



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 237 (Substitute S-2)
Committee: Appropriations

FY 2008-09 Year-to-Date Gross Appropriation (does not include reductions in EO 2009-22)	\$104,855,300
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Changes from FY 2008-09 Year-to-Date:

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| 1. State Services Fee Fund/Ag Equine Fund/General Fund Shift. The Governor eliminated funding from the State Services Fee Fund (\$9.2 million), reduced appropriations from the Ag Equine Fund (\$3.1 million), and increased General Fund amounts (\$3.1 million). The Senate maintained \$6.0 million from the State Services Fee Fund and reversed many fund shifts. | (3,095,400) |
| 2. Office of Racing Commissioner. The Senate reduced the appropriation for the ORC. | (800,000) |
| 3. Buildings & Tracks Improvements. The Senate moved funding to support grants. | 480,000 |
| 4. Premiums at County Fairs. The Senate restored funding removed by the Governor. | 1,375,400 |
| 5. Dairy Inspection Fees. The Governor recommended a revised formula and increase in dairy inspection fees to offset a General Fund reduction of \$700,000. The Senate included only \$100,000 in additional fees, restored \$400,000 in GF/GP, and reduced the line overall. | (200,000) |
| 6. Upper Peninsula State Fair. The Governor discontinued funding for the U.P. State Fair. | (1,382,500) |
| 7. Agriculture Development. The Senate included \$500,000 from an IDG from DELEG for economic development. This offsets moving \$400,000 GF/GP to the Dairy Program. | 100,000 |
| 8. Local Conservation Grants. The Governor recommended a 50% reduction in grants to local conservation districts. The Senate eliminated funding for this line. | (916,800) |
| 9. Water Withdrawal Assessment Funding. The Governor removed funding for reporting of water withdrawal by farms. The Senate retained the funding and FTE. | 0 |
| 10. Michigan Agricultural Surplus System. The Senate eliminated GF funding. | (480,500) |
| 11. Pet Shops/Riding Stables. The Senate eliminated funding for inspections. | (175,000) |
| 12. Migrant Labor Housing Inspections. The Senate reduced GF funding. | (150,000) |
| 13. Laboratory Services. The Senate eliminated funding for seed testing (\$200,000) and fertilizer testing (\$150,000). | (350,000) |
| 14. Regional Offices. The Senate recommended the closure of regional offices. | (599,000) |
| 15. Environmental Stewardship. The Senate reduced GF funding for the line. | (431,600) |
| 16. Miscellaneous General Fund Reductions. The Senate reduced GF appropriations from: Rent and Building Occupancy (\$439,200); Agricultural Statistics (\$66,300); Unclassified Positions (\$70,000); and Information Technology (\$178,600). | (754,100) |
| 17. Local Public Health IDG. The Governor removed the IDG received from DCH. DCH will distribute the grants with no change to grant levels. The Senate concurred. | (8,878,700) |
| 18. Unfunded Revenue Streams. The Governor aligned appropriations to anticipated revenue. The Senate retained appropriations for MAEAP and captive cervidae. | (2,512,000) |
| 19. Economic Adjustments. The Governor and Senate added standard economic increases. | 1,418,400 |
| 20. Other Changes. The budget included changes to internal audit funding, Federal grants, IT, rent and building occupancy charges, and the continuation of previous GF/GP reductions. | (1,075,700) |
| 21. Comparison to Governor's Recommendation. The Senate is \$2,927,900 Gross over the Governor and \$3,398,700 GF/GP under the Governor. | |

Total Changes.....	(\$18,427,500)
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FY 2009-10 Senate Gross Appropriation	\$86,427,800
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Changes from FY 2008-09 Year to Date:

1. **Sections Removed.** The Governor and Senate removed sections regarding the MSU Pavilion, local public health funding reallocation, expenditures from the Ag Development Fund, an audit of racing tracks, and program impact changes.
2. **Sections Retained.** The Governor removed and the Senate retained language regarding a hiring freeze, IT work projects, disciplinary action, direct service employees, efficiency mechanisms, attendance at training seminars, sustainable food systems, motor fuel quality inspections, matching funds for agricultural statistics, vacancies in food and dairy programs, the E-inspector program, application for Federal Bovine TB funds, collaboration with USDA on Bovine TB, electronic tagging of animals at saleyards, prohibition on expanding electronic tagging, VHS eradication, Bovine TB vacancies, feed testing, fruit and vegetable inspections, Federal funds for migrant labor housing, NRCS technical match, EQIP, intercounty drains activity, export program, agriculture diversity, and agriculture business development. (Sections 205, 220, 224, 231, 232, 234, 235, 304, 306, 406, 407, 452, 454, 455, 456, 458, 459, 501, 551, 603, 605, 606, 607, 705, 707, and 711)
3. **Reports Retained.** The Governor removed and the Senate retained reports regarding grant notification to Legislature, policy changes, Legislative notification of proposed fee changes, food-borne outbreaks, progress toward USDA requirements, agriculture and export development, and the Grape and Wine Council. (Sections 214, 229, 302, 402, 457, 706, and 709)
4. **Indemnification Payments.** The Governor removed a reporting requirement on these payments and removed the authorization to make indemnification payments for livestock losses due to wolves, coyotes, or cougars. The Senate retained the current year language. (Sec. 212)
5. **Limitation on Travel.** The Governor maintained the restrictions on out-of-State travel and the report, but removed a specification that the State Budget Director may grant exceptions. The Senate concurred. (Sec. 223)
6. **Ag Equine Fund.** The Senate specified that all appropriations from the Agriculture Equine Industry Development Fund must be equine-related. (Sec. 236)
7. **General Fund Lapses.** The Senate required an annual report on lapses of General Fund appropriations. (Sec. 237)
8. **Local Health Grants.** The Senate concurred with the Governor to remove a reporting requirement on local health grants while keeping a provision on uniform application of standards. (Sec. 401)
9. **Animal Health and Welfare Reductions.** The Senate added language specifying that FY 2009-10 reductions to the Animal Health and Welfare line are to be taken from programs other than the aquaculture program. (Sec 460)
10. **Environmental Stewardship Reductions.** The Senate added language specifying that FY 2009-10 reductions to the Environmental Stewardship line are to be taken from programs other than the Right-to-Farm program. (Sec 608)
11. **Migrant Labor Housing.** The Senate added language directing the department to spend not less than \$483,000 for migrant labor housing inspections and licensing activities. (Sec. 609)
12. **Agriculture Development.** The Senate specified that funding of \$500,000 in Part 1 shall be used for economic development in the food and agriculture sector. Required report on expenditures. (Sec. 712)
13. **Horse Racing Sections Removed.** The Governor removed all boilerplate sections regarding horse racing, fairs, and expositions. Issues included simulcast revenues, purses and supplements, thoroughbreds, fair premiums, large animal exhibits, competitive grants, and outstanding winning ticket revenue. The Senate retained all language regarding horse racing. (Sections 801-809, and 811)
14. **Timely Payments.** The Senate added language requiring the Fairs, Exhibitions, and Racing Division to make payments in a timely manner. (Sec 812)
15. **Notification of ORC Rule-Making.** The Senate required the Office of Racing Commissioner to notify a certified horsemen's organization before submitting a request for rule-making. (Sec. 903)
16. **ORC Agency Type.** The Senate stated intent that the Office of Racing Commissioner no longer be designated a Type I agency and budgetary savings would result. (Sec. 904)

Date Completed: 6-10-09

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