# SUBSTITUTE FOR SENATE BILL NO. 187

A bill to make, supplement, and adjust appropriations for the department of agriculture and rural development for the fiscal years ending September 30, 2023 and September 30, 2024; and to provide for the expenditure of the appropriations.

#### THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

L	PART 1
2	LINE-ITEM APPROPRIATIONS
3	Sec. 101. There is appropriated for the department of
4	agriculture and rural development for the fiscal year ending
5	September 30, 2024, from the following funds:
6	DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
7	APPROPRIATION SUMMARY
3	Full-time equated unclassified positions 6.0





Full-time equated classified po	sitions	542.0	
GROSS APPROPRIATION			\$ 162,833,400
Total interdepartmental grants	and		
intradepartmental transfers			327,000
ADJUSTED GROSS APPROPRIATION			\$ 162,506,400
Federal revenues:			
Total federal revenues			19,660,400
Special revenue funds:			
Total local revenues			0
Total private revenues			21,300
Total other state restricted re	venues		45,219,200
State general fund/general purp	ose		\$ 97,605,500
Sec. 102. DEPARTMENTAL ADMINISTR	ATION AND		
1 SUPPORT			
Full-time equated unclassified	positions	6.0	
Full-time equated classified po	sitions	37.0	
Unclassified salariesFTE posi	tions	6.0	\$ 664,900
Accounting service center			1,156,800
Commissions and boards			23,800
Emergency managementFTEs		8.0	2,918,000
Emerging contaminants in food a	nd agriculture	-	
2 FTEs		6.0	2,080,000
Executive directionFTEs		23.0	3,271,800
Property management			768,100
GROSS APPROPRIATION			\$ 10,883,400
Appropriated from:			
Federal revenues:			
Total federal revenues			447,300



Agriculture licensing and inspection fees		46,200
Dairy and food safety fund		103,400
Feed control fund		8,100
Fertilizer control fund		10,200
Freshwater protection fund		63,200
Gasoline inspection and testing fund		25,600
Industry support funds		57,000
Michigan craft beverage council fund		8,800
Private forestland enhancement fund		16,300
Refined petroleum fund		20,500
Weights and measures regulation fees		5,000
State general fund/general purpose		\$ 10,071,800
Sec. 103. INFORMATION AND TECHNOLOGY		
Information technology services and projects		\$ 2,333,800
GROSS APPROPRIATION		\$ 2,333,800
Appropriated from:		
Special revenue funds:		
Agriculture licensing and inspection fees		91,400
Dairy and food safety fund		74,800
Feed control fund		15,000
Fertilizer control fund		15,000
Freshwater protection fund		15,000
Gasoline inspection and testing fund		32,400
State general fund/general purpose		\$ 2,090,200
Sec. 104. FOOD AND DAIRY		
Full-time equated classified positions	139.0	
Food safety and quality assuranceFTEs	103.0	\$ 18,472,000
Milk safety and quality assuranceFTEs	36.0	5,861,400



GROSS APPROPRIATION		\$ 24,333,400
Appropriated from:		
Federal revenues:		
HHS, FDA		2,781,70
USDA, multiple grants		137,10
Special revenue funds:		
Consumer and industry food safety education		
fund		242,50
Dairy and food safety fund		5,476,80
Industry food safety education fund		114,10
Marihuana regulatory fund		350,00
Marihuana regulation fund		349,80
State general fund/general purpose		\$ 14,881,40
ec. 105. ANIMAL INDUSTRY		
Full-time equated classified positions	62.0	
Animal disease prevention and responseFTEs	62.0	\$ 10,496,90
Indemnification - livestock depredation		15,00
Michigan animal agriculture alliance		3,000,00
Teddy's law		10
GROSS APPROPRIATION		\$ 13,512,00
Appropriated from:		
Federal revenues:		
HHS, FDA		15,10
USDA, multiple grants		1,066,90
Special revenue funds:		
Agriculture licensing and inspection fees		71,80
		150,00
Animal welfare fund		130,00



Full-time equated classified positions	101.0	
Animal feed safetyFTEs	10.0	\$ 2,112,000
Pesticide and plant pest managementFTEs	91.0	15,567,400
GROSS APPROPRIATION		\$ 17,679,40
Appropriated from:		
Federal revenues:		
EPA, multiple grants		578,70
HHS, FDA		396,70
USDA, multiple grants		721,10
Special revenue funds:		
Private - slow-the-spread foundation		21,30
Agriculture licensing and inspection fees		4,567,20
Commodity inspection fees		686,30
Feed control fund		1,399,60
Fertilizer control fund		1,347,80
Freshwater protection fund		156,80
Horticulture fund		70,00
Industrial hemp fund		675,30
Industry support funds		228,10
State general fund/general purpose		\$ 6,830,50
ec. 107. ENVIRONMENTAL STEWARDSHIP		
Full-time equated classified positions	71.5	
Agricultural preservation easement grants		\$ 1,900,00
Environmental stewardship - MAEAPFTEs	26.0	11,744,50
Farmland and open space preservationFTEs	10.0	1,606,50
Intercounty drainFTEs	6.0	859 <b>,</b> 90



