

APPROPRIATION LINE ITEM AND BOILERPLATE HISTORY

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
PART 1: LINE ITEM DETAIL**
**2014 PA 252
FY 2014-15
Year-to-Date**
Sec. 101. APPROPRIATION SUMMARY

1.	<u>Unclassified full-time equated (FTE) positions</u> - Positions that are exempted from the classified State civil service pursuant to Article XI, Section 5 of the Michigan Constitution. These positions include elected officials, heads of principal departments, a limited number of policy-making positions in departments, members of boards and commissions, employees of State institutions of higher education, employees of the Judiciary, and employees of the Legislature.	6.0
2.	<u>Classified FTE positions</u> - All positions in State service unless exempted by Article XI, Section 5 of the Michigan Constitution. One FTE position equals 2,088 hours.	446.0
3.	<u>GROSS APPROPRIATION</u> - Total appropriations	84,462,200
4.	<u>Interdepartmental grants (IDG)</u> - Funds that are also appropriated in other budgets. These funds are categorized as IDGs in the Department that spends the funds and are therefore subtracted from the Gross Appropriation to avoid double counting total statewide appropriations.	318,100
5.	<u>ADJUSTED GROSS APPROPRIATION</u> - Gross appropriations less IDGs.	84,144,100
6.	<u>Federal revenue</u> - Funding allocated to the State by the Federal government.	10,126,200
7.	<u>Local revenue</u> -Funds paid by local units of government that support State services and programs.	0
8.	<u>Private revenue</u> - Available appropriated funds from private sources, including funding from non-governmental agencies.	98,300
9.	<u>State restricted revenue</u> - Revenue earmarked for a specific purpose by the State Constitution, statute, or appropriation bill. Restricted revenue also includes general fund/special purpose funds, such as fee revenue used to support licensing programs.	28,003,400
10.	<u>State general fund/general purpose</u> - Revenue that has no constitutional or statutory restrictions on how it is used. Approximately 90% of the general fund/general purpose (GF/GP) revenue is derived from the income, Michigan business, insurance, sales, and use taxes.	45,916,200
11.	<u>Payments to locals</u> - State appropriations from GF/GP or State restricted revenues that will be allocated to local units of government.	4,750,000

FUND SOURCE SUMMARY

The discreet sources of revenue and the amounts appropriated from them are itemized below.

12.	<u>GROSS APPROPRIATION</u> - Total appropriation from all sources of financing.	84,462,200
13.	<u>IDG from MDEQ, biosolids</u> - The Michigan Department of Environmental Quality provides funding for the MDARD to provide education, technical assistance, and program advocacy as it relates to biosolids and the Michigan Biosolids Land Application Program to those public organizations and individuals affected by or involved in the land application of biosolids sewage sludge.	101,400

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14. <u>IDG from LARA (LCC), liquor quality testing fees</u> - The Michigan Department of Labor and Economic Growth provides funding for the MDARD's administrative costs associated with the Grape and Wine program.	216,700
15. <u>Total interdepartmental grants and intradepartmental transfers</u> - The total of items 13 and 14 above.	318,100
16. <u>ADJUSTED GROSS APPROPRIATION</u> - The Gross appropriation less total IDGs and IDTs.	82,278,800
17. <u>USDA multiple grants</u> - Revenue from the United States Department of Agriculture is appropriated in this line for a variety of programs throughout the MDARD.	5,431,400
18. <u>EPA, multiple grants</u> - Revenue from the United States Environmental Protection Agency is appropriated in this line. The EPA funds are used for pesticide and plant pest management and laboratory purposes.	1,000,200
19. <u>HHS-FDA</u> - Revenue from the United States Department of Health and Human Services is appropriated in this line for programs administered by the MDARD in conjunction with the U.S. Food and Drug Administration.	2,438,100
20. <u>United States department of labor</u> - Revenue from the United States Department of Labor is appropriated for migrant labor housing services.	343,200
21. <u>United States department of interior</u> - Revenue from the United States Department of Interior is appropriated for environmental protection efforts.	343,200
22. <u>Total federal revenues</u> - The total of items 17 through 20 above.	9,212,900
23. <u>Private - commodity group</u> - This appropriation reflects donations from various commodity groups for services related to specific marketing and promotion activities performed by the MDARD in Agricultural Development.	77,600
24. <u>Private - slow-the-spread foundation</u> - A grant from the Slow the Spread Foundation is appropriation in Pesticide and Plant Pest Management for implementation of the U.S.D.A. National Slow the Spread of the Gypsy Moth Project.	20,700
25. <u>Total private revenues</u> - The total of items 22 and 23 above.	98,300
26. <u>Agricultural preservation fund</u> - The purpose of the Fund is to preserve farmland. Individuals receive a tax credit for participating in the Farmland Preservation program. If they pull out of the program, they are required to repay the tax credit, the revenue from which is deposited into the Agricultural Preservation Fund. Revenue is distributed in competitive grants to local governments to assist in the purchase of agricultural conservation easements. Not more than \$900,000 may be used for administrative costs of the program and the balance may be used by the State for the purchase of development rights to farmland or the acquisition of agricultural conservation easements.	599,200
27. <u>Agriculture equine industry development fund</u> - Revenue from simulcast wagering taxes, horse racing licensing fees and fines and uncashed winning tickets. Statute provides specific amounts for standardbred, thoroughbred, quarter horse, and Appaloosa purses. The Fund is also used to partially support Bovine TB eradication activities.	3,863,800
28. <u>Animal Welfare Fund</u> - Revenue from income tax check-off to support animal welfare.	217,400
29. <u>Commodity inspection fees</u> - Revenue from fees for the re-inspection of weights and measures of commodities or special inspections of such commodities are deposited into the General Fund and credited to the Department to support the Weights and Measures program.	437,100

