

Senate Bill 782 (S-1, Draft 3 as reported)
Committee: Appropriations

Throughout this document Senate means Subcommittee.

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 SENATE SUBCOMM.	CHANGES FROM FY 2015-16 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	454.0	473.0	19.0	4.2
GROSS	86,594,000	93,091,300	6,497,300	7.5
Less:				
Interdepartmental Grants Received	317,300	323,200	5,900	1.9
ADJUSTED GROSS.....	86,276,700	92,768,100	6,491,400	7.5
Less:				
Federal Funds.....	10,427,900	10,471,200	43,300	0.4
Local and Private	128,100	130,700	2,600	2.0
TOTAL STATE SPENDING.....	75,720,700	82,166,200	6,445,500	8.5
Less:				
Other State Restricted Funds.....	32,647,100	32,629,300	(17,800)	(0.1)
GENERAL FUND/GENERAL PURPOSE.....	43,073,600	49,536,900	6,463,300	15.0
PAYMENTS TO LOCALS	4,750,000	4,750,000	0	0.0

FY 2015-16 Year-to-Date Gross Appropriation	\$86,594,000
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Changes from FY 2015-16 Year-to-Date:

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| <p>1. Laboratory Upgrades. Governor recommended GF/GP funded upgrades to departmental lab services, including the Geagley Lab \$350,000 and 2.5 FTE for food and feed section, \$70,000 and 0.5 FTE for pesticide, \$280,000 and 2.0 FTE for dairy, and \$770,000 for lab equipment, with \$140,000 and 1.0 FTE for the Heffron Lab. Senate reduced the increase for lab equipment by \$200,000 GF/GP.</p> | 1,410,000 |
| <p>2. Heffron Lab Funding Adjustment. Governor added \$900,000 GF/GP for the Heffron Lab to counter declining receipt of restricted revenue. Senate reduced the added GF/GP for the Heffron Lab to \$80,000.</p> | 80,000 |
| <p>3. Rural Development Fund Grant Program. Governor and Senate recommended the establishment of a new grant program per Public Act 411 of 2012, funded by severance tax revenue from mining (\$2.0 million restricted), which would be used for a grant and/or loan program governed by an appointed board which would establish criteria for grants and/or loans to meet goal of addressing energy, transportation, communications, and water and wastewater infrastructure issues in rural communities.</p> | 2,000,000 |
| <p>4. On-Farm Safety Requirements. Governor and Senate recommended \$1,169,000 GF/GP and 2.0 FTEs to provide informational assistance to farmers to support the implementation of the on-farm requirements under the new Federal Food Safety Modernization Act, providing MDARD itself with \$339,000 and \$440,000 being provided to Michigan State University Extension, and \$390,000 to State Conservation Districts for this objective.</p> | 1,169,000 |

5. Geagley Lab Funding Adjustment. Governor and Senate recommended the shift of the responsibility of providing lab services for equine racing to contracted services under the Department of Treasury's Gaming Commission and supplanted \$600,200 in lost restricted revenue from this service with \$600,000 GF/GP.	(200)
6. Farmland Preservation Program. Governor and Senate recommended adding \$500,000 GF/GP due to declining restricted revenue support, for total funding of \$1,422,100 for FY 2016-17.	500,000
7. Diagnostic Center for Population and Animal Health. Senate provided \$1.0 million in operational support for center.	1,000,000
8. Eastern Market Food Innovation Zone. Senate provided a one-time grant for Eastern Market initiative.	200,000
9. Muskegon Farmers Market Food Incubator. Senate shifted \$100 from Agriculture Development to provide a placeholder for a one-time grant.	0
10. Refined Petroleum Fund (RPF). Governor and Senate recommended the replacement of \$1.5 million in RPF revenue support with GF/GP, leaving \$2,373,200 in RPF support for FY 2016-17.	0
11. Commercial Forestry Audit Program. Governor and Senate recommended the elimination of funding of \$300,000 GF/GP due to the completion of the audit project.	(300,000)
12. Economic Grants Development. Governor recommended the elimination of two competitive economic development GF/GP grant programs, including County Fairs Capital Improvement Grants (\$300,000) and grants for Shows and Expositions (\$20,000). Senate retained the grants.	0
13. Value-Added Grants. Governor recommended the reduction of the on-going grant program by \$150,000 GF/GP, leaving an appropriation of \$500,000 GF/GP for FY 2016-17. Senate provided an appropriation of \$1.5 million.	850,000
14. Administrative Reductions. Governor and Senate recommended a savings of \$99,100 GF/GP through unfilled vacant positions.	(99,100)
15. Qualified Forest Fund. Governor and Senate recommended a reduction in GF/GP support for program, which would be funded at \$2,582,700 in FY 2016-17.	(130,000)
16. Five-Year Early-Out Deferred Sick Leave Payments. Governor and Senate recommended an elimination of payments, as department obligations would be satisfied, as of FY 2015-16, for employees who opted into the 2010 early retirement program, which deferred sick leave payments over five years for a savings of (\$237,600) Gross, (\$101,100) GF/GP.	(237,600)
17. Removal of One-Time Funding. Governor and Senate recommended the elimination of FY 2015-16 one-time GF/GP funding for Value-Added Grants (\$550,000), Fruit Tree Research Grants (\$500,000), and the Geagley Lab (\$150,000).	(1,200,000)
18. Technical Revenue Adjustments. Governor and Senate recommended adjustments to reflect anticipated revenues, expenditure levels, and GF/GP increases needed for IT maintenance and support charges for mobile worker system, (\$57,900) Gross, \$257,000 GF/GP.	(57,900)
19. Economic Adjustments. Includes \$277,900 Gross and \$151,300 GF/GP for OPEB and \$1,035,200 Gross and \$576,200 GF/GP for other economic adjustments.	1,313,100
20. Comparison to Governor's Recommendation. Senate is \$1.5 million Gross and \$1.5 million GF/GP over the Governor.	
Total Changes	\$6,497,300
FY 2016-17 Senate Appropriations Subcommittee Gross Appropriation	\$93,091,300