Migrant labor housingFTEs	9.0	1,351,000
Qualified forest programFTEs	9.0	8,073,900
Right-to-farmFTEs	6.5	1,021,700
Soil health and regenerative agricultureFTEs	5.0	2,000,000
GROSS APPROPRIATION		\$ 31,557,500
Appropriated from:		
Interdepartmental grant revenues:		
IDG from DEGLE, biosolids		94,40
Federal revenues:		
Department of interior		96,30
EPA, multiple grants		564,00
USDA, multiple grants		6,722,30
Special revenue funds:		
Agricultural preservation fund		3,506,50
Freshwater protection fund		8,328,90
Migratory labor housing fund		143,20
Private forestland enhancement fund		1,080,10
State general fund/general purpose		\$ 11,021,80
Sec. 108. LABORATORY PROGRAM		
Full-time equated classified positions	108.5	
Central licensing and customer call center		
FTES	13.0	\$ 1,528,10
Consumer protection programFTEs	42.0	7,049,30
Laboratory servicesFTEs	42.5	8,270,60
USDA monitoringFTEs	11.0	1,700,000
GROSS APPROPRIATION		\$ 18,548,00
Appropriated from:		



1	IDG from LARA (LCC), liquor quality testing		
2	fees		232,600
3	Federal revenues:		
4	EPA, multiple grants		180,600
5	HHS, FDA		1,568,700
6	USDA, multiple grants		1,701,200
7	Special revenue funds:		
8	Agriculture licensing and inspection fees		352,300
9	Dairy and food safety fund		524,200
10	Feed control fund		193,200
11	Fertilizer control fund		24,900
12	Freshwater protection fund		47,900
13	Gasoline inspection and testing fund		1,420,700
14	Grain dealers fee fund		8,200
15	Industrial hemp fund		321,000
16	Migratory labor housing fund		29,900
17	Refined petroleum fund		3,447,200
18	Testing fees		355,900
19	Weights and measures regulation fees		748,000
20	State general fund/general purpose	\$	7,391,500
21	Sec. 109. AGRICULTURE DEVELOPMENT		
22	Full-time equated classified positions	23.0	
23	Agriculture developmentFTEs	13.0 \$	4,796,700
24	Fair food network - double up food bucks		2,000,000
25	Food and agriculture investment program		2,472,200
26	Michigan craft beverage councilFTEs	3.0	1,335,300
27	Office of rural developmentFTE	1.0	678,500
28	Producer security/grain dealersFTEs	5.0	904,300



Rural development fund grant programFTE	1.0	2,004,400
GROSS APPROPRIATION	\$	14,191,400
Appropriated from:		
Federal revenues:		
USDA, multiple grants		2,682,70
Special revenue funds:		
Agriculture licensing and inspection fees		5,10
Grain dealers fee fund		860,50
Industry support funds		223,60
Michigan craft beverage council fund		1,305,30
Rural development fund		2,004,40
State general fund/general purpose	\$	7,109,80
Sec. 110. FAIRS AND EXPOSITIONS		
County fairs, shows, and expositions	\$	500,00
Fairs and racing		258,60
Horse racing advisory commission		125,00
Purses and supplements - fairs/licensed tracks		1,353,60
Standardbred breeders' awards		345,90
Standardbred purses and supplements - licensed		
tracks		991,10
Standardbred sire stakes		720,00
GROSS APPROPRIATION	\$	4,294,20
Appropriated from:		
Special revenue funds:		
Agriculture equine industry development fund		3,794,20
State general fund/general purpose	\$	500,00



Emerging contaminants in food and agriculture		
		4,000,00
Fair food network - double up food bucks		2,000,00
Local conservation districts		3,000,00
Minority-owned food and agriculture ventures		1,400,00
Northern Michigan herd protection and		
management		10
Rural venture capital program		10
Small producer supply chain and market access		4,000,00
Soil health and regenerative agriculture		11,000,00
Washtenaw conservation district - MiFarmLink		
pilot project		100,00
GROSS APPROPRIATION	\$	25,500,30
Appropriated from:		
Special revenue funds:		
	\$	25 500 200
State general fund/general purpose	Y	25,500,30
	¥	25,500,30
PART 1A	Ÿ	25,500,30
PART 1A PROVISIONS CONCERNING APPROPRIATIONS	٧	25,500,30
PART 1A PROVISIONS CONCERNING APPROPRIATIONS FOR FISCAL YEAR 2022-2023	•	25,500,30
PART 1A  PROVISIONS CONCERNING APPROPRIATIONS  FOR FISCAL YEAR 2022-2023  Sec. 151. DEPARTMENT OF AGRICULTURE AND RURAL	•	25,500,30
PART 1A  PROVISIONS CONCERNING APPROPRIATIONS  FOR FISCAL YEAR 2022-2023  Sec. 151. DEPARTMENT OF AGRICULTURE AND RURAL  DEVELOPMENT	•	25,500,30
PART 1A  PROVISIONS CONCERNING APPROPRIATIONS  FOR FISCAL YEAR 2022-2023  Sec. 151. DEPARTMENT OF AGRICULTURE AND RURAL		25,500,30
PART 1A  PROVISIONS CONCERNING APPROPRIATIONS  FOR FISCAL YEAR 2022-2023  Sec. 151. DEPARTMENT OF AGRICULTURE AND RURAL  DEVELOPMENT	\$	
PART 1A  PROVISIONS CONCERNING APPROPRIATIONS  FOR FISCAL YEAR 2022-2023  Sec. 151. DEPARTMENT OF AGRICULTURE AND RURAL  DEVELOPMENT  APPROPRIATION SUMMARY		
PART 1A  PROVISIONS CONCERNING APPROPRIATIONS  FOR FISCAL YEAR 2022-2023  Sec. 151. DEPARTMENT OF AGRICULTURE AND RURAL  DEVELOPMENT  APPROPRIATION SUMMARY  GROSS APPROPRIATION		260,00
PART 1A  PROVISIONS CONCERNING APPROPRIATIONS  FOR FISCAL YEAR 2022-2023  Sec. 151. DEPARTMENT OF AGRICULTURE AND RURAL  DEVELOPMENT  APPROPRIATION SUMMARY  GROSS APPROPRIATION  Total interdepartmental grants and		260,00
PART 1A  PROVISIONS CONCERNING APPROPRIATIONS  FOR FISCAL YEAR 2022-2023  Sec. 151. DEPARTMENT OF AGRICULTURE AND RURAL  DEVELOPMENT  APPROPRIATION SUMMARY  GROSS APPROPRIATION  Total interdepartmental grants and intradepartmental transfers	\$	260,000