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30. <u>Consumer and industry food safety education fund</u> - A \$3.00 fee is assessed on food establishment licenses in all categories except vending machines and in cases of fee-exempt food establishments. The money in the Fund is used to provide statewide training and education to consumers on food safety.	318,700
31. <u>Dairy and food safety fund</u> - Revenue from licensing for food establishments and milk processing plants is used to administer the Food Law and the Grade A Milk Law. In addition, revenue from administrative fines and costs resulting from civil violations of the Food Law are used for enforcement of food safety laws.	3,366,500
32. <u>Freshwater protection fund</u> - Revenue from groundwater protection fees assessed on registered users of pesticides is appropriated for direct and indirect assistance for groundwater protection activities, emergency response to groundwater contamination, and a groundwater protection regulatory program. Statute limits expenditures for administrative costs to not more than 20% of the appropriation.	5,187,200
33. <u>Gasoline inspection and testing fund</u> - Revenue from motor fuel distributor and retailer licenses is appropriated to pay for the gasoline inspection and testing program and the vapor-recovery program.	2,593,700
34. <u>Grain Dealer's Fee Fund</u> – Revenue from licensing fees from grain dealers.	606,400
35. <u>Horticulture fund</u> - The Fund receives revenue annually from licensing fees for facilities selling nursery stock. The revenue is appropriated to support research projects, to develop and improve training programs, and to develop outreach materials for the purposes of safeguarding plants and plant products from unwanted plant pests. The Fund expires on September 30, 2012 and its balance will be forwarded to the Agriculture Licensing and Inspection Fees Fund.	38,300
36. <u>Industry support funds</u> - Applicants to the Agricultural Commodities Marketing program are assessed fees to cover the cost of administering the program. The amount of the fees is set by the Director at a level to defray the expenses of the program.	428,400
37. <u>Agriculture Licensing and inspection fees</u> - Revenue from a number of fees is appropriated to support the administration of those programs. License or inspection fees are charged for services including, aquaculture, commercial feed, pesticide certifications, fertilizer, food handling, livestock dealers, milk industry requirements, nursery stock, pet shops, riding stables, and grain dealers.	4,081,000
38. <u>Renewable fuels fund</u> . Revenue from income tax check-off contributions for the development of quality sources of alternative motor fuels.	51,800
39. <u>Migratory labor housing fund</u> - Revenue from occupancy fees and the licensing of agricultural labor camps is appropriated for distribution as grants for remodeling and upgrading of housing for migrant laborers. The grants may pay for up to 50% of the remodeling costs, up to \$10,000, and matching funds are required.	164,600
40. <u>Nonretail liquor fees</u> - Revenue received from the Liquor Control Commission is appropriated to support the Grape and Wine program.	811,700

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41. <u>Refined petroleum fund</u> - A 7/8 cent environmental regulatory fee is imposed on all refined petroleum products sold for resale or consumption in the State. The fee is collected from persons who refine petroleum products for resale or consumption and from persons who import refined petroleum products for resale or consumption. Part 215 of NREPA authorizes the Fund be used for gasoline inspection programs under the Weights and Measures Act and the Motor Fuels Quality Act; corrective actions necessary to address releases of refined petroleum products; and reasonable administrative costs of the Departments of Agriculture and Rural Development, Attorney General, Environmental Quality, and Treasury in administering the Fund and programs receiving revenue from the Fund.	3,912,000
42. <u>Private forestland enhancement fund</u> . Revenue from the application fees from foresters who wish to become designated as qualified forest management operation.	35,000
43. <u>Testing fees</u> - Revenue from livestock testing and seed analysis fees are appropriated to cover the expenses of those programs.	288,400
44. <u>Weights and measures regulation fees</u> - Revenue from fees for re-inspections, voluntary registrations, type evaluations, special weights and measures inspections, and other special services requested of the Department are set in an annual schedule of fees at a level sufficient to cover the cost of those activities. That revenue is appropriated for the Weights and Measures program.	1,002,200
45. <u>Total other state restricted revenues</u> - The total of items 25 through 43 above.	30,679,400
46. <u>State general fund/general purpose</u> - Revenue that has no constitutional or statutory restrictions on how it is used. Approximately 90% of the general fund/general purpose (GF/GP) revenue is derived from the income, Michigan business, insurance, sales, and use taxes.	30,297,100

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Sec. 102. DEPARTMENTWIDE

1.	<u>Commission and boards</u>	23,800
	Provides funding for per diem payments to members of boards, committees, and commissions for a full day's work at which a quorum is present; for attending a hearing; or for performing official business. The per diem payments are as follows:	
	(a) Commission of agriculture \$75 per day	
	(b) Upper Peninsula state fair board \$50 per day	
	(c) Grape and wine industry council \$50 per day	
2.	<u>Unclassified positions</u>	524,700
	Unclassified FTE positions	6.0
	Provides funding to pay the salaries of the Department's two unclassified employees: Department Director and Senior Policy Analyst.	
3.	<u>Executive direction</u>	1,392,800
	Classified FTE positions	9.0
	Provides funding for the administrative support of the Executive Office and the fringe benefits of the Department's unclassified employees.	
4.	<u>Management services</u>	1,605,700
	Classified FTE positions	15.0
	Provides funding to support the operations of the Human Resources Division and the Finance and Administrative Services Division, which provide department-wide services.	
5.	<u>Statistical reporting service</u>	150,900
	Classified FTE positions	1.0
	Provides funding for the official database for Michigan agriculture. The Michigan Agricultural Statistics Service is a joint Federal and State office responsible for collecting and disseminating data on Michigan agriculture. This partnership results in consistent estimates and the avoidance of cost duplication. The program conducts annual surveys of Michigan-grown commodities on a rotating basis, tracks agricultural product prices and chemical use, provides official forecasts of crop production, documents acreage and yield used for land value, farm numbers, acres of committed farm land, and farm labor.	
6.	<u>Emergency management</u>	601,900
	Classified FTE positions	2.0
	Funds emergency response preparation and coordination in the area of the State's food and agriculture industries.	

