



Senate Fiscal Agency  
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# BILL ANALYSIS

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FY 2008-09 Year-to-Date Gross Appropriation .....	\$96,995,800
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## Changes from FY 2008-09 Year-to-Date:

### Items Included by the Senate and House

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|---|-------------|
| 1. <b>Upper Peninsula State Fair.</b> Per E.O. 2009-4, the House and Senate eliminated funding (restricted revenue) for fair.                               | (1,372,600) |
| 2. <b>Local Public Health IDG.</b> The Governor, House, and Senate removed the IDG from DCH. DCH will distribute the grants with no change to grant levels. | (8,878,700) |
| 3. <b>Adjustment for Revenue Received.</b> The Governor, House, and Senate made adjustments for actual revenue received.                                    | (2,512,000) |
| 4. <b>Emerald Ash Borer Program.</b> The Governor, House, and Senate reduced Federally-supported program which totals \$5.2 million for FY 10.              | (2,157,200) |
| 5. <b>Economic Adjustments.</b> The Governor, House, and Senate added standard economic increases.  | 1,418,400   |
| 6. <b>One-Time Adjustments.</b> Adjustments made to account for one-time FY08-09 changes.   | 9,566,100   |

### Conference Agreement on Items of Difference

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| 7. <b>State Services Fee Fund.</b> The Governor recommended total elimination of fund source for FY 10 (\$9.2 million). The House included \$5.2 million, the Senate \$6.0 million. The Conference included \$3.2 million in identified surplus State Services fee Revenue.            | (6,000,000) |
| 8. <b>Unclassified Positions.</b> The Conference included \$213,000, \$140,700 less than the Governor recommended.   | (105,700)   |
| 9. <b>Food Safety and Quality Assurance.</b> The Conference included \$600,000 less than the Governor for anticipated fee collection (\$100,000) and added \$273,000 more in GF/GP support for the program, for a total FY 10 appropriation of \$12.5 million.                         | (208,300)   |
| 10. <b>Environmental Stewardship.</b> The Conference included IDG from DEQ for MAEAP program, and \$100,000 for Migrant Labor Housing Inspection Fees. The Conference reduced \$224,100 GF/GP from the Governor's recommendation, resulting in a gross appropriation of \$2.6 million. | (24,000)    |
| 11. <b>Local Conservation Districts.</b> The Conference reduced State support to \$286,900 GF/GP and added Section 604 for expenditure guidelines.   | (519,900)   |
| 12. <b>Laboratory Services.</b> The Conference appropriated \$5,893,100, replacing \$519,700 State Services Fee Funds with GF/GP, and reduced GF/GP from the Governor's recommendation by \$527,000.   | (325,700)   |
| 13. <b>Agriculture Development.</b> The Conference appropriated \$2.5 million, including \$1.3 million in Federal specialty crop grant and a \$300,000 IDG from the DELEG.   | 1,405,000   |
| 14. <b>Michigan Agricultural Surplus System.</b> The Conference eliminated GF/GP funding (\$480,500) and partially replaced (\$270,000) it with State Services Fee Fund and added a new IDG from DCH (\$120,000) for total FY 10 funding of \$540,100                                  | (90,000)    |
| 15. <b>Building &amp; Track Improvements.</b> The Conference added line to budget funded by State Services Fee Fund Revenue.   | 129,000     |
| 16. <b>Premiums at County and State Fairs.</b> Recommended for elimination by the Governor, the Conference provided for a total of \$347,800, funded by State Services Fee Fund revenue.   | 200,000     |
| 17. <b>Horse Industry Programs.</b> The Conference appropriated \$6.8 million in AEDF revenue for horse racing programs, \$3.7 million more than the Governor's recommendation.  | (766,700)   |
| 18. <b>Office of Racing Commissioner.</b> The Conference funded this line with \$2.4 million in State Services Fee Fund revenue and \$100,000 from the AEIDF.  | (168,000)   |
| 19. <b>Other Changes.</b>  | (1,955,100) |

Total Changes.....	(\$12,365,400)
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FY 2009-10 Conference Report Gross Appropriation .....	\$84,630,400
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Amount Over/(Under) GF/GP Target: \$0

**Changes from FY 2008-09 Year to Date:**Items Included by the House and Senate

1. **Equine Industry Development Fund.** Requires all appropriations funded by the Agriculture Equine Industry Development Fund to be spent for equine-related purposes. Included by House, Senate, and Conference. (Sec. 236)
2. **General Fund Lapse.** Requires a report to the Legislature on lapse of General Funds. (Sec. 237)
3. **Type I Agency.** The House and Senate included language stating legislative intent that the Office of Racing Commissioner (ORC) no longer be a Type I agency and be administered as part of the Department. Included in the Conference Report. (Sec. 904)

