

**MULTIDEPARTMENTAL BUDGET: FYs 2011-12 and 2012-13**  
**Summary: As Reported by the House Appropriations Committee**  
**House Bill 4526 (H-1)**



**TOTAL APPROPRIATIONS BY BUDGET AREA**

Budget Area	FY 2011-12 Appropriations		FY 2012-13 Anticipated Appropriations	
	Gross	GF/GP	Gross	GF/GP
<b>General Government (Page 1)</b>				
Attorney General (Page 3)	\$74,340,900	\$28,117,600	\$76,321,200	\$28,828,100
Civil Rights (Page 6)	11,937,700	9,666,000	12,263,100	9,934,900
Executive Office (Page 7)	4,399,200	4,399,200	4,399,200	4,399,200
Legislature (Page 8)	100,333,200	98,573,400	100,333,200	98,573,400
Legislative Auditor General (Page 10)	15,638,400	10,597,000	15,638,400	10,597,000
State (Page 12)	211,885,000	11,286,200	216,538,500	11,586,000
Technology, Management, and Budget (Page 16)	1,006,297,300	307,513,400	1,024,716,800	319,863,800
Treasury (Page 21)	1,913,945,700	202,413,100	1,942,991,100	193,475,800
<b>Subtotal (General Government)</b>	<b>\$3,338,777,400</b>	<b>\$672,565,900</b>	<b>\$3,393,201,500</b>	<b>\$677,258,200</b>
<b>Licensing and Regulatory Affairs (Page 151)</b>	<b>1,272,162,000</b>	<b>42,555,800</b>	<b>1,284,168,300</b>	<b>43,130,200</b>
<b>Transportation (Page 190)</b>	<b>3,327,770,700</b>	<b>0</b>	<b>3,319,376,200</b>	<b>0</b>
<b>TOTAL</b>	<b>\$7,938,710,100</b>	<b>\$715,121,700</b>	<b>\$7,996,746,000</b>	<b>\$720,388,400</b>

**TOTAL GENERAL GOVERNMENT: FYs 2011-12 and 2012-13**  
**Summary: As Reported by the House Appropriations Committee**  
**Article 1, House Bill 4526 (H-1)**



**Analysts: Robin R. Risko and Ben Gielczyk**

	FY 2010-11 Year-to-Date as of 2/17/11	FY 2011-12 House	Difference: FY 2011-12 Vs. FY 2010-11		FY 2012-13 House	Difference: FY 2012-13 Vs. FY 2011-12	
			Amount	%		Amount	%
<b>IDG/IDT</b>	\$644,781,100	\$669,027,400	\$24,246,300	3.8	\$672,183,100	\$3,155,700	0.5
<b>Federal</b>	277,499,300	273,049,700	(4,449,600)	(1.6)	273,736,300	686,600	0.3
<b>Local</b>	3,434,400	3,555,800	121,400	3.5	3,604,000	48,200	1.4
<b>Private</b>	1,414,500	930,700	(483,800)	(34.2)	936,900	6,200	0.7
<b>Restricted</b>	1,804,038,200	1,719,647,900	(84,390,300)	(4.7)	1,765,483,000	45,835,100	2.7
<b>GF/GP</b>	590,492,600	672,565,900	82,073,300	13.9	677,258,200	4,692,300	0.7
<b>Gross</b>	<b>\$3,321,660,100</b>	<b>\$3,338,777,400</b>	<b>\$17,117,300</b>	<b>0.5</b>	<b>\$3,393,201,500</b>	<b>\$54,424,100</b>	<b>1.6</b>
<b>FTEs</b>	7,709.2	7,732.2	23.0	0.3	7,732.2	0.0	0.0

**Notes:**

(1) FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011. (2) FY 2012-13 figures are projected or proposed budget amounts only and are not legally-binding appropriations.

**Overview**

Currently, the following departmental and agency budgets are included in the General Government appropriations bill: Executive Office, Legislature, Legislative Auditor General, and the Departments of Attorney General, Civil Rights, State, Technology, Management, and Budget (including the former Departments of Civil Service and Information Technology, and State Building Authority rent costs), and Treasury (including Bureau of State Lottery, Michigan Gaming Control Board, Michigan Strategic Fund, Revenue Sharing, and Debt Service). **Budget issues are listed by department on the following pages.**

**Boilerplate Changes From FY 2010-11**

**NOTE:** No boilerplate language is proposed for FY 2012-13.

**GENERAL SECTIONS OF BOILERPLATE**

**Sec. 207. Information Technology Work Project Accounts - NEW**

Designates appropriations for information technology as work project accounts.

**Sec. 213. Purchase of Ownership Interest In a Casino - DELETED**

Prohibits use of appropriations to purchase an ownership interest in a casino enterprise or gambling operation.

**Sec. 216. Out-of-State Travel Restrictions - REVISED**

Limits out-of-state travel; deletes requirement to report annually on all out-of-state travel funded with department appropriations; adds language which authorizes State Budget Director to grant exceptions to allow travel and requires monthly report on number of exceptions.

**Sec. 217. General Fund Restrictions - DELETED**

Prohibits using general fund appropriations where federal funds are available for the same purpose.

**Sec. 221. Reporting Requirement on Policy Changes - DELETED**

Requires departments to report on policy changes made in order to implement enacted legislation.

**Sec. 230. FTE Positions and Transparency Websites - REVISED**

Deletes requirement to report on number of FTE positions in pay status by civil service classification; retains requirement for executive branch departments to develop, post, and maintain Internet sites showing all expenditures.

**Sec. 231. Transparency Website Expenditure - DELETED**

Prohibits departments from expending more than \$10,000 to implement transparency websites.

**DEPARTMENT OF ATTORNEY GENERAL: FYs 2011-12 and 2012-13**  
**Summary: As Reported by the House Appropriations Committee**  
**Article 1, House Bill 4526 (H-1)**



Analyst: Robin R. Risko

	FY 2010-11 Year-to-Date as of 2/17/11	FY 2011-12 House	Difference: FY 2011-12 Vs. FY 2010-11		FY 2012-13 House	Difference: FY 2012-13 Vs. FY 2011-12	
			Amount	%		Amount	%
<b>IDG/IDT</b>	\$21,300,300	\$21,885,400	\$585,100	2.7	\$22,539,600	\$654,200	3.0
<b>Federal</b>	8,565,700	8,848,800	283,100	3.3	9,073,800	225,000	2.5
<b>Local</b>	0	0	0	0.0	0	0	0.0
<b>Private</b>	0	0	0	0.0	0	0	0.0
<b>Restricted</b>	14,987,700	15,489,100	501,400	3.3	15,879,700	390,600	2.5
<b>GF/GP</b>	28,559,400	28,117,600	(441,800)	(1.5)	28,828,100	710,500	2.5
<b>Gross</b>	<b>\$73,413,100</b>	<b>\$74,340,900</b>	<b>\$927,800</b>	<b>1.3</b>	<b>\$76,321,200</b>	<b>\$1,980,300</b>	<b>2.7</b>
<b>FTEs</b>	520.0	520.0	0.0	0.0	520.0	0.0	0.0

**Notes:**

(1) FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011. (2) FY 2012-13 figures are projected or proposed budget amounts only and not legally-binding appropriations.

**Overview**

The Attorney General serves as legal counsel for state departments, agencies, boards, and 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. Its goals include making the state a safe place for its citizens, offering justice to victims of crime, defending common natural resources and monetary assets of the state, and delivering excellent legal services at a minimum cost to taxpayers.

	FY 2010-11 YTD (as of 2/17/11)	House Changes	
		FY 2010-11 to FY 2011-12	FY 2011-12 to FY 2012-13
<b>Budget Changes From FY 2010-11 YTD Appropriations</b>			
<b>1. Line Item Roll-Ups</b>			
Current year budget contains 6 line items. Executive budget contains 2 line items. House budget contains 5 line items.			
<b>2. GF/GP Reductions</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$142,400)</b>
Reflects a savings to be achieved by not filling vacant positions and through attrition.	GF/GP	N/A	(\$142,400)
<b>3. Early Retirement Savings</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$1,285,600)</b>
Includes a reduction to reflect the amount of full-year savings anticipated to occur as a result of the FY 2010-11 early retirement program.	GF/GP	N/A	(\$1,285,600)
<b>4. SOCC Reduction</b>	<b>Gross</b>	<b>\$115,800</b>	<b>(\$3,300)</b>
Reflects a savings due to the 10% reduction in the Attorney General's salary implemented January 1, 2011. This figure is the amount of savings that will occur in the first three months of FY 2011-12.	GF/GP	\$115,800	(\$3,300)
<b>5. PACC Grant Award Reduction</b>	<b>Gross</b>	<b>\$325,000</b>	<b>(\$186,000)</b>
Includes a reduction from the Michigan Justice Training Fund as a result of reduced training services being provided by the Prosecuting Attorneys Coordinating Council.	IDG	325,000	(186,000)

<u>Budget Changes From FY 2010-11 YTD Appropriations</u>		<u>FY 2010-11 YTD (as of 2/17/11)</u>	<u>House Changes</u>	
			<u>FY 2010-11 to FY 2011-12</u>	<u>FY 2011-12 to FY 2012-13</u>
<b>6. State Claims Unit Reduction</b>	<b>Gross</b>	<b>\$1,417,100</b>	<b>(\$62,500)</b>	<b>\$0</b>
Includes a reduction from the Risk Management Revolving Fund as a result of reduced services related to workers' compensation cases being provided by the Department of Attorney General.	IDG	1,417,100	(62,500)	0
<b>7. Economics</b>	<b>Gross</b>	<b>N/A</b>	<b>\$2,607,600</b>	<b>\$1,980,300</b>
Includes additional funding for economic adjustments to be made for insurance, retirement, and workers' compensation costs and for building occupancy charges in FY 2011-12. Also includes additional funding for economic adjustments to be made in FY 2012-13.	IDG	N/A	833,600	654,200
	Federal	N/A	283,100	225,000
	Restricted	N/A	501,400	390,600
	GF/GP	N/A	\$989,500	\$710,500

**Boilerplate Changes From FY 2010-11**

**NOTE:** No boilerplate language is proposed for FY 2012-13.

None

**DEPARTMENT OF CIVIL RIGHTS: FYs 2011-12 and 2012-13**  
**Summary: As Reported by the House Appropriations Committee**  
**Article 1, House Bill 4526 (H-1)**



Analyst: Robin R. Risko

	FY 2010-11 Year-to-Date as of 2/17/11	FY 2011-12 House	Difference: FY 2011-12 Vs. FY 2010-11		FY 2012-13 House	Difference: FY 2012-13 Vs. FY 2011-12	
			Amount	%		Amount	%
IDG/IDT	\$0	\$0	\$0	0.0	\$0	\$0	0.0
Federal	1,750,000	2,213,200	463,200	26.5	2,269,700	56,500	2.6
Local	0	0	0	0.0	0	0	0.0
Private	0	0	0	0.0	0	0	0.0
Restricted	53,000	58,500	5,500	10.4	58,500	0	0.0
GF/GP	10,975,700	9,666,000	(1,309,700)	(11.9)	9,934,900	268,900	2.8
<b>Gross</b>	<b>\$12,778,700</b>	<b>\$11,937,700</b>	<b>(\$841,000)</b>	<b>(6.6)</b>	<b>\$12,263,100</b>	<b>\$325,400</b>	<b>2.7</b>
FTEs	118.0	118.0	0.0	0.0	118.0	0.0	0.0

**Notes:**

(1) FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011. (2) FY 2012-13 figures are projected or proposed budget amounts only and are not legally-binding appropriations.

**Overview**

The Michigan Civil Rights Commission is charged with investigating alleged discrimination against any person because of religion, race, color, national origin, sex, age, marital status, height, weight, arrest record, or physical and mental disabilities. The Commission 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 works to prevent discrimination through educational programs that promote voluntary compliance with civil rights laws, investigates and resolves discrimination complaints, disseminates information on 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.

	FY 2010-11 YTD (as of 2/17/11)	House Changes	
		FY 2010-11 to FY 2011-12	FY 2011-12 to FY 2012-13
<b>Budget Changes From FY 2010-11 YTD Appropriations</b>			
<b>1. Line Item Roll-Ups</b>			
Current year budget contains 3 line items. Executive budget contains 1 line item. House budget contains 3 line items.			
<b>2. GF/GP Reductions</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$1,033,200)</b>
Reflects a savings to be achieved by reducing information technology user charges, downsizing technology equipment and building space as a result of the decrease in staff over the past few years, and by not filling vacant positions.	GF/GP	N/A	(\$1,033,200)
<b>3. Early Retirement Savings</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$608,000)</b>
Includes a reduction to reflect the amount of full-year savings anticipated to occur as a result of the FY 2010-11 early retirement program.	GF/GP	N/A	(\$608,000)
<b>4. Increased Federal Grant Funding</b>	<b>Gross</b>	<b>\$850,000</b>	<b>\$463,200</b>
Reflects an increase in federal Department of Housing and Urban Development funding based on projections of anticipated revenue in FY 2011-12. Also, increases the same federal grant funding in FY 2012-13, but decreases GF/GP funding by a like amount.	Federal	850,000	463,200
	GF/GP	\$0	\$0
<b>5. Fund Source Shift</b>	<b>Gross</b>	<b>N/A</b>	<b>\$0</b>
Increases state restricted funding and decreases GF/GP funding in order to more accurately reflect the financing of expenditures.	Restricted	N/A	5,500
	GF/GP	N/A	(\$5,500)

<u>Budget Changes From FY 2010-11 YTD Appropriations</u>		FY 2010-11 YTD (as of 2/17/11)	House Changes	
			FY 2010-11 to FY 2011-12	FY 2011-12 to FY 2012-13
<b>6. Economics</b>	<b>Gross</b>	<b>N/A</b>	<b>\$498,200</b>	<b>\$325,400</b>
Includes additional funding for economic adjustments to be made for insurance, retirement, and workers' compensation costs and for building occupancy charges in FY 2011-12. Also includes additional funding for economic adjustments to be made in FY 2012-13.	GF/GP	N/A	\$498,200	\$325,400
<b>7. Targeted GF/GP Reductions</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$161,200)</b>	<b>\$0</b>
House reduces GF/GP funding for department operations.	GF/GP	N/A	(\$161,200)	\$0

**Boilerplate Changes From FY 2010-11**

**NOTE:** No boilerplate language is proposed for FY 2012-13.

**Sec. 401. Private Contingency Funds – NEW**

Appropriates up to \$500,000 in private contingency funds for the Department.

**Sec. 402. Receipt and Expenditure of Local and Private Funds – REVISED**

Authorizes the Department to receive and expend local and private funding for a variety of reasons; adds that funding can be used for staffing costs; deletes reporting requirement.

**EXECUTIVE OFFICE: FYs 2011-12 and 2012-13**  
**Summary: As Reported by the House Appropriations Committee**  
**Article 1, House Bill 4526 (H-1)**



Analyst: Robin R. Risko

	FY 2010-11 Year-to-Date as of 2/17/11	FY 2011-12 House	Difference: FY 2011-12 Vs. FY 2010-11		FY 2012-13 House	Difference: FY 2012-13 Vs. FY 2011-12	
			Amount	%		Amount	%
IDG/IDT	\$0	\$0	\$0	0.0	\$0	\$0	0.0
Federal	0	0	0	0.0	0	0	0.0
Local	0	0	0	0.0	0	0	0.0
Private	0	0	0	0.0	0	0	0.0
Restricted	0	0	0	0.0	0	0	0.0
GF/GP	4,630,800	4,399,200	(231,600)	(5.0)	4,399,200	0	0.0
<b>Gross</b>	<b>\$4,630,800</b>	<b>\$4,399,200</b>	<b>(\$231,600)</b>	<b>(5.0)</b>	<b>\$4,399,200</b>	<b>\$0</b>	<b>0.0</b>
FTEs	84.2	84.2	0.0	0.0	84.2	0.0	0.0

**Notes:**

(1) FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011. (2) FY 2012-13 figures are projected or proposed budget amounts only and are not legally-binding appropriations.

**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.

<b>Budget Changes From FY 2010-11 YTD Appropriations</b>	FY 2010-11 YTD (as of 2/17/11)	House Changes	
		FY 2010-11 to FY 2011-12	FY 2011-12 to FY 2012-13
<b>1. Line Item Roll-Ups</b>			
Current year budget contains 4 line items. Executive budget contains 1 line item. House budget contains 4 line items.			
<b>2. GF/GP Reductions</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$212,200)</b>
Reflects a savings to be achieved through administrative reductions.	GF/GP	N/A	(\$212,200)
			<b>\$0</b>
<b>3. SOCC Reduction</b>	<b>Gross</b>	<b>\$288,300</b>	<b>(\$19,400)</b>
Reflects a savings due to the 10% reduction in the Governor's and Lieutenant Governor's salaries implemented January 1, 2011. This figure is the amount of savings that will occur in the first three months of FY 2011-12.	GF/GP	\$288,300	(\$19,400)
			<b>\$0</b>

**Boilerplate Changes From FY 2010-11**

There is no boilerplate for the Executive Office.

