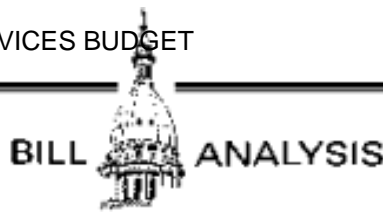




Senate Fiscal Agency
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FY 2002-03 Year-to-Date Gross Appropriation \$549,180,400

Changes from FY 2002-03 Year-to-Date:

Items Included by the Senate and House

- | | |
|--|-------------|
| 1. Michigan State Housing Development Authority. The budget includes two Federal revenue adjustments: a) the Payments on Behalf of Tenants line item - \$42,000,000, and b) Housing and Rental Assistance line item - \$7,000,000. Additionally the spending authority for the Homeless Program has been eliminated - (\$5,290,800). | 43,709,200 |
| 2. Office of Fire Safety. A fund shift has been included for this line to replace the remaining GF/GP appropriation with the balance in the Fire Service Fee account. Additionally, the Governor recommended transferring this program into the Bureau of Construction Codes. The Senate and House concur. | 0 |
| 3. Fee Increases. The bill includes an increase in the Health Systems Fees (\$600,000), the Corporations and Securities Fees (\$8,000,000), and Licensing and Regulation Fees (\$2,000,000) to replace GF/GP dollars in various line items throughout the bill. | 0 |
| 4. Funding Shifts. The bill includes a fund shift from GF/GP dollars to Federal and restricted funding in two line items. In the AFC, Children's Welfare and Day Care Licensing line, \$450,000 in Federal funding will be used to replace GF/GP dollars; and in the Health Services line, \$153,500 of Health Professional Regulatory Fund revenue will be used to replace GF/GP. | 0 |
| 5. Employment Standards Enforcement. The bill includes a 5% reduction to this line. | (115,000) |
| 6. Fire Protection Grants. The bill includes an increase in this line item. | 12,128,500 |
| 7. Other Changes. The budget includes various other adjustments to building occupancy charges, rent, workers' compensation, FY 2002-03 early retirement payouts, unclassified salaries, fleet savings, and information technology costs. Not contained in the bill are employee-related economics for salaries, insurance, and retirement totaling \$14,649,500 Gross of which \$1,624,600 is GF/GP. The bill also includes a reduction in FTEs by 465.5 to eliminate unfunded FTE positions. | (1,308,700) |

Conference Agreement on Items of Difference

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| 8. Elimination of the Workers' Compensation Appellate Commission. The Governor recommended eliminating the Commission. The Senate recommends restoring \$1,183,200 to fund the Commission. Funding for the Commission comes from Manufactured Housing Commission fees (\$400,000) and GF/GP (\$516,000). The balance is offset by cuts in Employment Relations and Employment Standards Enforcement. The Conference Committee reduced the funding to the Board of Magistrates and used those savings to fund four Appellate Commissioners. | 0 |
| 9. Administrative Savings. The bill includes additional reductions be taken through administrative savings that will be realized after the Executive reorganization. These savings are to be applied to various line items through the legislative transfer process. | (200,000) |
| 10. Employment Relations. The Senate recommends a 5% or (\$152,200) cut to both the arbitration and administration line in this unit. The House created a \$100 item of difference. The bill does not contain this reduction. | 0 |

Total Changes \$54,214,000

FY 2003-04 Enacted Gross Appropriation \$603,394,400

Changes from FY 2002-03 Year to Date:Items Included by the Senate and House

1. **Encourage Administrative Efficiencies.** The Governor recommended adding language that would appropriate to the Department one-half of the unexpended FY 2002-03 GF/GP appropriation that would otherwise lapse at year end. The bill does not include this section.
2. **Per Diem Payments.** The Governor recommended deleting this language allowing for per diem payments to members of boards, commissions, or committees. The bill does not include this language.
3. **Staffing Requirements.** The Governor recommended deleting language requiring the Department to maintain 76 MIOSHA inspectors, and language requiring a day care center to inspector ratio of 210-to-1. Not included in the bill.
4. **Intent Language.** The Governor recommended deleting intent language regarding continuing education requirements for the Board of Psychology, limiting the distance for administrative law hearings, and working with Civil Service to identify employees who lose their jobs due to Executive reorganizations. The bill maintains the language regarding administrative law hearings. (Sec. 332)
5. **Nurse Demand Study.** The Governor recommended deleting language requiring that the Department conduct a study to address the nursing shortage. The bill does not include this language.
6. **Fire Protection Grants.** The Senate adds new language making the increased appropriation for these grants contingent upon statutory changes to increase the deposit into the Liquor Fund. The bill includes this language. (Sec. 347)
7. **U.P. Board of Magistrates.** The Senate adds intent language that the next vacancy on the Board of Magistrates be filled by a permanent resident from the Upper Peninsula. The bill includes this language. (Sec. 348)

Conference Agreement on Items of Difference

8. **Fee Language.** The Governor recommended putting the fee language from the Nonprofit Corporation Act, Limited Liability Corporation Act, the Uniform Securities Act, the Occupational Code, and the Public Health Code into the appropriations bill. The Senate included. The House created items of difference. The bill does not include these sections.
9. **Nurse Scholarship Program.** The Governor and Senate maintained the current year language. The House changed the language to establish legislative intent that the program be used to increase nurses practicing in Michigan and that the Department work with the Board of Nursing to work with the Michigan Higher Education Assistance Authority to monitor these scholarships. The bill includes the House language. (Sec.329)
10. **Low Income/ Energy Efficiency Assistance.** The House included language allocating \$3 million to the Community Action Agencies across the State. The bill includes this language. (Sec. 335)
11. **MSHDA.** The House added legislative intent language that the Department and MSHDA work collaboratively with other State agencies to maximize fund equity to provide senior-assisted living that offers continued care up to nursing care and Alzheimer programs. The bill includes this language. (Sec. 349)
12. **External Review of Health Benefits.** The House added language that requires the Department to allocate funding to promote awareness of the external review process available to health benefit policyholders after the internal grievance process has been exhausted. The bill includes this language. (Sec. 350)
13. **Real Estate Continuing Education.** The House added language that requires a report on the disposition of continuing education courses; website posting of approved courses; approval of courses be available to the public; and intent language providers be able to report electronically on an applicants status regarding completion of courses by FY 2004. The bill includes this language. (Sec. 351)
14. **Worker's Compensation.** The House added language stating that the funds appropriated in part 1 are to fund the Board of Magistrates and the Appellate Commission and that two bodies shall decide these cases. The bill includes language stating the funds appropriated for the unclassified salaries are to fund four Appellate Commissioners and 27.5 Board of Magistrates positions and that two bodies shall decide these cases. (Sec. 352)
15. **Nursing Home Regulation.** The House included language requiring the independent agency to review the OBRA rules that need clarification and allow providers to challenge citations; to require all new State and Federal requirements to the OBRA process be reviewed to ensure agreement between the Department and the stakeholders before implementation; and to require the Department to conduct surveys in the time frame set up in the State Operations Manual and failure to do so would delay the implementation of enforcement an equal amount of time. The bill does not include this language.
16. **Lead Abatement.** The House added language requiring surveys of day care facilities to include an inspection for the presence of lead. The language in the bill states that if Federal funds become available lead inspections should be done. (Sec. 355)

Date Completed: 8-18-03

Fiscal Analyst: Maria Tyszkiewicz