1	Special revenue funds:	
2	Total local revenues	0
3	Total private revenues	0
4	Total other state restricted revenues	0
5	State general fund/general purpose	\$ 0
6	Sec. 152. ONE-TIME APPROPRIATIONS	
7	CRRSAA - farm stress program	60,000
8	CRRSAA - seafood processors pandemic response	200,000
9	GROSS APPROPRIATION	\$ 260,000
10	Appropriated from:	
11	Federal revenues:	
12	USDA, multiple grants	260,000
13	State general fund/general purpose	\$ 0

PART 2

16 PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2023-2024

#### GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources under part 1 for fiscal year 2023-2024 is \$142,824,700.00 and state spending from state sources to be paid to local units of government for fiscal year 2023-2024 is \$13,900,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

# DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT Agriculture preservation easement grants \$ 1,900,000 Environmental stewardship/MAEAP 4,100,000

4	TOTAL	\$ 13,900,000
3	Rural development fund grant program	1,400,000
2	Qualified forest program	1,400,000
1	Local conservation districts	5,100,000

Sec. 202. The appropriations authorized under part 1 and this part are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in part 1 and this part:

- (a) "Department" means the department of agriculture and rural development.
  - (b) "Director" means the director of the department.
- (c) "Fiscal agencies" means the Michigan house fiscal agencyand the Michigan senate fiscal agency.
  - (d) "FTE" means full-time equated.
- 15 (e) "IDG" means interdepartmental grant.
- (f) "MAEAP" means the Michigan agriculture environmentalassurance program.
  - (g) "MDEGLE" means the Michigan department of environment, Great Lakes, and energy.
    - (h) "Subcommittees" means all members of the subcommittees of the house and senate appropriations committees with jurisdiction over the budget for the department.
      - (i) "TB" means tuberculosis.
- 24 (j) "USDA" means the United States Department of Agriculture.
- Sec. 204. The departments and agencies receiving
  appropriations in part 1 shall use the internet to fulfill the
  reporting requirements of this part. This requirement shall include
  transmission of reports via email to the recipients identified for
  each reporting requirement, and shall include placement of reports

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on an internet site.

 Sec. 205. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261:

- (a) The funds appropriated in part 1 must not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available.
- (b) Preference must be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.
- (c) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 206. To the extent permissible under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director shall take all reasonable steps to ensure geographically disadvantaged business enterprises compete for and perform contracts to provide services or supplies, or both. Each director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services or supplies, or both.

Sec. 207. Consistent with section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, the departments and agencies receiving appropriations in part 1 shall prepare a report on out-of-state travel expenses not later than January 1 of each year. The travel report shall be a listing of all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with

funds appropriated in the department's budget. The report shall be submitted to the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget director. The report shall include the following information:

- (a) The dates of each travel occurrence.
- (b) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

Sec. 208. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those outside services that the attorney general authorizes.

Sec. 209. Not later than December 31, the state budget office shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the prior fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the chairpersons of the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies.

Sec. 210. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$3,000,000.00 for federal contingency authorization. These funds are not available for expenditure until they have been transferred to another line

- item in part 1 under section 393(2) of the management and budget
  act, 1984 PA 431, MCL 18.1393.
  - (2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$2,000,000.00 for state restricted contingency authorization. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.
    - (3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$100,000.00 for local contingency authorization. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.
    - (4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$100,000.00 for private contingency authorization. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.
    - Sec. 211. The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for each department or agency:
      - (a) Fiscal year-to-date expenditures by category.
      - (b) Fiscal year-to-date expenditures by appropriation unit.
- (c) Fiscal year-to-date payments to a selected vendor,
  including the vendor name, payment date, payment amount, and
  payment description.

- (d) The number of active department employees by job classification.
  - (e) Job specifications and wage rates.

Sec. 212. Within 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide the senate and house appropriations chairs, the subcommittees, respectively, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2023 and September 30, 2024.

Sec. 213. The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the agency's performance.

Sec. 215. The department shall not take disciplinary action against an employee of the department or departmental agency in the state classified civil service because the employee communicates with a member of the senate or house or a member's staff, unless the communication is prohibited by law and the department or agency taking disciplinary action is exercising its authority as provided by law.

