



Senate Fiscal Agency
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BILL ANALYSIS



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FY 2004-05 Year-to-Date Gross Appropriation \$280,827,400

Changes from FY 2004-05 Year-to-Date:

Items Included by the Senate and House

- 1. **Renaissance Zone Reimbursements.** The Governor recommended a 21% increase in program funds in anticipation of increased reimbursements to local units of government that have designated Renaissance Zones within their taxing districts. The Senate and House substitutes concur. 500,000

- 2. **At Risk Student Success Program.** The Governor recommended continuation level funding of \$3,322,700 for this categorical grant program designed to address the special needs of at risk students. Funds are distributed based on the proportion of developmental and preparatory contact hours provided by each college. The Senate and House substitutes concur. 0

Conference Agreement on Items of Difference

- 3. **Operations.** The Governor recommended continuation level support for college operations from the current FY 2004-05 base amount which includes the 1.8% across the board reduction to college operations approved in Executive Order 2005-07. The Senate substitute made across-the-board reductions to each college's appropriation of 0.9%, or \$2,554,800, in order to meet overall budget targets. In addition, General Fund support of \$18,282,200 is replaced by the same amount from the School Aid Fund. The House substitute retained the Governor's recommended level of funding. The Conference Report adopts the House recommendations. 0

Total Changes..... 500,000

FY 2005-06 Conference Report Gross Appropriation \$281,327,400

Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2004-05 Year to Date:Items Included by the Senate and House

1. **Tuition Restraint.** The Governor did not recommend any form of tuition restraint for community colleges for FY 2005-06. Consequently, current-year language that describes the program's parameters was removed. The House and Senate substitutes concur. (Sec. 207).
2. **Entrepreneurship Curriculum.** The Governor retains existing language encouraging the Department of Labor and Economic Growth to work with colleges to develop an accelerated entrepreneurship curriculum. The House adds a reporting section. The Senate substitute concurs. (Sec. 208).
3. **Buy American/Buy Michigan.** The Governor recommends current year language encouraging colleges to buy Michigan and American made products where available, with minor edits to make the language standard with other similar boilerplate. The House and Senate substitute concurs. (Sec. 209).
4. **At Risk Payment Schedule.** The Governor recommends changing the current distribution of these funds from a single payment on November 1 to 11 equal payments throughout the year similar to the operations payment schedule. The House retains current schedule, which is payment in full by November 1. The Senate substitute concurs. (Sec 211).
5. **Abortion Coverage in Employee Health Insurance.** The Governor deletes language that prohibits the use of State funds for health insurance that includes abortion services for college employees. The House and Senate substitute retain current language. (Sec. 230).
6. **Benefits for Unmarried Partners.** The Governor deletes language that prohibits the use of State appropriations to provide benefits to unmarried partners of college employees. The House and Senate substitute retain current language. (Sec. 231).
7. **Payments in Lieu of Taxes.** The Governor deletes current language that creates a workgroup to evaluate and make recommendations regarding the possibility of state payments in lieu of taxes to community colleges whose districts contain state-owned land. The House includes federal, local, or otherwise nontaxable land, and adds a reporting requirement due by March 1. The Senate substitute concurs. (Sec. 237).

Conference Agreement on Items of Difference

8. **Deprived and Depressed.** The Governor and Senate substitute retain current-year language that encourages colleges to do business in deprived and depressed communities. The House does not include this language. The Conference Report includes the language. (Sec. 210).
9. **Performance Indicators Task Force.** The House adds new language that creates a 13-member workgroup to develop performance indicators that will be used to determine all, or part, of future budgets for community colleges. The Senate substitute does not include this language. The Conference Report includes the language, but reduces the membership to 8; 4 legislators, 4 community college representatives. (Sec. 242).
10. **Nursing Education Programs.** The Senate substitute includes new language encouraging colleges to expand nursing education programs by creating partnerships with health care providers, expanding the scope of the nursing scholarships program and redirecting existing resources. The Conference Report includes the language. (Sec. 241).
11. **Audits.** The House increases the number of random audits conducted by the Auditor General of Activities Classification Structure (ACS) data, from 7, to 7-10. The Senate substitute retains 7. The Conference Report retains 7.
12. **Parity Intent Language.** The Conference Committee included new language stating legislative intent that if there is additional FY 2005-06 revenues determined at the January 2006 consensus revenue estimating conference, the legislature will review the possibility of providing an increase of up to \$3.2 million for community colleges. (Sec. 243).
13. **FY 2004-05 Book Closing Revenue.** The Conference Committee included new language that indicates that the appropriations in the bill are in addition to the revenue colleges may receive from revenue that may be available at the State's FY 2004-05 book closing, and should recognize this revenue in the college's 2005-06 fiscal year.