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7.	<u>Accounting service center</u>	968,100
	<p>Functions include financial, performance, and compliance audits of Department programs and functions, grants, revenues, and computerized processes and databases. These activities were consolidated statewide in the Department of Management and Budget beginning in FY 2008-09. This line item supports the MDARD's costs for those services. Funds will be paid to the Department of Management and Budget and appear as an interdepartmental grant in that budget.</p>	
8.	<u>Building occupancy charges</u>	622,500
	<p>Provides funding for rent payments on leased, privately-owned facilities. Also covers building occupancy charges for State-owned office space, including maintenance and janitorial services.</p>	
	UNIT GROSS APPROPRIATION	5,350,400
	Federal	325,000
	Private	77,600
	State restricted revenue	1,100,900
	State general fund/general purpose	4,496,900
Sec. 103. INFORMATION AND TECHNOLOGY		
1.	<u>Information technology services and projects</u>	1,460,000
	<p>Funding to reimburse the Department of Information Technology for information technology services provided to the MDARD is appropriated in this line.</p>	
	UNIT GROSS APPROPRIATION	1,460,000
	Interdepartmental grants	3,200
	State restricted revenue	149,400
	State general fund/general purpose	1,307,400

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Sec. 104. FOOD AND DAIRY

1.	<u>Food safety and quality assurance</u>	12,378,200
	Classified FTE positions	83.0
	Provides funding for the Food and Dairy Division, which is charged with protecting public health by ensuring a safe and wholesome food supply. There are three major program areas within the Division.	
	<ul style="list-style-type: none"> a) Food Product Safety Assurance Program - Enforces laws and regulations governing the processing, packaging, transportation, storage, and sale of food and beverages. Food inspectors are responsible for inspecting the State's diversified food establishments, which include bakeries and breweries, groceries and grain mills, fruit processors and water bottlers. Over 21,000 establishments are licensed yearly. b) Food Service Sanitation Program - This is a joint State/local program responsible for the oversight of 37,000 establishments throughout the State, such as restaurants, cafeterias, temporary vendors, and commissaries. In partnership with 45 local health departments (approximately 400 local inspectors), the MDARD provides technical assistance and coordination for sanitation inspections. Local health departments conduct the actual inspections. 	
	The Michigan Food Law of 2000 took effect on November 8, 2000. It set new regulatory standards for all licensed food establishments. This law consolidated various food safety statutes and clarified jurisdictional responsibilities between state and local health officials.	
2.	<u>Milk Safety and quality assurance</u>	4,219,200
	Classified FTE positions	30.0
	This program is responsible for the 2,400 Michigan Grade "A" and 270 manufacturing grade dairy farms, including biannual inspections. The section inspects and regulates dairy processing plants, bulk haulers, distributors, and manufacturers.	
	UNIT GROSS APPROPRIATION	16,597,400
	Federal	1,310,000
	State restricted revenue	3,685,200
	State general fund/general purpose	11,602,200

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Sec. 105. ANIMAL INDUSTRY

1.	<u>Animal disease prevention and response</u>	8,836,600
	Classified FTE positions	60.0
	<p>Provides funding for the Animal Industry Division which is charged with the protection of human health and the health of domestic animals, livestock, and pets. The Division assures the humane treatment of animals and provides diagnostic services for some reportable diseases. The Division is involved in the following areas: food safety, bovine tuberculosis surveillance and eradication, swine/pseudo rabies eradication, captive cervidae (deer and elk), equine diseases, ruminant diseases, avian diseases, exotic animals, livestock marketing, and aquaculture.</p> <p>Bovine tuberculosis (TB) is an infectious disease that has been nearly eradicated in the United States, but still poses a significant risk to domestic livestock, wildlife, companion animals and humans throughout the world. The recent finding of bovine tuberculosis in wild white-tailed deer and several other wildlife in Michigan poses a threat not only to animal health, but also to the economic success of the agriculture and wildlife industries in the state.</p> <p>The Michigan Bovine TB Eradication Project involves a multi-agency team of experts from the MDARD, department of Natural Resources, and Community Health, Michigan State University, and the United States Department of Agriculture. This line item provides funding for the MDARD activities associated with Bovine TB. It supports disease surveillance, monitoring, testing, on farm assistance, and indemnification. A series of periodic reports about Bovine TB activity are required in boilerplate sections.</p>	
2.	<u>Indemnification – livestock depredation</u>	50,000
	Provides for payments related to the indemnification of livestock under 1988 PA 466.	
	UNIT GROSS APPROPRIATION	8,886,600
	Federal	565,400
	State restricted revenue	257,800
	State general fund/general purpose	8,063,400

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Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT

1.	<u>Pesticide and plant pest management</u>	21,181,800
	Classified FTE	81.0

The Pesticide and Plant Pest Management (PPPM) Division is responsible for the implementation of programs and enforcement of laws concerning agricultural products, export commodities, pesticide sale and use, pest management and fruit and vegetable inspection. The Pesticide Advisory Committee (PAC) is an ad hoc committee, administered by the MDA. The Committee was formed to consult and advise the MDARD on issues concerning the use of pesticides in Michigan. The Committee is established under the Natural Resources and Environmental Protection Act, Act 451, Part 83, Pesticide Control. The PPPM Division is responsible for the following programs:

- a) **Animal Feed/Drug Inspections** - PPPM staff monitors the quality of medicated animal feed and drugs used in food production systems. The Division also inspects grain elevators and facilities that produce animal feeds.
- b) **Exotic and Invasive Species** - PPPM oversees programs to monitor and control the spread of exotic and invasive pests.
- c) **Pesticide and Agrichemical Inspections** - The Division is responsible for overseeing appropriate use of pesticides and agrichemicals in Michigan including enforcement, product registration, certification, and worker protection standards.
- d) **Plant Pest and Commodity Certification** - PPPM annually inspects agricultural commodities destined for export and issues phytosanitary certificates. This service ensures that the product meets the requirements of the importing country and insures access to foreign markets by Michigan producers and manufacturers.

2.	<u>Producer security/grain dealers</u>	646,700
	Classified FTE	5.0

This division is responsible for regulation of storage, purchase, and sale of various grains.

