

**Summary: Conference Recommendation
FY 2002-03 Agriculture
HB 5642**

	FTEs	Gross	IDG/IDT	Federal	Local	Private	State Restricted	GF/GP
2001-02 YTD	647.5	\$98,571,100	\$12,108,100	\$5,880,000	\$0	\$1,121,900	\$38,065,100	\$41,396,000
Executive	629.5	97,454,300	10,953,800	6,639,500	0	1,127,600	37,932,400	40,801,000
Exec Change from YTD	(18.0)	(1,116,800)	(1,154,300)	759,500	0	5,700	(132,700)	(595,000)
Exec % Change from YTD	(2.8%)	(1.1%)	(9.5%)	12.9%	0.0%	0.5%	(0.3%)	(1.4%)
House Passed	629.5	98,570,900	10,953,800	6,639,500	0	1,127,600	37,932,400	41,917,600
House Change from YTD	(18.0)	(200)	(1,154,300)	759,500	0	5,700	(132,700)	521,600
House % Change from YTD	(2.8%)	0.0%	(9.5%)	12.9%	0.0%	0.5%	(0.3%)	1.3%
Senate Passed	635.5	110,364,400	12,453,800	6,639,500	0	1,127,600	39,292,400	50,851,100
Senate Change from YTD	(12.0)	11,793,300	345,700	759,500	0	5,700	1,227,300	9,455,100
Senate % Change from YTD	(1.9%)	12.0%	2.9%	12.9%	0.0%	0.5%	3.2%	22.8%
Conference	629.5	96,470,700	10,953,800	6,639,500	0	1,127,600	39,342,400	38,407,400
Conference Change from YTD	(18.0)	(2,100,400)	(1,154,300)	759,500	0	5,700	1,277,300	(2,988,600)
Conference Change from Exec.	0.0	(983,600)	0	0	0	0	1,410,000	(2,393,600)
Conference Change from House	0.0	(2,100,200)	0	0	0	0	1,410,000	(3,510,200)
Conference Change from Senate	(6.0)	(13,893,700)	(1,500,000)	0	0	0	50,000	(12,443,700)

OVERVIEW

The Department of Agriculture promotes agricultural interests of the state and develops safeguards to protect the public from disease and unsanitary conditions in connection with food production and food handling, product labeling, dairy products, animals, and plants. The Department's responsibilities in the field of consumer protection include enforcement of laws relating to food, standard weights and measure, farm produce storage, and dairy products; inspection and enforcement of animal health; control of plant pests and diseases; and inspection of beans and perishable fruits and vegetables. The Department is also charged with regulating Michigan's pari-mutuel horse racing industry through the Office of the Racing Commissioner, a type I agency located in the Department. The Department's mission is: "To serve, promote and protect the agricultural interests of the people of the State of Michigan."

<u>Major Budget Changes from FY 2001-02 YTD Appropriations:</u>		<u>House</u>	<u>Senate</u>	<u>Conference</u>
1. Food Bank	Gross	\$1,000	\$150,000	(\$158,200)
Reduction of grant, to be restored contingent upon passage of cigarette tax.	GF/GP	\$1,000	\$150,000	(\$158,200)
2. Migrant Labor Housing	Gross	\$1,000	\$1,100	\$0
Reduction of grant consistent with current year Executive Order reduction.	GF/GP	\$1,000	\$1,100	\$0
3. NW Michigan Horticultural Station	Gross	\$1,000	\$1,100	\$0
Elimination of program in current year executive order reduction.	GF/GP	\$1,000	\$1,100	\$0
4. Michigan Festivals	Gross	\$1,000	\$0	\$0
Elimination of program in current year executive order reduction.	GF/GP	\$1,000	\$0	\$0
5. Local Conservation Districts	Gross	\$1,000	\$1,000	(\$488,600)
Reduction of grant, to be restored contingent upon passage of cigarette tax.	GF/GP	\$1,000	\$1,000	(\$488,600)
6. Grown in Michigan	Gross	\$1,000	\$1,100	\$0
Elimination of program in current year executive order reduction.	GF/GP	\$1,000	\$1,100	\$0
7. Orchard/Vineyard Removal	Gross	\$1,000	\$1,100	\$0
Elimination of program in current year executive order reduction.	GF/GP	\$1,000	\$1,100	\$0
8. Export Marketing Program Restoration	Gross	\$100,000	\$100,100	\$0
Reduced in current year, this would restore the export program back to prior year levels.	GF/GP	\$100,000	\$100,100	\$0
9. Bovine TB Restoration	Gross	\$1,016,600	\$100	\$0
Restoration of dollars used from TB in a transfer in prior year that was promised back to the program.	GF/GP	\$1,016,600	\$100	\$0
10. Horse Shows	Gross	(\$10,000)	\$76,700	(\$23,300)
Reduction of grant, to be restored contingent upon passage of cigarette tax.	GF/GP	(\$10,000)	\$76,700	(\$23,300)
11. Open Space Development Rights Payments	Gross		\$50,000	\$50,000
Payments in lieu of taxes in the open space program.	GF/GP		\$50,000	\$0
12. Restore UP State Fair GF/GP Funding	Gross		\$167,900	\$0
Executive recommended to eliminate GF/GP.	GF/GP		\$167,900	\$0
13. Fair and festival Promotion	Gross		\$60,000	\$60,000
To be funded from State Services Fee Fund for the State to provide grants to fairs and festivals for promotion.	GF/GP		\$0	\$0
14. Horse Racing/Casino Funding Shift – Various Lines	Gross		\$1,300,000	\$1,300,000
Addition appropriation to the office of racing commissioner, shifting \$1.3 million in Ag Equine revenue.	GF/GP		\$0	\$0
15. Early Retirement Savings	Gross		(\$100)	(\$1,315,500)
Consistent with leadership agreements.	GF/GP		(\$100)	(\$1,315,500)
16. Budgetary Savings – 1.0% of Executive	Gross			(\$408,000)
Consistent with leadership agreements.	GF/GP			(\$408,000)

