

FY 2021-22: AGRICULTURE AND RURAL DEVELOPMENT

Summary: House Subcommittee Chair's Recommendation

House Bill 4394 (H-2)



Analyst: William E. Hamilton

	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Executive	FY 2021-22 House	FY 2021-22 Senate	FY 2021-22 Conference	Difference: House From FY 2020-21 YTD	
						Amount	%
IDG/IDT	\$324,400	\$320,000	\$80,000	\$	\$	(\$244,400)	(75.3)
Federal	13,129,500	13,599,800	3,400,300			(9,729,200)	(74.1)
Local	0	0	0			0	--
Private	71,300	71,300	17,800			(53,500)	(75.0)
Restricted	44,153,000	44,377,300	11,051,200			(33,101,800)	(75.0)
GF/GP	63,616,800	57,883,900	14,672,900			(48,943,900)	(76.9)
Gross	\$121,295,000	\$116,252,300	\$29,222,200	\$	\$	(\$92,072,800)	(75.9)
FTEs	525.0	526.0	517.0			(8.0)	(1.5)

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

Michigan Department of Agriculture and Rural Development (MDARD) key programs and priorities include ensuring food safety and security, protecting animal health and welfare, managing invasive exotic species, regulating pesticide use, certifying agricultural commodities, ensuring environmental stewardship, consumer protection, and promoting the state's agricultural economy.

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Change
--	---	-------------------------------

Major Budget Changes from FY 2020-21 YTD Appropriations

The House Subcommittee Recommendation appropriates one quarter of the anticipated annual appropriation. For major budget changes listed below the quartered appropriations are annualized for comparison purposes.

1. Unclassified Salaries	FTE	6.0	(5.0)
<u>House</u> eliminates funding for five of the six unclassified positions recognized in the current-year budget.	Gross	\$599,900	(\$444,500)
	GF/GP	\$599,900	(\$444,500)
2. Information Technology	Gross	\$2,068,200	\$254,900
<u>Executive</u> provides ongoing funding for support and maintenance of licensing and inspection systems. <u>House</u> concurs.	IDG	3,200	0
	Restricted	205,800	44,900
	GF/GP	\$1,859,200	\$210,000
3. Michigan Animal Agriculture Alliance	Gross	\$3,000,000	\$0
<u>Executive</u> includes \$1.7 million GF/GP for a Michigan State University (MSU) animal agriculture research grant program, a \$1.3 million reduction from current year. <u>House</u> retains current-year funding level, \$3.0 million GF/GP.	GF/GP	\$3,000,000	\$0
4. Laboratory Services	FTE	108.5	0.0
<u>Executive</u> recognizes a \$600,000 federal Health and Human Services/Food and Drug Administration grant to support integrated food safety system. <u>House</u> concurs.	Gross	\$17,752,400	\$600,000
	IDG	227,800	0
	Federal	2,817,600	600,000
	Restricted	7,389,900	0
	GF/GP	\$7,317,100	\$0
5. Qualified Forest Program	FTE	9.0	(3.0)
<u>House</u> reduces baseline funding by \$491,500 GF/GP and reduces FTE authorization by 3.0 FTEs.	Gross	\$2,662,800	(\$491,500)
	Restricted	1,080,100	0
	GF/GP	\$1,582,700	(\$491,500)

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Change
6. Office of Rural Development	FTE	0.0	0.0
<u>Executive</u> proposed using \$175,000 from the Rural Development Fund to support 1.0 FTE position, and related costs, in a new Office of Rural Development. The <u>Executive</u> also requested a current year supplemental appropriation for this position. <u>House</u> does not include.	Gross	\$0	\$0
	Restricted	0	0
	GF/GP	\$0	\$0
7. County Fairs	Gross	\$500,000	\$491,500
<u>House</u> increases baseline funding for county fair grant program to \$991,500 GF/GP, a \$491,500 increase.	GF/GP	\$500,000	\$491,500
8. End of One-Time CREP Funding	Gross	\$4,400,000	(\$4,400,000)
<u>Executive</u> eliminated \$4.4 million GF/GP one-time appropriation for the Conservation Reserve Enhancement Program (CREP), a targeted environmental protection program. <u>House</u> concurs and does not include this one-time item in FY 2021-22 baseline.	GF/GP	\$4,400,000	(\$4,400,000)
9. Technical Fund Source Adjustments	Gross	NA	(\$3,900)
<u>Executive</u> and <u>House</u> adjust fund sourcing in some lines to better reflect actual available revenue.	IDG	NA	(3,200)
	Federal	NA	(101,800)
	Restricted	NA	101,100
	GF/GP	NA	\$0
10. Economic Adjustments	Gross	NA	(\$415,700)
Reflects net decrease of \$415,700 Gross (\$289,900 GF/GP). Budgeted increases for salaries and wages (negotiated 2.0% increase on October 1, 2021 and 1.0% on April 1, 2022), and increases related to actuarially required retirement contributions, worker's compensation, and building occupancy charges, are offset by a reduction in calculated contributions for retiree medical benefits. <u>Executive</u> and <u>House</u> include.	IDG	NA	(1,200)
	Federal	NA	(27,900)
	Restricted	NA	(96,700)
	GF/GP	NA	(\$289,900)

Major Boilerplate Changes from FY 2020-21

Sec. 215. Communication with the Legislature – RETAINED

Executive deletes section that prohibits department from taking disciplinary action against an employee for communicating with the Legislature. House retains.

Sec. 216. Report on FTE Positions and Remote Work – RETAINED

Executive deletes reporting requirement on staffing levels in relation to FTE authorization; employees authorized to work remotely; and related cost savings. House retains.

Sec. 217. Work Project Limits – RETAINED

Executive deletes section that requires that work project balances be exhausted before expenditure from part 1 appropriations. House retains.

Sec. 218. State Administrative Board Transfers – RETAINED

Executive deletes section that provides for the legislature to intertransfer funds within departmental budget if the State Administrative Board transfers funds from an appropriation within this departmental budget. House retains.

Sec. 220. Impact of New Legislation – RETAINED

Executive deletes section that requires a report on specific policy changes made to implement new public acts enacted in prior calendar year. House retains.

Sec. 221. Severance Pay Report – NEW

House includes new reporting requirements related to severance pay paid to department personnel upon the termination of employment.

Sec. 222. Prohibition on Covid-19 Passport – NEW

House includes restrictions on the use of Covid-19 "passports" to document vaccination status.

Sec. 402. Grocery Store Inspection Report – NEW

House includes new quarterly reporting requirement for grocery inspection program.