UNIT GROSS APPROPRIATION	12,828,500
Federal	1,901,100
Private	20,700
State restricted revenue	5,295,400
State general fund/general purpose	5,611,300

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Sec. 107. ENVIRONMENTAL STEWARDSHIP

1.	<u>Environmental stewardship</u>	1,246,100
	Classified FTE positions	8.0

This line item funds the Environmental Stewardship Division (ESD), which provides assistance to soil and water conservation districts, drain commissioners and land users in the conservation and development of soil and water resources and in the protection of farmland and open spaces.

2.	<u>Michigan Agriculture Environmental Assurance Program (MAEAP)</u>	4,284,100
	Classified FTE positions	15.0

MAEAP is a voluntary, pro-active program designed by producers and industry partners to reduce producers' legal and environmental risks. It teaches effective land stewardship practices that comply with State and Federal regulations and shows producers how to find and prevent agricultural pollution risks on their farms. The program encompasses three systems designed to help producers evaluate the environmental risks of their operation. Each system - livestock, farmstead, and cropping - examines a different aspect of a farm, as each has a different environmental impact. Through each phase, producers will develop and implement economically feasible, effective and environmentally sound pollution prevention practices

The Groundwater Stewardship Program was established in 1993, through the passage of the Groundwater and Freshwater Protection Act and amendments to the Pesticide Control Act. The program falls into seven main categories:

- a) **Groundwater Stewardship** – The program provides education and technical assistance to pesticide and fertilizer users to protect groundwater resources.
- b) **Groundwater Monitoring** – The Division monitors private wells concerning pesticide levels and other water quality information.
- c) **Michigan Clean Sweep** -This program focuses on developing a system for the legal, safe disposal of old, unwanted, suspended or canceled pesticides. By providing for proper disposal, MDARD and the Environmental Protection Agency reduce the potential for adverse environmental impacts.
- d) **Contamination Response** – The program responds to and plans remediation of pesticide contamination of groundwater.
- e) **Pesticide State Management Plans** – The program develops plans to prevent specific pesticides from threatening groundwater.
- f) **Pesticide Container Recycling** – The program educates users and encourages recycling of empty pesticide containers.
- g) **Michigan Turfgrass Environmental Stewardship** - In 1998, Michigan became the first state to launch a voluntary environmental evaluation program for golf courses. Golf courses helped develop the program, which seeks to lower the risk of groundwater contamination and support wildlife habitat.
- h) **Michigan Emergency Tube** - This is an educational tool for assisting Michigan farmers in developing emergency response plans specific to their farms.

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3.	<p><u>Right-to-Farm</u></p> <p>Classified FTE positions</p> <p>The legislation directs the Michigan Commission of Agriculture to adopt Generally Accepted Agricultural Management Practices and review them annually. These practices help farmers protect the environment and minimize nuisance conditions.</p>	<p>569,000</p> <p>3.0</p>
4.	<p><u>Intercounty drain</u></p> <p>Classified FTE positions</p> <p>Division staff monitor more than 1,000 intercounty drains with a combined length of over 10,000 miles. ESD provides direction, holds public hearings, and oversees construction and financing of intercounty drain work.</p>	<p>475,100</p> <p>4.0</p>
5.	<p><u>Qualified forest program</u></p> <p>Classified FTE positions</p> <p>The qualified forest affidavit program, begun in 2013-14, is for the purpose of increasing the knowledge of nonindustrial private forestland owners of sound forest management practices and increasing the amount of commercial timber production from those lands. In the program, the Department works in partnership with stakeholder groups and other state and federal agencies to increase the active management of nonindustrial private forestland to foster the growth of Michigan's timber product industry.</p>	<p>2,535,000</p> <p>9.0</p>
6.	<p><u>Farmland and open space preservation</u></p> <p>Classified FTE positions</p> <p>This line item supports staff of the Farmland and Open Space Preservation Program. The Farmland and Open Space Preservation Program preserves agricultural and open space parcels through a variety of temporary and permanent restrictive covenants. Participants in the temporary covenants enter into either an agreement or easement with the State wherein they agree not to develop their land for a particular time period, usually 10 years. In exchange for entering into the restriction, the landowner may receive certain tax benefits and the land is not subject to special assessments for certain public utilities. Currently, there are more than 40,000 farmland agreements covering more than 3.2 million acres.</p> <p>The permanent covenant portion of the program allows the State to purchase the development rights on unique and critical farmland. Funds from the purchase of easements come from the withdrawal fees associated with the temporary restrictive covenants. When these rights are purchased, the landowner receives a case payment and assigns the rights to the State. Land in permanent easement is exempt from special assessments for certain public utilities. Funding for the purchase of development rights is contained in a separate line item in the capital outlay unit.</p>	<p>905,700</p> <p>7.0</p>

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7.	<u>Commercial forestry audit program</u> A new program for FY 2014-15, designed to provide grant funding to a qualified nonprofit sustainable forestry initiative to work with public and private forestland owners to conduct site visits and prepare an analysis and audit of statewide best management practices for water quality and the related forest ecosystem, including native plant and animal species and wildlife habitat. The best management practices audit shall be performed by an audit team composed of qualified professionals, including, but not limited to, the Department, the Department of environmental quality, university faculty, and conservation groups.	1,000,100
8.	<u>Local conservation districts</u> There are 78 local conservation districts covering the entire state. These districts are considered local units of government and are responsible for preserving the soil and water resources of the State. Through programs of technical and financial assistance to landowners, districts coordinate services and resources from various State and Federal agencies. These districts are responsible for the delivery of State programs such as, groundwater protection, Conservation Reserve Enhancement Program, and the Michigan Agriculture Environmental Assurance Program.	2,173,800
9.	<u>Migrant labor housing</u> Classified FTE positions This line item provides funding for grants to farmers to assist with the construction and rehabilitation of migrant housing facilities. There are two migrant labor housing construction grant programs. The first program is a matching grant where migrant housing providers are reimbursed for 50% of the cost of new construction or remodeling of migrant housing and related facilities. For this program, grants are limited to a maximum of \$5,000 per year per grant recipient. The second program is a \$4,000 grant per living unit for building new self-contained housing which must meet certain requirements. Self-contained means the unit must have its own kitchen, toilet, and shower facility. The maximum grant for this program is \$4,000 per living unit up to a maximum of 4 living units or a \$16,000 grant. Grant applications may be filled at any time. Grants are funded on a first-come first-serve basis. As a result of the high demand for the program and recent funding levels, a sizable waiting list exists.	1,214,300 9.0
UNIT GROSS APPROPRIATION		13,553,100
	Interdepartmental grants (IDG)	101,400
	Federal	1,343,200
	State restricted revenue	5,796,600
	State general fund/general purpose	6,311,900