FY 2005-2006 Community College Recommended Appropriations

College	FY 2004-05 Appropriations			FY 2005-06 Governor		FY 2005-06 Senate		FY 2005-06 House		FY 2005-06 Target	
	P.A. 358 2004 Enacted	E.O. '05-07 1.8% atb red.	Adjusted Approp.*	Dollar Approp.	% Chg '05 Adjust.	Dollar Approp.	% Chg '05 Adjust.	House Recommend.	% Chg '05 Adjust.	Target Recommend.	% Chg '05 Adjust.
Alpena	4,862,500	(85,400)	4,777,100	4,777,100	0.0%	4,732,700	-0.9%	4,777,100	0.0%	4,777,100	0.0%
Bay de Noc	4,701,100	(82,600)	4,618,500	4,618,500	0.0%	4,575,600	-0.9%	4,618,500	0.0%	4,618,500	0.0%
Delta	13,148,100	(231,000)	12,917,100	12,917,100	0.0%	12,797,100	-0.9%	12,917,100	0.0%	12,917,100	0.0%
Glen Oaks	2,205,900	(38,800)	2,167,100	2,167,100	0.0%	2,147,000	-0.9%	2,167,100	0.0%	2,167,100	0.0%
Gogebic	4,022,200	(70,700)	3,951,500	3,951,500	0.0%	3,914,800	-0.9%	3,951,500	0.0%	3,951,500	0.0%
Grand Rapids	16,538,000	(290,500)	16,247,500	16,247,500	0.0%	16,096,600	-0.9%	16,247,500	0.0%	16,247,500	0.0%
Henry Ford	20,154,800	(354,100)	19,800,700	19,800,700	0.0%	19,616,800	-0.9%	19,800,700	0.0%	19,800,700	0.0%
Jackson	11,156,800	(196,000)	10,960,800	10,960,800	0.0%	10,859,000	-0.9%	10,960,800	0.0%	10,960,800	0.0%
Kalamazoo Valley	11,383,600	(200,000)	11,183,600	11,183,600	0.0%	11,079,700	-0.9%	11,183,600	0.0%	11,183,600	0.0%
Kellogg	8,943,800	(157,100)	8,786,700	8,786,700	0.0%	8,705,100	-0.9%	8,786,700	0.0%	8,786,700	0.0%
Kirtland	2,714,500	(47,700)	2,666,800	2,666,800	0.0%	2,642,000	-0.9%	2,666,800	0.0%	2,666,800	0.0%
Lake Michigan	4,813,500	(84,600)	4,728,900	4,728,900	0.0%	4,685,000	-0.9%	4,728,900	0.0%	4,728,900	0.0%
Lansing	28,599,500	(502,400)	28,097,100	28,097,100	0.0%	27,836,200	-0.9%	28,097,100	0.0%	28,097,100	0.0%
Macomb	30,514,700	(536,100)	29,978,600	29,978,600	0.0%	29,700,200	-0.9%	29,978,600	0.0%	29,978,600	0.0%
Mid Michigan	4,070,600	(71,500)	3,999,100	3,999,100	0.0%	3,962,000	-0.9%	3,999,100	0.0%	3,999,100	0.0%
Monroe	3,960,400	(69,600)	3,890,800	3,890,800	0.0%	3,854,700	-0.9%	3,890,800	0.0%	3,890,800	0.0%
Montcalm	2,864,600	(50,300)	2,814,300	2,814,300	0.0%	2,788,200	-0.9%	2,814,300	0.0%	2,814,300	0.0%
Mott	14,459,400	(254,000)	14,205,400	14,205,400	0.0%	14,073,500	-0.9%	14,205,400	0.0%	14,205,400	0.0%
Muskegon	8,228,500	(144,600)	8,083,900	8,083,900	0.0%	8,008,800	-0.9%	8,083,900	0.0%	8,083,900	0.0%
North Central	2,787,100	(49,000)	2,738,100	2,738,100	0.0%	2,712,700	-0.9%	2,738,100	0.0%	2,738,100	0.0%
Northwestern	8,396,400	(147,500)	8,248,900	8,248,900	0.0%	8,172,300	-0.9%	8,248,900	0.0%	8,248,900	0.0%
Oakland	19,249,100	(338,200)	18,910,900	18,910,900	0.0%	18,735,300	-0.9%	18,910,900	0.0%	18,910,900	0.0%
St. Clair	6,447,600	(113,300)	6,334,300	6,334,300	0.0%	6,275,500	-0.9%	6,334,300	0.0%	6,334,300	0.0%
Schoolcraft	11,297,400	(198,500)	11,098,900	11,098,900	0.0%	10,995,800	-0.9%	11,098,900	0.0%	11,098,900	0.0%
Southwestern	6,064,500	(106,500)	5,958,000	5,958,000	0.0%	5,902,700	-0.9%	5,958,000	0.0%	5,958,000	0.0%
Washtenaw	11,482,300	(201,700)	11,280,600	11,280,600	0.0%	11,175,800	-0.9%	11,280,600	0.0%	11,280,600	0.0%
Wayne County	14,843,000	(260,800)	14,582,200	14,582,200	0.0%	14,446,800	-0.9%	14,582,200	0.0%	14,582,200	0.0%
West Shore	2,114,400	(37,100)	2,077,300	2,077,300	0.0%	2,058,000	-0.9%	2,077,300	0.0%	2,077,300	0.0%
Subtotal Operations	\$280,024,300	(\$4,919,600)	\$275,104,700	\$275,104,700	0.0%	\$272,549,900	-0.9%	\$275,104,700	0.0%	\$275,104,700	0.0%
At Risk	3,322,700	0	3,322,700	3,322,700	0.0%	3,322,700	0.0%	3,322,700	0.0%	3,322,700	0.0%
Renaissance Zone	2,400,000	0	2,400,000	2,900,000	20.8%	2,900,000	20.8%	2,900,000	20.8%	2,900,000	20.8%
Total Gross Approp.	\$285,747,000	(\$4,919,600)	\$280,827,400	\$281,327,400	0.2%	\$278,772,600	-0.7%	\$281,327,400	0.2%	\$281,327,400	0.2%
School Aid Fund	\$0	\$0	\$0	\$0	0.0%	\$18,282,200	NA	0	NA	0	NA
GF/GP	\$285,747,000	(\$4,919,600)	\$280,827,400	\$281,327,400	0.2%	\$260,490,400	-7.2%	\$281,327,400	0.2%	\$281,327,400	0.2%

* FY 2004-05 Adjusted Appropriation does not include the May Revenue Estimating Conference partial restoration of \$2,705,800



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FY 2004-05 Year-to-Date Gross Appropriation \$10,484,991,800

Changes from FY 2004-05 Year-to-Date:

Items Included by the House and Senate

- 1. **Medicaid Special Financing.** Medicaid special financing mechanisms continue to be phased out due to changes in Federal regulations. The Conference Report concurred with a new proposed mechanisms projected to save the State \$50.0 million GF/GP. The net impact of the changes would be an increase in GF/GP costs of \$161.1 million. (283,903,100)
- 2. **Medicare Part D.** As part of the Medicare Pharmaceutical Program, Michigan's Medicaid pharmaceutical costs for dual Medicare/Medicaid eligibles would be paid through a clawback provision. The Federal match would no longer be reflected in the DCH budget. (227,944,500)
- 3. **Economic Adjustments.** 30,313,800

Conference Agreement on Items of Difference

- 4. **Medicaid Base Funding.** The Conference Committee concurred with the consensus estimate on Medicaid funding need, including Community Mental Health (CMH) and Children's Special Health Care Services (CSHCS). 344,952,300
- 5. **Adjustments to Quality Assurance Assessment Programs (QAAPs).** The Conference Committee concurred with the Executive proposal to establish a CMH QAAP, which would lead to a net \$35.1 million increase in CMH funding. The Conference Committee also included adjustments to QAAPs for hospitals, nursing homes, and health maintenance organizations. 194,790,400
- 6. **Healthy Michigan Fund.** The Conference Committee reduced funding from FY 2004-05 levels. (4,100,000)
- 7. **Program Restorations.** The Conference Committee restored partial funding for hearing and vision screening, and fully restored Medicaid adult dental services. The Conference Committee rejected proposed reductions to CSHCS for adults with hemophilia and cystic fibrosis. 10,046,700
- 8. **Medicaid Cost Reduction Measures.** The Conference Committee reduced Medicaid provider rates by 3% from the original FY 2004-05 levels; restricted benefits for caretaker relatives and 19-20 year olds, instituted a hospital case rate, and eliminated a lookback period for Medicaid eligibility. The Conference Committee also assumed savings from proposed establishment of an estate recovery program, a reduction in eligibility errors, recovery of overpayments, and other savings initiatives. (211,455,000)
- 9. **Other Changes.** Overall, other changes led to a slight reduction in funding. (11,498,400)

Total Changes..... (158,797,800)

FY 2005-06 Conference Report Gross Appropriation 10,326,194,000

Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2004-05 Year to Date:Items Included by the House and Senate

