

AGRICULTURE

Summary: FY 2008-09 Appropriations

Conference Committee Report for House Bill 5807

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	FY 2007-08 YTD	FY 2008-09 Executive	FY 2008-09 House	FY 2008-09 Senate	FY 2008-09 Conference	Difference: Conference From FY 2007-08 YTD	
						Amount	%
IDG/IDT	\$9,615,400	\$9,539,200	\$9,539,200	\$11,339,200	\$10,539,200	\$923,800	9.6
Federal	21,267,600	14,861,000	14,861,000	14,861,000	16,121,900	(5,145,700)	(24.2)
Local	0	0	0	0	0	0	0.0
Private	233,500	237,200	237,200	237,200	237,200	3,700	1.6
Restricted	46,121,700	45,852,400	45,852,400	45,927,400	48,427,400	2,305,700	5.0
GF/GP	31,158,100	32,490,200	34,453,400	32,490,200	32,488,600	\$1,330,500	4.3
Gross	\$108,396,300	\$102,980,000	\$104,943,200	\$104,855,000	\$107,814,300	(\$582,000)	(0.5)
FTEs	692.5	599.5	599.5	599.5	600.5	(92.0)	(13.3)

Note: FY 2007-08 figures reflect supplementals and Executive Order (EO) actions through June 27, 2008.

Overview

The Department of Agriculture promotes Michigan agricultural products and protects the public from disease and unsanitary conditions in food production and handling; regulates product labeling and producer practices for dairy products, animals, and plants; and enforces consumer protection laws in food, standard weights/measures, animal health, plant pests, and diseases.

The **Executive** proposed a continuation budget with no new programs or revenue. With the exception of the \$1.7 million GF/GP increase in the Bovine TB program, a \$15,000 GF/GP increase in Commissions and Boards, and a \$163,400 GF/GP reduction in Management services, line item changes primarily reflected economic adjustments and/or adjustment of estimated restricted or federal revenue.

The **House** adopted the Executive recommendation with regard to line item appropriations with two exceptions; the House included two line items which were not included in the Executive budget: \$1.0 million (GF/GP) for the Cooperative Resources Management Initiative program; and \$963,200 (GF/GP) for the Building and Track Improvement line. The House bill was \$1.9 million higher than the Executive budget both in total and for GF/GP appropriations.

The **Senate** adopted the Executive recommendation with regard to line item appropriations except as follows: The Senate included \$75,000 in Cervid fee revenue in Animal health and welfare; redirected \$1.2 million in Agriculture Equine Industry Development Fund (AEIDF) revenue from Bovine TB programs to Horse program line items; added a \$100 placeholder for a new Fruit and Vegetable testing line item; included a \$1.8 million IDG from DNR for the Cooperative Resources Management Initiative program; added a \$100 placeholder for the Building and Track Improvement line. The Senate bill was \$1.9 million higher than the Executive budget in total, and identical with the Executive for GF/GP appropriations.

The **Conference** report differs from the Executive recommendation with regard to the following line item appropriations:

- Concurred with the Senate's inclusion of \$75,000 in Cervid fee revenue in Animal industry.
- Redirects \$1,471,600 in Agriculture Equine Industry Development Fund (AEIDF) revenue from Bovine TB program to Horse program line items (\$991,600), and to Building and Track Improvement line (\$480,000).
- Includes \$10,900 in anticipated federal revenue in Bovine TB program.
- Includes \$1.0 million IDG from DNR for Cooperative Resources Management Initiative (CRMI) program.
- Includes a new \$130,000 GF/GP line item for Water Withdrawal Assessment Program.
- Reflects \$53,700 GF/GP reduction in several program lines for reduced employee health care (HMO savings) costs.
- Takes GF/GP baseline program reductions to Food and Dairy, Environmental Stewardship, and Laboratory programs of \$30,000; \$30,000, and \$17,900, respectively, to attain GF/GP target.
- Includes \$3.8 million for Capital Outlay/Farmland Preservation (\$1.25 million federal, \$2.5 million Ag Preservation Fund).

