

Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 GOV.'S REC.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions .....	508.0	514.0	6.0	1.2
<b>GROSS .....</b>	<b>111,417,500</b>	<b>120,349,400</b>	<b>8,931,900</b>	<b>8.0</b>
Less:				
Interdepartmental Grants Received .....	1,315,700	324,400	(991,300)	(75.3)
<b>ADJUSTED GROSS .....</b>	<b>110,101,800</b>	<b>120,025,000</b>	<b>9,923,200</b>	<b>9.0</b>
Less:				
Federal Funds .....	12,636,400	13,129,500	493,100	3.9
Local and Private .....	101,800	71,300	(30,500)	(30.0)
<b>TOTAL STATE SPENDING .....</b>	<b>97,363,600</b>	<b>106,824,200</b>	<b>9,460,600</b>	<b>9.7</b>
Less:				
Other State Restricted Funds .....	41,383,700	43,353,000	1,969,300	4.8
<b>GENERAL FUND/GENERAL PURPOSE .....</b>	<b>55,979,900</b>	<b>63,471,200</b>	<b>7,491,300</b>	<b>13.4</b>
<b>PAYMENTS TO LOCALS .....</b>	<b>9,650,000</b>	<b>8,800,000</b>	<b>(850,000)</b>	<b>(8.8)</b>

\*As of February 6, 2020.

	Gross	GF/GP
<b>FY 2019-20 Year-to-Date Appropriation .....</b>	<b>\$111,417,500</b>	<b>\$55,979,900</b>

**Changes from FY 2019-20 Year-to-Date:**

- |  |                                     |
|--|-------------------------------------|
| <p><b>1. Conservation Reserve Enhancement Program.</b> The Governor recommended \$10.0 million in one-time GF/GP and \$600,000 in ongoing GF/GP in MDARD to reestablish the Conservation Reserve Enhancement Program, a partnership between the State, the Federal government, and MDARD, designed to reduce nonpoint source pollution from crop production. The program, which began in 2000, once impacted 76,219 acres, but due to lack of State matching funds, dwindled to 29,600 acres when the program was suspended in 2016. One-time funds would be used to provide a 50% match required of producers for Federal dollars that would pay the cost of management practices that protect water quality. Federal funds would flow directly to producers to support conservation practices. Ongoing funds would be used by MDARD to administer the program and provide education and outreach. Initial goals are to reduce algal blooms in Lake Erie basin, and pollution in the Saginaw Bay, the Southeast Michigan River Basin, and Lake Macatawa watersheds.</p> | <p>10,600,000</p> <p>10,600,000</p> |
| <p><b>2. Industrial Hemp Pesticide and Plant Pest Management.</b> The Governor recommends 3.0 FTEs and \$602,900 Restricted to support a hemp program within the Pesticide and Plant Pest Management division.</p>   | <p>602,900</p> <p>0</p>             |
| <p><b>3. Industrial Hemp Laboratory and Central licensing.</b> The Governor recommended 2.5 FTE and \$469,000 Restricted to support licensing and testing requirements for industrial hemp regulation per PA 641 of 2018.</p>  | <p>469,000</p> <p>0</p>             |

