

ALL GENERAL GOVERNMENT
Summary: FY 2008-09 Subcommittee Recommendation
House Bill 5816 (H-1) Draft 1



Analysts: Kim O'Berry and Viola Bay Wild

	FY 2007-08 YTD	FY 2008-09 Executive	FY 2008-09 House	FY 2008-09 Senate	FY 2008-09 Enacted	Difference: House From FY 2007-08 YTD	
						Amount	%
IDG/IDT	\$646,762,900	\$656,458,000	\$658,208,000			11,445,100	1.8
Federal	108,396,800	114,545,700	114,545,700			6,148,900	5.7
Local	2,800,700	3,098,000	3,098,000			297,300	10.6
Private	1,262,900	1,265,700	1,265,700			2,800	0.2
Restricted	1,703,727,500	1,715,834,300	1,715,834,300			12,106,800	0.7
GF/GP	660,859,100	657,228,200	659,270,200			(1,588,900)	(0.2)
Gross	\$3,123,809,900	\$3,148,429,900	\$3,152,221,900			28,412,000	0.9
FTEs	7,327.9	7,497.7	7,505.7			177.8	2.4

Note: FY 2007-08 figures reflect supplementals and Executive Order (EO) actions through February 7, 2008.

Overview of All General Government Departments

Departments and agencies included under this budget bill are: Executive Office, Legislature, and the Departments of Attorney General, Civil Rights, Information Technology, Management and Budget (including Civil Service), State, and Treasury (including Lottery, Gaming Control Board, and Michigan Strategic Fund). The Department of Treasury budget also includes revenue sharing payments to local units of government and general obligation debt service.

Major Boilerplate Changes From FY 2007-08

Sec. 212. Retention of Reports – DELETED

Requires departments to receive and retain copies of all reports funded from appropriations in the bill. **House** and **Executive** delete current-year language.

Sec. 215. Communications with Legislators – RETAINED

House retains current-year language which prohibits departments from taking disciplinary action against employees for communicating with Legislators or their staff. **Executive** deletes language.

Sec. 215. Information Technology Work Projects – NOT INCLUDED

House does not include new language that authorizes information technology be designated as work projects to support technology projects under the direction of DIT; funds designated in this manner are not available for expenditure until approved as work projects. **Executive** includes new language.

Sec. 217. General Fund Restrictions – RETAINED

House retains current-year language which prohibits expenditure of general fund appropriations when federal funding is available. **Executive** deletes language.

Sec. 221. Reporting Requirement on Specific Policy Change – RETAINED

House retains current-year language that requires departments to report no later than April 1, 2008 on each specific policy change made to implement enacted legislation. **Executive** deletes language.

Sec. 225. Implementation of Continuous Improvement Plan – RETAINED

House retains current-year language which requires departments and agencies to implement continuous improvement efficiency mechanisms in programs to increase efficiency and reduce expenditures. **Executive** deletes language.

ATTORNEY GENERAL

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	FY 2007-08 YTD	FY 2008-09 Executive	FY 2008-09 House	FY 2008-09 Senate	FY 2008-09 Conference	Difference: House From FY 2007-08 YTD	
						Amount	%
IDG/IDT	\$21,780,300	\$24,301,000	\$24,301,000			\$2,520,700	11.6
Federal	7,816,000	8,050,800	8,050,800			234,800	3.0
Local	0	0	0			0	0.0
Private	0	0	0			0	0.0
Restricted	11,491,300	11,927,600	11,927,600			436,300	3.8
GF/GP	32,036,600	32,265,200	32,265,200			228,600	0.7
Gross	\$73,124,200	\$76,544,600	\$76,544,600			\$3,420,400	4.7
FTEs	562.0	543.0	543.0			(19.0)	(3.4)

Note: FY 2007-08 figures reflect supplementals and Executive Order (EO) actions through February 7, 2008.

Overview

The Attorney General (AG) serves as legal counsel for state departments, agencies, boards, commissions, and their officers; brings actions and intervenes in cases on the state's behalf; and represents legislators and judges who may be sued while acting in their official capacities. The Attorney General issues opinions on questions of law submitted by members of the Legislature and others; serves as chief law enforcement officer of the state; and has supervisory powers over all local prosecuting attorneys. The Department's mission is to protect the common legal rights of citizens; defend the Constitution and the laws of the state; and represent the legal interests of government. The Department's goals are to make the state a safe place for its citizens; offer justice to the victims of crime; defend common natural resources and monetary assets of the state; and deliver excellent legal services at a minimum cost to taxpayers.

		FY 2007-08 YTD (as of 2/08/07)	Executive Change From YTD	House Change From YTD
Major Budget Changes From FY 2007-08 YTD Appropriations				
1. FTE Adjustment				
	FTEs	562.0	(19.0)	(19.0)
House and Executive adjust FTE allocation in order to more accurately reflect number of funded FTE positions; includes reduction of 19.0 FTE positions in accordance with department's recommendation.	Gross	\$0	\$0	\$0
	GF/GP	\$0	\$0	\$0
2. Operations Funding Adjustments				
	Gross	\$66,825,900	\$3,005,000	\$3,005,000
House and Executive increase operations funding by \$3.0 million Gross to more accurately reflect the compensation for legal services provided by the Department through memos of understanding with other Departments and agencies; included in appropriation is \$200,000 increase in federal funding based upon a federal award increase.	IDG	21,455,300	2,424,000	2,424,000
	Federal	5,660,200	200,000	200,000
	Restricted	11,116,300	381,000	381,000
	GF/GP	\$28,594,100	\$0	\$0
3. Information Technology Administrative Reduction				
	Gross	N/A	(\$1,400)	(\$1,400)
House and Executive reduce funding for the Department of Information Technology administrative fees by \$1,400 Gross and GF/GP for a 5% administrative reduction.	GF/GP	N/A	(\$1,400)	(\$1,400)
4. Information Audit Services				
	FTEs	0.0	0.0	0.0
House and Executive include new program line item for internal audit services to recognize the \$47,900 Gross and GF/GP that was already being spent in the operations line item; involves no new spending for the Department.	Gross	N/A	\$0	\$0
	GF/GP	N/A	\$0	\$0

<u>Major Budget Changes From FY 2007-08 YTD Appropriations</u>		<u>FY 2007-08 YTD (as of 2/08/07)</u>	<u>Executive Change From YTD</u>	<u>House Change From YTD</u>
5. Economic Adjustments		Gross	N/A	\$416,800
House and Executive add \$416,800 Gross funding for salaries and wages, insurances, retirement, worker's compensation, and building occupancy charges; Included in funding is \$5,500 Gross and GF/GP DIT economics.		IDG	N/A	96,700
		Federal	N/A	34,800
		Restricted	N/A	55,300
		GF/GP	N/A	\$230,000

Major Boilerplate Changes From FY 2007-08

Sec. 307. Antitrust Revenue – RETAINED

Appropriates up to \$250,000 of revenue received by the Department for antitrust, securities fraud, consumer protection, class action enforcement, or attorneys' fees recovered by the Department to litigate such cases. **House** retains current-year language; **Executive** deletes language.

Sec. 307a. Proceeds Received by the Attorney General – NEW

House and **Executive** include new language that requires all money or other proceeds received by Department of Attorney General for debts due or penalties forfeited to the people of this state, or deriving from settlement of any lawsuit against a private individual or business or any other private organization, to be deposited to the state treasury into a restricted fund to be used as provided by law; requires a quarterly report on case names, case file numbers, court docket numbers, and presiding courts for every matter Department of Attorney General settles in the preceding fiscal quarter.

Sec. 308. Appropriation of Litigation Expense Reimbursements – REVISED

House and **Executive** revise language by prohibiting the use of the \$500,000 appropriated in this section from litigation expense reimbursements to be expended for salaries and support costs.

Sec. 310. Child Support Enforcement Funding – DELETED

House and **Executive** delete language that requires Department of Human Services to maintain cooperative agreement with AG for federal Title IV-D funding for child support enforcement activities; authorizes AG access to any information used by the state to locate parents who fail to pay court-ordered child support, to the extent allowable under federal law.