Sec. 216. (1) On a quarterly basis, the department shall report to the senate and house appropriations committees, the senate and house appropriations subcommittees on the department budget, and the senate and house fiscal agencies the following information:

(a) The number of FTEs in pay status by type of staff and civil service classification.

- (b) A comparison by line item of the number of FTEs authorized from funds appropriated in part 1 to the actual number of FTEs employed by the department at the end of the reporting period.
- (2) By March 1 of the current fiscal year and annually thereafter, the department shall report to the senate and house appropriations committees, the senate and house appropriations subcommittees on the department budget, and the senate and house fiscal agencies the following information:
- (a) Number of employees that were engaged in remote work in 10 2023.
  - (b) Number of employees authorized to work remotely and the actual number of those working remotely in the current reporting period.
    - (c) Estimated net cost savings achieved by remote work.
    - (d) Reduced use of office space associated with remote work.
  - Sec. 217. Appropriations in part 1 shall, to the extent possible by the department, not be expended until all existing work project authorization available for the same purposes is exhausted.
  - Sec. 219. The department and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.
  - Sec. 220. The department shall report no later than April 1 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the senate and house appropriations committees, the senate and house subcommittees on agriculture and rural development, the

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joint committee on administrative rules, and the senate and house fiscal agencies.

Sec. 221. (1) From the funds appropriated in part 1, the department shall do all of the following:

- (a) Report to the house and senate appropriations committees, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office any amount of severance pay for a department director, deputy director, or other high-ranking department official not later than 14 days after a severance agreement with the director or official is signed. The name of the director or official and the amount of severance pay must be included in the report required by this subdivision.
- (b) Maintain an internet site that posts any severance pay in excess of 6 weeks of wages, regardless of the position held by the former department employee receiving severance pay.
- (c) By February 1, report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office on the total amount of severance pay remitted to former department employees during the fiscal year ending September 30, 2023 and the total number of former department employees that were remitted severance pay during the fiscal year ending September 30, 2023.
- (2) As used in this section, "severance pay" means compensation that is both payable or paid upon the termination of employment and in addition to either wages or benefits earned during the course of employment or generally applicable retirement benefits.
- Sec. 224. It is the intent of the legislature that departments

maximize the efficiency of the state workforce and, where possible, 1 prioritize in-person work. Each executive branch department, agency, board, or commission that receives funding under part 1 must post its in-person, remote, or hybrid work policy on its website.

Sec. 241. When the department activates the incident management team to protect life or property, within 12 hours the department shall notify the senate and house members within whose district the site is located.

Sec. 242. General fund appropriations in part 1 shall not be expended for items in cases where federal funding or private grant funding is available for the same expenditure.

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# DEPARTMENTAL ADMINISTRATION AND SUPPORT

Sec. 301. (1) The department may establish a fee schedule and collect fees for the following work activities and services:

- (a) Pesticide and plant pest management propagation and certification of virus-free foundation stock.
- (b) Fruit and vegetable inspection and grading services at shipping and termination points and processing plants.
- (c) Laboratory support analyses of food, livestock, and agricultural products for disease, foreign products for disease, toxic materials, foreign substances, and quality standards.
- (d) Laboratory support test samples for other state and local agencies and public or private organizations.
- (2) The department may receive and expend revenue from the fees authorized under subsection (1), subject to appropriation, for the purpose of recovering expenses associated with the work activities and services described in subsection (1). Fee revenue

collected by the department under subsection (1) shall not lapse to the state general fund at the end of the fiscal year but shall carry forward for appropriation by the legislature in the subsequent fiscal year.

- (3) The department shall notify the subcommittees, the fiscal agencies, and the state budget office 30 days before proposing changes in fees authorized under this section or under section 5 of 1915 PA 91, MCL 285.35.
- (4) On or before February 1 of each year, the department shall provide a report to the subcommittees, the fiscal agencies, and the state budget office detailing all the fees charged by the department under the authorization provided in this section, including, but not limited to, rates, number of individuals paying each fee, and the revenue generated by each fee in the previous fiscal year.

Sec. 302. (1) The department may contract with or provide grants to local units of government, institutions of higher education, or nonprofit organizations to support activities authorized by appropriations in part 1. As used in this section, contracts and grants include, but are not limited to, contracts for delivery of groundwater/freshwater programs, MAEAP technical assistance, forest management, invasive species monitoring, wildlife risk mitigation, grants promoting proper pesticide disposal, and research grants for the purpose of enhancing the agricultural industries in this state.

(2) The department shall provide notice of contracts or grants authorized under this section to the subcommittees, the fiscal agencies, and the state budget office not later than 7 days before the department notifies contract or grant recipients.

Sec. 303. From the funds appropriated in part 1 for emerging contaminants in food and agriculture, the department shall support efforts to identify and respond to the impacts of emerging contaminants to the food and agriculture sector, help address and mitigate current issues caused by emerging contaminants, and work to prevent and minimize future impacts. The department shall coordinate these efforts with other state agencies, federal agencies, tribal governments, local governments, institutions of higher learning, and the food and agriculture sector. Emerging contaminants include, but are not limited to, pesticides, dioxins, and per- and polyfluoroalkyl substances.