Major Budget Changes From FY 2007-08 YTD Appropriations		FY 2007-08 YTD	Conference Change From YTD
1. Commissions and Boards	Gross	\$17,800	\$15,000
Appropriates \$32,800; restores GF/GP support which was eliminated in the current year budget.	Restricted	17,800	0
	GF/GP	\$0	\$15,000
2. Executive Direction	FTEs	10.0	0.0
Line reflects economic increase of \$29,700, and \$263,700 reduction related to transfer of internal audit function to a new line.	Gross	\$1,157,900	(\$235,300)
Conference: Reduces GF/GP by \$1,300 for HMO savings.	Restricted	105,400	2,600
	GF/GP	\$1,052,500	(\$237,900)
3. Management Services	FTEs	31.5	(7.5)
Line reflects economic increase of \$55,700, a \$594,300 reduction related to transfer of human resource functions out of the department, and a \$163,400 GF/GP baseline reduction.	Gross	\$2,430,800	(\$705,000)
Conference: Reduces GF/GP by \$3,000 for HMO savings.	Restricted	418,600	(282,100)
	GF/GP	\$2,012,200	(\$422,900)
4. Agricultural Statistics	FTEs	2.0	(1.0)
Economic increase; recognizes that funding only supports one FTE position.	Gross	\$137,600	\$6,100
Conference: Reduces GF/GP by \$100 for HMO savings.	Restricted	75,000	3,400
	GF/GP	\$62,600	\$2,700
5. Food Safety and Quality Assurance (Food and Dairy)	FTEs	107.0	8.0
This program receives the largest share of GF/GP funding in this budget. Executive proposal reflected economic increases only.	Gross	\$12,654,600	(\$56,600)
Conference: Reduces GF/GP by \$14,500 for HMO savings; GF/GP baseline reduction of \$30,000 to hit GF/GP target.	Federal	434,300	(26,900)
	Restricted	3,013,200	(24,400)
	GF/GP	\$9,207,100	(\$5,300)
6. Animal Health and Welfare (Animal Industry)	FTEs	21.5	0.0
Executive proposal reflected economic decrease adjustment of \$21,300 as well as elimination of \$75,000 IDG from DNR for captive cervid program, added in current year budget.	Gross	\$2,407,400	(\$25,200)
Conference: Reduces GF/GP by \$2,700 for HMO savings, concurs with Senate to include cervid fees as direct fund source.	IDG	75,000	(75,000)
	Federal	469,300	(4,200)
	Restricted	166,100	74,000
	GF/GP	\$1,697,000	(\$20,000)
7. Bovine Tuberculosis (Animal Industry)	FTEs	36.5	12.0
This program is second in GF/GP support within this budget. Executive proposal reflects economic increase of \$99,800; increase in baseline GF/GP support of \$1.7 million. The Executive would retain \$2.1 million in funding from the Agriculture Equine Industry Development Fund (AEIDF).	Gross	\$7,092,200	\$333,000
Conference: Redirects \$1,471,600 AEIDF – \$480,000 to Building & track improvements, county and state fairs; \$991,600 to Horse programs. Reduces GF/GP by \$6,100 for HMO savings; recognizes \$10,900 additional federal revenue.	Federal	730,800	19,200
	Restricted	2,125,400	(1,471,600)
	GF/GP	\$4,236,000	\$1,785,400
8. Pesticide and Plant Pest Management (PPPM)	FTEs	116.8	(6.8)
Executive proposal included economic increase of \$13,700; reduced federal revenue by \$1.4 million to better align budget with actual anticipated revenue. The Executive budget retained \$200,000 in pesticide license fee revenue in baseline. This revenue, which replaced GF/GP in the current year budget, anticipated the passage of Senate Bill 682.	Gross	\$13,573,200	(\$1,400,200)
Conference: Reduces GF/GP by \$13,900 for HMO savings.	Federal	3,842,200	(1,394,500)
	Private	147,700	300
	Restricted	5,162,000	3,100
	GF/GP	\$4,421,300	(\$9,100)
9. Emerald Ash Borer Program	FTEs	112.0	(87.5)
Appropriates \$5.2 million; supported by federal revenue. Economic increase of \$15,100; continuing reduction in federal support for this program reflected in \$5.0 million reduction. The appropriation for this program had been as much as \$25 million in FYs 2003-04 and 2004-05.	Gross	\$12,946,000	(\$4,984,900)
	Federal	12,946,000	(4,984,900)
10. Fruit and Vegetable Processing Inspections	Gross	\$0	\$0
Conference: Did not include new line item which had been added in the Senate-passed bill.	Federal	0	0