Major Budget Changes from FY 2001-02 YTD Appropriations:

		<u>House</u>	<u>Senate</u>	<u>Conference</u>
17. Animal Health Diagnostic Lab	Gross	\$1,000	\$3,000,000	\$0
Operational costs.	GF/GP	\$1,000	\$1,500,000	\$0
18. Cooperative Extension Service	Gross	\$1,000	\$4,000,000	\$0
Operational costs.	GF/GP	\$1,000	\$4,000,000	\$0
19. Agriculture Experiment Station	Gross	\$1,000	\$4,000,000	\$0
Operational costs.	GF/GP	\$1,000	\$4,000,000	\$0

Major Boilerplate Changes from FY 2001-02:**GENERAL SECTIONS**

Sec. 201. Payments to Locals. Lists state spending from state resources and state payments to local units of government.

House updates total state spending from state resources under part 1 and state payments to units of local government reflected in the (H-1) version. **Senate** updates total state spending and payments to locals reflected in the (S-1) version. **Conference** includes total state spending and payments to locals reflective of the final conference version.

Sec. 212. Indemnification Payments. Allows the Department to use funds from any line item to provide indemnity of up to \$100,000 per order pursuant to the Animal Industry Act; requires a report; authorizes Department to make indemnification for fair market value of livestock killed by a wolf and allows the Department to use funds from Department of Natural Resources reimbursement for such indemnification; requires retroactive payments for certain indemnification payments; and requires TB work project funds be used.

House retains current law. **Senate** includes livestock killed by coyotes. **Conference** includes the Senate version.

Sec. 218. Program Reports. Requires report on programs funded under Act.

House updates. **Senate** does not include in substitute. **Conference** does not include.

Sec. 221. Early Retirement. Gives hiring priority to food and animal inspection positions as a result of early retirement.

House includes this new language. **Senate** does not include in substitute. **Conference** does not include.

Sec. 222. Legislative Contact. Prohibits disciplinary action from being taken against an employee that communicates with the Legislature.

House includes this new language. **Senate** does not include in substitute. **Conference** does not include.

Sec. 223. Early Retirement. Requires that the early retirement savings associated with the 2002 program be transferred to the appropriate line item by November 15, 2002.

House does not include in substitute. **Senate** includes this new language. **Conference** includes leadership standard language.

EXECUTIVE

Sec. 303. Statistical Reporting Service. Directs use of \$120,000 in statistical reporting service for ongoing rotational crop surveys on fruit, vegetable, and nursery stock.

House retains current law. **Senate** changes the funding to \$90,000. **Conference** includes the Senate version.

Sec. 304. Animal Health Diagnostic Lab. Requires report on programs funded under Act.

House does not include in substitute. **Senate** includes this new language. **Conference** does not include.

FOOD & DAIRY

Sec. 402. Food-borne Outbreaks. Requires Department to report to the Legislature significant food-borne outbreaks, including enforcement activities.