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Sec. 108. LABORATORY PROGRAM

1.	<u>Laboratory analysis services</u>	5,409,200
	Classified FTE positions	36.0

The Laboratory Division is responsible for protecting consumers and supporting agriculture by providing impartial, timely, scientific, accurate, and cost-effective analytical, metrological, and enforcement services. The Division provides analytical, diagnostic, and technical services for protecting consumers from food-borne illnesses, toxic substance contamination, and economic deception. The Division is responsible for the diagnosis and control of animal and plant diseases and pests. In addition, the Division provides a fee-based testing service to Michigan residents. The Division occupies two laboratories. The Geagley Laboratory provides analysis of food, dairy, and beverage products as well as labeling information and livestock testing. The programs funded under this line item include:

- a) **Animal Disease Surveillance** - This program analyzes blood for Michigan livestock owners to ensure disease-free movement of animals from farm to farm and internationally.
- b) **Equine Drug Testing** - This program ensures that horses competing at Michigan racing tracks and fairs are free of illegal, performance-enhancing drugs.
- c) **Food, Feed, and Fertilizer** - Through chemical testing activities, this program monitors food products offered for sale to make sure they meet state and federal standards and are free of prohibited substances. Responsible for ensuring the quality and efficacy of feed and fertilizer sold in Michigan.
- d) **Microbiology** - Through microbiological testing activities, this program monitors the safety and quality of food and beverage products to meet state and federal standards. Detects the presence of pathogens rendering the products unfit for human consumption. Analysts must maintain certification by the federal government through yearly proficiency samples.
- e) **Pesticide and Environment** - This program monitors formulated agricultural products to ensure label claims and analyzes samples for evidence of application and/or misuse of licensed and un-licensed pesticide products.
- f) **Seeds** - Conducts purity tests for farmers and seed dealers to ensure label claims.
- g) **Motor Fuel Quality Testing** - Conducts testing to ensure the quality of the gasoline sold in Michigan.
- h) **Antimicrobial** - This program conducts tests on EPA-registered antimicrobial products for effectiveness against pathogenic microorganisms. This is a part of a cooperative agreement with the EPA and several other states.

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2.	<u>USDA monitoring program</u>	1,598,600
	Classified FTE positions	13.0
	<p>Funded entirely by a grant from the U.S. Department of Agriculture, the program's objectives are to collect statistically-based data on pesticide residues and food borne pathogens in fresh and processed fruits and vegetables and other food products, including grain and poultry. Samples are collected at major distribution centers statewide. The data is used to make effective decisions involving the environment, food safety, and the regulation of pesticides and improve the quality and quantity of information available on the presence of food borne pathogens. Michigan is one of 12 states participating in this program. This division is also a part of the Food Emergency Response Network which tests for microbiological threat agents in food.</p>	
3.	<u>Consumer protection program</u>	6,083,100
	Classified FTE positions	41.0
	<p>The E.C. Heffron Metrology Laboratory provides mass, volume, length calibration, and testing services for state agencies, local governmental agencies and industry. The Department certifies weights and measures for private calibration firms who, in turn, provide service to these industries. The metrology lab also conducts regulatory services, calibrating standards used for enforcement by the Departments of State Police, Treasury and Agriculture and Rural Development and all county road commissions.</p> <p>The Motor Fuel Quality Program establishes and regulates the sale and quality of motor fuels through licensing, investigation, inspection and sampling to ensure the fuels that consumers buy contain the proper materials and abide by legal standards. The Weights and Measures Program, through the enforcement of applicable laws and regulations, prevents economic fraud and deception by testing all weighing and measuring devices. This ensures that when a product is weighed or measured, it is done accurately.</p>	
	UNIT GROSS APPROPRIATION	13,090,900
	Interdepartmental grants (IDG)	213,500
	Federal	2,381,500
	State restricted revenue	8,285,500
	State general fund/general purpose	2,210,400

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
PART 1: LINE ITEM DETAIL**

**2014 PA 252
FY 2014-15
Year-to-Date**

Sec. 109. AGRICULTURE DEVELOPMENT

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| 1. | <u>Agriculture development</u> | 3,579,500 |
| | Classified FTE positions | 11.0 |

The Office of Agriculture Development was established in 1997 and created to unite all similar department agricultural economic development and sustainable agriculture functions into a single organization. The Office administers programs in six primary areas: economic development/value-added; Michigan family farm development; risk management; specialty crop block grants; agriculture tourism; and export and new market development. The staff works closely with the Michigan Economic Development Corporation and other state/local government agencies, non-profits, and private organizations to strengthen and enhance Michigan agriculture.

The Marketing and Communication Division is responsible for marketing and promoting Michigan food and agricultural products and the programs of the Department. The Division is responsible for all internal and external communications in the Department. The Division is also responsible for disaster and emergency response to crises involving food and agriculture producers, processors, wholesalers, and retailers.

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| 2. | <u>Food and agriculture industry growth initiative</u> | 1,000,000 |
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The program, begun in FY 2013-14, uses a grant process to support research, education, and technical assistance efforts focused on removing barriers and leveraging opportunities identified by those in the food and agriculture industry as critical to business development and growth within the state.

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| 3. | <u>Grape and wine program</u> | 828,500 |
| | Classified FTE positions | 3.0 |

The Grape and Wine Industry Council is funded in this line item. The Council provides research, professional development and promotional support of Michigan's wine grape and wine industry. This program is funded entirely from non-retail liquor license fees collected by the Michigan Liquor Control Commission.