Major Budget Changes From FY 2007-08 YTD Appropriations	FY 2007-08 YTD	Conference Change From YTD
11. Environmental Stewardship	FTEs 30.2	(3.2)
The Executive proposal reflected economic adjustments only.	Gross \$2,857,300	(\$45,800)
Conference: Reduces GF/GP by \$3,400 for HMO savings; reduces GF/GP baseline by \$30,000 to hit GF/GP target.	IDG 269,800	(1,200)
	Federal 232,500	48,800
	Restricted 50,000	(50,000)
	GF/GP \$2,305,000	(\$43,400)
12. Technical Assistance Match	Gross \$300,000	\$0
Retains funding for technicians (working out of local conservation districts) who assist farmers and landowners in completion of federally-funded Natural Resources Conservation Service (NRCS) contracts. Line was new in current year budget.	GF/GP \$300,000	\$0
13. Local Conservation Districts	Gross \$916,800	\$0
Retains funding at current year level.	GF/GP \$916,800	\$0
14. Migrant Labor Housing	Gross \$425,100	\$0
Retains funding at current year level. Restricted funds represent Migrant labor housing fund established under 2005 PA 43.	Federal 400,000	0
	Restricted 25,000	0
	GF/GP \$100	\$0
15. Cooperative Resources Management Initiative	Gross \$0	\$1,000,000
This program supports forestry services provided out of local conservation districts. The Governor vetoed a \$1.0 million appropriation from the current year budget.	IDG 0	1,000,000
Conference: Includes \$1.0 million as an IDG from the DNR.	GF/GP \$0	\$0
16. Water Withdrawal Assessment Program – NEW	Gross \$0	\$130,000
Conference: Adds new line per target agreement.	GF/GP \$0	\$130,000
17. Laboratory Services	FTEs 60.5	2.5
The Executive proposal reflects economic adjustments only.	Gross \$6,336,400	(\$17,600)
Conference: Reduces GF/GP by \$7,900 for HMO savings; reduces GF/GP baseline by \$17,900 to hit GF/GP target.	IDG 189,100	0
	Federal 916,200	0
	Restricted 2,272,000	4,400
	GF/GP \$2,959,100	(\$22,000)
18. Consumer Protection Program	FTEs 67.5	(16.5)
Supports motor fuel quality, weights and measures, and metrology laboratory. Reflects economic adjustments.	Gross \$5,128,700	\$6,500
	Restricted 5,128,500	6,300
	GF/GP \$200	\$200
19. Agriculture Development	FTEs 5.0	1.0
Reflects economic adjustments.	Gross \$1,070,200	\$1,800
Conference: Reduces GF/GP by \$800 for HMO savings.	Private 10,800	0
	Federal 274,400	800
	Restricted 605,700	700
	GF/GP \$179,300	\$300
20. Michigan Agricultural Surplus System (Food Bank)	Gross \$630,500	\$0
Retains current year funding and fund sources.	IDG 150,000	0
	GF/GP \$480,500	\$0
21. Building and track improvement – county and state fairs	Gross \$0	\$480,000
The House restored funding for this grant program which had been eliminated in the current year budget. The Senate included a \$100 placeholder.	Restricted 0	480,000
Conference: Includes \$480,000 from AEIDF.	GF/GP \$0	\$0

Major Budget Changes From FY 2007-08 YTD Appropriations	FY 2007-08 YTD	Conference Change From YTD
22. Horse Industry Programs	Gross \$10,160,300	\$991,600
The Executive and House would maintain current year appropriation of \$10.2 million from the AEIDF for various horse programs/purses/awards. The Senate included an additional \$1,183,600 AEIDF redirected from Bovine TB programs.	Restricted 10,160,300	991,600

Conference: Includes an additional \$991,600 from AEIDF over the current year and the Executive Recommendation. This amount is \$192,000 less than the Senate-passed bill.

	FY 2007-08	FY 2008-09
	YTD	Conference
Purses and supplements - fairs/licensed tracks	2,370,000	2,601,300
Licensed tracks - light horse racing	132,000	144,900
Standardbred breeders' awards	969,000	1,063,600
Standardbred purses and supplements - licensed tracks	1,789,300	1,963,900
Standardbred sire stakes	810,000	889,100
Thoroughbred sire stakes	830,000	911,000
Standardbred training and stabling	36,000	39,500
Thoroughbred program	2,400,000	2,634,200
Thoroughbred owners' awards	124,000	136,100
Distribution of outstanding winning tickets	700,000	768,300
Total	\$10,160,300	\$11,151,900