Sec. 312. Settlement Proceeds Advertising Prohibition – NEW

House and **Executive** include new language that prohibits the Department of Attorney General from using the proceeds of any settlement for advertising or public service messages that refer to or use the image or voice of the Attorney General or any elected state officer or candidate for elective office.

CIVIL RIGHTS

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Analyst: Kim O'Berry

	FY 2007-08 YTD	FY 2008-09 Executive	FY 2008-09 House	FY 2008-09 Senate	FY 2008-09 Conference	Difference: House From FY 2007-08 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0			\$0	0.0
Federal	2,054,100	2,057,300	2,057,300			3,200	0.2
Local	0	0	0			0	0.0
Private	0	0	0			0	0.0
Restricted	0	0	0			0	0.0
GF/GP	12,437,200	12,471,100	12,471,100			33,900	0.3
Gross	\$14,491,300	\$14,528,400	\$14,528,400			\$37,100	0.3
FTEs	141.0	132.0	132.0			(9.0)	(6.4)

Note: FY 2007-08 figures reflect supplementals and Executive Order (EO) actions through February 7, 2008.

Overview

The Michigan Civil Rights Commission is charged with investigating alleged discrimination against any person because of religion, race, color, or national origin, and is directed to "secure the equal protection of such civil rights without such discrimination." The Michigan Department of Civil Rights serves as the administrative arm charged with implementing policies of the Commission. The Department provides educational programs that promote voluntary compliance with civil rights laws, investigates and resolves discrimination complaints, disseminates information that explains the rights and responsibilities of Michigan citizens as provided by law, and provides information and services to businesses on diversity initiatives, equal employment law, procurement opportunities, feasibility studies, and joint venture/strategic alliance matchmaking.

Major Budget Changes From FY 2007-08 YTD Appropriations		FY 2007-08 YTD (as of 2/08/07)	Executive Change From YTD	House Change From YTD
1. Information Technology Funding				
House and Executive increase funding by \$75,000 Gross for new computer hardware and software equipment. Funding will be used to replace current out-of-date computer systems.	Gross	N/A	\$75,000	\$75,000
	Federal	N/A	15,000	15,000
	GF/GP	N/A	\$60,000	\$60,000
2. Human Resource Optimization Transfer				
House and Executive reduce optimization cost by \$8,700 Gross and GF/GP for the final year of the Human Resources Optimization program (reductions have been taken each year during the five-year program).	Gross	N/A	(\$8,700)	(\$8,700)
	GF/GP	N/A	(\$8,700)	(\$8,700)
3. Human Resources Consolidation				
House and Executive reduce funding by \$201,200 Gross and 2.0 FTEs in order to reflect the transfer of all Human Resources responsibilities to Civil Service as a result of Executive Order 2007-30.	FTEs	N/A	(2.0)	(2.0)
	Gross	N/A	(\$201,200)	(\$201,200)
	Federal	N/A	(11,800)	(11,800)
	GF/GP	N/A	(\$189,400)	(\$189,400)
4. FTE Adjustment				
House and Executive adjust 7.0 FTE allocations to more accurately reflect number of FTE funded positions. Includes reduction of 6.0 FTEs in accordance with the Department's recommendation; transfer of 1.0 FTE to DMB for Internal Audit functions consolidation associated with Executive Order 2007-31.	FTEs	141.0	(7.0)	(7.0)
	Gross	N/A	\$0	\$0
	GF/GP	N/A	\$0	\$0

<u>Major Budget Changes From FY 2007-08 YTD Appropriations</u>		FY 2007-08 YTD (as of 2/08/07)	Executive Change From YTD	House Change From YTD
5. Economic Adjustments	Gross	N/A	\$172,600	\$172,600
House and Executive add funding for salaries and wages, retirement, and building occupancy; reduces funds for insurances and workers' compensation.		GF/GP	\$172,600	\$172,600

Major Boilerplate Changes From FY 2007-08

None.

EXECUTIVE OFFICE

Summary: FY 2008-09 Subcommittee Recommendation House Bill 5816 (H-1) Draft 1



Analyst: Viola Bay Wild

	FY 2007-08 YTD	FY 2008-09 Executive	FY 2008-09 House	FY 2008-09 Senate	FY 2008-09 Conference	Difference: House From FY 2007-08 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0			\$0	0.0
Federal	0	0	0			0	0.0
Local	0	0	0			0	0.0
Private	0	0	0			0	0.0
Restricted	0	0	0			0	0.0
GF/GP	5,317,300	5,317,300	5,317,300			0	0.0
Gross	\$5,317,300	\$5,317,300	\$5,317,300			\$0	0.0
FTEs	84.2	84.2	84.2			0.0	0.0

Note: FY 2007-08 figures reflect supplementals and Executive Order (EO) actions through February 7, 2008.

Overview

The Executive Office budget provides funding for the Governor, the Lieutenant Governor, and their staffs. Major constitutionally-specified responsibilities include organization and supervision of the Executive branch and annual preparation and submission of the Executive budget. Divisions within the Governor's Office include: Legal, Operations, Community-Based Initiatives, Appointments, Constituent Services, Policy, Communications, Legislative Affairs, Scheduling, Special Projects, and the Governor's Washington D.C., Southeastern Michigan, and Upper Peninsula Offices.

Major Budget Changes From FY 2007-08 YTD Appropriations

FY 2007-08 YTD (as of 2/08/07)	Executive Change From YTD	House Change From YTD
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None.

Major Boilerplate Changes From FY 2007-08

None.

INFORMATION TECHNOLOGY

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Analyst: Viola Bay Wild

	FY 2007-08 YTD	FY 2008-09 Executive	FY 2008-09 House	FY 2008-09 Senate	FY 2008-09 Conference	Difference: House From FY 2007-08 YTD	
						Amount	%
IDG/IDT	\$428,868,100	\$433,992,900	\$433,992,900			\$5,124,800	1.2
Federal	0	0	0			0	0.0
Local	0	0	0			0	0.0
Private	0	0	0			0	0.0
Restricted	0	0	0			0	0.0
GF/GP	0	0	0			0	0.0
Gross	\$428,868,100	\$433,992,900	\$433,992,900			\$5,124,800	1.2
FTEs	1,780.4	1,660.0	1,660.0			(120.4)	(6.8)

Note: FY 2007-08 figures reflect supplementals and Executive Order (EO) actions through February 7, 2008.

Overview

The Department of Information Technology (DIT) acts as a general contractor between the state's information technology (IT) users and private sector providers of IT products and services. The Department's services include application development and maintenance; desktop, mainframe, server, and local area network computer support and management; contract, project, and procurement planning; telecommunication services; security; and software and software licensing. The Department utilizes existing technology funding and state employees from within the other 19 executive branch departments and agencies. Each state department and agency requests spending authority to fund IT-related activities and pays for technology services rendered by DIT through an interdepartmental grant. Administration of fund sources remains with each state department/agency.

Major Budget Changes From FY 2007-08 YTD Appropriations		FY 2007-08 YTD (as of 2/08/07)	Executive Change From YTD	House Change From YTD
1. FTE Adjustment	FTEs	1,780.4	(122.4)	(122.4)
	Gross	N/A	\$0	\$0
	IDG	N/A	0	0
2. Department of Management and Budget Program Enhancement				
House and Executive make adjustment to reflect appropriation for program enhancements made in the DMB budget: \$357,700 for the upgrade of telephone switch equipment for Retirement Call Center; \$12,000 for IT costs for new retirement customer service employees.	FTEs	N/A	0.0	0.0
	Gross	N/A	\$369,700	\$369,700
	IDG	N/A	369,700	369,700