1. **Community Mental Health (CMH) Quality Assurance Assessment Program.** Language states that if, for any reason, the CMH Quality Assurance Assessment Program is not implemented, generates a smaller than expected GF/GP savings or is eliminated the department will not take steps that would result in a net reduction in revenue for community mental health services. (Sec. 457)
2. **Home and Community Based Waiver (HCBW) Administrative Cost Limit.** Language reduces reimbursement for administrative expenses for the HCBW program by \$2 per day. Saving generated from this administrative cap is to be used to increase enrollment in the program. A report on the number of nursing home patients who are discharged and subsequently enrolled in the HCBW program is to be submitted to the legislature. (Sec. 1684)

Conference Agreement on Items of Difference

3. **CMH Administrative Cost Standards.** Language requires the department to establish uniform standards for the calculation and reporting of administrative cost for Community Mental Health agencies. A written draft of proposed standards is to be submitted to the legislature and state budget director by April, 15 2006. (Sec. 460)
4. **Respite Care Administrative Expenditure Cap.** Prohibits agencies receiving funds to provide respite care services for families of children with severe emotional disturbances from utilizing more than 1% of their allocation for administrative purposes. (Sec. 465)
5. **Partial Restoration Hearing and Vision Services.** The House and Senate instruct local health departments to offer hearing and vision services at a reduced level from that provided in fiscal year 2004-05. These services are to be specifically targeted towards preschool and elementary aged children. (Sec. 905)
6. **Expansion of Medicaid Cost Sharing.** Section 1631 of boilerplate modified to reflect the creation of copayments for physician visits (\$2), hospital emergency room use (\$3), the first day of inpatient hospitalization (\$50) and outpatient hospital visits (\$1). (Sec. 1631)
7. **Medicaid Rate Increase Obstetric Services.** The House and Senate allocate sufficient funds to increase Medicaid reimbursement for obstetrical services by 20%. (Sec. 1635)
8. **Medicaid Personal Responsibility Agreement.** Language requires all adult Medicaid recipients to be offered the opportunity to sign an agreement to practice responsible health behavior. The agreement includes provisions that the Medicaid recipients will not smoke, attend all scheduled medical appointments, exercise regularly, keep their children up to date on immunizations and will not use illegal narcotics. (Sec. 1637)
9. **Actuarial Sound Rates for Medicaid HMOs.** Language instructs the department, in conjunction with Medicaid managed care organizations, to create a plan to ensure that HMO rates meet federal requirements for actuarial soundness. Strategies to be included in this plan include the establishment of hospital centers of transplant excellence, statewide contracts for durable medical equipment and the aggressive enrollment of individuals with end-stage renal failure in the Medicare program. This report is to be submitted to the legislature by May 30, 2006 (Sec. 1700).
10. **Joint Committee Exploring Possible Medicaid Cost Savings.** Requires the legislature to establish a committee with representatives from the House of Representatives the Senate and the Department of Community Health to explore possible strategies that may be used to achieve \$40 million GF/GP in cost savings. Specific attention is to be paid to strategies utilizing information technology, fraud enforcement and detection and estate recovery. (Sec. 1729)
11. **Provider Rate Restoration.** Language makes partial restoration of Medicaid provider rate reductions contingent upon the state receiving federal approval of a waiver establishing a hospital case rate for individuals enrolled in the caretaker relative eligibility group. (Sec. 1730)
12. **Medicaid Eligibility for Caretaker Relatives and 18-21 Year Olds.** Requires the department to establish an asset test for individuals seeking enrollment in the Medicaid program under the caretaker relative or 18-21 year old eligibility category. Medicaid eligibility will not be available to 18-21 year olds who have a parent or guardian with access to dependent health insurance. (Sec. 1731)



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FY 2004-05 Year-to-Date Gross Appropriation \$1,768,907,800

Changes from FY 2004-05 Year-to-Date:

Items Included by the Senate and House

- 1. **Additional Beds.** 1,352 new Level 1 and 2 beds are added at the following facilities: Kinross, Ojibway, Cotton, Parnall, Gus Harrison, Lakeland, Pine River, Riverside, and St. Louis. The budget also provides full-year funding for beds only partially funded in FY 2004-05 at Camp Lehman and the Oaks Correctional Facility. 18,326,100
- 2. **Restoration of FY 2004-05 Employee Concessions.** The bill recognizes the end of savings related to banked leave time and restores the funding to the base. 46,342,500
- 3. **Economic Adjustments.** The budget includes increases for insurances, retirement, and building occupancy charges as well as savings in workers compensation. 53,414,200
- 4. **Other Changes.** The budget also includes a number of other changes that provide a net savings of \$1,536,200. (1,536,200)

Conference Agreement on Items of Difference

- 5. **Michigan Youth Correctional Facility.** The Conference Committee retains \$17,840,700 in funding for the management and lease contracts for the facility, which is \$1.0 million less than in the current year to encourage contract renegotiation and savings. (1,000,000)
- 6. **Newberry/Manistique.** The Conference Committee keeps both the Newberry Correctional Facility and Camp Manistique open. 0
- 7. **Residential Services.** The Conference Committee increases the per diem for residential services beds from \$43 per day to \$47.50 per day. 1,597,400
- 8. **New Initiatives to Control Prison Growth.** The Conference report does not include \$3.0 million in community corrections grants to assist local governments in dealing with proposed sentencing guidelines revisions, which have not been approved. It does, however, add \$8.0 million for prisoner reintegration programs. 8,000,000
- 9. **Substance Abuse Testing and Treatment.** The Conference Committee recognizes \$1,093,400 in additional Federal substance abuse funds but reduces GF/GP by \$518,500. 574,900
- 10. **Health Care.** The Conference Committee reduces the funding for Hepatitis C by \$1,000,000 and eliminates a \$300,000 surplus in vaccinations. (1,300,000)
- 11. **Supplementary Operational Expenditures.** The Committee transfers \$3,250,000 in dry cleaning allowance, \$10,590,700 in annualized savings to compensate for salary economics, and \$4,000,000 in new jail capacity grants to a new \$17,840,700 supplementary operational expenditures line. 4,000,000
- 12. **Contract Savings.** The Conference Committee recognizes negotiated savings in contracts and insurance and retirement rates. (19,129,600)
- 13. **Other Changes.** The Committee also takes \$750,000 in food service savings, but adds \$500,000 for Project Joshua and \$500,000 for a prison facility evaluation. 250,000