4. <b>Feed and Fertilizer Audit Program.</b> The Governor recommended 4.0 FTEs and \$504,000 Restricted to support auditor positions to monitor industry compliance with statutory reporting requirements.	504,000	0
5. <b>Licensing and Inspection IT System.</b> The Governor recommended \$225,000 Gross, \$15,000 Restricted, \$210,000 GF/GP, to support maintenance and hosting costs for Phase I of a consolidated licensing and inspections system upgrade.	225,000	210,000
6. <b>Cervid Program Licensing.</b> The Governor recommended 1.0 FTE and \$76,900 GF/GP to support chronic wasting disease certification for all breeding herds, per PA 132 of 2019.	76,900	76,900
7. <b>Food and Agriculture Investment Program - Elimination.</b> The Governor recommended the elimination of the \$4,000,000 GF/GP grant program.	(4,000,000)	(4,000,000)
8. <b>Elimination of FY 2019-20 One-Time Appropriations.</b> The Governor recommended the elimination of FY 2019-20 one-time appropriations, including \$500,000 GF/GP for Farm Stress Program and \$360,000 Gross, \$210,000 Restricted, \$150,000 GF/GP and 4.5 FTEs for Industrial Hemp Program.	(860,000)	(650,000)
9. <b>Technical Adjustment to Align Authorization with Revenues.</b> The Governor recommended an adjustment across several budget lines to reflect actual funds received, including a net reduction in Interdepartmental Transfers (IDGs) of \$797,300, an increase in Federal funds of \$309,200 a reduction in local funds of \$30,500, and an increase of \$20,000 in Restricted funds.	(498,600)	0
10. <b>Unclassified Salaries.</b> The Governor recommended an increase from \$596,700 GF/GP for FY 2019-20 to \$599,900 GF/GP for FY 2020-21.	3,200	3,200
11. <b>Economic Adjustments.</b> Includes \$1,809,500 Gross and \$1,251,200 GF/GP for total economic adjustments.	1,809,500	1,251,200
<b>Total Changes</b> .....	<b>\$8,931,900</b>	<b>\$7,491,300</b>
<b>FY 2020-21 Governor's Recommendation</b> .....	<b>\$120,349,400</b>	<b>\$63,471,200</b>

**Boilerplate Changes from FY 2019-20 Year-to-Date:**

- 1. Acronyms and Definitions.** The Governor removed definition of "EPA," "FDA," "Fiscal Agencies," "HHS," "LARA," "LCC," "MDEGLE," "MDNR," "MOU," and "Subcommittee," terms currently used throughout out FY 2019-20 boilerplate. (Sec. 203)
- 2. Reporting Requirements.** The Governor removed a subsection that required notification when a report has been placed on the department website. (Sec. 204 - 2)
- 3. Purchase of Goods and Services.** The Governor amended language that required preferences, all things being equal, to purchase USA, Michigan and veterans owned business goods and services, by adding "to the extent possible under MCL 18.1261." (Sec.205)
- 4. Contractual Services and Supplies in Deprived and Depressed Communities.** The Governor amended language requiring that steps be taken to ensure businesses in deprived and depressed communities compete for State business, by adding "to the extent permissible under the management and budget act." (Sec. 206)
- 5. Out of State Travel Report.** The Governor amended language, adding reference to MCL 18.1217. (Sec. 207)
- 6. Contingency Fund Legislative Transfers.** The Governor amended language to increase the maximum of Federal fund transfers from \$3.0 million to \$5.0 million, increase the maximum for Restricted funds from \$2.0 million to \$6.0 million, and keeping the local and private funds limits at \$100,000 that would be eligible for transfer. (Sec. 210)
- 7. Disciplinary Action.** The Governor recommended elimination of this section, which prohibited action against an employee for communicating with legislative staff. (Sec. 215)

8. **Retention of Reports.** The Governor recommended elimination of this section, which requires department to receive and retain records. (Sec. 234)
9. **Grant Notification to Legislature.** The Governor recommended elimination of this section, which requires notification of grants to local units of government, institutions of higher education, or non-profit organizations, no less than seven days before grant recipients are notified. (Sec. 302)
10. **Food and Agriculture Investment Program.** The Governor recommended elimination of this section, which provides grant program guidelines for a program the Governor chose not to recommend for FY 2020-21. (Sec.701)
11. **Farm Stress Program.** The Governor recommended elimination of this section, which provides program guidelines for the \$500,000 GF/GP program the Governor chose not to recommend to fund for FY 2020-21. (Sec.901 from PA 65 of 2019 - vetoed, and Sec. 302 from PA 154 of 2019)

Date Completed: 2-10-20

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