Major Budget Changes From FY 2007-08 YTD Appropriations		FY 2007-08 YTD (as of 2/08/07)	Executive Change From YTD	House Change From YTD
3. Base Adjustments and Administrative Reductions		FTEs	N/A	2.0
House and Executive make adjustments to more accurately reflect appropriated amounts for IT services/projects in other state department budgets:		Gross	N/A	\$4,055,700
		IDG	N/A	4,055,700
<u>Adds</u>				
<ul style="list-style-type: none"> • \$75,000 to Department of Civil Rights to replace a portion of the Department's computers. • \$14,900 to Civil Service Commission to properly align DIT IDG with the enacted agency IT line appropriation. • \$497,700 to Department of Community Health: maintenance for Certificate of Need Application Processing System; increase authorization to reflect expenditures for Vital Records application systems; funding for disaster recovery for Public Health Systems. • \$2.1 million to Corrections: increase support for FY 07 Office Automation rate adjustment; desktop maintenance and one-time computer costs; replace portion of department computers; upgrade file and print servers. • \$179,500 to Department of History, Arts and Libraries: replace portion of the agency's computers; replace 4 servers; software support licenses for standard desktop support system; upgrade to network systems. • \$3.3 million to Department of Human Services: properly align DIT IDG with enacted IT line appropriation; transfer IT costs to DHS from the Jobs, Education and Training program; fund IT costs for new non-IT staff. • \$90,000 to Department of State for needed replacement of servers. • \$3.4 million to State Police: increase funding for support IT-related costs, including the Automated Fingerprint Identification System (AFIS) and the Traffic Crash Reporting System; add 2.0 FTEs for Criminal Justice Information Center systems; transfer Northrop Grumman contract for MCOLES information and Tracking Network to the agency's DIT line; transfer one-time IT funding to non-IT programs; reflect increased funding to address the structural deficit for the Michigan Public Safety Communication System. • \$790,000 to Treasury: fund needed replacement of servers; fund annual maintenance of Taxpayer Contact Center; reflect additional costs of annual operational and maintenance for the Motor Fuel and Tobacco Tax System. 				
<u>Removes</u>				
<ul style="list-style-type: none"> • \$498,000 in one-time funding to Department of Management and Budget to fund program for receiving electronic retirement payments from schools and the purchase of customer contact and quality management software. • \$5.3 million from Department of Human Services as part of the agency's reduction plan. • \$510,000 in one time funding for the Department of Corrections for centralized tracking system and various program equipment. • \$25,000 to Department of Natural Resources to align IDG to properly reflect anticipated revenues from the Michigan Civilian Conservation Corp. 				
4. Human Resources Consolidation		Gross	N/A	\$0
House and Executive transfer \$433,300 in IT costs associated with the Human Resources consolidation from various agency IT lines to the Civil Service IT line item within the DIT budget.		IDG	N/A	0

<u>Major Budget Changes From FY 2007-08 YTD Appropriations</u>		<u>FY 2007-08 YTD (as of 2/08/07)</u>	<u>Executive Change From YTD</u>	<u>House Change From YTD</u>
5. Administrative Reduction	Gross	N/A	(\$233,400)	(\$233,400)
House and Executive include an administrative reduction of \$233,400 Gross that will be realized through administrative efficiencies and reduced personnel.		IDG	(233,400)	(233,400)
6. Economic Adjustments	Gross	N/A	\$932,800	\$932,800
House and Executive include \$932,800 Gross funding for salaries and wages, insurances, retirement, worker's compensation, and building occupancy charges.		IDG	932,800	932,800

Major Boilerplate Changes From FY 2007-08

Sec. 573. Sale of Paid Advertising – RETAINED

Authorizes Department to sell and accept paid advertising, requires revenue to be used for operating cost and enhancements, limits amount to \$250,000. **House** retains current-year language; **Executive** deletes \$250,000 limit and adds carryforward authorization for revenue collected.

Sec. 574. Report on Expenditures Made for Provision of Services – RETAINED

Authorizes Department to supply spatial information and technical services to other state departments, local units of government, and other organizations and receive funding for services; requires report. **House** retains current-year language; **Executive** deletes report requirement.

Sec. 578. Report on Amounts Appropriated by Fund Source – RETAINED

Requires report on the amounts appropriated by fund source for each department and a listing of expenditures made from those appropriations. **House** retains language; **Executive** deletes current-year language.

Sec. 579. Report on Life-Cycle of IT Hardware and Software – RETAINED

Requires report on the life-cycle of information technology-related hardware and software. **House** retains language; **Executive** deletes current-year language.

Sec. 581. Report on Technology Assets of the State – RETAINED

Requires DIT to conduct a study of the state's information technology assets to determine any benefits and economies that can be achieved; requires report. **House** retains language; **Executive** deletes current-year language.

Sec. 584. Report on Information and Referral Services Using 2-1-1 – DELETED

Requires DIT to produce a report identifying all information/referral services and the potential cost savings through the shared use of 2-1-1 system. **House** and **Executive** delete current-year language.

Sec. 585. Report on Child Support Enforcement System – RETAINED

Requires report on amount expended for Child Support Enforcement System, revisions made to spending plans, and amount of penalties paid to federal government. **House** retains language; **Executive** deletes current-year language.

Sec. 586. Adjustment of Appropriation Line Items – REVISED

Current-year language allows line item adjustments in DIT budget if corresponding adjustments are made in other state department budgets. **House** and **Executive** include new language that after notifying legislative appropriations committees, the state budget director can adjust spending authorization and user fees in the DIT budget to properly align with the IT appropriations in agency budgets. (Executive rennumbers section as 579.)

LEGISLATURE

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						Amount	%
IDG/IDT	\$0	\$0	\$1,750,000			\$1,750,000	---
Federal	0	0	0			0	0.0
Local	0	0	0			0	0.0
Private	400,000	400,000	400,000			0	0.0
Restricted	1,109,800	1,109,800	1,109,800			0	0.0
GF/GP	112,994,200	112,994,200	113,045,200			51,000	0.0
Gross	\$114,504,000	\$114,504,000	\$116,305,000			\$1,801,000	1.6
FTEs	0.0	0.0	0.0			0.0	0.0

Note: FY 2007-08 figures reflect supplementals and Executive Order (EO) actions through February 7, 2008.

Overview

The Legislature budget provides funding for the Legislative branch of state government, including the Legislative Council and agencies it governs, Legislative Retirement System, and Property Management. The Legislative Council provides a wide variety of essential services to members and staff of the Legislature. The Michigan Legislative Retirement System provides retirement allowances, survivors' allowances, and other benefits for members of the Legislature and their spouses, dependents, survivors, and beneficiaries. Property Management employees maintain, operate, and repair the Capitol Building, House of Representatives Office Building, and Farnum Building.

		FY 2007-08 YTD (as of 2/08/07)	Executive Change From YTD	House Change From YTD
Major Budget Changes From FY 2007-08 YTD Appropriations				
1. Legislative Corrections Ombudsman	Gross	N/A	\$0	\$1,250,000
House includes \$1.3 million Gross funding for the Legislative Corrections Ombudsman in the Legislative Council; funding from IDG from Department of Corrections.		IDG	N/A	0
2. Sentencing Guidelines Commission	Gross	N/A	\$0	\$500,000
House includes \$500,000 Gross funding for the Sentencing Guidelines Commission in the Legislative Council; funding from IDG from Department of Corrections.		IDG	N/A	0
3. National Association Dues	Gross	N/A	\$0	\$51,000
House includes \$51,000 Gross and GF/GP additional funding to pay for the annual dues of the National Conference of Commissioners on Uniform State Laws.		GF/GP	N/A	\$0

Major Boilerplate Changes From FY 2007-08

Sec. 603. National Association Dues – REVISED

Charges the Legislative Council with responsibility for distributing funding appropriated for national association dues. **House** includes language that requires \$51,000 be paid for annual dues to the national conference of commissioners on uniform state laws.

LEGISLATIVE AUDITOR GENERAL

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						Amount	%
IDG/IDT	\$1,801,500	\$1,801,500	\$1,801,500			\$0	0.0
Federal	0	0	0			0	0.0
Local	0	0	0			0	0.0
Private	0	0	0			0	0.0
Restricted	1,539,900	1,539,900	1,539,900			0	0.0
GF/GP	12,486,800	12,486,800	12,511,800			25,000	0.2
Gross	\$15,828,200	\$15,828,200	\$15,853,200			\$25,000	0.2
FTEs	0.0	0.0	0.0			0.0	0.0

Note: FY 2007-08 figures reflect supplementals and Executive Order (EO) actions through February 7, 2008.

Overview

The Legislative Auditor General (LAG) is responsible for conducting post financial and performance audits of state government operations. Audit reports provide a continuing flow of information to assist the Legislature in its oversight of approximately 100 individual state funds and an annual budget of over \$27.0 billion. Audit reports provide citizens with a measure of accountability and assist state departments/agencies in improving financial management of their operations. The LAG's goal is to improve accounting and financial reporting practices and promote effectiveness, efficiency, and economy in state government. The LAG's mission is to improve the accountability of public funds and to improve the operations of state government for the benefit of the citizens of the state.

Major Budget Changes From FY 2007-08 YTD Appropriations		FY 2007-08 YTD (as of 2/08/07)	Executive Change From YTD	House Change From YTD
1. Economic Adjustments	Gross	N/A	\$0	\$25,000
House includes \$25,000 Gross and GF/GP funding for salaries and wages, insurances, retirement, worker's compensation, and building occupancy charges.	GF/GP	N/A	\$0	\$25,000

Major Boilerplate Changes From FY 2007-08

None.

MANAGEMENT AND BUDGET

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	FY 2007-08 YTD	FY 2008-09 Executive	FY 2008-09 House	FY 2008-09 Senate	FY 2008-09 Enacted	Difference: House From FY 2007-08 YTD	
						Amount	%
IDG/IDT	\$162,681,600	\$165,468,000	\$165,468,000			\$2,786,400	1.7
Federal	4,779,100	10,669,900	10,669,900			5,890,800	123.3
Local	1,700,000	1,992,900	1,992,900			292,900	17.2
Private	150,000	150,000	150,000			0	0.0
Restricted	68,101,500	77,694,100	77,694,100			9,592,600	14.1
GF/GP	267,479,200	292,616,000	293,616,000			26,136,800	9.8
Gross	\$504,891,400	\$548,590,900	\$549,590,900			\$44,699,500	8.9
FTEs	995.0	1,425.0	1,433.0			438.0	44.0

Note: FY 2007-08 figures reflect supplementals and Executive Order (EO) actions through February 7, 2008.

Overview

The Department of Management and Budget (DMB) is the interdepartmental service and management agency responsible for ensuring proper financial record keeping for state agencies; managing capital outlay projects, state property, state purchasing programs, and the state's retirement systems; supervising the state motor vehicle fleet, and providing office support services to state agencies. The Office of the State Budget, housed within DMB, prepares, presents, and executes the state budget on behalf of the Governor. The Department has several autonomous units, including Office of the State Employer, Office of the Children's Ombudsman, Office of Regulatory Reform, Michigan State Fair, and State Building Authority. Civil Service, an autonomous unit in DMB, implements policies established by the Civil Service Commission; administers a statewide merit system that provides classified job opportunities within state government, including administering competitive examinations for classified positions, setting pay scales, administering employee benefits, and administering Civil Service Commission's Employment Relations Policy; and maintains ongoing statewide recruitment.

Major Budget Changes From FY 2007-08 YTD Appropriations		FY 2007-08 YTD (as of 2/08/07)	Executive Change From YTD	House Change From YTD
DEPARTMENT OF MANAGEMENT AND BUDGET				
1. Internal Audit Consolidation	FTE	N/A	51.0	51.0
House and Executive include additional \$5.9 million Gross and 34.0 FTE authorizations in order to reflect the transfer of statewide internal audit functions to DMB as a result of Executive Order 2007-31.	Gross	N/A	\$5,870,400	\$5,870,400
	IDG	N/A	5,870,400	5,870,400
	GF/GP	N/A	\$0	\$0
2. Human Resources Consolidation/Optimization	FTE	N/A	(14.0)	(14.0)
House and Executive reduce funding by \$897,700 Gross and eliminates 14.0 FTEs in order to reflect the transfer of all human resources responsibilities to Civil Service as a result of Executive Order 2007-30.	Gross	N/A	(\$897,700)	(\$897,700)
	IDG	N/A	(280,200)	(280,200)
	Restricted	N/A	(317,900)	(317,900)
	GF/GP	N/A	(\$299,600)	(\$299,600)
3. State Building Authority Rent	Gross	\$226,822,100	\$5,000,000	\$5,000,000
House and Executive include additional \$5.0 million Gross and GF/GP to make adjustments for previously-constructed projects for projected rent payments.	Restricted	1,520,000	0	0
	GF/GP	\$225,302,100	\$5,000,000	\$5,000,000
4. Building Occupancy Adjustments	Gross	\$88,291,300	\$446,100	\$446,100
House and Executive add \$270,100 Gross for increased rent for leased facilities and \$415,000 Gross to relocate the History, Arts and Libraries Records Center; reduces funding by \$239,000 due to transfer of Terminal Road lease to DEQ.	IDG	88,291,300	446,100	446,100
	GF/GP	\$0	\$0	\$0

Major Budget Changes From FY 2007-08 YTD Appropriations		FY 2007-08 YTD (as of 2/08/07)	Executive Change From YTD	House Change From YTD
5. Office of Retirement Services (ORS)		FTE	N/A	6.0
House and Executive include additional \$357,700 Gross for hardware and software upgrades to retain current capability of the Interactive Voice Response System; adds \$440,000 Gross and 6.0 FTEs for ORS customer service staff to retain current response times. Eliminates one-time charges for new spouse as beneficiary program \$300,000 Gross; electronic deposit of retirement payments for schools software \$150,000 Gross; and customer contact software funding \$348,000 Gross.	Gross	N/A	(\$300)	(\$300)
	Restricted	N/A	(300)	(300)
	GF/GP	N/A	\$0	\$0
6. Space Utilization Study		Gross	N/A	\$550,000
House and Executive add \$550,000 Gross for a one-time space utilization study; of this funding, \$150,000 is allocated for a contractor review of space utilization and restacking/redesign plans and \$400,000 for modular furniture, construction and internal moves. Currently there is underutilized space in the Hannah, Ottawa, Romney and VanWagoner buildings as well as Constitution Hall; however, much of this space is scattered throughout the buildings.	IDG	N/A	550,000	550,000
	GF/GP	N/A	\$0	\$0
7. Supplier Diversity Program		FTEs	N/A	8.0
House adds new \$1.0 million Gross and GF/GP and 8.0 FTEs for implementation of a new Supplier Diversity program with the intent of increasing the number and types of vendors competing for state contracts.	Gross	N/A	N/A	\$1,000,000
	GF/GP	N/A	N/A	\$1,000,000
8. FTE Adjustment		FTEs	754.5	72.0
House and Executive adjust FTE allocations to more accurately reflect number of FTE funded positions. Includes an increase of 88.0 positions in accordance with the Department's recommendation; transfer of 16.0 FTEs to reflect the Internal Audit functions consolidation associated with Executive Order 2007-31.	Gross	N/A	\$0	\$0
	GF/GP	N/A	\$0	\$0
9. Administrative Reductions		FTEs	N/A	(8.0)
House and Executive include reduction of 8.0 FTE positions and reduces funding for administrative expenses by \$608,200 Gross; savings anticipated from staffing reductions due to automation of billing programs for Financial Services (3.0 FTEs) and parking enforcement restructuring (5.0 FTEs); includes a reduction in IT administrative costs for services.	Gross	N/A	(\$608,200)	(\$608,200)
	IDG	N/A	(300,000)	(300,000)
	Restricted	N/A	(141,900)	(141,900)
	GF/GP	N/A	(\$166,300)	(\$166,300)
10. Economic Adjustments		Gross	N/A	\$393,500
House and Executive include \$393,500 Gross additional funding for salaries and wages, retirement, and worker's compensation; reduces funding for insurances.	IDG	N/A	97,900	97,900
	Restricted	N/A	96,000	96,000
	GF/GP	N/A	\$199,600	\$199,600
CIVIL SERVICE				
11. Human Resources Consolidation		FTES	N/A	344.0
House and Executive include additional \$33.4 million Gross and 344.0 FTE authorizations for the Human Resources consolidation required by Executive Order 2007-30, which transferred all human resources responsibilities to Civil Service from individual departments.	Gross	N/A	\$33,433,200	\$33,433,200
	IDG	N/A	34,900	34,900
	Federal	N/A	5,353,100	5,353,100
	Local	N/A	292,900	292,900
	Restricted	N/A	8,372,500	8,372,500
	GF/GP	N/A	\$19,379,800	\$19,379,800
12. Human Resource Optimization		Gross	N/A	\$0
House and Executive reduce IDG funding by \$3.3 million to make adjustments for final optimization funding for the Human Resources Optimization program (reductions have been taken each year during the five-year program).	IDG	N/A	(3,278,200)	(3,278,200)
	Federal	N/A	537,700	537,700
	Restricted	N/A	413,200	413,200
	GF/GP	N/A	\$2,327,300	\$2,327,300

<u>Major Budget Changes From FY 2007-08 YTD Appropriations</u>		FY 2007-08 YTD (as of 2/08/07)	Executive Change From YTD	House Change From YTD
13. FTE Adjustment	FTEs	240.5	(21.0)	(21.0)
House and Executive adjust FTE allocations to more accurately reflect number of FTE funded positions. Includes reduction of 20.0 positions in accordance with the Department's recommendation; transfer of 1.0 FTE to DMB for the Internal Audit functions consolidation associated with Executive Order 2007-31.	Gross	N/A	\$0	\$0
	GF/GP	N/A	\$0	\$0
14. Administrative Reductions	Gross	N/A	(\$306,600)	(\$306,600)
House and Executive reduce funding for administrative expenses by \$306,600 Gross; savings anticipated from administrative efficiencies.	Restricted	N/A	(4,900)	(4,900)
	GF/GP	N/A	(\$301,700)	(\$301,700)
15. Economic Adjustments	Gross	N/A	\$150,300	\$150,300
House and Executive add funding for salaries and wages and retirement; reduces funding for insurances and workers' compensation.	IDG	N/A	2,300	2,300
	Restricted	N/A	109,800	109,800
	GF/GP	N/A	\$38,200	\$38,200

Major Boilerplate Changes From FY 2007-08

DEPARTMENT OF MANAGEMENT AND BUDGET

Sec. 710. Revisions to Computer Contracts – RETAINED

House includes current year language which requires DMB to report on any revisions that increase or decrease current computer contracts by more than \$500,000 at least 14 days prior to finalization of revisions. **Executive** deletes current year language.

Sec. 715.(3) Motor Vehicle Fleet Assignment – RETAINED

House includes current year language that expresses legislative intent that DMB have the authority to determine appropriateness of vehicle assignment. **Executive** deletes current year language.

Sec. 715.(4) Motor Vehicle Fleet Plan – RETAINED

House includes current year language which requires DMB to maintain a plan regarding the state's motor vehicle fleet and lists specific information that is to be included in the plan. **Executive** deletes current year language.

Sec. 716. Purchasing From Michigan-Based Firms – RETAINED

House includes current year language which requires DMB to adopt policies and procedures necessary to provide a purchasing preference for products manufactured or services offered by Michigan-based firms. **Executive** deletes current year language.

Sec. 716a. Supplier Diversity Program – NEW

House adds new language that authorizes funding and full-time equated positions within DMB or to contract with one or more private companies to implement a supplier diversity program in order to increase the number and types of vendors competing for state contracts.

Sec. 717. Purchasing Decisions – RETAINED

House includes current year language which establishes guidelines for DMB to follow when determining whether a purchase, contract, or provision of supplies, materials, services, insurance, utilities, third party financing, equipment, printing, and other items needed by state departments is in the best interests of the state. **Executive** deletes current year language.

Sec. 718. Vendor Disclosure Information to Collect – RETAINED

House includes current year language that lists information DMB is authorized to collect from vendors in an effort to ensure compliance with procurement of goods and services from Michigan-based providers. **Executive** deletes current year language.

Sec. 719. Vendor Disclosure Call Centers – RETAINED

House includes current year language that authorizes DMB to require any vendor or subcontractor who provides call or contact center services to the state to disclose the location from which the call or contact center services are being provided to the inbound caller. **Executive** deletes current year language.

Sec. 720. Internal Audit Charges – NEW

House and **Executive** include new language which requires internal audit charges to fund internal audit services provided by the Office of the State Budget within DMB; charges shall be funded through assessments against state agencies.

Major Boilerplate Changes From FY 2007-08

Sec. 723. State Property – RETAINED

House includes current year language which requires DMB to make available to the public on the Internet a listing of all parcels of real estate that are available for purchase from the state. **Executive** deletes current year language.

Sec. 724. Appropriations for Retirement System Changes – DELETED

House and **Executive** delete current year language which authorizes appropriations for implementing changes made to the Public School Employees Retirement Act which allows a retiree to add a new spouse as their pension beneficiary when their previous spouse dies or if the retiree was not married at the time of retirement; designates the appropriations as work project appropriations.

Sec. 724a. Existing 2-1-1 Capacities – DELETED

House and **Executive** delete current year language that requires DMB to assist DIT in determining how existing 2-1-1 capacities will be utilized by each department with community resource information and referral service.

CIVIL SERVICE

None.

STATE

Summary: FY 2008-09 Subcommittee Recommendation House Bill 5816 (H-1) Draft 1



Analyst: Viola Bay Wild

	FY 2007-08 YTD	FY 2008-09 Executive	FY 2008-09 House	FY 2008-09 Senate	FY 2008-09 Conference	Difference: House From FY 2007-08 YTD	
						Amount	%
IDG/IDT	\$20,000,000	\$20,000,000	\$20,000,000			\$0	0.0
Federal	1,911,200	1,460,000	1,460,000			(451,200)	(23.6)
Local	0	0	0			0	0.0
Private	100	100	100			0	0.0
Restricted	156,972,900	158,523,800	158,523,800			1,550,900	(1.0)
GF/GP	\$28,797,200	\$26,888,000	\$26,888,000			(1,909,200)	(6.6)
Gross	\$207,681,400	\$206,871,900	\$206,871,900			(\$809,500)	(0.4)
FTEs	1,859.8	1,815.0	1,815.0			(44.8)	(2.4)

Note: FY 2007-08 figures reflect supplementals and Executive Order (EO) actions through February 7, 2008.

Overview

The Department of State administers programs in eight areas: Driver Licensing and Vehicle Registration, which includes titling and registering vehicles; Elections and Campaign Finance Administration, which includes training local election officials and monitoring campaign finance; Regulatory and Consumer Protection, which includes inspecting and licensing automotive repair facilities; Traffic Safety which includes driver testing; Office of the Great Seal; Assigned Claims Facility; Uniform Commercial Code; and Executive Direction and Central Support.

Major Budget Changes From FY 2007-08 YTD Appropriations		FY 2007-08 YTD (as of 2/08/07)	Executive Change From YTD	House Change from YTD
1. FTE Rebasing Adjustment				
House and Executive adjust FTE allocation in order to more accurately reflect number of funded FTE positions. Includes reduction of 43.8 classified FTE positions in accordance with department's recommendation. This is a 2.4% reduction in FTE positions.	FTEs	1,859.8	(43.8)	(43.8)
	Gross	\$0	\$0	\$0
	GF/GP	\$0	\$0	\$0
2. Technology Replacement				
House and Executive increase information technology appropriation by \$90,000 Gross and GF/GP to fund the replacement of the DIT server for the department's contact center.	Gross	N/A	\$90,000	\$90,000
	GF/GP	N/A	\$90,000	\$90,000
3. Assigned Claims Assessment Adjustment				
House and Executive increase appropriation by \$120,000 Gross to fund the increased services provided by the Attorney General concerning assigned claims program.	Gross	N/A	\$120,000	\$120,000
	Restricted	N/A	120,000	120,000
4. Administrative Reductions				
House and Executive reduce funding for four operations line items and the information technology line item for a total of \$621,500 Gross and \$607,300 GF/GP; savings anticipated to be generated through administrative efficiencies.	Gross	N/A	(\$621,500)	(\$621,500)
	Restricted	N/A	(14,200)	(14,200)
	GF/GP	N/A	(\$607,300)	(\$607,300)
5. Help America Vote Act				
House and Executive remove federal one-time grant funding of \$350,000 for the HAVA program awarded in the previous year.	Gross	\$350,000	(\$350,000)	(\$350,000)
	Federal	350,000	(350,000)	(350,000)

Major Budget Changes From FY 2007-08 YTD Appropriations		FY 2007-08 YTD (as of 2/08/07)	Executive Change From YTD	House Change from YTD
6. Internal Audit Adjustment	FTEs	1.0	(1.0)	(1.0)
House and Executive transfer 1.0 FTE position to the Department of Management Budget (DMB) to reflect the transfer of statewide internal audit services to DMB as a result of Executive Order 2007-31.		Gross	\$0	\$0
	GF/GP	\$0	\$0	\$0
7. Economic Adjustments	Gross	N/A	\$53,200	\$53,200
House and Executive increase funding by \$53,200 Gross and reduces GF/GP funding by \$1.4 million for economic adjustments; increases funding for salaries and wages; reduces funding for insurances, retirement, building occupancy charges, and worker's compensation.		Federal	N/A	0
	Restricted	N/A	1,445,100	1,445,100
	GF/GP	N/A	(\$1,391,900)	(\$1,391,900)

Major Boilerplate Changes From FY 2007-08

Sec. 801. Contingency Funding – REVISED

Appropriates up to \$1.0 million in federal contingency funds, \$7.5 million in state restricted contingency funds, \$50,000 in local contingency funds, and \$100,000 in private contingency funds, subject to legislative transfer to specific line items. **House** and **Executive** increase limit for federal contingency funds to \$2.0 million.