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| 4. | <u>Rural development value-added grants</u> | 1,050,000 |
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The program, begun in FY 2012-13, is designed to promote the expansion of value-added agricultural production, processing, and access within the state by awarding grants on a competitive basis for rural development value-added grants. Grantees will be required to provide a cash match and identify measurable project outcomes. Eligible grantees may include, but are not limited to, individuals, partnerships, cooperatives, private or public corporations, and local units of government.

UNIT GROSS APPROPRIATION	6,458,000
Federal	2,300,000
State restricted revenue	915,300
State general fund/general purpose	3,242,700

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
PART 1: LINE ITEM DETAIL**

**2014 PA 252
FY 2014-15
Year-to-Date**

Sec. 110. FAIRS AND EXPOSITIONS

1.	<p><u>Fairs and racing</u></p> <p>Classified FTE positions</p> <p>Administers the grant funds for fairs, shows and exhibitions, licensed race tracks, and horse owners/breeders.</p>	356,700 1.0
2.	<p><u>Shows and exhibitions</u></p> <p>The shows and expositions grant program, to begin in FY 2014-15, is to provide financial support, promotion, prizes, and premiums of equine, livestock, and other agricultural commodity expositions in Michigan. Under the program, the Department will award grants on a competitive basis to persons organizing agriculture-related shows and expositions. Grantees will be required to provide a dollar-for-dollar cash match with grant awards and identify measurable project outcomes.</p>	50,000
3.	<p><u>County fairs capital improvement grants</u></p> <p>The county fairs capital improvement grant program, begun in FY 2012-13, assists in the promotion of building improvements or other capital improvements at county fairgrounds of the state by awarding grants on a competitive basis to county fair organizations for county fairs capital improvements grants. Grantees are required to provide a dollar-for-dollar cash match with grant awards and identify measurable project outcomes.</p>	320,000
4.	<p><u>Purses and supplements - fairs/licensed tracks</u></p> <p>Provides matching funds for purses for harness horse races offered by fairs and races at licensed pari-mutuel racetracks. The maximum state contribution to each purse is 75%.</p>	708,300
5.	<p><u>Licensed tracks - light horse racing</u></p> <p>Provides matching funds for purses for races conducted exclusively for Michigan-bred Appaloosa, Arabian, and quarter horses The maximum state contribution to each purse is 75%.</p>	40,300
6.	<p><u>Standardbred breeders' awards</u></p> <p>Provides matching funds for breeders' awards to breeders of Michigan-bred standardbred harness horses for each time the horse wins a race at a licensed track or fair. The maximum state contribution to each breeders' award is 10% of the gross purse.</p>	285,900
7.	<p><u>Standardbred purses and supplements - licensed tracks</u></p> <p>Provides matching funds for purses for harness horse races offered at licensed pari-mutuel racetracks. The maximum state contribution to each purse is 75%.</p>	527,800
8.	<p><u>Standardbred sire stakes</u></p> <p>Provides matching funds for purse supplements for races run exclusively for 2-year-old and 3-year-old Michigan-sired standardbred horses at licensed tracks.</p>	239,000
9.	<p><u>Light horse racing – breeders' awards</u></p> <p>Provides matching funds to pay owners of Michigan bred horses that finish first, second, or third in certain races.</p>	20,000

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
PART 1: LINE ITEM DETAIL**

	2014 PA 252 FY 2014-15 Year-to-Date
10. <u>Thoroughbred supplements – licensed track</u> Provides matching funds for purse supplements for races conducted exclusively for Michigan-bred thoroughbred horses.	385,900
11. <u>Thoroughbred breeders' awards</u> Provides matching funds for breeders' awards to breeders of Michigan bred thoroughbred horses for each time the horse wins a race at a licensed track. The maximum state contribution to each breeders' award is 10% of the gross purse.	358,600
12. <u>Thoroughbred sire stakes</u> Provides matching funds for purse supplements for races run exclusively for 2-year-old and 3-year-old Michigan-sired thoroughbred horses at licensed tracks.	244,800
 UNIT GROSS APPROPRIATION	 3,537,300
State restricted revenue	3,167,300
State general fund/general purpose	370,000
 Sec. 111. ONE-TIME BASIS ONLY	
1. <u>Food and agriculture industry growth initiative</u> One-time boost to the program, begun in FY 2013-14, which uses a grant process to support research, education, and technical assistance efforts focused on removing barriers and leveraging opportunities identified by those in the food and agriculture industry as critical to business development and growth within the state.	2,000,000
2. <u>Muskegon farmers market</u> One-time economic development grant to the Muskegon Farmers Market.	200,000
3. <u>Ottawa County agriculture incubator</u> One-time economic development grant to the Ottawa County Agriculture Incubator.	500,000
 UNIT GROSS APPROPRIATION	 1,500,400
Interdepartmental grants (IDG)	2,800
State restricted revenue	307,800
State general fund/general purpose	1,189,800

**DEPARTMENT OF AGRICULTURE
PART 2: BOILERPLATE DETAIL
2014 PA 252**

Section Number	Description and History
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GENERAL SECTIONS

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| 201 | <p><u>State Spending from State Resources/Payments to Locals.</u> Lists state spending from state resources and state payments to local units of government.</p> <p>Background: Standard language contained in all appropriation acts. Included pursuant to Article IX, Section 30 of the Michigan Constitution.</p> |
| 202 | <p><u>Management and Budget Act.</u> Subjects appropriations to the Management and Budget Act.</p> <p>Background: Standard language contained in all appropriation acts.</p> |
| 203 | <p><u>Definitions.</u> Definitions of acronyms and abbreviations used in the Act.</p> <p>Background: Standard language contained in all appropriation acts. This section is updated as acronyms and/or abbreviations change.</p> |
| 205 | <p><u>Performance Measurement.</u> New for FY 2014-15, it is required that the Department establish performance measurement standards for any new program or increased expenditure totaling \$500,000 or more.</p> |
| 206 | <p><u>Contingency Funds.</u> Permits contingency fund spending of up to \$5,000,000 in additional Federal funds; \$6,000,000 in additional State restricted funds; \$100,000 in local funds; and \$100,000 in private funds pending approval through the legislative transfer process.</p> <p>Background: This had been long-standing language until removed from all budgets in FY 2003-04. It returned in FY 2007-08 for all departments, although the amounts vary for each department.</p> |
| 207 | <p><u>Internet Site.</u> Requires a site to show Department expenditures.</p> <p>Background: This section was added in FY 2010-11.</p> |
| 208 | <p><u>Internet Reporting.</u> Requires the Department to use the Internet to fulfill the reporting requirements.</p> <p>Background: Standard language contained in all appropriation acts.</p> |
| 209 | <p><u>Buy American.</u> Prohibits the Department from using funds for the purchase of foreign goods/services if competitively priced and comparable quality American goods are available. Gives preference to Michigan goods and services and to businesses owned by veterans. Also encourages the use of Michigan produced agricultural products by all State agencies.</p> <p>Background: Long standing standard language contained in all appropriation acts. The language giving preference to veterans was added in FY 2007-08.</p> |

