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Senate Bill 885 (as introduced 2-23-22)
Sponsor: Senator Roger Victory
Committee: Appropriations

Date Completed: 3-9-22

CONTENT

The supplemental would make appropriations of \$1.4 billion Gross from \$1.4 billion General Fund/General Purpose (GF/GP) funds for fiscal year (FY) 2021-22. The bill reflects several one-time grant initiatives to restore and bolster the State's agriculture industry as it recovers from the COVID-19 pandemic. The bill's major grant programs would include \$350.0 million for agriculture infrastructure, \$350.0 million for food distribution and security, \$150.0 million for labor housing, \$144.0 million to address the impact of bovine tuberculosis, and \$100.0 million for rural broadband completion. Other grant programs would address technical training, farmers markets, local food banks, agriculture innovation, protein processing, sustainability, fairs, and funding for Michigan State University agriculture research.

The table below summarizes the funding by program area in the supplemental.

FY 2021-22 Supplemental Appropriations				
Department/Program	Gross	Federal	Other	GF/GP
Agriculture and Rural Development (one-time)				
Agriculture infrastructure grants	\$350,000,000	\$0	\$0	\$350,000,000
Agriculture labor housing grants	150,000,000	0	0	150,000,000
Agriculture technical training grants	10,000,000	0	0	10,000,000
Bovine tuberculosis mitigation grants	144,000,000	0	0	144,000,000
Farmers market grants	45,000,000	0	0	45,000,000
Food distribution security and stability grants	350,000,000	0	0	350,000,000
Local food bank support grants	15,000,000	0	0	15,000,000
Michigan center for agriculture innovation	5,000,000	0	0	5,000,000
Michigan State University dairy barn	45,800,000	0	0	45,800,000
Michigan State University greenhouse	50,000,000	0	0	50,000,000
Protein processor grants	75,000,000	0	0	75,000,000
Rural development broadband completion grants	100,000,000	0	0	100,000,000
Statewide fair support grants	25,000,000	0	0	25,000,000
Sustainability infrastructure grants	50,000,000	0	0	50,000,000
Upper Peninsula state fair	1,000,000	0	0	1,000,000
Total Agriculture and Rural Development	\$1,415,800,000	\$0	\$0	\$1,415,800,000
Total FY 2021-22 Supplemental Appropriations	\$1,415,800,000	\$0	\$0	\$1,415,800,000

FISCAL IMPACT

The bill provides FY 2021-22 line-item appropriations of \$1.4 billion Gross and \$1.4 billion GF/GP. It is possible that the GF/GP fund source in the bill could be substituted at a later date with Federal funds, assuming identification of viable Federal fund sources.

FY 2021-22 BOILERPLATE LANGUAGE SECTIONS-PART 2

Sec. 201. General. Records amount of total State spending and payments to local units of government.

Sec. 202. General. Subjects appropriations and expenditures in the article to the provisions of the Management and Budget Act.

Sec. 203. General. Directs that, from the funds appropriated in part 1 for grants, the Department may spend no more than 3% of funds appropriated for administrative purposes.

Sec. 301. Agriculture Infrastructure. Requires funds appropriated in part 1 for agriculture infrastructure grants to be used to create a grant program to support agriculturally beneficial infrastructure projects, including water, wastewater, natural gas, biodigester, electric, bridge, railway, and harbor/port infrastructure projects and any infrastructure project that facilitates new or increased production or export of Michigan-grown or -processed agricultural products.

Sec. 302. Agriculture Labor Housing Grants. Requires funds appropriated in part 1 for agriculture labor housing grants to be used to create a grant program to support the building of housing units for seasonal and year-round employees of Michigan's agricultural industry. The Department also must encourage agricultural businesses to work in partnership with the local municipalities and regional transit hubs to secure appropriate locations for these housing units.

Sec. 303. Agriculture Technical Training Grants. Requires funds appropriated in part 1 for agriculture technical training grants to be used to create a grant program to support the training and educational costs for current and new agricultural employees and managers.

Sec. 304. Bovine Tuberculosis Mitigation Grants. Requires funds appropriated in part 1 for bovine tuberculosis mitigation grants to be used to create a grant program to support biosecurity upgrades for beef and dairy operations. Every beef and dairy operation in the State is eligible for a bovine tuberculosis mitigation grant, but grants must be issued based upon proximity to a bovine tuberculosis modified accredited zone 1 as referenced in the current memorandum of understanding between the Department and the United States Department of Agriculture.