#### FOOD AND DAIRY

Sec. 401. (1) The department shall report on the previous fiscal year's activities of the food and dairy division. The report shall include information on activities and outcomes of the dairy safety and inspection program, the food safety inspection program, the foodborne illness and emergency response program, and the food service program.

- (2) The report shall include information on significant foodborne outbreaks and emergencies, including any significant enforcement actions taken related to food safety during the prior calendar year.
- (3) The report shall be transmitted to the subcommittees, the fiscal agencies, and the state budget office and posted to the department's website on or before April 1 of each year.

#### ANIMAL INDUSTRY

Sec. 451. From the funds appropriated in part 1, the

department shall pay for all whole herd bovine TB testing costs and individual animal testing costs in the modified accredited zone and buffer counties as referenced in the current memorandum of understanding between the department and the USDA to maintain split-state status requirements. These costs include indemnity and compensation for injury causing death or downer to animals.

Sec. 452. (1) The department shall report on the previous calendar year's activities of the animal industry division. The report shall be transmitted to the subcommittees, the fiscal agencies, and the state budget office and posted to the department's website on or before April 1 of each year.

- (2) The department shall include in the report all indemnification payments for livestock depredation made in the previous calendar year and shall include all of the following:
  - (a) The reason for the indemnification.
  - (b) The amount of the indemnification.
  - (c) The person for whom the indemnification was paid.

Sec. 454. The department shall use its resources to collaborate with the USDA to monitor bovine TB, consistent with the current required memorandum of understanding between the department and the USDA.

Sec. 455. From the funds appropriated in part 1 for animal disease prevention and response, \$200,000.00 shall be used to cover costs associated with testing of registered privately owned cervid facilities for required surveillance testing for chronic wasting disease and for infected herd bovine TB testing.

Sec. 457. (1) On or before October 15 of each year, the department shall provide to the subcommittees, the fiscal agencies, and the state budget office a report on bovine TB status and

department activities.

(2) For each fiscal quarter following the report required in subsection (1), the department shall provide an update to the subcommittees, the fiscal agencies, and the state budget office. The quarterly update reports shall identify significant impacts to the program, including new incidence of bovine TB in this state, department activity associated with specific new incidence of bovine TB, any changes in USDA requirements or movement orders, and information and data on wildlife risk mitigation plan implementation in the modified accredited zone; implementation of a movement certificate process; progress toward annual surveillance test requirements; efforts to work with slaughter facilities in this state, as well as those that slaughter a significant number of animals from this state; educational programs and information for this state's livestock community; and any other item the legislature should be aware of that will promote or hinder efforts to achieve bovine TB free status for this state.

Sec. 458. From the funds appropriated in part 1 for Michigan animal agriculture alliance, the department shall work with animal industry representatives and state research universities to continue an animal research grant program.

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#### PESTICIDE AND PLANT PEST MANAGEMENT

Sec. 501. The department shall report on the previous calendar year's activities of the pesticide and plant pest management division. The report shall be transmitted to the subcommittees, the fiscal agencies, and the state budget office and posted to the department's website on or before April 1 of each year.

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## ENVIRONMENTAL STEWARDSHIP

 Sec. 601. The funds appropriated in part 1 for environmental stewardship/MAEAP shall be used to support department agriculture pollution prevention programs, including groundwater and freshwater protection programs under part 87 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.8701 to 324.8717, and technical assistance in implementing conservation grants available under the federal farm bill.

Sec. 602. The department shall report on the previous calendar year's activities of the environmental stewardship division. The report shall be transmitted to the subcommittees, the fiscal agencies, and the state budget office and posted to the department's website on or before April 1 of each year.

Sec. 603. In addition to the report required under section 602, by April 1, the department shall prepare a report to be posted on the department's website and provided to the relevant house and senate standing committees and appropriations subcommittees as well as to the fiscal agencies and state budget office. The report shall contain the following information for agriculture nutrient best management voluntary practices program: number and location of acres enrolled in nutrient management or other best management practices; number of acres enrolled that were not previously verified under the MAEAP; summary of practices implemented and available incentive programs; starting and ending balances of the program; summary of outreach and training efforts; and testing results.

Sec. 604. The department may receive and expend federal revenues up to a total of \$1,000,000.00 in excess of the federal revenue appropriated in section 107 of part 1 for environmental

stewardship and MAEAP activities. The department shall notify the subcommittees, the fiscal agencies, and the state budget office prior to expending federal revenues authorized under this section.

Sec. 608. (1) The appropriations in part 1 for the qualified forest program are 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.

(2) The department shall work 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.

Sec. 609. (1) The appropriations in part 1 for local conservation districts shall be distributed in equal amounts to local conservation districts in this state that were in operation as of April 15, 2021.

(2) On or before March 1, 2024, the department shall report on the previous calendar year's activities of local conservation districts. The report shall include descriptions of local conservation district activities and funding, including uses of appropriations made in part 1. In preparing this report, the department shall coordinate with representatives of local conservation districts. The report shall be transmitted to the subcommittees, the fiscal agencies, and the state budget office and posted to the department's website.