**DEPARTMENT OF AGRICULTURE
PART 2: BOILERPLATE DETAIL
2014 PA 252**

Section Number	Description and History
210	<p><u>Deprived/Depressed Communities.</u> Directs the Department to take reasonable steps to ensure that businesses in deprived and depressed communities have the opportunity to compete for and perform contracts for services and supplies.</p> <p>Background: Long standing standard language contained in all appropriation acts.</p>
212	<p><u>Record Retention.</u> Requires the Department to keep all reports funded in part 1.</p> <p>Background: Long standing standard language contained in most appropriation acts.</p>
215	<p><u>Employee Disciplinary Action.</u> Prohibits the Department from taking disciplinary action against an employee for communicating truthfully and to the best of his or her knowledge with a member of the Legislature or his or her staff.</p> <p>Background: Standard section in all appropriations bills added in FY 2005-06.</p>
218	<p><u>Out-of-State Travel.</u> Provides out-of-state travel restrictions. Requires an annual report on out-of-state travel by state employees during previous fiscal year.</p> <p>Background: Standard section in all appropriations bills added in FY 2004-05.</p>
228	<p><u>GF/GP Lapse Report.</u> Requires the Department to notify the Legislature of estimates of GF/GP end-of-year lapses.</p> <p>Background: This section was added in FY 2010-11.</p>
229	<p><u>Restricted Fund Balances.</u> Requires Department to provide a restricted fund balance report.</p> <p>Background: This section was added in FY 2012-13.</p>
230	<p><u>Legal Services.</u> Prohibits the Department from hiring an individual to provide legal services which are the responsibility of the Attorney General. Provides an exemption for bonding activities and other activities authorized by the Attorney General.</p> <p>Background: This section was added in FY 2007-08.</p>
231	<p><u>Scorecard.</u> Requires the Department to maintain a website that identifies and tracks key performance metrics.</p> <p>Background: Standard section in all appropriations bills added in FY 2013-14.</p>
232	<p><u>Legacy Cost.</u> Requires statement of pension-related legacy costs in part 1.</p> <p>Background: New language for FY 2014-15.</p>

**DEPARTMENT OF AGRICULTURE
PART 2: BOILERPLATE DETAIL
2014 PA 252**

Section Number	Description and History
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DEPARTMENTWIDE

301 **Fee Authorization.** (1) Allows the Department to assess fees for specific services and spend the associated revenue to cover the expenses of a variety of activities. (2) Requires legislative notification 30 days prior to any proposed fee changes. (3) Requires an annual report on fees charged pursuant to the authorization provided by this section.

Background: Long standing section necessary to provide the Department with the authority to set fees for services provided.

302 **Grant Notification.** Requires the Department to provide notice of grants which are made to local governments, non-profits or educational institutions to the Legislature 10 days before being issued.

Background: Long standing language providing the Legislature with advance notice of grants made by the Department.

FOOD AND DAIRY

402 **Food-Borne Outbreaks.** Requires the Department to report annually to the Legislature on significant food-borne outbreaks, including enforcement activities in the previous year.

Background: Reporting requirement added by the Legislature in FY 2000-01.

ANIMAL INDUSTRY

451 **Bovine TB Whole Herd Testing.** Requires Department to pay for all whole-herd testing in modified accredited zone necessary to achieve and maintain split-state status for Bovine TB.

Background: This section states Legislative intent regarding the State's financial responsibility with regard to testing requirements for Bovine TB.

453 **Indemnification Payments.** (1) Allows Department to use funds from any line item to provide indemnity of up to \$100,000 per order pursuant to the Animal Industry Act. Requires a report. (2) Requires Department to make indemnification for fair market value of livestock killed by a wolf, coyote, or cougar and allows the Department to use funds from Department of Natural Resources for reimbursement of such indemnification.

Background: The language adding wolves, coyotes, and cougars expands the scope of the Animal Industry Act indemnification process and probably should be included in statutory changes to the Act as opposed to the annual appropriation act.

**DEPARTMENT OF AGRICULTURE
PART 2: BOILERPLATE DETAIL
2014 PA 252**

Section Number	Description and History
454	<p><u>Bovine TB-free Status.</u> Requires the Department to use its resources to collaborate with USDA to obtain TB-free status in the modified accredited advanced zone. Also requires the Department to work toward eradicating Bovine TB in the modified accredited zone.</p> <p>Background: This section was added in FY 2007-08.</p>
456	<p><u>Electronic Animal IDs.</u> Prohibits electronic animal ID programs for any domestic animal other than cattle prior to statewide guidelines being established.</p> <p>Background: This section was added in FY 2011-12.</p>
457	<p><u>Bovine TB Report.</u> Requires the Department to report quarterly on progress toward meeting the USDA requirements as outlined in the March 2007 Bovine TB program review.</p> <p>Background: This section was added in FY 2007-08.</p>
458	<p><u>VHS Surveillance.</u> Requires the Department to work with aquaculture facilities and researchers to identify, contain, and eradicate viral hemorrhagic septicemia.</p> <p>Background: This section was added in FY 2007-08.</p>
459	<p><u>Whole Herd TB Testing Guideline.</u> States intent of the legislature that the Department shall not conduct whole herd bovine TB testing on any 1 herd in a TB-free zone more often than every 4 years or re-test until all other herds in their county have been tested, unless involved in an epidemiological investigation, there is an outbreak within a 10 radius mile area, or is not on a verified wildlife risk mitigated premises.</p> <p>Background: This section was added in FY 2011-12.</p>

