

FY 2025-26 AGRICULTURE AND RURAL DEVELOPMENT BUDGET

S.B. 171 (S-2): SENATE APPROPRIATIONS REC.

(as reported)

Committee: Appropriations



Throughout this document Senate means Committee Recommendation

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2024-25 YEAR-TO-DATE*	FY 2025-26 SENATE APPROPRIATIONS REC.	CHANGES FROM FY 2024-25 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	550.0	575.0	25.0	4.5
GROSS	156,938,900	159,460,600	2,521,700	1.6
Less:				
Interdepartmental Grants Received	332,400	336,600	4,200	1.3
ADJUSTED GROSS	156,606,500	159,124,000	2,517,500	1.6
Less:				
Federal Funds	20,357,900	20,079,600	(278,300)	(1.4)
Local and Private	21,300	0	(21,300)	(100.0)
TOTAL STATE SPENDING	136,227,300	139,044,400	2,817,100	2.1
Less:				
Other State Restricted Funds	47,170,900	51,972,400	4,801,500	10.2
GENERAL FUND/GENERAL PURPOSE	89,056,400	87,072,000	(1,984,400)	(2.2)
PAYMENTS TO LOCALS	8,800,000	14,400,000	5,600,000	63.6

*As of February 5, 2025.

Major Boilerplate Changes from FY 2024-25 Year-to-Date:

1. **The Senate proposed retention of most sections of FY 2024-25 boilerplate.** They include those concerning discipline prohibition against department employees (Sec. **206**), requiring a restricted fund report (Sec. **212**), maintenance of a scorecard (Sec. **214**), retain all reports (Sec. **218**), spending down of work projects prior to new funds (Sec. **221**), expenditure of remaining ARP funds (revised) (Sec. **223**), grant disbursements/awards transparency (revised) (Sec. **250**), notice to legislature when grants awarded (Sec. **302**), guidelines for climate resiliency activity (revised to cover soil health/regenerative agriculture) (Sec. **502**), ag nutrient best management voluntary practices program report (Sec. **503**), and **NEW** sections, requiring collaboration between LEO and MDARD on the Rural Development Fund Grant Program (Sec. **808**), requiring the monitoring of the impact of recent tariffs instituted by the Federal government (Sec. **1001**).

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FY 2024-25 Year-to-Date Appropriation		\$156,938,900	\$89,056,400		
		CHANGE FROM FY 2024-25 Y-T-D		FY 2025-26 RECOMMENDED APPROPRIATION	
		Gross	GF/GP	Gross	GF/GP
<u>Baseline Adjustments</u>					
1. Accounting Service Center Increase. Senate included \$13,500 in Restricted revenue to cover increased costs for MDOT's accounting service center, which provides services to MDARD.		13,500	0	n/a	n/a
2. Elimination of FY 2024-25 One-Time Appropriations. Senate recommended the elimination of One-Time appropriations from FY 2024-25, including \$5.1 million GF/GP for Agriculture Climate Resiliency, \$2.0 million GF/GP for Animal Disease Prevention and Response, \$500,000 GF/GP for Animal Welfare Grants, \$150,000 GF/GP for the Flint Farmers' Market, \$500,000 GF/GP for Fruit and Vegetable Prescription Program, \$250,000 GF/GP for a Study on Agriculture Stewardship, and \$500,000 GF/GP for Underserved-Owned Food and Agriculture Ventures.		(9,000,000)	(9,000,000)	0	0
3. Economic Adjustments. Senate included \$1,258,100 Gross and \$765,500 GF/GP for total economic adjustments.		1,258,100	765,500	n/a	n/a
<u>New Programs/Program Increases</u>					
4. Protect Michigan's Food Supply. Senate included a new unit that would include 19.0 new FTEs and \$4.0 million gross (\$2.0 million Restricted and \$2.0 million GF/GP) to provide a more proactive approach to biosecurity response and reduce the impact of animal disease in the livestock industry.		4,000,000	2,000,000	4,000,000	2,000,000
5. Plant, Soil, and Pest Diagnosis. Senate included a new unit that would include 4.0 new FTEs and \$900,000 GF/GP in on-going funds to increase department capacity of soil and plant health testing and localized interpretation and consultation. Also included would be \$700,000 GF/GP in one-time appropriations for equipment related to the effort.		900,000	900,000	900,000	900,000
6. Rural Development Grants. Senate included 2.0 FTEs and \$2.0 million in increased Restricted revenue available from the Rural Development Fund to support projects for land-based industries, rural community infrastructure, job training, childcare, housing, and utilities.		2,000,000	0	4,009,500	0
7. MAEAP/Environmental Stewardship. Senate separated from the existing MAEAP/Environmental Stewardship line item the functions of MAEAP and local conservation district program administrative support, along with the Clean Sweep		1,100,000	1,100,000	9,700,000	4,500,000