Sec. 815. Branch Office Closings or Consolidations – RETAINED

Requires 180 days advance notice of branch office closures and consolidations and 60 days advance notice for relocations. **House** retains language; **Executive** deletes current-year language.

Sec. 815a. Report on Branch Office Transactions – RETAINED

Requires the Department to report on the number of branch office transactions completed online. **House** retains language; **Executive** deletes current-year language.

Sec. 818. Motorcycle Safety Education Program – RETAINED

Requires funds appropriated for Motorcycle Safety Education Grants and Administration to be used for program operation; requires funding to be derived from license endorsements and registration and testing fees; authorizes funds for grants to help subsidize safety training courses for individuals interested in operating motorcycles; and authorizes funds to be used for administrative costs. **House** retains language; **Executive** deletes current-year language.

Sec. 819. Business Application Modernization Projected – RETAINED

Requires funding appropriated for the Business Application Modernization Project to be used for development, implementation, and maintenance of the business application modernization project; designates unexpended funding as a work project account and authorizes unexpended funding to be carried forward. **House** retains language; **Executive** deletes current-year language.

Sec. 824. Buena Vista Township Branch Office – DELETED

Requires Department to maintain a full service branch office in the Buena Vista Township. **House** and **Executive** delete current-year language.

Sec. 825. Milan Branch Office – DELETED

Requires Department to maintain a full service branch office in the City of Milan. **House** and **Executive** delete current-year language.

Sec. 826. Branch Office Locations – DELETED

Requires Department to maintain same number of branch offices in each municipality that existed on August 1, 2007. **House** and **Executive** delete current-year language.

Sec. 827. Branch Office Locations in Urban Areas – RETAINED

Encourages branch offices to be located in downtown areas, town centers, central business districts, and brownfield sites rather than greenfield and open space sites. **House** retains language; **Executive** deletes current-year language.

TREASURY

Summary: FY 2008-09 Subcommittee Recommendation House Bill 5816 (H-1) Draft 1



Analysts: Viola Bay Wild

	FY 2007-08 YTD	FY 2008-09 Executive	FY 2008-09 House	FY 2008-09 Senate	FY 2008-09 Conference	Difference: House From FY 2007-08 YTD	
						Amount	%
IDG/IDT	\$11,631,400	\$10,894,600	\$10,894,600			(\$736,800)	(6.3)
Federal	91,836,400	92,307,700	92,307,700			471,300	0.5
Local	1,100,700	1,105,100	1,105,100			4,400	0.4
Private	712,800	715,600	715,600			2,800	0.4
Restricted	1,464,512,100	1,465,039,100	1,465,039,100			527,000	0.0
GF/GP	189,310,600	162,189,600	163,155,600			(26,155,000)	(13.8)
Gross	\$1,759,104,000	\$1,732,251,700	\$1,733,217,700			(\$25,886,300)	(1.5)
FTEs	1,905.5	1,838.5	1,838.5			(67.0)	(3.5)

Note: FY 2007-08 figures reflect supplementals and Executive Order (EO) actions through February 7, 2008.

Overview

The Department of Treasury is the chief fiscal agency of the state and the primary source of advice to the Governor on tax and fiscal policy issues. The Department's mission is to collect state taxes, to invest, control, and disburse state monies, and to protect the state's credit rating and that of its cities. The Department manages one of the nation's largest pension funds, administers revenue sharing, and administers the student financial aid programs. It also investigates fraudulent financial activity, provides assistance on all property tax-related issues, advises issuers of municipal obligations. The Bureau of State Lottery, the Michigan Gaming Control Board, and the Michigan Strategic Fund (MSF) are autonomous agencies housed within the Department of Treasury. Funds and programs of the MSF are administered by the Michigan Economic Development Corporation (MEDC), which also administers the 21st Century Jobs Fund.

Major Budget Changes From FY 2007-08 YTD Appropriations		FY 2007-08 YTD (as of 2/08/07)	Executive Change From YTD	House Change From YTD
TREASURY OPERATIONS				
1. Treasury Operations				
House funds Department of Treasury operations (excluding revenue sharing, debt service, and the MSF) at \$397.2 million Gross (\$10.8 million IDG; \$36.9 million federal; \$1.1 million local; \$283.3 million restricted; and \$65.1 million GF/GP).	Gross	\$399,704,500	(\$2,757,500)	(\$2,457,500)
	IDG	11,551,400	(737,100)	(737,100)
	Federal	36,405,700	463,200	463,200
	Local	1,100,700	4,400	4,400
	Restricted	287,227,400	(3,895,100)	(3,895,100)
	GF/GP	\$63,419,300	\$1,407,100	\$1,707,100
Executive funds Department of Treasury operations (excluding revenue sharing, debt service, and the MSF) at \$396.9 million Gross (\$10.8 million IDG; \$36.9 million federal; \$1.1 million local; \$283.3 million restricted; and \$64.8 million GF/GP).				
2. Administrative Reductions				
House and Executive include administrative reductions of \$498,500 million Gross; reduces revenue enhancement program (\$336,400), Student Financial Services (\$75,200), State Tax Commission (\$50,000), and DIT Administrative reduction (\$36,900).	Gross	N/A	(\$498,500)	(\$498,500)
	IDG	N/A	(600)	(600)
	Federal	N/A	(600)	(600)
	Restricted	N/A	(31,100)	(31,100)
	GF/GP	N/A	(\$466,200)	(\$466,200)
3. FTE Rebasement Adjustment				
House and Executive adjust FTE allocation in order to more accurately reflect the number of funded FTE positions. Includes reduction of 46.0 FTE positions in accordance with department's recommendation.	FTEs	1,905.5	(46.0)	(46.0)
	Gross	N/A	\$0	\$0
	GF/GP	N/A	\$0	\$0

Major Budget Changes From FY 2007-08 YTD Appropriations		FY 2007-08 YTD (as of 2/08/07)	Executive Change From YTD	House Change From YTD
4. Human Resources Consolidation and Optimization House and Executive reduce funding by \$2.1 million Gross and \$1.6 million GF/GP to reflect the transfer of funding and 20.0 Human Resources FTE positions to Civil Service for the consolidation of Human Resources within Civil Service required by EO 2007-30; includes 3.0 FTEs from Lottery. Funding also reflects the transfer of the human resources optimization costs to Civil Service as well.	FTEs	N/A	(20.0)	(20.0)
	Gross	N/A	(\$2,075,100)	(\$2,075,100)
	IDG	N/A	(43,100)	(43,100)
	Restricted	N/A	(481,100)	(481,100)
	GF/GP	N/A	(\$1,550,900)	(\$1,550,900)
5. FTE Adjustment - Neighborhood Enterprise Act/ Internal Auditor House and Executive reduce funding by \$150,000 Gross and GF/GP and 1.0 FTE allocation for the Neighborhood Enterprise Act program from savings generated through using online services and a lessened state role in program; Additional FTE reduction of 1.0 FTE position in Lottery for Internal Auditor transfer to DMB as required by E.O. 2007-31.	FTEs	2.0	(2.0)	(2.0)
	Gross	\$150,000	(\$150,000)	(\$150,000)
	GF/GP	\$150,000	(\$150,000)	(\$150,000)
6. Senior Citizen Co-op Housing Tax Exemption House and Executive reduce funding from the FY 2007-08 appropriations.	Gross	\$17,498,400	(\$498,400)	(\$498,400)
	GF/GP	\$17,498,400	(\$498,400)	(\$498,400)
7. Renaissance Zone Reimbursement House and Executive add \$705,000 funding to reimburse public libraries for lost property tax revenue from Renaissance zones.	Gross	\$3,095,000	\$705,000	\$705,000
	GF/GP	\$3,095,000	\$705,000	\$705,000
8. Commercial Mobile Radio Service Payments House and Executive reduce funding for the CMRS by \$6.8 million Gross based upon the pending sunset of the act which authorizes the CMRS fee; reduction is based upon the fees estimated to be collected before the sunset.	Gross	\$17,900,000	(\$6,800,000)	(\$6,800,000)
	Restricted	17,900,000	(6,800,000)	(6,800,000)
9. City-University Partnership Grants House includes \$300,000 Gross and GF/GP funding for City-University Partnership grants; funding allocated to Michigan State University Center for Community and Economic Development to work in collaboration with Wayne State University and University of Michigan to create a partnership with Michigan's Urban Core Mayors.	Gross	N/A	\$0	\$300,000
	GF/GP	N/A	\$0	\$300,000
10. Implement Tax Law Changes House and Executive add \$3.4 million Gross and GF/GP for scheduled increase to the Michigan Business Tax program; reduce \$120,000 GF/GP funding for one-time costs for individual income tax; reduce \$400,000 GF/GP and 2.0 FTEs for the now-rescinded tax on services.	FTEs	N/A	(2.0)	(2.0)
	Gross	N/A	\$2,880,000	\$2,880,000
	GF/GP	N/A	\$2,880,000	\$2,880,000
11. Michigan Transportation Fund (MTF) Administration Adjustment House and Executive reduce MTF funding by \$750,000 Gross for the administration costs of the fund.	Gross	N/A	(\$750,000)	(\$750,000)
	Restricted	N/A	(750,000)	(750,000)
12. Pension Plan Consultant House and Executive add \$1.0 million Gross to hire consultant to oversee pension program costs.	Gross	N/A	\$1,000,000	\$1,000,000
	Restricted	N/A	1,000,000	1,000,000

Major Budget Changes From FY 2007-08 YTD Appropriations		FY 2007-08 YTD (as of 2/08/07)	Executive Change From YTD	House Change From YTD
REVENUE SHARING				
13. Constitutional Revenue Sharing	Gross	\$673,952,000	(\$6,388,000)	(\$6,388,000)
House and Executive reduce funds for constitutional revenue sharing to cities, villages, and townships by \$6.4 million from the enacted FY 2007-08 appropriations.	Restricted	673,952,000	(6,388,000)	(6,388,000)
14. Statutory Revenue Sharing	Gross	\$398,713,000	\$22,515,600	\$22,515,600
House and Executive increase funds for statutory revenue sharing to cities, villages, and townships by \$22.5 million from enacted FY 2007-08 appropriations. Funding is allocated so that local units receive a combined total FY 2008-09 constitutional and statutory distribution equal to the amount the local unit received in FY 2007-08; includes additional increase equal to 4% of a local unit's FY 2006-07 statutory revenue sharing payment.	Restricted	398,713,000	22,515,600	22,515,600
15. County Revenue Sharing Payments	Gross	\$0	\$2,280,900	\$2,280,900
House and Executive add \$2.3 million Gross for revenue sharing payments to additional counties who have depleted their Revenue Sharing Reserve Fund.	Restricted	\$0	2,280,900	2,280,900
DEBT SERVICE				
16. Debt Service Payments	Gross	\$119,986,400	\$3,136,600	\$3,136,600
House and Executive increase funding by \$3.1 million Gross (state restricted funding of Refined Petroleum Fund is decreased by \$8.4 million and replaced by GF/GP); add \$2.1 million for Quality of Life bonds debt service, \$9.7 million for Great Lakes Water Quality bond debt service; reduce Clean Michigan Initiative debt service by \$8.6 million, and water pollution control bond debt service by \$63,400.	Restricted	23,914,500	(8,400,000)	(8,400,000)
	GF/GP	\$96,071,900	\$11,536,600	\$11,536,600
17. Debt Service Refunding / Restructuring Savings	Gross	\$119,986,400	(\$40,000,000)	(\$40,000,000)
House and Executive include \$40.0 million Gross and GF/GP reduction for debt service payments based upon the refunding and/or restructuring of current bond programs. This savings is part of a three year program that reduces payments needed for debt service because of refinancing bond programs..	Restricted	23,914,500	0	0
	GF/GP	\$96,071,900	(\$40,000,000)	(\$40,000,000)
18. Economic Adjustments	Gross	N/A	\$650,200	\$650,200
House and Executive increase funding by \$650,200 Gross and \$37,200 GF/GP for economic adjustments; increase funding for salaries and wages, retirement, BOC and workman's compensation; reduce funding for insurances (includes economics for Lottery, MGCB, and MSF).	IDG	N/A	58,600	58,600
	Federal	N/A	71,900	71,900
	Local	N/A	4,400	4,400
	Restricted	N/A	478,100	478,100
	GF/GP	N/A	\$37,200	\$37,200
MICHIGAN GAMING CONTROL BOARD				
19. Casino Gaming Staff Increase	Gross	N/A	\$684,000	\$684,000
House and Executive increase funding by \$684,000 Gross and include 8.0 FTE positions for additional staff related to the Detroit casinos' move to permanent facilities.	Restricted	N/A	684,000	684,000

Major Budget Changes From FY 2007-08 YTD Appropriations		FY 2007-08 YTD (as of 2/08/07)	Executive Change From YTD	House Change From YTD
MICHIGAN STRATEGIC FUND (MSF)				
20. Michigan Strategic Fund	FTEs	152.0	(5.0)	(5.0)
House provides FY 2008-09 funding for the MSF at \$161.4 million Gross: (\$80,300 IDG; \$55.4 million federal; \$715,600 private; \$75.0 million restricted; and \$30.2 million GF/GP); eliminates 5.0 FTE positions.	Gross	\$166,422,500	(\$5,639,900)	(\$4,973,900)
	IDG	80,000	300	300
	Federal	55,430,700	8,100	8,100
	Private	712,800	2,800	2,800
	Restricted	80,705,200	(5,700,000)	(5,700,000)
	GF/GP	\$29,493,800	\$48,900	\$714,900
Executive provides FY 2008-09 funding for the MSF at \$160.8 million Gross: (\$80,300 IDG; \$55.4 million federal; \$715,600 private; \$75.0 million restricted; and \$29.5 million GF/GP); eliminates 5.0 FTE positions.				
21. Michigan Promotion Program	Gross	\$11,417,500	(\$5,700,000)	(\$5,700,000)
House and Executive eliminate one-time funding of \$5.7 million from the Jobs for Michigan Investment Fund.	Restricted	11,417,500	(5,700,000)	(5,700,000)
22. Energy Efficiency Grant Program	Gross	N/A	\$0	\$600,000
House includes funding of \$600,000 an energy efficiency pilot program for residential energy efficiency program grants of \$200,000 each in three Michigan cities.	GF/GP	N/A	\$0	\$600,000
23. Community Development Block Grant (CDBG) Technical Assistance Grants Program	Gross	N/A	\$0	\$66,000
House includes \$66,000 Gross and GF/GP funding for CDBG technical assistance grants to local planning agencies that received CDBG assistance grants in 2008 from the MEDC.	GF/GP	N/A	\$0	\$66,000

Major Boilerplate Changes From FY 2007-08

DEPARTMENT OF TREASURY

Sec. 902. Debt Service Appropriation – REVISED

Authorizes the appropriation of amounts needed to pay interest, fees, and costs associated with debt service. **House** and **Executive** include new language that appropriates debt service repayments from loans made from the school bond loan fund that are not required to be deposited into the school loan revolving fund to be used for the payment of debt service.