23. Capital Outlay: Farmland and Open Space Development Acquisition	Gross	N/A	\$3,750,000
	Federal	N/A	1,250,000
	Restricted	N/A	2,500,000
	GF/GP	N/A	\$0

24. Economics	Gross	N/A	\$184,200
Provides \$280,000 net for employee related economic increases, including salaries and wages, insurance, and retirement contributions. Offset in part by \$98,600 reduction in estimated building occupancy costs.	IDG	N/A	(1,200)
	Federal	N/A	20,400
	Private	N/A	3,700
	Restricted	N/A	27,800
	GF/GP	N/A	\$133,500

Major Boilerplate Changes From FY 2007-08

Sec. 201. Total State Payments and Report to Locals – MODIFIED

Identifies payments of state funds to local units of government from the funds appropriated. Updated to reflect Part 1 appropriations.

Sec. 202. Management and Budget Act – RETAINED

Subjects authorized appropriations to the Management and Budget Act.

Sec. 203. Abbreviations – MODIFIED

Defines abbreviations; includes DHS.

Sec. 204. Civil Service Charge – MODIFIED

Requires Department of Civil Service to bill departments at the end of the first fiscal quarter for 1% charge authorized in the Constitution; requires payment by the end of the second fiscal quarter. Replaces "Department of Civil Service" with "Civil Service Commission."

Major Boilerplate Changes From FY 2007-08

Sec. 205. Hiring Freeze – RETAINED

Imposes a hiring freeze on state classified civil service.

Sec. 208. Internet Reporting – RETAINED

Requires Department to use the Internet to fulfill reporting requirements.

Sec. 209. Buy American – RETAINED

Prohibits purchase of foreign goods and services when competitively-priced American goods and services are available. Requires that preference be given to Michigan businesses and Michigan businesses owned and operated by veterans.

Sec. 210. Deprived/Depressed Communities – RETAINED

Requires director to take reasonable steps to ensure businesses in depressed communities compete for/perform contracts to provide services and supplies, and to encourage contractors to subcontract with such businesses. Executive makes minor language modification; House/Senate retain current language.

Sec. 212. Indemnification Payments – RETAINED

Authorizes Department to provide for indemnity pursuant to Animal Industry Act; limits indemnification orders to \$100,000 per order; requires report on reason for, amount of, and person to whom indemnification is to be paid. Subsection (2) authorizes Department to indemnify for livestock killed by wolves, coyotes, or cougars and to expend funds received from Department of Natural Resources for indemnification payments made pursuant to this section. The Executive would delete subsection (2); House/Senate retain current language.

Sec. 214. Grants Reporting – RETAINED

Requires ten-day notice to House and Senate appropriations subcommittees on Agriculture when a grant is made from any line item other than a grant line item. Executive deletes. House/Senate retain current language.

Sec. 219. Information Technology – RETAINED

Requires Department to pay user fees to DIT subject to provisions of interagency agreement. Executive makes minor language change; House/Senate retain current language.

Sec. 220. Information Technology Work Projects – RETAINED

Authorizes carryforward of funds for technology projects.

Sec. 223. Out-of-State Travel Restriction – RETAINED

Requires a report and places limits on all out-of-state travel. Executive includes reference to current fiscal year and minor language change. The House retains current year language. Senate adopts current year for subsection 1, Executive for subsection 2. **Conference adopts Senate language.**

Sec. 224. Employee Discipline – MODIFIED

Prohibits disciplinary action against an employee for communicating with a member of the Legislature. Not included in Executive budget. House adds "truthfully and to the best of his or her knowledge." Senate adopts House language.

Sec. 225. Agriculture and Livestock Education Pavilion – RETAINED

Indicates legislative intent that Department explore opportunities to expand facilities and size of MSU Pavilion for Agriculture and Livestock Education. Not included in Executive budget. House/Senate retain current language.

Sec. 227. Return on Investment – MODIFIED

Requires summary report on real and potential return on investment for each of Department's programs. Not included in Executive budget. House modifies as follows:

"On or before April 1, 2009, the department shall report to the state budget director, the senate and house of representatives appropriations committees on agriculture, and the senate and house fiscal agencies on the impact of major department program areas on Michigan agriculture, environmental protection, and consumer protection. The report shall include a comparison of program expenditures with the estimated economic impact of programs, either in terms of actual federal or private funds leveraged or the potential economic loss of not performing the program functions." Senate adopts House language.