Total Changes..... \$109,539,300

FY 2005-06 Conference Report Gross Appropriation \$1,878,447,100

Amount Over/(Under) GF/GP Target: \$17,840,700

Changes from FY 2004-05 Year to Date:Conference Agreement on Items of Difference

1. **Communication with the Legislature.** The Conference Committee concurs with the Senate to prohibit disciplinary action against employees for communicating with the Legislature. (Section 206)
2. **Deprived and Depressed Communities.** The Conference Committee concurs with the House to delete language encouraging contracts with businesses from deprived and depressed communities.
3. **Michigan Produce.** The Committee includes a section encouraging the purchase of Michigan produce. (Section 214)
4. **Michigan Prisoner Reentry Initiative.** The Conference Committee combines Senate and House reporting requirements for new prisoner reintegration programs. (Section 407)
5. **Offender Tracking Information System (OTIS).** The Conference Committee concurs with the Senate to require the DOC to maintain public access to the files of former offenders in the same manner as current offenders.(Section 408)
6. **Michigan State Industries (MSI) Textile Expansion.** The Committee concurs with the Senate to require a study of an expansion of MSI into the private textile market for goods not currently being produced in Michigan. (Sec. 410)
7. **Recidivism Rates.** The Conference Committee includes target language requiring a plan for reducing recidivism rates, recidivism data for the last five years, and a national comparison of recidivism rates. (Section 411)
8. **Michigan Youth Correctional Facility.** The Conference Committee includes reporting requirements on MYCF programs (Section 506), language encouraging the renegotiation of the MYCF contract to achieve greater savings and operate the facility at a more efficient/appropriate security level (Section 508), and a section requiring DOC to share with MYCF staff and prisoners training and materials on prison rape elimination (Section 509).
9. **Assaultive Offender Program.** Requires statewide waiting list and program placement prior to parole eligibility.(510)
10. **Other New Data Sections.** The Conference Committee also keeps new data gathering sections on probation and parole violators (Section 405(4)), criminal history of offenders who max out (Section 409), substance abuse program objectives and results (Section 503(3)), DOC cooperation with DCH reports on mental health and substance abuse services (Section 504), and youthful offenders in the criminal justice system (Section 511).
11. **Parole/Probation Special Operations.** The Conference Committee includes language for Project Joshua which would reimburse law enforcement agencies with jurisdiction in Detroit for escorts to parole/probation agents on after hours visits. (Section 608)
12. **Office of Community Corrections (OCC) Program Reports.** The Conference Committee adds reporting requirements for a number of OCC programs for which reports were not previously required. (Section 709)
13. **Prison Education Programs.** The Conference Committee keeps increased reporting requirements on prison education programs (Section 1010) and includes target language on plans to improve and keep better data on DOC-provided GED programs (Section 1011).
14. **Prison Store Surcharge.** The Conference Committee does not include a section added by the House charging a 35% surcharge on prison store goods and directing the revenue to the Michigan State Police (MSP) budget.
15. **Facility Security.** The Committee keeps House language ensuring a sufficient number of custody staff to maintain the safety and security of facilities as well as a Senate report of the number of critical incidents and assaults by facility. (Section 1013)
16. **Female Prisons.** The Conference Committee keeps Senate language which requires the removal of male staff from female housing units, designation of someone in each facility to ease the complaint process, and referral of all claims of criminal conduct to the MSP. (Section 1014)
17. **Supplementary Operational Expenditures.** The Committee adds intent that funds in this new line be used to offset costs of salary increases, contractual obligations to pay dry cleaning allowances, and jail capacity grants. (Section 1015)

Date Completed: 9-20-05

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FY 2004-05 Year-to-Date Gross Appropriation \$115,997,200

Changes from FY 2004-05 Year-to-Date:

Items Included by the House and Senate

- 1. **Federal Grant Adjustments.** The House and Senate include adjustments to IDEA funding of alternative assessments for students with disabilities, increased Title VI testing dollars, changes in Title I and Reading First grants, and the discontinuation of Urgent School Renovation Grant funding authorization. 2,157,000
- 2. **School Breakfast Program.** The House and Senate include \$1,600,000 (all GF) due to increasing costs and reimbursement of increasing numbers of breakfasts served. 1,600,000
- 3. **Private Fund Increases.** The House and Senate include funds from the Mott Foundation and Robert Wood Johnson Foundation (\$67,000), as well as a private special education donation for programs to improve student outcomes (\$100,000). 167,000
- 4. **Replacing MEAP with Merit Exam Costs.** The House and Senate include funding to cover costs associated with enactment of legislation replacing the current high school MEAP exam with an augmented college entrance exam (\$2,600,000 Merit Award Trust Fund dollars). 2,600,000
- 5. **Transfer Out Michigan School Readiness Program to School Aid Budget.** The House and Senate transfer out the competitive MSRP program to the K-12 budget. (12,250,000)
- 6. **Economic Adjustments.** The House and Senate include economic adjustments of \$2,855,900 Gross, of which \$293,500 is funded from GF/GP. 2,855,900
- 7. **Other Changes.** The House and Senate include a Human Resources Optimization Charge, standard across all agency budgets. 14,700

Conference Agreement on Items of Difference

- 8. **Federal Funding of a Longitudinal Student Data System.** The House concurs with the Senate to include \$3,000,000 Federal funds supporting an enhanced student data system. 3,000,000
- 9. **National Governor's Association Grant.** The House concurs with the Senate to include a \$1,000,000 private grant to fund costs associated with updating the high school grade level content expectations. 1,000,000
- 10. **Benchmarking Services from Standard and Poor's.** The Conference Report includes \$350,000 GF to contract with Standard & Poor's to provide benchmarking and district-level written reports, and \$350,000 (GF) for a State Board study on best practices in education. 700,000
- 11. **National Board Certification Grants (NBCG) and Alternative Route to Certification (ARC) at CMU.** The Conference Report discontinues NBCG, retains ARC, and implements a new \$100,000 competitive grant program for higher education institutions to provide professional development or enhanced curricula in mathematics. (75,000)
- 12. **Other Items.** The House concurs with the Senate to include a \$150,000 line item to receive rent from a building lease at the Michigan Schools for the Deaf and Blind. The Senate concurs with the House not to reduce DIT by 2%. Finally, both chambers include a target reduction of \$91,200 GF due to group insurance and contract savings. 58,800

Total Changes \$1,828,400

FY 2005-06 Conference Report Gross Appropriation \$117,825,600

Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2004-05 Year to Date:Items Included by the House and Senate

1. **Out-of-State Travel Prohibition for State Board of Education.** The Conference Report allows out-of-state travel for members of the State Board of Education if the travel is directly related to Board duties. (Sec. 301)
2. **Annual Report on Michigan School for the Blind Expenditures.** The House and Senate did not concur with the Governor to eliminate an annual report on expenditures made from general services at the Michigan School for the Blind former site. (Sec. 410)
3. **Michigan School Readiness Program.** The House and Senate eliminate language providing for the competitive grant portion of the MSRP and insert it, along with the funding, into the K-12 budget. (Sec. 703 current law)

