



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 850 (S-1, Draft 1 as reported)
Committee: Appropriations

Throughout this document Senate means Subcommittee

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 SENATE SUBCOMM.	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	493.5	500.5	7.0	1.4
GROSS	114,698,600	108,618,100	(6,080,500)	(5.3)
Less:				
Interdepartmental Grants Received	310,300	313,900	3,600	1.2
ADJUSTED GROSS	114,388,300	108,304,200	(6,084,100)	(5.3)
Less:				
Federal Funds	11,373,900	11,775,200	401,300	3.5
Local and Private	101,600	101,800	200	0.2
TOTAL STATE SPENDING	102,912,800	96,427,200	(6,485,600)	(6.3)
Less:				
Other State Restricted Funds	36,661,000	37,072,000	411,000	1.1
GENERAL FUND/GENERAL PURPOSE	66,251,800	59,355,200	(6,896,600)	(10.4)
PAYMENTS TO LOCALS	7,450,000	6,350,000	(1,100,000)	(14.8)

*As of February 7, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$114,698,600
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Changes from FY 2017-18 Year-to-Date:

- Milk Safety and Quality Assurance.** Governor and Senate recommended \$780,000 GF/GP and 5.0 FTEs for dairy inspections to address the growth in state dairy production. 780,000
- Office of Organization Innovation.** Governor and Senate recommended \$307,100 GF/GP to support reclassification of two data management staff from temporary to permanent to analyze data from department information technology systems and practices. 307,100
- Laboratory Genome Sequencer.** Governor and Senate recommended \$300,000 Federal to support use of Genome Sequencer in accordance with the International Organization for Standardization (ISO) standards. 300,000
- Pesticide and Plant Pest Management.** Governor and Senate recommended a reduction of \$200,000 GF/GP to be supplanted by an equal additional amount of State Restricted Fertilizer Control Fund revenue. 0
- Agriculture Industry Research and Development Grants.** Governor and Senate recommended the elimination of a one-time FY 2017-18 grant of \$8.4 million GF/GP, which consisted of \$2.5 million for an Animal Agriculture Initiative, \$3.2 million for Fruit and Vegetable Campus/Mobile Labs, \$1.2 million for Fruit and Vegetable Campus/Mobile Labs Workforce Development Initiative, and \$1.5 million for the Tree Fruit Commission. Senate retained the Animal Agriculture Initiative Grant of \$2.5 million GF/GP and provided \$550,000 GF/GP for a one-time appropriation for a food processing workforce development initiative. (5,350,000)
- Food Bank Council.** Governor and Senate recommended the elimination of a \$2.0 million GF/GP one-time grant to the Food Council of Michigan for a food-freezing project. (2,000,000)

7. Food and Agriculture Investment Program. Governor recommended the reduction of \$1,443,900 GF/GP to the grant program, leaving a proposed total FY 2018-19 appropriation of \$3.3 million GF/GP. Senate added one-time amount over the Governor's recommendation of 2.0 million GF/GP to bring total FY 2018-19 appropriation to \$5.3 million.	556,100
8. Wildlife Risk Management. Governor and Senate recommended the elimination of one-time funding of \$1.0 million GF/GP for a cost share program with local conservation districts to assess cattle farms and implement practices to prevent the spread of bovine tuberculosis in cattle.	(1,000,000)
9. Intercounty Drain Program. Governor and Senate recommended the elimination of a \$250,000 GF/GP one-time project to establish a state standard drainage infrastructure mapping tool.	(250,000)
10. Food Safety and Quality Assurance. Governor and Senate recommended a reduction of \$250,000 GF/GP to reflect the completion of one-time projects and a decrease in Federal food safety grants.	(250,000)
11. County Fairs, Shows and Exposition Grants. Governor recommended a reduction of \$249,300 GF/GP to the FY 2017-18 \$649,300 grant program, leaving a proposed total FY 2018-19 appropriation of \$400,000 GF/GP. Senate added \$600,000 one-time GF/GP over the Governor's recommendation for a total FY 2018-19 appropriation of \$1.0 million.	350,700
12. Beer Delivery Systems. Governor and Senate recommended removal of \$150,000 GF/GP FY 2017-18 funding to support training for management of draft beer delivery systems.	(150,000)
13. Qualified Forest Program. Governor and Senate recommended a reduction of \$130,000 GF/GP from the program, to be offset by restricted revenue, sufficiently authorized by current appropriations.	(130,000)
14. Environmental Stewardship/Michigan Agriculture Environmental Assurance Program. Governor and Senate recommended a reduction of \$100,000 GF/GP due to completion of internal projects, leaving a recommended FY 2018-19 Gross appropriation of \$10.2 million.	(100,000)
15. Campground Development Grant. Governor and Senate recommended the elimination of a one-time grant of \$100,000 GF/GP to provide for park enhancements associated with the Albion Equine Center.	(100,000)
16. Farmland and Open Space Program. Governor and Senate recommended a reduction of \$99,900 GF/GP due to a decrease in temporary staff previously funded to address backlogs in program application processing.	(99,900)
17. Drinking Water Declaration of Emergency. Governor and Senate recommended elimination of a one-time restricted revenue place-holder appropriation related to the Flint drinking water emergency.	(100)
18. Technical Adjustment for Actual Funds Received. Governor and Senate recommended technical adjustment to reflect reductions in non-GF/GP funds received.	(6,300)
19. Unclassified Salaries. Governor and Senate recommended an increase from \$562,300 to \$573,500.	11,200
20. Economic Adjustments. Includes \$1,050,700 Gross and \$728,200 GF/GP for total economic adjustments, of which an estimated \$28,400 Gross and \$1,500 GF/GP is for legacy retirement costs (pension and retiree health).	1,050,700
21. Comparison to Governor's Recommendation. The Senate is \$5,730,000 Gross and \$5,650,000 GF/GP over the Governor.	
Total Changes	(\$6,080,500)
FY 2018-19 Senate Appropriations Subcommittee Gross Appropriation	\$108,618,100