Sec. 228. Contingency Appropriations – RETAINED

Includes \$5.0 million federal, \$6.0 million state restricted, and \$100,000 each local and private.

Sec. 229. Impact of New Legislation and Administrative Rules – MODIFIED

Requires Department to report on policy changes made to implement enacted legislation; prohibits disproportionate impact on small businesses. Not included in Executive budget or House bill. Senate retains.

Conference: Adopts new Target language.

Major Boilerplate Changes From FY 2007-08

Sec. 230. Hire of Outside Legal Counsel – RETAINED

Prohibits state departments from hiring legal services that are the responsibility of the attorney general.

Sec. 231. Management Service – RETAINED

Establishes baseline level of direct service Department employees.

Not included in Executive budget. House/Senate retain current language.

Sec. 232. Implement Continuous Improvements – RETAINED

Requires report by Department director on continuous improvement.

Not included in Executive budget. House/Senate retain current language.

Sec. 233. Expenditure Website – NEW

Requires department to develop, post, and maintain, on a publicly accessible Internet site, all expenditures made by the agency within a fiscal year, including the purpose for which each expenditure is made.

Conference: Not included per Target agreement.

Sec. 234. Travel to Out-of-State Training – NEW

Conference: Adopts new Target language.

Sec. 235. C. S. Mott Group – NEW

Allows the department to provide funds to C. S. Mott group from sustainable food systems at MSU to plan coordinate and leverage federal funds to enhance local markets.

Conference: Adopts Senate language.

Sec. 301. Commission and Boards – NOT INCLUDED

Sets the per diem rates for commodity boards. Not included.

Sec. 302. Miscellaneous Expenditures – RETAINED

Allows Department to receive/expend revenue to cover expenses related to publications, audits, sales, inspections, and other Department functions; requires legislative notification 30 days prior to proposing fee increases; requires annual report on fees charged by Department. The Executive deletes subsections 2 and 3 which establish notification and reporting requirements. House/Senate retain current language.

Sec. 304. Motor Fuel Quality Inspector – RETAINED

Requires Department to maintain motor fuel quality program at FY 2006-07 level of effort and requires that Department maintain additional field and laboratory staff for the motor fuel quality program.

Not included in Executive budget; House/Senate retain current language.

Sec. 306. Matching Funds for Agriculture Statistics Studies – RETAINED

Requires industry matching funds for study costs.

Not included in Executive budget; House/Senate retain current language.

Sec. 401. Restaurant Inspection and Licensing – RETAINED

Requires Department to monitor restaurant inspection/licensing activities conducted by locals and report to Legislature.

The Executive deletes reporting requirement and subsection 2 requiring state reimbursement of local costs of food-borne illness outbreak; House/Senate retain current language.

Sec. 402. Food Safety – RETAINED

Requires Department to provide reports on food-borne outbreaks and emergencies related to food safety.

Not Included in Executive Budget; House/Senate retain current language. *[updates fiscal year reference]*

Sec. 403. Local Programs – RETAINED

Requires that local units of government obtain permission from the Department prior to moving or reallocating program funds appropriated in section 104. Not included in Executive budget or House substitute.

Conference: Concurs with Senate and retains.

Sec. 404. Consumer and Industry Food Education Fund – RETAINED

Requires that not less than \$150,000 from the fund be expended for purposes required under Section 4114 of the Food Act of 2000. (House/Senate bill make minor change in statute reference per LSB.)

Sec. 406. Food Safety FTEs – RETAINED

Exempts food and dairy inspectors from hiring freeze.

Not included in Executive budget; House/Senate retain current language.

Sec. 407. Carry Forward for Food and Dairy E-inspector Program – RETAINED

Directs that funds from FY 2006-07 budget not lapse, but be carried forward as a work project for the e-inspector program.

Not included in Executive budget. House/Senate retain current language.

Major Boilerplate Changes From FY 2007-08

Sec. 450. Bovine Tuberculosis – RETAINED

Requires Department to reimburse DNR for mutually-agreed-to bovine tuberculosis costs.

Sec. 451. Bovine Tuberculosis Split State Status – RETAINED

Requires Department to pay for all whole-herd and individual-animal testing costs to maintain split-state status, including indemnity.

Sec. 452. Bovine TB – RETAINED

Requires Department to apply for all available federal funds to support program.
Not included in Executive budget; House/Senate retain current language.