Conference Agreement on Items of Difference

4. **Office for Safe Schools.** The House concurs with the Senate to eliminate two subsections of the Office for Safe Schools section, one of which was not doable under Federal guidelines and the other already completed. (Sec. 208)
5. **Personal Service Contracts.** The House concurs with the Senate to eliminate a section requiring monthly reports on personal service contracts awarded without competitive bidding (the DMB Act retains such reports). (Sec. 214)
6. **Departmental Employee Contact with Legislature.** The House concurs with the Senate to include a new section prohibiting the Department from taking disciplinary action against any employee for communicating with a Legislator or his or her staff. (Sec. 215)
7. **Depressed and Deprived Communities.** The House concurs with the Senate to retain this section, which encourages business in depressed and deprived communities, with a technical change. (Sec. 216)
8. **Auditor General Audit Costs.** The Senate concurs with the House to retain a section requiring the Department to pay within 60 days the bills submitted by the AG for audits of Federally funded programs. (Sec. 219)
9. **Best Practices Study.** The Conference Report includes a section earmarking \$350,000 to the State Board of Education to undertake a study and advise the Legislature and Governor on local, state, and national education best practices in education. (Sec. 303 NEW)
10. **Teacher Preparation Programs.** The Senate concurs with the House to retain a section providing \$75,000 for Central Michigan University's Alternative Route to Certification program, and eliminate the \$75,000 for Wayne State University's Limited License to Instruct program. (Sec. 503)
11. **Middle School Math Project.** The Conference Report includes a section providing \$50,000 grants to the Michigan Virtual High School and Wayne State University for the provision of professional development or enhanced curricula in middle school mathematics. (Sec. 703 NEW)
12. **National Board Certification Grants.** The House concurs with the Senate to eliminate language for this program since funding also was eliminated. (Sec. 704 current law)
13. **Standard and Poor's Benchmarking and Report Services.** The Conference Report includes the majority of a section inserted by the House which provides \$350,000 to the Department to contract with Standard and Poor's for benchmarking training services and district-level reports. (Sec. 1001)

Date Completed: 9-20-05

Fiscal Analyst: Kathryn Summers-Coty



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FY 2004-05 Year-to-Date Gross Appropriation \$348,717,500

Changes from FY 2004-05 Year-to-Date:

Items Included by the Senate and House

- 1. **State Revolving Fund.** The State match to Federal dollars for the State Revolving Loan Program was supported with one-day revenue bonds in FY 2004-05. The budget restores a portion of the General Fund support for the match because the restricted funds are not available at the same level for another year. An additional \$5,800,000 GF/GP would be appropriated, of which \$4,900,000 is a fund shift. 900,000
- 2. **Economic Adjustments.** The budget includes economic adjustments for salaries and wages, insurance, retirement, worker's compensations, building occupancy charges, and rent. The budget also restores amounts for concessions from FY 2004-05. 9,063,800
- 3. **General Fund Reductions.** The budget includes reductions in General Fund support for selected programs including radon grants, radiological protection, pollution prevention, air quality, and information technology. Total reductions of \$2,307,400 GF/GP are included and \$1,622,600 in restricted funds are used to partially offset the reductions. (668,400)
- 4. **Other Changes.** The budget includes adjustments to restricted and Federal funds to reflect actual anticipated revenue, changes in grant availability, and one-time appropriations in FY 2004-05. (4,485,200)

Conference Agreement on Items of Difference

- 5. **Refined Petroleum Product Cleanup Program.** The Conference Committee includes an appropriation from the Refined Petroleum Fund for a new cleanup program for petroleum-related leaking underground storage tanks. The funds would be subject to the recommendations of an Advisory Council and the statutory implementation of the program. 102,000,000
- 6. **Aquifer Protection Program Elimination.** The Governor and Senate remove the \$200,000 in General Fund and a portion of the restricted fund support for this program. The Conference Committee concurs with the House and allocates \$50,000 for the MDA. (250,000)
- 7. **Dam Safety Program Elimination.** The Governor's budget would remove funding for this program's functions, which include permitting, inspections, and creating emergency response plans for dams. The Conference Committee restores \$315,900 to support the statutory obligation, without the services the Department was providing to the MDNR. 40,500
- 8. **Wetland and Inland Lake Fee Increases.** The Governor would replace \$2,000,000 GF/GP for these permitting programs with increased fee revenue of \$1,000,000 for each program. The Conference Committee restores General Fund support for these programs. 0
- 9. **Laboratory Billing Changes.** The Conference Committee concurs with the Governor's proposal for the State laboratory to bill other departmental units for services provided instead of supporting the lab services separately. The increased appropriation is an inter-departmental transfer. 502,000
- 10. **Other Issues.** The Conference Committee includes restricted funding for studies at White Lake and Little Black Creek, and real-time water quality monitoring in Macomb County. Also included in the budget are several revised recommendations from the Governor. (553,200)

Total Changes..... \$106,549,500

FY 2005-06 Conference Report Gross Appropriation \$455,267,000

Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2004-05 Year to Date:Items Included by the Senate and House

1. **Sections Removed.** Neither the Conference Committee nor the Governor include sections related to a solid waste report, a recycling study, beach water quality monitoring, and a fish barrier challenge grant.
2. **Section Retained.** The Conference Committee retains sections related to the retention of reports, meetings on water diversion requests, the MI Youth Conservation Council, areas of concern, safe drinking water technical assistance, inspections of solid waste, local health department septage assistance, scrap tire suppression, restricted fund balances, a grant and loan catalog, air quality program expenditures, and the Great Lakes Water Quality bond.
3. **Deprived and Depressed.** The Conference Committee does not include language directing the Department to ensure companies in deprived and depressed communities compete for State contracts.
4. **Contingency Funds.** The Conference Committee does not include authorization for contingency fund appropriations of \$30.0 million Federal, \$5.0 million restricted, \$100,000 local, and \$100,000 private.

