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BILL ANALYSIS

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Senate Bill 222 (S-1 as passed by Senate)  
Committee: Appropriations

**FY 2006-07 Year-to-Date Gross Appropriation ..... \$110,232,000**

**Changes from FY 2006-07 Year-to-Date:**

- 1. **Local Conservation Districts.** Gov. eliminated funding for the program. Senate restored partial funding. (600,000)
- 2. **Intercounty Drain Program.** Gov. eliminated funding and 5.0 FTE positions for the program. Senate provided a placeholder. (469,200)
- 3. **Agricultural Statistics.** Gov. reduced funding for this program and eliminated 3.0 FTE positions. Senate reduced the program further to provide for 90 days of funding to complete current projects. (286,000)
- 4. **Aquaculture and Cervid Culture Program.** Gov. eliminated GF/GP funding and 3.0 FTE positions. Senate restored partial funding, eliminated 1.0 FTE position, and provided a \$100 placeholder. (74,900)
- 5. **Agriculture Development.** Gov. eliminated the NW Horticulture Research Station grant. Senate retains amount of reduction, but includes boilerplate requiring that grant be funded. (30,000)
- 6. **Agriculture Equine Industry Development Fund.** Gov. recommended reductions in AEIDF funding for horse racing purses and supplements (\$3,684,500) and Bovine TB (\$215,500). Senate restored funding. 0
- 7. **FFA and 4H Grants.** Gov. eliminated funding for the FFA and 4H grants. Senate restored the funding. 0
- 8. **Emerald Ash Borer.** Gov. reduced funding to the program to reflect anticipated reductions in federal revenue. (3,800,000)
- 9. **Program Reductions.** Gov. reduced GF/GP funding in Right to Farm (\$150,000; 2.0 FTE), Laboratory Services-Agriculture Products Testing (\$150,000; 2.0 FTE), and the Plant Industry and Pesticide Section (\$200,000; 3.0 FTE). Senate restored Right to Farm and partial funding for Lab Services (reduction of \$75,000 Gross and \$150,000 GF) and PPPM (reduction of \$164,600 Gross and \$337,600 GF). (239,600)
- 10. **Buy Michigan.** Gov. shifted resources to the Buy Michigan program. Senate did not increase funding. 0
- 11. **Cooperative Resources Management Initiative.** Gov. eliminated funding for this program due to declining revenue. Senate provided a placeholder in anticipation of future funding resources. (999,900)
- 12. **Executive Division.** Senate reduced Mgmt Svcs (\$500,000, 5.0 FTE) and Commissions/Boards (\$29,500). (529,500)
- 13. **Federal Funding Contingency Line Item.** Gov. added a line item. Senate removed the line item. 0
- 14. **Export Marketing.** The Senate reduced GF funding for the program. (50,000)
- 15. **Technical Assistance.** The Senate added a placeholder for technical assistance to match federal funds. 100
- 16. **VHS Grant.** The Senate added funding for a federal grant for viral hemorrhagic septicemia surveillance. 125,000
- 17. **Construction Certification.** The Senate shifted funds for the CAFO construction certification fee (SB 448). 0
- 18. **Budgetary Savings.** The Senate reduced GF/GP expenditures to reflect savings. (539,300)
- 19. **Revenue Adjustments.** Gov. adjusted funding to reflect anticipated revenue. 808,300
- 20. **Economic Adjustments.** Gov. added standard economic adjustments. 2,411,000
- 21. **Other Changes.** Gov. recommended reductions: IT (\$12,900), retirement adjustments (\$113,600); Equine Industry Survey (\$50,000); and HR Optimization Charges (\$13,600). (190,100)
- 22. **One-time Adjustments.** Adjustments made account for one-time FY2006-07 reductions in EO 2007-3 (\$3,110,600) and 2007 PA 17 (\$286,200). 3,396,800
- 23. **Comparison to Gov's Rec.** The Senate is \$2,834,100 Gross over and \$539,200 GF/GP below the Governor.