ENVIRONMENTAL STEWARDSHIP

601	<p><u>Pollution Prevention.</u> Requires the appropriation for Environmental Stewardship to support agriculture pollution programs, including groundwater and freshwater protection programs.</p> <p>Background: Added by the Legislature in FY 2012-13.</p>
603	<p><u>Local Conservation Districts.</u> Provides guideline for the allocation of grants to local conservation districts.</p> <p>Background: This section is new for FY 2014-15.</p>
604	<p><u>Federal Revenues.</u> Provides for receipt and expenditure of additional federal funds which may come available under the Environmental Stewardship section of part 1.</p> <p>Background: This section is new for FY 2014-15.</p>

**DEPARTMENT OF AGRICULTURE
PART 2: BOILERPLATE DETAIL
2014 PA 252**

Section Number	Description and History
605	<p><u>Michigan Agricultural Environmental Assurance Program (MAEAP).</u> Prohibits no funds other than those appropriated for MAEAP be used for running the program.</p> <p>Background: This section is new for FY 2014-15.</p>
607	<p><u>Intercounty Drains.</u> States the intent of the Legislature that the Department continue intercounty drainage district activity as provided for in statute.</p> <p>Background: This section was added in FY 2008-09.</p>
608	<p><u>Qualified Forest Program.</u> Provides objectives and guidelines for the Qualified Forest Program.</p> <p>Background: This section was added in FY 2013-14.</p>
609	<p><u>Forestry Audit Program.</u> Provides objectives and guidelines for the new commercial forestry audit Program.</p> <p>Background: This section is new for FY 2014-15.</p>

AGRICULTURE DEVELOPMENT

701	<p><u>Rural Development Value-Added Program.</u> Provides objectives and guidelines for Rural Development Value-Added grant program.</p> <p>Background: This section was added in FY 2013-14.</p>
706	<p><u>Activity Report - Agriculture Development Fund.</u> Requires an activity and grant report by April 1 on agriculture and export market development.</p> <p>Background: This section was added in FY 2006-07.</p>
709	<p><u>Activity Report - Grape and Wine Council.</u> Requires an activity and grade report by April 1 on the Grape and Wine Industry Council.</p> <p>Background: This section was added in FY 2006-07.</p>
711	<p><u>Food and Agriculture Industry Growth Initiative.</u> Provides objectives and guidelines for Food and Agriculture Industry Growth Initiative grant program.</p> <p>Background: This section was added in FY 2013-14.</p>

**DEPARTMENT OF AGRICULTURE
PART 2: BOILERPLATE DETAIL
2014 PA 252**

Section Number	Description and History
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FAIRS AND EXPOSITIONS

801 **Equine Expenditures.** Requires all Agricultural Equine Industry funds to be used only for equine programs unless approved by the Legislature.

Background: This section was added in FY 2010-11.

802 **Reductions.** Requires all equine line items, except for the Racing Commission and Laboratory, to be reduced proportionately if revenue decreases require reductions.

Background: This section was added in FY 2010-11.

803 **Thoroughbred Purse and Program Money.** Requires appropriations for thoroughbred purse and program money be placed in escrow if there are no thoroughbred races in 2014 or 2015.

Background: This section was added in FY 2007-08.

804 **Expenditure Data.** Requires the Michigan Gaming Board to use actual expenditure data in determining regulatory costs.

Background: This section was added in FY 2010-11.

805 **County Fairs Capital Improvement Grant Program.** Provides objectives and guidelines for County Fairs Capital Improvement grant program.

Background: Background: This section was added in FY 2012-13.

806 **Shows and Expositions.** Provides objectives and guidelines for Shows and Expositions grant program.

Background: This section is new for FY 2014-15.

ONE-TIME BASIS APPROPRIATIONS ONLY

1101 **One-Time Appropriations for Food and Agriculture Industry Growth Initiative.** Provides that one-time expenditure shall be expended in accordance with the on-going appropriations for the same program.

Background: This section is new for FY 2014-15.

**DEPARTMENT OF AGRICULTURE
PART 2: BOILERPLATE DETAIL
2014 PA 252**

Section Number	Description and History
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CAPITAL OUTLAY

1001 **Farmland and Open Space Acquisition.** Specifies that funds in Part 1 shall be used for the purchase of development rights and the awarding of grants by the Agriculture Preservation Fund Board.

Background: This section was added in FY 2008-09 when this appropriation was transferred from the Capital Outlay budget.

1002 **Lump-sum Appropriations.** Requires the Director of the Department to allocate the lump-sum appropriations in Part 1 for the appropriate projects and purposes. Authorizes the State Budget Director to make the lump-sum appropriations available for up to three additional years and then the money will lapse to the originating funds.

Background: This section was added in FY 2008-09 when this appropriation was transferred from the Capital Outlay budget.

1003 **Carryforward Authorization.** Provides carryforward authorization at the end of the fiscal year for capital outlay appropriations in Part 1.

Background: This section was added in FY 2008-09 when this appropriation was transferred from the Capital Outlay budget.

Indemnification Payments. (1) Allows the Department to use funds from any line item to provide indemnity of up to \$100,000 per order pursuant to the Animal Industry Act. Requires a report. **(2)** Requires the Department to make indemnification for fair market value of livestock killed by a wolf, coyote, or cougar and allows the Department to use funds from Department of Natural Resources for reimbursement of such indemnification.

Background: The language adding wolves, coyotes, and cougars expands the scope of the Animal Industry Act indemnification process and probably should be included in statutory changes to the Act as opposed to the annual appropriation act.

Grant Notification. Requires the Department to provide notice of grants to the Legislature 10 days before being issued.

Background Long standing language providing the Legislature with advance notice of grants made by the Department.

Bovine TB Fund Applications. Requires the Department to apply for all Federal and private funds available to support the Bovine TB program.

Background: This section was added in FY 2007-08.