Conference Agreement on Items of Difference

5. **Sections Removed.** The Conference Committee does not include sections related to quarterly travel reports and contractual laboratory services
6. **Prohibit Disciplinary Actions.** The Conference Committee includes Senate language prohibiting the Department from taking disciplinary actions against an employee for communicating with the Legislature. (Sec. 219)
7. **IDT for Laboratory Services.** The Conference Committee adds language allowing the carry-forward of interdepartmental transfers paying for services provided by the laboratory to other department divisions. (Sec. 502)
8. **Fine and Penalty Collections.** The Conference Committee requires an annual report on the civil and criminal fine revenue collected during the year. (Sec. 220)
9. **Waiver of Permit Fees.** The Conference Committee retains a section allowing the Department to waive certain permit fees for nonprofit organizations conducting stream habitat improvement projects. (Sec. 601)
10. **Refined Petroleum Project List.** The Conference Committee revises Senate language to prohibit \$42.0 million in expenditures of this cleanup funding until a cleanup program is enacted into law. A site list is included. (Sec. 702)
11. **Refined Petroleum Initial Cleanup.** The Conference Committee adds language specifying the appropriation of \$45.0 million in Part 1 be spent according to the Advisory Council's recommendations for owner/operator reimbursements. (Sec. 703)
12. **Cleanup Criteria.** The Conference Report includes a requirement that remedial action plans on cleanup sites include bioavailability studies, site-specific human exposure data, and peer-reviewed risk assessments. (Sec. 704)
13. **Notification of Petroleum-Related Orders.** The Senate requires the Department to notify the appropriate members of the Legislature 48 hours before issuing a departmental order suspending wholesale or retail sale of petroleum products. The Conference Committee adds an exception for imminent public safety concerns. (Sec. 801)
14. **Romulus Injection Facility.** The Conference Committee revises Senate language to require the Department to report annually to the City of Romulus, Taylor, and Wayne County regarding a deep well injection facility. (Sec. 802)
15. **Notification of Groundwater Use Action.** The Conference Committee includes House language prohibiting expenditures for further control of the quantity of groundwater use. (Sec. 903)
16. **NPDES Permit Limitation.** The Conference Committee does not include Senate language prohibiting the implementation or enforcement of administrative rules, policies, guidelines, or procedures that require a NPDES permit if a person does not have a regulated discharge of pollutants into waters of the State.
17. **Real-Time Water Quality Monitoring.** The Conference Committee includes House language specifying that an appropriation in Part 1 is for water quality monitoring in the St. Clair watershed in Macomb County. (Sec. 1103)

Date Completed: 9-20-05

Fiscal Analyst: Jessica Runnels



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BILL ANALYSIS

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FY 2004-05 Year-to-Date Gross Appropriation \$1,654,917,200

Changes from FY 2004-05 Year-to-Date:

Items Included by the House and Senate

1. **Agriculture Experiment Station (AES).** The Governor reduced AES funding by 10.0%; the House and Senate retained the FY 2004-05 amount of \$33,163,800. 0
2. **Cooperative Extension Service (CES).** The Governor reduced CES funding by 23.4%; the House and Senate retained the FY 2004-05 amount of \$28,604,300. 0
3. **Midwest Higher Education Compact.** The Governor eliminated Michigan's membership dues in this 10-state compact; the House and Senate included the \$90,000 annual dues. (75,000)
4. **State Competitive Scholarships.** The Governor, House, and Senate reduced Federal funds to reflect the expected FY 2005-06 Federal contribution of \$2.0 million; total funding would be \$34.6 million. (1,000,000)

Conference Agreement on Items of Difference

5. **University Operations.** The Governor retained the FY 2004-05 appropriations except for the transfer of \$2.5 million in King-Chavez-Parks funding to a new program; the House used a formula to redistribute dollars to universities based on enrollment, degrees granted, and research; the Senate provided a funding floor of \$3,750 per student and incentive funds for job placement, degrees granted, and research. The Conference Report included \$2.5 million across-the-board for each university and \$6.9 million each for the Senate funding floor and the House funding model. 16,351,700
6. **National Charter Schools Institute.** The Governor and House eliminated funding for this program operated by Central Michigan University; the Senate and Conference retained the \$500,000. 0
7. **King-Chavez-Parks Initiative.** The Governor transferred \$2.5 million from University Operations line-items and consolidated it with existing KCP grant funds of \$2.7 million, into a new competitive grant program administered by DLEG; the House eliminated the entire \$5.2 million KCP program; the Senate and Conference retained the FY 2004-05 KCP structure and \$5.2 million in funding. 0
8. **Collegiate Employment Research Institute.** The Senate included \$100,000 to collect job placement data for public university graduates; Governor, House, and Conference did not. 0
9. **Michigan Tuition Grants.** The Governor eliminated the \$61.8 million program; the House reduced by \$1.2 million; Senate/Conference reduced by \$3.0 million and used \$4.0 million in FY 2004-05 carry-forward funds as a replacement for GF/GP. (3,000,000)
10. **Work Study, Part-time Independent, and Education Opportunity Grants.** The House eliminated; Governor, Senate, and Conference retained at FY 2004-05 total funding of \$12.1 million. 0
11. **Michigan Merit Awards.** The Governor recommended a total of \$121.0 million, the House \$130.0 million, and the Senate \$101.3 million. If no policy changes other than eliminating out-of-state awards are adopted, it is estimated that funding of \$126.4 million would be required for FY 2005-06. 65,000,000
12. **Tuition Incentive Program (TIP).** The Governor, Senate, and Conference recommended an increase of \$1.75 million due to caseload, for a total of \$12.0 million; the House did not. 1,750,000
13. **Fund Shifts.** The House added \$20.0 million in new MHEAA revenue and shifted \$3.0 million in tobacco revenue to University Operations; the Senate shifted \$19.7 million in tobacco revenue to fund GF/GP Financial Aid programs. The Conference Report replaced \$3.0 million GF with MHEAA funds. 0

Total Changes..... \$79,026,700

FY 2005-06 Conference Report Gross Appropriation \$1,733,943,900

Amount Over/(Under) GF/GP Target: \$5,800

Changes from FY 2004-05 Year to Date:Items Included by the House and Senate

1. **Appropriations Report from Fiscal Agencies.** Governor deleted, Senate and House retained. (Sec. 212(3))
2. **Tuition Tax Credit.** Governor deleted notification requirement, Senate and House retained. (Sec. 214)
3. **Payments for Financial Aid.** Governor changed current 40/40/10/10% schedule to 25/25/25/25% for all programs except Work Study and Byrd Scholarships, Senate and House retained current schedule. (Sec. 308)
4. **Douglas Lake.** Governor deleted legislative intent to preserve research value, Senate/House retained. (Sec. 402)
5. **HEIDI Advisory Committee.** Governor deleted, Senate and House retained. (Sec. 405)
6. **Lists of Required Textbooks.** Governor deleted legislative intent for timely access by private bookstores/student groups and for ability of students to decide where to purchase textbooks, Senate and House retained. (Sec. 426)
7. **Tuition Restraint.** Pursuant to Executive Order 2005-7, Governor, House, and Senate added legislative intent that if a university increases resident undergraduate tuition and required fees, then that university shall increase student financial aid expenditures by at least the same percentage; report required by November 15, 2005. (Sec. 436)
8. **Michigan Public School Employees Retirement System (MPERS).** Governor deleted legislative intent to provide a subsidy for the MPERS contribution rate; Senate and House retained with an amount of \$3.96 million. (Sec. 437)
9. **Tuition Revisions Report.** Governor/House/Senate required if there are changes in any semester. (Sec. 440)
10. **Student and Presidential Housing.** Governor, House, and Senate deleted report requirement. (Sec. 460)
11. **New Academic Programs.** Senate/House added Presidents Council approved degrees for FY 2005-06. (Sec 701a)
12. **FY 2003-04 Tuition Restraint.** Governor, House, and Senate deleted. (Sec. 1201)

