

**ALL GENERAL GOVERNMENT
Summary: Conference Report
FY 2008-09 HB 5816 (CR-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: Conference From FY 2007-08 YTD	
						Amount	%
IDG/IDT	\$646,762,900	\$656,458,000	\$656,958,000	\$655,308,100	\$657,135,600	\$10,372,700	1.6
Federal	109,190,400	114,545,700	114,545,700	114,545,700	118,833,200	9,642,800	8.8
Local	2,800,700	3,098,000	3,098,000	3,098,000	3,098,000	297,300	10.6
Private	1,262,900	1,265,700	1,265,700	1,265,700	1,265,700	2,800	0.2
Restricted	1,759,277,500	1,717,834,300	1,715,834,300	1,704,894,500	1,709,716,700	(49,560,800)	(2.8)
GF/GP	644,359,100	657,409,800	659,615,100	668,654,100	668,160,400	23,801,300	3.7
Gross	\$3,163,653,500	\$3,150,611,500	\$3,151,316,800	\$3,147,766,100	\$3,158,209,600	(5,443,900)	(0.2)
FTEs	7,327.9	7,505.7	7,505.7	7503.7	7511.7	183.8	2.5

Note: FY 2007-08 figures reflect supplementals and Executive Order (EO) actions through May 8, 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 – RETAINED

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

Sec. 215. Communications with Legislators – RETAINED

House, **Senate**, and **Conference Committee** retain 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, **Senate**, and **Conference Committee** did 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, **Senate**, and **Conference Committee** retain current-year language which prohibits expenditure of general fund appropriations when federal funding is available. **Executive** deletes language.

Sec. 220. Political Action Committees – NOT INCLUDED

Senate includes new language that prohibits the use of funds to establish, operate, or administer a payroll deduction plan which allows classified state employees to make contributions to either a committee or political organization. **House**, **Executive**, and **Conference Committee** do not include language.

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

House, **Senate**, and **Conference Committee** retain 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. 224. Travel Restrictions – NEW

Senate and **Conference Committee** include new language which prohibits all departments, excluding DMB, to approve out-of-state travel to attend a conference or seminar for more than 1 employee unless the travel is funded by a federal or private source. **House** and **Executive** did not include language.

Major Boilerplate Changes From FY 2007-08

Sec. 225. Implementation of Continuous Improvement Plan – DELETED

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, Senate and Conference Committee** delete language.

Sec. 225. Posting of Expenditures – DELETED

Senate includes new language requiring all departments and state agencies to report all expenditures on a publicly accessible Internet site. **House, Executive and Conference Committee** do not include language.

ATTORNEY GENERAL
Summary: Conference Report
FY 2008-09 HB 5816 (CR-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: Conference From FY 2007-08 YTD	
						Amount	%
IDG/IDT	\$21,780,300	\$24,301,000	\$24,301,000	\$24,301,000	\$24,301,000	\$2,520,700	11.6
Federal	7,816,000	8,050,800	8,050,800	8,050,800	8,050,800	234,800	3.0
Local	0	0	0	0	0	0	0.0
Private	0	0	0	0	0	0	0.0
Restricted	11,491,300	11,927,600	11,927,600	11,927,600	11,927,600	436,300	3.8
GF/GP	32,036,600	32,265,200	32,265,200	32,265,100	32,130,300	93,700	0.3
Gross	\$73,124,200	\$76,544,600	\$76,544,600	\$76,544,500	\$76,409,700	\$3,285,500	4.5
FTEs	562.0	543.0	543.0	543.0	543.0	(19.0)	(3.4)

Note: FY 2007-08 figures reflect supplementals and Executive Order (EO) actions through May 8, 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.

Major Budget Changes From FY 2007-08 YTD		FY 2007-08 YTD (as of 2/08/07)	Executive Change From YTD	House Change From YTD	Senate Change From YTD	Conference Change From YTD
Appropriations						
1. FTE Adjustment	FTEs	562.0	(19.0)	(19.0)	(19.0)	(19.0)
House, Executive, Senate, and Conference Committee 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	\$0	\$0
	GF/GP	\$0	\$0	\$0	\$0	\$0
2. Operations	Funding	Gross \$66,825,900	\$3,005,000	\$3,005,000	\$3,005,000	\$3,005,000
Adjustments House, Executive, Senate, and Conference Committee 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	2,424,000	2,424,000
	Federal	5,660,200	200,000	200,000	200,000	200,000
	Restricted	11,116,300	381,000	381,000	381,000	381,000
	GF/GP	\$28,594,100	\$0	\$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	Senate Change From YTD	Conference Change From YTD
3 Information Technology Administrative Reduction							
House, Executive, Senate, and Conference Committee							
reduce funding for the Department of Information Technology administrative fees by \$1,400 Gross and GF/GP for a 5% administrative reduction.							
	Gross	N/A		(\$1,400)	(\$1,400)	(\$1,400)	(\$1,400)
	GF/GP	N/A		(\$1,400)	(\$1,400)	(\$1,400)	(\$1,400)
4. Information Audit Services							
House, Executive, Senate, and Conference Committee							
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.							
	FTEs	0.0		0.0	0.0	0.0	0.0
	Gross	N/A		\$0	\$0	\$0	\$0
	GF/GP	N/A		\$0	\$0	\$0	\$0
5. Target Agreement GF/GP Reduction							
Conference Committee							
reflects GF/GP reduction (\$79,800) and a reduction for HMO contract savings (\$55,100) in operations line item.							
	Gross	N/A		N/A	N/A	N/A	(\$134,900)
	GF/GP	N/A		N/A	N/A	N/A	(\$134,900)
6. Economic Adjustments							
House, Executive, Senate, and Conference Committee							
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.							
	Gross	N/A		\$416,800	\$416,800	\$416,800	\$416,800
	IDG	N/A		96,700	96,700	96,700	96,700
	Federal	N/A		34,800	34,800	34,800	34,800
	Restricted	N/A		55,300	55,300	55,300	55,300
	GF/GP	N/A		\$230,000	\$230,000	\$230,000	\$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, Senate, and Conference Committee** retain current-year language; **Executive** deletes language.

Sec. 307a. Proceeds Received by the Attorney General – NOT INCLUDED

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. **Senate** and **Conference Committee** do not include language.

Sec. 308. Appropriation of Litigation Expense Reimbursements – REVISED

House, Executive, Senate, and Conference Committee 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.

Major Boilerplate Changes From FY 2007-08

Sec. 310. Child Support Enforcement Funding – RETAINED

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. **Senate** and **Conference Committee** retain current-year language.

Sec. 311. Medicaid Fraud Awards – NEW

Senate and **Conference Committee** include new language that appropriates funds collected for violations against the Medicaid False Claims Act to the Department; allows carry-forward of any unexpended funds.

Sec. 312. Prohibition of Additional Funding Except for Expert Witnesses and Court Costs – RETAINED

House, **Executive**, and **Conference Committee** retain current-year language that prohibits the Department to receive and expend additional funding for legal services to other state departments or agencies except for the costs of expert witnesses and court costs. **Senate** does not include language.

Sec. 312. Settlement Proceeds Advertising Prohibition – NOT INCLUDED

House includes 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. **Executive**, **Senate**, and **Conference Committee** do not include language.

CIVIL RIGHTS
Summary: Conference Report
FY 2008-09 HB 5816 (CR-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: Conference From FY 2007-08 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Federal	2,307,700	2,057,300	2,057,300	2,057,300	2,057,300	(250,400)	(10.9)
Local	0	0	0	0	0	0	0.0
Private	0	0	0	0	0	0	0.0
Restricted	0	0	0	0	0	0	0.0
GF/GP	12,437,200	12,471,100	12,471,100	12,471,100	12,418,000	(19,200)	(0.2)
Gross	\$14,744,900	\$14,528,400	\$14,528,400	\$14,528,400	\$14,475,300	(\$269,600)	(1.8)
FTEs	141.0	132.0	132.0	132.0	132.0	(9.0)	(6.4)

Note: FY 2007-08 figures reflect supplementals and Executive Order (EO) actions through May 8, 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		FY 2007-08 YTD	Executive Change	House Change	Senate Change	Conference Change
Appropriations		(as of 2/08/07)	From YTD	From YTD	From YTD	From YTD
1. Information Technology Funding House, Executive, Senate, and Conference Committee 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	\$75,000	\$75,000
	Federal	N/A	15,000	15,000	15,000	15,000
	GF/GP	N/A	\$60,000	\$60,000	\$60,000	\$60,000
2. Human Resource Optimization Transfer House, Executive, Senate, and Conference Committee 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)	(\$8,700)	(\$8,700)
	GF/GP	N/A	(\$8,700)	(\$8,700)	(\$8,700)	(\$8,700)
3. Human Resources Consolidation House, Executive, Senate, and Conference Committee 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)	(2.0)	(2.0)
	Gross	N/A	(\$201,200)	(\$201,200)	(\$201,200)	(\$201,200)
	Federal	N/A	(11,800)	(11,800)	(11,800)	(11,800)
	GF/GP	N/A	(\$189,400)	(\$189,400)	(\$189,400)	(\$189,400)

<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>	<u>Senate Change From YTD</u>	<u>Conference Change From YTD</u>
4. FTE Adjustment	FTEs	141.0	(7.0)	(7.0)	(7.0)	(7.0)
House, Executive, Senate, and Conference Committee 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.	Gross	N/A	\$0	\$0	\$0	\$0
	GF/GP	N/A	\$0	\$0	\$0	\$0
5. Target Agreement Reduction	GF/GP	N/A	N/A	N/A	N/A	(\$53,100)
Conference Committee reflects GF/GP reduction (\$31,100) and a reduction for HMO contract savings (\$22,000).		N/A	N/A	N/A	N/A	(\$53,100)
6. Economic Adjustments	Gross	N/A	\$172,600	\$172,600	\$172,600	\$172,600
House, Executive, Senate, and Conference Committee add funding for salaries and wages, retirement, and building occupancy; reduces funds for insurances and workers' compensation.	GF/GP	N/A	\$172,600	\$172,600	\$172,600	\$172,600

Major Boilerplate Changes From FY 2007-08

None.

EXECUTIVE OFFICE
Summary: Conference Report
FY 2008-09 HB 5816 (CR-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: Conference From FY 2007-08 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Federal	0	0	0	0	0	0	0.0
Local	0	0	0	0	0	0	0.0
Private	0	0	0	0	0	0	0.0
Restricted	0	0	0	0	0	0	0.0
GF/GP	5,317,300	5,317,300	5,317,300	5,317,300	5,317,300	0	0.0
Gross	\$5,317,300	\$5,317,300	\$5,317,300	\$5,317,300	\$5,317,300	\$0	0.0
FTEs	84.2	84.2	84.2	84.2	84.2	0.0	0.0

Note: FY 2007-08 figures reflect supplementals and Executive Order (EO) actions through May 8, 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		FY 2007-08 Executive YTD Change (as of 2/08/07) From YTD	House Change From YTD	Senate Change From YTD	Conference Change From YTD
<u>Appropriations</u>					
None.	Gross	\$5,317,300	\$0	\$0	\$0
	GF/GP	\$5,317,300	\$0	\$0	\$0

Major Boilerplate Changes From FY 2007-08

None.

INFORMATION TECHNOLOGY
Summary: Conference Report
FY 2008-09 HB 5816 (CR-1)



Analyst: Viola Bay Wild

	FY 2007-08 YTD	FY 2008-09	FY 2008-09	FY 2008-09	FY 2008-09	Difference: Conference From FY 2007-08 YTD	
		Executive	House	Senate	Conference	Amount	%
IDG/IDT	\$428,868,100	\$433,992,900	\$433,992,900	\$432,992,900	\$432,534,600	\$4,124,800	0.9
Federal	0	0	0	0	0	0	0.0
Local	0	0	0	0	0	0	0.0
Private	0	0	0	0	0	0	0.0
Restricted	0	0	0	0	0	0	0.0
GF/GP	0	0	0	0	0	0	0.0
Gross	\$428,868,100	\$433,992,900	\$433,992,900	\$432,992,900	\$432,534,600	\$4,124,800	0.9
FTEs	1,780.4	1,660.0	1,660.0	1,660.0	1,660.0	(120.4)	(6.8)

Note: FY 2007-08 figures reflect supplementals and Executive Order (EO) actions through May 8, 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		FY 2007-08 YTD (as of 2/08/07)	Executive Change From YTD	House Change From YTD	Senate Change From YTD	Conference Change From YTD
<u>Appropriations</u>						
1. FTE Adjustment	FTEs	1,780.4	(122.4)	(122.4)	(122.4)	(122.4)
House, Executive, Senate, and Conference Committee adjust FTE allocation in order to more accurately reflect number of funded FTE positions; includes reduction of 119.4 classified FTE positions and 3.0 unclassified positions in accordance with department's recommendation.	Gross	N/A	\$0	\$0	\$0	\$0
	IDG	N/A	0	0	0	0
2. Department of Management and Budget Program Enhancement	FTEs	N/A	0.0	0.0	0.0	0.0
House, Executive, Senate, and Conference Committee 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.	Gross	N/A	\$369,700	\$369,700	\$369,700	\$369,700
	IDG	N/A	369,700	369,700	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	Senate Change From YTD	Conference Change From YTD
3. Base	Adjustments	and	FTEs	N/A	2.0	2.0	2.0	2.0
Administrative Reductions			Gross	N/A	\$4,055,700	\$4,055,700	\$3,055,700	\$3,055,700
House, Executive, Senate, and Conference Committee			IDG	N/A	4,055,700	4,055,700	3,055,700	3,055,700

make adjustments to more accurately reflect appropriated amounts for IT services/projects in other state department budgets:

Adds

- \$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.

<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>	<u>Senate Change From YTD</u>	<u>Conference Change From YTD</u>
<ul style="list-style-type: none"> • \$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. • Senate includes \$1.0 million reduction to Department of Treasury for IT funding. 					
4. Human Resources Consolidation	Gross	N/A	\$0	\$0	\$0
House, Executive, Senate, and Conference Committee 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	0	0
5. Administrative Reduction	Gross	N/A	(\$233,400)	(\$233,400)	(\$233,400)
House, Executive, Senate, and Conference Committee include an administrative reduction of \$233,400 Gross that will be realized through administrative efficiencies and reduced personnel.	IDG	N/A	(233,400)	(233,400)	(233,400)
6. Economic Adjustments	Gross	N/A	\$932,800	\$932,800	\$932,800
House, Executive, Senate, and Conference Committee include \$932,800 Gross funding for salaries and wages, insurances, retirement, worker's compensation, and building occupancy charges.	IDG	N/A	932,800	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, Senate, and Conference Committee** retain 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, Senate, and Conference Committee** retain current-year language; **Executive** deletes report requirement.

Major Boilerplate Changes From FY 2007-08

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, Senate, and Conference Committee** retain 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, Senate, and Conference Committee** retain 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, Senate, and Conference Committee** retain language; **Executive** deletes current-year language.

Sec. 582. Report on Website Improvements – NEW

House, Senate, and Conference Committee include new language requiring department to submit a report on the improvements made to Michigan.gov website.

Sec. 583. Change Orders and Follow-Up On Contracts – NEW

Senate includes new language requiring department to submit a report on all change orders and follow-up on contracts entered into by the Department since its inception. **Conference Committee** includes language that requires report on all change orders and contract extensions; deletes language requiring report information to date back to the department's inception.

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

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. **Senate** and **Conference Committee** retain 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, Senate, and Conference Committee** retain 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, Executive, Senate, and Conference Committee** 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 renumbers section as 579.)

LEGISLATURE
Summary: Conference Report
FY 2008-09 HB 5816 (CR-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: Conference From FY 2007-08 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$500,000	\$0	\$0	\$0	0.0
Federal	0	0	0	0	0	0	0.0
Local	0	0	0	0	0	0	0.0
Private	400,000	400,000	400,000	400,000	400,000	0	0.0
Restricted	1,109,800	1,109,800	1,109,800	1,109,800	1,109,800	0	0.0
GF/GP	112,994,200	112,994,200	113,315,100	112,234,300	112,994,200	0	0.0
Gross	\$114,504,000	\$114,504,000	\$115,324,900	\$113,744,100	\$114,504,000	0	0.0
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Note: FY 2007-08 figures reflect supplementals and Executive Order (EO) actions through May 8, 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	Senate Change From YTD	Conference Change From YTD
<u>Major Budget Changes From FY 2007-08 YTD Appropriations</u>						
1. Legislative Corrections Ombudsman	Gross	N/A	\$0	\$1,250,000	\$500,000	\$369,700
	House includes \$1.3 million Gross and GF/GP funding for the Legislative Corrections Ombudsman in the Legislative Council. Senate includes \$500,000 funding; Conference Committee includes \$369,700.	N/A	\$0	\$1,250,000	\$500,000	\$360,700
2. Sentencing Guidelines Commission	Gross	N/A	\$0	\$500,000	\$0	\$0
	House includes \$500,000 Gross funding for the Sentencing Guidelines Commission in the Legislative Council; funding from IDG from Department of Corrections. Executive, Senate, and Conference Committee do not include funding.	N/A	0	500,000	0	0
3. National Association Dues	Gross	N/A	\$0	\$51,000	\$51,000	\$51,000
	House, Senate, and Conference Committee include \$51,000 Gross and GF/GP transfer funding from HOB savings to pay for the annual dues of the National Conference of Commissioners on Uniform State Laws.	N/A	\$0	\$51,000	\$51,000	\$51,000

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	Senate Change From YTD	Conference Change From YTD
4. Economic Adjustments	Gross	N/A	\$0	(\$980,100)	(\$1,310,900)	(\$420,700)
House reduces funding by \$980,100 Gross and GF/GP for legislative economic adjustments and property management expenses, including \$1.5 million Anderson HOB savings. Senate reduces funding by \$1.3 million which includes \$1.5 million HOB reduction and \$189,100 funding for Capitol Building. Conference Committee reduces funding by \$420,700.	GF/GP	N/A	\$0	(\$980,100)	(\$1,310,900)	(\$420,700)

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, Senate, and Conference Committee include language that requires \$51,000 be paid for annual dues to the national conference of commissioners on uniform state laws.

LEGISLATIVE AUDITOR GENERAL
Summary: Conference Report
FY 2008-09 HB 5816 (CR-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: Conference From FY 2007-08 YTD	
						Amount	%
IDG/IDT	\$1,801,500	\$1,801,500	\$1,801,500	\$1,801,500	\$1,801,500	\$0	0.0
Federal	0	0	0	0	0	0	0.0
Local	0	0	0	0	0	0	0.0
Private	0	0	0	0	0	0	0.0
Restricted	1,539,900	1,539,900	1,539,900	1,539,900	1,539,900	0	0.0
GF/GP	12,486,800	12,486,800	12,511,800	12,549,900	12,549,900	63,100	0.5
Gross	\$15,828,200	\$15,828,200	\$15,853,200	\$15,891,300	\$15,891,300	\$63,100	0.4
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Note: FY 2007-08 figures reflect supplementals and Executive Order (EO) actions through May 8, 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		FY 2007-08 Executive		House	Senate	Conference
Appropriations		YTD	Change	Change	Change	Change
		(as of 2/08/07)	From YTD	From YTD	From YTD	From YTD
1. Economic Adjustments	Gross	N/A	\$0	\$25,000	\$0	\$0
House includes \$25,000 additional 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	\$0	\$0
2. Information Technology Adjustment	Gross	N/A	\$0	\$0	\$63,000	\$63,000
Senate and Conference Committee include \$63,000 additional Gross and GF/GP funding to fund the transition the Legislative Auditor General's IT functions from the Executive branch network to the Legislative branch network.	GF/GP	N/A	\$0	\$0	\$63,000	\$63,000

Major Boilerplate Changes From FY 2007-08

Sec. 624. Information Technology – NEW

House, Senate and Conference Committee include language that appropriates \$63,000 to fund the transition of IT functions from the Executive branch network to the Legislative branch network.

MANAGEMENT AND BUDGET
Summary: Conference Report
FY 2008-09 HB 5816 (CR-1)



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: Conference From FY 2007-08 YTD	
						Amount	%
IDG/IDT	\$162,681,600	\$165,468,000	\$165,468,000	\$165,318,000	\$167,603,800	\$4,922,200	3.0
Federal	4,779,100	10,669,900	10,669,900	10,669,900	10,743,700	5,964,600	124.8
Local	1,700,000	1,992,900	1,992,900	1,992,900	1,992,900	292,900	17.2
Private	150,000	150,000	150,000	150,000	150,000	0	0.0
Restricted	68,101,500	77,694,100	77,694,100	77,694,100	77,694,100	9,592,600	14.1
GF/GP	267,479,200	292,616,000	293,616,000	292,616,000	292,875,200	25,396,000	9.5
Gross	\$504,891,400	\$548,590,900	\$549,590,900	\$548,440,900	\$551,059,700	\$46,168,300	9.1
FTEs	995.0	1,425.0	1,433.0	1,425.0	1,424.0	436.0	44.1

Note: FY 2007-08 figures reflect supplementals and Executive Order (EO) actions through May 8, 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.

<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	Senate Change From YTD	Conference Change From YTD
DEPARTMENT OF MANAGEMENT AND BUDGET	FTE	17.0	34.0	34.0	34.0	34.0
1. Internal Audit Consolidation	Gross	N/A	\$5,870,400	\$5,870,400	\$5,870,400	\$5,870,400
	IDG	N/A	5,870,400	5,870,400	5,870,400	5,870,400
	GF/GP	N/A	\$0	\$0	\$0	\$0

House, Executive, Senate, and Conference Committee 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. The transfer included a total of 51.0 FTEs including the 17.0 DMB FTEs within DMB.

<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>	<u>Senate Change From YTD</u>	<u>Conference Change From YTD</u>
2. Human Resources Consolidation and Optimization House, Executive, Senate, and Conference Committee 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.	FTE		N/A	(14.0)	(14.0)	(14.0)	(14.0)
	Gross		N/A	(\$897,700)	(\$897,700)	(\$897,700)	(\$897,700)
	IDG		N/A	(280,200)	(280,200)	(280,200)	(280,200)
	Restricted		N/A	(317,900)	(317,900)	(317,900)	(317,900)
	GF/GP		N/A	(\$299,600)	(\$299,600)	(\$299,600)	(\$299,600)
3. State Building Authority Rent House, Executive, Senate, and Conference Committee include additional \$5.0 million Gross and GF/GP to make adjustments for previously-constructed projects for projected rent payments.	Gross		\$226,822,100	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
	Restricted		1,520,000	0	0	0	0
	GF/GP		\$225,302,100	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
4. Building Occupancy Adjustments House, Executive, Senate, and Conference Committee 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.	Gross		\$88,291,300	\$446,100	\$446,100	\$446,100	\$446,100
	IDG		88,291,300	446,100	446,100	446,100	446,100
	GF/GP		\$0	\$0	\$0	\$0	\$0
5. Office of Retirement Services (ORS) House, Executive, Senate, and Conference Committee 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.	FTE		N/A	6.0	6.0	6.0	6.0
	Gross		N/A	(\$300)	(\$300)	(\$300)	(\$300)
	Restricted		N/A	(300)	(300)	(300)	(300)
	GF/GP		N/A	\$0	\$0	\$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>	<u>Senate Change From YTD</u>	<u>Conference Change From YTD</u>
6. Space Utilization Study House, Executive and Conference Committee 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. Senate does not include \$150,000 for utilization study.	Gross	N/A	\$550,000	\$550,000	\$400,000	\$550,000
	IDG	N/A	550,000	550,000	400,000	550,000
	GF/GP	N/A	\$0	\$0	\$0	\$0
7. Supplier Diversity Program House includes \$1.0 million Gross and GF/GP and 8.0 FTEs for implementation of program intending to increase vendors competing for state contracts. Executive and Senate did not include funding. Conference Committee includes \$500,000 funding and 4.0 FTEs.	FTEs	N/A	N/A	8.0	0.0	4.0
	Gross	N/A	N/A	\$1,000,000	\$0	\$500,000
	GF/GP	N/A	N/A	\$1,000,000	\$0	\$500,000
8. FTE Adjustment House, Executive, Senate, and Conference Committee 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.	FTEs	754.5	72.0	72.0	72.0	72.0
	Gross	N/A	\$0	\$0	\$0	\$0
	GF/GP	N/A	\$0	\$0	\$0	\$0
9. Administrative Reductions House, Executive, Senate, and Conference Committee 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.	FTEs	N/A	(8.0)	(8.0)	(8.0)	(8.0)
	Gross	N/A	(\$608,200)	(\$608,200)	(\$608,200)	(\$608,200)
	IDG	N/A	(300,000)	(300,000)	(300,000)	(300,000)
	Restricted	N/A	(141,900)	(141,900)	(141,900)	(141,900)
	GF/GP	N/A	(\$166,300)	(\$166,300)	(\$166,300)	(\$166,300)

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	Senate Change From YTD	Conference Change From YTD
10. Economic Adjustments		Gross	N/A	\$393,500	\$393,500	\$393,500
House, Executive, Senate, and Conference Committee 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	97,900	97,900
	Restricted	N/A	96,000	96,000	96,000	96,000
	GF/GP	N/A	\$199,600	\$199,600	\$199,600	\$199,600
11. Capital Outlay Funding		Gross	N/A	\$2,000,000	N/A	\$2,000,000
Revised Executive and Conference Committee include \$2.0 million Capital Outlay funding.	IDG	N/A	2,000,000	N/A	N/A	2,000,000
12. Target Agreement GF/GP Reduction		Gross	N/A	N/A	N/A	(\$225,600)
Conference Committee reflects GF/GP reduction (\$88,800) and a reduction for HMO contract savings (\$136,800).	GF/GP	N/A	N/A	N/A	N/A	(\$225,600)
CIVIL SERVICE						
13. Human Resources Consolidation		FTES	N/A	344.0	344.0	344.0
House, Executive, Senate, and Conference Committee 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	\$33,433,200	\$33,433,200
	IDG	N/A	34,900	34,900	34,900	34,900
	Federal	N/A	5,353,100	5,353,100	5,353,100	5,353,100
	Local	N/A	292,900	292,900	292,900	292,900
	Restricted	N/A	8,372,500	8,372,500	8,372,500	8,372,500
	GF/GP	N/A	\$19,379,800	\$19,379,800	\$19,379,800	\$19,379,800
14. Human Resources Optimization		Gross	N/A	\$0	\$0	\$0
House, Executive, Senate, and Conference Committee 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)	(3,278,200)	(3,278,200)
	Federal	N/A	537,700	537,700	537,700	537,700
	Restricted	N/A	413,200	413,200	413,200	413,200
	GF/GP	N/A	\$2,327,300	\$2,327,300	\$2,327,300	\$2,327,300
15. FTE Adjustment		FTEs	240.5	(21.0)	(21.0)	(21.0)
House, Executive, Senate, and Conference Committee 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	\$0	\$0
	GF/GP	N/A	\$0	\$0	\$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>	<u>Senate Change From YTD</u>	<u>Conference Change From YTD</u>
16. Administrative Reductions House, Executive, Senate, and Conference Committee reduce funding for administrative expenses by \$306,600 Gross; savings anticipated from administrative efficiencies.	Gross	N/A	(\$306,600)	(\$306,600)	(\$306,600)	(\$306,600)
	Restricted	N/A	(4,900)	(4,900)	(4,900)	(4,900)
	GF/GP	N/A	(\$301,700)	(\$301,700)	(\$301,700)	(\$301,700)
17. Economic Adjustments House, Executive, Senate, and Conference Committee add funding for salaries and wages and retirement; reduces funding for insurances and workers' compensation.	Gross	N/A	\$150,300	\$150,300	\$150,300	\$150,300
	IDG	N/A	2,300	2,300	2,300	2,300
	Restricted	N/A	109,800	109,800	109,800	109,800
	GF/GP	N/A	\$38,200	\$38,200	\$38,200	\$38,200
18. Target Agreement Reduction Conference Committee reflects GF/GP reduction (\$16,600) and a reduction for HMO contract savings (\$32,300).	Gross	N/A	N/A	N/A	N/A	(\$48,900)
	GF/GP	N/A	N/A	N/A	N/A	(\$48,900)

Major Boilerplate Changes From FY 2007-08

DEPARTMENT OF MANAGEMENT AND BUDGET

Sec. 710. Revisions to Computer Contracts – RETAINED

House, Senate, and Conference Committee include 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, Senate, and Conference Committee include 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, Senate, and Conference Committee include 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, Senate, and Conference Committee include 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 and Conference Committee add 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. **Executive** and **Senate** did not include language.

Sec. 717. Purchasing Decisions – RETAINED

House, Senate, and Conference Committee include 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, Senate, and Conference Committee include 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.

Major Boilerplate Changes From FY 2007-08

Sec. 719. Vendor Disclosure Call Centers – RETAINED

House, Senate, and Conference Committee include 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, Executive, Senate, and Conference Committee 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.

Sec. 723. State Property – RETAINED

House, Senate, and Conference Committee include 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, Executive, Senate, and Conference Committee 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 – RETAINED

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. **Senate and Conference Committee** retain current-year language.

CIVIL SERVICE

None.

STATE
Summary: Conference Report
FY 2008-09 HB 5816 (CR-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: Conference From FY 2007-08 YTD	
						Amount	%
IDG/IDT	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$0	0.0
Federal	1,911,200	1,460,000	1,460,000	1,460,000	5,673,700	3,762,500	196.9
Local	0	0	0	0	0	0	0.0
Private	100	100	100	100	100	0	0.0
Restrict ed	156,972,900	158,523,800	158,523,800	162,673,800	162,673,800	5,700,900	3.6
GF/GP	28,797,200	26,888,000	26,888,000	26,887,900	26,528,800	(2,268,400)	(7.9)
Gross	\$207,681,400	\$206,871,900	\$206,871,900	\$211,021,800	\$214,876,400	\$7,195,000	3.5
FTEs	1,859.8	1,815.0	1,815.0	1,815.0	1,815.0	(44.8)	(2.4)

Note: FY 2007-08 figures reflect supplementals and Executive Order (EO) actions through May 8, 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.

<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>	<u>Senate Change from YTD</u>	<u>Conference Change from YTD</u>
1. FTE Rebasing Adjustment	FTEs	1,859.8	(43.8)	(43.8)	(43.8)	(43.8)
House, Executive, Senate, and Conference Committee 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.	Gross	\$0	\$0	\$0	\$0	\$0
	GF/GP	\$0	\$0	\$0	\$0	\$0
2. Technology Replacement	Gross	N/A	\$90,000	\$90,000	\$90,000	\$90,000
House, Executive, Senate, and Conference Committee 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.	GF/GP	N/A	\$90,000	\$90,000	\$90,000	\$90,000
3. Assigned Claims Assessment Adjustment	Gross	N/A	\$120,000	\$120,000	\$120,000	\$120,000
House, Executive, Senate, and Conference Committee increase appropriation by \$120,000 Gross to fund the increased services provided by the Attorney General concerning assigned claims program.	Restricted	N/A	120,000	120,000	120,000	120,000

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	Senate Change from YTD	Conference Change from YTD
4. Administrative Reductions		Gross	N/A	(\$621,500)	(\$621,500)	(\$621,500)
House, Executive, Senate, and Conference Committee		Restricted	N/A	(14,200)	(14,200)	(14,200)
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.		GF/GP	N/A	(\$607,300)	(\$607,300)	(\$607,300)
5. Help America Vote Act		Gross	\$350,000	(\$350,000)	(\$350,000)	(\$350,000)
House, Executive, Senate, and Conference Committee		Federal	350,000	(350,000)	(350,000)	(350,000)
remove federal one-time grant funding of \$350,000 for the HAVA program awarded in the previous year.						
6. Internal Audit Adjustment		FTEs	1.0	(1.0)	(1.0)	(1.0)
House, Executive, Senate, and Conference Committee		Gross	\$0	\$0	\$0	\$0
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.		GF/GP	\$0	\$0	\$0	\$0
7. Enhanced Driver Licenses and Personal Identification Cards		Gross	N/A	\$0	\$0	\$4,150,000
Senate and Conference Committee		Restricted	N/A	0	4,150,000	4,150,000
increase funding by \$4.2 million Gross to authorize expenditure of anticipated new revenue from the fees collected for the new enhanced driver's license program and enhanced personal identification cards.						
8. Target Agreement Reduction		Gross	N/A	N/A	N/A	(\$359,200)
House, Executive, Senate, and Conference Committee		GF/GP	N/A	N/A	N/A	(\$359,200)
reflects GF/GP reduction (\$71,700) and a reduction for HMO contract savings (\$287,500).						
9. Economic Adjustments		Gross	N/A	\$53,200	\$53,200	\$53,200
House, Executive, Senate, and Conference Committee		Federal	N/A	0	0	0
increase funding by \$53,200 Gross and reduce 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.		Restricted	N/A	1,445,100	1,445,100	1,445,100
		GF/GP	N/A	(\$1,391,900)	(\$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, Executive, Senate, and Conference Committee** increase limit for federal contingency funds to \$2.0 million.

Sec. 803a. Transportation Funds Cost Study – NEW

Senate includes language that requires Secretary of State to have an independent firm perform a cost study to identify actual costs for administration and collection of fuel, sales, and use taxes. **Conference Committee** includes language that requires Secretary of State to perform this study if the Alternative Transportation Funding Task Force doesn't address these transportation costs.

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, Senate, and Conference Committee** retain 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, Senate, and Conference Committee** retain 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, Senate, and Conference Committee** retain 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, Senate, and Conference Committee** retain language; **Executive** deletes current-year language.

Sec. 824. Buena Vista Township Branch Office – RETAINED

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

Sec. 825. Milan Branch Office – DELETED

Requires Department to maintain a full service branch office in the City of Milan. **House, Executive, and Conference Committee** delete current-year language. **Senate** retains section but revises the language by changing the branch location to Ann Arbor instead of Milan.

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, Executive, Senate, and Conference Committee** delete 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, Senate, and Conference Committee** retain language; **Executive** deletes current-year language.

TREASURY
Summary: Conference Report
FY 2008-09 HB 5816 (CR-1)



Analysts: Viola Bay Wild

	FY 2007-08 YTD	FY 2008-09	FY 2008-09	FY 2008-09	FY 2008-09	Difference: Conference From FY 2007-08 YTD	
		Executive	House	Senate	Conference	Amount	%
IDG/IDT	\$11,631,400	\$10,894,600	\$10,894,600	\$10,894,700	10,894,700	(\$736,700)	(6.3)
Federal	92,136,400	92,307,700	92,307,700	92,307,700	92,307,700	171,300	0.2
Local	1,100,700	1,105,100	1,105,100	1,105,100	1,105,100	4,400	0.4
Private	712,800	715,600	715,600	715,600	715,600	2,800	0.4
Restricted	1,520,062,100	1,467,039,100	1,465,039,100	1,449,949,300	1,454,771,500	(65,290,600)	(4.3)
GF/GP	172,810,600	162,371,200	163,230,600	174,312,500	173,346,800	536,200	0.3
Gross	\$1,798,454,000	\$1,734,433,300	\$1,733,292,700	\$1,729,284,900	\$1,733,141,400	(\$65,312,600)	(3.6)
FTEs	1,905.5	1,846.5	1,838.5	1,835.5	1846.5	(59.0)	(3.1)

Note: FY 2007-08 figures reflect supplementals and Executive Order (EO) actions through May 8, 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.

<u>Major Budget Changes From FY 2007-08 YTD Appropriations</u>		FY 2007-08 YTD (as of 5/1/08)	Executive Change From YTD	House Change From YTD	Senate Change From YTD	Conference Change From YTD
TREASURY OPERATIONS						
1. Treasury Operations	Gross	\$399,704,500	(\$2,757,500)	(\$2,457,500)	\$9,569,800	\$10,519,800
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).	IDG	11,551,400	(737,100)	(737,100)	(737,000)	(737,000)
	Federal	36,405,700	463,200	463,200	463,200	463,200
	Local	1,100,700	4,400	4,400	4,400	4,400
	Restricted	287,227,400	(3,895,100)	(3,895,100)	(3,407,200)	(1,957,200)
	GF/GP	\$63,419,300	\$1,407,100	\$1,707,100	\$13,246,400	\$12,746,400

Executive funds Department of Treasury operations 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).

Senate funds Department of Treasury operations at \$409.3 million Gross (\$10.8 million IDG; \$36.9 million federal; \$1.1 million local; \$283.8 million restricted; and \$76.7 million GF/GP).

<u>Major Budget Changes From FY 2007-08 YTD Appropriations</u>		<u>FY 2007-08 YTD (as of 5/1/08)</u>	<u>Executive Change From YTD</u>	<u>House Change From YTD</u>	<u>Senate Change From YTD</u>	<u>Conference Change From YTD</u>
Conference Committee funds Department of Treasury operations at \$410.2 million Gross (\$10.8 million IDG; \$36.9 million federal; \$1.1 million local; \$285.3 million restricted; and \$76.2 million GF/GP).						
2. Administrative Reductions						
House, Executive, Senate, and Conference Committee 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)	(\$498,500)	(\$498,500)
	IDG	N/A	(600)	(600)	(600)	(600)
	Federal	N/A	(600)	(600)	(600)	(600)
	Restricted	N/A	(31,100)	(31,100)	(31,100)	(31,100)
	GF/GP	N/A	(\$466,200)	(\$466,200)	(\$466,200)	(\$466,200)
3. FTE Rebasng Adjustment	FTEs	1,905.5	(46.0)	(46.0)	(46.0)	(46.0)
House, Executive, Senate, and Conference Committee 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.	Gross	N/A	\$0	\$0	\$0	\$0
	GF/GP	N/A	\$0	\$0	\$0	\$0
4. Human Resources Consolidation and Optimization	FTEs	N/A	(20.0)	(20.0)	(20.0)	(20.0)
House, Executive, Senate, and Conference Committee 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.	Gross	N/A	(\$2,075,300)	(\$2,075,300)	(\$2,075,300)	(\$2,075,300)
	IDG	N/A	(43,100)	(43,100)	(43,100)	(43,100)
	Restricted	N/A	(481,100)	(481,100)	(481,100)	(481,100)
	GF/GP	N/A	(\$1,551,100)	(\$1,551,100)	(\$1,551,100)	(\$1,551,100)

Major Budget Changes From FY 2007-08 YTD Appropriations		FY 2007-08 YTD (as of 5/1/08)	Executive Change From YTD	House Change From YTD	Senate Change From YTD	Conference Change From YTD
5. FTE Adjustment - Neighborhood Enterprise Act / Internal Auditor	FTEs	2.0	(2.0)	(2.0)	(2.0)	(2.0)
	Gross GF/GP	\$150,000 \$150,000	(\$150,000) (\$150,000)	(\$150,000) (\$150,000)	(\$150,000) (\$150,000)	(\$150,000) (\$150,000)
House, Executive, Senate, and Conference Committee 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.						
6. Senior Citizen Co-op Housing Tax Exemption	Gross	\$17,498,400	(\$498,400)	(\$498,400)	(\$498,400)	(\$681,900)
	GF/GP	\$17,498,400	(\$498,400)	(\$498,400)	(\$498,400)	(\$681,900)
House, Executive, and Senate reduce funding by \$498,400 from the FY 2007-08 appropriations; Conference Committee reduces funding by \$681,900.						
7. Renaissance Zone Reimbursement	Gross	\$3,095,000	\$705,000	\$705,100	\$705,100	\$705,100
	GF/GP	\$3,095,000	\$705,000	\$705,100	\$705,100	\$705,100
House, Executive, Senate, and Conference Committee add funding to reimburse public libraries for lost property tax revenue from Renaissance zones.						
8. Commercial Mobile Radio Service Payments	Gross	\$17,900,000	(\$6,800,000)	(\$6,800,000)	(\$6,800,000)	(\$6,800,000)
	Restricted	17,900,000	(6,800,000)	(6,800,000)	(6,800,000)	(6,800,000)
House, Executive, Senate, and Conference Committee 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.						
9. City-University Partnership Grants	Gross	N/A	\$0	\$300,000	\$100	\$0
	GF/GP	N/A	\$0	\$300,000	\$100	\$0
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. Senate includes \$100 placeholder for program.						

Major Budget Changes From FY 2007-08 YTD Appropriations			FY 2007-08 YTD (as of 5/1/08)	Executive Change From YTD	House Change From YTD	Senate Change From YTD	Conference Change From YTD
10. Implement Tax Law Changes	FTEs	N/A	N/A	(2.0)	(2.0)	(2.0)	(2.0)
House, Executive, Senate, and Conference Committee	Gross	N/A	N/A	\$2,880,000	\$2,880,000	\$2,880,000	\$2,880,000
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.			N/A	\$2,880,000	\$2,880,000	\$2,880,000	\$2,880,000
11. Michigan Transportation Fund (MTF) Administration Adjustment	Gross Restricted	N/A	N/A	(\$750,000) (750,000)	(\$750,000) (750,000)	(\$750,000) (750,000)	(\$750,000) (750,000)
House, Executive, Senate, and Conference Committee reduce MTF funding by \$750,000 Gross for the administration costs of the fund.							
12. Pension Plan Consultant	Gross Restricted	N/A	N/A	\$1,000,000 1,000,000	\$1,000,000 1,000,000	\$1,000,000 1,000,000	\$1,000,000 1,000,000
House, Executive, Senate, and Conference Committee add \$1.0 million Gross to hire consultant to oversee pension program costs.							
13. Property Tax Appeal Program	Gross GF/GP	N/A	N/A	\$0 \$0	\$0 \$0	\$1,000,000 \$1,000,000	\$500,000 \$500,000
Senate adds \$1.0 million Gross and GF/GP to help local governments and school districts defend appeals of property, utility and personal tax assessments; Conference Committee adds \$500,000 funding.							
14. Telephone Telegraph Re-Appraisals	Gross GF/GP	N/A	N/A	\$0 \$0	\$0 \$0	\$100 \$100	\$0 \$0
Senate includes \$100 placeholder for new program.							
15. Public Private Partnership Investment	Gross Restricted	N/A	N/A	\$1,450,000 \$1,450,000	\$0 0	\$100 0	\$1,450,000 \$1,450,000
Executive and Conference Committee	GF/GP	N/A	N/A	\$0	\$0	\$100	\$0
include \$1.5 million Gross funding for new program. Senate includes \$100 placeholder.							
16. Information Technology Reduction	Gross GF/GP	N/A	N/A	\$0 \$0	\$0 \$0	(\$1,000,000) (\$1,000,000)	(\$1,000,000) (\$1,000,000)
Senate and Conference Committee reduce IT funding by \$1.0 million Gross and GF/GP for secondary collection activities; includes fund source shift from restricted to GF/GP funding.							

<u>Major Budget Changes From FY 2007-08 YTD Appropriations</u>		<u>FY 2007-08 YTD (as of 5/1/08)</u>	<u>Executive Change From YTD</u>	<u>House Change From YTD</u>	<u>Senate Change From YTD</u>	<u>Conference Change From YTD</u>
17. Removal of One-Time Presidential Primary Funding		Gross	\$10,000,000	(\$10,000,000)	(\$10,000,000)	(\$10,000,000)
House, Executive, Senate, and Conference Committee do not include one-time funding from supplemental, PA 113 of 2008, for costs of Presidential Primary.		GF/GP	\$10,000,000	(\$10,000,000)	(\$10,000,000)	(\$10,000,000)
REVENUE SHARING						
18. Constitutional Revenue Sharing		Gross	\$673,952,000	(\$6,388,000)	(\$6,388,000)	(\$6,388,000)
House, Executive, Senate, and Conference Committee 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)	(6,388,000)
19. Statutory Revenue Sharing		Gross	\$398,713,000	\$22,515,600	\$22,515,600	\$6,388,000
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. Senate does not include the 4% increase; Conference Committee includes 2% increase.		Restricted	398,713,000	22,515,600	22,515,600	6,388,000
20. County Revenue Sharing Payments		Gross	\$113,600	\$2,280,900	\$2,280,900	\$2,280,900
House, Executive, Senate, and Conference Committee add \$2.3 million Gross for revenue sharing payments to additional counties who have depleted their Revenue Sharing Reserve Fund.		Restricted	113,600	2,280,900	2,280,900	2,280,900
21. Special Grants - Shiawassee County		Gross	\$0	\$0	\$0	\$102,000
Senate includes \$102,000 Gross and GF/GP for a special grant to Shiawassee County.		GF/GP	\$0	\$0	\$0	\$102,000
22. Payments in Lieu of Taxes		Gross	\$0	\$0	\$0	\$14,189,300
Senate transfers funding for this program from the Department of Natural Resources; includes \$100 IDG funding for administration of program.		IDG	0	0	0	100
		Restricted	0	0	0	2,350,000
		GF/GP	\$0	\$0	\$0	\$11,839,200

<u>Major Budget Changes From FY 2007-08 YTD Appropriations</u>		<u>FY 2007-08 YTD (as of 5/1/08)</u>	<u>Executive Change From YTD</u>	<u>House Change From YTD</u>	<u>Senate Change From YTD</u>	<u>Conference Change From YTD</u>
DEBT SERVICE						
23. Debt Service Payments	Gross	\$119,986,400	\$3,136,600	\$3,136,600	\$3,136,600	\$3,136,600
House, Executive, Senate, and Conference Committee 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)	(8,400,000)	(8,400,000)
	GF/GP	\$96,071,900	\$11,536,600	\$11,536,600	\$11,536,600	\$11,536,600
24. Debt Service Refunding / Restructuring Savings	Gross	\$119,986,400	(\$40,000,000)	(\$40,000,000)	(\$40,000,000)	(\$40,000,000)
House, Executive, Senate, and Conference Committee 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	0	0
	GF/GP	\$96,071,900	(\$40,000,000)	(\$40,000,000)	(\$40,000,000)	(\$40,000,000)
25. Economic Adjustments	Gross	N/A	\$650,200	\$650,200	\$650,200	\$650,200
House, Executive, Senate, and Conference Committee 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	58,600	58,600
	Federal	N/A	71,900	71,900	71,900	71,900
	Local	N/A	4,400	4,400	4,400	4,400
	Restricted	N/A	478,100	478,100	478,100	478,100
	GF/GP	N/A	\$37,200	\$37,200	\$37,200	\$37,200
MICHIGAN GAMING CONTROL BOARD (MGCB)						
	FTEs	106.0	8.0	8.0	8.0	8.0
26. Casino Gaming Staff Increase	Gross	N/A	\$684,000	\$684,000	\$684,000	\$684,000
House, Executive, Senate, and Conference Committee 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	684,000	684,000

Major Budget Changes From FY 2007-08 YTD Appropriations		FY 2007-08 YTD (as of 5/1/08)	Executive Change From YTD	House Change From YTD	Senate Change From YTD	Conference Change From YTD
27. MGCB Move to Detroit						
Funding	Gross	\$5,500,000	(\$5,500,000)	(\$5,500,000)	(\$5,500,000)	(\$5,500,000)
House, Executive, Senate, and Conference Committee do not include one-time funding from supplemental, PA 113 of 2008, to move MGCB to Detroit.	Restricted	5,500,000	(5,500,000)	(5,500,000)	(5,500,000)	(5,500,000)
LOTTERY						
28. Lottery Advertising	Gross	18,622,000	\$0	\$0	(\$1,862,200)	\$0
Senate decreases funding for advertising by 10.0% for a reduction of \$1.9 million Gross.	Restricted	18,622,000	\$0	\$0	(\$1,862,200)	\$0
MICHIGAN STRATEGIC FUND (MSF)						
	FTEs	152.0	1.0	(5.0)	1.0	1.0
29. Michigan Strategic Fund	Gross	\$219,972,500	(\$58,458,300)	(\$58,448,900)	(\$58,458,400)	(\$67,328,800)
House provides FY 2008-09 funding for the MSF at \$161.5 million Gross: (\$80,300 IDG; \$55.4 million federal; \$715,600 private; \$75.0 million restricted; and \$30.3 million GF/GP); eliminates 5.0 FTE positions.	IDG	80,000	300	300	300	300
	Federal	55,430,700	8,100	8,100	8,100	8,100
	Private	712,800	2,800	2,800	2,800	2,800
	Restricted	130,755,200	(55,200,000)	(55,750,000)	(55,200,100)	(63,950,000)
	GF/GP	\$32,993,800	(\$3,269,500)	(\$2,710,100)	(\$3,269,500)	(\$3,390,000)
Executive (revised) and Senate						
provide \$161.5 million Gross funding: (\$80,300 IDG; \$55.4 million federal; \$715,600 private; \$75.6 million restricted; and \$29.7 million GF/GP); with current-year addition of 6.0 FTE positions for film office, Executive Recommendation and Senate include net increase of 1.0 FTE position.						
Conference Committee provides \$152.6 million Gross funding: (\$80,300 IDG; \$55.4 million federal; \$715,600 private; \$66.8 million restricted; and \$29.6 million GF/GP); includes net increase of 1.0 FTE position.						
30. 21st Century Jobs Fund	Gross	\$75,000,000	\$0	\$0	(\$100)	(\$10,000,000)
Conference Committee reduces funding by \$10.0 million Gross.	Restricted	75,000,000	\$0	\$0	(\$100)	(10,000,000)
31. Michigan Promotion Program	Gross	\$61,417,500	(\$55,700,000)	(\$55,700,000)	(\$55,699,900)	(\$55,700,000)
House, Executive, Senate, and Conference Committee eliminate one-time funding of \$5.7 million from the Jobs for Michigan Investment Fund and eliminate the \$50.0 million one-time supplemental funding authorized by PA 98 of 2008 for two years funding of tourism and business promotion.	Restricted	61,417,500	(55,700,000)	(55,700,000)	(55,699,900)	(55,700,000)

<u>Major Budget Changes From FY 2007-08 YTD Appropriations</u>		<u>FY 2007-08 YTD (as of 5/1/08)</u>	<u>Executive Change From YTD</u>	<u>House Change From YTD</u>	<u>Senate Change From YTD</u>	<u>Conference Change From YTD</u>
32. Energy Efficiency Grant Program	Gross GF/GP	N/A N/A	\$0 \$0	\$600,000 \$600,000	\$0 \$0	\$0 \$0
House includes funding of \$600,000 for an energy efficiency pilot program for residential energy efficiency program grants of \$200,000 each in three Michigan cities.						
33. Community Development Block Grant (CDBG) Technical Assistance Grants Program	Gross GF/GP	N/A N/A	\$0 \$0	\$66,000 \$66,000	\$0 \$0	\$0 \$0
House includes \$66,000 Gross and GF/GP funding for CDBG technical assistance grants to local planning agencies that received grants in FY2008 from the MEDC.						
34. Detroit Festival of the Arts	Gross GF/GP	N/A N/A	\$0 \$0	\$75,000 \$75,000	\$0 \$0	\$0 \$0
House includes funding of \$75,000 Gross and GF/GP for the Detroit Festival of the Arts.						
35. Michigan Film Office	Gross	N/A	\$731,600	N/A	\$731,600	\$731,600
Executive, Senate, and Conference Committee	Restricted GF/GP	N/A N/A	550,000 \$181,600	N/A	550,000 \$181,600	550,000 \$181,600
reflect the transfer of Film Office to the MSF.						
36. Business Incubators	Gross	\$0	\$0	\$0	\$100	\$1,250,000
Senate includes \$100 placeholder for program; Conference Committee includes \$1.3 million funding for up to five incubators.	Restricted GF/GP	0 \$0	0 \$0	0 \$0	0 \$100	1,250,000 \$0
37. Michigan State University Bio-energy Research Center	Gross GF/GP	\$3,500,000 \$3,500,000	(\$3,500,000) (\$3,500,000)	(\$3,500,000) (\$3,500,000)	(\$3,500,000) (\$3,500,000)	(\$3,500,000) (\$3,500,000)
House, Executive, Senate, and Conference Committee do not include current-year supplemental funding for program that was provided in PA 113 of 2008.						

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, Executive, Senate, and Conference Committee** 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, Executive, Senate, and Conference Committee** 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.

Major Boilerplate Changes From FY 2007-08

Sec. 923. City - University Partnership Plan – NOT INCLUDED

House and **Senate** include 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. **House** refers to \$300,000 funding for program; **Senate** refers to \$100 funding.

Sec. 925. Public Private Partnership Investment – NEW

Executive and **Conference Committee** include new language that creates Public Private Partnership Investment Fund to fund investments such as capital asset improvements, energy resource exploration, infrastructure construction, and public private sector joint retirees. **Executive** authorizes \$3.0 million loan from GF/GP; **Conference Committee** does not include loan language.

Sec. 927. Telephone/Telegraph Reappraisals – NEW

Conference Committee includes new language that states legislative intent that telephone/telegraph reappraisals be funded at \$1.5 million through supplemental appropriations in FY 2008-09.

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**, **Senate**, and **Conference Committee** revise language and remove 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**, **Executive**, **Senate**, and **Conference Committee** revise language to allow fees to be assessed against investment income; **House** and **Senate** require report to include the methodology used in assessing fees.

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

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

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**, **Executive**, **Senate**, and **Conference Committee** delete current-year language.

Sec. 941. Medical Pension Liability – NEW

Senate and **Conference Committee** add new language that requires the Department to analyze new insurance products to address the medical pension liability for State employee retirees; requires report.

Sec. 942. Property Tax Appeal Program – NEW

Senate and **Conference Committee** include new language that requires funding be used to assist local units in defending appeals of utility personal property assessments on properties with taxable value over \$50.0 million.

Sec. 943. Social Security Numbers on Mailings – RETAINED

Prohibits Department from printing complete social security numbers on 1099 mailings. **House**, **Senate**, and **Conference Committee** retain language; **Executive** deletes current-year language.

Sec. 944. Pension Plan Consultant Report – NEW

Senate and **Conference Committee** include new language that requires department to forward any report from a pension plan consultant to the Legislature and State budget director.

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**, **Senate**, and **Conference Committee** retain 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**, **Senate**, and **Conference Committee** retain language; **Executive** deletes current-year language.

Major Boilerplate Changes From FY 2007-08

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, Senate, and Conference Committee** retain 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, Senate, and Conference Committee** include 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, Executive, Senate, and Conference Committee** delete current-year language.

Sec. 949. Transportation Funds Cost Study – NEW

Senate includes language that requires Secretary of State to have an independent firm perform a cost study to identify actual costs for administration and collection of fuel, sales, and use taxes. **Conference Committee** includes language that requires Secretary of State to perform this study if the Alternative Transportation Funding Task Force doesn't address these transportation costs.

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. **Senate** does not include the additional four percent appropriation language; **Conference Committee** includes 2% funding.

Sec. 952. Special Grants – NOT INCLUDED

Requires appropriations for special grants to cities to be used to restore revenue sharing reductions contained in Executive Order 2003-23 to cities which had an emergency financial manager appointed to them. **Senate** includes new language that appropriates \$102,000 to Shiawassee County; **Conference Committee** does not include this section.

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, Senate, and Conference Committee** retain language; **Executive** deletes current-year language.

MICHIGAN STRATEGIC FUND (MSF)

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

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

Sec. 1002(7). EDJT Grants – REVISED

Establishes awarding of grants criteria. **House, Executive, Senate, and Conference Committee** 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(10). EDJT Grants – REVISED

Specifies that employers must provide up to 30% of program costs for incumbent worker training. **House and Executive** revise current-year language by requiring employers to provide up to 50% of program costs. **Senate** retains current-year language; **Conference Committee** includes language that requires employers to pay from 30 to 50% of training costs.

Sec. 1002(15). EDJT Grants – RETAINED

Specifies that the MSF allocate \$500,000 for aerospace certification grants. **House and Executive** delete current-year language. **Senate and Conference Committee** retain language.

Sec. 1002(16). EDJT Grants – NEW

Conference Committee includes new language that specifies that MSF allocate \$50,000 to Mack Alive for employment readiness, job training, and other eligible activities.

Major Boilerplate Changes From FY 2007-08

Sec. 1007. MEDC Report – REVISED

Requires report on activities of each program administered by MSF or MEDC, including spending and FTEs. **Senate** revises language to include detailed reporting on the expenditures concerning tourism promotion and business marketing; report must also include all revenue sources, expenditures, and FTE positions created, as well as a listing of projects where tax or financial incentives have been provided in the past 3 fiscal years. **Conference Committee** revises language to require reporting on tourism promotion and business marketing and revenues by source.

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

House includes new language that 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. **Senate** and **Conference Committee** include new language that required that contracts for CDBG technical assistance be awarded to regional planning commissions at the FY 2007-08 funding level.

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; **Senate** revises language to require audits; **Conference Committee** revises language to require MEDC to utilize audit procedures to audit job claims, requires report.

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**, **Executive**, and **Conference Committee** delete current-year language. **Senate** revises language to adjust the wage threshold for report to \$79,499.

Sec. 1018. Energy Efficiency Pilot Program – NOT INCLUDED

House includes new language that 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. **Executive**, **Senate**, and **Conference Committee** do not include language.

Sec. 1019. Agricultural Products Promotion – NEW

Senate and **Conference Committee** include intent language that the MSF and its contract employees work with the Department of Agriculture to promote business development of Michigan agricultural products.

Sec. 1021. Michigan Promotion Program – REVISED

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; **Senate** and **Conference Committee** revise language to state the availability of \$50.0 million additional funding for promotion from the refinancing of the MTSFA bonding program.

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**, **Executive**, **Senate**, and **Conference Committee** delete current-year language.

Sec. 1023. Tourism Promotion – NEW

Senate and **Conference Committee** include new language that specifies that tourism promotion shall include the Mackinac Island State Park and the Michigan State historic parks.

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. **Senate** retains \$1.4 million allocation for SBIR/STTR programs, but does not include language concerning nonaccepted awards. **Conference Committee** retains language allocating \$1.4 million to SBIR and STTR programs, deletes language requiring unclaimed competitive edge technology funding be allocated to fund SBIR and STTR programs.

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**, **Executive**, and **Conference Committee** delete current-year language. **Senate** retains current-year language.

Major Boilerplate Changes From FY 2007-08

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

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. **Senate** and **Conference Committee** delete current-year language and replace it with language allocating \$3.0 million Gross to Lakeshore Advantage from the 21st Century Jobs Trust Fund.

Sec. 1029. Tax Incentives for Michigan Workers – RETAINED

States legislative intent that incentives be awarded to businesses that give preference to Michigan workers. **House**, **Senate**, and **Conference Committee** retain 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**, **Executive**, **Senate**, and **Conference Committee** 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**, **Executive**, **Senate**, and **Conference Committee** delete current-year language.

Sec. 1032. Film Tax Credit Program Report – NEW

Senate and **Conference Committee** include new language that requires the Film Office to report on the status of the new film tax credit program, including number of contracts signed, number of films completed, amount of tax credits, and number of jobs created.

Sec. 1033. Michigan Film Office Minutes – NEW

Senate and **Conference Committee** include new language that requires the Film Office to post the proposed minutes of the advisory council on the Internet.

Sec. 1034. Business Incubator Program – NEW

Conference Committee includes new language that stipulates funding be awarded competitively to business incubators that are operational on October 1, 2008 within each of the following five counties: Berrien, Genesee, Macomb, Washtenaw, and Wayne.