Sec. 610. From the funds appropriated in part 1, the department shall maintain coordination with the department of treasury to improve the timely processing and issuance of tax credits under section 36109 of the natural resources and

- environmental protection act, 1994 PA 451, MCL 324.36109, for the Michigan's farmland and open space preservation program under parts 361 and 362 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.36101 to 324.3116 and 324.36201 to 324.36207. This includes, but is not limited to:
  - (a) Timely review of mailed applications and paperwork.
  - (b) Timely and proactive communications to applicants on the status of their application.
  - (c) A clear and understood timeline for the issuance of any tax credits.
  - Sec. 611. (1) From the funds appropriated in part 1 for soil health and regenerative agriculture program, the department shall establish a program with the purpose of advancing the adoption of soil health and regenerative agriculture principles in Michigan agriculture.
  - (2) The department may engage partners to achieve the purposes of the program, including agriculture extension offices, the national resources conservation service, conservation districts, and nongovernmental organizations to build farmer-to-farmer networks to disseminate practices and information to improve adaptation of soil health and regenerative agriculture practices, and other needs that the department identifies to improve adoption of these principles. Funds shall not be used for applied research into adoption precision agriculture or to advance adoption precision agriculture.
  - (3) The department shall promote the principles of soil health and regenerative agriculture, that include maintaining soil cover, minimization of soil disturbance, plant/crop diversity, maintenance of continual live plant/root, and integration of livestock into

1 cropping systems.

- (4) The department shall promote the goals of the principles of soil health and regenerative agriculture, that include increasing soil organic matter content, improving soil water infiltration capacity, increasing soil water holding capacity, improving soil biological capacity to break down plant residue and other substances and to maintain soil aggregation, improving soil nutrient sequestration and cycling capacity, and increasing carbon sequestration capacity of soil.
- (5) The department shall promote the practices of soil health and regenerative agriculture, that include the use of no-till farming, intercropping, cover crops, multispecies cover crops, roll cropping, managed rotational grazing, and other practices identified that utilize natural biological processes to advance the goals of soil health and regenerative agriculture.
- (6) The program's objectives shall be accomplished by utilizing state employees or contracts with service providers, or both. Any program partners receiving funding shall indicate the conservation outcomes they are intending to achieve and how they will measure achievement of those outcomes and provide a report to the department on the uses of funding received and achievement of any outcomes.

#### LABORATORY PROGRAM

Sec. 651. The department shall report on the previous calendar year's activities of the laboratory division. The report shall be transmitted to the subcommittees, the fiscal agencies, and the state budget office and posted to the department's website on or before April 1 of each year.

Sec. 652. No funds in part 1 shall be used for the purpose of consolidating state-run laboratories.

#### AGRICULTURE DEVELOPMENT

Sec. 701. (1) From the funds appropriated in part 1 for the food and agriculture investment program, the department shall establish and administer a food and agriculture investment program.

- (2) The food and agriculture investment program shall expand the Michigan food and agriculture sector, promote food security, develop local and regional food systems, grow Michigan exports, promote the development of value-added agricultural production, food hubs, urban farms, food incubators, and community-based processing facilities, and expand farm markets and flower markets, with a focus on new and expanding protein processors, and the expansion of farm markets and urban agriculture, including promotion of hoop houses, and increase food processing activities within this state by accelerating investment projects and infrastructure development that support growth in the food and agriculture processing industry. The food and agriculture development fund awards shall emphasize Michigan-based small business nonprofits, and organizations promoting agriculture and food security activities.
- (3) In addition to the funds appropriated in part 1, the department may receive and expend funds received from outside sources for the food and agriculture investment program.
- (4) Before the allocation of funding, all projects shall receive approval from the Michigan commission of agriculture and rural development, except for projects selected through a competitive process by a joint evaluation committee selected by the

- director and consisting of representatives that have agriculture, business, and economic development expertise. Projects funded through the food and agriculture investment program will be required to have a grant agreement that outlines milestones and activities that must be met in order to receive a disbursement of funds. Projects must also identify measurable project outcomes.
  - (5) The department shall include in the agriculture development annual report a report on the food and agriculture investment program for the previous fiscal year that includes a listing of the grantees, award amounts, match funding, project locations, and project outcomes.
  - (6) The food and agriculture investment program shall be administered by the department and provide support for food and agriculture projects that will enable growth in the industry and this state's economy.
  - (7) The unexpended funds appropriated in part 1 for the food and agriculture investment program are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:
  - (a) The purpose of the project is to promote and expand the Michigan food and agriculture sector, grow Michigan exports, and increase food processing activities within the state.
  - (b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.
    - (c) The estimated cost of this project is identified in the

- 1 appropriation line item.
- 2 (d) The tentative completion date for the work project is3 September 30, 2025.
  - (8) The department may expend money from the funds appropriated in part 1 for the food and agriculture investment program, including all of the following activities:
    - (a) Grants.

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- 8 (b) Loans or loan guarantees.
- 9 (c) Infrastructure development.
- 10 (d) Other economic assistance.
- 11 (e) Program administration.
- 12 (f) Export assistance.
- 13 (9) The department shall expend no more than 5% from the funds
  14 appropriated in part 1 for the food and agriculture investment
  15 program for administrative purposes.
- Sec. 702. The office of rural development shall act to
  encourage and enable appropriate community advancements and
  improvements, including, but not limited to, housing,
  infrastructure, education, workforce development, and other needs
  uniquely present in rural areas of this state that will assist in
  expansion of rural agriculture development.
  - Sec. 703. (1) From the funds appropriated in part 1 for fair food network double up food bucks, the department shall work with the fair food network to ensure that at least 80% of the funds allocated to the double up food bucks program are directly used for the payments to participating vendors.
  - (2) The department shall work with the department of health and human services to do all of the following:
- 29 (a) Notify recipients of food assistance program benefits that

food assistance program benefits can be accessed at many farmer's markets in this state with bridge cards.

