



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 237 (as introduced)

[Vehicle for Governor's Recommendation line items is Senate Bill 297.](#)

Committee: Appropriations

FY 2008-09 Year-to-Date Gross Appropriation	\$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 recommended the elimination of the State Services Fee Fund (\$9.2 million) from the MDA budget and a reduction in appropriations from the Ag Equine Fund (3.1 million), with a partial replacement from the General Fund (\$3.1 million). | (9,095,400) |
| 2. Dairy Inspection Fees. The Governor recommended a revised formula and increase in dairy inspection fees. The additional revenue would offset a General Fund reduction of \$700,000 in the program. | 0 |
| 3. Elimination of the Upper Peninsula State Fair. The Governor recommended the discontinuation of the U.P. State Fair and Executive Order 2009-4 will implement this change on Oct. 1, 2009. The budget removed the funding and 6.0 FTEs. | (1,382,500) |
| 4. Emergency Management. The budget included additional Federal funding from a grant for planning and response to outbreaks in food borne illnesses, or plant or animal diseases. 4.0 FTEs are also added. | 500,000 |
| 5. Reduction in Local Conservation Grants. The Governor recommended a 50% reduction in grants to local conservation districts. The grants are supported entirely by General Fund dollars. | (458,400) |
| 6. Eliminate Water Withdrawal Assessment Funding. The Governor recommended a removal of funding for reporting of water withdrawal by farms. The Department of Environmental Quality would assume this responsibility. 1.0 FTE was also removed. | (130,000) |
| 7. Eliminate Local Public Health Interdepartmental Grant. The Governor recommended removing the IDG received from the Department of Community Health. Instead, DCH would distribute the grants with no change to grant levels. | (8,878,700) |
| 8. Rent and Building Occupancy Charges Reduction. The Governor recommended a reduction to these charges. The costs would be covered by program areas since the amount due for these charges is not expected to decline. | (200,000) |
| 9. Internal Audit. In completion of the transfer of internal audit functions to the Department of Management and Budget, the budget transferred funding for the services to DMB. | (263,700) |
| 10. Elimination of Unfunded Revenue Streams. The Governor recommended the removal of appropriations for which revenue is not expected to be received by the MDA. The fund sources affected are Federal, Restricted, and interdepartmental grants. | (2,938,600) |
| 11. Annualization of EO 2008-21 Reductions. The budget included additional General Fund reductions to reflect the full-year cost of cuts made in Executive Order 2008-21. | (162,500) |
| 12. Economic Adjustments. The budget made adjustments for rent, building occupancy charges, salaries and wages, retirement benefits, workers' compensation, and utilities. | 1,418,400 |
| 13. Other Changes. The Governor recommended changes including incremental increases in Federal grants, reductions in information technology, and establishment of a one-stop portal for doing business with the State. | 236,000 |

Total Changes	(\$21,355,400)
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FY 2009-10 Governor's Recommendation	\$83,499,900
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Changes from FY 2008-09 Year to Date:

1. **Sections Removed.** The Governor recommended the removal of language regarding a hiring freeze, IT work projects, disciplinary action, the MSU Pavilion, direct service employees, efficiency mechanisms, attendance at training seminars, sustainable food systems, motor fuel quality inspections, matching funds for agricultural statistics, local public health funding reallocation, 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, expenditures from the Ag Development Fund, agriculture business development, and an audit of racing tracks.
2. **Reports Removed.** The Governor recommended the removal of reports regarding grant notification to Legislature, program impact changes, policy changes, Legislative notification of proposed fee changes, local health department activity, food-borne outbreaks, progress toward USDA requirements, agriculture and export development, and the Grape and Wine Council.
3. **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. (Sec. 212)
4. **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.

Date Completed: 2-19-09

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