**LEGISLATURE: FYs 2011-12 and 2012-13**  
**Summary: As Reported by the House Appropriations Committee**  
**Article 1, House Bill 4526 (H-1)**



Analyst: Robin R. Risko

	FY 2010-11 Year-to-Date as of 2/17/11	FY 2011-12 House	Difference: FY 2011-12 Vs. FY 2010-11		FY 2012-13 House	Difference: FY 2012-13 Vs. FY 2011-12	
			Amount	%		Amount	%
<b>IDG/IDT</b>	\$250,000	\$250,000	\$0	0.0	\$250,000	\$0	0.0
<b>Federal</b>	0	0	0	0.0	0	0	0.0
<b>Local</b>	0	0	0	0.0	0	0	0.0
<b>Private</b>	400,000	400,000	0	0.0	400,000	0	0.0
<b>Restricted</b>	1,109,800	1,109,800	0	0.0	1,109,800	0	0.0
<b>GF/GP</b>	100,574,300	98,573,400	(2,000,900)	(2.0)	98,573,400	0	0.0
<b>Gross</b>	<b>\$102,334,100</b>	<b>\$100,333,200</b>	<b>(\$2,000,900)</b>	<b>(2.0)</b>	<b>\$100,333,200</b>	<b>\$0</b>	<b>0.0</b>
<b>FTEs</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0

**Notes:**

(1) FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011. (2) FY 2012-13 figures are projected or proposed budget amounts only and are not legally-binding appropriations.

**Overview**

This budget provides funding for the Legislative branch of state government, including the Legislative Council and agencies it governs, the Legislative Retirement System, and Property Management. The Legislature enacts the laws of Michigan, levies taxes, and appropriates funding from revenue collected for the support of public institutions and the administration of the affairs of state government. 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.

<b>Budget Changes From FY 2010-11 YTD Appropriations</b>	House Changes		
	FY 2010-11 YTD (as of 2/17/11)	FY 2010-11 to FY 2011-12	FY 2011-12 to FY 2012-13

**1. Line Item Roll-Ups**

Current year budget contains 15 line items. Executive budget contains 1 line item. House budget contains 12 line items.

**2. GF/GP Reductions**

Reflects a savings to be achieved through administrative reductions.	<b>Gross</b>	<b>N/A</b>	<b>(\$2,000,900)</b>	<b>\$0</b>
	<b>GF/GP</b>	<b>N/A</b>	<b>(\$2,000,900)</b>	<b>\$0</b>

**\*Please note: The Legislative Auditor General budget is rolled in with the Legislature budget in the FY 2011-12 and FY 2012-13 Executive budget recommendations and in the proposed House budget, but appears separate in this document.**

**Boilerplate Changes From FY 2010-11**

**NOTE:** No boilerplate language is proposed for FY 2012-13.

None



**LEGISLATIVE AUDITOR GENERAL: FYs 2011-12 and 2012-13**  
**Summary: As Reported by the House Appropriations Committee**  
**Article 1, House Bill 4526 (H-1)**



Analyst: Robin R. Risko

	FY 2010-11 Year-to-Date as of 2/17/11	FY 2011-12 House	Difference: FY 2011-12 Vs. FY 2010-11		FY 2012-13 House	Difference: FY 2012-13 Vs. FY 2011-12	
			Amount	%		Amount	%
<b>IDG/IDT</b>	\$2,301,500	\$3,501,500	\$1,200,000	52.1	\$3,501,500	\$0	0.0
<b>Federal</b>	0	0	0	0.0	0	0	0.0
<b>Local</b>	0	0	0	0.0	0	0	0.0
<b>Private</b>	0	0	0	0.0	0	0	0.0
<b>Restricted</b>	1,539,900	1,539,900	0	0.0	1,539,900	0	0.0
<b>GF/GP</b>	11,155,000	10,597,000	(558,000)	(5.0)	10,597,000	0	0.0
<b>Gross</b>	<b>\$14,996,400</b>	<b>\$15,638,400</b>	<b>\$642,000</b>	<b>4.3</b>	<b>\$15,638,400</b>	<b>\$0</b>	<b>0.0</b>
<b>FTEs</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0

**Notes:**

(1) FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011. (2) FY 2012-13 figures are projected or proposed budget amounts only and are not legally-binding appropriations.

**Overview**

The Legislative Auditor General 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. Audit reports provide citizens with a measure of accountability and assist state departments and agencies in improving financial management of their operations. The goal of the Legislative Auditor General is to improve accounting and financial reporting practices and promote effectiveness, efficiency, and economy in state government. The 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.

	House Changes		
	FY 2010-11 YTD (as of 2/17/11)	FY 2010-11 to FY 2011-12	FY 2011-12 to FY 2012-13
<b>Budget Changes From FY 2010-11 YTD Appropriations</b>			
<b>1. Line Item Roll-Ups</b>			
Current year budget contains 2 line items. Executive budget contains 1 line item. House budget contains 2 line items.			
<b>2. GF/GP Reductions</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$558,000)</b>
Reflects a savings to be achieved through administrative reductions.	GF/GP	N/A	(\$558,000)
<b>3. Fund Source Adjustment</b>	<b>Gross</b>	<b>\$958,600</b>	<b>\$1,700,000</b>
Adjusts the budget to reflect the costs of conducting single audits in a line item appropriation. Prior to this, authorization was provided via boilerplate.	IDG	958,600	1,700,000
<b>4. Technical Adjustment</b>	<b>Gross</b>	<b>\$500,000</b>	<b>(\$500,000)</b>
Reduces funding authorized to be received from the Department of Corrections. This funding was included in the FY 2010-11 DOC budget, but was vetoed by the Governor.	IDG	500,000	(500,000)

**\*Please note: The Legislative Auditor General budget is rolled in with the Legislature budget in the FY 2011-12 and FY 2012-13 Executive budget recommendations and in the proposed House budget, but appears separate in this document.**

**Boilerplate Changes From FY 2010-11**

**NOTE:** *No boilerplate language is proposed for FY 2012-13.*

**Sec. 624. Statewide Single Audit – NEW**

Requires a report regarding the feasibility of converting to a statewide single audit; report to include costs involved, required statutory changes, impact on legislative oversight, organizational changes necessary to provide centralized coordination, billing and funding structure changes, corrective action for known internal control weaknesses and prior single audit findings, and a recommendation on implementation.

**Sec. 625. Appropriation of FY 2011 GF/GP Lapse – NEW**

Authorizes up to \$905,000 of FY 2011 lapsed GF/GP funding to be appropriated for funding the cost of economic increases.

**DEPARTMENT OF STATE: FYs 2011-12 and 2012-13**  
**Summary: As Reported by the House Appropriations Committee**  
**Article 1, House Bill 4526 (H-1)**



Analyst: Ben Gielczyk

	FY 2010-11 Year-to-Date as of 2/17/11	FY 2011-12 House	Difference: FY 2011-12 Vs. FY 2010-11		FY 2012-13 House	Difference: FY 2012-13 Vs. FY 2011-12	
			Amount	%		Amount	%
<b>IDG/IDT</b>	\$20,000,000	\$20,000,000	\$0	0.0	\$20,000,000	\$0	0.0
<b>Federal</b>	1,810,000	1,810,000	0	0.0	1,810,000	0	0.0
<b>Local</b>	0	0	0	0.0	0	0	0.0
<b>Private</b>	100	100	0	0.0	100	0	0.0
<b>Restricted</b>	177,799,500	178,788,700	989,200	0.6	183,142,400	4,353,700	2.4
<b>GF/GP</b>	13,910,800	11,286,200	(2,624,600)	(18.9)	11,586,000	299,800	2.7
<b>Gross</b>	<b>\$213,520,400</b>	<b>\$211,885,000</b>	<b>(\$1,635,400)</b>	<b>(0.8)</b>	<b>\$216,538,500</b>	<b>\$4,653,500</b>	<b>2.2</b>
<b>FTEs</b>	1,815.0	1,815.0	0.0	0.0	1,815.0	0.0	0.0

Notes: (1) FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011. (2) FY 2012-13 figures are projected or proposed budget amounts only and are not legally-binding appropriations.

**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.

<b>Budget Changes From FY 2010-11 YTD Appropriations</b>		FY 2010-11 YTD (as of 2/17/11)	House Changes	
			FY 2010-11 to FY 2011-12	FY 2011-12 to FY 2012-13
<b>1. Line Item Roll-Ups</b>				
Current year budget contains 22 line items. Executive budget contains 4 line items. House budget contains 8 line items.				
<b>2. State Officers Compensation Commission Adjustment</b>	<b>Gross</b>	<b>\$115,800</b>	<b>(\$3,300)</b>	<b>\$0</b>
Reflects savings of \$3,300 Gross and GF/GP due to the 10.0% reduction in the Secretary of State's salary implemented on January 1, 2011. This amount reflects savings that will occur in first three months of FY 2011-12. No changes recommended in FY 2012-13.	GF/GP	\$115,800	(\$3,300)	\$0
<b>3. Early Retirement Savings</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$621,300)</b>	<b>\$0</b>
Includes reduction of \$631,300 Gross and GF/GP to reflect full-year savings anticipated as a result of the FY 2010-11 early retirement program. No changes recommended in FY 2012-13.	GF/GP	N/A	(\$621,300)	\$0
<b>4. General Fund Reduction</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$2,100,000)</b>	<b>\$0</b>
Reduction of \$2.1 million Gross and GF/GP to be achieved through cost savings within the department. No changes recommended in FY 2012-13.	GF/GP	N/A	(\$2,100,000)	\$0
<b>5. Economic Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$1,089,200</b>	<b>\$4,653,500</b>
Reflects increased costs of \$1.1 million Gross and \$100,000 Restricted GF/GP associated with employee benefit costs and other economic adjustments. Additional increase of \$4.7 million Gross and \$299,800 GF/GP for FY 2012-13.	GF/GP	N/A	989,200	4,353,700
		N/A	\$100,000	\$299,800

**Boilerplate Changes From FY 2010-11**

**Budget Changes From FY 2010-11 YTD Appropriations**FY 2010-11 YTD  
(as of 2/17/11)FY 2010-11 to  
FY 2011-12FY 2011-12 to  
FY 2012-13

**NOTE:** No boilerplate language is proposed for FY 2012-13.

**Sec. 705 (5). Department Publications Report – DELETED**

Requires report on gifts, donations, contributions, and grants used to underwrite departmental publications along with information on the total revenue received from paid advertising in those publications.

**Sec. 706. Help America Vote Act – DELETED**

Requires Department of State (DOS) to report on activities and successes of department's enforcement and compliance with provisions contained in Help America Vote Act of 2002.

**Sec. 716. Motorcycle Safety Education Program - DELETED**

Requires appropriation 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; requires funding to be used to help subsidize safety training courses for individuals interested in operating motorcycles. (Funding maintained for program.)

**Sec. 716b. Business Application Modernization Project Report - DELETED**

Requires the DOS to report on funding expended for the BAM project since its inception.

**Sec. 716c. Network Connectivity - DELETED**

Requires a report that includes an assessment of the optimal network connectivity in branch offices and makes recommendations on how to best meet the demands of increased online transactions.

**Sec. 717 (3). Accept Gifts to Support Department Activities Report - DELETED**

Requires report of gifts, donations, and contributions received in the prior year to support licensing, regulation, and safety functions.

**Sec. 718. Buena Vista Township Branch Office - DELETED**

Requires DOS to maintain a full-service branch office in Buena Vista Township.

**Sec. 719. General Fund Expenditures - DELETED**

Requires DOS to use available restricted funding for expenditures before using general fund dollars.

**Sec. 720. Branch Office Relocation in Urban Areas - DELETED**

Encourages DOS to locate branch offices in urban areas rather than greenfield sites.

**TECHNOLOGY, MANAGEMENT, AND BUDGET: FYs 2011-12 and 2012-13**  
**Summary: As Reported by the House Appropriations Committee**  
**Article 1, House Bill 4526 (H-1)**



Analyst: Robin R. Risko

	FY 2010-11 Year-to-Date as of 2/17/11	FY 2011-12 House	Difference: FY 2011-12 Vs. FY 2010-11		FY 2012-13 House	Difference: FY 2012-13 Vs. FY 2011-12	
			Amount	%		Amount	%
<b>IDG/IDT</b>	\$586,552,900	\$608,968,900	\$22,416,000	3.8	\$611,470,400	\$2,501,500	0.4
<b>Federal</b>	2,682,000	2,803,400	121,400	4.5	3,134,500	331,100	11.8
<b>Local</b>	1,380,400	1,456,600	76,200	5.5	1,504,800	48,200	3.3
<b>Private</b>	170,800	180,600	9,800	5.7	186,800	6,200	3.4
<b>Restricted</b>	83,827,300	85,374,400	1,547,100	1.8	88,556,500	3,182,100	3.7
<b>GF/GP</b>	299,748,800	307,513,400	7,764,600	2.6	319,863,800	12,350,400	4.0
<b>Gross</b>	<b>\$974,362,200</b>	<b>\$1,006,297,300</b>	<b>\$31,935,100</b>	<b>3.3</b>	<b>\$1,024,716,800</b>	<b>\$18,419,500</b>	<b>1.8</b>
<b>FTEs</b>	2,972.5	2,986.5	14.0	0.5	2,986.5	0.0	0.0

**Notes:**

(1) FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011. (2) FY 2012-13 figures are projected or proposed budget amounts only and are not legally-binding appropriations.

**Overview**

The Department of Technology, Management, and Budget is an interdepartmental service and management agency responsible for ensuring proper financial record keeping for state agencies; managing capital outlay projects, state property, state buildings, state purchasing programs, and the state's retirement systems; supervising the state's motor vehicle fleet; providing office and building support services to state agencies; and acting as a general contractor between the state's information technology users and private sector providers of information technology products and services. The Department houses the Office of the State Budget, which prepares, presents, and executes the state budget on behalf of the Governor, and several other autonomous units: Office of the State Employer, Office of the Children's Ombudsman, Office of Regulatory Reform, State Building Authority, and Civil Service Commission.

		House Changes		
	FY 2010-11 YTD (as of 2/17/11)	FY 2010-11 to FY 2011-12	FY 2011-12 to FY 2012-13	
<b>Budget Changes From FY 2010-11 YTD Appropriations</b>				
<b>1. Line Item Roll-Ups</b>				
Current year budget contains 36 line items. Executive budget contains 6 line items. House budget contains 16 line items.				
<b>MANAGEMENT AND BUDGET</b>	<b>Gross</b>	<b>\$241,870,600</b>	<b>\$15,000,000</b>	<b>\$8,600,000</b>
<b>2. SBA Rent Increase</b>	GF/GP	\$241,870,600	\$15,000,000	\$8,600,000
Includes additional funding for State Building Authority rent payments to be made for state financed capital outlay projects for state agencies, universities, and community colleges. Adjustments are made based on a number of factors including project start and end dates, delays, refinancing, refunding, the number of current projects underway, and assumptions of upcoming financing needs for planned projects.				
<b>3. Management and Budget GF/GP Reductions</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$3,137,400)</b>	<b>\$0</b>
Reflects a savings to be achieved by eliminating vacant positions; identifying and reducing duplicate functions; allocating more administrative costs to IDG and restricted fund sources resulting in GF/GP savings; reducing contractual services, rent, overtime and administrative support costs; and eliminating the Detroit mail substation.	IDG	N/A	(612,300)	0
	Rest	N/A	(732,600)	0
	GF/GP	N/A	(\$1,792,500)	\$0

