

FY 2023-24 AGRICULTURE AND RURAL DEVELOPMENT BUDGET

S.B. 187 (S-2): SENATE-PASSED

(as passed by the Senate)

Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2022-23 YEAR-TO-DATE*	FY 2023-24 SENATE-PASSED	CHANGES FROM FY 2022-23 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	531.0	542.0	11.0	2.1
GROSS	187,715,100	162,833,400	(24,881,700)	(13.3)
Less:				
Interdepartmental Grants Received	326,700	327,000	300	0.1
ADJUSTED GROSS	187,388,400	162,506,400	(24,882,000)	(13.3)
Less:				
Federal Funds	19,670,900	19,660,400	(10,500)	(0.1)
Local and Private	21,300	21,300	0	0.0
TOTAL STATE SPENDING	167,696,200	142,824,700	(24,871,500)	(14.8)
Less:				
Other State Restricted Funds	44,706,400	45,219,200	512,800	1.1
GENERAL FUND/GENERAL PURPOSE	122,989,800	97,605,500	(25,384,300)	(20.6)
PAYMENTS TO LOCALS	13,600,000	16,800,000	3,200,000	23.5

*As of February 7, 2023.

Major Boilerplate Changes from FY 2022-23 Year-to-Date:

- 1. New Boilerplate.** Senate included new boilerplate sections that provide guidelines for new part 1 programs, including Soil Health and Regenerative Agriculture (Sec. 611 and 904), Emerging Contaminants in Food and Agriculture (Sec. 303 and 901), Conservation District Funds for IRA federal matching dollars (Sec. 900), Minority-Owned Food and Agriculture Ventures (Sec. 902), and Small Producer Supply Chain and Market Access (Sec. 903). The bill also contains language that would prohibit funds to be used for the purpose of consolidating state-run laboratories (Sec. 652).
- 2. Elimination of Boilerplate.** Senate removed reporting of legacy costs (Sec. 214); permits legislature to transfer funds by resolution (Sec. 218); prohibits COVID-19 vaccination requirements (Sec. 222); earmark spending requirement from Pesticide and Plant Pest Management (Sec. 502); and language related to Rural Development Fund Act stating purpose of fund.

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FY 2022-23 Year-to-Date Appropriation		\$187,715,100	\$122,989,800		
		CHANGE FROM FY 2022-23 Y-T-D		FY 2023-24 RECOMMENDED APPROPRIATION	
		Gross	GF/GP	Gross	GF/GP
<u>Baseline Adjustments</u>					
1. Accounting Service Center Adjustment. Senate included \$110,400 GF/GP for inflationary adjustments for accounting services.		110,400	110,400	1,156,800	1,156,800
2. Economic Adjustments. Included (\$232,500) Gross and (\$175,100) GF/GP for total economic adjustments.		(232,500)	(175,100)		
<u>New Programs/Program Increases (see also One-time Appropriations)</u>					
3. Emerging Contaminants in Food and Agriculture. Senate included \$2,080,000 GF/GP and 6.0 FTEs for a new ongoing program for research, testing, analyzing, and response to emerging contaminants in the food and agriculture sector.		2,080,000	2,080,000	2,080,000	2,080,000
4. Soil Health and Regenerative Agriculture. Senate included \$2.0 million GF/GP and 5.0 FTEs in new ongoing funding for a program to assist farmers with soil health and regenerative agricultural practices, which include regenerative agriculture systems to minimize soil disturbance, maximize crop diversity, maintenance of root structure, and integration of livestock.		2,000,000	2,000,000	2,000,000	2,000,000
5. Fair Food Network – Double Up Food Bucks. Senate increased ongoing funding by \$1.1 million GF/GP for FY 2023-24.		1,100,000	1,100,000	2,000,000	2,000,000
6. Local Conservation Districts. Senate increased ongoing appropriation for grants, distributed equally, to conservation districts by \$1.0 million.		1,000,000	1,000,000	3,000,000	3,000,000
7. Craft Beverage Council. Senate included additional authorization of available restricted revenue of \$410,000 from Liquor Control Commission.		410,000	0	1,335,300	0
8. Producer Security/Grain Dealers. Senate included additional authorization of available restricted revenue to cover inflationary costs for administration of the program.		150,000	0	904,300	18,700
8. Teddy's Law. Senate added a \$100 GF/GP placeholder for funding to address the treatment of research animals.		100	100	100	100