Conference Agreement on Items of Difference

13. **State Spending to Local Units.** Governor/House identified none, Senate/Conference retained current year estimate. (Sec. 201)
14. **State Competitive Scholarships.** Conference excluded veterans' benefits from eligibility determination. (Sec. 301(5))
15. **Tuition Grants.** Governor deleted program; House changed application deadline; Conference included deadlines of July 15, 2005, July 1, 2006, & June 15, 2007, and guarantee of no less than a \$2,000 award. (Sec. 302)
16. **Work Study.** House deleted due to their elimination of program, Governor/Senate/Conference retained. (Sec. 303)
17. **Tuition Incentive Program.** Governor/Senate/Conference deleted funding carry-forward provision. (Sec. 310(11))
18. **Nursing Scholarship and Grant Programs.** Senate/Conference allowed for both to be funded. (Sec. 312)
19. **Collegiate Employment Research Institute.** Senate added data collection and reporting requirements for job placement and first destination information for students graduating from college; Conference deleted. (Sec. 406)
20. **Funding Model Calculations.** House/Conference added description of enrollment, degree, and research components (Sec. 418) and modified payment schedule to conform with model. (Sec. 212)
21. **CMU's National Charter Schools Institute.** Governor/House/Senate/Conference deleted language.
22. **Per-Student Floor Funding.** Governor/House deleted legislative intent to fund a \$4,000 per-student floor; Senate added per-student funding floor of \$3,750 for FY 2005-06, Conference used floor of \$3,650. (Sec. 450)
23. **University Revenue.** Any State payments to universities pursuant to the FY 2004-05 State bookclosing process are recognized as FY 2005-06 university revenue. (Sec. 462)
24. **King-Chavez-Parks.** Governor consolidated current programs into one competitive grant program, eliminated specific allocations for universities, added eligibility for community colleges, and deleted eligibility for independent colleges; House eliminated all programs; Senate/Conference retained current year programs. (Secs. 501-507)

Date Completed: 9-20-05

Fiscal Analyst: Ellen Jeffries

HB 4831: Higher Education

FY 2005-06: Conference Report



	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	FY 2004-05 Post EO 2005-7 Year-to-Date	2004-05 Approp Per Student*	Across the Board Funding of \$2,500,000	Senate Funding Floor of \$3,650	House Funding Model	Midwest Compact; Finan. Aid Adjustments	FY 2005-06 Conference Report	\$ Change From 2004-05	% Change From 2004-05	2005-06 Approp Per Student*	\$ Change From Gov. Rec.
UNIVERSITIES											
Central	78,507,600	3,661	139,800	0	1,414,500		80,061,900	1,554,300	2.0%	3,733	2,264,900
Eastern	75,938,400	3,878	135,300	0	66,900		76,140,600	202,200	0.3%	3,889	428,600
Ferris	48,108,900	4,653	85,700	0	440,100		48,634,700	525,800	1.1%	4,704	623,800
Grand Valley	56,887,300	3,072	101,300	3,108,500	1,032,800		61,129,900	4,242,600	7.5%	3,302	4,323,800
Lake Superior	12,462,100	4,447	22,200	0	22,000		12,506,300	44,200	0.4%	4,463	102,900
Michigan State	282,466,900	8,289	503,200	0	760,200		283,730,300	1,263,400	0.4%	8,320	1,599,600
Michigan Tech	47,867,400	7,918	85,300	0	66,100		48,018,800	151,400	0.3%	7,943	311,300
Northern	44,971,500	5,415	80,100	0	0		45,051,600	80,100	0.2%	5,425	164,200
Oakland	47,261,300	3,462	84,200	2,484,300	855,900		50,685,700	3,424,400	7.2%	3,713	3,609,700
Saginaw Valley	25,681,200	3,467	45,700	1,307,200	465,700		27,499,800	1,818,600	7.1%	3,713	1,888,200
UM-Ann Arbor	315,030,900	8,104	561,200	0	776,400		316,368,500	1,337,600	0.4%	8,139	1,635,500
UM-Dearborn	24,256,400	3,754	43,200	0	439,600		24,739,200	482,800	2.0%	3,828	559,700
UM-Flint	20,855,200	4,263	37,100	0	10,800		20,903,100	47,900	0.2%	4,273	121,100
Wayne State	214,284,600	8,665	381,700	0	0		214,666,300	381,700	0.2%	8,681	652,400
Western	108,900,500	4,349	194,000	0	600,700		109,695,200	794,700	0.7%	4,381	1,021,400
Ag Experiment Station(AES)	33,163,800						33,163,800	0	0.0%		3,300,000
Cooperative Extension(CES)	28,604,300						28,604,300	0	0.0%		6,700,000
Higher Education Database	200,000						200,000	0	0.0%		0
Midwest Higher Ed Compact	165,000					(75,000)	90,000	(75,000)	-45.5%		90,000
King-Chavez-Parks	2,691,500						2,691,500	0	0.0%		(2,455,400)
TOTAL UNIVERSITIES	1,468,304,800	5,870	2,500,000	6,900,000	6,951,700	(75,000)	1,484,581,500	16,276,700	1.1%	5,936	26,941,700
Merit Award Trust Fund	9,500,000		0	0	0	0	9,500,000	0	0.0%		0
State GF/GP	1,458,804,800		2,500,000	6,900,000	6,951,700	(75,000)	1,475,081,500	16,276,700	1.1%		26,941,700
GRANTS & FINANCIAL AID											
Competitive Scholarships	35,630,500					(1,000,000)	34,630,500	(1,000,000)	-2.8%		0
Tuition Grants	61,768,100					(3,000,000)	58,768,100	(3,000,000)	-4.9%		58,768,100
Work Study	7,326,300						7,326,300	0	0.0%		0
Part-time Independent	2,653,300						2,653,300	0	0.0%		0
Ed.Opportunity Grants(MEOG)	2,084,200						2,084,200	0	0.0%		0
Byrd Scholarship Program	1,500,000						1,500,000	0	0.0%		0
Nursing Scholarship Program	4,000,000						4,000,000	0	0.0%		0
Michigan Merit Award Program	61,400,000					65,000,000	126,400,000	65,000,000	105.9%		5,400,000
Tuition Incentive Program(TIP)	10,250,000					1,750,000	12,000,000	1,750,000	17.1%		0
TOTAL FINANCIAL AID	186,612,400		0	0	0	62,750,000	249,362,400	62,750,000	33.6%		64,168,100
Federal	4,500,000		0	0	0	(1,000,000)	3,500,000	(1,000,000)	-22.2%		0
Merit Award Trust Fund	75,650,000		0	0	0	61,350,000	137,000,000	61,350,000	81.1%		0
MHEAA/Carry-Forward	0		0	0	0	7,000,000	7,000,000	7,000,000	na		7,000,000
State GF/GP	106,462,400		0	0	0	(4,600,000)	101,862,400	(4,600,000)	-4.3%		64,168,100
TOTAL HIGHER ED	1,654,917,200		2,500,000	6,900,000	6,951,700	62,675,000	1,733,943,900	79,026,700	4.8%		91,109,800
TOTAL FEDERAL	4,500,000		0	0	0	(1,000,000)	3,500,000	(1,000,000)	-22.2%		0
TOTAL STATE RESTRICTED	85,150,000		0	0	0	68,350,000	153,500,000	68,350,000	80.3%		7,000,000
TOTAL STATE GF/GP	1,565,267,200		2,500,000	6,900,000	6,951,700	(4,675,000)	1,576,943,900	11,676,700	0.7%		84,109,800