- (b) Notify recipients of food assistance program benefits about the double up food bucks program that is administered by the fair food network. Food assistance program recipients shall receive information about the double up food bucks program.
- (3) The department shall work with the fair food network to expand access to the double up food bucks program in each of the state's counties with grocery stores or farmer's markets that meet the program's eligibility requirements.
- (4) On or before June 1, 2024, the department shall submit a report on activities and outcomes of the double up food bucks program to the subcommittees and the fiscal agencies. The report shall contain all of the following:
- (a) Counties in this state with participating double up food bucks vendors, the number of vendors by county, and the name and location of vendors, as of May 1, 2023.
- (b) Counties in this state with participating double up food bucks vendors, the number of vendors by county, and the name of location of vendors, as of May 1, 2024. The report shall highlight counties and vendors added to the program since May 1, 2023.
- (c) Number of individuals participating in the program, by county.
  - Sec. 706. (1) The department shall report on the previous calendar year's activities of the agriculture development division. The report shall be transmitted to the subcommittees, the fiscal agencies, and the state budget office and posted to the department's website on or before April 1 of each year.
- (2) The report shall include the following information on any

grants awarded during the prior fiscal year:

- (a) The name of the grantee.
- (b) The amount of the grant.
- (c) The purpose of the grant, including measurable outcomes.
- (d) Additional state, federal, private, or local funds contributed to the grant project.
  - (e) The completion date of grant-funded activities.
  - (3) The report shall include the following information on the Michigan craft beverage council established under section 303 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1303:
  - (a) Council activities and accomplishments for the previous fiscal year.
  - (b) Council expenditures for the previous fiscal year by category of administration, industry support, research and education grants, and promotion and consumer education.
  - (c) Grants awarded during the previous fiscal year and the results of research grant projects completed during the previous fiscal year.

Sec. 707. Unexpended industry support fund revenues at the end of the fiscal year may be carried forward into the industry support fund in the succeeding fiscal year and shall not lapse to the general fund.

#### FAIRS AND EXPOSITIONS

Sec. 801. All appropriations from the agriculture equine industry development fund shall be spent on equine-related purposes. No funds from the agriculture equine industry development fund shall be expended for nonequine-related purposes without prior approval of the legislature.

Sec. 802. From the funds appropriated in part 1 from agriculture equine industry development funds, available revenue shall be allocated in the following priority order:

- (a) To support all administrative, contractual, and regulatory costs incurred by the department and the Michigan gaming control board.
- (b) Any remaining funds collected through September 30, 2023, after the obligations in subdivisions (a) and (b) have been met, shall be prorated equally among the county fairs, supplements, breeders' awards, and sire stakes awards to eligible race meeting licensees in accordance with section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320.
- Sec. 805. (1) The department shall establish and administer a county fairs, shows, and expositions grant program. The program shall have the following objectives:
  - (a) Assist in the financing of building improvements or other capital improvements at county fairgrounds of this state.
    - (b) Provide financial support, promotion, prizes, and premiums of equine, livestock, and other agricultural commodity expositions in this state.
    - (2) The department shall award grants on a competitive basis to county fairs or other organizations from the funds appropriated in part 1 for county fairs, shows, and expositions grants. Grantees will be required to provide a 50% cash match with grant awards and identify measurable project outcomes. A county fair organization that received a county fair capital improvement grant in the prior fiscal year shall not receive a grant from the appropriation in part 1.
      - (3) From the amount appropriated in part 1 for county fairs,

shows, and expositions, up to \$25,000.00 shall be expended for the purpose of financial support, promotion, prizes, and premiums of equine, livestock, and other agricultural commodity expositions and festivals in this state.

- (4) All fairs receiving grants under this section shall provide a report to the department on the financial impact resulting from the capital improvement project on both fair and nonfair events. These reports are due for 3 years immediately following the completion of the capital improvement project.
- (5) The department shall identify criteria, evaluate applications, and provide recommendations to the director for final approval of grant awards.
- (6) The department may expend money from the funds appropriated in part 1 for the county fairs, shows, and expositions for administering the program.
- (7) The unexpended portion of the appropriation in part 1 for county fairs, shows, and expositions grants are designated as a work project appropriation and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditure for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:
- (a) The purpose of the project is to support building improvements or other capital improvements at county fairgrounds of this state.
- (b) All grants will be distributed in accordance with this section and the grant guidelines published prior to the request for proposals.

- (c) The project will be accomplished by utilizing state employees or contracting with service providers.
- (d) The total estimated cost of the project is identified in the appropriation line item.
- (e) The tentative completion date for the work project is September 30, 2025.
- (8) The department shall provide a year-end report on the county fairs, shows, and expositions grants no later than December 1, 2024 to the subcommittees, the fiscal agencies, and the state budget director that includes a listing of the grantees, award amounts, match funding, project outcomes, and department costs of grant administration.