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	Gross	GF/GP	Gross	GF/GP
<u>One-Time Appropriations</u>				
9. Small Producer Supply Chain and Market Access. Senate included \$4.0 million GF/GP in new one-time funding to address current agriculture industry issues such as lack of accessible cold storage, distribution and processing facilities, and implementation of advancing technologies for small producers.	4,000,000	4,000,000	4,000,000	4,000,000
10. Soil Health and Regenerative Agriculture. Senate included \$11.0 million GF/GP in new one-time funding for a grant and community outreach program to assist farmers with regenerative agricultural practices, which include regenerative agriculture systems to minimize soil disturbance, maximize crop diversity, maintenance of root structure, and integration of livestock.	11,000,000	11,000,000	11,000,000	11,000,000
11. Local Conservation Districts. Senate included \$3.0 million GF/GP to use to assist conservation districts sign up for and receive increased farm bill dollars from the Inflation Reduction Act. Conservation districts would need to apply to the department for matching dollars and report to MDARD on increased sign-ups.	2,000,000	2,000,000	3,000,000	3,000,000
12. Emerging Contaminants in Food and Agriculture. Senate included \$4.0 million GF/GP to provide for research, testing, analyzing, and response to emerging contaminants in the food and agriculture sector.	4,000,000	4,000,000	4,000,000	4,000,000
13. Fair Food Network – Double Up Food Bucks. Senate included additional one-time funds to support Double up Food Bucks program.	2,000,000	2,000,000	2,000,000	2,000,000
14. Minority-Owned Food and Agriculture Ventures. Senate included a new grant program to help expand minority businesses in food and agriculture.	1,400,000	1,400,000	1,400,000	1,400,000
15. Washtenaw Conservation District MiFarmLink. Senate included an appropriation for a pilot project to connect new farmers with opportunities to gain access to land to start their own farms.	100,000	100,000	100,000	100,000
16. Northern Michigan Herd Protection and Bovine TB Management. Senate included a \$100 GF/GP placeholder for a cost-share herd protection program.	100	100	100	100
17. Carbon Action Fund. Senate included a \$100 GF/GP placeholder appropriation for the Carbon Action Fund.	100	100	100	100

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	Gross	GF/GP	Gross	GF/GP
18. Rural Venture Capital Program. Senate included a \$100 GF/GP placeholder appropriation for the Rural Venture Capital Program.	100	100	100	100
19. Economic Development for Food and Agriculture. Senate eliminated one-time GF/GP appropriations of \$50.0 million in support of Michigan's agriculture processes including supply chain, infrastructure, workforce resources that have been affected because of the pandemic, and also to reduce environmental risks in food processing facilities and support domestic marketing programs.	(50,000,000)	(50,000,000)	0	0
20. Office of Rural Development - Grants. Senate eliminated one-time GF/GP funding of \$3.0 million for grant assistance to rural communities faced with challenges in the areas of economic and workforce development, affordable housing, infrastructure, education, and high-speed internet connection.	(3,000,000)	(3,000,000)	0	0
21. Animal Welfare and Veterinary Care. Senate eliminated one-time GF/GP grant funding of \$2.0 million for support to Michigan registered animal shelters that have experienced adverse effects because of the pandemic.	(2,000,000)	(2,000,000)	0	0
22. Buy Michigan Campaign. Senate eliminated one-time GF/GP funding for development of a Buy Michigan media campaign for agriculture products.	(1,000,000)	(1,000,000)	0	0
Total Changes.....	(\$24,881,700)	(\$25,384,300)		
FY 2023-24 SENATE-PASSED.....	\$162,833,400	\$97,605,500		

Date Completed: 5-9-23

Fiscal Analyst: Bruce Baker