Sec. 454. Bovine TB – RETAINED

Directs Department to collaborate with USDA and work to eradicate Bovine TB.
Not included in Executive budget; House/Senate retain current language.

Sec. 455. Cattle ID – RETAINED

Directs Department to prepare a plan to provide for cattle without identification in saleyard.
Not included in Executive budget; House/Senate retain current language.

Sec. 456. Electronic Animal Identification – RETAINED

Prohibits use of funds to enforce electronic ID program for domestic animals other than cattle without specific authorization in statute. Not included in Executive budget. House/Senate retain current language.

Sec. 457. Bovine TB Report – MODIFIES

Requires monthly report on Bovine TB program. Not included in Executive budget; the House substitute retains (updates report due date references). Senate modifies to quarterly report.

Conference: Concurs with Senate and modifies to quarterly report.

Sec. 458. Aquaculture and Viral Hemorrhagic Septicemia (VHS) Eradication Programs – RETAINED

Requires Department support for inspection and testing of aquaculture facilities; states legislative intent with regard to VHS surveillance program. Not included in Executive budget. House/Senate retain current language.

Sec. 459. Bovine TB FTEs – RETAINED

Exempts Bovine TB program from hiring freeze. Not included in Executive budget.
House/Senate retain current language.

Sec. 460. Agriculture Equine Fund Reductions Prorated Reductions – NEW

Requires that department make proportionate reductions in all appropriations from the AEIDF if revenue falls.

Conference: Modifies Senate language.

Sec. 501. Laboratory Services – RETAINED

Provides a sufficient amount from licensing and inspection fees to provide for animal feed testing programs.
Not included in Executive budget. House/Senate retain current language.

Sec. 502. Pesticide and Plant Pest Management (PPPM) Fees – NOT INCLUDED

States legislative intent that GF/GP reductions be offset by increased commodity inspection fees.
Not included.

Sec. 603. Migrant Labor Housing – RETAINED

Requires Department to apply for any available federal funds to support the migrant labor housing program.
Not included in Executive budget. House/Senate retain current language.

Sec. 604. Local Soil Conservation Districts – RETAINED

Allocates \$11,605 per local conservation district.

Sec. 605. Technical Assistance Match – RETAINED

Appropriates \$300,000 to fund local conservation district technical assistance for contracts under Farm Bill of 2002.
Not included in Executive budget. House/Senate retain current language.

Sec. 606. Environmental Quality Incentives – RETAINED

Requires the department to actively search for all possible funding sources to be used to match federal funds in the USDA environmental quality incentives program.
Not included in Executive budget. House/Senate retain current language.

Sec. 607. Inter-County Drain Program – RETAINED

Indicates legislative intent that Department continue its activities as provided under the Drain Code.
Not included in Executive budget. House/Senate retain current language.

Major Boilerplate Changes From FY 2007-08

Sec. 702. Food Bank – RETAINED

Allows the Food Bank Council to expend unused funds for direct food purchase.

Sec. 703. Northwest Michigan Horticultural Research Station – NOT INCLUDED

This section was vetoed by Governor from current year budget. Not included.

Sec. 705. Export Market – RETAINED

Directs state funding to be used to leverage export marketing programs offered by the federal government.

Not included in Executive budget. House/Senate retain current language.

Sec. 706. Agricultural Development – RETAINED

Requires Department to report on agricultural development and export market development activities.

Not included in Executive budget. House/Senate retain current language. *[updates report due date]*

Sec. 707. Agricultural Development Fund Grants – RETAINED

Requires Department, in awarding grants from the fund, to give due consideration to the diversity of Michigan agriculture and its economic importance.

Not included in Executive budget. House/Senate retain current language.

Sec. 708. Agricultural Development Fund – RETAINED

Authorizes Department to receive and expend monies from the fund.

Not included in Executive budget. House/Senate retain current language.

Sec. 709. Grape and Wine Industry Council – RETAINED

Requires Department to provide report describing activities of the council.

Not included in Executive budget. House/Senate retain current language. *[updates report due date]*

Sec. 710. Export Markets – RETAINED

Allows Department to match external funding for domestic and international marketing programs to develop new and enhance existing export markets for Michigan agricultural products.

Sec. 711. Michigan Strategic Fund – NEW

Indicates legislative intent that MSF work with MDA to promote Michigan agriculture.

Conference: Adopts Senate language

Sec. 712. Specialty Crop – NOT INCLUDED

Requires 20% of Department applications for USDA specialty block grants be for support of farm markets and agriculture tourism. Not included in Executive budget or House substitute.