Sec. 305. Farmers Market Grants. Requires funds appropriated in part 1 for farmers market grants to be used to create a grant program to support the stability of Michigan farmers markets. Grants must be used to purchase utilities, technology, investments in infrastructure, and other equipment necessary to operate and expand farm market operations. Up to 10% of available grant funding also may be used for advertisements and educational materials promoting the use of Supplemental Nutrition Assistance Program and double up programs at farmers markets.

Sec. 306. Food Distribution Security and Stability Grants. Requires funds appropriated in part 1 for food distribution security and stability grants to be used to support food growth, processing, and distribution services and facilities. Eligible grantees include Michigan-based warehouses and distribution centers for retail grocers, food banks, and other food distribution locations and businesses. Grants also may be used to offset costs for new facility construction, the purchase of equipment for the growing, processing, transportation, storage, and distribution of food items, and support. Eligible grantees include mobile grocery programs, retail grocery stores, food banks, greenhouses, growers, producers, processors, and potash production and processing businesses.

Sec. 307. Local Food Bank Support Grants. Requires funds appropriated in part 1 for local food bank support grants to be used to create a grant program to support food banks and community- and faith-based organizations for the purchase of fresh produce, dairy products, fluid milk, and meat and seafood products. Grants also may be used to offset costs associated

with preparing and distributing food. Grantees must be required to prioritize Michigan products and to buy products directly from the farmer or producer if possible.

Sec. 308. Michigan Center for Agriculture Innovation. Requires funds appropriated in part 1 for Michigan Center for Agriculture Innovation to be used to establish and begin operation of the Michigan Center for Agriculture Innovation. Funding may be used to pay for up to 2.0 full-time equated employees and costs related to establishing a virtual location. The Center must operate as a public-private partnership through the use of innovation funds supplied by both Michigan's agricultural industry leaders and the Department. The Center must address onsite issues facing all sectors of Michigan's agriculture industry.

Sec. 309. Michigan State University Dairy Barn. Requires funds appropriated in part 1 for Michigan State University dairy barn to be used to support the creation of a new dairy facility that is composed of the following three components: a) a modernized dairy training barn with robotic milking machines and emerging industry technology, b) a controlled environment research barn, and c) a multistage educational facility that will support university academics and draw K-12 students and other outside education programs.

Sec. 310. Michigan State University Greenhouse. Requires funds appropriated in part 1 for Michigan State University greenhouse to be used to support the creation of new, upscaled, state-of-the-art greenhouse facilities for teaching and research.

Sec. 311. Protein Processor Grants. Requires funds appropriated in part 1 for protein processor grants to be used to create a grant program to support the stability and expansion of Michigan's agriculture supply chain businesses, including processing plants, abattoirs, and storage facilities. Grants may be used by a grantee to purchase equipment, expand existing infrastructure, build new infrastructure, provide training, provide overtime and bonus pay, and purchase any other goods or services that facilitate the stability and expansion of protein processing. Priority must be given to existing and new regionally based protein processing facilities.

Sec. 312. Rural Development Broadband Completion Grants. Requires funds appropriated in part 1 for rural development broadband completion grants to be used to create a grant program to support completion funding for communities receiving Federal broadband grants that did not receive enough funding to complete a full-scale installation and are not able to provide the remaining project costs. Municipalities receiving grant funding for projects under this section are required to work with the Michigan Infrastructure Council to coordinate project planning, purchases, and completion.

Sec. 313. Statewide Fair Support Grants. Requires funds appropriated in part 1 for statewide fair support grants to be used to create a grant program to support a partial offset for lost revenue from 2020 COVID-19 shutdowns for fairground operations in Michigan and for infrastructure support.

Sec. 314. Sustainability Infrastructure Grants. Requires funds appropriated in part 1 for sustainability infrastructure grants to be used to create a grant program to assist agricultural operations to meet Michigan Agriculture Environmental Assurance Program (MAEAP) certifications or to adopt other proven best practices for asset management.

Sec. 315. Upper Peninsula State Fair. Requires funds appropriated in part 1 for Upper Peninsula State Fair to be used to partially offset the fair for lost revenue from 2020 COVID-19 shutdowns.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.