Boilerplate Changes from FY 2015-16 Year-to-Date:

1. **Receipt and Expenditure of Fees.** Governor and Senate eliminated a report requirement to the Legislature and instead required an Internet posting of related activities along with notification of the posting. Senate added language allowing receipt and expenditure of fees and labeling them as carryforward funds that shall not lapse to the General Fund. (Sec. 301)
2. **On-Farm Food Safety Program.** Governor and Senate added a new boilerplate section outlining goals and procedures for a new program to assist farmers to comply with the new Federal Food Safety Modernization Act requirements. (Sec. 403)
3. **MDARD, USDA TB Monitoring.** Governor and Senate removed section requiring cooperation to monitor TB by referencing a May 2014 memorandum of understanding between MDARD and the USDA and combined it into a new section. (Sec. 457)
4. **Animal ID.** Governor and Senate removed a prohibition of using electronic tags on anything other than cattle. (Sec. 456)
5. **MDARD TB Collaboration with USDA.** Governor and Senate amended current language, which required cooperation to monitor TB by referencing a May 2014 memorandum of understanding between the two. (Sec. 457)
6. **Aquaculture Inspection and Testing.** Governor and Senate removed intent language that stated that the Department is required to work with the industry to identify, contain, and eradicate viral hemorrhagic septicemia in the State. (Sec. 458)
7. **Commercial Forestry Audit Program.** Governor and Senate eliminated section providing guidelines and procedures for the audit due to the completion of the program. (Sec. 609)
8. **Freshwater Protection Fund.** Governor and Senate eliminated language requiring the Department not to use more than \$500,000 for replacement of the data system for the Michigan Agriculture Environmental Assurance Program. (Sec. 610)
9. **Laboratory Program.** Governor and Senate added a new boilerplate section requiring the turn-around times at Geagley Lab to increase from 30-50% to 75-80% and the implementation of a risk based inspection program on devices and package content in the consumer protection program in FY 2016-17, and to track program outcomes. (Sec. 701)
10. **Value-Added Grant Program.** Governor and Senate amended language with a requirement to post on line program data, including information on grants and program outcomes. (Sec. 701)
11. **Rural Development Fund Board.** Governor and Senate added a new boilerplate section requiring the Department to work with the board to establish processes and criteria for funding projects under a new Rural Development Grant Program and to establish metrics and outcomes for the program. (Sec. 702)
12. **Equine Regulatory Costs.** Governor and Senate eliminated a section, which provided criteria for establishing equine regulatory costs. (Sec. 804)
13. **County Fairs Capital Improvement Grant Program.** Governor removed a section that provided guidelines and procedures for a grant program he recommended for elimination for FY 2016-17. Senate retained the language. (Sec. 805)
14. **Shows and Exhibition Grants.** Governor eliminated section providing guidelines for a grant program he recommends not be funded for FY 2016-17. Senate retained the language. (Sec. 806)

Date Completed: 3-29-16

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