



STATE OF MICHIGAN
DEPARTMENT OF AGRICULTURE
LANSING

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GOVERNOR

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FY2010 Budget Talking Points
October 15, 2009

- The Legislature had reduced MDA's budget by 10 percent in general fund dollars when it was presented to the Governor for signature. It included \$84.6 million total funding with \$30.6 million general fund.
- The Governor signed MDA's budget on Oct. 14; however, it included 16 line-item vetoes and additional boilerplate vetoes resulting in \$73.3 million in total FY2010 funding for MDA. The vetoes cut an additional \$11.3 million in total funding from MDA's already reduced budget, including a \$537,900 general fund reduction, giving MDA a 13 percent total budget reduction (1.7 percent general fund) compared to the legislature's proposal.
- The vetoes have direct program impacts including:
 - \$485,100 cut for producer security effectively eliminating that program.
 - \$300,000 cut from the Agriculture Development Division eliminating the Select Michigan program, curtailing agriculture economic development efforts, and hindering MDA's ability to work with the state's commodity groups.
 - \$6,625,800 veto cuts all equine grant administration, which ends all state funding for local county fairs including premium payments and building improvements.
 - \$2.5 million cut to eliminate funding for the Office of the Racing Commissioner.
 - The veto eliminates \$236,900 in grant funding for Michigan's 79 local conservation districts.
 - \$540,100 in funding to support the Michigan Agricultural Surplus System.
- The MASS program provides a safe, fast, and convenient system for the state's food industry to donate products, plus reimburse growers, packers and processors for costs incurred in preparing donations for local food banks.
- Since 2001, the state's local conservation districts have seen steady decline in funding support. In nine years, funding levels have gone from \$2.8 million in funding now to zero.
- MDA has already issued 15 layoff notices effective November 1, 2009 based on the legislature's proposal. The vetoes within the approved budget will result in

potentially 25 additional layoffs. This is in addition to six staff that were eliminated with the Executive Order in July.

- A supplemental to restore equine development funding, producer security, and other critical funding areas within the budget is being prepared by MDA in coordination with the State Budget Office.
- MDA has already taken drastic steps to identify cost-cutting measures such as the closure of regional offices in Detroit, Escanaba, Grand Rapids, Lansing, Saginaw, St. Joseph, Traverse City, and the district office in Marquette due to cuts to MDA's budget.
- MDA has already eliminated programs based upon funding reductions including pet shop and horse riding stable inspections, seed testing, fertilizer testing, agricultural bulk storage, dry bean grading, and Upper Peninsula State Fair administration.
- Authorization for dairy inspection fee increases and the creation of a migrant labor housing inspection fee are included in MDA's budget and those bills are currently being developed.