Sec. 905. Sale of Tax Manuals – REVISED

Requires Department to sell copies of state tax manual and other manuals at a price not to exceed production costs. **House** and **Executive** revise language to allow Department to provide copies of the state tax manual via the Department's website or provide for sale copies on CD or other electronic media.

Sec. 923. City - University Partnership Plan – NEW

House includes new language that requires that the city university partnership plan funding be allocated to Michigan State University Center for Community and Economic Development to create and administer in corroboration with Wayne State University and University of Michigan a partnership with Michigan's urban core mayors.

Sec. 930a. Secondary Collections Activities – REVISED

Requires Department to select a private collection agency for secondary collection activities in order to benchmark primary agency performance for individual tax, discontinued business tax, state agency accounts, and active business tax accounts older than 36 months; requires quarterly report. **House** revises language and removes the request for proposal reference; **Executive** deletes current-year language.

Sec. 931. Assessment of Treasury Fees – REVISED

Requires the appropriation for Department fees to be assessed against all restricted funds and requires a report on fees assessed. **House** and **Executive** revise language to allow fees to be assessed against investment income; House requires report to include the methodology used in assessing fees.

Sec. 940. Michigan Tobacco Settlement Finance Authority (MTSFA) Revenue – NEW

House and **Executive** include new language that authorizes Department to expend MTSFA revenues for salaries and wages, supplies, contractual services equipment, and other department expenses.

Major Boilerplate Changes From FY 2007-08

Sec. 941. Standardized Audit Schedules – DELETED

Appropriates up to \$570,000 from standardized audit schedules recovered revenue for project expenses; funds to be used for business tax audits related to sales, use, withholding, single business, and motor fuel taxes. **House** and **Executive** delete current-year language.

Sec. 943. Social Security Numbers on Mailings – RETAINED

Prohibits Department from printing complete social security numbers on 1099 mailings. **House** retains language; **Executive** deletes current-year language.

Sec. 945. Assessment and Certification Division Reviews – RETAINED

Allows the Department's assessment and certification division to conduct 14-point reviews in at least one assessment jurisdiction per county. **House** retains language; **Executive** deletes current-year language.

Sec. 946. Assessment and Training Coordination – RETAINED

Authorizes the state tax commission and assessment and certification management staff to meet with statewide assessment organizations on a quarterly basis to coordinate activities. **House** retains language; **Executive** deletes current-year language.

Sec. 947. Revenue Enhancement Program – RETAINED

Stipulates that of the \$5.3 million in part 1 for Revenue Enhancement Program, \$4.8 million shall be used for revenue enhancement collection, including auditing functions, and \$500,000 for principal residence audits. Requires quarterly progress reports for personal property tax audit and principal residence audit programs; requires a legislative Auditor General performance audit of the principal residence audit program. **House** retains language; **Executive** deletes current-year language.

Sec. 948. Electronic Income Tax Filing – REVISED

Directs Department to report the number of tax returns, including state income and single business tax returns, filed on-line in the preceding fiscal year. **House** includes the Michigan business tax in report; **Executive** deletes current-year language.

Sec. 949. Tobacco Stamp Technology RFP – DELETED

Allows Department to conduct a competitive bid for current and new tobacco stamp technology; permits tobacco wholesalers to claim a deduction for costs related to new technology in their monthly reimbursements under Tobacco Products Tax Act. **House** and **Executive** delete current-year language.

Sec. 950. Revenue Sharing – REVISED

Directs distribution of constitutional revenue sharing payments to cities, villages, and townships; directs distribution of statutory revenue sharing payments to cities, villages, and townships so that local units shall receive a combined total FY 2008-09 constitutional and statutory distribution that is equal to the total distribution the local unit received in FY 2007-08. **House** and **Executive** include language that requires each local unit that received statutory revenue sharing in FY 2006-07 receive an additional amount equal to four per cent of that distribution.

LOTTERY

Sec. 963. Department of Human Services (DHS) Bridge Cards – RETAINED

Directs Lottery to notify lottery retailers that DHS bridge cards are not to be used to purchase lottery tickets. **House** retains language; **Executive** deletes current-year language.

MICHIGAN STRATEGIC FUND (MSF)

Sec. 1002(4). Economic Development Job Training (EDJT) Grants – DELETED

Establishes a \$4.5 million earmark of EDJT funding to for community colleges. **House** and **Executive** delete earmark.

Sec. 1002(8). EDJT Grants – REVISED

Establishes awarding of grants criteria. **House** and **Executive** revise language to require that employers shall reimburse the state for entire direct EDJT grant prorated to the number of actual jobs created or trained compared to original number in grant application.

Sec. 1002(16). EDJT Grants – DELETED

Specifies that the MSF allocate \$500,000.00 for aerospace certification grants. **House** and **Executive** delete current-year language.

Sec. 1015. Community Development Block Grants (CDBG) Technical Assistance Grants – NEW

Specifies that funding for CDBG Technical Assistance Grants be used to fund grants to local planning agencies that received grants in 2008; each agency shall receive an amount equal to the grant in the previous year.

Major Boilerplate Changes From FY 2007-08

Sec. 1016. Audit of Jobs Created – REVISED

Allows MEDC to develop/implement procedures to audit the number of jobs claimed to be created by its grant recipients. **House** revises language specifying which tax credits or incentives may be audited; **Executive** deletes current-year language.

Sec. 1017. Report on MEDC Employees with Salaries of \$80,000 or More – DELETED

Requires MEDC to report to the Legislature the names, job title, and duties of MEDC employees with an annual salary of at least \$80,000. **House** and **Executive** delete current-year language.

Sec. 1018. Energy Efficiency Pilot Program – NEW

Specifies that funding for Energy Efficiency Grants be used for pilot residential energy efficiency programs in Ann Arbor, Grand Rapids, and Lansing. Each city shall receive \$200,000 to create or maintain residential energy programs; requires report.

Sec. 1021. Michigan Promotion Program – DELETED

Stipulates that the \$5.7 million Michigan promotion program is to be used to promote the state's tourism industry and business marketing activities; MEDC would coordinate its activities with local tourism efforts where appropriate. **House** and **Executive** delete current-year language.

Sec. 1022. Business Incubator Program – DELETED

Requires business incubator program funds be used for grants/loans for projects that foster creation of new jobs in competitive edge technologies, with preference to grantees in certain economically depressed areas; states legislative intent that if additional funds become available, program funds would increase by \$4.0 million. **House** and **Executive** delete current-year language.

Sec. 1024. Small Business Technology and Development Centers – REVISED

Allocates \$1.4 million from 21st Century Jobs Trust Fund to Small Business Technology and Development Centers for Small Business Innovation Research/Small Business Technology Transfer Research grant or matching loan programs. **House** revises language to require that grant and loan awards from competitive edge technology program that are not accepted or claimed shall be allocated for up to \$500,000 grants to existing business incubator programs in specific distressed areas. **Executive** deletes current-year language.

Sec. 1025. Jobs Report – DELETED

Directs MEDC to report number of actual direct jobs and number of projected indirect jobs to be created as a result of a financial or tax incentive package offered to a business; salary and employer-sponsored benefit information to be included. **House** and **Executive** delete current-year language.

Sec. 1027. 21st Century Allocation for Biofuels – DELETED

Requires MSF Board to amend its contract with Lakeshore Advantage for a project involving a former Pfizer plant to distribute at least \$3.0 million of contract amount prior to March 31, 2008, and expands allowable use of funds. Requires \$3.0 million total FY 2007-08 payment to Lakeshore Advantage if contract is not amended by February 28, 2008. **House** and **Executive** delete current-year language.

Sec. 1029. Tax Incentives for Michigan Workers – RETAINED

States legislative intent that incentives be awarded to businesses that give preference to Michigan workers. **House** retains language; **Executive** deletes current-year language.

Sec. 1030. Watervliet Township Ethanol Plant – DELETED

Requires \$100 appropriation for Berrien County Brownfield Redevelopment Authority be used for brownfield redevelopment project in Watervliet Township to construct an ethanol plant. **House** and **Executive** delete current-year language.

Sec. 1031. McBain Township Infrastructure Improvements – DELETED

Requires that \$100 appropriation for McBain Township (Missaukee County) be used for infrastructure improvements. **House** and **Executive** delete current-year language.