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FY 2004-05 Year-to-Date Gross Appropriation \$267,546,100

Changes from FY 2004-05 Year-to-Date:

Items Included by the Senate and House

- 1. **Economic Adjustments.** The budget includes economic adjustments for salaries and wages, insurance, retirement, worker's compensations, building occupancy charges, and rent. The proposed budget also restores amounts for concessions from FY 2004-05. 10,477,600
- 2. **General Fund Reductions.** The budget reduces General Fund appropriations for a number of activities, including aerial digital imagery, mapping services, state fair and outdoor shows, fire outreach and assistance, and information technology. (398,200)
- 3. **Other Changes.** The budget includes adjustments to restricted and Federal funds to reflect actual revenue available, statutory provisions for payments in lieu of taxes, and the removal of one-time items for FY 2004-05. (4,318,200)

Conference Agreement on Items of Difference

- 4. **General Law Enforcement Reduction.** The Conference Committee concurs with the Governor to reduce the appropriation for conservation officers and other law enforcement activities by \$1,000,000 GF/GP. The net change reflects a reduction of \$1,600,000 GF/GP and the appropriation of \$300,000 from each of the Snowmobile Registration Fee Fund and the ORV Trail Improvement Fund. (1,000,000)
- 5. **Snowmobile Law Enforcement Grants.** In order to make the additional Snowmobile Registration Fee revenue available for general law enforcement expenses, the Governor would reduce the appropriation for grants to local law enforcement agencies. The Senate and Conference Committee restore the current funding level for the grants. 0
- 6. **ORV Grant Funding.** To maintain the current statutory formula for distribution of the ORV Trail Improvement Fund and support the additional money for law enforcement, the Senate and Conference Committee increase the appropriation for ORV trail development, restoration, and law enforcement grants. 982,900
- 7. **Captive Cervidae Licensing and Inspection Fees.** The Governor recommends a fee increase of \$251,000 for the licensing and inspection of captive cervidae facilities to offset a General Fund reduction of \$129,100 and also enhance the program. The Conference Committee funds the program at the Governor's proposed level, but uses General Fund, of which \$115,800 comes from the information technology unit. 0
- 8. **General Fund Reductions.** To meet the Target agreement, the Conference Committee removes General Fund of \$350,000 from purchased land payments in lieu of taxes and shifts \$350,000 from General Fund to the Forest Development Fund for forest fire protection. (350,000)
- 9. **Other Changes.** The Conference Committee does not include restricted funding included by the Senate for activities at 3 dams on the Kalamazoo River and removes General Fund related to economic savings. It increases restricted funds for timber marking. 2,900

Total Changes..... \$5,397,000

FY 2005-06 Conference Report Gross Appropriation \$272,943,100

Amount Over/(Under) GF/GP Target: (\$600)

Changes from FY 2004-05 Year to Date:Items Included by the Senate and House

1. **Sections Removed.** Neither the Conference Committee nor the Governor include sections related to quarterly travel reports, water trails, a boating access pilot project, and a watercraft noise study.
2. **Sections Retained.** The Conference Committee concurs with the Senate and House to retain sections related to a grant and loan catalog, quarterly land transactions, construction in State parks, Game and Fish Protection Fund appropriations, an administrative cost plan, fish advisory information, wolf and coyote indemnification payments, a prohibition to impede water control structures, defibrillators in State parks, misuse of free day passes, Porcupine Mountains State Park operations, adopt-a-forest program, and snowmobile law enforcement grants.
3. **Restricted Funds Report.** The Governor revises the due date for this report from February 15 to 14 days after introduction of the executive budget recommendation. The Conference Committee concurs. (Sec. 209)
4. **Deprived and Depressed.** The Governor includes language directing the Department to ensure companies in deprived and depressed communities compete for State contracts. The Conference Committee removes the section.
5. **Contingency Funds.** The Governor includes authorization for contingency fund appropriations of \$3.0 million Federal, \$5.0 million restricted, \$100,000 local, and \$500,000 private. The Conference Report removes the section.
6. **Cooperative Resource Programs.** The Senate and House retain the due date of October 15 for an interdepartmental grant of \$1.0 million to the Department of Agriculture for a forest management initiative. (Sec. 803)

Conference Agreement on Items of Difference

7. **Section Retained.** The Conference Committee includes sections requiring a privatization project plan, a report from the MI State Waterways Commission, Federal conservation grants, and staff for timber marking.
8. **Sections Removed.** The Conference Committee removes sections regarding forest certification, rural fire protection grants, a bovine TB report, a report on habitat improvement and treatment projects, retention of reports, the Harbor Development Fund appropriation, and the Island Lake shooting range.
9. **Prohibit Disciplinary Action.** The Conference Committee concurs with the Senate to add a section prohibiting the Department from taking disciplinary action against an employee for communicating with the Legislature. (Sec. 220)
10. **Turkey Hunting Licenses.** The Conference Committee revises House language directing the Department to sell licenses not allotted before the beginning of the season. (Sec. 406)
11. **Bobcat Study.** The Conference Report requires the Department to complete a report on the bobcat population in the Lower Peninsula and urges a prohibition on bobcat trapping until the report is submitted. (Sec.502)
12. **Cormorant Action Plan.** The Conference Committee revises House language to require a regional action plan and report to manage the cormorant population in the State. (Sec. 503)
13. **Kalamazoo River Dam Removal.** The Conference Committee does not include Senate language directing \$250,000 to the preparation and removal of the Otsego, Plainwell and Trowbridge dams on the Kalamazoo River.
14. **State Park Sponsorship.** The Conference Report requires the Department to make recommendations for corporate sponsorship in selected areas of State parks, consulting with the State Park Advisory Committee. (Sec. 705)
15. **Timber Marking Targets.** The Conference Committee revises the House language to make annual timber marking targets subject to the forest certification process and require sale of the timber in the same year. (Sec. 804)
16. **Gaylord-Cheboygan Snowmobile Trail.** The Conference Committee concurs with the Senate to add a section directing the Department to develop a motorized snowmobile trail connecting these cities. (Sec. 806)
17. **ORV Trail Development.** The Conference Committee revises Senate language requiring the Department to submit a plan to increase the mileage of ORV trails by 25% over 4 years. (Sec. 807)

Date Completed: 9-20-05

Fiscal Analyst: Jessica Runnels