CAPITAL OUTLAY		
3	Farmland and open space development acquisition		<u>3,300,000</u>
4	GROSS APPROPRIATION	\$	3,300,000
5	Appropriated from:		
6	Federal revenues:		
7	DAG, multiple grants		1,250,000
8	Special revenue funds:		
9	Agriculture preservation fund		2,050,000
10	State general fund/general purpose	\$	0

11 PART 2

12 PROVISIONS CONCERNING APPROPRIATIONS

13 GENERAL SECTIONS

14 Sec. 201. (1) Pursuant to section 30 of article IX of the
 15 state constitution of 1963, total state spending from state
 16 resources under part 1 for fiscal year 2010-2011 is \$62,358,700.00
 17 and state spending from state resources to be paid to local units
 18 of government for fiscal year 2010-2011 is \$1,500,000.00. The
 19 itemized statement below identifies appropriations from which
 20 spending to local units of government will occur:

21 DEPARTMENT OF AGRICULTURE

22	Groundwater and freshwater protection program	\$	<u>1,500,000</u>
23	TOTAL	\$	1,500,000

24 Sec. 202. The appropriations authorized under this bill 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 bill:

4 (a) "DAG" means the United States department of agriculture.

5 (b) "Department" means the department of agriculture.

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

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

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

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

12 (g) "IDG" means interdepartmental grant.

13 (h) "MDELEG (LCC)" means the Michigan department of energy,
14 labor, and economic growth - liquor control commission.

15 (i) "MDNRE" means the Michigan department of natural resources
16 and environment.

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

18 Sec. 204. The civil service commission shall bill departments
19 and agencies at the end of the first fiscal quarter for the charges
20 authorized by section 5 of article XI of the state constitution of
21 1963. Payments shall be made for the total amount of the billing by
22 the end of the second fiscal quarter.

23 Sec. 208. The department receiving appropriations in part 1
24 shall use the Internet to fulfill the reporting requirements of
25 this bill. This requirement may include transmission of reports via
26 electronic mail to the recipients identified for each reporting
27 requirement, or it may include placement of reports on an Internet

1 or Intranet site.

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

12 Sec. 210. The director shall take all reasonable steps to
13 ensure businesses in deprived and depressed communities compete for
14 and perform contracts to provide services or supplies, or both. The
15 director shall strongly encourage firms with which the department
16 contracts to subcontract with certified businesses in depressed and
17 deprived communities for services, supplies, or both.

18 Sec. 212. (1) Of the funds appropriated in part 1, the
19 department may provide for indemnity as provided for pursuant to
20 the animal industry act, 1988 PA 466, MCL 287.701 to 287.745, not
21 to exceed \$100,000.00 per order from any line item for the fiscal
22 year ending September 30, 2011. Before the department provides for
23 an indemnification under this section, the department shall report
24 the reason for the indemnification, the amount of the
25 indemnification, and to whom the indemnification is to be paid. The
26 report shall be given to each member of the senate and house
27 appropriations subcommittees on agriculture and to the senate and

1 house fiscal agencies and the state budget director.

2 Sec. 219. From the funds appropriated in part 1 for
3 information technology, departments and agencies shall pay user
4 fees to the department of technology, management, and budget for
5 technology-related services and projects. Such user fees shall be
6 subject to provisions of an interagency agreement between the
7 departments and agencies and the department of technology,
8 management, and budget.

9 Sec. 223. (1) Due to the current budgetary problems in this
10 state, out-of-state travel shall be limited to situations in which
11 1 or more of the following conditions apply:

12 (a) The travel is required by legal mandate or court order or
13 for law enforcement purposes.

14 (b) The travel is necessary to protect the health or safety of
15 Michigan citizens or visitors or to assist other states in similar
16 circumstances.

17 (c) The travel is necessary to produce budgetary savings or to
18 increase state revenues, including protecting existing federal
19 funds or securing additional federal funds.

20 (d) The travel is necessary to comply with federal
21 requirements.

22 (e) The travel is necessary to secure specialized training for
23 staff that is not available within this state.

24 (f) The travel is financed entirely by federal or nonstate
25 funds.

26 (2) Not later than January 1 of each year, each department
27 shall prepare a travel report listing all travel by classified and

1 unclassified employees outside this state in the immediately
2 preceding fiscal year that was funded in whole or in part with
3 funds appropriated in the department's budget. The report shall be
4 submitted to the senate and house representatives standing
5 committees on appropriations, the senate and house fiscal agencies,
6 and the state budget director. The report shall include the
7 following information:

8 (a) The name of each person receiving reimbursement for travel
9 outside this state or whose travel costs were paid by this state.

10 (b) The destination of each travel occurrence.

11 (c) The dates of each travel occurrence.

12 (d) A brief statement of the reason for each travel
13 occurrence.

14 (e) The transportation and related costs of each travel
15 occurrence, including the proportion funded with state general
16 fund/general purpose revenues, the proportion funded with state
17 restricted revenues, the proportion funded with federal revenues,
18 and the proportion funded with other revenues.

19 (f) A total of all out-of-state travel funded for the
20 immediately preceding fiscal year.

21 Sec. 228. (1) In addition to the funds appropriated in part 1,
22 there is appropriated an amount not to exceed \$5,000,000.00 for
23 federal contingency funds. These funds are not available for
24 expenditure until they have been transferred to another line item
25 in this bill under section 393(2) of the management and budget act,
26 1984 PA 431, MCL 18.1393.

27 (2) In addition to the funds appropriated in part 1, there is

1 appropriated an amount not to exceed \$6,000,000.00 for state
2 restricted contingency funds. These funds are not available for
3 expenditure until they have been transferred to another line item
4 in this bill under section 393(2) of the management and budget act,
5 1984 PA 431, MCL 18.1393.

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

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

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

24 **EXECUTIVE**

25 Sec. 302. (1) Pursuant to the appropriations in part 1, the
26 department may receive and expend revenue and use that revenue to
27 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 and 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 **FOOD AND DAIRY**

22 Sec. 401. The department shall monitor restaurant inspection
23 and licensing functions carried out by local health departments to
24 ensure uniform application and enforcement of minimum program
25 requirements.

26 Sec. 404. From the funds appropriated in section 104 for food
27 safety and quality assurance, not less than \$150,000.00 from the

1 consumer and industry food safety education fund shall be expended
2 for purposes required under section 4117 of the food law of 2000,
3 2000 PA 92, MCL 289.4117, including the statewide training and
4 education to consumers on food safety and the training and
5 education on food safety to food service establishment employees
6 and department employees and agents who enforce section 4117 of the
7 food law of 2000, 2000 PA 92, MCL 289.4117.

8 **ANIMAL INDUSTRY**

9 Sec. 450. From the funds appropriated in section 105 for the
10 bovine tuberculosis program, the department shall reimburse the
11 department of natural resources and environment for those costs
12 associated with monitoring and testing wildlife for bovine
13 tuberculosis that are necessary to support the department goals and
14 are jointly agreed to by the department and the department of
15 natural resources and environment to be in excess of efforts
16 necessary to effectively plan and execute the eradication of bovine
17 tuberculosis from Michigan's wild free-ranging deer herd.

18 Sec. 451. From the funds appropriated in section 105 for
19 bovine tuberculosis, the department shall pay for all whole herd
20 testing costs and individual animal testing costs in the modified
21 accredited zone to maintain split-state status requirements. These
22 costs include indemnity and compensation for injury causing death
23 or downer to animals.

24 **ENVIRONMENTAL STEWARDSHIP**

25 Sec. 609. It is the intent of the legislature that the
26 department work with industry to develop a fee for migrant worker
27 housing inspections. The proposed fee shall not exceed \$25.00 per

worker and should be designed to become effective no later than April 1, 2011.

AGRICULTURE DEVELOPMENT

Sec. 710. The department may match external funding for domestic and international marketing programs for the purpose of developing new and enhancing existing export markets for Michigan agricultural products.

CAPITAL OUTLAY

Sec. 1001. Of the amounts appropriated in part 1 for farmland and open space development acquisition, the funds 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, 1994 PA 451, MCL 324.101 to 324.90106.

Sec. 1002. (1) The director shall allocate lump-sum appropriations made in this bill consistent with statutory provisions and the purposes for which funds were appropriated. Lump-sum allocations shall address priority program or facility needs and may include, but are not limited to, design, construction, remodeling and addition, special maintenance, major special maintenance, energy conservation, and demolition.

(2) The state budget director may authorize that funds appropriated for lump-sum appropriations shall be available for no more than 3 fiscal years following the fiscal year in which the original appropriation was made. Any remaining balance from allocations made in this section shall lapse to the fund from which it was appropriated pursuant to the lapsing of funds as provided in

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

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