		<u>House Changes</u>			
		<u>FY 2010-11 YTD (as of 2/17/11)</u>	<u>FY 2010-11 to FY 2011-12</u>	<u>FY 2011-12 to FY 2012-13</u>	
<b><u>Budget Changes From FY 2010-11 YTD Appropriations</u></b>					
<b>4. Management and Budget Early Retirement Savings</b>					
Includes a reduction to reflect the amount of full-year savings anticipated to occur as a result of the FY 2010-11 early retirement program.		<b>Gross</b>	<b>N/A</b>	<b>(\$1,529,300)</b>	<b>\$0</b>
		GF/GP	N/A	(\$1,529,300)	\$0
<b>5. Gubernatorial Transition</b>					
Eliminates the one-time appropriation included in the FY 2010-11 budget for costs associated with the gubernatorial transition. Funding was used for both the outgoing and incoming governors and covered expenses associated with staff, leave payments, unemployment benefits, office space, supplies, moving, and other related costs.		<b>Gross</b>	<b>\$1,500,000</b>	<b>(\$1,500,000)</b>	<b>\$0</b>
		GF/GP	\$1,500,000	(\$1,500,000)	\$0
<b>6. DMB/DIT Consolidation</b>					
Reflects the transfer of FTE positions and associated funding from the former Department of Information Technology as a result of consolidating the Departments of Management and Budget and Information Technology pursuant to EO 2009-55.		FTE	N/A	39.0	0.0
		<b>Gross</b>	<b>N/A</b>	<b>\$1,400,000</b>	<b>\$0</b>
		IDG	N/A	1,400,000	0
<b>7. Accounting Service Consolidation</b>					
Includes additional FTE positions and associated funding to reflect the transfer of accounting functions from the Departments of Military and Veterans Affairs and State Police to the Department of Technology, Management, and Budget.		FTE	N/A	14.0	0.0
		<b>Gross</b>	<b>N/A</b>	<b>\$1,593,200</b>	<b>\$0</b>
		IDG	N/A	1,593,200	0
<b>8. Building Operations Reductions</b>					
Reflects a savings from reorganizing and restructuring building operations staff and not filling vacant positions.		<b>Gross</b>	<b>\$88,347,300</b>	<b>(\$1,250,000)</b>	<b>\$0</b>
		IDG	88,347,300	(1,250,000)	0
<b>9. Eliminate Professional Development Funds</b>					
Reflects a savings due to elimination of professional development funds for the AFSCME and MPE-SEIU bargaining units.		<b>Gross</b>	<b>\$225,000</b>	<b>(\$225,000)</b>	<b>\$0</b>
		IDG	225,000	(225,000)	0
<b>10. SWCAP-related Fund Source Shifts</b>					
Adjusts IDG, state restricted, and GF/GP fund sources in order to reflect how departmental and statewide overhead costs should be financed according to the most recent Statewide Cost Allocation Plan (SWCAP). The plan allocates the costs of providing central support services to other state departments and their respective fund sources.		<b>Gross</b>	<b>N/A</b>	<b>\$0</b>	<b>\$0</b>
		IDG	N/A	101,100	0
		Rest	N/A	293,600	0
		GF/GP	N/A	(\$394,700)	\$0
<b>11. Fund Source and Technical Adjustments</b>					
Adjusts fund sources and makes technical adjustments to reflect where expenditures are anticipated to occur.		<b>Gross</b>	<b>N/A</b>	<b>(\$1,100)</b>	<b>\$0</b>
		IDG	N/A	59,700	0
		Rest	N/A	(111,000)	0
		GF/GP	N/A	\$50,200	\$0
<b>12. Management and Budget Economics</b>					
Includes additional funding for economic adjustments to be made for insurance, retirement, and workers' compensation costs and for building occupancy charges in FY 2011-12. Also includes additional funding for economic adjustments to be made in FY 2012-13. (The change from FY 2011 to FY 2012 represents economics for Management and Budget only. The change from FY 2012 to FY 2013 represents total economics for Management and Budget, Technology Services, and Civil Service Commission.)		<b>Gross</b>	<b>N/A</b>	<b>\$3,175,100</b>	<b>\$9,819,500</b>
		IDG	N/A	1,340,900	2,501,500
		Fed	N/A	0	331,100
		Local	N/A	0	48,200
		Private	N/A	0	6,200
		Rest	N/A	730,100	3,182,100
		GF/GP	N/A	\$1,104,100	\$3,750,400
<b>13. Targeted GF/GP Reductions</b>					
House reduces GF/GP funding for department operations.		<b>Gross</b>	<b>N/A</b>	<b>(\$512,200)</b>	<b>\$0</b>
		GF/GP	N/A	(\$512,200)	\$0

		<u>House Changes</u>			
<u>Budget Changes From FY 2010-11 YTD Appropriations</u>		<u>FY 2010-11 YTD (as of 2/17/11)</u>	<u>FY 2010-11 to FY 2011-12</u>	<u>FY 2011-12 to FY 2012-13</u>	
<b>TECHNOLOGY SERVICES</b>		<b>Gross</b>	<b>\$415,136,100</b>	<b>\$7,907,900</b>	<b>\$0</b>
<b>14. Align IDGs with FY 2011 Enacted</b>		IDG	415,136,100	7,907,900	0
Adjusts the Technology Services budget to reflect FY 2011 enacted appropriations in other state department budgets:					
<ul style="list-style-type: none"> <li>• Increases Agriculture by \$32,000</li> <li>• Decreases DOC by \$600,000</li> <li>• Decreases DOE by \$85,000</li> <li>• Increases DHS by \$8.9 million</li> <li>• Decreases DMVA by \$153,200</li> <li>• Decreases DNRE by \$18,700</li> <li>• Increases DSP by \$196,800</li> <li>• Decreases MDOT by \$356,000</li> </ul>					
<b>15. Program Enhancements</b>		<b>Gross</b>	<b>\$415,136,100</b>	<b>\$14,234,900</b>	<b>\$0</b>
Makes the following adjustments to reflect appropriations for program enhancements made in other state department budgets:		IDG	415,136,100	14,234,900	0
<ul style="list-style-type: none"> <li>• DCH - \$8.9 million for the HIPPA Electronic Transaction Standards and International Classification of Diseases projects</li> <li>• DHS - \$2.7 million for the Statewide Automated Child Welfare Information System</li> <li>• DELEG - \$1.8 million for Michigan Business One Stop, an integrated approach to simplifying business-to-government transactions</li> <li>• DHS - \$792,300 for new IT staff as a result of the Children's Rights lawsuit</li> </ul>					
<b>16. Eliminate Program Funding</b>		<b>Gross</b>	<b>\$415,136,100</b>	<b>(\$656,000)</b>	<b>\$0</b>
Reflects elimination of funding in various department budgets for programs no longer needing funding:		IDG	415,136,100	(656,000)	0
<ul style="list-style-type: none"> <li>• DCH - \$401,000 for Electronic Death Registry</li> <li>• DHS - \$255,000 one-time funding for development of the LEIN/Bridges interface</li> </ul>					
<b>17. Technology Services Early Retirement Savings</b>		<b>Gross</b>	<b>N/A</b>	<b>(\$2,795,500)</b>	<b>\$0</b>
Includes a reduction to reflect the amount of full-year savings anticipated to occur as a result of the FY 2010-11 early retirement program.		IDG	N/A	(2,795,500)	0
<b>18. DMB/DIT Consolidation</b>		FTE	N/A	(39.0)	0.0
Reflects the transfer of FTE positions and associated funding to the former Department of Management and Budget as a result of consolidating the Departments of Management and Budget and Information Technology pursuant to EO 2009-55.		<b>Gross</b>	<b>N/A</b>	<b>(\$1,431,100)</b>	<b>\$0</b>
		IDG	N/A	(1,431,100)	0
<b>19. Technology Services Budget Reductions</b>		<b>Gross</b>	<b>N/A</b>	<b>(\$1,256,900)</b>	<b>\$0</b>
Reflects a savings to be achieved in various department budgets by aligning the number of desktops with the number of agency IT staff, closing worksites and reducing IT connectivity, not filling vacant IT positions, reducing server and other equipment purchases, and reducing contractual services.		IDG	N/A	(1,256,900)	0
<ul style="list-style-type: none"> <li>• Civil Rights savings of \$150,000</li> <li>• DEQ savings of \$270,000</li> <li>• DTMB savings of \$257,400</li> <li>• DNR savings of \$80,600</li> <li>• DSP savings of \$359,900</li> <li>• Treasury savings of \$139,000</li> </ul>					
<b>20. Fund Source Adjustments</b>		<b>Gross</b>	<b>N/A</b>	<b>(\$1,500,400)</b>	<b>\$0</b>
Aligns fund sources to reflect funding actually received:		IDG	N/A	(1,500,400)	0
<ul style="list-style-type: none"> <li>• Agriculture - \$160,000</li> <li>• DNR - \$32,100</li> <li>• DSP - \$1.3 million</li> </ul>					

<b>Budget Changes From FY 2010-11 YTD Appropriations</b>		<b>FY 2010-11 YTD (as of 2/17/11)</b>	<b>House Changes</b>	
			<b>FY 2010-11 to FY 2011-12</b>	<b>FY 2011-12 to FY 2012-13</b>
<b>21. Technology Services Economics</b>	<b>Gross</b>	<b>N/A</b>	<b>\$5,477,600</b>	<b>\$0</b>
Includes additional funding for economic adjustments to be made for insurance, retirement, and workers' compensation costs and for building occupancy charges in FY 2011-12. (FY 2012-13 economic adjustments are included in #12 above.)	IDG	N/A	5,477,600	0
<b>CIVIL SERVICE COMMISSION</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$2,000,000)</b>	<b>\$0</b>
<b>22. Civil Service Commission GF/GP Reductions</b>	GF/GP	N/A	(\$2,000,000)	\$0
Reflects a savings to be achieved by not filling vacant positions.				
<b>23. Civil Service Commission Early Retirement Savings</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$1,616,400)</b>	<b>\$0</b>
Includes a reduction to reflect the amount of full-year savings anticipated to occur as a result of the FY 2010-11 early retirement program.	GF/GP	N/A	(\$1,616,400)	\$0
<b>24. Human Resources Consolidation</b>	<b>Gross</b>	<b>N/A</b>	<b>\$277,800</b>	<b>\$0</b>
Includes funding from the Department of Corrections for FTE positions that were transferred as a result of human resources consolidation efforts.	GF/GP	N/A	\$277,800	\$0
<b>25. Civil Service Commission Economics</b>	<b>Gross</b>	<b>N/A</b>	<b>\$2,612,100</b>	<b>\$0</b>
Includes additional funding for economic adjustments to be made for insurance, retirement, and workers' compensation costs and for building occupancy charges in FY 2011-12. (FY 2012-13 economic adjustments are included in #12 above.)	IDG	N/A	129,400	0
	Federal	N/A	121,400	0
	Local	N/A	76,200	0
	Private	N/A	9,800	0
	Restricted	N/A	1,265,500	0
	GF/GP	N/A	\$1,009,800	\$0
<b>26. Targeted GF/GP Reductions</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$332,200)</b>	<b>\$0</b>
House reduces GF/GP funding for Civil Service Commission operations.	GF/GP	N/A	(\$332,200)	\$0

#### **Boilerplate Changes From FY 2010-11**

**NOTE:** No boilerplate language is proposed for FY 2012-13.

#### **MANAGEMENT AND BUDGET**

##### **Sec. 813.(6) Motor Vehicle Fleet – NEW**

Requires the department to use remanufactured parts, if economically feasible, when repairing fleet vehicles.

##### **Sec. 815. Purchasing Decisions – DELETED**

Sets guidelines for determining whether a purchase, contract, or provision of supplies, materials, services, insurance, utilities, third-party financing, equipment, printing, and other items for state departments is in the best interest of the state.

#### **TECHNOLOGY SERVICES**

##### **Sec. 823.(4) Sale of Paid Advertising – DELETED**

Requires report on DTMB website of revenue received and number of advertising transactions.

##### **Sec. 824. Spatial Information and Technical Services – REVISED**

Authorizes DTMB to receive and expend funds for supplying spatial information and technical services to other state departments, local units of government, and other organizations; deletes requirement to report fund sources and expenditures.

##### **Sec. 829. Life-Cycle of Hardware and Software – DELETED**

Requires report which analyzes and makes recommendations on life-cycle of IT hardware and software.

##### **Sec. 830. Change Orders and Follow-Up On Contracts – REVISED**

Requires report on change orders and contract extensions for contracts greater than \$50,000 entered into by DTMB (changed from \$25,000).

#### **CAPITAL OUTLAY - UNIVERSITIES AND COMMUNITY COLLEGES**

##### **Sec. 876. Joint Capital Outlay Subcommittee (JCOS) Authorization – DELETED**

Requires JCOS approval of self-funded projects estimated to cost at least \$3.0 million for universities and \$2.0 million for community colleges; exempts U of M hospital and health center; and requires reports on projects commenced.



**DEPARTMENT OF TREASURY: FYs 2011-12 and 2012-13**  
**Summary: As Reported by the House Appropriations Committee**  
**Article 1, House Bill 4526 (H-1)**



Analyst: Ben Gielczyk

	FY 2010-11 Year-to-Date as of 2/17/11	FY 2011-12 House	Difference: FY 2011-12 Vs. FY 2010-11		FY 2012-13 House	Difference: FY 2012-13 Vs. FY 2011-12	
			Amount	%		Amount	%
IDG/IDT	\$14,376,400	\$14,421,600	\$45,200	0.3	\$14,421,600	\$0	0.0
Federal	262,691,600	257,374,300	(5,317,300)	(2.0)	257,448,300	74,000	0.0
Local	2,054,000	2,099,200	45,200	2.2	2,099,200	0	0.0
Private	843,600	350,000	(493,600)	(58.5)	350,000	0	0.0
Restricted	1,524,721,000	1,437,287,500	(87,433,500)	(5.7)	1,475,196,200	37,908,700	2.6
GF/GP	120,937,800	202,413,100	81,475,300	67.4	193,475,800	(8,937,300)	(4.4)
<b>Gross</b>	<b>\$1,925,624,400</b>	<b>\$1,913,945,700</b>	<b>(\$11,678,700)</b>	<b>(0.6)</b>	<b>\$1,942,991,100</b>	<b>\$29,045,400</b>	<b>1.5</b>
FTEs	2,199.5	2,208.5	9.0	0.4	2,208.5	0.0	0.0

Notes: (1) FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011. (2) FY 2012-13 figures are projected or proposed budget amounts only and are not legally-binding appropriations.

**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 and advises issuers of municipal obligations. The Bureau of State Lottery, the Michigan Gaming Control Board (MGCB), Michigan State Housing and Development Authority (MSHDA), 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.

<b>Budget Changes From FY 2010-11 YTD Appropriations</b>	House Changes		
	FY 2010-11 YTD (as of 2/17/11)	FY 2010-11 to FY 2011-12	FY 2011-12 to FY 2012-13
<b>1. Line Item Roll-Ups</b> Current year budget contains 63 line items. Executive budget contains 11 line items. House budget contains 39 line items.			
<b>2. Debt Service Requirements</b> Reflects increased debt service costs of \$83.3 million GF/GP due to scheduled payment requirements and new issues based on short-term restructuring to achieve FY 2010-11 savings. No changes recommended for FY 2012-13.	<b>Gross</b> \$57,632,800 GF/GP \$42,118,300	\$83,295,200 \$83,295,200	\$0 \$0
<b>3. Presidential Primary Costs</b> Includes \$10.0 million GF/GP for anticipated costs associated with the next presidential primary. Funds are eliminated in FY 2012-13.	<b>Gross</b> N/A GF/GP N/A	\$10,000,000 \$10,000,000	(\$10,000,000) (\$10,000,000)
<b>4. Payment in Lieu of Taxes</b> Reflects 15.0% reduction in payment in lieu of taxes (PILT) to local governments as recommended by Executive. House included additional \$239,000 reduction. Reduction totals \$2.6 million Gross and \$1.8 million GF/GP. Gross figure includes additional \$513,000 Restricted fund reduction to reflect current year reduction to general fund. No changes recommended for FY 2012-13.	<b>Gross</b> \$12,956,400 Restricted 2,450,000 GF/GP \$10,506,400	(\$2,618,400) (803,400) (\$1,815,000)	\$0 0 \$0

		<u>House Changes</u>			
<u>Budget Changes From FY 2010-11 YTD Appropriations</u>		<u>FY 2010-11 YTD (as of 2/17/11)</u>	<u>FY 2010-11 to FY 2011-12</u>	<u>FY 2011-12 to FY 2012-13</u>	
<b>5. Land Bank Fast Track Authority Revolving Fund Loan</b>		<b>Gross</b>	<b>N/A</b>	<b>\$1,000,000</b>	<b>\$0</b>
Includes \$1.0 million Federal from the USA Environmental Protection Agency Revolving Loan Fund for cleanup activities at eligible Brownfield sites.		Federal	N/A	1,000,000	0
<b>6. Unclaimed Property Legislation Costs</b>		FTE	N/A	5.0	0.0
Includes \$700,000 Gross and 5.0 FTEs for continuing staff costs associated with FY 2010-11 legislation (PA 197 of 2010) altering period of years after which unclaimed property escheats to the state.		<b>Gross</b>	<b>N/A</b>	<b>\$700,000</b>	<b>\$0</b>
		Restricted	N/A	700,000	0
<b>7. Senior Citizen Cooperative Housing</b>		<b>Gross</b>	<b>\$14,520,000</b>	<b>(\$2,500,000)</b>	<b>\$0</b>
Reduces funding by \$2.5 million GF/GP to reflect required scheduled payment amount.		GF/GP	\$14,520,000	(\$2,500,000)	\$0
<b>8. Department General Fund Reduction</b>		<b>Gross</b>	<b>N/A</b>	<b>(\$905,500)</b>	<b>\$0</b>
Reflects 3.0% across-the-board reduction to Department of Treasury administrative functions. Reduction totals \$905,500 GF/GP.		GF/GP	N/A	(\$905,500)	\$0
<b>9. Business Property Tax Appeal</b>		<b>Gross</b>	<b>\$900,000</b>	<b>(\$600,000)</b>	<b>\$0</b>
Reduces by \$600,000 GF/GP for expected savings associated with proposed legislation that will adjust concerns on definition of personal property and thereby reduce appeals.		GF/GP	\$900,000	(\$600,000)	\$0
<b>10. Fund Source Shifts</b>		<b>Gross</b>	<b>N/A</b>	<b>\$0</b>	<b>\$0</b>
Reflects \$1.4 million in fund source shifts from various fund sources to state restricted funds.		IDG/IDT	N/A	(169,000)	0
		Federal	N/A	(1,184,200)	0
		Restricted	N/A	1,353,200	0
<b>11. Targeted General Fund Reductions</b>		<b>Gross</b>	<b>N/A</b>	<b>(\$749,400)</b>	<b>\$0</b>
Includes targeted GF/GP reductions to various line items which total (\$749,400) GF/GP. Includes reductions in FY 2012-13 recommendations.		GF/GP	N/A	(\$749,400)	\$0
<b>CASINO GAMING</b>					
<b>12. Michigan Gaming Control Board Auditor</b>		FTE	N/A	1.0	0.0
Includes \$90,200 Gross and 1.0 FTE to staff one new auditor required for audits for recently opened tribal casinos.		<b>Gross</b>	<b>N/A</b>	<b>\$90,200</b>	<b>\$0</b>
		Restricted	N/A	90,200	0
<b>REVENUE SHARING</b>					
<b>13. Constitutional Revenue Sharing</b>		<b>Gross</b>	<b>\$633,481,800</b>	<b>\$25,497,500</b>	<b>\$21,456,800</b>
Reflects projected increase of \$25.5 million Gross in Constitutional revenue sharing from FY 2010-11 appropriation. The FY 2011-12 figure is based on January 2011 Consensus Revenue Estimating Conference (CREC) estimates. Includes projected increase of \$21.5 million Gross for FY 2012-13.		Restricted	633,481,800	\$25,497,500	\$21,456,800
<b>14. Economic Vitality Incentive Program</b>		<b>Gross</b>	<b>\$307,061,700</b>	<b>(\$107,061,700)</b>	<b>\$0</b>
Eliminates Statutory Revenue Sharing and replaces with Economic Vitality Incentive Program for CVTs. Details of program described in accompanying boilerplate section 951. Reflects a net reduction of \$107.1 million Gross for FY 2011-12. No changes recommended for FY 2012-13.		Restricted	307,061,700	(107,061,700)	0
<b>15. County Revenue Sharing</b>		<b>Gross</b>	<b>\$114,740,700</b>	<b>(\$14,740,700)</b>	<b>\$10,644,200</b>
Reduces county revenue sharing payments by \$14.7 million Gross from FY 2010-11 appropriation for the 50 counties that will have exhausted reserve funds in FY 2011-12. Includes increase of \$10.6 million Gross for FY 2012-13.		Restricted	114,740,700	(14,740,700)	10,644,200

		<u>House Changes</u>		
<u>Budget Changes From FY 2010-11 YTD Appropriations</u>		<u>FY 2010-11 YTD (as of 2/17/11)</u>	<u>FY 2010-11 to FY 2011-12</u>	<u>FY 2011-12 to FY 2012-13</u>
<b>MICHIGAN STRATEGIC FUND</b>				
<b>16. Michigan Strategic Fund Fund Source Adjustments</b>				
Reduces by \$6.5 million Gross to reflect adjustments to various fund source revenue by aligning restricted fund sources with anticipated collections in those funds.	FTE	N/A	3.0	0.0
	<b>Gross</b>	<b>N/A</b>	<b>(\$6,543,600)</b>	<b>\$0</b>
	IDG/IDT	N/A	(\$50,000)	0
	Federal	N/A	(6,000,000)	0
	Private	N/A	(493,600)	0
<b>17. Michigan Promotion Program</b>				
Reflects \$5.4 million GF/GP reduction due to the elimination of the Michigan Promotion Program line-item. Executive changed program to Pure Michigan and funded with 21st Century Jobs Trust Fund (see below).	<b>Gross</b>	<b>\$5,402,800</b>	<b>(\$5,402,800)</b>	<b>\$0</b>
	GF/GP	\$5,402,800	(\$5,402,800)	\$0
<b>18. 21st Century Jobs Trust Fund Programmatic Changes</b>				
Reflects programmatic and funding changes for 21st Century Jobs Trust Fund appropriations. The following programs will be funded with the \$75.0 million 21st Century Jobs Trust Fund allocation:	<b>Gross</b>	<b>\$75,000,000</b>	<b>\$0</b>	<b>\$0</b>
	Restricted	75,000,000	0	0
<ul style="list-style-type: none"> <li>• Pure Michigan: \$25.0 million Gross</li> <li>• Innovation and Entrepreneurship: \$25.0 million Gross</li> <li>• Business Attraction and Economic Gardening: \$25.0 million Gross</li> </ul>				
<b>DEPARTMENTWIDE ADJUSTMENTS</b>				
<b>19. Early Retirement Savings</b>				
Includes reduction of \$1.6 million GF/GP to reflect full-year savings anticipated as a result of the FY 2010-11 early retirement program. No changes recommended for FY 2012-13.	<b>Gross</b>	<b>N/A</b>	<b>(\$1,565,400)</b>	<b>\$0</b>
	GF/GP	N/A	(\$1,565,400)	\$0
<b>20. Economics</b>				
Reflects increased costs of \$10.4 million Gross and \$1.7 million GF/GP associated with employee benefit costs and other economic adjustments. Additional increase of \$6.9 million Gross and \$1.1 million GF/GP for FY 2012-13.	<b>Gross</b>	<b>N/A</b>	<b>\$10,425,900</b>	<b>\$6,944,400</b>
	IDG/IDT	N/A	264,200	0
	Federal	N/A	866,900	74,000
	Local	N/A	45,200	0
	Restricted	N/A	7,531,400	5,807,700
	GF/GP	N/A	\$1,718,200	\$1,062,700

**Boilerplate Changes From FY 2010-11**

**NOTE:** No boilerplate language is proposed for FY 2012-13.

**Sec. 903(3). Tax Collection Contracts Report - DELETED**

Requires report of agencies used for collection of accounts due to the state; amounts collected; cost of collection; and other information.

**Sec. 905. Sale of Tax Manuals - DELETED**

Requires Treasury to provide on their website and to sell copies of state tax manuals at a price not to exceed cost of printing; proceeds from sales are required to revert to Local Government Assistance Manual Revolving Fund.

**Sec. 913(2). Senior Citizen Cooperative Housing Assessments Reporting - DELETED**

Requires program audit and authorizes use of up to 1% of funds for these administration of program.

**Sec. 917(2). Write-Offs and Advances Report - DELETED**

Requires report stating amounts appropriated for write-offs and advances.

**Sec. 919(2). Contracted Audit and Collection Services Report - DELETED**

Requires report stating the amount collected, firms employed and costs of collection.

**Sec. 922. Michigan Transportation Fund Report - DELETED**

Requires Treasury to report on Michigan Transportation Fund revenue collected and costs of collection.

**Sec. 930(2). Account Receivable Collection Services - DELETED**

Requires stating the principal executive departments and state agencies served, funds collected, and costs of collection.

## **Boilerplate Changes From FY 2010-11**

### **Sec. 931. Treasury Fees - REVISED**

Appropriates individual components of Treasury fees assessed against all restricted funds, including new restricted funds, in current fiscal year; defines treasury fees.

### **Sec. 934. Expending of Authority Revenues - REVISED**

Authorizes Treasury to expend revenues under various authorities for operation expense and grants to Civil Service Commission and State Employee's Retirement Fund; requires maintaining records to facilitate reimbursement. Removes maintenance of accounting records language.

### **Sec. 938. Payment in Lieu of Taxes (PILT) - DELETED**

Specifies legislative intent that Department work with local units of government to improve the system for payments in lieu of taxes on purchased lands; requires report.

### **Sec. 939. Pension Fund Investments - DELETED**

Specifies legislative intent that state treasurer consider investments in early stage, university-derived life science companies located in Michigan, or investments in venture capital funds that invest in those companies.

### **Sec. 942. Field Collection Report - DELETED**

Requires Department to report on efficacy of increased personnel for filed collection (i.e. additional revenue collections as a result of additional field staff.)

### **Sec. 945. Assessment and Certification Division Reviews - REVISED**

Requires assessment and certification division to conduct 14-point review in at least one assessment jurisdiction per county.

### **Sec. 948. Electronic Income Tax Filing Report - DELETED**

Requires report on number of state income and single business tax returns filed on-line in preceding fiscal year.

### **Sec. 949. Beverage Container Redemption Antifraud Fund – DELETED**

Requires that any funding for the beverage container redemption antifraud fund be used for the purposes described in the beverage redemption antifraud act. Specifies that any available funding after the distribution to the border counties be distributed to the next tier of counties north of the border counties.

### **Sec. 950. Revenue Sharing - REVISED**

Specifies distribution of constitutional revenue sharing payments to cities, villages, and townships. Eliminates subsection outlining distribution of statutory revenue sharing payments due to elimination of statutory revenue sharing payments in FY 2011-12.

### **Sec. 951. Economic Vitality Incentive Program - NEW**

Specifies distribution of \$200.0 million under new incentive program. Cities, villages, and townships that received a statutory revenue sharing payment in FY 2009-10 will be eligible for 62.96% of their FY 2009-10 statutory revenue sharing payment if certain criteria are met. Provides for redistribution of funds not distributed due to a failure to qualify. Provides \$5.0 million for assistance grants to cities, villages, townships, and counties that elect to merge government services.

## **LOTTERY**

### **Sec. 964. Privatization Study - NEW**

Requires Bureau of State Lottery to report on the feasibility of privatizing the administration of the state lottery.

## **CASINO GAMING**

### **Sec. 973. Local Revenue Sharing Boards - REVISED**

Authorizes using funds for local government programs to assist local revenue sharing boards; requires those boards to comply with Open Meetings and Freedom of Information acts; authorizes county treasurers to receive and administer revenue on behalf of boards; authorizes directors of State Police and Michigan Gaming Control Board to help local boards allocate funds to local public safety organizations; requires Treasury to report on revenue receipt and distribution. Includes new subsection requiring local revenue sharing boards to comply with all applicable provisions of any agreement authorized by the Indian Gaming Regulatory Act, including, but not limited to, provisions dealing with the disbursement of tribal casino payments received.

### **Sec. 979. Thoroughbred Purses - DELETED**

Provides for the use of purse funds in the event that no live thoroughbred race meet is held in 2010 or 2011. Provides for funds to be escrowed and specifies purse pool distribution order.

## **MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**

### **Sec. 980. Michigan State Housing Development Authority Annual Report - DELETED**

Requires MSHDA to annually present a report on the status of the authority's housing production goals under all financing programs.

### **Sec. 981. Michigan Broadband Development Authority Report - DELETED**

Requires the department and MSHDA to report on the status of loans entered into by the Michigan Broadband Development Authority.

### **Sec. 982. Cities of Promise Blight Elimination Program Report - DELETED**

Requires MSHDA to provide a report on the Cities of Promise Blight Elimination Program.

## **Boilerplate Changes From FY 2010-11**

### ***Sec. 985. Michigan Housing and Community Development Fund Transfer of Funds - DELETED***

Allows \$200,000 to be appropriated from the Michigan Housing and Community Development Fund to MSHDA for projects in sections 58c and 58d of the State Housing Development Authority Act. Requires report on the status of those projects.

## **MICHIGAN STRATEGIC FUND**

### ***Sec. 1004. Travel Michigan Fees - DELETED***

Authorizes Travel Michigan program to establish and collect fees to cover costs of promotional materials.

### ***Sec. 1021. 21st Century Jobs Funds Spending Reauthorization - NEW***

Provides for a continuation of authorization for 21st Century Jobs Trust funds authorized by PA 127 of 2007. Funds are made available until September 30, 2016 and work project will not exceed \$75.0 million.

### ***Sec. 1024. Small Business Innovation Research/Small Business Technology Transfer Programs - DELETED***

Allocates not less than \$1.4 million from 21st Century Jobs Fund to Michigan Small Business and Technology Development Centers to be used for matching grants for Small Business Innovation Research and Small Business Technology Transfer programs.

### ***Sec. 1025. Michigan Aerospace Manufacturers Association Allocation - DELETED***

Requires \$250,000 of 21st Century Jobs Fund to be allocated to the Michigan Aerospace Manufacturers Association for organizational assistance and to advance and promote the aerospace manufacturing community in the state of Michigan.

### ***Sec. 1027. Lakeshore Advantage Project - DELETED***

Allocates \$3.0 million from 21st Century Jobs Fund to Lakeshore Advantage Project.

### ***Sec. 1028. 21st Century Jobs Trust Fund Limit on Spending - DELETED***

Caps amount that can be awarded or committed to \$25.0 million during the first quarter of the fiscal year.

### ***Sec. 1029. 21st Century Jobs Funds Spending Reauthorization - DELETED***

Provides for a continuation of authorization for 21st Century Jobs Trust funds authorized by PA 225 of 2005.

### ***Sec. 1030. Grant to Detroit Institute of Arts - DELETED***

Appropriates up to \$10.0 million from the unreserved general fund general purpose balance to the MSF as a grant to the Detroit Institute of Arts.

### ***Sec. 1034. Business Incubator Program - DELETED***

Stipulates funding be awarded competitively to business incubators in ten counties or cities. Requires that \$1.3 million in 21st Century Jobs Trust Fund funding be used to fund business incubators.

**LICENSING AND REGULATORY AFFAIRS: FYs 2011-12 and 2012-13**  
**Summary: As Reported by the House Appropriations Committee**  
**Article 2, House Bill 4526 (H-1)**



Analyst: Mark Wolf

	FY 2010-11 Year-to-Date as of 2/17/11	FY 2011-12 House	Difference: FY 2011-12 Vs. FY 2010-11		FY 2012-13 House	Difference: FY 2012-13 Vs. FY 2011-12	
			Amount	%		Amount	%
<b>IDG/IDT</b>	\$13,246,300	\$12,673,500	(\$572,800)	(4.3)	\$13,037,900	364,400	2.9
<b>Federal</b>	845,017,500	839,727,100	(5,290,400)	(0.6)	846,545,000	6,817,900	0.8
<b>Local</b>	16,020,400	12,293,400	(3,727,000)	(23.3)	12,293,400	0	0.0
<b>Private</b>	6,085,000	4,576,500	(1,508,500)	(24.8)	4,576,500	0	0.0
<b>Restricted</b>	349,846,100	360,335,700	10,489,600	3.0	364,585,300	4,249,600	1.2
<b>GF/GP</b>	47,607,900	42,555,800	(5,052,100)	(10.6)	43,130,200	574,400	1.3
<b>Gross</b>	<b>\$1,277,823,200</b>	<b>\$1,272,162,000</b>	<b>(\$5,661,200)</b>	<b>(0.4)</b>	<b>\$1,284,168,300</b>	<b>\$12,006,300</b>	<b>0.9</b>
<b>FTEs</b>	4,418.0	4,410.0	(8.0)	(0.2)	4,410.0	0.0	0.0

Notes: (1) FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011. (2) FY 2012-13 figures are projected or proposed budget amounts only and would not be legally-binding appropriations.

**Overview**

The Department of Licensing and Regulatory Affairs (LARA) is the primary business regulatory agency in the state. The department's activities center around business and occupational licensing and regulation, workplace safety and regulation, administrative hearings, and rule promulgation. On February 23, 2011 Governor Snyder issued Executive Order 2011-4 renaming the Department of Energy, Labor, and Economic Growth (DELEG) as the Department of Licensing and Regulatory Affairs. The reorganized department will also include functions performed by the DCH Bureau of Health Systems and the Bureau of Health Professions, but will no longer include the DELEG Bureau of Workforce Transformation, the Bureau of Labor Market Information and Strategic Initiatives, the Commission on Disability Concerns, the Hispanic/Latino Commission, the Bureau of Energy Systems, and certain responsibilities of the Wage and Hour Division. The executive order and EO 2011-5 also reorganize the State Office of Administrative Hearings and Rules.

The executive reorganization orders went into effect on April 24th. The Executive Recommendation and the House Subcommittee Recommendation – HB 4271 (H-1) Draft 2 – provide for a DELEG budget. The House committee substitute for HB 4526 is identical in content to the subcommittee recommendation, except that it renames the department as LARA in accordance with the executive reorganization orders. At some point, HB 4526 (and other budget bills) will be amended to reflect the new structure, following the issuance of a Revised Executive Recommendation by the State Budget Office.

<u>Major Budget Changes From FY 2010-11 YTD Appropriations</u>	House Changes		
	<u>FY 2010-11 YTD (as of 2/17/11)</u>	<u>FY 2010-11 to FY 2011-12</u>	<u>FY 2011-12 to FY 2012-13</u>
<b>House Committee Changes from Executive</b>			
<b>1. Executive Direction – Office of Communications</b>	FTE	49.0	0.0
The House reduces funding for the Office of Communications, within the Executive Director Programs line item, by \$100,000, reflecting the office's costs for developing and producing various cable television shows. A new boilerplate section prohibits the department from developing and producing television shows in the future.	<b>Gross</b>	<b>\$5,559,500</b>	<b>(\$100,000)</b>
	Federal	2,533,700	(100,000)
	Restricted	2,554,000	0
	GF/GP	\$471,800	\$0

**House Changes**

<b>Major Budget Changes From FY 2010-11 YTD Appropriations</b>	<b>FY 2010-11 YTD (as of 2/17/11)</b>	<b>FY 2010-11 to FY 2011-12</b>	<b>FY 2011-12 to FY 2012-13</b>
<b>2. Liquor Control Commission</b>			
FTE	158.0	(6.0)	0.0
<b>Gross</b>	<b>\$18,613,500</b>	<b>\$0</b>	<b>(\$1,000,000)</b>
Restricted	18,613,500	0	(1,000,000)
<p>The FY 2011 budget added 6.0 FTE positions and \$1.0 million (Liquor Purchase Revolving Fund) to support increased enforcement of bootlegging activities (purchasing alcohol out of the state and illegally re-selling it in Michigan). The House reduces the FTE authorization and appropriation, and establishes a new line item (separate from LCC operations) providing \$1.0 million (effectively a placeholder) to support the information technology upgrades to the LCC's liquor purchasing and inventory system. The DTMB IT strategic plan notes that the project is to be completed by 2013.</p>			
<b>3. Fire Protection Grants</b>			
<b>Gross</b>	<b>\$10,910,500</b>	<b>(\$2,410,500)</b>	<b>\$0</b>
Restricted	10,910,500	(2,410,500)	0
<p>The House eliminates all Liquor Purchase Revolving Fund (LPRF) support for fire protection grants to local units of government. The grants are distributed to local units with state property, with the distribution based on the value of the local and state property and the amount of fire service expenditures made by the local unit. The grant program includes two fund sources: (1) \$8.5 million from the Fire Protection Fund, which receives a portion of the driver responsibility fee revenue and is to be used for this purpose and (2) \$2.4 million from the Liquor Purchase Revolving Fund, the excess of which lapses to General Fund, and historically has been a major fund source for the program.</p>			
<p>The Executive reduced funding for fire protection grants by \$1.6 million in funding from the LPRF.</p>			
<b>4. Bureau of Fire Services</b>			
<b>Gross</b>	<b>\$5,559,000</b>	<b>\$0</b>	<b>\$0</b>
IDG	100,000	0	0
Federal	788,000	0	0
Restricted	2,071,000	2,410,500	0
GF/GP	\$2,600,000	(\$2,410,500)	\$0
<p>The Executive used the \$1.6 million in LPRF savings it realized through the reduction in fire protection grants for this same purpose.</p>			
<b>5. Hispanic/Latino Commission</b>			
FTE	2.0	(1.0)	0.0
<b>Gross</b>	<b>\$267,300</b>	<b>(\$267,200)</b>	<b>\$0</b>
GF/GP	\$267,300	(\$267,200)	\$0
<p>The Executive reduced funding for the HLC through the re-assignment of the administrative support staff to elsewhere within the department.</p>			
<p><i>Note: Under EO 2011-4, the HLC would be transferred to the Department of Civil Rights.</i></p>			
<b>6. Unemployment Insurance Special Fraud Control Fund</b>			
<b>Gross</b>	N/A	<b>\$1,000,000</b>	<b>\$0</b>
Restricted	N/A	1,000,000	0
<p>Provides spending authorization of \$1.0 million (essentially a placeholder appropriation) for the new Special Fraud Control Fund established with 2011 PA 14 (HB 4408). Per PA 14, the fund receives certain penalty and interest revenue and is to be used by the UIA to support its efforts at preventing, detecting, and collecting benefit overpayments. (The fund is to be first used for the acquisition of software to assist the agency in the detection and collection of benefit overpayments. Per PA 14, the software is to be acquired before September 1, 2011, which is prior to this budget act.)</p>			

		<u>House Changes</u>		
<u>Major Budget Changes From FY 2010-11 YTD Appropriations</u>		<u>FY 2010-11 YTD (as of 2/17/11)</u>	<u>FY 2010-11 to FY 2011-12</u>	<u>FY 2011-12 to FY 2012-13</u>
<b>House Committee/Executive Items of Agreement</b>				
<b>7. Workers Compensation Appellate Commission</b>				
	FTE	12.0	12.0	0.0
Eliminates the Workers Compensation Appellate Commission. The 5-member WCAC is a quasi-judicial body that hears appeals of disputed workers compensation claims decisions rendered by the Workers Compensation Board of Magistrates. Decisions by the Board of Magistrates will be appealed directly to the Court of Appeals. The caseload for the WCAC has dropped significantly over the last decade from about 500-600 cases/year to fewer than 200 in each of the last few years.	<b>Gross</b>	<b>\$1,173,100</b>	<b>(\$1,173,100)</b>	<b>\$0</b>
	Restricted	447,300	(447,300)	0
	GF/GP	\$725,800	(\$725,800)	\$0
<b>8. Workers Compensation Agency</b>				
	<b>Gross</b>	<b>\$9,417,400</b>	<b>(\$400,000)</b>	<b>\$0</b>
Shifts \$447,300 (Corporations Fees) saved from the elimination of the WCAC to the Workers Compensation Agency, offsetting GF/GP funds. Also reduces funding for the WCA by an additional \$400,000 through the elimination of unfilled vacancies and lapsed spending authority. The WCA has seen fewer worker's compensation claims over the past decade (coinciding with the downturn in the state economy), allowing the agency to consolidate hearing sites, and operate with fewer staff and financial resources.	Restricted	2,790,400	447,300	0
	GF/GP	\$6,627,000	(\$847,300)	\$0
<b>9. OFIR – Credit Union Examinations</b>				
	FTE	370.0	2.0	0.0
Increases funding and staffing for the Office of Financial and Insurance Regulation (OFIR) to maintain the statutorily-required 18-month examination cycle for credit unions in light of an increase in the number of state chartered credit unions. The increased appropriation is supported by existing credit union regulatory fees.	<b>Gross</b>	<b>\$58,416,800</b>	<b>\$175,000</b>	<b>\$0</b>
	Federal	2,050,400	0	0
	Restricted	56,366,400	175,000	0
<b>10. OFIR – Investment Advisors Regulation</b>				
	FTE	370.0	4.0	0.0
Increases funding and staffing for the Office of Financial and Insurance Regulation to support additional responsibilities placed on the office under the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Dodd-Frank Act shifts regulatory oversight over investment advisors with assets under management between \$25 million and \$100 million from SEC oversight to state oversight. States previously regulated smaller investment firms with less than \$25 million - \$30 million in investments under management. These additional firms, totaling about 170, are very large firms from a state regulatory standpoint. OFIR indicates that most of these firms haven't had an SEC examination. The increased appropriation is supported by existing securities fees. This adjustment is also being made in HB 4407, an FY 2011 supplemental appropriations bill.	<b>Gross</b>	<b>\$58,416,800</b>	<b>\$300,000</b>	<b>\$0</b>
	Federal	2,050,400	0	0
	Restricted	56,366,400	300,000	0
<b>11. OFIR – Life Insurance Regulation</b>				
	FTE	370.0	1.0	0.0
Increasing funding and staffing for the Office of Financial and Insurance Regulation to support additional responsibilities placed on the office under the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Dodd-Frank Act makes many changes affecting the regulation of insurance companies (historically a state, rather than federal, regulatory function). OFIR indicates that these changes will have particularly significant implications on domestic life insurance companies. This adjustment is also being made in HB 4407, an FY 2011 supplemental appropriations bill.	<b>Gross</b>	<b>\$58,416,800</b>	<b>\$81,000</b>	<b>\$0</b>
	Federal	2,050,400	0	0
	Restricted	56,366,400	81,000	0



**House Changes**

<b>Major Budget Changes From FY 2010-11 YTD Appropriations</b>		<b>FY 2010-11 YTD (as of 2/17/11)</b>	<b>FY 2010-11 to FY 2011-12</b>	<b>FY 2011-12 to FY 2012-13</b>
<b>12. Tax Tribunal – Hearings Officers</b>	<b>Gross</b>	<b>\$2,867,900</b>	<b>\$150,000</b>	<b>\$0</b>
Increases funding for the Michigan Tax Tribunal (MTT) to enable the MTT to contract with additional hearings officers in order to assist the MTT in reducing its backlog of cases. The hearings officers (administrative law judges) hear cases on behalf of the tribunal and issue proposed opinions resolving a dispute. Those proposed opinions are affirmed (or altered) by the tribunal through the MTT's issuance of a final opinion. Hearings officers are paid \$50/case (\$100/case for those requiring an opinion). The additional funding here would support another three officers.	Restricted	2,867,900	150,000	0
<b>13. Proprietary Schools Regulation</b>	<b>Gross</b>	<b>\$3,038,300</b>	<b>\$145,700</b>	<b>\$0</b>
Increases funding to the Bureau of Workforce Transformation allowing the bureau to increase its regulatory activities concerning private trade/career schools. The agency is required to annually license proprietary schools and solicitors, to approve program and course changes, and to respond consumer complaints. The number, location, and programs of proprietary schools have been increasing in recent years. Along with that increase there is a concomitant increase in consumer complaints.	Federal	1,556,200	0	0
	Restricted	762,000	145,700	0
	GF/GP	720,100	\$0	\$0
<i>Note: Under EO 2011-4, the Bureau of Workforce Transformation would be transferred to the Michigan Strategic Fund. Regulation of proprietary schools would, however, remain within LARA.</i>				
<b>14. Michigan Nursing Corps</b>	<b>Gross</b>	<b>\$500,000</b>	<b>(\$500,000)</b>	<b>\$0</b>
Eliminates the specific line item (and related boilerplate) for the Michigan Nursing Corps program. The program makes grants available to universities and health systems to provide financial assistance to students earning advanced nursing degrees, with the receipt of grant assistance by individual students contingent on the student staying in Michigan to teach nursing students. Funding for the program (federal Workforce Investment Act funds) is moved into the Workforce Programs Subgrantees line item.	Federal	500,000	(500,000)	0
<b>15. Michigan Business One-Stop Web Portal</b>	<b>Gross</b>	<b>N/A</b>	<b>\$1,820,000</b>	<b>\$0</b>
Provides additional authorization for LARA to support its share of the Michigan Business One-Stop Web portal. The website provides a single website for businesses and professionals to locate licensing and regulatory information, with assistance offered through a customer call center. The FY 2010 budget included a partial adjustment for this purpose, with LARA absorbing the remaining cost within existing appropriations. Prior to the reorganization, LARA accounted for nearly 2/3 of the cost of the Business One-Stop, based on the volume of licensing and permitting activity of it and other departments.	Restricted	N/A	1,820,000	0
<b>16. Real Estate Continuing Education</b>	<b>Gross</b>	<b>\$18,384,600</b>	<b>\$28,000</b>	<b>\$0</b>
Increases spending authority for the Bureau of Commercial Services to properly ensure compliance with the statutorily-imposed continuing education requirements for real estate licensees. As a condition of license renewal, real estate licenses must meet certain continuing education requirements in every year of a triennial license period.	Restricted	18,384,600	28,000	0
<b>17. Wage and Hour Division</b>	<b>Gross</b>	<b>\$3,346,800</b>	<b>(\$110,000)</b>	<b>\$0</b>
Reduces funding for the division through the elimination of lapsed GF/GP funds. By law, GF/GP funds are to be the last spent. GF/GP funding only accounts for 10.7 percent of the FY 2011 Gross Appropriation for the division.	Restricted	2,991,800	0	0
	GF/GP	\$355,000	(\$110,000)	\$0

*Note: Under EO 2011-4, WHD oversight over laws pertaining to youth employment would be moved to the Department of Education and prevailing wages on state-funded projects would be moved to the Michigan Strategic Fund.*

**House Changes**

<b>Major Budget Changes From FY 2010-11 YTD Appropriations</b>		<b>FY 2010-11 YTD (as of 2/17/11)</b>	<b>FY 2010-11 to FY 2011-12</b>	<b>FY 2011-12 to FY 2012-13</b>
<b>18. Workforce Programs Administration</b>	<b>Gross</b>	<b>\$13,176,000</b>	<b>(\$529,200)</b>	<b>\$0</b>
Reduces funding for the Bureau of Workforce Transformation through the elimination of lapsed funds. The workforce programs administration line supports the administration and program support for WIA (NWLB), TAA, and JET programs delivered through the Michigan Works! Agencies.	Federal	12,646,800	0	0
	GF/GP	\$529,200	(\$529,200)	\$0
<i>Note: Under EO 2011-4, the Bureau of Workforce Transformation would be reorganized as the Workforce Development Agency within the Michigan Strategic Fund.</i>				
<b>19. Commission on Disability Concerns</b>	<b>Gross</b>	<b>\$1,190,500</b>	<b>(\$10,700)</b>	<b>\$0</b>
Takes an administrative reduction through the elimination of lapsed appropriations.	Federal	666,200	0	0
	Private	18,700	0	0
	Restricted	93,400	0	0
	GF/GP	412,200	(\$10,700)	\$0
<i>Note: Under EO 2011-4, the CDC would be transferred to the Department of Civil Rights.</i>				
<b>20. Michigan Rehabilitation Service</b>	<b>Gross</b>	<b>\$73,641,400</b>	<b>(\$4,012,800)</b>	<b>\$0</b>
Reduces spending authorization from local cash-match sources to align spending authorization with actual resources available to the department. An additional reduction of \$250,000 GF/GP is realized with the removal of one-time funding available to the MRS to support a project providing recreational facilities to persons with disabilities.	Federal	60,859,400	0	0
	Local	2,684,500	(3,762,800)	0
	Private	816,000	0	0
	Restricted	1,401,800	0	0
	GF/GP	7,879,700	(\$250,000)	0
<b>21. Welfare to Work</b>	<b>Gross</b>	<b>\$96,923,800</b>	<b>(\$3,765,000)</b>	<b>\$0</b>
Reduces funding for the Welfare to Work line item (the JET program) to align federal TANF authorization with available funding provided by the Department of Human Services and distributed for the 25 Michigan Works! Agencies.	Federal	81,699,000	(3,765,000)	0
	GF/GP	\$15,224,800	\$0	\$0
<b>22. Unemployment Insurance Agency</b>	<b>Gross</b>	<b>\$144,923,200</b>	<b>(\$4,494,500)</b>	<b>\$0</b>
Reduces funding by \$4.5 million in federal Reed Act funds unexpended by the UIA. Reed Act funds were made available to the states in 2002, with Michigan's share totaling \$291.5 million. Over the years, the state expended those funds for IT improvements to the UIA and employment service initiatives. The UIA does not use these funds to support UIA administrative costs. These funds are to be appropriated in FY 2011 (HB 4407) to support the costs of replacing the UIA's legacy systems with an integrated IT system for it tax and benefits programs.	Federal	143,423,200	(4,494,500)	0
	Restricted	1,500,000	0	0
<b>23. State Office of Administrative Hearings and Rules</b>	<b>Gross</b>	<b>\$24,910,100</b>	<b>(\$1,057,100)</b>	<b>\$0</b>
Reduces funding for SOAHR from interdepartmental grants (IDGs) provided by the Department of Corrections and the Department of Environmental Quality to support SOAHR conducted administrative hearings (contested case hearings) on behalf of those agencies. This change simply aligns the LARA budget with funding provided through the DOC and DEQ budgets.	IDG	12,846,300	(1,057,100)	0
	Federal	7,296,900	0	0
	Restricted	4,766,900	0	0
<i>Note: Under EO 2011-4 and 2011-5, SOAHR is to be split into two offices: (1) the Michigan Administrative Hearings System and (2) the Office of Regulatory Reinvention.</i>				
<b>24. Economics Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$17,264,500</b>	<b>\$13,006,300</b>
Accounts for increases in retirement costs. Other employee economic components (salaries and wages, insurance, worker's compensation claims) and rent and building occupancy charges are reduced or held flat.	IDG	N/A	484,300	364,400
	Federal	N/A	9,060,200	6,817,900
	Local	N/A	35,800	0
	Private	N/A	1,500	0
	Restricted	N/A	6,959,900	5,249,600
For FY 2013, economics adjustments (insurance and retirement costs) are added as a separate line item, rather than being spread among the several line items.	GF/GP	N/A	\$722,800	\$574,400

<u>Major Budget Changes From FY 2010-11 YTD Appropriations</u>		FY 2010-11 YTD (as of 2/17/11)	House Changes	
			FY 2010-11 to FY 2011-12	FY 2011-12 to FY 2012-13
<b>25. Retirement Savings</b>	<b>Gross</b>	N/A	<b>(\$1,824,900)</b>	<b>\$0</b>
Realizes some cost savings relative to the recent retirement of employees through the elimination of unfilled vacancies.		Federal	(1,200,700)	0
		Restricted	(\$624,200)	0
<b>26. Fund Shifts</b>	<b>Gross</b>	N/A	<b>\$0</b>	<b>\$0</b>
Shifts authorization among various fund sources to more accurately reflect expenditure needs. Most of these shifts net out to zero within the same general fund source category (e.g. federal, restricted, etc.) One shift, concerning the Public Service Commission, decreases the MPSC's authorization from Public Utility Assessments (PUA) and increases the authorization from federal gas pipeline safety inspection funds. Recent years have seen the federal government pick up a higher share of the cost. (This shift is made in the March 21, 2011 FY 2011 legislative transfer.)		Federal	170,000	0
		Restricted	(170,000)	0

**Major Boilerplate Changes From FY 2010-11**

**NOTES:** (1) No new boilerplate language is proposed for FY 2012-13. (2) Under the Executive Recommendation, standard boilerplate sections appear in Article 20 of the proposed omnibus bill. Section numbers listed at the end of each description – e.g. Sec. 7-201 – are Executive section numbers.

**Sec. 201. State Spending From State Resources and Payments to Local Units of Government – REVISED**

Specifies the amount of state spending from state resources, and the amount to be paid to local units of government. (Sec. 7-201)

**Sec. 202. Applicability of the Management and Budget Act – RETAINED**

Subjects appropriations to the Management and Budget Act, 1984 PA 431. (Sec. 20-202)

**Sec. 203. Definitions and Acronyms – REVISED**

Defines various acronyms appearing in the act. The section is revised to include various acronyms used in the bill and delete various acronyms not used in the bill. (Sec 7-202)

**Sec. 204. Civil Service 1% Charge – RETAINED**

Allows the Civil Service Commission to bill departments and agencies at the end of the first quarter for the 1% classified service payroll charge authorized by the Constitution; payments are to be made by the end of the second quarter. (Sec. 17-401)

**Sec. 205. Hiring Freeze – NEW**

Imposes a hiring freeze on the department, with the State Budget Director permitted to grant exceptions to the restriction if filling a position meets certain requirements. Similar language had existed in prior year budgets, but was deleted in FY 2011.

**Sec. 208. Internet Reporting Requirements – RETAINED**

Outlines requirements regarding the use of the Internet to fulfill legislative reporting requirements under the act. (Sec. 20-203)

**Sec. 209. Buy American and Buy Michigan Requirements – RETAINED**

Prohibits the use of funds to purchase foreign goods or services if competitively priced and comparable quality American goods or services are available; state preference for Michigan-business supplied goods or services. The Executive deletes this section; the House retains it.

**Sec. 210. Deprived and Depressed Communities – RETAINED**

Requires the LARA director to take steps to ensure Michigan businesses in deprived and depressed communities compete for and perform state contracts; encourages subcontracting with businesses in deprived and depressed communities. The Executive deletes this section; the House retains it.

**Sec. 211. Affirmative Action Guidelines – DELETED**

Directs LARA to maintain affirmative action programs based on guidelines developed by the State Equal Opportunity Workforce Planning Council in compliance with Section 26 of Article 1 of the State Constitution of 1963.

**Sec. 211. Information Technology Work Projects – NEW**

Permits funds appropriated in Part 1 for information technology to be designated as work projects, and carried forward into subsequent fiscal years. Includes specific work project designation for the LCC purchasing and inventory system IT project added by the House..

**Sec. 213. User Fees for Information Technology – RETAINED**

Directs LARA to use the appropriation for IT services and projects for user fees to DTMB subject to an interagency agreement. The Executive deletes this section; the House retains it.

## **Major Boilerplate Changes From FY 2010-11**

### **Sec. 215. Communications with the Legislature – NEW**

Prohibits the department from taking disciplinary action against an employee for communication with a member of the legislature or its staff. This section is standard appropriation language and was previously included in the LARA budget.

### **Sec. 216. Appropriated Funds De-Aggregation – DELETED**

States intent that all Part 1 fund sources not be aggregated into general categories, but be specifically identified as much as possible.

### **Sec. 217. Travel Expenditure Limitations – RETAINED**

Details general travel limitations and exceptions; prohibits more than one LARA employee from travelling out-of-state for training conferences unless the travel was funded by federal or private funds. The Executive deletes this section; the House retains it.

### **Sec. 220. Federal Funds Carry-Forward – RETAINED**

Permits LARA to carry-forward unexpended federal pass-through funds that do not require additional state matching funds; appropriates federal pass-through funds to local institutions that do not require additional state matching funds. The Executive deletes a reporting requirement; the House retains it. (Sec. 7-203)

### **Sec. 221. Prohibits Purchase of Legal Services – RETAINED**

Prohibits the purchase of legal services from third parties that are the responsibility of the Attorney General. The Executive deletes this section; the House retains it.

### **Sec. 223. Contingency Funds – RETAINED**

Permits the appropriation of federal, state restricted, local, and private contingency funds up to specified amounts, subject to the legislative transfer process. (Sec. 7-204)

### **Sec. 225. Private Grant Funded Projects and State Energy Efficiency Project – REVISED**

Requires a report to the Legislature within 10 days of the receipt of grants for the private grant funded projects and a report to the Legislature on the federal State Energy Efficiency Project grant program funds received by the Bureau of Energy Systems. The Executive deletes this section; the House retains it, but deletes the reporting requirement on the BES since those funds are no longer available.

### **Sec. 226. General Fund/General Purpose Lapse Report – RETAINED**

Requires LARA to submit a report providing estimates of GF/GP lapses for departmental programs. The Executive deletes this section; the House retains it.

### **Sec. 227. Sale of Documents – RETAINED**

Allows LARA to sell certain documents at a cost not to exceed the cost of production and distribution; funds to be used for costs directly related to updating and distributing these documents. (Sec. 7-205)

### **Sec. 228. Increased Payment Options – RETAINED**

Allows LARA to receive payments for licenses, permits, and fees via credit card and other electronic means of payment. The Executive deletes this section; the House retains it.

### **Sec. 231. Transparency Website – REVISED**

Requires LARA to post on a publicly accessible website a listing of all expenditures in the fiscal year, and a description of the purpose of each expenditure. Limits the amount expended by LARA for the website to \$10,000. Requires a quarterly report on FTEs by pay status and civil service classification. The Executive deletes this section; the House retains it, but deletes the limit on the cost of it, and deletes the FTE report.

### **Sec. 232. LARA Television Productions – NEW**

Prohibits the department from developing or producing television productions.

### **Sec. 234. Carry-Forward Funds Report – NEW**

Requires the department to report on the amount of funds carried forward into the next fiscal year.

### **Sec. 301. Fire Protection Grants – RETAINED**

Requires that these grants be distributed in accordance with 1977 PA 289. The Executive deletes this section; the House retains it.

### **Sec. 301a Fire Protection Grant Report – RETAINED**

Requires local units receiving fire protection grant funds to report to LARA how those funds are expended and to report the fire-related expenditures on state property; requires LARA report to Legislature. The Executive deletes this section; the House retains it.

### **Sec. 302. Fire Safety Inspection and Plan Review Fees – RETAINED**

Establishes the schedule used to assess fees on hospitals and schools for fire safety inspections and plan reviews, in accordance with the Fire Prevention Code. (Sec. 7-301)

### **Sec. 302a. Fire Safe Cigarette Fine Revenue – RETAINED**

Appropriates revenue received by the Cigarette Fire Safety Standard and Firefighter Protection Act Fund created by 2009 PA 56. The fund receives civil fine revenue and is to be expended for fire safety and prevention programs. The Executive deleted this section (because the fund sources were rolled up); the House retains it.

## **Major Boilerplate Changes From FY 2010-11**

### **Sec. 303. Elevator Fees – RETAINED**

Allows license and permit fee revenue collected under the Elevator Licensing and Elevator Safety Board acts to be carried forward. (Sec. 7-302)

### **Sec. 304. Customized Fee Listings – RETAINED**

Allows LARA to provide customized lists of non-confidential information to interested parties; establishes fees; states that funds lapse to appropriate restricted fund account. (Sec. 7-303)

### **Sec. 320. Licensing and Regulation Fees – RETAINED**

Allows carryforward of generated from occupational licensing and regulation fees in excess of the appropriation. (Sec. 7-304)

### **Sec. 321. Real Estate Red Book Publishing – DELETED**

Allocates up to \$50,000 to resume printing of a reference book of real estate laws and rules known as the Red Book.

### **Sec. 323. Administration and Enforcement of Unarmed Combat – DELETED**

Requires use of \$200,000 from funds in part 1 for the administration and enforcement of unarmed combat (boxing and mixed martial arts) regulations.

### **Sec. 330. Expenditure of Additional Unemployment Insurance Funds – RETAINED**

Allows expenditure of federal funds authorized by the U.S. Department of Labor for the Unemployment Insurance Agency and employment services in excess of the amount appropriated; upon notification of the appropriations subcommittees and the State Budget Office. (Sec. 7-401)

### **Sec. 332. UI Computer System – REVISED**

Requires LARA to have a contract in place by April 11, 2011 to improve the UIA's computer system. The Executive deletes this section; the House deletes this section, but inserts new language requiring quarterly reports on the status of the IT upgrade.

### **Sec. 333. UI Internet Claims – RETAINED**

Requires LARA to work to increase the number of Internet-filed unemployment benefit claims. The Executive deletes this section; the House retains it.

### **Sec. 340. Workplace Deaths and Injuries – RETAINED**

Requires report to the Legislature on the number of persons killed or injured on the job in regulated industries. The Executive deletes this section; the House retains it.

### **Sec. 341. Ergonomics Standards Prohibited – REVISED**

Prohibits the promulgation of rules establishing workplace ergonomics standards that are more stringent than voluntary federal guidelines. [The Legislature has since enacted 2011 PA 10 prohibiting the MIOSHA from establishing workplace ergonomics standards.] The Executive deletes this section; the House deletes this section but inserts new language prohibiting the department from promulgating or adopting rules that are more stringent than any applicable federal standard unless specifically authorized by statute.

### **Sec. 350. Funds Collected Under the Administrative Procedures Act – RETAINED**

Appropriates funds collected under the Administrative Procedures Act (1969 PA 306) for the cost of publication and distribution of administrative procedures. (Sec. 7-205)

### **Sec. 361. Low Income/Energy Efficiency Assistance – REVISED**

Allows unexpended Low Income Energy Efficiency Fund revenue to be carried forward into the next fiscal year. The Executive deletes language establishing application and award deadlines and requiring a report to the Legislature is deleted. The House deletes the application and award deadlines, but keeps the reporting requirement. (Sec. 7-305)

### **Sec. 368. Regulatory Costs Report – RETAINED**

Requires LARA to provide a report to the legislature on the regulatory costs and activities of the Bureau of Commercial Services and the Bureau of Construction Codes. The Executive deletes this section; the House retains it.

### **Sec. 370. Liquor Law Enforcement Grant Report – DELETED**

Requires local units receiving liquor law enforcement grant funds (55% of retail liquor license revenue collected by the LCC) to report to the LCC on how those funds are spent, and also provide the amount of liquor-related fees imposed by the local unit, and the revenue generated by such fees; requires LCC report to Legislature.

### **Sec. 371. LCC Bootlegging Enforcement – DELETED**

Requires the Liquor Control Commission to coordinate its bootlegging enforcement activities with the enforcement activities of the Michigan State Police concerning tobacco taxes and other illegal cash transactions.

### **Sec. 390. Tax Tribunal Caseload Report – NEW**

Requires the Michigan Tax Tribunal to submit a report on the number of cases heard and the number of cases decided by SOAHR hearing officers, contractual hearing officers, and tribunal members.

## **Major Boilerplate Changes From FY 2010-11**

### **Sec. 401. Conservatorship Funds – RETAINED**

Appropriates funds collected by Office of Financial and Insurance Regulation in connection with conservatorship of a mortgage servicer to cover expenses of administering the conservatorship. (Sec. 7-306)

### **Sec. 402. Insurance Liquidation Funds – RETAINED**

Appropriates funds collected from corporations being liquidated by LARA pursuant to the Insurance Code to cover expenses of administering the liquidation. (Sec. 7-306). The Executive and House merge this section with Sec. 401.

### **Sec. 403. Health Care Grievance Process Awareness – DELETED**

Directs LARA to allocate funds to promote awareness of policy holders' right to request external review of adverse determination by a health benefit plan after exhaustion of health carrier's internal grievance process.

### **Sec. 601. Contributions to Michigan Career and Technical Institute (MCTI) – DELETED**

Allows MCTI to receive equipment and in-kind contributions from the Pine Lake Fund and other local or intermediate school districts.

### **Sec. 602. Sources of Matching Funds for Vocational Rehabilitation Programs – RETAINED**

Requires Michigan Rehabilitation Services to make every effort to ensure that all possible sources of funds are used to match federal vocational rehabilitation funds. The Executive deletes this section; the House retains it.

### **Sec. 603. Local Match Requirements for Facilities Establishment Grants – RETAINED**

Requires that local match for vocational rehabilitation facilities establishment grants not exceed 21.3% for the fiscal year ending September 30. The Executive deletes this section; the House retains it.

### **Sec. 604. Centers for Independent Living – RETAINED**

Distributes grant funds to state's centers for independent living. Funds are to be used by existing centers to provide services in underserved areas or to build capacity to provide independent living services, in accordance with applicable federal law and regulations. The Executive deletes this section; the House retains it.

### **Sec. 610. Commission for the Blind Case Services – RETAINED**

Provides that funds appropriated in part 1 for the Michigan Commission for the Blind may be used for tuition payments; permits carryforward. (Sec. 7-501)

### **Sec. 611. Michigan Commission for the Blind Matching Funds – RETAINED**

Establishes legislative intent that Michigan Commission for the Blind work collaboratively with service organizations to identify qualified match dollars to maximize use of available federal funds. The Executive deletes this section; the House adds a reference to the Michigan Rehabilitation Services.

### **Sec. 612. Youth Low-Vision Program – DELETED**

Identifies the Youth Low-Vision Program as the payer of last resort.

### **Sec. 613. Local Support for Subregional Library Services – RETAINED**

Requires subregional library's fiscal agency to maintain local support to receive subregional state aid. (Sec. 7-502)

### **Sec. 614. Approval of Budgets for Subregional Libraries – RETAINED**

Requires approval of budgets for subregional libraries by LARA prior to release of state funding. (Sec. 7-503)

### **Sec. 701. Defaulted Future Faculty Program Loan Collections – DELETED**

Appropriates up to \$100,000 collected on defaulted loans under Future Faculty Program in the King-Chavez-Parks initiative; states that funds be used to offset cost loan collection administration.

### **Sec. 710a. WIA Youth Grant Program – RETAINED**

Allows LARA to provide grants to non-profit organizations that offer programs to WIA-eligible youth focusing on entrepreneurship, work-readiness skills, job shadowing, and financial literacy. The Executive deletes this section; the House retains it.

### **Sec. 733. Activities Classification Structure – RETAINED**

Requires LARA to publish the Activities Classification Structure data book on or before March 1. The ACS data book provides information on tuition, enrollment, revenue, expenditures and other program data at each of the 28 community colleges in the state. (Sec. 7-504)

### **Sec. 734. North American Indian Tuition Waiver Report – RETAINED**

Requires LARA to compile a report on the NAITW program, which waives the tuition at community colleges for eligible North American Indians. (Sec. 7-504)

### **Sec. 735. Report on Associate's Degrees and Certificates – RETAINED**

Requires LARA to compile information on the types and number of associates degrees and other certificates granted by community colleges in the prior fiscal year. (Sec. 7-504)

## **Major Boilerplate Changes From FY 2010-11**

### **Sec. 801. JET Program Guidelines – RETAINED**

Establishes guidelines for administering Jobs, Education, and Training (JET) program, including work participation requirements for welfare recipients enrolled in program by referencing applicable federal and state laws. (Sec. 7-505)

### **Sec. 802. Work First Data Reporting – RETAINED**

Requires a three-year longitudinal study of former Work First and JET participants' employment and salary situations, benefits, job retention, and general welfare; requires notification of study's Internet site location by March 15. The Executive deletes this section; the House retains it.

### **Sec. 810. Workforce Development Boards – RETAINED**

Requires local workforce development boards to maintain partnerships with governmental agencies, schools, and colleges located within their service delivery areas; specifies membership of education advisory groups. The Executive deletes this section; the House retains it.

### **Sec. 811. Disabled Veterans Outreach Program – REVISED**

Stipulates staffing levels for disabled veterans outreach program specialists and local veterans employment representatives to assist veterans within Michigan Works! Employment service centers. The Executive deletes this section; the House shortens the language by simply requiring that each MWA shall have a DVOP specialist available and to make placing veterans and disabled veterans in employment a priority.

### **Sec. 812. Appropriation of Unexpended Workforce Training Funds – RETAINED**

Permits appropriation of unencumbered/unexpended Workforce Investment Act and Trade Adjustment Assistance funds from prior years; requires report to the Legislature on such appropriations. (Sec. 7-506)

### **Sec. 813. Workforce Training Funds Allocation – DELETED**

Allocates \$100,000 to an existing employer-led public/private workforce development program meeting certain criteria and \$100,000 an existing workforce development program operated collaboratively with local businesses and educational institutions meeting certain criteria.

### **Sec. 815. Workforce Funds for Libraries – RETAINED**

Provides that funds distributed to local Michigan Works! Agencies may be used by the MWAs for services provided at local libraries that serve as access points, service centers, or local partners serving high demand or underserved areas. The Executive deletes this section. The House retained this section and provides that MWA "shall" (rather than "may") allocate funds to libraries.

### **Sec. 816. Focus: HOPE Allocation – DELETED**

Allocates at least \$5.9 million from the workforce training programs subgrantees line item to Focus: HOPE.

### **Sec. 817. Gang Diversion – RETAINED**

States legislative intent to set aside some Workforce Investment Act (statewide activities) funds to support gang diversion activities and support services of local law enforcement and MWAs in Wyoming, Detroit, Benton Harbor, and Mt. Morris Charter Township. The Executive deletes this section; the House retains it.

### **Sec. 821. Michigan Nursing Corps – DELETED**

Describes purpose and funding for Michigan Nursing Corps program, including accelerated training of both nurses and nursing faculty, and allows matching grants to hospitals providing clinical nursing training.

### **Sec. 830. No Worker Left Behind Program – RETAINED**

Outlines report on program outcomes to be provided to the Legislature. The Executive deletes this section; the House retains it.

### **Sec. 832. No Worker Left Behind Eligibility – DELETED**

Mandates that LARA ensure that school districts and career preparation programs operated by school districts are eligible education providers under NWLB and other WIA-funded programs.

### **Sec. 901. Lump-Sum Appropriations – DELETED**

Directs the allocation of lump-sum appropriations and provides for the availability of lump-sum appropriations for no more than three years. (Related to the capital outlay appropriation for the MCB Kalamazoo Training Center.)

### **Sec. 902. Capital Outlay Appropriation Carry-Forward – DELETED**

Provides for the carry forward of capital outlay funds.

**DEPARTMENT OF TRANSPORTATION: FYs 2011-12 and 2012-13  
Summary: As Reported by the House Appropriations Committee  
Article 3, House Bill 4526 (H-1)**



**Analyst: William E. Hamilton**

	FY 2010-11 Year-to-Date as of 4/7/11	FY 2011-12 House	Difference: FY 2011-12 Vs. FY 2010-11		FY 2012-13 House	Difference: FY 2012-13 Vs. FY 2011-12	
			Amount	%		Amount	%
<b>IDG/IDT</b>	\$878,300	\$3,451,500	2,573,200	293.0	\$3,451,500	0	.
<b>Federal</b>	1,227,470,600	1,241,195,200	13,724,600	1.1	1,228,065,700	(13,129,500)	(1.1)
<b>Local</b>	56,496,000	53,968,500	(2,527,500)	(4.5)	51,711,900	(2,256,600)	(4.2)
<b>Private</b>	0	0	0		0	0	
<b>Restricted</b>	1,950,974,400	2,029,155,500	78,181,100	4.0	2,036,147,100	6,991,600	0.3
<b>GF/GP</b>	0	0	0		0	0	
<b>Gross</b>	\$3,235,819,300	<b>\$3,327,770,700</b>	<b>\$91,951,400</b>	<b>2.8</b>	<b>\$3,319,376,200</b>	(\$8,394,500)	(0.3)
<b>FTEs</b>	3,022.3	3,049.3	27.0	0.9	3,049.3	0.0	

**Overview**

The Transportation budget supports state and local highway programs, public transportation programs, aeronautics programs, and administration of the Michigan Department of Transportation (MDOT). Approximately two-thirds of the revenue in this budget comes from state restricted revenue, with approximately one-third from federal sources. There is no General Fund revenue appropriated in this budget. Almost all the state-restricted revenue in this budget is constitutionally-restricted – from motor fuel taxes and vehicle registration taxes. This revenue is first credited to the Michigan Transportation Fund (MTF) and then distributed in accordance with 1951 PA 51 (Act 51) to other state transportation funds and programs, including the State Trunkline Fund (STF) and the Comprehensive Transportation Fund (CTF), and to local road agencies.

*Gross appropriations* for FY 2011-12 are \$92.0 million more than the current year. This increase reflects anticipated increase in estimated state restricted revenue from motor fuel and registration taxes, and well as increases in estimated federal funds. However, *Gross appropriations* in the House bill are \$50 million less than the Governor's proposed budget; the House bill does not recognize as STF revenue \$50 million from the Canadian contribution to a proposed Detroit-Windsor bridge crossing project. The Governor's budget had assumed the use of that revenue as a source of matching funds to access federal aid highway funds.

Although the House bill does not recognize the \$50 million in STF/Canadian funds, federal revenue shown in the bill would be the same as the Governor's proposal. The House budget anticipates using toll credits to provide the match needed to access all federal aid available to the state. [Most federal aid transportation programs require a non-federal match – most commonly 20% of project cost. To recognize states with a high reliance on toll facilities, federal law allows use of capital expenditures made by toll facilities, such as toll bridges and toll roads, as a "soft match" for federal funds. Toll credits allow states to access federal funds if there are not sufficient non-federal matching funds. Since toll credits are a soft match, they are not appropriated or shown in the budget bill]. The House bill also provides an additional \$10 million for the state trunkline federal aid construction program, and an additional \$10 million for county road commissions, as compared to the Governor's budget. The increase in these line items would come from CTF revenue. This \$20 million reduction of CTF funds is taken equally from *Local bus operating* assistance and *Bus capital*.

The House bill would appropriate \$5.0 million for the MTF IDG to the Department of Treasury, \$3.4 million less than as proposed by the Governor, and redistributes the \$3.4 million savings to the CTF, the STF, and local road agencies in accordance with Act 51 formula.

The differences between the House bill and the Governor's proposed budget are carried forward and reflected in estimated FY 2012-13 appropriations.



		<u>House Changes</u>			
<u>Major Budget Changes From FY 2010-11 YTD Appropriations</u>		<u>FY 2010-11 YTD (as of 2/17/11)</u>	<u>FY 2010-11 to FY 2011-12</u>	<u>FY 2011-12 to FY 2012-13</u>	
<b>1. Debt Service</b>		<b>Gross</b>	<b>\$246,813,000</b>	<b>\$40,660,400</b>	<b>(\$41,005,200)</b>
Appropriation of \$287.5 million reflects anticipated debt service schedules. \$48.6 million increase in STF debt service reflects repayment of a \$40.0 million short-term note the department may issue, if necessary, in the current fiscal year to match federal funds. Increased in debt service from federal funds reflects federal grant anticipation notes or bonds the department may issue in the current fiscal year for the Blue Water Bridge Plaza project. CTF debt service would decline by \$9.9 million reflecting the May 2009 restructuring of CTF bonds.		Federal	45,832,100	7,602,200	24,000
		Restricted	200,980,900	33,058,200	(41,029,200)
<b>2. Support Services by Other State Departments</b>		<b>Gross</b>	<b>\$51,112,200</b>	<b>(\$2,742,300)</b>	<b>\$0</b>
Interdepartmental grants (IDGs) authorize the reimbursement of other state departments from restricted transportation funds for services provided to those transportation funds. Increases proposed in the Governor's budget reflect \$545,000 in economic increases, \$183,000 in cost allocation adjustments, less a \$91,600 technical adjustment.		Restricted	51,112,200	(2,742,300)	0
House reduces MTF IDG to Department of Treasury from \$8.4 million as proposed by the Governor to \$5.0 million; and reallocates \$3.4 million savings to the CTF, STF, and local road agencies in accordance with Act 51 formula.					
<b>3. Executive Direction</b>		FTEs	37.3	0.0	0.0
Includes <i>Unclassified salaries, Asset Management Council, and Office of Commission Audits</i> ; economic increases of \$161,500 would be offset by \$622,700 baseline reduction – part of \$16.0 million in STF administrative reductions to free up matching funds for federal-aid road and bridge program.		<b>Gross</b>	<b>\$5,662,200</b>	<b>(\$461,200)</b>	<b>\$0</b>
		Restricted	5,662,200	(461,200)	0
<b>4. Business Support</b>		FTEs	58.0	0.0	0.0
Includes <i>Business support, Economic development and enhancement, Property management, and Worker's compensation</i> . Reflects retirement-related economic increases, \$394,600; increased building occupancy costs, \$410,400; reduction in workers compensation costs, \$24,000; and baseline reductions of \$426,900 – part of \$16.0 million in STF reductions to free up matching funds for federal-aid road and bridge program.		<b>Gross</b>	<b>\$16,792,400</b>	<b>\$318,900</b>	<b>\$10,187,300</b>
		Restricted	16,792,400	318,900	10,187,300
FY 2012-13 change reflects "Active and retiree insurance and pension adjustment."					
<b>5. Information Technology</b>		<b>Gross</b>	<b>\$27,831,000</b>	<b>\$504,000</b>	<b>\$0</b>
Reflects economic adjustments.		Federal	520,500	0	0
		Restricted	27,310,500	504,000	0
<b>6. Finance, Contracts, and Support Services</b>		FTEs	250.5	27.0	0.0
Includes <i>Financial operations, Contract services, Department services, Performance excellence, and Welcome center operations</i> . Reflects economic increases of \$1.0 million, and baseline STF reductions of \$2.0 million – part of \$16.0 million in STF reductions to free up matching funds for federal-aid road and bridge program.		<b>Gross</b>	<b>\$24,621,500</b>	<b>\$1,591,900</b>	<b>\$0</b>
		Restricted	23,743,200	(981,300)	0
		IDG	878,300	2,573,200	0
IDG funding reflects accounting functions performed by MDOT for other state departments, \$878,300 in current year for Department of Agriculture; increase for FY 2011-12 reflects shift of DNR/DEQ accounting functions to MDOT.					

**House Changes**

**Major Budget Changes From FY 2010-11 YTD Appropriations**

**7. Transportation Planning**

Reflects economic increases of \$1.5 million; STF baseline reductions of \$927,100 – part of \$16.0 million in STF reductions to free up matching funds for federal-aid road and bridge program. Also restores \$10,000 (federal) spending authority lost when the Governor vetoed boilerplate Sec. 394 in the current year budget.

	FY 2010-11 YTD (as of 2/17/11)	FY 2010-11 to FY 2011-12	FY 2011-12 to FY 2012-13
FTEs	176.0	0.0	0.0
<b>Gross</b>	<b>\$37,865,200</b>	<b>\$549,800</b>	<b>\$0</b>
Federal	21,990,000	10,000	0
Restricted	15,875,200	539,800	0

**8. Design and Engineering Services**

Reflects economic increases of \$7.1 million; \$80,200 decrease related to position transfers; and STF program reductions of \$7.0 million – part of \$16.0 million in STF reductions to free up matching funds for federal-aid road and bridge program.

FTEs	1,492.8	(1.0)	0.0
<b>Gross</b>	<b>\$116,658,200</b>	<b>\$27,200</b>	<b>\$0</b>
Federal	23,529,800	0	0
Restricted	93,128,200	27,200	0

**9. State Trunkline Maintenance**

Reflects economic increases, \$2.3 million; increase related to position transfers, \$80,200; STF baseline reduction of \$5.0 million – part of \$16.0 million in STF reductions to free up matching funds for federal-aid road and bridge program, as well as additional \$5.0 million one-time decrease in baseline maintenance operations to match federal funds.

FTEs	836.7	1.0	0.0
<b>Gross</b>	<b>\$274,663,900</b>	<b>(\$7,646,200)</b>	<b>\$5,000,000</b>
Restricted	274,663,900	(7,646,200)	5,000,000

**10. State Trunkline Road and Bridge Construction**

The Governor's proposed budget identified sufficient state revenue to match all estimated available federal aid.

<b>Gross</b>	<b>\$796,226,200</b>	<b>\$57,272,900</b>	<b>\$38,849,700</b>
Federal	713,019,500	29,072,500	1,000
Local	30,000,000	0	0
Restricted	53,206,700	28,200,400	38,848,700

Although the House bill includes the same figure for federal funds as the Governor, the House does not recognize \$50 million in STF funds from the Canadian contribution to a proposed Detroit-Windsor crossing project. The House anticipates using toll credits to provide the additional match needed to access all federal aid available to the state. [Since toll credits are a soft match, they are not appropriated in the state budget bill.]

The House bill also provides an additional \$10.0 million as compared to the Governor's budget using CTF revenue as a fund source. The House bill recognizes \$1.2 million as STF funds realized from the reduction in the MTF IDG to the Michigan Department of Treasury.

**House Changes**

**Major Budget Changes From FY 2010-11 YTD**

**Appropriations**

**11. Local Federal Aid Road and Bridge Construction**

A placeholder reflecting estimated federal aid and the Act 51 directive that an average of 25% of most federal aid program funds be made available to local road agencies.

	<b>FY 2010-11 YTD (as of 2/17/11)</b>	<b>FY 2010-11 to FY 2011-12</b>	<b>FY 2011-12 to FY 2012-13</b>
<b>Gross</b>	<b>\$248,751,000</b>	<b>(\$8,308,000)</b>	<b>\$0</b>
Federal	248,751,000	(8,308,000)	0

**12. Local Bridge Fund**

Act 51 earmark reflects anticipated gasoline tax revenue.

<b>Gross</b>	<b>\$26,799,800</b>	<b>\$452,700</b>	<b>(\$52,600)</b>
Restricted	26,799,800	452,700	(52,600)

**13. MTF Distribution to Local Road Agencies**

Recognizes MTF distribution to county road commissions and cities/villages, based on February 2011 revenue estimates and Act 51 formula; actual distribution will be based on actual MTF revenue, which may differ from estimates.

<b>Gross</b>	<b>\$886,145,400</b>	<b>\$41,828,100</b>	<b>\$14,766,700</b>
Restricted	886,145,400	41,828,100	14,766,700

House also provides an additional \$10.0 million to *County road commissions* as compared to the Governor's budget using CTF revenue as a fund source. includes additional \$1.9 million from the reduction in the MTF IDG to the Michigan Department of Treasury.

**14. Transportation Economic Development Fund (TEDF)**

Continues into FY 2011-12 and FY 2012-13 the shift of \$12 million in driver's license fee revenue from Category "A" to the STF state trunkline road and bridge program to help provide matching funds for federal aid. Changes reflect minor changes in net available TEDF revenue.

<b>Gross</b>	<b>\$32,425,500</b>	<b>(\$199,300)</b>	<b>\$438,900</b>
Restricted	32,425,500	(199,300)	438,900

Does not include current year appropriation of \$1.0 million for "Non-profit street railways"; funding shifted to Category A program.

**15. Aeronautics and Freight Services**

Includes three operating line items, *Airport improvement services*, *Aviation services*, and *Freight and safety services*, as well as the *Aviation services* grant program. Reflects on-going reduction in State Aeronautics Fund (SAF) revenue.

FTEs	84.0	0.0	0.0
<b>Gross</b>	<b>\$11,694,400</b>	<b>(\$524,700)</b>	<b>(\$749,200)</b>
Restricted	11,694,400	(524,700)	(749,200)

**16. Public Transportation Services**

Administers passenger public transportation programs. Increase reflects economic adjustments.

FTEs	46.0	0.0	0.0
<b>Gross</b>	<b>\$5,827,600</b>	<b>\$265,800</b>	<b>\$0</b>
Federal	862,100	0	0
Restricted	4,965,500	265,800	0

**17. Bus Transit - Local Bus Operating Assistance**

Governor recommends \$166.6 million (CTF) for state operating assistance to local public transit agencies – unchanged since FY 2006-07.

<b>Gross</b>	<b>\$166,624,000</b>	<b>(\$9,662,100)</b>	<b>\$0</b>
Restricted	166,624,000	(9,662,100)	0

House reduces the line by \$10.0 million, as compared to the Governor, part of a \$20.0 million redirection of CTF revenue to road programs, less \$337,900 realized from the reduction in the MTF IDG to the Michigan Department of Treasury. These changes would be carried into FY 2012-13.

**18. Bus Transit - Non-Urban Operating/Capital**

Recognizes federal non-urban transit grants.

<b>Gross</b>	<b>\$22,787,900</b>	<b>\$0</b>	<b>\$0</b>
Federal	21,987,900	0	0
Local	800,000	0	0

**19. Rail Passenger Service**

State restricted funds provide operating assistance for AMTRAK rail service between Port Huron/Chicago and Grand Rapids/Chicago; federal revenue supports capital assistance.

<b>Gross</b>	<b>\$11,667,000</b>	<b>\$0</b>	<b>\$0</b>
Federal	3,000,000	0	0
Restricted	8,667,000	0	0

**House Changes**

**Major Budget Changes From FY 2010-11 YTD**

**Appropriations**

**20. Intercity Services**

Provides \$650,000 in additional CTF support; reduces Intercity Bus Equipment Fund authorization by \$1.8 million to reflect actual revenue.

	FY 2010-11 YTD (as of 2/17/11)	FY 2010-11 to FY 2011-12	FY 2011-12 to FY 2012-13
<b>Gross</b>	<b>\$7,250,000</b>	<b>(\$1,150,000)</b>	<b>\$0</b>
Federal	4,500,000	0	0
Local	50,000	0	0
Restricted	2,700,000	(1,150,000)	0

**21. Freight Preservation and Development**

Provides additional CTF support to program that supports capital improvements to state owned rail property.

<b>Gross</b>	<b>\$3,364,200</b>	<b>\$1,735,800</b>	<b>\$0</b>
Federal	100,000	0	0
Restricted	3,264,200	1,735,800	0

**22. Specialized Services**

Supports transit programs for elderly and disabled citizens. Increase reflects anticipated federal and CTF revenue.

<b>Gross</b>	<b>\$7,443,800</b>	<b>\$1,470,000</b>	<b>\$0</b>
Federal	1,785,000	700,000	0
Local	1,700,000	785,000	0
Restricted	3,958,800	(15,000)	0

**23. Municipal Credit Program**

Reflects Act 51 earmark level of not less than \$2.0 million.

<b>Gross</b>	<b>\$2,000,000</b>	<b>\$0</b>	<b>\$0</b>
Restricted	2,000,000	0	0

**24. Bus Capital/Transit Capital**

Provides increased state CTF matching funds for federal transit grants to local transit agencies.

<b>Gross</b>	<b>\$41,300,000</b>	<b>(\$1,251,600)</b>	<b>\$0</b>
Federal	28,300,000	0	0
Local	5,000,000	0	0
Restricted	8,000,000	(1,251,600)	0

House reduces line by \$10.0 million (CTF), as compared to the Governor, part of a \$20.0 million redirection of CTF revenue to road programs. This change would be carried into FY 2012-13.

**25. State/Local Capital Facilities Projects**

Provides \$3.0 million for department facilities. Reflects the end of one time funding for new Port Huron Welcome center replacement, and Blue Water Bridge facilities.

<b>Gross</b>	<b>\$12,891,100</b>	<b>(\$9,889,600)</b>	<b>\$0</b>
Federal	6,514,800	(6,514,800)	0
Restricted	6,376,300	(3,374,800)	0

**26. AERO Capital Projects**

Provides funding for federal Airport Improvement Program; reflects anticipated program funding.

<b>Gross</b>	<b>\$123,246,400</b>	<b>(\$13,495,800)</b>	<b>(\$15,830,100)</b>
Federal	102,927,900	(8,837,300)	(13,154,500)
Local	16,446,000	(3,312,500)	(2,256,600)
Restricted	3,872,500	(1,346,000)	(419,000)

**27. Economics**

Estimated additional funding needed to maintain baseline service levels. Net increase reflects \$14.6 million increase for retirement contributions, \$1.3 million decrease for health insurance, \$24,000 decrease for workers compensation, and \$410,400 increase in building occupancy costs.

<b>Gross</b>	<b>N/A</b>	<b>\$14,207,200</b>	<b>\$10,187,300</b>
Restricted	N/A	14,207,200	10,187,300

Executive budget detail shows a \$10.2 million increase in FY 2012-13 for "Active and retiree insurance and pension adjustment."

**Boilerplate Changes From FY 2010-11**

**NOTE:** No boilerplate language is proposed for FY 2012-13

**Sec. 201. Total State Payments/Payments to Local Units – MODIFIED**

Identifies total state spending; payments of state funds to local units of government from the funds appropriated. Updated to reflect Part 1 appropriations.

**Sec. 202. Management and Budget Act – RETAINED**

Indicates that appropriations are subject to the Management and Budget Act.

**Sec. 203. Abbreviations – RETAINED**

Defines abbreviations.

**Sec. 204. Civil Service Charge – RETAINED**

Requires Department of Civil Service to bill departments at the end of the first fiscal quarter for 1% charge authorized in the Constitution; requires payment by the end of the second fiscal quarter.

## **Boilerplate Changes From FY 2010-11**

### **Sec. 205. Hiring Freeze – RETAINED**

Imposes a hiring freeze for state civil service positions. State Budget Director given authority to grant exceptions to the hiring freezes if specific criteria are met.

### **Sec. 206. Contingency Appropriations – RETAINED**

Provides for contingent federal, state, local, and private appropriations per Management and Budget Act.

### **Sec. 207. Privatization – DELETED**

Provides for reports on privatization activities and defines privatize and privatization.

### **Sec. 207 Transparency – MODIFIED**

Directs department to develop, post, and maintain on a publically accessible website expenditures made during the fiscal year. (Modified to delete FTE report; renumbered from Sec. 266 in current year budget.)

### **Sec. 208. Internet Reporting – RETAINED**

Requires Department to use the Internet to fulfill reporting requirements.

### **Sec. 209 Purchase of Foreign Goods – RETAINED**

Prohibits the purchase of foreign-made goods if comparable American or Michigan goods are available. Gives preference to Michigan businesses owned or operated by veterans.

### **Sec. 210. Economically Distressed Areas – RETAINED**

Encourages the department to contract with businesses in economically distressed areas

### **Sec. 212. Receive/Retain Reports – RETAINED**

Requires department to retain reports funded from appropriation in part 1. (Renumbered from Sec. 211 in current year.)

### **Sec. 211 and 214. Information Technology – RETAINED**

Requires Department to pay user fees to Department of Technology, Management, and Budget subject to provisions of interagency agreement. Allows IT projects to carry forward as work projects.

### **Sec. 215. Communication with the Legislature – RETAINED**

Prohibits the department from taking disciplinary action against an employee for communicating with a legislator or his/her staff. (Renumbered from Sec. 261 in current year.)

### **Sec. 216. Out-of-State Travel – RETAINED**

Limits out-of-state travel. (Renumbered from Sec. 260 in current year.)

### **Sec. 226. Hire of Outside Legal Counsel – RETAINED**

Prohibits the department from hiring a person to provide legal services that are the responsibility of the Attorney General but exempts legal services for bonding or other activities authorized by the Attorney General. (Renumbered from Sec. 262.)

### **Sec. 228. General Fund Lapse Report – NEW**

Requires report on estimated GF/GP lapses.

### **Sec. 263. Impact of New Legislation and Administrative Rules – DELETED**

Requires a report on specific policy changes adopted to implement new public acts. Prohibits the department from adopting administrative rules that have a disproportionate impact on small business.

### **Sec. 301. Permit Fees/Bridge Tolls – MODIFIED**

Provides for permit and FOIA processing fees; House deletes subsection providing process for raising bridge tolls is not included.

### **Sec. 304. Confidentiality of Bid Documents – RETAINED**

Provides for confidentiality of highway project bid documents.

### **Sec. 305. Lease of Space in Public Transportation Property – DELETED**

House deletes current year language requiring lease of space in public transportation facilities at market rates and that revenue be used for property maintenance/improvements.

### **Sec. 306. Use of Transportation Funds by Other State Agencies/Biennial Audit – MODIFIED**

Sets guidelines for use of transportation funds (grants) by other state agencies. House deletes current year subsections providing for reporting requirements and biennial audit.

### **Sec. 307. Rolling Five-Year Plan – DELETED**

House deletes requirement that department provide rolling five-year highway construction plan by March 1 of each year.

### **Sec. 308. Contract Compliance – MODIFIED**

Requires that MDOT and local road agencies pursue compliance with contract specifications for construction and maintenance; provides for sanctions for unsatisfactory contractors; requires a report. House adds subsection prohibiting the department from reducing or restricting a contractor's prequalification until all administrative appeals have been exhausted.

## **Boilerplate Changes From FY 2010-11**

### **Sec. 309. Administrative Costs – DELETED**

Requires MDOT to continue its efforts to reduce administrative costs.

### **Sec. 310. State Transportation Commission Minutes/Agenda – DELETED**

House deletes current year language requiring department provide copies of minutes and agenda to House and Senate Appropriations Subcommittees on Transportation, House and Senate Fiscal Agencies, and State Budget Director.

### **Sec. 312. State Trunkline Fund Carryforward – RETAINED**

Allows carryforward authority for STF; appropriates for state trunkline federal aid and road and bridge program.

### **Sec. 313. State Infrastructure Bank – RETAINED**

Allows the department to increase and make loans from the State Infrastructure Bank.

### **Sec. 314. Report on Internal Auditor – DELETED**

House deletes current year language providing for report on activities of internal auditor; report due February 1.

### **Sec. 319. Rest Area Maintenance – DELETED**

House deletes current year language requiring signs/telephone numbers for reporting unclean and unsafe conditions at rest areas.

### **Sec. 321. Complete Streets/Enhancement Grants – DELETED**

House deletes current year language directing department give preference, in awarding Enhancement grants, to applicants which have adopted Complete Streets policies.

### **Sec. 322. Complete Streets/Universities – DELETED**

House deletes current year language directing department to work with requesting universities on Complete Streets policies.

### **Sec. 334. Disadvantaged Businesses Enterprise (DBE) Program – MODIFIED**

House deletes current year language which required MDOT to continue MBE/WBE program and reporting requirement; New language limits DBE goal to 5%; limits participation to 5 years.

### **Sec. 353. Prompt Payment – RETAINED**

Directs MDOT to review contractor payment process to ensure that contractors and subs are paid promptly.

### **Sec. 354. Solicit Proposals for Improper Payment Audit – NEW**

House directs department to solicit proposals for an audit of improper payments by March 1, 2012; report to Legislature by September 1, 2012.

### **Sec. 357. Local Federal Aid Project Review – DELETED**

House deletes language directing MDOT complete project reviews within 120 days; requires system for monitoring review process.

### **Sec. 374. MDOT Employee Newsletters – DELETED**

House deletes current year language which requires department to distribute employee newsletters electronically.

### **Sec. 375. MDOT Open Houses and Groundbreaking Ceremonies – RETAINED**

Prohibits MDOT from reimbursing contractors or consultants for groundbreaking ceremonies, receptions, open houses, or press conferences related to transportation projects funded from appropriations made in Act.

### **Sec. 376. Deferred Project Report – DELETED**

House deletes current year language which requires a report on the status of 17 projects deferred in 2003.

### **Sec. 382. Use of State Airfleet – NEW**

House directs department to sell one of two MDOT-owned Beechcraft turbo-prop aircraft by September 30, 2012.

### **Sec. 383. Report on Use of State Airfleet – DELETED**

House deletes language which required quarterly report on use of MDOT-owned aircraft; recovery of department costs.

### **Sec. 384. Detroit River International Crossing (DRIC) – MODIFIED**

House limits spending on DRIC or related projects; requires legislative report by March 31, 2012; indicates that spending restrictions of the section will not apply if DRIC enabling legislation is enacted.

### **Sec. 385. Private Facility Toll Credits – MODIFIED**

Restricts use of toll credits earned from private toll facilities. House adds language to direct department to use all available toll credits from private toll facilities to match available federal funds

### **Sec. 393. Best Practices for Public Transportation – DELETED**

House deletes current year language directing Directs department to support best practices.

### **Sec. 395. County Road C-56 Jurisdiction – DELETED**

House deletes intent language that department assume jurisdiction of County Road C-56 in Charlevoix County.

## **Boilerplate Changes From FY 2010-11**

### **Sec. 398. Street Railway Appropriation – MODIFIED**

Executive proposed language provides for \$0 appropriation to a street railway pursuant to section 10e(22) of 1951 PA 51; the appropriation had been \$1 million in current year budget. House concurs with Executive.

### **Sec. 401. Federal Aid Distribution Report – DELETED**

House deletes current year language requiring Department to notify local agencies, Legislature, and state budget director on proposed distribution of federal funds between state and local units.

### **Sec. 402. Sale of Local Federal Aid – RETAINED**

Authorizes local road agencies to sell federal aid to Department or to other local road agencies.

### **Sec. 501. Motor Carrier Act – RETAINED**

Describes distribution of revenue received under the Motor Carrier Act (1933 PA 254).

### **Sec. 502. Treasury Audits of Local Road Agencies – DELETED**

House deletes current year language which provided for audits of local road agencies by Department of Treasury.

### **Sec. 503. TEDF/Local Bridge Fund Carryforward – RETAINED**

Provides carryforward authority for TEDF and Local Bridge funds; prevents diversion for other purposes; authorizes use of federal, local, or private funds for program. .

### **Sec. 504. MTF Distribution – MODIFIED**

Requires use of MTF in accordance with Act 51 requirements.

### **Sec. 601. Road Construction Warranties – DELETED**

House deletes current year language which encouraged use of road construction warranties; reporting requirement.

### **Sec. 602. Manufactured Pipe – DELETED**

House deletes current year language which provides standards for use and testing of manufactured pipe.

### **Sec. 603. Traffic Congestion – DELETED**

House deletes current year language directing Department to consider traffic congestion be used as criteria in project selection.

### **Sec. 604. Work Zone Safety Signs – DELETED**

House deletes current year language indicating legislative intent that the department place signs in work zones notifying vehicle operators of increased penalties for traffic offenses in work zones.

### **Sec. 607. Interchange – I-75 at Corunna Road, Flint – DELETED**

House deletes current year language regarding proposed project.

### **Sec. 610. Dead Deer – DELETED**

House deletes current year language regarding legislative intent regarding clean-up of dead deer and other large animal remains.

### **Sec. 612. Incentive/Disincentive – DELETED**

House deletes current year language which requires Department to establish guidelines for use of incentive/disincentive contracts; establishes a reporting requirement; report due January 1st of each year.

### **Sec. 615. Interchange M-48 and I75 in Chippewa County – DELETED**

House deletes current year language which indicates legislative intent that Department construct full interchange.

### **Sec. 654. Long-term Viability of Mackinac Bridge – DELETED**

House deletes current year language regarding legislative intent that the Mackinac Bridge Authority protect long-term viability of the Mackinac Bridge.

### **Sec. 656. M-49 Upgrade “Green Highway” – DELETED**

House deletes current year intent language that the Department upgrade M-49 in Hillsdale County to a “designated” truck route.

### **Sec. 658. Interchange at I-196 and Phoenix Road in South Haven – DELETED**

House deletes current year language indicating legislative intent that Department reconstruct interchange.

### **Sec. 659. Life Cycle Cost for Pavement Projects – DELETED**

Allows the use of historical/comparable data from states with similar climate, soil, and vehicular traffic.

### **Sec. 660. Use of Alternative Materials – MODIFIED**

Encourages the department to examine the use of alternative road surface materials.

House includes reference to crumb rubber from tires.

### **Sec. 661. Completion of US-127 St. Johns to Ithaca – DELETED**

House deletes current year language indicating intent that Department complete engineering and right of way acquisition.

### **Sec. 662. Improved Emergency Response Access Point, Laketown Township – DELETED**

House deletes intent language regarding emergency access on US-31 in Allegan County.

## **Boilerplate Changes From FY 2010-11**

### **Sec. 664. Use of Additional MTF Revenue – DELETED**

House deletes current year language that revenue in excess of revenue estimates be used to reinstate delayed projects.

### **Sec. 665. Prohibition on Land Purchase for Watervliet I-94 rest area – DELETED**

House deletes current year intent language that appropriated funds not be used for property acquisition related to new rest area.

### **Sec. 701. Intercity Bus Equipment Fund – RETAINED**

Provides for separate accounting and carryforward authority for this fund.

### **Sec. 702. Rail Preservation Fund – RETAINED**

Provides for accounting and carryforward authority; reference to State Transportation Preservation Act of 1976 (1976 PA 295).

### **Sec. 703. Rail Abandonment Notice – DELETED**

House deletes current year language requiring notification of Legislature when railroad companies file for abandonment of lines.

### **Sec. 706. Detroit/Wayne County Port Authority – RETAINED**

Requires report due by February 15 of each year.

### **Sec. 708. Intercity Bus Equipment Program – DELETED**

House deletes current year language requiring annual lease of not less than \$1,000.

### **Sec. 709. Intercity Bus Essential Corridor – DELETED**

House deletes section which identifies essential bus corridors and restrictions on intercity operating subsidies.

### **Sec. 711. Seven-Day Rail Passenger Service (AMTRAK) – DELETED**

House deletes section directing Department negotiate with a rail carrier to provide seven-day Port Huron/Chicago and Grand Rapids/Chicago service.

### **Sec. 714. Local Transit Demand-Response Services – DELETED**

House deletes current year language requiring that Department, in cooperation with local transit agencies, work to ensure that demand-response services are provided throughout Michigan.

### **Sec. 731. Intercity Bus Space Rental – DELETED**

House deletes current year language which required Department to charge transit agencies and intercity bus carriers the same rent when leasing similar space in state-owned intermodal facilities.

### **Sec. 734. Transit Agency Service Performance Measures – DELETED**

House deletes section directing that Department work to ensure that transit agencies meet certain service performance measures.

### **Sec. 740. Review of CTF Fund Balances – DELETED**

House deletes current year language requiring report on unencumbered CTF balance by March 1 of each year.

### **Sec. 741. Ann Arbor and Northwest Michigan Railroad – DELETED**

House deletes section requiring report on progress made to improve rail track to support passenger trains at 59 MPH..

### **Sec. 743. Use HEV Vehicles – DELETED**

House deletes section encouraging department to include hybrid electric vehicles in RFPs purchased through the department.

### **Sec. 745. Appropriation of CTF Debt Service – DELETED**

Executive did not include language regarding transfer of bond proceeds to bond proceeds account. House concurs.

### **Sec. 801. State Aeronautics Fund – RETAINED**

Requires that unexpended funds in the State Aeronautics Fund lapse back to the fund.

### **Sec. 901. Aeronautics Capital Program – RETAINED**

Permits department to contract for airport improvement projects on behalf of local airport owners; local match requirements, requires local agencies to obtain authorization before submitting projects to federal agencies.

### **Sec. 902. Aeronautics Capital Program Status Report – DELETED**

House deletes current year reporting requirement.

### **Sec. 903. Capital Outlay Carry Forward – RETAINED**

Provides for carry forward authority in accordance with the Management and Budget Act.

### **Sec. 904. Capital Outlay Authorization/Lapse – RETAINED**

Language on allocation of lump-sum appropriations.