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ANALYSIS

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FY 2008-09 Year-to-Date Gross Appropriation \$96,995,800

Changes from FY 2008-09 Year-to-Date:

Items Included by the Senate and House

- 1. **Upper Peninsula State Fair.** Per E.O. 2009-4, the bill eliminated funding. (1,372,600)
- 2. **Local Public Health IDG.** The Governor, House, and Senate removed the IDG. (8,878,700)
- 3. **Adjustment for Revenue Received.** (2,512,000)
- 4. **Emerald Ash Borer Program.** Reduced Federal program to \$5.2 million. (2,157,200)
- 5. **Economic Adjustments.** The Governor, House, and Senate added standard economic increases. 1,418,400
- 6. **One-Time Adjustments.** Adjustments made to account for one-time FY08-09 changes. 9,566,100

Conference Agreement on Items of Difference

- 7. **State Services Fee Fund.** 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. **Unclassified Positions.** The Conference included \$213,000, \$140,700 less than the Governor recommended to reflect elimination of Racing Commissioner position. (105,700)
- 9. **Food Safety and Quality Assurance.** 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. **Environmental Stewardship.** The Conference included an appropriation of \$2.6 million. (24,000)
- 11. **Local Conservation Districts.** The Conference reduced State support to \$286,900. (756,800)
The Governor vetoed this line item.
- 12. **Laboratory Services.** The Conference appropriated \$5,893,100. (325,700)
- 13. **Agriculture Development.** The Conference appropriated \$2.5 million, including \$1.3 million in Federal specialty crop grant and a \$300,000 IDG from the DELEG. 1,105,000
The Governor vetoed the \$300,000 IDG from DELEG.
- 14. **Michigan Agricultural Surplus System.** The Conference included \$540,100 GF/GP funding. (630,500)
The Governor vetoed this line item.
- 15. **Building & Track Improvements.** The Conference added \$129,000.
The Governor vetoed this line item.
- 16. **Premiums at County and State Fairs.** The Conference provided a total of \$347,800. (147,200)
The Governor vetoed this line item.
- 17. **Horse Industry Programs.** The Conference appropriated \$6.8 million in AEDF revenue. (8,721,300)
The Governor vetoed these line items.
- 18. **Office of Racing Commissioner.** The Conference funded this line with \$2.4 million. (2,668,800)
The Governor vetoed this line item.
- 19. **Other Changes.** (1,017,800)

Total Changes (\$23,437,100)

FY 2009-10 Enacted Gross Appropriation \$73,558,700

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)

The Governor vetoed this section.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 world 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. **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)
8. **Dairy Inspection Funding.** The Conference Committee added language requiring not less than \$3.1 million be spent. (Sec 407)
9. **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)
10. **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)

The Governor vetoed this section.

11. **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)
12. **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)
13. **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)

The Governor vetoed this section.

14. **Export Market Dev't.** The Conference Report included new language requiring \$100,000 be expended. (Sec. 713)
15. **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)
16. **Reward.** The Senate added language allowing the Racing Commissioner to pay up to \$5,800 reward for assistance to those 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)

The Governor vetoed this section.

17. **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)

The Governor vetoed this section.

18. **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)

The Governor vetoed this section.

Additionally, the Governor vetoed Sections 702 (Food Bank), and 801 through 811 (Fairs and Expositions).