Conference: Concurs with House (not included)

Sec. 801. State Simulcasting Tax Revenue Report – MODIFIED

Requires Department to submit a monthly report on state simulcasting tax revenue and license fees.

Not included in Executive budget. The House modifies as follows:

"Within sixty days of the close of each fiscal quarter, the department shall report to the state budget director, the senate and house of representatives appropriations committees on agriculture, and the senate and house fiscal agencies on the agriculture equine industry development fund established in the Horse Racing Law of 1995 (PA 279 of 1995). The report shall identify actual revenue and fund balance through the preceding fiscal quarter and estimated revenue and fund balance through the end of the fiscal year. The report shall identify simulcast racing revenue generated by each licensed track, license fees, and revenue generated from the casino wagering tax." Senate adopts House language.

Sec. 802. Purses and Supplements - Licensed Tracks – RETAINED

Reduces boilerplate earmark from \$280,000 to \$220,000 from the AEIDF.

Sec. 803. Thoroughbred Program Tracks – RETAINED

Provides funds from Thoroughbred program line to Michigan United Thoroughbred Breeders and Owners Association to conduct a thoroughbred yearling show. Reduces from \$30,500 to \$23,500 funds from AEIDF.

Sec. 804. Thoroughbred Owners Awards – RETAINED

Provides funding for thoroughbred owners' awards; references Horse Racing Law of 1995.

Sec. 805. Agriculture Equine Fund Reduction Report – MODIFIES

Requires Department to notify Legislature ten days prior to reductions in appropriations, allocations, or expenditures from the Agriculture Equine Industry Development Fund. Not included in Executive budget. The House substitute retains. Modified by Senate.

Conference: Adopts Senate language

Major Boilerplate Changes From FY 2007-08

Sec. 806. Fairs – RETAINED

Requires fairs to publish rules and guidelines for exhibits eligible for state premiums; establishes grievance procedures.

Sec. 807. Purse Supplements – RETAINED

Provides for overnight purse supplements.

Sec. 808. Livestock and Equine Exhibits – RETAINED

Allocates \$91,400 from Premiums-county and state fairs line item for grants for large livestock and equine exhibitors, including Michigan Horse Show Association's Fall Youth Show.

Sec. 809. Youth in Agriculture – RETAINED

Allocates \$40,000 from Premiums-county and state fairs line for a grant to promote youth involvement and adult exhibitions in the animal agriculture industry.

Sec. 811. Outstanding Unclaimed Tickets – RETAINED

Prohibits using funds for distribution of outstanding winning tickets until they are deposited in the Agriculture Equine Industry Development Fund. Department is to provide ten-day notice before funds are spent. Not included in Executive budget. House/Senate retain current language.

Sec. 813. Building and Track Improvement – NOT INCLUDED

States legislative intent to restore line next year.

Sec. 901. Criminal Activity Information Rewards – RETAINED

Allows racing commissioner to pay rewards up to \$5,800 to individuals who provide information on criminal activity involving the horse racing industry.

Sec. 902. Thoroughbred Program Escrow – RETAINED

Provides for "escrowing" of funds for thoroughbred program.

Not included in Executive budget. House/Senate retain current language. *[updated to reflect 2008-09 fiscal year]*

Sec. 903. Audit of Licensed Tracks – NEW

Requires Office of Racing Commissioner to perform audits.

Conference: Adopts Senate language

CAPITAL OUTLAY – NEW per Target Agreement

Sec. 1001 Farmland and Open Space Development Rights – NEW

Indicates that the appropriation for farmland and open space development acquisition shall be used for the purchase of development rights and the awarding of grants by the agriculture preservation fund board under the natural resources and environmental protection act.
324.90106.

Conference: Adopts language from previous Capital Outlay bills.

Sec. 1002 Provisions Regarding Lump Sum Payments – NEW

Indicates that the director shall allocate lump-sum appropriations made in this act consistent with statutory provisions and the purposes for which funds were appropriated. Limits lump sum appropriation carry forward to no more than 3 fiscal years following appropriation and provides for lapse of funds to original fund source per DMB Act.

Conference: Adopts standard language from previous Capital Outlay bills.

Sec. 1003 Provisions Regarding Carry Forward Authority – NEW

Provides for appropriation carry-forward authority per DMB Act.

Conference: Adopts standard language from previous Capital Outlay bills.