## ONE-TIME APPROPRIATIONS

Sec. 900. The one-time funds appropriated in part 1 for local conservation districts shall be used to assist conservation districts in sign-up for and receipt of increased farm bill money from the inflation reduction act of 2022, Public Law 117-169. Conservation districts must apply to the department for matching funds and report to the department on increased sign-ups.

Sec. 901. From the one-time funds appropriated in part 1 for emerging contaminants in food and agriculture, the department shall support research and grant efforts to identify and respond to the impacts of emerging contaminants to the food and agriculture sector, help address and mitigate current issues caused by emerging contaminants, and work to prevent and minimize future impacts. The department shall coordinate these efforts with other state agencies, federal agencies, tribal governments, local governments, institutions of higher learning, and the food and agriculture

sector. Emerging contaminants include, but are not limited to, pesticides, dioxins, and per- and polyfluoroalkyl substances.

Sec. 902. (1) From the one-time funds appropriated in part 1 for minority-owned food and agriculture ventures, the department shall create a grant program to expand minority businesses in food and agriculture. Grant recipients must be majority minority-owned or ventures that are providing access to predominately majority minority-owned businesses.

- (2) From the one-time funds appropriated in part 1 for minority-owned food and agriculture ventures, \$400,000.00 shall be allocated to the communities first organization to provide retail space and assistance for predominately minority-owned entrepreneurial businesses.
- (3) The unexpended funds appropriated in part 1 for minority-owned food and agriculture ventures are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed.

Sec. 903. (1) From the one-time funds appropriated in part 1 for small producer supply chain and market access grants, the department shall create a grant program to invest in infrastructure to increase accessible cold storage, distribution, and processing facilities, as well as assist with implementation of advancing technology for small producers.

(2) From the one-time funds appropriated in part 1 for small producer supply chain and market access grants, the department may increase capacity by a total of 1.0 FTE position (limited term) to administer the program.

(3) The unexpended funds appropriated in part 1 for small producer supply chain and market access grants are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed.

Sec. 904. (1) The one-time appropriation in part 1 for soil health and regenerative agriculture shall be used by the department for the following purposes: expanding existing or creating new partnerships that increase the adoption of soil health and regenerative agriculture principles, technical assistance to farmers on the adoption of the principles of soil health and regenerative agriculture, initiatives to mitigate risk in transitioning to regenerative agriculture practices, market development, and other needs identified by the department.

- (2) The department may engage partners to achieve the purposes of the appropriation, including agriculture extension offices, the national resources conservation service, conservation districts, and nongovernmental organizations to build farmer-to-farmer networks to disseminate practices and information to improve adaptation of soil health and regenerative agriculture practices, and other needs that the department identifies to improve adoption of these principles. Funds shall not be used for applied research into adoption precision agriculture or to advance adoption precision agriculture.
- (3) The department shall promote the principles of soil health and regenerative agriculture, that include maintaining soil cover, minimization of soil disturbance, plant/crop diversity, maintenance of live plant/root, and integration of livestock into cropping

1 systems.

- (4) The department shall promote the goals of the principles of soil health and regenerative agriculture, that include increasing soil organic matter content, improving soil water infiltration capacity, increasing soil water holding capacity, improving soil biological capacity to break down plant residue and other substances and to maintain soil aggregation, improving soil nutrient sequestration and cycling capacity, and increasing carbon sequestration capacity of soil.
- (5) The department shall promote the practices of soil health and regenerative agriculture, that include the use of no-till farming, intercropping, cover crops, multispecies cover crops, roll cropping, managed rotational grazing, and other practices identified that utilize natural biological processes to advance the goals of soil health and regenerative agriculture.
- (6) The appropriation's objectives shall be accomplished by utilizing state employees or contracts with service providers, or both. Any program partners receiving funding shall indicate the conservation outcomes they are intending to achieve and how they will measure achievement of those outcomes and provide a report to the department on the uses of funding received and achievement of any outcomes.
- (7) The unexpended one-time funds appropriated in part 1 for soil health and regenerative agriculture are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed.
- Sec 905. The one-time appropriation for Washtenaw conservation

district shall be used for a 2-year MiFarmLink pilot project to connect new farmers with opportunities to gain access to land to start their own farms.

5 PART 2A

#### PROVISIONS CONCERNING APPROPRIATIONS

#### FOR FISCAL YEAR 2022-2023

#### GENERAL SECTIONS

Sec. 1201. According to section 30 of article IX of the state constitution of 1963, total state spending from state sources under part 1A for fiscal year 2022-2023 is \$0.00 and state spending from state sources to be paid to local units of government for fiscal year 2022-2023 is \$0.00.

Sec. 1202. The appropriations authorized under part 1A and this part are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

# ONE-TIME APPROPRIATIONS

Sec. 1301. The unexpended funds appropriated in part 1A for CRRSAA - farm stress program are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the project is to provide a stress assistance program for individuals in farming or other agriculture-related occupations.
  - (b) The project will be accomplished by utilizing state

employees or contracts with service providers, or both.

- (c) The estimated cost of the project is \$60,000.00.
- (d) The tentative completion date is September 30, 2025.

Sec. 1302. The unexpended funds appropriated in part 1A for CRRSAA - seafood processors pandemic response are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the project is to provide financial relief to seafood processors.
- (b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.
  - (c) The total estimated cost of the project is \$200,000.00.
- 16 (d) The tentative completion date is September 30, 2025.

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