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	CHANGE FROM FY 2024-25 Y-T-D		FY 2025-26 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
Program, to form a new unit, "MAEAP and Conservation District Support," and adding \$1.0 million GF/GP to the grant program for local conservation districts, bringing that total to \$8.0 million for FY 2025-26, with \$4.0 million GF and \$4.0 Restricted (Freshwater protection Fund) as its fund sources.				
<u>Eliminations/Reductions - NONE</u>				
<u>One-Time Appropriations</u>				
8. Farm to Family – New Farmer Grants. Senate included \$800,000 GF/GP in One-time appropriations to enhance the Farm to Family program's ability to engage and assist new farmers.	800,000	800,000	800,000	800,000
9. Plant, Soil, and Pest Diagnostics. Senate included a One-Time appropriation of \$700,000 GF/GP for equipment required for a new on-going program, Plant, Soil, and Pest Diagnosis.	700,000	700,000	700,000	700,000
10. Agriculture Flooding and Water Control Infrastructure. Senate included \$400,000 GF/GP in One-time appropriations to address flooding issue and water control infrastructure.	400,000	400,000	400,000	400,000
11. Tariff Impacts Monitoring and Evaluation. Senate included \$250,000 GF/GP in One-time appropriations to support the monitoring and evaluation of Federal instituted tariffs.	250,000	250,000	250,000	250,000
12. Horticulture Education Programs. Senate included \$99,900 GF/GP in One-time appropriations to support horticulture educations programs.	99,900	99,900	99,900	99,900
13. Small Farm Tariff Relief Grants. Senate included \$100 placeholder to potentially provide small farm tariff relief.	100	100	100	100
14. Ice Storm Relief for Maple Syrup and Other Agriculture Industries. Senate included \$100 placeholder to potentially support agriculture industries impacted by the 2025 ice storm disaster.	100	100	100	100
Total Changes.....	\$2,521,700	(\$1,984,400)		
FY 2025-26 SENATE APPROPRIATIONS REC.	\$159,460,600	\$87,072,000		

Date Completed: 5-6-25

Fiscal Analyst: Bruce R Baker

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

FY 2025-26 Gross and GF/GP Changes to FY 2024-25

Gov Changes to FY 2024-25					Senate Changes to FY 2024-25		
Item #	Budget Area/Line Items	FTE	GROSS	GF/GP	FTE	GROSS	GF/GP
AGRICULTURE AND RURAL DEVELOPMENT							
Ongoing Changes							
1	Protecting Michigan food supply	27.0	5,500,000	3,500,000	19.0	4,000,000	2,000,000
2	Plant, soil and pest diagnostics	4.0	900,000	900,000	4.0	900,000	900,000
3	Rural development grants		2,000,000	0		2,000,000	0
4	Accounting sevices		13,500	0		13,500	0
5	Environmental stewardship/MAEAP				(27.0)	(10,825,300)	(471,600)
6	Local conservation district grants					(3,000,000)	(3,000,000)
7	MAEAP/Cons district support				6.0	9,600,000	4,400,000
8	Environmental stewardship				21.0	5,424,600	171,600
9	Unclassified salaries		31,000	20,800		31,000	20,800
10	Economic adjustments		1,227,100	744,700		1,227,100	744,700
Subtotal - Ongoing		31.0	9,671,600	5,165,500	23.0	9,370,900	4,765,500
One-Time Changes							
1	Plant, soil and pest diagnostics		700,000	700,000		700,000	700,000
2	Tariff impacts monitoring and evaluation					250,000	250,000
3	Small farm tariff relief grants placeholder					100	100
4	Ice storm relief for maple syrup and other agriculture industries					100	100
5	Farm to family - new family support grants					800,000	800,000
6	Horticulture education programs					99,900	99,900
7	Agricultural flooding and water control infrastructure					400,000	400,000
8	Remove FY25 one-time and supplemental appropriations		(9,000,000)	(9,000,000)		(9,000,000)	(9,000,000)
Subtotal - One-Time		0.0	(8,300,000)	(8,300,000)	0.0	(6,749,900)	(6,749,900)
TOTAL AGRICULTURE AND RURAL DEVELOPMENT		31.0	1,371,600	(3,134,500)	23.0	2,621,000	(1,984,400)