Boilerplate Changes from FY 2017-18 Year-to-Date:

1. **Disciplinary Action.** Governor eliminated language-prohibiting action against an employee for communicating with legislative staff. Senate retained section. (Sec. 215)
2. **Retain Reports.** Governor and Senate eliminated a requirement that all reports be kept and retained by MDARD. (Sec. 234)
3. **Department Fee Collection.** Governor and Senate removed language referring to collection of lab fees related to horse racing industry, to reflect privatization of such services within the Department of Treasury's Gaming Commission. (Sec. 301)
4. **Food and Dairy Division Report.** Governor and Senate modified language to clarify that the report is to be based on fiscal years and that only significant enforcement actions be reported. (Sec. 401)
5. **Management of Draft Beer Delivery Systems.** Governor and Senate struck language providing guidelines for FY 2017-18 appropriation of \$150,000 GF/GP to provide education and training for managers of draft beer delivery systems. (Sec. 402)
6. **Food Safety Modernization Act.** Governor and Senate eliminated a FY 2017-18 boilerplate section describing the intent that the MDARD work with the FDA and agriculture producers to help implement the federal Food Safety Modernization Act. (Sec. 403)
7. **TB Testing Costs.** Governor eliminated this section which required that the MDARD pay for all whole herd and individual TB testing in modified accredited zones. Senate retained the section. (Sec. 451)
8. **Animal Industry Division Report.** Governor and Senate modified this section to include a report on indemnification payments for livestock depredation made in the previous calendar year. (Sec. 452)
9. **Animal Indemnification.** Governor and Senate recommended striking a section that required an indemnification agreement that exceeded \$100,000 be subject to appropriation by the legislature and that no payments could be made until the legislature was notified, and specified that payments shall be made for livestock killed by a wolf, coyote or cougar. A subsection requiring a report was shifted to become a part of Sec. 452 for FY 2018-19. (Sec. 453)
10. **Bovine TB Activity and Status Report.** Governor removed annual and quarterly report requirement of the MDARD activities and current status of bovine TB in the state. Senate retained the section. (Sec. 457)
11. **Aquaculture.** Governor and Senate struck a boilerplate section requiring inspection and testing of aquaculture facilities and aquaculture research. (Sec. 458)
12. **Whole Herd TB Testing.** Governor eliminated language prohibiting whole herds from being tested more often than every four years or not re-tested until all other county herds have been tested, except under certain circumstances. Senate retained the section. (Sec. 459)
13. **Wildlife Risk Mitigation.** Governor and Senate struck language which provided guidelines for FY 2017-18 one-time grants of \$1.0 million for projects designed to identify and mitigate risks related to the transmission of bovine TB from wildlife to cattle. (Sec. 461)
14. **Food and Agriculture Investment Program.** Governor modified language to strike the requirement for an annual report of the program, adding language requiring projects to be accomplished by utilizing state employees or contracts with service providers, or both, removes language requiring project guidelines to be approved by the Michigan Agriculture Commission prior to an award, and adds that the total cost of the project is \$3.3 million. Senate only concurred with new work project language. (Sec. 701)
15. **Rural Development Fund Grant Program.** Governor and Senate struck language requiring establishment of criteria and measurable outcomes for the program. (Sec. 702)
16. **Agriculture Development Division Report.** Governor and Senate modified language by adding requirement to produce a report of the Grape and Wine Industry Council, shifting that requirement from Sec.709 of the FY 2017-18 budget bill. (Sec. 706)
17. **Grape and Wine Industry Council.** Governor and Senate shifted council language which required an annual report from FY 2017-18 Sec. 709 to Sec. 706 of FY 2018-19. (Sec. 709)

18. **Agriculture Equine Industry Development Fund (AEID).** Governor and Senate removed obsolete language referring to department costs for lab analysis for horse racing activities, now performed by contractual means under the Department of Treasury's Gaming Board. (Sec. 802)
19. **Equine Regulatory Costs.** Governor and Senate eliminated a section which provided criteria to the Gaming Board for establishing equine regulatory costs. (Sec. 804)
20. **County Fairs, Shows and Exposition Grants.** Governor modified language to cite carryforward authority and stated the cost of the grants to be \$400,000. Senate retained current language and added that \$100,000 shall be used for renovations to the Tuscola County Fair Grandstand. (Sec. 805)
21. **Agriculture Industry Research and Development Grants.** Governor and Senate recommended elimination of language describing distribution of the FY 2017-18 one-time \$8.4 million grant program. The grant was to be spent as follows: Animal Agriculture Initiative, \$2.5 million; Fruit and Vegetable Campus/Mobile Labs, \$3.2 million; Fruit and Vegetable Campus/Mobile Labs Workforce and Development Initiative, \$1.2 million; Tree Fruit Commission, \$1.5 million. (Sec. 901)

Date Completed: 4-13-18

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