Conference Agreement on Items of Difference

4. **Migrant Labor Housing.** The House and Senate passed language directing the Department to spend not less than \$483,000 (Senate) or less than \$700,000 (House) on migrant labor housing inspections and licensing activities. New compromise language states intent of the Legislature that the Department work with industry to develop a fee for migrant worker housing inspections, a fee not to exceed \$5.00 per worker and become effective no later than April 1, 2010. (Sec. 609)
5. **Indemnification Payments.** The Senate included a section which required an indemnification payment for the fair market value of livestock killed by a wild coyote or cougar. The House did not include this section, but it was included in the Conference report. (Sec. 212)
6. **Transparency Language.** The House included a requirement that the Department post expenditures on a website. The Senate did not include this section, but it was included in the Conference Report. (Sec. 215)
7. **MSU Pavilion.** The House included language stating legislative intent to have the Department explore expansion of the MSU Agriculture Pavilion. The Senate did not include this section and neither did the Conference Report. (Sec. 225)
8. **Efficiency Mechanisms.** The Senate included language directing implementation of continuous improvement efficiency mechanisms and progress reports to the legislature twice a year. Not included by the House, but included in the Conference Report. (Sec. 232)
9. **Direct Service Employees.** The Senate included a directive to fund not less than 315 employees in the PPPM. Food and Dairy, Animal Industry, Environmental Stewardship and Laboratory divisions who provide direct service to the public. The House did not include this language, but it was included in the Conference Report. (Sec. 231)
10. **FTE Report.** The House included a requirement that a bi-monthly report on FTE positions be sent to the Legislature. The Senate did not include this language, but it is included in the Conference Report. (Sec. 238)
11. **E-inspector Carryforward.** The Senate included language requiring that funds appropriated for the E-inspector program shall not lapse back to the originating fund. The House did not include this language, nor did the Conference Report. (Sec. 407)
12. **Dairy Inspection Funding.** The Conference Committee added language requiring not less than \$3,098,000 be spent for Dairy Inspections. (Sec 407)
13. **Bovine TB-free Status.** The Senate included a requirement that resources be used to collaborate with the USDA to obtain TB-free status in the modified accredited advanced zone and to work toward eradicating Bovine TB in the modified accredited zone. Not included by the House, but included in the Conference Report. (Sec. 454)
14. **Animal Health and Welfare Reductions.** The Senate included language specifying that budgetary reductions taken from the aquaculture program, but from other programs funded in the line item. The House did not include this section, but it was included in the Conference Report. (Sec. 460)
15. **Feed Testing.** The Senate included a section requiring a sufficient amount from license and inspection fees to be used to maintain animal feed testing programs. The House did not include this section, nor did the Conference Report. (Sec 501)
16. **Local Conservation Districts.** Language in Senate and House bills allocates \$11,605 to each Conservation District with differing guidelines. The Conference Report substitutes this language with language that requires the Department to work with the Conservations Districts on the Most efficient use of funding provided in part 1 of the bill and should be used to help draw down federal finding and support land conservation projects. (Sec. 604)
17. **NRCS Technical Assistance Match.** The Senate included a requirement to use Technical Assistance Match appropriation to provide assistance to those with contracts under the USDA Natural Resources Conservation Service. The House did not include this section, nor did the Conference Report. (Sec. 605)
18. **Environmental Stewardship Reductions.** The Senate included a requirement that budget reductions in this line shall be taken from programs other than the Right-to-Farm program. Not included by the House, but included by the Conference Report. (Sec. 608)
19. **Water Withdrawal.** The Senate added a directive making the appropriation of \$130,000 for Water Withdrawal Assessment contingent upon compliance with water use reporting requirements. The House did not include this language, but was included in the Conference Report. (Sec. 610)
20. **MDLEG Funding.** The Senate included language specifying that funding from MDLEG must be used to foster and promote growth in the food and agriculture sector, along with a required report. The House did not include this language, but was included in the Conference Report. (Sec. 712)
21. **Export Market Dev't.** The Conference Report included new language requiring \$100,000 be expended from Agriculture Development appropriations for agriculture export development. (Sec. 713)
22. **Timely Payments.** The Senate included a requirement that the fairs, exhibitions and racing division make payments in a timely manner to those approved for such payments. The House did not include this section, but it was included in the Conference Report. (Sec. 812)
23. **Reward.** The Senate added language allowing the Racing Commissioner to pay up to \$5,800 reward for assistance to whose who would help convict a person guilty of a misdemeanor or felony involving the horse racing industry. The House did not include this section, but it was included in the Conference Report. (Sec. 901)
24. **Thoroughbred Purse and Program Funds.** The Senate added a requirement that appropriations for thoroughbred purse and program funds be placed in escrow should there be no thoroughbred races held. The House did not include this section, but it was included in the Conference Report. (Sec. 902)
25. **Notification Prior to Rule Making.** The Senate included language requiring the ORC to provide each organization with at least 30 days notice before submitting a request for a rulemaking with the State Office of Administration Hearings and Rules. The House did not include this section, but it is included in the Conference Report. (Sec. 903)

Date Completed: 9-25-09

Fiscal Analyst: Bruce Baker

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations.