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| FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE | FY 2018-19 YEAR-TO-DATE* | FY 2019-20 INITIAL APPROPS. | CHANGES FROM FY 2018-19 YEAR-TO-DATE | |
|---|--------------------------|-----------------------------|--------------------------------------|---------------|
| | | | AMOUNT | PERCENT |
| FTE Positions | 502.5 | 508.0 | 5.5 | 1.1 |
| GROSS | 113,475,100 | 107,937,600 | (5,537,500) | (4.9) |
| Less: | | | | |
| Interdepartmental Grants Received | 313,900 | 1,315,700 | 1,001,800 | 319.1 |
| ADJUSTED GROSS | 113,161,200 | 106,621,900 | (6,539,300) | (5.8) |
| Less: | | | | |
| Federal Funds | 11,775,200 | 12,636,400 | 861,200 | 7.3 |
| Local and Private | 101,800 | 101,800 | 0 | 0.0 |
| TOTAL STATE SPENDING | 101,284,200 | 93,883,700 | (7,400,500) | (7.3) |
| Less: | | | | |
| Other State Restricted Funds | 37,172,000 | 41,383,700 | 4,211,700 | 11.3 |
| GENERAL FUND/GENERAL PURPOSE | 64,112,200 | 52,500,000 | (11,612,200) | (18.1) |
| PAYMENTS TO LOCALS | 6,350,000 | 9,650,000 | 3,300,000 | 52.0 |

*As of September 30, 2019.

| | Gross | GF/GP |
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| FY 2018-19 Year-to-Date Appropriation | \$113,475,100 | \$64,112,200 |

Changes from FY 2018-19 Year-to-Date:

Items Included by the Senate and House

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| 1. Agriculture Preservation Conservation Easement Grant Program Funding. Governor, Senate, and House recommended \$2.0 million in Michigan Agriculture Preservation Funds to re-establish a statutory grant program for local government acquisition of permanent easements on farmland. | 2,000,000 | 0 |
| 2. Alignment of Restricted Authorization with Available Revenues. Governor, Senate, and House recommended alignment of Restricted funding amounts across several budget lines to reflect actual funds received. | 111,800 | 0 |
| 3. Dairy Industry Assistance Program One-time Grant (from supplemental appropriations, PA 618 of 2018). Governor, Senate, and House recommended elimination of the \$1.0 million GF/GP grant program. | (1,000,000) | (1,000,000) |
| 4. Agriculture Industry Research and Development One-time Grant (from supplemental appropriations, PA 618 of 2018). Governor, Senate, and House recommended elimination. | (550,000) | (550,000) |
| 5. ACRE Agriculture Incubator One-time Grant. Governor, Senate, and House recommended elimination. | (260,000) | (260,000) |
| 6. ODC Network - Project Clarity One-time Grant. Governor, Senate, and House recommended elimination. | (120,000) | (120,000) |
| 7. Other Adjustments. Adjustment for supplemental appropriations from P.A. 28 of 2019 and P.A. 56 of 2019. | (3,277,000) | (3,277,000) |

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| 8. Unclassified Salaries. Governor, Senate, and House recommended economic increase from \$573,500 from FY 2018-19 to \$596,700 for FY 2019-20. | 23,200 | 23,200 |
| 9. Economic Adjustments. Includes \$1,052,400 Gross and \$716,800 GF/GP for total economic adjustments, of which an estimated negative \$778,900 Gross and \$543,800 GF/GP is for legacy retirement costs (pension and retiree health). | 1,052,400 | 716,800 |

Conference Agreement on Items of Difference

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| 10. Double Up Food Bucks (grant to Fair Food Network). Governor recommended a \$4.0 million GF/GP for Double Up Food Bucks Program (which provides support for the purchase of healthier foods by food assistance program recipients) from the \$300,000 GF/GP appropriated in DHHS in FY 2018-19 and targeted to Flint, but managed by MDARD. Funds recommended include \$2.0 million ongoing and \$2.0 million one-time funding to expand the program through the Fair Food Network from current 65 counties to statewide. The \$2.0 million one-time was included in PA 28 of 2019. Senate provided \$2.0 GF/GP in ongoing funds only. House included \$1.0 million ongoing. Conference concurred with House. | 1,000,000 | 1,000,000 |
| 11. Conservation Districts Pilot Project. Senate included \$3.0 million in one-time GF/GP for distribution to Conservation Districts for a natural resources assessment and plan to address natural resource needs. House did not include. Conference included \$200,000 GF/GP for the creation of an evaluation model to assess district needs. | 0 | 0 |

Vetoed by the Governor.

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| 12. Food and Agriculture Investment Grant Program. Governor recommended a reduction in the grant program of \$2.6 million GF/GP, leaving a total recommended appropriation for FY 2019-20 of \$2,477,900 GF/GP. Senate funded program at \$4.0 million GF/GP for FY 2019-20, \$1,522,100 over Governor. House retained \$5.1 million. Conference concurred with Senate and included \$4.0 million. | (5,077,800) | (5,077,800) |
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Resolution 2019-2, approved by the State Administrative Board on 10-1-19, transferred \$3,999,900 out of this line item, leaving a total appropriation of \$100.