Total Changes ..... (\$1,067,300)

**FY 2007-08 Senate Gross Appropriation ..... \$109,164,700**

**Changes from FY 2006-07 Year to Date:**

1. **Indemnification Payments.** Gov. removed and the Senate retained language requiring the department to make indemnification payments for livestock killed by a wolf, coyote, or cougar. (Sec. 212)
2. **Restrictions on Departmental Operations.** Gov. removed and the Sen. retained restrictions on the operations of the department: notification of legislature prior to awarding of grants to certain entities (Sec. 214); disciplinary action against an employee for communicating with the Legislature (Sec. 224); exploration of expansion of the MSU Pavilion for Agriculture and Livestock Education (Sec. 225); per diem rates for commodity committees (Sec 301); development of approval process for local units of government to reallocate restaurant inspection program funds (Sec 403); application for all eligible federal funds for migrant labor housing (Sec 603); awarding of Julian-Stille grants (Sec 707 and 708); notification of Legislature prior to reducing expenditures from the Agriculture Equine Industry Development Fund (Sec 805); and a requirement that uncashed winning race tickets must be deposited into the AEIDF prior to distribution. (Sec 811)
3. **Legislative Reports:** Gov. removed and Sen. retained required legislative reports: ROI for each of the department's programs (Sec. 227); notification prior to and an annual report on fee changes (Sec 302); bi-annual report on motor fuel quality inspection data (sec 304); conformance of local health departments with restaurant inspection requirements (Sec 401); food-borne outbreaks (Sec 402); Agriculture Development and Export Market Development activities (Sec 706); activities of the Grape and Wine Industry Council (Sec 709); and simulcasting revenues and license fees. (Sec 801)
4. **Contingency Funds.** Gov. included contingency fund language. Senate removed the language.
5. **Motor Fuel Quality Program.** Gov. removed and Sen. retained language requiring certain expenditures. (Sec 304)
6. **Food-borne Disease Outbreaks.** Gov. removed and the Senate retained language requiring the department to seek additional resources to reimburse local units of government for costs resulting from a food-borne disease outbreak. (Sec. 401)
7. **Language Related to Appropriation Line Items.** Gov. removed boilerplate language related to several appropriation line items for which funding was eliminated: survey of the equine industry (Sec 305); distribution of funds to local conservation districts (Sec 604); and the FFA grant (Sec 704). The Senate retained these items due to appropriations adjustments. In addition, adjustments to boilerplate allocations for purses and supplements were made. (Sec 802 and Sec 803)
8. **MSU Northwest Horticultural Research Station.** Gov. removed language earmarking \$30,000 GF/GP for the Research Station. (Sec. 703) Senate retained the language and added a match requirement.
9. **Match Requirements.** The Senate added match requirements for the FFA grant (Sec. 704) and the 4H grant. (Sec. 711)
10. **Feed Testing.** The Senate added language requiring feed fees appropriations to be used for feed testing. (Sec 501)
11. **Legal Services.** Senate added language concerning departmental legal staff. (Sec 228)
12. **Bovine TB.** Senate added language requiring MDA to apply for all eligible federal and private bovine TB funds (Sec 452) and to use its resources to collaborate with the USDA to obtain TB-free status and to eradicate bovine TB. (Sec. 454)
13. **PPPM Reductions.** The Senate added language allowing the department to increase fees to offset GF reductions. (Sec 502)
14. **EQIP.** Senate added language requiring MDA to search for any source of funding to match federal funds. (Sec 606)
15. **Reporting Requirements.** The Senate added language requiring an annual report to the JCAR (Sec 229) and monthly reports concerning progress on bovine TB eradication. (Sec. 457)
16. **AEIDF Expenditures.** The Senate added language requiring expenditures from the AEIDF to be reduced if casino revenue to the fund falls below a level consistent with current appropriations. (Sec. 453 and Sec. 812)
17. **Technical Assistance.** The Senate added language requiring the department to utilize the appropriation for technical assistance for those individuals with contracts under the USDA Natural Resources Conservation Service. (Sec. 605)
18. **Thoroughbred Purse Money Appropriation.** The Senate added language requiring thoroughbred purse and program money appropriations to be held in escrow if no thoroughbred races take place in 2008. (Sec. 902)
19. **Electronic Animal Identification.** The Senate added language allowing the id tagging of cattle at saleyards (Sec. 455) and language prohibiting tagging of animals other than cattle unless procedures are outlined in statute. (Sec. 456)
20. **Farm Markets.** The Senate added language requiring 20 percent of specialty crop block grant funds to be used for sales at farm markets and agricultural tourism activities. (Sec. 712)

Date Completed: 8-23-07

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