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Senate Bill 286 (Substitute S-1 as reported)  
 Committee: Appropriations

**FY 2002-03 Year-to-Date Gross Appropriation ..... \$549,180,400**

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

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| <p>1. <b>Michigan State Housing Development Authority.</b> The Governor recommended 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). The Senate concurs.</p> <p>2. <b>Office of Fire Safety.</b> The Governor recommended a fund shift 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 concurs.</p> <p>3. <b>Elimination of the Workers' Compensation Appellate Commission.</b> 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.</p> <p>4. <b>Fee Increases.</b> The Governor recommended increasing 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. The Senate concurs.</p> <p>5. <b>Funding Shifts.</b> The Governor recommended replacing GF/GP dollars with available 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. The Senate concurs.</p> <p>6. <b>Administrative Savings.</b> The Governor recommended 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. The Senate concurs.</p> <p>7. <b>Employment Relations.</b> The Senate recommends a 5% cut to both the arbitration and administration line in this unit.</p> <p>8. <b>Employment Standards Enforcement.</b> The Senate recommends a 5% cut to this line.</p> <p>9. <b>Fire Protection Grants.</b> The Senate recommends increasing this line.</p> <p>10. <b>Other Changes.</b> The Governor recommended various other adjustments to building occupancy charges, rent, workers' compensation, FY 2003 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 Senate concurs and reduces FTEs by 465.5 to eliminate unfunded FTE positions.</p> <p>11. <b>Comparison to Governor's Recommendation.</b> The Senate recommendation is \$13,044,500 Gross, \$516,000 GF/GP over the Governor.</p> | <p>43,709,200</p> <p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>(200,000)</p> <p>(152,200)</p> <p>(115,000)</p> <p>12,128,500</p> <p>(1,308,700)</p> <p></p> |
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Total Changes ..... \$54,061,800

**FY 2003-04 Senate Appropriations Subcommittee Gross Appropriation ..... \$603,242,200**

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

1. **Standard Language.** The Governor recommended deleting the following standard sections: Privatization, Deprived and Depressed, Buy American, Affirmative Action, Receive and Retain Reports, Early Retirement, Budgetary Savings, and Tobacco language. The Senate maintains Buy America, Receive and Retain, Privatization, Affirmative Action, and Deprived and Depressed sections.
2. **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 Senate did not include this section.
3. **Per Diem Payments.** The Governor recommended deleting this language allowing for per diem payments to members of boards, commissions, or committees. The Senate concurs.
4. **Reports to the Legislature.** The Governor recommended deleting the following reports:
  - a) MSHDA Housing Production Goals; (Sec. 306)
  - b) Elevator Fees Annual Fund Balance;
  - c) Initial and Follow-Up Surveys of Nursing Homes; (Sec. 316)
  - d) Nursing Home Complaint Investigation Log; (Sec. 318)
  - e) Utility Consumer Representation Board - Public Service Announcements; (Sec. 322)
  - f) Low-Income Energy Efficiency Grants; (Sec. 335)
  - g) Office of Financial and Insurance Services Expenditures by Division; (Sec. 336)
  - h) Outcomes of the Compliance Review Team Pilot Project; (Sec. 337)The Senate maintains all of these report sections except Elevator Fees.
5. **Nursing Home Regulation.** The Governor recommended deleting the following language regarding nursing home regulation:
  - a) Language requiring the Dept. to maintain 113 inspectors & to respond to complaints on nights & weekends; (Sec. 312)
  - b) Language requiring assistance transferring oral complaints into writing & investigations on all written complaints; (Sec. 319)
  - c) Requiring a work group to clarify terms & for joint training for survey staff & providers on Federal citations; (Sec. 323)
  - d) Requiring the posting of Executive Summary of Inspections on the Internet; (Sec. 325)
  - e) Effort to hire investigative staff with past experience in the long-term care industry.The Senate maintains language for items a) through d).
6. **Remote Initial Claims System.** The Governor recommended deleting the language requiring the Department to operate offices in the Upper Peninsula during the transition to this system and requiring the automated phone system to include an option to speak to an employee. The Senate maintains this section. (Secs. 320 and 330)
7. **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. The Senate concurs.
8. **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 Senate recommends maintaining the language regarding administrative law hearings. (Sec. 332)
9. **Nurse Demand Study.** The Governor recommended deleting language requiring that the Department conduct a study to address the nursing shortage. The Senate concurs.
10. **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 concurs. (Secs. 341, 342, 343, 344, 345 and 346)
11. **Carryforward Language.** The Senate deletes the sections allowing the Department to carry forward unexpended revenue for licensing and regulation fees, elevator fees, and health fees.
12. **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. (Sec. 347)
13. **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. (Sec. 348)

Date Completed: 4-28-03

Fiscal Analyst: Maria Tyszkiewicz

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