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| 13. County Fairs, Shows and Exhibitions Grants. Governor recommended a reduction in the grant program, including \$200,000 from ongoing appropriations and \$925,000 from one-time, to a recommended appropriation amount of \$200,000 GF/GP for FY 2019-20. Senate funded program at \$1.0 million GF/GP for FY 2019-20, \$800,000 over Governor. House included \$400,000. Conference concurred with Senate and included \$1.0 million GF/GP. | (1,325,000) | (1,325,000) |
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Vetoed by the Governor.

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| 14. Farm Stress Program. Conference included \$500,000 GF/GP for a program to help respond to the needs of Michigan farmers and agricultural producers and their families by helping them learn more about managing stress and communicating with those in need. | 0 | 0 |
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Vetoed by the Governor.

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| 15. Michigan. Animal Agriculture Alliance. Governor recommended elimination of the one-time \$2.0 million GF/GP program. Senate funded program at \$3.0 million GF/GP in ongoing funds for FY 2019-20 for the Michigan Animal Agriculture Alliance. House funded program at \$1.0 million. Conference included \$3.0 million GF/GP. | (2,000,000) | (2,000,000) |
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Vetoed by the Governor.

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| 16. Animal Disease Prevention and Response. Senate reduced program by \$2,407,100 GF/GP. Conference included a \$400,000 GF/GP reduction. <i>Resolution 2019-2, approved by the State Administrative Board on 10-1-19, transferred \$782,600 GF/GP to this line item, leaving a total appropriation of \$9,847,700.</i> | 382,600 | 382,600 |
| 17. Qualified Forest Program. Senate reduced program by \$500,000 GF/GP. House included a \$997,300 fund switch from GF/GP to restricted. Conference concurred with House. <i>Resolution 2019-2, approved by the State Administrative Board on 10-1-19, transferred \$997,300 GF/GP to this line item, leaving a total appropriation of \$3,678,400.</i> | 997,300 | 0 |
| 18. Industrial Hemp Program. Conference added \$120,000 in licensing revenue and \$90,000 in testing fees along with 3.5 FTEs to provide an FY 2019-20 appropriation of 4.5 FTEs and \$360,000 (\$150,000 GF/GP). | 210,000 | 0 |
| 19. Food Safety and Quality Assurance. Conference added 2.0 FTEs and \$300,000 in Federal funds for food safety. | 300,000 | 0 |
| 20. Pesticide and Plant Pest Management. Senate reduced program by \$500,000 GF/GP. House included a \$1.0 million fund switch from GF/GP to restricted. Conference concurred with House and added Senate's \$500,000 GF/GP reduction. <i>Resolution 2019-2, approved by the State Administrative Board on 10-1-19, transferred \$1.5 million GF/GP to this line item, resulting in a total appropriation of \$13,609,200.</i> | 1,000,000 | 0 |
| 21. Indemnification -- Livestock Depredation Payments. House reduced appropriation from \$50,000 GF/GP to \$25,000 GF/GP. Conference concurred with House. | (25,000) | (25,000) |
| 22. Farmland and Open Spaces Program. House included a \$100,000 fund switch from GF/GP to restricted funding. Senate did not include. Conference concurred with House. | 0 | (100,000) |
| 23. Emergency Management. House removed current appropriation of \$200,000 GF/GP for position. Conference concurred. <i>Resolution 2019-2, approved by the State Administrative Board on 10-1-19, transferred \$200,000 GF/GP to this line item, resulting in a total appropriation of \$1,301,300.</i> | 0 | 0 |
| 24. Environmental Stewardship. House included a \$980,700 fund shift from GF/GP to restricted funding. Conference included a fund shift of \$520,000 GF/GP and added \$500,000 in available Federal funds. <i>Resolution 2019-2, approved by the State Administrative Board on 10-1-19, transferred \$520,000 GF/GP to this line item.</i> | 1,020,000 | 0 |
| 25. Administrative Efficiencies. House included budget-wide reductions of \$674,200 GF/GP. Conference did not include. | 0 | 0 |
| 26. Information Technology. House included a reduction to IT of \$405,500 GF/GP. Conference did not include. | 0 | 0 |
| 27. FY 2019-20 One-Time Appropriations. Appropriations include \$360,000 (\$150,000 GF/GP) for Industrial Hemp Program. | | |
| Total Changes | (5,537,500) | (11,612,200) |
| FY 2019-20 Initial Ongoing/One-Time Appropriation** | \$107,937,600 | \$52,500,000 |

Boilerplate Changes from FY 2018-19 Year-to-Date:Items Included by the Senate and House