House retains current law, updating the years. **Senate** changes the due date month of the report from February to April.

Conference includes Senate version.

Sec. 405. Local Public Health Funding. Requires the Department, in conjunction with DCH, to have a process in place requiring local units of government to obtain prior departmental approval before reallocating or redistributing program funds.

House does not include in substitute. **Senate** retains current law, renumbering to Sec. 403. **Conference** includes Senate version.

PESTICIDE & PLANT PEST MANAGEMENT

Sec. 502. Use of Disease and Pest Intervention Funds. Requires appropriation for disease and pest intervention fund program to be used by the Department as needed to respond to exotic or regulatory pests or diseases.

House retains current law. **Senate** does not include in substitute. **Conference** does not include.

Major Boilerplate Changes from FY 2001-02:

ENVIRONMENTAL STEWARDSHIP

Sec. 604. Local Conservation Districts. Allocates \$690,000 for district forestry and wildlife programs to assist with private land management; allocates \$130,000 for training; sets \$20,000 as base grant for districts meeting minimum grant requirements; and allocates remainder of funding for competitive grants, requiring at least 100% cash or in-kind local match.

House retains current law. Senate eliminates forestry funding language. Conference includes Senate version.

Sec. 605. Open Space Development Rights Payments. Designates the appropriation in section 106 to reimburse local units of government for lost revenues associated with open space development rights easements. Requires unspent funds to lapse to the general fund at the end of the year.

House does not include in substitute. Senate includes this new language. Conference includes Senate language.

MARKET DEVELOPMENT

Sec. 703. Michigan Grown Commodities. Requires the grown in Michigan appropriation be used for competitive grants to raise in-state consumer awareness of Michigan grown commodities; grants are to be made by the Michigan Commission of Agriculture according to specified priorities; requires that grants be between \$5,000 and \$25,000; requires 50:50 cash match; requires report from the Commission of Agriculture to legislature 10 days prior to making grant.

House retains current law. Senate eliminates specific reference to funding amount. Conference does not include.

Sec. 705. Export Program. Allocates \$200,000 for the coordination of state participation in the federal Market Access Program and for the leveraging of federal funds for the development of new and the enhancement of existing export markets for state agriculture products.

House retains current law. Senate includes technical changes and allocates \$100,000. Conference includes Senate language, with \$100,000 in part 1.

FAIRS AND EXPOSITIONS

Sec. 801. Simulcast Revenue Report. Requires monthly report on simulcasting license fee revenues.

House does not include in substitute. Senate retains current law. Conference includes Senate version.

Sec. 802. Standardbred Purses and Supplements. Directs use of standardbred purses and supplements – licensed tracks appropriation for four races at state licensed pari-mutuel tracks; allocates \$20,600 to Arabian/Appaloosa horse racing and \$61,900 to quarter horse racing.

House updates numbers as stated above. Senate allocates \$23,400 to Arabian and Appaloosa horse racing and \$70,100 for quarter horse racing. Conference includes Senate version

Sec. 808. Youth Show. Requires that \$11,400 from the premiums appropriation be used as a grant to the Michigan horse show association – fall youth show.

House does not include in substitute. Senate eliminates “at the Michigan exposition and fairgrounds.” Conference includes Senate version

Sec. 810. Michigan Festivals. Allocates funding to Michigan festivals contingent on 100% cash or in-kind match.

House retains current law. Senate does not include in substitute. Conference includes Senate version

Sec. 815. Race Meets at County Fairs. Provides \$50,000 to race meet operators for promotions, capital improvements, or operations at race meets which are conducted on facilities leased from county fairs (Jackson, Mt. Pleasant, Saginaw).

House retains current law. Senate reduces amount to \$49,000. Conference includes Senate version

Sec. 816. Fairs and Festivals. Allocates \$60,000 to the Department to provide grants to the industry for statewide volunteer staff education and promotion of commodities.

House does not include in substitute. Senate includes this new language. Conference does not include.

Sec. 817. Horse Shows. Allocates \$100,000 for grants to national or international equine events held at MSU.

House does not include in substitute. Senate includes this new language. Conference does not include.

Supplemental for FY 2001-02:

		<u>House</u>	<u>Senate</u>	<u>Change</u>
<i>Indemnification payments – turkey farm</i>	Gross	\$0	\$235,000	\$235,000
	GF/GP	\$0	\$235,000	\$235,000