1. **Agriculture Development.** Governor, Senate, and House eliminated language which provided \$150,000 in Agriculture Development appropriations be used for activities under the Industrial Hemp Research Act. (Sec. 302 of PA 618 of 2018)
2. **Agriculture Industry Research and Development.** Governor, Senate, and House eliminated language which provided \$550,000 in Agriculture Development appropriations be used for upgrades to mobile fruit and vegetable processing teaching labs. (Sec. 303 of PA 618 of 2018)
3. **Dairy Industry Assistance Program.** Governor, Senate, and House eliminated language which provided guidelines for \$1.0 million grant program. (Sec. 304 of PA 28 of 2019)
4. **Whole Herd TB Testing.** Governor, Senate, and House eliminated language prohibiting whole herds from being tested more often than every four years or not retested until all other county herds have been tested, except under certain circumstances. (Sec. 459)
5. **Apiaries Grants.** Governor, Senate, and House removed Sec. 462, which earmarked \$20,000 in funds for a grant program to assist in the construction of protective systems for apiaries. (Sec. 462)
6. **County Fairs, Shows, and Expositions Grant Program.** Governor, Senate, and House revised language and removed individual projects that had been earmarked for funding. Senate added language designating \$50,000 in grants funds for the promotion of Michigan festivals. (Sec. 301 from PA 618 of 2018; Sec. 805 from Governor's recommendation) (Sec. 805)

Conference Agreement on Items of Difference

7. **Contingency Funds Transfer Provision.** Senate eliminated language allowing for special legislative contingency fund transfers for non-specifically appropriated federal, restricted, local, and private funds. Governor and House retained current language. Conference included, but with updated revenue limits, based on past practices. (Sec. 210)
8. **Environmental Stewardship/MAEAP.** Senate eliminated language which allowed the department to receive and expend federal revenues without reverting to standard transfer or appropriation processes. House retained language. Conference concurred with House. (Sec. 604)
9. **Food and Agriculture Investment Grant Program.** House revised language to limit administrative expenses for program to 5% of total program appropriation. Senate retained current language. Conference concurred with House and added Hoophouses as a potential grant recipient. (Sec.701)
10. **Rural Development Fund/Program.** House included section that directs department to work with Rural Development Fund Board to establish a process and criteria for funding projects. Conference concurred with House. (Sec.702).
11. **Double Up Food Bucks Program.** House added language which directed that the department work with the Department of Health and Human Services to: 1). notify recipients of food assistance program benefits that their benefits can be spent with their bridge cards at many farmer's markets in the state; 2). to notify recipients about the Double Up Food Bucks program and that when they spend \$20.00 at participating farmer's markets they can receive an additional \$20.00 to buy Michigan produce; requires the department to work with the Fair Food Network to ensure access to the program in every county of the state with grocery stores and farmer's markets that meet the program's eligibility requirements, and provide a report. Conference concurred with House. (Sec. 302 of PA 28 of 2019 for FY 2018-19) (Sec. 703 for FY 2019-20)
12. **Agriculture Equine Industry Development Fund (AEID).** Governor and Senate removed language requiring up to \$395,000 in AEID funds be allocated to the Purses and Supplements - Fairs/Licensed Tracks line item and adds "fairs and licensed tracks" to those who would receive prorated funds after obligations to the Department of Treasury's Michigan Gaming Control Board have been met. House retained current year language. Conference concurred with House. (Sec. 802)
13. **County Fairs, Shows, and Expositions Grant Program.** Governor, Senate, and House revised language and removed individual projects that had been earmarked for funding. Senate added language designating \$50,000 in grants funds for the promotion of Michigan festivals. (Sec. 301 from PA 618 of 2018; Sec. 805 from Governor's recommendation). House did not include \$50,000 designation. Conference concurred with House. (Sec. 805) ***The Governor vetoed this Section.***

14. **Festivals and Events.** House included language defining \$50,000 GF/GP appropriation for the promotion of Michigan festivals and events. Conference did not include. (Sec. 806) ***The Governor vetoed this Section.***
15. **Hoophouse Revolving Loan Program.** House added language earmarking \$150,000 GF/GP for a Hoophouse revolving loan program. Conference did not include. (Sec. 807)
16. **Farm Stress Program.** Conference included language describing appropriations for program to help respond to the needs of Michigan farmers and agricultural producers and their families by helping them learn more about managing stress and communicating with those in need. (Sec. 901) ***The Governor vetoed this Section.***
17. **Local Conservation District Pilot Program.** Senate included boilerplate section defining use of a \$3.0 million one-time appropriation. The section indicates that the appropriation for conservation districts pilot project must be distributed in equal amounts to each conservation district in the state, to be used to develop a natural resources assessment, an assessment to describe the conservation district and to identify the top 5 natural resources needs for each district; provides for a report by September 30, 2020. Conference revised language to instead refer to a \$200,000 one-time appropriation to create an evaluative model for conservation districts. (Sec. 902) ***The Governor vetoed this Section.***

Date Completed: 10-2-19

Fiscal Analyst: Bruce Baker

***This reflects action taken by the State Administrative Board on 10-1-19 if applicable.*

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberation.