

OMNIBUS BUDGET: FY 2011-12
Summary: Conference Report
House Bill 4526 (H-3) CR-1



Mitchell E. Bean, Director

TOTAL APPROPRIATIONS BY BUDGET AREA

Budget Area (Bill Page) [Summary Page]	FY 2011-12 Line Item Appropriations		FY 2011-12 One-Time Boilerplate Appropriations		Total FY 2011-12 Appropriations	
	Gross	GF/GP	Gross	GF/GP	Gross	GF/GP
Agriculture & Rural Dev. (1) [2]	\$72,219,300	\$28,702,700	\$0	\$0	\$72,219,300	\$28,702,700
Community Health (25) [7]	14,241,316,400	2,771,183,500	52,962,800	22,100,000	14,294,279,200	2,793,283,500
Corrections (109) [14]	1,936,573,800	1,874,836,200	0	0	1,936,573,800	1,874,836,200
Education (189) [20]	117,313,000	22,013,900	0	0	117,313,000	22,013,900
Environmental Quality (213) [25]	414,520,000	21,491,600	6,000,000	6,000,000	420,520,000	27,491,600
General Government (252) [30]						
<i>Attorney General (254) [32]</i>	74,590,900	28,367,600	0	0	74,590,900	28,367,600
<i>Civil Rights (257) [34]</i>	13,730,200	10,679,000	0	0	13,730,200	10,679,000
<i>Executive Office (259) [36]</i>	4,399,200	4,399,200	0	0	4,399,200	4,399,200
<i>Legislature (260) [437]</i>	100,333,200	98,573,400	0	0	100,333,200	98,573,400
<i>Auditor General (261) [38]</i>	15,638,400	10,597,000	0	0	15,638,400	10,597,000
<i>State (263) [39]</i>	211,885,000	11,286,200	0	0	211,885,000	11,286,200
<i>Tech, Mgmt., Budget (269) [41]</i>	1,017,184,300	310,857,800	61,250,000	61,250,000	1,078,434,300	372,107,800
<i>Treasury (274) [46]</i>	2,459,480,900	249,976,100	105,000,000	75,000,000	2,564,480,900	324,976,100
Subtotal: General Government	3,897,242,100	724,736,300	166,250,000	136,250,000	4,063,492,100	860,986,300
Human Services (394) [53]	6,831,704,900	1,070,934,500	0	0	6,831,704,900	1,070,934,500
Judiciary (455) [58]	256,973,200	152,534,300	0	0	256,973,200	152,534,300
Licensing & Reg. Affairs (472) [60]	811,570,400	31,072,800	0	0	811,570,400	31,072,800
Military & Vets Affairs (509) [69]	152,483,500	33,044,900	0	0	152,483,500	33,044,900
Natural Resources (538) [72]	330,195,800	13,831,200	4,000,000	4,000,000	334,195,800	17,831,200
State Police (571) [77]	524,282,700	264,676,000	800,000	800,000	525,082,700	265,476,000
Transportation (605) [81]	3,327,770,700	0	500,000	500,000	3,328,270,700	500,000
TOTAL	\$32,914,165,800	\$7,009,057,900	\$230,512,800	\$169,650,000	\$33,144,678,600	\$7,178,707,900

- Notes:**
- (1) Outside of technical corrections, the line item and boilerplate contents for each budget area in House Bill 4526 (H-3) CR-1 are identical to the contents of the Senate Bill conference reports for individual budget areas that have been approved by conference committees (Senate Bills 169, 172-177, 179-182, and 184-185).
 - (2) The FY 2011-12 budgets for Community Colleges, Higher Education, and School Aid are contained in House Bill 4325 (H-1) CR-1.
 - (3) In addition to the appropriation amounts shown above, bill contains boilerplate language in General Government section transferring \$255.8 million in GF/GP funds to Budget Stabilization Fund.

AGRICULTURE AND RURAL DEVELOPMENT: FY 2011-12
Summary: Conference Report
Article I, House Bill 4526 (H-3) CR-1



Analyst: William Hamilton

	FY 2010-11 YTD as of 2/17/10	FY 2011-12 Executive	FY 2011-12 Senate	FY 2011-12 House	FY 2011-12 Conference	Difference: Conference From FY 2010-11 YTD	
						Amount	%
IDG/IDT	\$289,100	\$297,600	\$297,600	\$297,600	\$297,600	\$8,500	2.9
Federal	14,922,600	14,184,700	14,184,700	14,184,700	14,184,700	(737,900)	(4.9)
Local	0	0	0	0	0	0	--
Private	260,100	171,300	171,300	171,300	171,300	(88,800)	(34.1)
Restricted	30,679,400	29,713,000	29,163,000	28,863,000	28,863,000	(1,816,400)	(5.9)
GF/GP	30,297,100	27,102,700	28,002,700	27,835,000	28,702,700	(1,594,400)	(5.3)
Gross	\$76,448,300	\$71,469,300	\$71,521,700	\$71,351,600	\$72,219,300	(\$4,229,000)	(5.5)
FTEs	458.5	438.0	438.0	438.0	443.0	(14.5)	(4.5)

Note: FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011.

Overview

The Department's key programs and priorities include ensuring food safety and security, protecting animal health and welfare, managing invasive exotic species, regulating pesticide use, certifying agricultural commodities, ensuring environmental stewardship, protecting consumers, and promoting the state's agricultural economy.

Major Budget Changes From FY 2010-11 YTD Appropriations

1. Emergency Management

Reflects anticipated end of a \$500,000 US Food and Drug Administration Rapid Response Team grant; economic adjustments.

	FY 2010-11 Year-to-Date (as of 2/17/11)	Conference Change from Year-to-Date
FTEs	6.5	(4.5)
Gross	\$741,800	(\$498,200)
Federal	500,000	(500,000)
GF/GP	\$241,800	\$1,800

2. Food and Dairy – Food/Milk Safety and Quality Assurance

Recognizes \$458,700 in economic increases; \$493,300 GF/GP decrease for early retirement savings.

	FY 2010-11 Year-to-Date (as of 2/17/11)	Conference Change from Year-to-Date
FTEs	107.0	(3.0)
Gross	\$13,004,100	(\$34,600)
Federal	658,700	27,800
Restricted	3,163,500	133,300
GF/GP	\$9,181,900	(\$195,700)

Governor had recommended transfer of some elements of dairy inspection program to the dairy industry through use of industry-employed, department-certified field inspectors, resulting in GF/GP savings of \$600,000.

House concurred with the Governor's recommendation.

Senate added \$600,000 GF/GP.

Conference concurs with Senate.

Current year budget unrolls Food safety and Milk safety programs into two separate line items as follows:

Unrolled Line Items		FY 2010-11 Enacted Appropriation	FY 2011-12 Conference Appropriation
Food and Dairy – Food Safety and Quality Assurance	FTEs	81.0	81.0
	Gross	\$9,744,900	\$9,931,600
	Federal	624,200	651,600
	Restr.	3,003,500	3,034,500
	GF/GP	\$6,117,200	\$6,145,500
Milk Safety and Quality Assurance	FTEs	26.0	23.0
	Gross	\$3,259,200	\$3,037,900
	Federal	34,500	34,900
	Restr.	160,000	162,300
	GF/GP	\$3,064,700	\$2,840,700

Major Budget Changes From FY 2010-11 YTD Appropriations		FY 2010-11 Year-to-Date (as of 2/17/11)	Conference Change from Year-to-Date
3. Animal Industry – Animal Health and Disease Response	FTEs	68.0	(4.0)
Recognizes \$137,000 in economic increases; \$35,400 decrease in federal revenue to reflect actual anticipated federal grants. Reduces GF/GP baseline by \$536,700 to reflect advances in Bovine TB Program, specifically: the elimination of the inspection station at the Mackinac Bridge (\$332,000), plus other unspecified program reductions, (\$204,700).	Gross	\$9,474,200	(\$584,800)
	Federal	1,291,200	(17,100)
	Restricted	253,800	3,800
	GF/GP	\$7,929,200	(\$571,500)
<u>House</u> and <u>Senate</u> concurred with Governor's recommendation. <u>Conference</u> reduces GF/GP by an additional \$150,000 as compared to the Governor's recommendation.			
4. Pesticide and Plant Pest Management – PPPM	FTEs	94.0	(6.0)
Recognizes \$430,600 in economic increases, \$199,200 GF/GP decrease for early retirement savings, and adjustments of restricted and federal revenue sources to actual.	Gross	\$11,347,000	(\$734,300)
	Federal	2,019,500	(52,000)
	Private	166,400	(83,100)
Governor had recommended elimination of Department inspections of nursery stock intended for in-state sale; transfer of inspections of in-state stock to industry would result in GF/GP savings of \$500,000. Governor also proposed elimination of Department animal feed content label sampling/testing (for protein/fat/fiber content), resulting in a GF/GP savings of \$250,000.	Restricted	5,134,200	(104,900)
	GF/GP	\$4,026,900	(\$494,300)
<u>House</u> concurred with the Governor's recommendation. <u>Senate</u> added \$300,000 GF/GP to restore in-state inspections. <u>Conference</u> concurs with Senate.			
5. Emerald Ash Borer Program – PPPM	FTEs	10.0	(3.0)
Appropriation of \$1.8 million reflects continuing reduction in federal support for this program; appropriation had been as much as \$25.0 million in FYs 2003-04 and 2004-05.	Gross	\$2,138,500	(\$315,900)
	Federal	2,138,500	(315,900)
6. Producer Security/Grain Dealer Licensing – PPPM	FTEs	4.0	0.0
Recognizes \$23,400 in economic increases, and net \$32,600 reduction to reflect anticipated restricted revenue. The Governor had proposed \$300,000 increase in annual grain dealer fees to offset \$300,000 GF/GP reduction.	Gross	\$552,600	(\$9,200)
	Restricted	252,600	(9,200)
	GF/GP	\$300,000	\$0
<u>House</u> did not recognize the fee increase, retained \$300,000 GF/GP. <u>Senate</u> concurred with the Governor's recommendation. <u>Conference</u> concurs with House and rejects recognition of additional fee revenue.			
7. Environmental Stewardship (Current Law)	Gross	\$94,400	(\$94,400)
Current year appropriation is simply a placeholder with no GF/GP funding and no FTEs. The department anticipates lapsing the entire current year appropriation.	Federal	41,700	(41,700)
	Restricted	52,700	(52,700)
	GF/GP	\$0	\$0
Environmental Stewardship – NEW	FTEs	0.0	18.0
<u>Conference</u> concurs with <u>House</u> and rolls up of two current year line items, <i>Groundwater and freshwater protection program</i> , and <i>Agriculture pollution prevention program</i> , up into a single <i>Environmental stewardship</i> line to provide for agriculture pollution prevention and conservation activities.	Gross	\$0	\$6,133,800
	Federal	0	1,361,200
	Restricted	0	4,772,600
	GF/GP	\$0	\$0
8. Michigan Agriculture Environmental Assurance Program	FTEs	3.0	0.0
GF/GP increase reflects economic adjustment.	Gross	\$262,000	\$290,600
<u>Conference</u> concurs with <u>House</u> and includes \$288,000 in restricted <i>Freshwater protection fund</i> revenue to better reflect actual program funding.	Restricted	0	288,000
	GF/GP	\$262,000	\$2,600
9. Local Conservation Districts	Gross	\$100	\$0
Retains \$100 placeholder. General Fund support for the <i>Local conservation districts</i> line had been \$2.8 million in FY 2000-01.	GF/GP	\$100	\$0
10. Migrant Labor Housing	FTEs	6.0	0.0
Reflects economic adjustments. Inspection program supported by GF/GP, and restricted funds from \$5 per occupant migrant labor housing inspection fee established in 2010 PA 13 and 2010 PA 14. Federal funds represent US Department of Labor housing grants.	Gross	\$1,142,800	\$19,500
	Federal	463,900	7,900
	Restricted	140,900	2,300
	GF/GP	\$538,000	\$9,300

Major Budget Changes From FY 2010-11 YTD Appropriations		FY 2010-11 Year-to-Date (as of 2/17/11)	Conference Change from Year-to-Date
11. Right to Farm	FTEs	3.0	0.0
Reflects economic adjustment.	Gross	\$504,300	\$14,700
	IDG	97,200	2,800
	GF/GP	\$407,100	\$11,900
12. Intercounty Drains	FTEs	3.0	1.0
Governor had proposed a \$500 assessment on intercounty drainage districts to generate \$550,000 in restricted revenue to support program and offset GF/GP reduction.	Gross	\$416,100	\$8,900
	Restricted	0	0
	GF/GP	\$416,100	\$8,900
<u>House</u> did not recognize fee revenue and retained \$432,300 GF/GP.			
<u>Senate</u> did not include line item.			
<u>Conference</u> appropriates \$425,000 GF/GP; does not recognize proposed fee.			
13. Agriculture Development	FTEs	4.0	1.0
Reflects economic adjustments of \$17,100; adjusts federal and restricted revenue to actual anticipated revenue.	Gross	\$2,056,700	(\$16,400)
	Private	11,100	(11,100)
<u>House</u> and <u>Senate</u> concurred with Governor's recommendation.	Federal	1,605,000	(91,500)
<u>Conference</u> increased GF/GP by \$125,000, plus 1.0 FTE position.	Restricted	142,400	(41,500)
	GF/GP	\$298,200	\$127,700
14. Horse Racing Programs	FTEs	3.0	0.0
The fund source for this line item is the Agriculture Equine Industry Development Fund (AEIDF). The budget reflects on-going reduction in AEIDF revenue available for horse racing programs.	Gross	\$3,820,100	(\$698,200)
	Restricted	3,820,100	(698,200)

	Current YTD	Conference FY 2011-12
Horse racing administration	394,400	331,300
Purses & supplements-fairs/licensed tracks	764,300	611,400
Licensed tracks - light horse racing	42,600	34,100
Standardbred (SB) breeders' awards	312,500	250,000
SB purses/supplements-licensed tracks	577,000	461,600
SB sire stakes	261,200	209,000
SB training and stabling	11,600	9,300
Thoroughbred owners' awards	39,900	31,900
Thoroughbred supplements-licensed tracks	387,000	309,600
Thoroughbred breeders awards	387,000	309,600
Thoroughbred sire stakes	267,600	214,100
Distribution of outstanding winning tickets	375,000	350,000
Total	\$3,820,100	\$3,121,900

15. Capital Outlay - Farmland/Open Space Acquisition	Gross	\$3,300,000	(\$1,000,000)
Adjusts state restricted Agriculture Preservation Fund revenue to better align with actual revenue estimates.	Federal	1,250,000	0
	Restricted	2,050,000	(1,000,000)
16. Economics	Gross	N/A	\$1,640,900
State Budget Office identifies \$1.6 million in net economic increases: \$1,914,400 increase related to retirement contributions; \$172,400 decrease for insurance costs; \$12,700 increase for workers compensation, and \$50,300 decrease for building occupancy charges. In addition, the budget recognizes \$20,600 in economic increases related to information technology services.	IDG	N/A	8,500
	Federal	N/A	202,900
	Private	N/A	8,700
	Restricted	N/A	586,700
	GF/GP	N/A	\$804,400

Boilerplate Changes From FY 2010-11

Sec. 205. Hiring Freeze – DELETED

Deletes hiring freeze language.

Sec. 207. Transparency Report – MODIFIED

Directs department to maintain a searchable website of expenditures made during the fiscal year, active employees.

Sec. 210. Economically Distressed Areas – DELETED

Deletes section encouraging the department to contract with businesses in economically distressed areas.

Sec. 229. Restricted Fund Balances – NEW

Requires report on restricted fund balances.

Sec. 301. Miscellaneous Revenue/Expenditures – RETAINED

Allows Department to receive/expend revenue to cover expenses related to publications, audits, sales, inspections, and other Department functions; requires legislative notification 30 days prior to proposing fee increases; requires annual report on fees charged by Department. (*Renumbered from Section 302.*)

Sec. 302. Grant Notification – RETAINED

Requires report on grants made to local units of government, institutions of higher education, or non-profit organizations. (*Renumbered from Section 214.*)

Sec. 306. Matching Funds for Agriculture Statistics Studies – DELETED

Requires industry matching funds for study costs.

Sec. 401. Restaurant Inspection and Licensing – DELETED

Requires Department to monitor restaurant inspection/licensing activities conducted by locals and report to Legislature.

Sec. 402. Food-borne Illness Report – RETAINED

Requires Department to provide reports on food-borne outbreaks and emergencies related to food safety.

Sec. 404. Consumer and Industry Food Education Fund – DELETED

Requires not less than \$150,000 from the fund be expended for purposes required under Section 4117 of the Food Act of 2000.

Sec. 406. Food Safety FTEs – DELETED

Exempts food and dairy inspectors from hiring freeze.

Sec. 450 Bovine Tuberculosis – RETAINED

Provides for the reimbursement of the DNR for costs associated with monitoring wildlife for bovine TB.

Sec. 451 Bovine Tuberculosis Split State Status – RETAINED

Requires Department to pay for all whole-herd and individual-animal testing costs to maintain split-state status, including indemnity.

Sec. 452. Bovine TB – DELETED

Requires Department to apply for all available federal funds to support program.

Sec. 453. Indemnification Payments – RETAINED

Authorizes Department to provide for indemnity pursuant to Animal Industry Act; limits indemnification orders to \$100,000 per order; provides for report. Subsection (2) authorizes Department to indemnify for livestock killed by wolves, coyotes, or cougars. (*Renumbered from Section 212.*)

Sec. 454. Bovine TB – RETAINED

Directs Department to collaborate with USDA and work to eradicate Bovine TB.

Conference adds new line requiring the department to establish a workgroup.

Sec. 456. Electronic Animal Identification (EID) – RETAINED

Prohibits use of funds to enforce EID program for domestic animals other than cattle without specific authorization in statute.

Sec. 457. Bovine TB Report – MODIFIED

Requires quarterly report on Bovine TB program. Eliminates reference to Mackinac Bridge.

Sec. 460. Aquaculture Reductions – DELETED

Excludes aquaculture program from potential reductions in animal health and welfare appropriations.

Sec. 551. Fruit and Vegetables Industry Inspections – MODIFIED

Legislative intent that the Department work with fruit and vegetable industry to ensure development of a sustainable system of third-party inspections of fruits and vegetables. Incorporates Section 553 as Subsection (2).

Sec. 552. Invasive Species Control – DELETED

Directs the department to evaluate methods of limiting invasive species in or on pallets.

Boilerplate Changes From FY 2010-11

Sec. 553. Earmark for Export Inspections – RETAINED

Earmarks \$200,000 in PPPM to ensure commodity export inspections; incorporates into Section 551.

Sec. 601. Environmental Stewardship – NEW

Clarifies intent of line item funding.

Sec. 603. Migrant Labor Housing – DELETED

Requires Department to apply for any available federal funds to support the migrant labor housing program.

Sec. 606. Environmental Quality Incentives – RETAINED

Requires the department to actively search for all possible funding sources to be used to match federal funds in the USDA environmental quality incentives program.

Sec. 607. Inter-County Drain Program – MODIFIED

Indicates legislative intent that Department continue its activities as provided under the Drain Code.

Conference adds new subsection directs department to work with representatives of intercounty drain districts to develop method for funding program.

Sec. 706. Agricultural Development – RETAINED

Requires Department to report on agricultural development and export market development activities.

Sec. 711. Michigan Strategic Fund – DELETED

Indicates legislative intent that MSF work with MDA to promote Michigan agriculture.

Sec. 801. Ag Equine Industry Development Fund – RETAINED

Requires that all appropriations in part 1 from the AEIDF be spent for equine-related purposes.

Sec. 802. Agriculture Equine Fund Reduction – RETAINED

Requires that department make proportionate reductions in AEIDF appropriations, except for the racing commission and laboratory analysis, if AEIDF revenue falls below original appropriation amounts.

Sec. 803. Thoroughbred Program Escrow – RETAINED

Provides for "escrowing" of funds for thoroughbred program.

Sec. 804. Michigan Gaming Control Board – RETAINED

Requires MGCB to use actual expenditure data in determining regulatory costs.

Sec. 1201. Intent to provide FY 2012-13 Appropriations – NEW

New language.

**COMMUNITY HEALTH: FY 2011-12
Summary: Conference Report
Article IV, House Bill 4526 (H-3) CR-1**



Analysts: Margaret Alston, Susan Frey, Steve Stauff

IDG/IDT	FY 2010-11 YTD as of 2/17/10	FY 2011-12 Executive	FY 2011-12 Senate	FY 2011-12 House	FY 2011-12 Conference	Difference: Conference From FY 2010-11 YTD	
						Amount	%
Federal							
ARRA	650,327,000	0	0	0	0	(650,327,000)	100.0
Non-ARRA	8,823,718,200	8,738,467,400	8,686,999,400	8,746,547,600	8,986,611,000	162,892,800	1.9
Local	235,104,200	248,557,800	248,426,200	248,228,900	250,605,900	15,501,700	6.6
Private	88,103,600	96,294,700	96,494,700	96,694,700	96,494,700	8,391,100	9.5
Restricted	1,851,347,100	2,117,660,700	2,156,325,700	2,151,082,000	2,129,851,900	278,504,800	15.0
GF/GP	2,421,483,700	2,701,024,900	2,641,084,900	2,675,575,200	2,771,183,500	349,699,800	14.4
Gross	\$14,124,104,600	\$13,908,574,900	\$13,833,859,600	\$13,922,657,100	\$14,241,316,400	\$117,211,800	0.8
FTEs	4,398.8	3,641.2	4,035.5	4,030.0	3,640.2	(758.6)	(17.3)

Notes: (1) FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011. (2) "ARRA" represents temporary funds received under the federal American Recovery and Reinvestment Act or related sources. (3) Figures do not reflect \$22.1 million GF/GP in one-time boilerplate appropriations contained in Sec. 1901 of the Conference Report.

Overview

The Department of Community Health (DCH) budget provides funding for a wide range of mental health, substance abuse, public health, and medical services programs, including Medicaid. Established in 1996, the Department also includes the Office of Services to the Aging, the Crime Victim Services Commission, and health regulatory functions.

Major Budget Changes From FY 2010-11 YTD Appropriations	FY 2010-11 YTD (as of 2/17/11)	Conf Change from YTD
1. Economic Adjustments	Gross	N/A
Includes a net increase of \$21.1 million gross (\$10.1 million GF/GP) to finance economic adjustments for pension and retiree insurance (defined benefit and contribution), insurance, workers' compensation, building occupancy, and gas, fuel, and utility costs for FY 2011-12. Does not include economic adjustments for employees' salaries and wages and food provided to clients in state-operated facilities for individuals with mental illness and developmental disabilities.	IDG	N/A
	Federal	N/A
	Restricted	N/A
	Local	N/A
	Private	N/A
	GF/GP	N/A
	Gross	N/A
	Federal	N/A
	Restricted	N/A
	Local	N/A
	GF/GP	N/A
	Gross	N/A
	Federal	N/A
	GF/GP	N/A
2. Retirement Adjustments	Gross	N/A
Projects FY 2011-12 early retirement savings of \$4.6 million gross (\$3.5 million GF/GP).	Federal	N/A
	Restricted	N/A
	Local	N/A
	GF/GP	N/A
3. Community Health Automated Medical Processing System (CHAMPS) Funding	Gross	N/A
Adds \$8.9 million gross (\$1.2 million GF/GP) for the Medicaid automated claims processing system, referred to as CHAMPS, to meet federal requirements for enhancements related to the Health Insurance Portability and Accountability Act (HIPAA).	Federal	N/A
	GF/GP	N/A
4. Actuarially Sound Capitation Payment Rates Adjustment	Gross	N/A
Includes capitation rate increase of 1.68% and 1.17% in the FY 2011-12 budget for Health Plans and Prepaid Inpatient Health Plans, respectively, to ensure that payment rates are actuarially sound. This type of adjustment has been included in the budget since FY 2004-05.	Federal	N/A
	ARRA	N/A
	Restricted	N/A
	Local	N/A
	GF/GP	N/A

Major Budget Changes From FY 2010-11 YTD Appropriations		FY 2010-11 YTD (as of 2/17/11)	Conf Change from YTD
5. Mental Health Services for Special Populations Program Reduction	Gross	\$6,873,800	(\$1,031,000)
Reduces funding for mental health services for special populations and groups such as Chinese American, Asian American, Hispanics, Arab/Chaldean, ACCESS, Michigan Inter-Tribal Council, Jewish Federation, Chaldean Community Foundation, and Vietnam Veterans by \$1,031,000 GF/GP. This adjustment represents a 15.0% reduction from current funding for this program. An additional one-time appropriation is included in section 1901.	GF/GP	\$6,873,800	(\$1,031,000)
6. Community Mental Health (CMH) Non-Medicaid Services and Administrative Reduction	Gross	\$282,275,100	(\$8,483,300)
Reduces non-Medicaid services provided to individuals with mental illness and developmental disabilities by community mental health services programs (CMHSPs) and related administrative costs by \$8.5 million GF/GP, a budgetary change which represents a 3.0% reduction from current funding for the CMH non-Medicaid line item. Up to \$3.4 million GF/GP of the reduction is related to administrative services and the remaining \$5.1 million GF/GP is related to non-Medicaid services provided to individuals. (Sec. 462)	GF/GP	\$282,275,100	(\$8,483,300)
7. Substance Abuse Services and Administrative Funding	Gross	\$85,758,300	(\$1,724,300)
Reduces administrative costs for coordinating agencies by \$152,900 GF/GP and eliminates one-time funding of \$1.0 million GF/GP for a community health outreach program provided by Self-Help Addiction Rehabilitation (SHAR) Inc. Includes \$224,300 GF/GP reduction for the State Disability Assistance Program Substance Abuse Services line item, and \$165,000 GF/GP reduction for the Salvation Army Harbor Light Program and Odyssey House. Also, includes an unspecified reduction of \$182,100 GF/GP for community substance abuse prevention, education, and treatment programs.	Federal	65,893,900	0
	ARRA	277,700	0
	Restricted	3,051,100	0
	GF/GP	\$16,535,600	(\$1,724,300)
8. Children's Waiver Home Care Program Reduction	Gross	\$21,049,800	(\$2,105,000)
Includes a reduction of \$2,105,000 gross (\$712,800 GF/GP) for the Children's Waiver Home Care Program that provides home and community-based services for 464 eligible children with developmental disabilities. The DCH will be reviewing administrative and regulatory requirements to implement efficiencies and hopes to capture unspent authorization for the waiver program.	Federal	14,361,800	(1,392,200)
	ARRA	1,066,000	0
	GF/GP	\$5,622,000	(\$712,800)
9. Forensic Mental Health Services Provided to the Department of Corrections (DOC) Transfer	FTE	396.3	(396.3)
Transfers almost 400 staff positions associated with \$50.5 million interdepartmental grant from the DOC as the Department of Community Health will no longer be responsible for providing mental health services to prisoners under the jurisdiction of DOC. The effective date of the transfer was February 20, 2011. Michigan's Mental Health Code allows DOC to contract with DCH or third-party providers to operate the mental health program.	Gross	\$50,527,800	(\$50,527,800)
	IDG	50,527,800	(50,527,800)
	GF/GP	\$0	\$0
10. Transfers to the Department of Licensing and Regulatory Affairs (LARA)	FTE	N/A	(389.8)
Transfers almost 390 staff positions associated with funding of \$56.7 million based on provisions of Executive Order 2011-4 which transfers responsibilities of the Bureau of Health Professions, Part 209 of the Michigan Public Health Code, Bureau of Health Systems, and Controlled Substances Advisory Commission from DCH to LARA.	Gross	N/A	(\$56,734,100)
	IDG	N/A	2,040,700
	Federal	N/A	(19,840,300)
	Private	N/A	(200,000)
	Restricted	N/A	(38,674,500)
	GF/GP	N/A	(\$60,000)
11. Essential Local Public Health Services Reduction	Gross	\$39,082,800	(\$1,696,700)
Reduces GF/GP funding to the state's 45 local public health departments by \$1.7 million (5%), affecting most state and local cost-shared services: immunizations, infectious disease control, sexually transmitted disease control and prevention, food protection, public water supply, private groundwater supply, and on-site sewage management. Hearing and vision screening programs funded by this line item are not affected.	Local	5,150,000	0
	GF/GP	\$33,932,800	(\$1,696,700)
12. Healthy Michigan Prevention Funding Reduction	FTE	N/A	(1.0)
Eliminates all \$10.9 million of individual Healthy Michigan Fund (HMF) public health prevention project appropriations, establishes a reduced \$5.0 million single line item appropriation for HMF programs (public health projects), and shifts \$5.9 million of HMF funds to Medicaid match, for GF/GP savings. Healthy Michigan Fund appropriations total \$34.2 million. See also boilerplate sections 1901 and 1902 related to additional one-time HMF appropriations.	Gross	\$33,981,700	(\$5,918,900)
	Restricted	33,981,700	194,200
	GF/GP	\$0	(\$6,113,100)

Major Budget Changes From FY 2010-11 YTD Appropriations		FY 2010-11 YTD (as of 2/17/11)	Conf Change from YTD
13. Public Health Projects Eliminated		Gross \$425,000	(\$425,000)
Eliminates funding for the following public health projects: traumatic brain injury pilot projects \$200,000 Gross (\$100,000 GF/GP), stillbirth awareness \$50,000 GF/GP, colon disease project with Henry Ford Health System \$125,000 GF/GP, and Special Needs Vision Clinic \$50,000 GF/GP.	Federal	100,000	(100,000)
	GF/GP	\$325,000	(\$325,000)
14. Nurse Family Partnership Program		Gross \$0	\$3,794,200
Includes \$1.5 million GF/GP funding nurse family partnership programs. Additional federal authorization is included to reflect Title XIX Medicaid match that may be earned by state and local spending for this program.	Federal	0	2,294,200
	GF/GP	\$0	\$1,500,000
15. Aging Programs		Gross \$90,829,700	\$271,000
Maintains current year GF/GP funding to programs for seniors including community services, home-delivered and congregate meals, and 3 senior volunteer programs. Eliminates funding of \$120,000 for Tribal Elders program. Federal, private and early retirement adjustments are concurred with.	Federal	56,707,800	321,000
	Private	607,500	70,000
	Merit Awd	4,468,700	0
	Restricted	1,400,000	0
	GF/GP	\$27,645,700	(\$120,000)
16. Medicaid FMAP Federal Stimulus Adjustment		Gross N/A	\$20,877,000
Includes an increase of \$564.7 million GF/GP to offset the final year of enhanced federal FMAP Medicaid funding from the American Recovery and Reinvestment Act (ARRA) and related extension.	ARRA	N/A	(627,327,000)
	Local	N/A	4,516,200
	Restricted	N/A	79,018,600
	GF/GP	N/A	\$564,669,200
17. Medicaid Caseload, Utilization and Inflation Increase		Gross \$11,397,017,900	\$656,473,400
Includes a base adjustment increase for FY 2010-11 of \$115.5 million gross (\$47.8 million GF/GP) to cover caseload/utilization/inflation changes within Medicaid, Mental Health/Substance Abuse, Children's Special Health Care Services and Federal Medicare Prescription programs. The increase included for FY 2011-12 is \$541.0 million Gross (\$133.2 million GF/GP).	Federal	7,568,396,600	420,556,200
	Local	52,469,400	0
	Private	2,100,000	0
	Merit Awd	82,275,800	0
	Restricted	1,846,351,100	0
	GF/GP	\$1,845,425,000	\$235,917,200
18. Dual Eligibles to Managed Care		Gross N/A	(\$29,828,700)
Shifting individuals who are eligible for both Medicare and Medicaid (dual eligibles) from fee-for-service to an integrated managed care system would generate savings of \$29.8 million gross (\$10.1 million GF/GP) given a start date of April 1, 2012. A federal waiver would be required to allow the State to receive the Medicare funds to manage the care of the dual eligibles.	Federal	N/A	(19,728,700)
	GF/GP	N/A	(\$10,100,000)
19. Other Medicaid Fund Source Adjustments		Gross N/A	\$431,600
Includes an increase of federal Medicaid and Children's Health Insurance Program Reauthorization Act (CHIPRA) funds for FY 2011-12 which would offset \$29.9 million of GF/GP due to regular changes in federal match rates. An additional \$160.0 million GF/GP is included to offset one-time CHIPRA FMAP correction revenue which is part of the FY 2010-11 budget. In FY 2012-13, a decrease of federal Medicaid and SCHIP funds requires an additional \$97.8 million of GF/GP due to regular changes in federal match rates.	Federal	N/A	40,613,500
	Local	N/A	(457,800)
	Restricted	N/A	(169,810,500)
	GF/GP	N/A	\$130,086,400
20. Graduate Medical Education Reduction		Gross \$168,160,800	(\$31,824,300)
Includes a \$31.8 million gross (\$10.8 million GF/GP) reduction to Graduate Medical Education (GME) payments. GME payments are made to Michigan hospitals which provide clinical training and education to individuals in approved residency programs. This funding is provided in recognition of the higher costs incurred by the teaching hospitals. An additional GME appropriation is included in Sec. 1901, "One-Time Basis Only".	Federal	110,633,000	(21,048,600)
	ARRA	9,164,800	0
	GF/GP	\$48,363,000	(\$10,775,700)
21. Hospital Disproportionate Share Payments		Gross \$52,500,000	(\$7,500,000)
Eliminates the FY 2010-11 small/ rural, disproportionate share hospital (DSH) payment pool and maintains the \$45.0 million large hospital pool. A rural hospital appropriation is included in Sec. 1901, "One Time Basis Only".	Federal	34,344,700	(4,960,500)
	Restricted	8,875,700	(2,539,500)
	GF/GP	\$9,279,600	\$0
22. Include Behavioral Health Drugs On Preferred Drug List		Gross \$401,414,600	(\$18,700,000)
Savings of \$18.7 million gross (\$6.3 million GF/GP) are removed from the Pharmaceutical Services line as a result of including behavioral health drugs on the preferred drug list. A statutory change would be required to realize these savings.	Federal	262,930,300	(12,368,200)
	ARRA	21,788,500	0
	GF/GP	\$116,695,800	(\$6,331,800)

Major Budget Changes From FY 2010-11 YTD Appropriations		FY 2010-11 YTD (as of 2/17/11)	Conf Change from YTD
23. Healthy Kids Dental Expansion	Gross	\$145,313,300	\$4,430,000
Expands the Healthy Kids Dental program to Mason, Muskegon, Newaygo and Oceana counties adding \$4.4 million (\$1.5 million GF/GP) to the Dental Services line item.	Federal	94,947,800	2,930,000
	ARRA	7,868,600	0
	Restricted	589,000	0
	GF/GP	\$41,907,900	\$1,500,000
24. Medicaid Estate Recovery Program	Gross	\$1,687,362,700	(\$16,573,800)
Reduces the Long-Term Care Services line \$16.6 million gross (\$5.6 million GF/GP) representing savings generated by statutory changes strengthening the existing Medicaid long-term care estate recovery law. Michigan currently is the only state in the nation without a federally approved estate recovery program.	Federal	1,128,268,000	(10,961,900)
	ARRA	93,769,300	0
	Restricted	328,363,700	0
	Local	6,618,800	0
	GF/GP	\$130,342,900	(\$5,611,900)
25. Nursing Home Transition Savings	Gross	N/A	(\$35,331,300)
Includes savings of \$35.3 million gross (\$7.5 million GF/GP) resulting from the transitioning of Medicaid funded nursing home occupants to the MIChoice program.	Federal	N/A	(24,335,700)
	Restricted	N/A	(3,479,600)
	GF/GP	N/A	(\$7,516,000)
26. Adult Home Help Service Limits	Gross	\$304,928,900	(\$17,720,000)
Reduces the Adult Home Help line by \$17.7 million gross (\$6.0 million GF/GP) as a result of excluding individuals from the Adult Home Help program who qualify only for assistance with instrumental activities of daily living (IADL). IADLs include shopping, laundry, housework, meal preparation and money management.	Federal	202,644,500	(11,720,000)
	ARRA	16,794,600	0
	GF/GP	\$85,489,800	(\$6,000,000)
27. Repeal Medicaid HMO and PIHP Use Tax	Gross	\$388,352,900	(\$388,352,900)
Includes the assumed repeal of the use tax currently covering Medicaid HMOs and PIHPs. Proposed elimination is based on anticipated federal action that would prohibit financing the Medicaid program under the current law. The repeal of the use tax would save the State \$131.5 million GF/GP; reduce tax collections by \$388.4 million gross, resulting in a net State revenue reduction of \$257.9 million. Statutory changes would be necessary to repeal this portion of the use tax.	Federal	256,856,600	(256,856,600)
	GF/GP	\$131,496,300	(\$131,496,300)
28. Insurer Paid Claims Tax of 1%	Gross	\$0	\$0
Assumes enactment of a 1% assessment on all health insurance paid claims which would generate approximately \$396.9 million of state restricted revenue which would offset a like amount of GF/GP. Statutory changes would be necessary to enact the assessment.	Restricted	0	396,856,600
	GF/GP	\$0	(\$396,856,600)
29. Third Party Liability Recovery Savings	Gross	N/A	(\$22,017,100)
Reduces the Health Plan Services line item \$22.0 million gross (\$7.5 million GF/P) reflecting savings generated by broadening the Sharing Health Care Information Act. Statutory language change would require auto insurers who are legally responsible for payment of a health care claim to report to the Department of Community Health. This will enable the State to better identify Medicaid eligible persons with other health care coverage and avoid or recover payments for services provided by the Medicaid program.	Federal	N/A	(14,562,100)
	GF/GP	N/A	(\$7,455,000)

Major Boilerplate Changes From FY 2010-11

GENERAL SECTIONS

Sec. 206. Contingency Funds – REVISED

Appropriates and makes available for expenditure up to \$200 million federal contingency funds, up to \$40 million state restricted contingency funds, up to \$20 million local contingency funds, and up to \$20 million private contingency funds if transferred according to provisions of Section 393(2) of the Management and Budget Act.

Sec. 213. Report on Tobacco Tax and Healthy Michigan Funds – RETAINED

Requires state departments, agencies, and commissions receiving tobacco tax and Healthy Michigan funds to report on programs utilizing these funds.

Sec. 219. DCH Contracts with the Michigan Public Health Institute – RETAINED

Allows DCH to contract with the Michigan Public Health Institute for the design and implementation of projects and other public health related activities. Requires DCH to report on each funded project and provide copies of all reports, studies, and publications produced by the Institute.

Major Boilerplate Changes From FY 2010-11

Sec. 292. Civil Service Classification Pay Status and Publicly Accessible Internet Website – REVISED

Requires DCH to maintain on a searchable website accessible by the public at no cost that includes: fiscal year-to-date expenditures by category and appropriation unit; fiscal year-to-date payments to a selected vendor including the vendor name, and payment date, amount, and description; the number of active department employees by job classification; and specifications and wage rates.

Sec. 295. Privatization of Program and Service Areas – NEW

Requires the Department to explore program and other service areas, including eligibility determination, where privatization may lead to increased efficiencies and budgetary savings.

Sec. 296. State Restricted Fund Balances, Revenues, and Expenditures – NEW

Requires annual report on estimated state restricted fund balances, projected revenues, and expenditures for FY 2010-11 and FY 2011-12 within 14 days after the release of the Executive budget recommendation.

COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

Sec. 401. Comprehensive System of CMH Services – RETAINED

Provides that Part 1 appropriated funds are to support a comprehensive system of CMH services under the full authority and responsibility of local community mental health services programs (CMHSPs) or prepaid inpatient health plans (PIHPs). Requires that DCH ensure each CMHSP or PIHP provide a complete array of mental health services, coordination of inpatient and outpatient hospital services, individualized plans of services, a case or care management system, and a system that serves at-risk and delinquent youth pursuant to provisions of the Mental Health Code.

Sec. 404. Report on CMHSPs – RETAINED

Requires DCH to report on the following for CMHSPs or PIHPs: expenditures and services data, information about access to CMHSPs, lapses and carry-forwards, information on the CMH Medicaid managed care program, performance indicator required to be submitted to DCH in contracts with CMHSPs or PIHPs, and an estimate of the number of mental health direct care workers.

Sec. 407. Substance Abuse Prevention, Education, and Treatment Grants – RETAINED

Requires that appropriations for substance abuse prevention, education, and treatment grants be expended for contracting with coordinating agencies. Requires coordinating agencies work with CMHSPs or PIHPs to coordinate care and services provided to individuals with severe and persistent mental illness and substance abuse diagnoses.

Sec. 408. Report on Substance Abuse Prevention, Education, and Treatment Programs – RETAINED

Requires DCH to report on expenditures and services data on substance abuse prevention, education, and treatment programs from the prior fiscal year.

Sec. 494. National Accreditation Review Criteria for Behavioral Health Services – NEW

Requires the Department to utilize applicable national accreditation review criteria to determine compliance with corresponding state requirements for CMHSPs, PIHPs, or subcontracting provider agencies that have been reviewed and accredited by a national accrediting entity for behavioral health care services, in order to avoid duplication of efforts. Requires a progress report by July 1, 2012 on implementation of the section.

Sec. 495. Medical Home for Recipients of Medicaid Mental Health Benefits – NEW

Expresses legislature's intent that the Department begins working with the Centers for Medicare and Medicaid Services to develop a program that creates a medical home for individuals receiving Medicaid mental health benefits.

Sec. 496. CMHSPs and PIHPs Funding Reductions – NEW

Permits CMHSPs and PIHPs to offset state funding reductions by limiting the administrative component of their contracts with providers and case management to a maximum of 9%.

Sec. 497. Distribution of Substance Abuse Block Grant Funds – NEW

Requires population data from the most recent federal census be used in determining the distribution of substance abuse block grant funds.

STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH SERVICES

Sec. 605. Closures or Consolidations of State Hospitals and Centers – RETAINED

Prohibits DCH from implementing any closures or consolidations of state hospitals and centers until CMHSPs or PIHPs have programs and services in place for those individuals currently in the facilities. Requires DCH to provide a closure plan four months after closure certification to the House and Senate Appropriations Subcommittees on Community Health, House and Senate Fiscal Agencies, and State Budget Director. Upon the closure of state-run operations and after transitional costs have been paid, requires the transfer of remaining operational funds to CMHSPs or PIHPs.

PUBLIC HEALTH ADMINISTRATION

Sec. 650. Fish Consumption Advisory – REVISED

Replaces current language regarding the posting of the annual public health consumption advisory for sport fish with language requiring a report to the legislature by April 1 on criteria and methodology used to derive the information provided in the fish advisory.

Major Boilerplate Changes From FY 2010-11

INFECTIOUS DISEASE CONTROL

Sec. 804. HIV and Hepatitis C Cooperative Program with Department of Corrections – RETAINED

Directs DCH to cooperate with Department of Corrections to share data and information regarding prisoners being released who test positive for HIV or Hepatitis C, related to the Michigan prisoner reentry initiative.

Sec. 805. Michigan Care Improvement Registry – NOT INCLUDED

Directs DCH to continue to fund the Michigan Care Improvement Registry (MCIR) at FY 2010-11 levels.

CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION

Sec. 1004. Cancer Rate Investigations – NEW

Advises legislative intent that DCH continue to collaborate with St. Clair County and Detroit's southwest community to investigate and evaluate cancer rates.

FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES

Sec. 1103. Sexual and Maternal Health Expenditure and Demographics Report – NEW

Requires DCH to annually report an estimate of public funds administered by the department for family planning, sexually transmitted infection prevention and treatment, pregnancies, and births, and report demographics collected by DCH as self-reported by individuals utilizing those services.

Sec. 1104. Services and Report of Certain Pregnancy Planning and Prenatal Programs – RETAINED

Requires DCH to report on funding, services, and expenditures by urban and rural for local maternal and child health prenatal care, family planning, and pregnancy prevention programs. Requires DCH to ensure that needs of rural communities are considered in the distribution of maternal and child health program funds, and defines rural.

Sec. 1119. No Use of Funds to Encourage Abortion Services – NEW

Directs that no state funds appropriated for family planning local agreements or pregnancy prevention programs shall be used to encourage or support abortion services.

Sec. 1135. School Health Education Curriculum – REVISED

Establishes that, if funds become available, provision of a school health education curriculum shall be in accordance with health education goals of the Michigan Model for Comprehensive School Health Education State Steering Committee; establishes steering committee membership; and requires curriculum materials be made available upon request.

WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM

Sec. 1153. WIC Program Access in Rural Communities – REVISED

Requires DCH to ensure that individuals residing in rural communities have sufficient access to WIC program services. Deletes required report by DCH on efforts to increase access in rural areas.

CHILDREN'S SPECIAL HEALTH CARE SERVICES

Sec. 1204. CSHCS and Medicaid HMOs – NEW

Deletes the requirement that the Department work with the Michigan Association of Health Plans to identify and report on a Medicaid HMO reimbursement methodology for Children's Special Health Care Services (CSHCS) eligibles and replaces it with the requirement that the Department report on its plan for enrolling Medicaid eligible CSHCS recipients into Medicaid health plans.

CRIME VICTIM SERVICES COMMISSION

Sec. 1302. Allocation of Funds for Forensic Nurse Examiner Programs – RETAINED

Allocates up to \$200,000 for expansion of forensic nurse examiner programs to facilitate training for improved evidence collection for the prosecution of sexual assault. Funds shall be used for program coordination and training.

OFFICE OF SERVICES TO THE AGING

Sec. 1420. Aging Care Management Services Only Pilot – NEW

Directs DCH to establish an aging care management services pilot project with services provide solely by nurses, if funds become available; pilot shall be established in a county with a population between 150,000 and 250,000.

MEDICAL SERVICES

Sec. 1699. Disproportionate Share Hospital (DSH) & Graduate Medical Education (GME) Payments – REVISED

Subsection 4 requires the Department to form a workgroup to derive a new DSH formula or formulas with the result to be reported to the Legislature.

Sec. 1756. Beneficiary Monitoring Program – NEW

Requires the Department to expand and improve the beneficiary monitoring program and provide a report to the Legislature.

Sec. 1775. Medicaid Managed Care for Dual Eligibles – NEW

Requires the Department to report to the Legislature on an approved managed care waiver for dual Medicare/Medicaid eligibles.

Sec. 1793. Pilot Project On Preventable Hospitalizations – NEW

Requires the Department to consider the development of a pilot project focusing on the prevention of preventable hospitalizations from nursing homes.

Major Boilerplate Changes From FY 2010-11

Sec. 1820. Recognition of Medicaid Health Plan Accreditation – NEW

Requires the Department to give consideration of Medicaid Health Plan accreditation when establishing compliance with State program review criteria or audit requirements and includes a report requirement.

Sec. 1846. Graduate Medical Education Funding Workgroup – NEW

Requires the Department to establish a workgroup on graduate medical education, identifies workgroup representation, goals of the workgroup and a report.

Sec. 1847. Ambulance Quality Assurance Assessment Program – NEW

Requires the Department to meet with the Michigan Association of Ambulance Services to discuss the possible structure of an ambulance quality assurance assessment program.

Sec. 1849. Voluntary In-Home Visitation Services – NEW

Requires the Department to use 50% of the funds allocated for in-home visiting services for evidence-based models and submit a report to the Legislature.

Sec. 1853. Medicaid HMO Enrollee Automatic Assignment Workgroup – NEW

Requires the Department to form a workgroup to develop revisions to the process of automatic assignment of new Medicaid recipients to HMOs if the recipient has not chosen an HMO upon enrollment.

ONE-TIME BASIS ONLY

Sec. 1901. One-Time Funding For FY 2011-12 – NEW

Appropriates one-time FY 2011-12 funding of \$22.1 million GF/GP, \$53.0 million gross for the following:

Mental health services for special populations	\$3,000,000
Healthy Michigan Fund programs	\$3,000,000
Primary care services - island health clinics.....	\$300,000
Hospital services and therapy - graduate medical education	\$17,129,400
Hospital services and therapy - rural and sole community hospitals	\$29,533,400

Sec. 1902. Allocation of Healthy Michigan Funds for Cancer Prevention and Control – NEW

Allocates \$900,000 for cancer prevention and control from the one-time funds appropriated in Sec. 1901 for Healthy Michigan Fund programs.

Sec. 1903. Rural and Sole Community Hospitals – NEW

Establishes that \$10.0 million of GF/GP and associated match within the Hospital Services and Therapy-Rural and Sole Community Hospitals item in Sec. 1901 shall be awarded based on criteria to be established which includes services to low-income rural residents and that no hospital shall receive more than 5% of the total funding. A report is due the Legislature.

PART 2A

GENERAL SECTIONS

Sec. 2001. Fiscal Year 2012-13 Anticipated Appropriations – NEW

Expresses legislative intent to provide appropriations for FY 2012-13 for the line items listed in Part 1 for FY 2011-12 , except the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue.

CORRECTIONS: FY 2011-12
Summary: Conference Report
Article V, House Bill 4526 (H-3) CR-1



Analyst: Bob Schneider

	FY 2010-11 YTD as of 2/17/10	FY 2011-12 Executive	FY 2011-12 Senate	FY 2011-12 House	FY 2011-12 Conference	Difference: Conference From FY 2010-11 YTD	
						Amount	%
IDG/IDT	\$915,400	\$943,800	\$943,800	\$943,800	\$943,800	\$28,400	3.1
Federal	7,868,500	7,995,100	7,995,100	7,995,100	7,995,100	126,600	1.6
Local	443,100	447,300	447,300	447,300	447,300	4,200	0.9
Private	0	0	0	0	0	0	--
Restricted	80,327,100	73,184,000	52,351,400	42,351,400	52,351,400	(27,975,700)	(34.8)
GF/GP	\$1,917,879,500	\$1,929,836,200	\$1,874,836,200	\$1,854,511,700	\$1,874,836,200	(\$43,043,300)	(2.2)
Gross	\$2,007,433,600	\$2,012,406,400	\$1,936,573,800	\$1,906,249,300	\$1,936,573,800	(\$70,859,800)	(3.5)
FTEs	15,877.5	15,656.8	15,529.3	15,453.3	15,568.8	(308.7)	(1.9)

Note: FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011.

Overview

The Department of Corrections is responsible for the operation and maintenance of the state's 34 correctional facilities that house felony offenders sentenced to prison. This includes the provision of physical and mental health care, education and other prisoner programs, and reintegration programs. The Department is also responsible for the supervision of all parolees and probationers under Department jurisdiction and has oversight over community corrections programs and other programs designed to encourage alternatives to prison placement for appropriate offenders. As of September 30, 2010, the Department was responsible for 125,231 Michigan offenders: 58,497 probationers, 44,092 prisoners, and 22,642 parolees.

Major Budget Changes From FY 2010-11 YTD Appropriations

1. Closure of Crane Correctional Facility

Conference, House, and Senate provide for the closure of the Crane Correctional Facility. Full-year closure savings of \$26.1 million are included for Crane, which is scheduled to be closed in June 2011 pursuant to the Executive budget recommendation. Conference does not include the House proposal to close the Mound Correctional Facility.

	FY 2010-11 YTD (as of 2/17/11)	Conf Change from YTD
FTE	10,869.9	(229.0)
Beds	44,181	(1,056)
Gross	\$1,096,308,300	(\$26,090,700)
Federal	1,481,400	0
Restricted	32,155,800	0
GF/GP	\$1,062,671,100	(\$26,090,700)

2. Reinvestment of Crane Closure Savings

Conference concurs with Executive and House to reinvest some of Crane closure savings within the budget. Budget provides \$2.9 million to finance 32 additional corrections program coordinator positions across prison facilities. These coordinators are responsible for developing prisoner programming and ensuring that prisoners complete programming. In addition, \$2.7 million is added to four prison line items to address anticipated personnel cost increases related higher average seniority among staff following the Crane closure. Total reinvestment in the Conference and House proposal is \$5.6 million, slightly below the \$7.2 million recommended by the Executive.

FTE	10,869.9	32.0
Beds	44,181	0
Gross	\$1,096,308,300	\$5,600,700
Federal	1,481,400	0
Restricted	32,155,800	0
GF/GP	\$1,062,671,100	\$5,600,700

3. Cost-Effective Housing Initiative

Conference concurs with House in including \$47.9 million in a new Cost-Effective Housing Initiative line item aimed at exploring more cost-effective methods of housing prisoners. Related boilerplate requires funding to be used to house prisoners in the most cost-effective manner possible, including the use of public-private partnerships, privately-owned facilities, and the use of existing state facilities under third-party contracts. The action assumes a transfer of 1,750 beds from current prison facilities to cost effective housing under one or more of these arrangements. The direct appropriation is offset by a negative appropriation in the Inmate Housing Fund line item to reflect anticipated savings (see item 4 below).

Gross	N/A	\$47,906,300
GF/GP	N/A	\$47,906,300

Major Budget Changes From FY 2010-11 YTD Appropriations	FY 2010-11 YTD (as of 2/17/11)	Conf Change from YTD
4. Inmate Housing Fund: CEHI Savings and Prison Operation Efficiencies	FTE 10,869.9	0.0
<u>Conference</u> includes a negative appropriation of \$79.2 million in the Inmate Housing Fund item, representing general prison operation net savings of \$31.3 million anticipated from the Cost Effective Housing Initiative (CEHI) as well as additional prison operating reductions. Cost reductions under the CEHI would depend upon the security level of prisoner transferred under the initiative as well as the result of competitive bidding. The <u>House</u> budget included \$57.5 million in gross savings which assumed the transfer of 1,750 beds with an average per diem cost of \$90.	Beds 44,181	0
	Gross \$1,096,308,300	(\$79,232,800)
	Federal 1,481,400	0
	Restricted 32,155,800	0
	GF/GP \$1,062,671,100	(\$79,232,800)
Remaining <u>Conference</u> savings not met through the CEHI would come from other cost reduction efforts. In terms of general prison operation reductions, <u>House</u> reduced appropriations for prison facilities and regional offices by 1.5% from Executive recommended levels for \$16.2 million in savings. <u>House</u> and <u>Senate</u> both included additional savings from supply chain transformation efforts and from additional paroles from reducing the backlog of prisoners who had not completed needed programming.		
5. Programming for Parole-Eligible Prisoners	Gross \$159,702,200	\$1,581,300
<u>Conference</u> concurs with <u>House</u> in adding \$1.6 million to the Health Care Clinical Complexes line items to provide additional resources toward prisoner programming, particularly assaultive offender and sex offender programs that are often needed for certain prisoners to achieve parole. The Department revealed that over 1,000 prisoners currently past their earliest release date have not completed this programming despite the need. <u>Conference</u> does not include specific offsetting savings. <u>House</u> assumed offsetting savings of \$5.5 million with program completion and parole for additional prisoners. <u>Senate</u> included \$15.0 million in savings from additional paroles.	Restricted 349,000	0
	GF/GP \$159,353,200	\$1,581,300
6. Leased Beds: County Contracts to House Prisoners	Gross N/A	(\$3,500,000)
<u>Conference</u> adds \$10.0 million to the Leased Beds and Alternatives to Leased Beds line item to support contracts with counties to utilize available county jail bed space to house state prisoners. The initiative is linked to \$13.5 million in savings spread across the appropriations for the various state correctional facilities, creating net savings of \$3.5 million.	GF/GP N/A	(\$3,500,000)
7. Prisoner Education Programs	Gross \$30,173,100	(\$3,589,800)
<u>Conference</u> reduces funding for prisoner education programs by \$3.6 million. <u>Senate</u> had assumed \$10.0 million in savings in this area.	GF/GP \$30,173,100	(\$3,589,800)
8. Mental Health Services and Support	Gross \$58,365,600	(\$5,000,000)
<u>Conference</u> includes \$5.0 million in savings related to the consolidation of the Corrections Mental Health Program into the Department of Corrections and further competitive bidding of services provided under the program. <u>Senate</u> had assumed \$10.0 million in savings in this area.	GF/GP \$58,365,600	(\$5,000,000)
9. Privatization of Special Alternative Incarceration Facility	Gross \$10,965,800	(\$1,000,000)
<u>Conference</u> , <u>Senate</u> , and <u>House</u> all assume \$1.0 million in savings resulting from the privatization of the Special Alternative Incarceration facility at Camp Cassidy Lake.	IDG 350,800	0
	GF/GP \$10,615,000	(\$1,000,000)
10. Central Office Operating Reduction	Gross \$63,575,800	(\$6,000,000)
<u>Conference</u> concurs with <u>Senate</u> in reducing funding for various central office functions by \$6.0 million. This includes appropriations for Lansing-based central office staff in the Executive Bureau, Operations Support Administration, Correctional Facilities Administration, and the Northern and Southern regional offices.	IDG 298,400	0
	Federal 1,143,900	0
	Restricted 508,100	0
	GF/GP \$61,625,400	(\$6,000,000)
11. Michigan Prisoner Re-entry Initiative	Gross \$54,744,700	\$200,000
<u>House</u> increases funding for the Michigan Prisoner Re-entry Initiative by \$200,000 over current funding levels. The program aims at providing support to assist prisoners in preparing and transitioning to re-enter the community following their release. Of the increase, \$100,000 is earmarked for designated recycling programs that employ parolees (see section 426 of boilerplate), while the remaining \$100,000 provides a general increase for the initiative.	Federal 1,035,000	0
	GF/GP \$53,709,700	\$200,000

Major Budget Changes From FY 2010-11 YTD Appropriations		FY 2010-11 YTD (as of 2/17/11)	Conf Change from YTD
12. Prison Food Service Privatization and Efficiencies			
<u>Conference</u> concurs with <u>Executive</u> in reducing food service funding by 14% for FY 2011-12 in anticipation of savings resulting from bidding out food service functions to a private vendor and from continued supply chain cost savings. Assumes \$7.0 million GF/GP savings for FY 2011-12 from implementation of competitively bid food service contract, which would result in the elimination of 402 FTE positions. Another \$2.5 million GF/GP savings is expected to be achieved through supply chain reforms, including the statewide standardization of food menus in correctional facilities which has helped lower food and warehousing costs.	FTE	414.0	0.0
	Gross	\$67,632,700	(\$9,500,000)
	IDG	617,000	0
	GF/GP	\$67,015,700	(\$9,500,000)
13. Competitive Bidding of Prisoner Store Operations			
<u>Conference</u> and <u>Executive</u> include savings to be generated through competitive bidding of prisoner store operations. Currently, direct prisoner store operational costs are financed through store-generated revenues. However, the private contract will utilize kiosk technology to interface with the accounting system, which will allow for some consolidation in accounting operations and result in GF/GP savings. The action will eliminate 75 prisoner store storekeeper positions and another 35 accounting/procurement positions within prison facilities and MDOC central office.	FTE	110.0	(35.0)
	Gross	\$7,520,000	(\$6,252,500)
	Restricted	5,070,000	(3,802,500)
	GF/GP	\$2,450,000	(\$2,450,000)
14. Elimination of Lieutenant Positions			
<u>Conference</u> concurs with <u>Executive</u> proposal to eliminate one lieutenant position from each shift at each state correctional facility, resulting in a net reduction of 81 FTE positions and savings of \$8.5 million GF/GP statewide.	FTE	10,869.9	(81.0)
	Gross	\$1,096,308,300	(\$8,491,800)
	Federal	1,481,400	0
	Restricted	32,155,800	0
	GF/GP	\$1,062,671,100	(\$8,491,800)
15. Neal Settlement Agreement			
<u>Conference</u> concurs with <u>Executive</u> in providing increase of \$5.0 million GF/GP for FY 2011-12 to cover payments arising out of a settlement agreement related to a lawsuit brought by female inmates alleging sexual harassment within MDOC facilities. Annual settlement payment of \$15.0 million for FY 2011-12 will increase to \$20.0 million for FY 2012-13 and FY 2013-14, with a final payment of \$25.0 million in FY 2014-15.	Gross	\$10,000,000	\$5,000,000
	GF/GP	\$10,000,000	\$5,000,000
16. New Custody Staff Training			
<u>Conference</u> increases funding for New Custody Staff Training by \$500,000 GF/GP. Increased funding should allow for the training of around 230 new corrections officers during FY 2011-12. The MDOC indicates normal attrition for corrections officers varies from 600-800 officers per year. However, recent prison closures would offset some of the need for newly trained officers. <u>Executive</u> had proposed a \$3.5 million increase for this purpose, while the <u>House</u> reduced funding by \$2.5 million and the <u>Senate</u> provided a \$2.5 million increase.	Gross	\$3,623,800	\$500,000
	GF/GP	\$3,623,800	\$500,000
17. Health Care - Clinical Complexes			
<u>Conference</u> and <u>House</u> reduce health care funding to regional clinical complexes by \$2.0 million in anticipation of additional prisoner health care savings, including pharmaceutical costs.	Gross	\$159,702,200	(\$2,000,000)
	Restricted	349,000	0
	GF/GP	\$159,353,200	(\$2,000,000)
18. Early Retirement Incentive Savings			
<u>Conference</u> concurs with <u>Executive</u> removal of funding associated with 103 FTE positions that will remain unfilled after being vacated by state employees who accepted the early retirement incentive offered last year. The Department of Corrections saw 434 employees retire as a result of the incentives. Certain positions that involve direct contact with prisoners (e.g. corrections officers, nurses, teachers, parole officers) will be replaced on a one-for-one basis. However, other positions will be replaced on a one-for-two basis, which is the source of these savings.	FTE	N/A	(103.0)
	Gross	N/A	(\$8,821,900)
	GF/GP	N/A	(\$8,821,900)
19. Prison Facilities - Supply Chain Savings			
Concurs with <u>Executive</u> recommendation in assuming \$6.8 million in savings spread across all correctional facilities related to supply chain transformation efforts. Logistics savings are expected in areas such as prison laundry services, fleet vehicle usage, and clothing costs. <u>House</u> assumed \$9.8 million in additional savings spread across all correctional facilities related to supply chain transformation efforts, while <u>Senate</u> included \$16.8 million in savings.	Gross	\$1,096,308,300	(\$6,750,000)
	Federal	1,481,400	0
	Restricted	32,155,800	0
	GF/GP	\$1,062,671,100	(\$6,750,000)

Major Budget Changes From FY 2010-11 YTD Appropriations		FY 2010-11 YTD (as of 2/17/11)	Conf Change from YTD
20. Retention of Public Works Programs	Gross	N/A	\$10,000,000
<u>Conference</u> concurs with <u>House</u> in retaining public works programs at MDOC facilities, but provides in boilerplate that the full costs of all public works programming are to be borne by the public or private entity that benefits from these services. Adds \$10.0 million in appropriations from public works user fees to cover the program. <u>Executive</u> had eliminated public works funding at all facilities with the exception of the Special Alternative Incarceration Program.	Restricted	N/A	10,000,000
	GF/GP	N/A	\$0
21. Recognize Closure of Muskegon Correctional Facility	FTE	238.0	(238.0)
<u>Conference</u> agrees with <u>Senate</u> and <u>House</u> by recognizing the upcoming closure of the Muskegon Correctional Facility, which was being used to house prisoners under a contract with the State of Pennsylvania. In February, Pennsylvania informed Michigan that it was cancelling the contract as overcrowding conditions in the state had improved. The appropriation is financed with contract revenue from Pennsylvania, thus the closure will have no GF/GP impact.	Beds	1,320	(1,320)
	Gross	\$30,832,600	(\$30,832,600)
	Restricted	30,832,600	(30,832,600)
	GF/GP	\$0	\$0
22. Interdepartmental Grant to Corrections Ombudsman	Gross	\$250,000	\$0
Concurs with <u>House</u> in retaining funding for an interdepartmental grant to the Legislative Corrections Ombudsman for oversight functions (\$250,000 GF/GP). <u>Executive</u> and <u>Senate</u> eliminated grant.	GF/GP	\$250,000	\$0
23. Other Budget Reductions and Transfers	Gross	\$3,602,200	(\$525,000)
<u>Conference</u> includes other budget reductions to line items that have historically lapsed appropriation authority, including:	GF/GP	\$3,602,200	(\$525,000)
<ul style="list-style-type: none"> \$175,000 GF/GP for unclassified salaries \$50,000 GF/GP for public education on community corrections \$300,000 GF/GP for felony drunk driver jail reduction program 			
24. Economic Adjustments	Gross	N/A	\$58,312,200
<u>Conference</u> includes \$58.3 million gross (\$56.2 million GF/GP) to cover economic increases as proposed in Executive budget. The increase is related to employee and retiree insurance, retirement costs, building occupancy charges, worker's compensation, food and fuel. Budget does not include an increase for salaries and wages.	IDG	N/A	28,400
	Federal	N/A	126,600
	Local	N/A	4,200
	Restricted	N/A	1,919,700
	GF/GP	N/A	\$56,233,300

Major Boilerplate Changes From FY 2010-11

Sec. 207 and 207a. Privatization Project Plan and Cost-Benefit Analysis – DELETED

Deletes current law requiring the submission of a privatization project plan to the Legislature at least 90 days before beginning a privatization effort (section 207) and the submission of a preprivatization cost-benefit analysis (section 207a). Retains current law which requires that state employees be given the opportunity to bid on such contracts.

Sec. 214. Information Technology Services and Projects – REVISED

Establishes legislative intent that MDOC consider using third-party software and information technologies before contracting with the Department of Technology, Management, and Budget for these services.

Sec. 235. Corrections Expenditure Reductions – REVISED

Expresses intent that MDOC reduce expenditures by following specified Auditor General recommendations and by continuing the supply chain transformation process. New Conference language concurs with Senate in adding assaultive offender and sex offender programming and education to the list of services to be addressed by supply chain transformation efforts.

Sec. 236. Repurposing of Closed Correctional Facilities – NEW

Expresses intent that MDOC make additional efforts to sell, rent, or otherwise repurpose closed correctional facilities.

Sec. 237. Department Procurement Processes – NEW

Requires MDOC to abide by statute and administrative rules regarding procurement requests and to communicate with the Department of Technology, Management, and Budget to ensure proper use of delegated purchasing authority. Requires reporting if requests for proposals are delayed due to improper use of purchasing authority.

Sec. 238. Repurposing of Closed Correctional Facilities – NEW

Expresses intent that MDOC make additional efforts to sell, rent, or otherwise repurpose closed correctional facilities.

Sec. 239. MDOC Management-to-Staff Ratios – NEW

Expresses intent that MDOC maintain management-to-staff ratio of one supervisor for each five employees at the Department's Lansing central office and at the Northern and Southern Region administration offices.

Major Boilerplate Changes From FY 2010-11

Sec. 240. Improper Payment Recovery Audits – NEW

Requires Department to solicit and evaluate proposals for services related to the audit of vendor and contract payments and the recovery of improper payments. Requires report on the solicitation and results of subsequent recovery audits.

Sec. 403. Michigan Prisoner Re-entry Initiative (MPRI) Expenditures and Allocations – REVISED

Revises current law to require MDOC to provide 60 days notice before making changes to allocations or planned expenditures.

Sec. 406. Prisoner Re-entry Pilot Program with Faith-Based Organization – NEW

Conditions the expenditure of appropriations reinvested from Crane closure on the establishment of a pilot program of at least \$2.0 million to contract with faith-based non-profit agencies with established prisoner re-entry programs. Requires reporting comparing outcomes of faith-based pilot services with other MPRI services.

Sec. 408. Measurement of Recidivism – REVISED

Adds new language requiring that any time spent in a county jail or otherwise incarcerated shall be included in recidivism rates.

Sec. 414. County Jail Reimbursement Program – REVISED

Eliminates the choice provided to counties between the eligibility/reimbursement standards in place during FY 2009-2010 (with \$35/\$50/\$60 tiered per diem) and the eligibility/reimbursement standards in place in previous years with a flat \$43.50 per diem without regard to guideline score. Instead, reimbursement will be based on the three-tiered structure. Also eliminates requirement for a reimbursement committee to review the status of reimbursement claims and appropriation levels. Finally, new language provides \$500,000 to reimburse counties for housing probation violators under a swift-and-sure sanction pilot program. Does not concur with House in creating separate appropriations for each sentencing guideline offender tier.

Sec. 415. MPRI Real-Time Database – NEW

Requires MDOC to create a real-time database for use by Department and MPRI service providers and that the Department publish financial guidelines for administration of the program.

Sec. 426. Employment in Recycling Programs for Parolees – REVISED

Allocates \$600,000 to non-profit agencies with established public utility asset recovery recycling programs, and requires hiring at least 45% returning citizens through the funded program. Language makes revisions to clarify the intent of the language and references a new appropriation line item for the program.

Sec. 434. Programs for At-Risk Young Adults and Children of Incarcerated Parents – REVISED

Expresses intent that MDOC collaborate with other state and local entities to implement employment projects targeting at-risk young adults in high-crime neighborhoods and support programs for children of incarcerated parents. Conference adds faith-based organizations to the list of participants.

Sec. 505. Mental Health Awareness Training – REVISED

Eliminates current law requirement that all staff having direct contact with prisoners and employed within correctional facilities attend at least one mental health awareness training session. Current law language regarding custody staff training is maintained.

Sec. 507. Swift-and-Sure Sanctions Pilot – NEW

New language appropriates \$1.0 million as grant to Judiciary to establish a pilot program for the use of swift-and-sure jail sanctions as a response to certain probation violators.

Sec. 810. DNA Identification Profiling – NEW

Provides that MDOC ensure each prisoner serving in a correctional facility and probationers placed at the Special Alternative Incarceration Program provide a sample for DNA identification profiling.

Sec. 814. Availability of Psychotropic Drugs – DELETED

Requires that MDOC assure that psychotropic medications are available, when deemed medically necessary by a physician to prisoners who have mental illness diagnoses but are not enrolled in the Corrections Mental Health Program.

Sec. 815. Health Care Quality Assurance Unit – DELETED

Allocates \$520,000 of appropriation for Health Care Administration to operate a Health Care Quality Assurance Unit.

Sec. 906. Public Works Programs – REVISED

Establishes legislative intent that MDOC maintain or expand existing public works programming. However, makes the local unit of government or private organization responsible for financing the entire cost of public works agreements.

Sec. 919. Food Service Contract – DELETED

Specifies conditions and criteria to be met prior to expenditure of funds on private food service contract.

Sec. 935. Priorities for Prison Facility Closures – NEW

Establishes legislative intent that the department fully consider the potential economic impact on communities when making a determination of a facility closure. Makes minimizing local economic impact a high priority in the decision process.

Sec. 936. Energy Utilization Assessments – NEW

Requires Department to contract with third-party providers to complete energy utilization assessments at each state correctional facility in order to implement energy-saving initiatives.

Major Boilerplate Changes From FY 2010-11

Sec. 937. Cost-Effective Housing Initiative – NEW

Guides use of funding aimed at housing prisoners in the most cost-effective manner possible, including exploring the use of public-private partnerships, the use of privately-owned facilities, and the use of state facilities under third-party contracts. Assumes offsetting savings within general prison operation costs as a result of the shift to more cost-effective approaches.

Sec. 938. Food Service Contractors and Locally-Grown Food – NEW

Provides that food service contractors should be encouraged to provide services using fresh food that is locally grown.

Sec. 939. Privatization of Special Alternative Incarceration Facility – NEW

Requires MDOC to release request for proposal seeking bids for privatization of SAI facility by January 1.

Sec. 940. Prison Drug Testing Services – NEW

Requires MDOC to enter into a contract with a Michigan-based company that provides laboratory oral fluid drug testing.

Sec. 941. Public Works Programs to St. Louis Center – NEW

Requires Department to ensure that any contract with a party to operate the SAI facility include a provision to require the public works program services continue to be provided to the St. Louis Center at rates consistent with those in place on May 1, 2011.

Sec. 942. Corrections Ombudsman and Auditor General Access Prisons Operated Under Contract – NEW

Requires MDOC to ensure that any contract with a party to operate a facility to house state prisoners include a provision to allow access by both the Office of the Auditor General and Office of Legislative Corrections Ombudsman to the facility and to appropriate records and documents related to its operations.

DEPARTMENT OF EDUCATION: FY 2011-12
Summary: Conference Report
Article VI, House Bill 4526 (H-3) CR-1



Analysts: Mary Ann Cleary and Bethany Wicksall

IDG/IDT	FY 2010-11 YTD as of 2/17/11	FY 2011-12 Executive	FY 2011-12 Senate	FY 2011-12 House	FY 2011-12 Conference	Difference: Conference From FY 2010-2011 YTD	
						Amount	%
	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Federal	87,772,100	77,929,200	77,929,200	77,929,200	77,929,200	(9,842,900)	(11.2)
Local	7,199,400	7,159,200	7,159,200	7,159,200	7,159,200	(40,200)	(0.6)
Private	3,124,500	3,044,400	3,044,400	3,044,400	3,044,400	(80,100)	(2.6)
Restricted	6,949,800	7,166,300	7,166,300	7,166,300	7,166,300	216,500	3.1
GF/GP	21,914,100	18,644,200	18,494,200	20,013,900	22,013,900	99,800	0.5
Gross	\$126,959,900	\$113,943,300	\$113,793,300	\$115,313,000	\$117,313,000	(\$9,646,900)	(7.6)
FTEs	562.5	559.0	568.0	559.0	560.0	(2.5)	(0.4)

Note: FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011.

Overview

The State Board of Education is an eight-member elected board constitutionally mandated to provide leadership and supervision for public education in Michigan. The Michigan Department of Education (MDE) is the administrative arm of the Board charged with implementing state and federal educational mandates and administering programs. Major responsibilities of the MDE include developing and overseeing the K-12 school system, certifying teachers, disbursing funds to educational organizations and libraries, and providing technical assistance to school districts and libraries.

Major Budget Changes From FY 2010-11 YTD Appropriations

1. State Aid to Libraries

Executive reduces the Department of Education appropriation for state aid to libraries by \$2.3 million to \$3.4 million. In addition, the \$1.5 million appropriation in the School Aid budget was eliminated under the Executive budget, for a total reduction equal to 52.4% of current state support to libraries.

House concurs with Executive.

Senate reduces the line to \$3.6 million but increases the School Aid appropriation from \$1.5 million to \$3.6 million to maintain full funding.

Conference Committee reduces by \$304,300 for a total appropriation of \$5.4 million.

	FY 2010-11 YTD (as of 2/17/11)	Conf Change from YTD
Gross	\$5,750,000	(\$304,300)
GF/GP	\$5,750,000	(\$304,300)

2. Michigan eLibrary (MeL)

Executive provides additional GF/GP support for the MeL due to the potential loss of federal funds that are likely to decrease based on diminishing state maintenance of effort (MOE) levels from recent reductions in state aid to libraries.

House concurs with Executive.

Senate does not include this line.

Conference Committee concurs with the Executive and House.

	FY 2010-11 YTD (as of 2/17/11)	Conf Change from YTD
Gross	\$0	\$950,000
GF/GP	\$0	\$950,000

Major Budget Changes From FY 2010-11 YTD Appropriations

3. 2009 State Education Reform Activities

Executive eliminates three pieces of the recent education reform, which required new activities for the Department. This includes eliminating the School Reform/Redesign Office, which was supposed to identify and propose reforms for the bottom 5% of districts, to save \$1.4 million. It also eliminates the online testing platform to save \$500,000 and eliminates the basic instructional supplies hotline and appeals process to save \$76,000.

House and Senate concur on the elimination of the online testing platform and the basic instructional supplies hotline and appeals process but maintain the funding and FTEs for the School Reform and Redesign Office.

Conference Committee concurs with House and Senate but funds the School Reform/Redesign Office at a total of \$1,254,700, which is \$115,000 less than the House and Senate had appropriated.

	FY 2010-11 YTD (as of 2/17/11)	Conf Change from YTD
FTEs	25.0	(1.0)
Gross	\$8,977,800	(\$691,000)
Federal	5,063,700	0
GF/GP	\$3,914,100	(\$691,000)

4. Excess Federal and Private Spending Authorization

Executive decreases spending authorization in several units of the bill to reflect the anticipated availability of funds. This includes \$3,967,800 in Special Education, \$1,500,000 in Professional Preparation, \$346,000 and 3.5 FTEs in School Finance/School Law, and \$198,700 in Early Childhood.

House, Senate and Conference Committee concur with Executive.

FTEs	N/A	(3.5)
Gross	N/A	(\$6,012,500)
Federal	N/A	(5,813,800)
Private	N/A	(198,700)
GF/GP	N/A	\$0

5. Office of Education Assessment and Accountability (OEAA)

Executive removes the one-time federal funds used for the rewrite of the OEAA secure site.

House, Senate and Conference Committee concur with Executive.

Gross	\$9,652,300	(\$5,000,000)
Federal	9,652,300	(5,000,000)
GF/GP	\$0	\$0

6. Recognize Savings from 2010 Early Retirement

Executive recognizes the GF/GP savings throughout the department associated with the early retirement.

House, Senate and Conference Committee concur with Executive.

Gross	N/A	(\$370,900)
GF/GP	N/A	(\$370,900)

7. Michigan Schools for the Deaf and Blind

Executive increases spending authorization for private gifts for blind services in order to allow expenditure of carry forward funds that were not spent in FY 2009-10.

House, Senate and Conference Committee concur with Executive.

Gross	\$90,000	\$110,000
Private	90,000	110,000
GF/GP	\$0	\$0

8. Reorganize School Finance/School Law Unit

Executive reorganizes this unit into three new units and shifts \$106,000 and 1.0 FTE to the existing Grants Administration unit. Creates a net change of 1.0 FTE. The transfers would include the following:

State Aid and School Finance Services: \$854,500 and 7.5 FTEs
 Audit Services: \$481,300 and 3.5 FTEs
 Administrative Law Services: \$1,056,300 and 2.0 FTEs

House, Senate and Conference Committee concur with Executive.

FTEs	16.5	1.0
Gross	\$2,844,100	\$0
Federal	1,335,600	0
Restricted	493,400	0
GF/GP	\$1,015,100	\$0

9. FTE Adjustments

Executive recommends positive FTE adjustments for four units:

Grants Administration: 2.0 FTEs
 Field Services: 3.0 FTEs
 Education Improvement/Innovation: 3.0 FTEs
 Career/Technical Education: 1.0 FTE

House concurs with Executive recommended increases, but offsets them with the following negative FTE adjustments:

Central Support: (2.0) FTEs
 Michigan Schools for Deaf/Blind (6.0) FTEs
 Library of Michigan Operations (1.0) FTE

Senate concurs with the Executive.

Conference Committee concurs with the House.

FTEs	N/A	0.0
Gross	N/A	\$0
GF/GP	N/A	\$0

10. Book Distribution Centers

Executive and House did not include this line item.

Senate adds \$50,000 for Book distribution centers.

Conference Committee concurs with House.

Gross	N/A	\$0
GF/GP	N/A	\$0

Major Budget Changes From FY 2010-11 YTD Appropriations	FY 2010-11 YTD (as of 2/17/11)	Conf Change from YTD
11. Youth Employment Act	FTEs	N/A
<u>Revised Executive</u> recognizes the transfer of Youth Employment Act responsibilities from the new Department of Licensing and Regulatory Affairs to the Department of Education.	Gross	N/A
	GF/GP	N/A
		1.0
		\$115,000
		\$115,000
12. Economic Adjustments	Gross	N/A
<u>Executive</u> includes economic adjustments for retirement, insurances, workers' compensation, and building occupancy charges totaling \$1.6 million for FY 2011-12. <u>House, Senate and Conference Committee</u> concur with Executive.	Federal	N/A
	Local	N/A
	Private	N/A
	Restricted	N/A
	GF/GP	N/A
		\$1,556,800
		902,500
		103,200
		8,600
		141,500
		\$401,000

Major Boilerplate Changes From FY 2010-11

Sec. 204. Civil Service Fee – RETAINED

Specifies administrative fee charged to each state department for personnel services. Executive deletes. House, Senate, and Conference Committee maintain current law.

Sec. 205. Internet Reporting – RETAINED

Requires department to use Internet or email to fulfill reporting requirements. Executive moves to general sections of omnibus bill. House, Senate, and Conference Committee maintain current law.

Sec. 206. State Board of Education Information – RETAINED

Requires the department to forward board agendas and documents to various governmental agencies electronically. Executive deletes. House, Senate, and Conference Committee maintain current law.

Sec. 207. Department Financial Information – NEW

House adds new section requiring that the department develop, post, and maintain on a user-friendly and publicly accessible internet site, all expenditures and purpose for each expenditure made by the agency within a fiscal year. Senate and Conference Committee concur with the House but revises the language to require that the department maintain a searchable website accessible to the public at no cost which includes expenditures by category, expenditures by appropriation unit, payments to vendors by vendor, date, amount, and description, the number of active employee by job classification, and job specifications and wage rates. Allows the department to develop its own website or reference the state's central transparency website as the source of this information.

Sec. 208. Personnel Records – RETAINED

Directs the department require districts to retain teacher personnel records regarding sexual misconduct. Executive deletes. House, Senate, and Conference Committee maintain current law.

Sec. 209. Information Technology User Fees – RETAINED

Directs the department to pay user fees to Department of Technology, Management and Budget for technology-related services. Executive deletes. House, Senate, and Conference Committee maintain current law.

Sec. 210. Information Technology Work Projects – NEW

House adds new section allowing appropriations for information technology work projects to be carried forward into following fiscal year according to the Management and Budget Act. Senate and Conference Committee concur with the House.

Sec. 211. Adequate Yearly Progress (AYP) – RETAINED

Requires that the department allow districts to appeal determinations of failure to meet AYP before it publishes AYP reports. Executive deletes. House, Senate, and Conference Committee maintain current law.

Sec. 212. 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. Executive deletes. House, Senate, and Conference Committee maintain current law.

Sec. 213. Hiring Freeze – DELETED

Establishes a hiring freeze for state civil service with exceptions under certain circumstances. Executive deletes. House and Senate maintain current law. Conference Committee deletes this section.

Sec. 214. Out-of-State Travel – RETAINED

Limits out-of-state travel for certain circumstances and requires reporting on all out-of-state travel. Executive deletes. House, Senate, and Conference Committee maintain current law.

Sec. 215. Out-of-State Professional Development – RETAINED

Limits out-of-state travel for professional development conferences or training seminars. Executive deletes. House, Senate, and Conference Committee maintain current law.

Major Boilerplate Changes From FY 2010-11

Sec. 216. Communication with the Legislature – RETAINED

Prohibits the department from taking disciplinary action against an employee for communicating with a legislator or his/her staff. Executive deletes. House, Senate, and Conference Committee maintain current law.

Sec. 217. Economically Distressed Areas – RETAINED

Encourages the department to contract with businesses in economically distressed areas. Executive deletes. House, Senate, and Conference Committee maintain current law.

Sec. 218. Report Retention – NEW

House adds new language requiring the department to retain all reports funded from appropriations in part 1 according to federal and state guidelines for short-term and long-term retention of records. Senate and Conference Committee concur with the House.

Sec. 220. Providing the Legislature with Timely Data – RETAINED

Requires the department to provide data requested by legislature, staff, and fiscal agencies in a timely manner. Executive deletes. House, Senate, and Conference Committee maintain current law.

Sec. 221. 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. Executive deletes. House, Senate, and Conference Committee maintain current law.

Sec. 222. 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. Executive deletes. House concurs. Senate maintains current law. Conference Committee concurs with House.

Sec. 225. Pupil Membership Fraud – RETAINED

Requires the State Superintendent of Public Instruction to investigate and report on issues of pupil membership fraud, and report on the scope of and proposed solutions to the problem. Executive deletes. House, Senate, and Conference Committee maintain current law.

Sec. 226. Lapse Report – REVISED

Requires the department to report projected year-end GF/GP lapse amount for a given year by Oct. 15 of the next fiscal year. Executive deletes. House and Senate retain current law. Conference Committee revises requirement date to Nov. 15.

Sec. 227. Report on Restricted Fund Balances, Revenues and Expenditures – NEW

Conference Committee adds new language requiring that within 14 days of the release of the executive budget recommendation that the department provide the state budget director, the appropriations chairs, appropriations subcommittees, and fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2011 and September 30, 2012.

Sec. 229. State Education Reforms – NEW

Senate adds new language requiring Department to comply with State Education Reforms with funds appropriated in part 1. House does not include this section. Conference Committee concurs with Senate.

Sec. 230. ISD Consolidation of Non-instructional Services – NOT INCLUDED

Senate adds new language requiring the department to study and report on potential savings if ISDs consolidate non-instructional services for constituent districts. House does not include this section. Conference Committee concurs with House.

Sec. 231. Department Consolidation of Non-instructional Services – NOT INCLUDED

Senate adds new language requiring the department to study and report on potential savings if the department consolidates non-instructional services for districts and ISDs. House does not include this section. Conference Committee concurs with House.

Sec. 232 Statewide Health Savings Accounts – NOT INCLUDED

Senate adds new language requiring the department to study and report on potential savings if all school district employees were included in health savings accounts. House does not include this section. Conference Committee concurs with House.

Sec. 301. State Board of Education Expenses – REVISED

Authorizes the department to make per diem payments to State Board of Education members and report quarterly on expenses. Executive eliminates the reporting requirement. House concurs. Senate maintains current law. Conference Committee concurs with House.

Sec. 401. Michigan Schools for the Deaf and Blind Employees – DELETED

Stipulates that employees who work on a school year basis shall be considered annual employees for purposes of service credits, retirement, and insurance benefits. Executive deletes. House concurs. Senate maintains current law. Conference Committee concurs with House.

Sec. 405. Federal Medicaid Program – RETAINED

Allows the department to assist other departments and school districts to secure reimbursement for eligible services provided in Michigan schools from the federal Medicaid program. Executive deletes. House, Senate, and Conference Committee maintain current law.

Major Boilerplate Changes From FY 2010-11

Sec. 501. Felony Conviction Files – RETAINED

Requires that the department maintain professional personnel registry and certificate revocation/felony conviction files.

Executive deletes. House, Senate, Conference Committee maintain current law.

Sec. 601. Administration of the Charter School Office – RETAINED

Earmarks funds to operate the charter school office.

Executive deletes. House concurs. Senate maintains current law. Conference Committee concurs with Senate.

Sec. 701. Collaboration with Center for Education Performance and Information (CEPI) – RETAINED

Directs the department to work collaboratively with CEPI to support data collection.

Executive deletes. House concurs. Senate maintains current law. Conference Committee concurs with Senate.

Sec. 803. Keep Library Functions Together – RETAINED

Provides intent that the State maintain the Library of Michigan and its component programs together in a state department.

Executive deletes. House, Senate, and Conference Committee maintain current law.

Sec. 804. Library Collections – RETAINED

Requires that the department and the Library of Michigan maintain custody of the non-Michigan genealogy and all Michigan-specific collections and continue to make these collections available to the public.

Executive deletes. House, Senate, and Conference Committee maintain current law.

Sec. 805. Book Distribution Centers – NOT INCLUDED

Senate adds new Sec. 805 directing funds appropriated in part 1 to book distribution centers to Michigan Friends of Education. House does not include this section. Conference Committee concurs with House.

Sec. 805. Library Minimum Hours Waivers – NOT INCLUDED

House adds new Sec. 805 requiring the department to grant waivers to any library requesting a waiver for the minimum hours of operation required under the state aid to public libraries minimum standards. Senate does not include this section. Conference Committee concurs with Senate.

Sec. 901. Federal and Private Grants – RETAINED

Requires that the department notify House and Senate Appropriations subcommittee chairs within ten days of receipt of a grant appropriated in the federal and private grants line item including funding source, purpose, and amount of grant.

Executive deletes. House, Senate, and Conference Committee maintain current law.

Sec. 903. Cyber Schools – RETAINED

Directs the department to work with districts that operate a cyber school or alternative education program with a seat-time waiver to provide a report by March 1, detailing enrollments resident districts, per pupil operating costs, and online education providers.

Executive deletes. House, Senate, Conference Committee maintain current law.

Sec. 904. Federal Education Jobs – DELETED

Designated a portion of Federal Education Jobs funds for administration of the funds distributed to districts in School Aid budget.

Executive deletes. House, Senate, and Conference Committee concur.

Sec. 1201. FY 2012-13 Appropriations – NEW

Senate adds language of intent that FY 2012-13 appropriations will be at the same level as appropriated in FY 2011-12 with adjustments for caseload adjustments, economics, and available revenue. House does not include this section. Conference Committee concurs with Senate.

ENVIRONMENTAL QUALITY: FY 2011-12
Summary: Conference Report
Article VII, House Bill 4526 (H-3) CR-1



Analyst: Viola Bay Wild

	FY 2010-11 YTD as of 2/17/11	FY 2011-12 Executive	FY 2011-12 Senate	FY 2011-12 House	FY 2011-12 Conference	Difference: Conference From FY 2010-2011 YTD	
						Amount	%
IDG/IDT	\$8,691,800	\$8,918,200	\$9,043,200	\$9,043,200	\$9,043,200	\$351,400	4.0
Federal	182,901,700	159,851,500	159,701,500	159,701,500	159,701,500	(23,200,200)	(12.7)
Local	0	0	0	0	0	0	--
Private	684,700	711,800	711,800	711,800	711,800	27,100	4.0
Restricted	178,065,000	223,678,900	214,759,300	221,711,700	223,571,900	45,506,900	25.6
GF/GP	25,322,500	21,491,600	21,491,600	21,135,900	21,491,600	(3,830,900)	(15.1)
Gross	\$395,665,700	\$414,652,000	\$405,707,400	\$412,304,100	\$414,520,000	\$18,854,300	4.8
FTEs	1,483.1	1,456.1	1,349.5	1,450.1	1,340.5	(142.6)	(9.6)

Notes: (1) FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011. (2) Figures do not reflect \$6.0 million GF/GP in one-time boilerplate appropriations contained in Sec. 1001 of conference report.

Overview

The Department of Environmental Quality (DEQ) supports environmental protection, conservation, and cleanup and redevelopment programs and regulatory efforts established to protect, restore, and reuse Michigan's air, water, and land resources.

Major Budget Changes From FY 2010-11 YTD Appropriations	FY 2010-11 Year-to-Date (as of 2/17/11)	Conference Change from Year-to-Date
1. Office of Pollution Prevention and Compliance Assistance (OPPCA) Executive, Senate, House, and Conference decrease funding by \$1.2 million Gross and GF/GP and eliminate 9.0 FTEs for the OPPCA program which provides environmental regulation assistance and education to businesses and the public.	FTE Gross GF/GP	N/A N/A N/A (9.0) (\$1,200,000) (\$1,200,000)
2. GF/GP Reductions Executive, Senate, and Conference reduce funding by \$1.5 million Gross and \$1.7 million GF/GP and eliminate 11.0 FTEs in various programs such as Air Quality, Environmental Investigations, Critical Dunes, and Groundwater Discharge, among others; savings realized from program elimination, reductions, and administrative cost savings. Includes \$400,000 fund source shift for Critical Dunes Program from GF/GP to Environmental Protection Fund. House includes these GF/GP reductions and reduces GF/GP funding by an additional \$355,700 in various line items.	FTE Gross Federal Restricted GF/GP	N/A N/A N/A N/A N/A (11.0) (\$1,536,500) (76,700) 202,200 (\$1,662,000)
3. Unclassified Positions Increase Senate and Conference transfer \$214,500 restricted funding from Executive Direction line item to Unclassified line item, eliminates 3.0 classified FTE positions and increases unclassified positions by 3.0.	FTE Gross GF/GP	N/A N/A N/A 0.0 \$0 \$0
4. FTE Reduction Senate eliminates 100.6 classified FTEs from the number in the Executive Recommendation. Conference eliminates an additional 15.0 FTEs for a total reduction of 115.6 positions.	FTE Gross GF/GP	N/A N/A N/A (115.6) \$0 \$0
5. High Risk Erosion Senate, House, and Conference include additional \$18,000 Gross funding for the High Risk Erosion program; funding helps retain current federal funding in DEQ budget.	Gross Restricted	N/A N/A \$18,000 18,000
6. Early Retirement Savings Executive, Senate, House, and Conference include \$738,100 Gross and GF/GP savings realized from the FY 2010-11 early retirement incentive program.	Gross GF/GP	N/A N/A (\$738,100) (\$738,100)

Major Budget Changes From FY 2010-11 YTD Appropriations		FY 2010-11 Year-to-Date (as of 2/17/11)	Conference Change from Year-to-Date
7. Accounting Consolidation	FTE	13.0	(13.0)
<u>Executive, Senate, House, and Conference</u> transfer 13.0 FTEs to the Department of Transportation to consolidate accounting staff from various departments. The \$1.2 million Gross and \$162,800 GF/GP funding associated with the FTEs will remain in the DEQ budget to fund an Accounting Service Center.	Gross	\$1,224,700	\$0
	IDG	127,200	0
	Restricted	934,700	0
	GF/GP	\$162,800	\$0
8. Restricted Funds Authorization Reduction	Gross	N/A	(\$6,413,200)
<u>Executive, Senate, House, and Conference</u> reduce authorization for 17 restricted funds by \$6.4 million to align with anticipated revenues. Funds include Air Emission Fees, Great Lakes Protection Fund, NPDES fees, and Solid Waste Management Fund Staff Account, among others.	Restricted	N/A	(6,413,200)
9. Great Lakes Restoration Initiative (GLRI) Reduction	Gross	\$50,000,000	(\$25,000,000)
<u>Executive, Senate, House, and Conference</u> reduce authorization for GLRI federal competitive grant by \$25.0 million to align with anticipated awards.	Federal	50,000,000	(25,000,000)
10. Nonmetallic Mine Reclamation Program Elimination	Gross	\$23,800	(\$23,800)
<u>Executive, Senate, House, and Conference</u> eliminate Nonmetallic Mining Reclamation Program within the Office of Geologic Survey and the \$23,800 restricted funding associated with the program.	Restricted	23,800	(23,800)
11. Geologic Mapping and Information Program Elimination	Gross	N/A	(\$358,000)
<u>Executive, Senate, House, and Conference</u> eliminate program funding of \$208,000; recommends that the mapping and evaluation duties of program and the federal funding be reassigned to the Geosciences Department of WMU.	Federal	N/A	(210,500)
	Restricted		(147,500)
12. Air Quality Program - Renewable Operating Permits	Gross	N/A	\$840,000
<u>Executive, Senate, House, and Conference</u> include \$840,000 additional restricted funding authorization to be realized through an increase in fees by a formula change to current fee structure in the Air Quality Program; increase expected to generate sufficient funding to adequately implement the program under the Clean Air Act.	Restricted	N/A	840,000
13. Strategic Water Quality Initiative Funds - Nonpoint Source Contamination Cleanups	Gross	N/A	\$30,000,000
<u>Executive, Senate, House, and Conference</u> include \$30.0 million additional restricted funding to implement PA 232 of 2010 and appropriate funds for cleanups; authorized bonding would generate an estimated \$900,000 in annual General Obligation debt service for the State.	Restricted	N/A	30,000,000
14. Solid Waste Surcharge Fee Proposal	Gross	N/A	\$0
<u>Executive, Senate, House, and Conference</u> include funding that anticipates an increase in the solid waste surcharge fee from 7 cents per cubic yard to 12 cents. Because revenues have been declining, no additional funding authorization is needed.	Restricted	N/A	0
15. Wastewater Operator Certification Fees	Gross	N/A	\$156,000
<u>Executive, Senate, House, and Conference</u> increase restricted fund authorization by \$356,000 for new increased fee structure for wastewater operator certification exams and renewals; includes a \$200,000 GF/GP reduction.	Restricted	N/A	356,000
	GF/GP	N/A	(\$200,000)
16. Coastal and Inland Waters Permit Program Information System Replacement	Gross	N/A	\$3,200,000
<u>Executive, Senate, House, and Conference</u> include \$3.2 million available land and water permit fee revenue to replace obsolete software needed for the program.	Restricted	N/A	3,200,000
17. State-Owned Sites Cleanup Program	Gross	N/A	\$4,400,000
<u>Executive, Senate, House, and Conference</u> appropriate \$4.4 million in remaining funding from the State Sites Cleanup Fund to address the cleanup of high risk sites where the State is responsible for the contamination.	Restricted	N/A	4,400,000
18. Environmental Pollution Prevention Fund (EPPF) - Fund Source Shift	Gross	N/A	\$0
<u>Executive, Senate, House, and Conference</u> increase restricted funding from EPPF for Hazardous Waste Management Program by \$738,000 and reduces GF/GP funding by same amount.	Restricted	N/A	738,000
	GF/GP	N/A	(\$738,000)
19. Oil and Gas Regulatory Fund - Fund Source Shift	Gross	N/A	\$0
<u>Executive, Senate, House, and Conference</u> include a technical change that reduces restricted funding from the Oil and Gas Regulatory Fund for Oil, Gas and Mineral Services Program by \$150,000 and increases federal funding by same amount.	Federal	N/A	150,000
	Restricted	N/A	(150,000)

Major Budget Changes From FY 2010-11 YTD Appropriations		FY 2010-11 Year-to-Date (as of 2/17/11)	Conference Change from Year-to-Date
20. IDG / Restricted Fund Source Shift	Gross	N/A	\$0
<u>Senate</u> , <u>House</u> , and <u>Conference</u> include a technical change that reduces restricted funding from the Public Utility Assessment by \$125,000 and increases the Michigan State Police IDG by same amount for radiation protection programs.	IDG	N/A	125,000
	Restricted	N/A	(125,000)
21. Brownfield Grants and Environmental Bond Site Reclamation Program Grants	Gross	N/A	\$6,952,500
<u>Revised Executive</u> , <u>House</u> , and <u>Conference</u> include \$6,952,500 additional restricted funding for grant programs to local units of government and brownfield redevelopment authorities for cleanup projects.	Restricted	N/A	6,952,500
22. Bureau of Energy Systems	FTEs	N/A	6.0
<u>Revised Executive</u> and <u>Conference</u> include \$1,860,200 restricted funding and 6.0 additional FTE positions for the transfer of the Bureau of Energy Systems from DELEG.	Gross	N/A	\$1,860,200
	Restricted	N/A	1,860,200
23. Economics	Gross	N/A	\$6,697,200
<u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> increase funding in FY 2011-12 by \$6.7 million Gross and \$707,200 GF/GP for economic increases in retirement costs and Worker's Compensation costs. Total includes \$137,600 Gross and \$7,100 GF/GP for DIT economics.	IDG	N/A	226,400
	Federal	N/A	1,937,000
	Private	N/A	27,100
	Restricted	N/A	3,799,500
	GF/GP	N/A	\$707,200

Major Boilerplate Changes From FY 2010-11

Sec. 204. Civil Service Charges – RETAINED

Requires Civil Service to charge state departments 1% of salary payments. Executive and Senate delete language; House and Conference retain language.

Sec. 206. IT Work Projects – NEW

Allows IT projects to be designated as work projects and appropriations to be carried forward. House and Conference include new language.

Sec. 207. Retention of Reports – NEW

Requires DEQ to retain copies of all reports funded from appropriations. House and Conference include new language.

Sec. 208. DIT User Fees – RETAINED

Directs DEQ to pay user fees to DTMB for technology services and projects. Executive and Senate delete language; House and Conference retain language.

Sec. 209. Out-of-State Travel Restrictions – DELETED

Limits purpose/amount of out-of-state travel; requires annual report on January 1 for prior fiscal year. Executive, Senate, and Conference delete language; House retains and includes new language to allow state budget director to grant travel exceptions.

Sec. 210. Purchase of Foreign Goods and Services – RETAINED

Prohibits purchase of foreign goods and services if competitively priced and comparable American goods or services are available; requires preference for goods and services from Michigan businesses and businesses owned and operated by veterans. Executive deletes language; House, Senate, and Conference retain language.

Sec. 211. Businesses in Economically Deprived or Depressed Communities – RETAINED

Encourages vendor contracts in economically depressed communities. Executive deletes language; House, Senate, and Conference retain language.

Sec. 212. Disciplinary Action Against State Employees – RETAINED

Prohibits Department from disciplining state employees for communicating with members of the Legislature and their staffs. Executive deletes language; House, Senate, and Conference retain language.

Sec. 213. Rule Promulgation – RETAINED

Requires report on policy changes made to implement a public act; Department is not allowed to adopt a rule that will apply to a small business if it has a disproportionate economic impact. Executive and Senate delete language; House and Conference retain language.

Sec. 214. Legal Services – RETAINED

Prohibits hiring attorneys for legal services provided by the Attorney General. Executive deletes language; House, Senate, and Conference retain language.

Major Boilerplate Changes From FY 2010-11

Sec. 215. Contingency Fund Transfer Authority – REVISED

Provides authority for contingency fund transfers: up to \$30.0 million federal, \$5.0 million restricted, \$100,000 local, and \$500,000 private; transfers must be approved by the House and Senate appropriations committees. Executive, House, Senate, and Conference revise language to amounts listed.

Sec. 218. Pending Permits – DELETED

Any permit application pending after a 2-year period shall be considered administratively complete on January 1, 2011. Executive, Senate, and Conference delete language; House retains language.

Sec. 220. Hiring Freeze – NOT INCLUDED

Imposes hiring freeze on state classified civil service. House includes new language.

Sec. 221. Future Use of Refined Petroleum Fund (RPF) Revenues – DELETED

States legislative intent that after FY 2010-11, RPF revenues shall be used solely for leaking underground storage tanks. Senate includes language; Executive, House, and Conference delete language.

Sec. 221. GF/GP Lapse – NEW

Requires report by November 15 that provides estimates of GF/GP appropriation lapses at close of year. House and Conference include new language.

Sec. 222. Restricted Fund Revenue, Expenditures, Fund Balances, and FTE Information – RETAINED

Requires report of revenue, spending, and estimated year-end balance for each restricted fund appropriated; requires report on number and funding of FTE positions that are supported by each line item. Executive and Senate delete language; House and Conference retain language (Sec. 222 - Revenue Report; Sec. 223 - FTE Report).

Sec. 225. Out-of-State State Employee Training – DELETED

Prohibits out-of-state travel to attend a conference or seminar for more than one employee unless the travel is funded by a federal or private source, or conference includes multiple issues in which one employee does not have expertise. Executive, Senate, and Conference delete language; House retains language (Sec. 223).

Sec. 227. Permit Application Status Tracking Tool – NEW

Requires report on implementation of a permit application tracking tool on DEQ website. House and Conference include language.

Sec. 228. Customer Satisfaction Evaluation Program – NEW

Requires DEQ to develop a customer satisfaction evaluation program; requires report. House and Conference include new language.

Sec. 229. Expedited Permitting Program – NEW

Requires report identifying specific permit programs to use an expedited permitting option. House and Conference include language.

Sec. 233(1). FTE Report and Expenditure Report – RETAINED

Requires report on the number of FTEs in pay status by civil service classification. Executive and Senate delete language; House and Conference retain language (Renumbered Sec. 224).

Sec. 233(2). FTE Report and Expenditure Report – REVISED

Requires expenditures to be reported on a publicly accessible internet site, including the purpose for which the expenditures were made. Executive and Senate delete language; House retains language; Conference revises language to include specific expenditure information (Renumbered Sec. 225).

Sec. 234. Website Expenditure Posting Cost – RETAINED

Directs DEQ to spend less than \$10,000 to post expenditures on the website. Executive and Senate delete language; House and Conference retain language (Renumbered Sec. 226).

Sec. 307. Restricted Fund Transfer to Environmental Pollution Prevention Fund (EPPF) – NEW

Authorizes transfer of \$2.0 million from the Small Business Pollution Prevention Fund to the EPPF. Executive, Senate, House, and Conference include new language.

Sec. 308. Restricted Fund Transfer to Environmental Protection Fund (EPF) – NEW

Authorizes transfer of \$1.3 million from the Small Business Pollution Prevention Fund to the EPF. Executive, Senate, House, and Conference include new language.

Sec. 309. Brownfield Grants and Loans Program Work Project Language – NEW

Provides that Brownfield Grants and Loans Program funding are work project appropriations and allows carry-forward of any remaining funds; requires that all projects be accomplished by contract; tentative completion date is September 30, 2016. Revised Executive, House, and Conference include new language.

Sec. 310. Environmental Bond Site Reclamation Program Work Project Language – NEW

Provides that Environmental Bond Site Reclamation Program funding are work project appropriations and allows carry-forward of any remaining funds; requires that all projects be accomplished by contract; tentative completion date is September 30, 2016. Revised Executive, House, and Conference include new language.

Major Boilerplate Changes From FY 2010-11

Sec. 311. Tax Exemption Certificates – NEW

Provides that DEQ enter into an MOU with Treasury on tax exemption certificates concerning air pollution control equipment and water pollution equipment. Senate and Conference include new language.

Sec. 403. Aquatic Invasive Species – NEW

Requires DEQ to support funding for an Aquatic Invasive Species Council if one is formed; council is to develop a basin-wide approach to invasive species management. Senate and Conference include new language.

Sec. 405. Refined Petroleum Fund – RETAINED

States legislative intent to restore \$70.0 million Refined Petroleum Fund transferred to General Fund in FY 2006-07. Executive and Senate delete language; House and Conference retain language (Renumbered Sec. 305).

Sec. 406. Operational Memoranda – DELETED

Prohibits expenditure of funds if using operational memoranda or similar documents to impose regulations on individuals or businesses conducting environmental cleanup projects without written consent. Executive, Senate, House, and Conference delete language.

Sec. 407. Solid Waste Management Fund – DELETED

Appropriates \$2.0 million from solid waste management fund perpetual care account to solid waste management fund staff account. Executive, Senate, House, and Conference delete language.

Sec. 408. Refined Petroleum Fund (RPF) Cleanup Site List – REVISED

Lists cleanup projects funded through the RPF Cleanup Program. Executive deletes; Senate, House, and Conference include revised list (Sec. 306).

Sec. 601. Solid Waste Program Report – NEW

Requires report on the Department's Solid Waste Management Program and policy. Report shall include options for long-term funding, and the impact of recycling, composting, and beneficial reuse, as well as the feasibility of contracting out landfill inspections. House and Conference include new language.

Sec. 651. Aquatic Nuisance Control (ANC) – REVISED

Requires \$100,000 be allocated to fund up to one additional FTE for ANC program; requires report. Executive and Senate delete language; House and Conference revise language for FY 2012 (Renumbered Sec. 401).

Sec. 652. Groundwater Dispute Resolution Process – RETAINED

Directs Department to fund an aquifer dispute resolution process if funds are available. Executive and House delete language; Senate, and Conference retain language (Renumbered Sec. 402).

Sec. 1001. Muskegon Cleanup Site: One-Time Appropriation – NEW

Appropriates \$6.0 million GF/GP for the Muskegon cleanup site as a one-time appropriation in FY 2011-12. Conference includes new language.

Sec. 1201. FY 2012-13 Anticipated Appropriations – NEW

States intent that FY 2012-13 line item appropriations will be the same as those for FY 2011-12 with certain economic adjustments. Senate and Conference include new language.

TOTAL GENERAL GOVERNMENT: FY 2011-12
Summary: Conference Report
Article VIII, House Bill 4526 (H-3) CR-1



Analysts: Robin R. Risko and Ben Gielczyk

	FY 2010-11 YTD as of 2/17/11	FY 2011-12 Executive	FY 2011-12 Senate	FY 2011-12 House	FY 2011-12 Conference	Difference: Conference From FY 2010-11 YTD	
						Amount	%
IDG/IDT	\$644,781,100	\$669,128,900	\$669,027,400	\$669,027,400	\$669,027,400	\$24,246,300	3.8
Federal	277,499,300	768,099,400	273,049,700	273,049,700	768,099,400	490,600,100	176.8
Local	3,434,400	7,989,300	3,555,800	3,555,800	7,989,300	4,554,900	132.6
Private	1,414,500	979,400	930,700	930,700	979,400	(435,100)	(30.8)
Restricted	1,804,038,200	1,723,308,800	1,734,148,000	1,719,647,900	1,726,410,300	(77,627,900)	(4.3)
GF/GP	590,492,600	751,458,700	674,509,500	672,565,900	724,736,300	134,243,700	22.7
Gross	\$3,321,660,100	\$3,920,964,500	\$3,355,221,100	\$3,338,777,400	\$3,897,242,100	\$575,582,000	17.3
FTEs	7,709.2	8,162.2	7,729.2	7,732.2	8,159.2	450.0	5.8

Notes:

(1) FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011. (2) Figures do not reflect \$136.3 million GF/GP and \$30.0 million state restricted in one-time boilerplate appropriations contained in Sec. 1201 of the Conference Report.

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

GENERAL SECTIONS OF BOILERPLATE

Sec. 204. Civil Service 1% Charges – DELETED

Requires Civil Service Commission to bill departments at end of first fiscal quarter for 1% charge authorized by State Constitution; requires departments to pay billings by end of second fiscal quarter. House retains. Executive, Senate, and Conference delete.

Sec. 205. Hiring Freeze (Executive Branch Departments) – DELETED

Imposes hiring freeze on state classified civil service; authorizes Attorney General and Secretary of State to grant exceptions for their departments; authorizes state budget director to grant exceptions for all other Executive branch departments; requires quarterly reports on exceptions, to include justification for exceptions. Senate and House retain. Executive and Conference delete.

Sec. 206. Transparency Websites – NEW

Requires departments and agencies to maintain searchable websites accessible by the public at no cost that include expenditure data, data on payments made to vendors, and data on number of active employees, job specifications, and wage rates. Executive, Senate, and House do not include. Conference includes new language.

Sec. 207. Information Technology Work Project Accounts – NEW

Designates appropriations for information technology as work project accounts. Executive and Senate do not include. House and Conference include new language.

Sec. 211. Budget Stabilization Fund Pay-In – NEW

Appropriates \$255.8 million from GF/GP revenue into the Countercyclical Budget and Economic Stabilization Fund. Executive, Senate, and House do not include. Conference includes new language.

Sec. 212. Receipt and Retention of Required Reports – REVISED

Requires departments to receive and retain copies of all reports required in the bill; requires federal and state guidelines to be followed for short-term and long-term retention of records. Executive deletes. Senate retains. House and Conference add language authorizing departments to electronically retain copies of reports unless otherwise required by federal and state guidelines.

Boilerplate Changes From FY 2010-11

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

Limits out-of-state travel; requires annual report on all out-of-state travel funded with department appropriations. Executive deletes. Senate retains. House deletes annual report on all out-of-state travel funded with department appropriations, adds language authorizing State Budget Director to grant exceptions to allow travel, and adds monthly report on number of exceptions granted. Conference deletes annual report on all out-of-state travel funded with department appropriations and adds quarterly report on number of exceptions granted.

Sec. 220. Limitation on Administering a Committee – NEW

Prohibits funds from being used to administer a committee or to solicit or obtain contributions for a committee. ("Committee" is defined as a one which receives contributions or makes expenditures for the purpose of influencing or attempting to influence the action of voters.) Executive and House do not include. Senate and Conference include new language.

Sec. 227. Report on State Restricted Funds – NEW

Requires departments and agencies to report on state restricted fund balances, projected state restricted fund revenues, and state restricted fund expenditures. Executive, Senate, and House do not include. Conference includes new language.

Sec. 230. FTE Positions and Transparency Websites – DELETED

Requires departments and agencies to report on number of FTE positions in pay status by civil service classification; requires executive branch departments to develop, post, and maintain Internet sites showing all expenditures. Executive deletes. Senate retains. House retains but deletes reporting requirement. Conference deletes.

Sec. 231. Transparency Website Expenditure – DELETED

Prohibits departments from expending more than \$10,000 to implement transparency websites. Senate retains. Executive, House, and Conference delete.

One-Time Basis Only Boilerplate

Sec. 1201. One-time Basis Only Appropriations – NEW

Subsection (1) appropriates GF/GP revenue in FY 2012: \$1.25 million to DTMB for asbestos abatement in the former state police headquarters building; \$60.0 million to DTMB for other post-employment benefits; \$25.0 million to the Michigan Strategic Fund for film incentive program; and \$50.0 million to the Michigan Strategic Fund for business attraction and economic gardening. Subsection (2) appropriates sales tax revenue in FY 2012: \$15.0 million to Treasury for county revenue sharing; and \$15.0 million to Treasury for Economic Vitality Incentive Program. Executive, Senate, and House do not include. Conference includes new language.

FY 2012-2013 Anticipated Appropriations Boilerplate

Sec. 1301. FY 2012-13 Anticipated Appropriations – NEW

Specifies legislative intent that FY 2012-13 appropriations are anticipated to be the same as those for FY 2011-12, except where line items need to be adjusted for changes in caseloads, federal fund matching rates, economic factors, and/or available revenues. Executive and House include line item appropriations for FY 2012-13 so did not include language. Senate and Conference include new language.

ATTORNEY GENERAL: FY 2011-12
Summary: Conference Report
Article VIII, House Bill 4526 (H-3) CR-1



Analyst: Robin R. Risko

	FY 2010-11 YTD as of 2/17/11	FY 2011-12 Executive	FY 2011-12 Senate	FY 2011-12 House	FY 2011-12 Conference	Difference: Conference From FY 2010-11 YTD	
						Amount	%
IDG/IDT	\$21,300,300	\$21,885,400	\$21,885,400	\$21,885,400	\$21,885,400	\$585,100	2.8
Federal	8,565,700	8,848,800	8,848,800	8,848,800	8,848,800	283,100	3.3
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	14,987,700	15,489,100	15,489,100	15,489,100	15,489,100	501,400	3.3
GF/GP	28,559,400	28,117,600	28,117,600	28,117,600	28,367,600	(191,800)	(0.7)
Gross	\$73,413,100	\$74,340,900	\$74,340,900	\$74,340,900	\$74,590,900	\$1,177,800	1.6
FTEs	520.0	520.0	520.0	520.0	520.0	0.0	--

Note: FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011.

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.

Budget Changes From FY 2010-11 YTD Appropriations

		FY 2010-11 Year-To-Date (as of 2/17/11)	Conference Change from Year-to-Date
1. Operations Adjustment	Gross	N/A	\$107,600
<u>Executive</u> , <u>Senate</u> , and <u>House</u> include a GF/GP reduction of \$142,400. <u>Conference</u> includes a GF/GP reduction of \$142,400 and then includes an additional \$250,000, which was added as part of the target agreement.	GF/GP	N/A	\$107,600
2. Early Retirement Savings	Gross	N/A	(\$1,285,600)
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. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	GF/GP	N/A	(\$1,285,600)
3. SOCC Reduction	Gross	\$115,800	(\$3,300)
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. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	GF/GP	\$115,800	(\$3,300)
4. PACC Grant Award Reduction	Gross	\$325,000	(\$186,000)
Includes a reduction from the Michigan Justice Training Fund as a result of reduced training services being provided by the Prosecuting Attorneys Coordinating Council. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	IDG	325,000	(186,000)
5. State Claims Unit Reduction	Gross	\$1,417,100	(\$62,500)
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. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	IDG	1,417,100	(62,500)

<u>Budget Changes From FY 2010-11 YTD Appropriations</u>	<u>FY 2010-11 Year-To-Date (as of 2/17/11)</u>	<u>Conference Change from Year-to-Date</u>	
6. <i>Economics</i>	Gross	N/A	\$2,607,600
Includes additional funding for economic adjustments to be made for insurance,	IDG	N/A	833,600
retirement, and workers' compensation costs and for building occupancy charges.	Federal	N/A	283,100
<u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	Restricted	N/A	501,400
	GF/GP	N/A	\$989,500

Boilerplate Changes From FY 2010-11

None

CIVIL RIGHTS: FY 2011-12
Summary: Conference Report
Article VIII, House Bill 4526 (H-3) CR-1



Analyst: Robin R. Risko

	FY 2010-11 YTD as of 2/17/11	FY 2011-12 Executive	FY 2011-12 Senate	FY 2011-12 House	FY 2011-12 Conference	Difference: Conference From FY 2010-11 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	1,750,000	2,880,600	2,213,200	2,213,200	2,880,600	1,130,600	64.6
Local	0	0	0	0	0	0	--
Private	0	18,700	0	0	18,700	18,700	100.0
Restricted	53,000	151,900	58,500	58,500	151,900	98,900	186.6
GF/GP	10,975,700	10,479,000	9,827,300	9,666,000	10,679,000	(296,700)	(2.7)
Gross	\$12,778,700	\$13,530,200	\$12,099,000	\$11,937,700	\$13,730,200	\$951,500	7.4
FTEs	118.0	126.0	118.0	118.0	126.0	8.0	6.8

Note: FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011.

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.

Budget Changes From FY 2010-11 YTD Appropriations		FY 2010-11 Year-To-Date (as of 2/17/11)	Conference Change from Year-to-Date
1. GF/GP Reductions			
<u>Executive</u> , <u>Senate</u> , and <u>House</u> include a GF/GP reduction of \$1.0 million 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. <u>Conference</u> includes the GF/GP reduction of \$1.0 million and then includes an additional \$250,000, which was added as part of the target agreement.	Gross	N/A	(\$833,200)
	GF/GP	N/A	(\$833,200)
2. Early Retirement Savings			
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. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	Gross	N/A	(\$608,000)
	GF/GP	N/A	(\$608,000)
3. Increased Federal Grant Funding			
Reflects an increase in federal Department of Housing and Urban Development funding based on projections of anticipated revenue in FY 2011-12. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	Gross	\$850,000	\$463,200
	Federal	850,000	463,200
	GF/GP	\$0	\$0
4. Transfer from DLARA to Civil Rights			
<u>Conference</u> reflects the transfer of FTE positions and funding associated with the Commission on Disability Concerns and the Hispanic/Latino Commission of Michigan from the Department of Licensing and Regulatory Affairs to the Department of Civil Rights pursuant to Executive Order 2011-4. <u>Executive</u> includes in revised Executive recommendation. <u>House</u> and <u>Senate</u> do not include.	FTEs	N/A	8.0
	Gross	N/A	\$1,431,300
	Federal	N/A	667,400
	Private	N/A	18,700
	Restricted	N/A	93,400
	GF/GP	N/A	\$651,800

<u>Budget Changes From FY 2010-11 YTD Appropriations</u>		<u>FY 2010-11 Year-To-Date (as of 2/17/11)</u>	<u>Conference Change from Year-to-Date</u>
5. Fund Source Shift		Gross	N/A
Increases state restricted funding and decreases GF/GP funding in order to more accurately reflect the financing of expenditures. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	Restricted	N/A	\$0
	GF/GP	N/A	5,500
			(\$5,500)
6. Economics		Gross	N/A
Includes additional funding for economic adjustments to be made for insurance, retirement, and workers' compensation costs and for building occupancy charges. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	GF/GP	N/A	\$498,200
			\$498,200

Boilerplate Changes From FY 2010-11

Sec. 401. Private Contingency Funds – NEW

Appropriates up to \$500,000 in private contingency funds for the Department. Executive, Senate, House, and Conference include new subsection.

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. Executive and House add language authorizing funding to be used for staffing costs and delete reporting requirement. Senate and Conference add language authorizing funding to be used for staffing costs.

EXECUTIVE OFFICE: FY 2011-12
Summary: Conference Report
Article VIII, House Bill 4526 (H-3) CR-1



Analyst: Robin R. Risko

	FY 2010-11 YTD as of 2/17/11	FY 2011-12 Executive	FY 2011-12 Senate	FY 2011-12 House	FY 2011-12 Conference	Difference: Conference From FY 2010-11 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	0	0	0	0	0	0	--
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	0	0	0	0	0	0	--
GF/GP	4,630,800	4,399,200	4,399,200	4,399,200	4,399,200	(231,600)	(5.0)
Gross	\$4,630,800	\$4,399,200	\$4,399,200	\$4,399,200	\$4,399,200	(\$231,600)	(5.0)
FTEs	84.2	84.2	84.2	84.2	84.2	0.0	--

Note: FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011.

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.

Budget Changes From FY 2010-11 YTD Appropriations

1. GF/GP Reductions

Reflects a savings to be achieved through administrative reductions. Executive, Senate, House, and Conference concur.

Gross	N/A	(\$212,200)
GF/GP	N/A	(\$212,200)

2. SOCC Reduction

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. Executive, Senate, House, and Conference concur.

Gross	\$288,300	(\$19,400)
GF/GP	\$288,300	(\$19,400)

Boilerplate Changes From FY 2010-11

There is no boilerplate for the Executive Office.

LEGISLATURE: FY 2011-12
Summary: Conference Report
Article VIII, House Bill 4526 (H-3) CR-1



Analyst: Robin R. Risko

IDG/IDT	FY 2010-11 YTD as of 2/17/11	FY 2011-12 Executive	FY 2011-12 Senate	FY 2011-12 House	FY 2011-12 Conference	Difference: Conference From FY 2010-11 YTD	
						Amount	%
	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$0	--
Federal	0	0	0	0	0	0	--
Local	0	0	0	0	0	0	--
Private	400,000	400,000	400,000	400,000	400,000	0	--
Restricted	1,109,800	1,109,800	1,109,800	1,109,800	1,109,800	0	--
GF/GP	100,574,300	98,573,400	98,573,400	98,573,400	98,573,400	(2,000,900)	(2.0)
Gross	\$102,334,100	\$100,333,200	\$100,333,200	\$100,333,200	\$100,333,200	(\$2,000,900)	(2.0)
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	--

Note: FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011.

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.

Budget Changes From FY 2010-11 YTD Appropriations

1. GF/GP Reductions

Reflects a savings to be achieved through administrative reductions. Executive, Senate, House, and Conference concur.

	FY 2010-11 Year-To-Date (as of 2/17/11)	Conference Change from Year-to-Date
Gross	N/A	(\$2,000,900)
GF/GP	N/A	(\$2,000,900)

Boilerplate Changes From FY 2010-11

None

***Please note: The Legislative Auditor General budget is rolled in with the Legislature budget in the Conference Report, but appears separate in this document.**

LEGISLATIVE AUDITOR GENERAL: FY 2011-12
Summary: Conference Report
Article VIII, House Bill 4526 (H-3) CR-1



Analyst: Robin R. Risko

	FY 2010-11 YTD as of 2/17/11	FY 2011-12 Executive	FY 2011-12 Senate	FY 2011-12 House	FY 2011-12 Conference	Difference: Conference From FY 2010-11 YTD	
						Amount	%
IDG/IDT	\$2,301,500	\$3,501,500	\$3,501,500	\$3,501,500	\$3,501,500	\$1,200,000	52.1
Federal	0	0	0	0	0	0	--
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	1,539,900	1,539,900	1,539,900	1,539,900	1,539,900	0	--
GF/GP	11,155,000	10,597,000	10,597,000	10,597,000	10,597,000	(558,000)	(5.0)
Gross	\$14,996,400	\$15,638,400	\$15,638,400	\$15,638,400	\$15,638,400	\$642,000	4.3
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	--

Note: FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011.

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.

Budget Changes From FY 2010-11 YTD Appropriations		FY 2010-11 Year-To-Date (as of 2/17/11)	Conference Change from Year-to-Date
1. GF/GP Reductions	Gross	N/A	(\$558,000)
Reflects a savings to be achieved through administrative reductions. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	GF/GP	N/A	(\$558,000)
2. Fund Source Adjustment	Gross	\$958,600	\$1,700,000
Adjusts the budget to reflect the costs of conducting single audits in a line item appropriation. Prior to this, authorization was provided via boilerplate. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	IDG	958,600	1,700,000
3. Technical Adjustment	Gross	\$500,000	(\$500,000)
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. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	IDG	500,000	(500,000)

Boilerplate Changes From FY 2010-11

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. Executive, Senate, House, and Conference include new language.

Sec. 625. Appropriation of Unexpended FY 2010-11 GF/GP – NEW

Appropriates up to \$905,000 of unexpended FY 2010-11 GF/GP funding to be used to pay costs of economic increases; of the \$905,000, requires funding that is not used to pay costs of economic increases to lapse to the general fund. Executive does not include. House includes new section appropriating funding. Senate and Conference include new language.

DEPARTMENT OF STATE: FY 2011-12
Summary: Conference Report
Article VIII, House Bill 4526 (H-3) CR-1



Analyst: Ben Gielczyk

	FY 2010-11 YTD as of 2/17/11	FY 2011-12 Executive	FY 2011-12 Senate	FY 2011-12 House	FY 2011-12 Conference	Difference: Conference From FY 2010-11 YTD	
						Amount	%
IDG/IDT	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$0	--
Federal	1,810,000	1,810,000	1,810,000	1,810,000	1,810,000	0	--
Local	0	0	0	0	0	0	--
Private	100	100	100	100	100	0	--
Restricted	177,799,500	178,788,700	178,788,700	178,788,700	178,788,700	989,200	0.6
GF/GP	13,910,800	11,286,200	11,286,200	11,286,200	11,286,200	(2,624,600)	(18.9)
Gross	\$213,520,400	\$211,885,000	\$211,885,000	\$211,885,000	\$211,885,000	(\$1,635,400)	(0.8)
FTEs	1,815.0	1,815.0	1,815.0	1,815.0	1,815.0	0.0	--

Note: FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011.

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.

Budget Changes From FY 2010-11 YTD Appropriations

		FY 2010-11 Year-To-Date (as of 2/17/11)	Conference Change from Year-to-Date
1. State Officers Compensation Commission Adjustment	Gross	\$115,800	(\$3,300)
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. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	GF/GP	\$115,800	(\$3,300)
2. Early Retirement Savings	Gross	N/A	(\$621,300)
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. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	GF/GP	N/A	(\$621,300)
3. General Fund Reduction	Gross	N/A	(\$2,100,000)
Reduction of \$2.1 million Gross and GF/GP to be achieved through cost savings within the department. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	GF/GP	N/A	(\$2,100,000)
4. Economic Adjustments	Gross	N/A	\$1,089,200
Reflects increased costs of \$1.1 million Gross and \$100,000 GF/GP associated with employee benefit costs and other economic adjustments. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	Restricted	N/A	989,200
	GF/GP	N/A	\$100,000

Boilerplate Changes From FY 2010-11

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. Executive, Senate, House, and Conference delete.

Boilerplate Changes From FY 2010-11

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.) Senate retains. Executive, House, and Conference delete.

Sec. 716c. Network Connectivity – DELETED

Requires a report that includes as assessment of the optimal network connectivity in branch offices and makes recommendations on how to best meet the demands of increased online transactions. Executive, Senate, House, and Conference delete.

Sec. 720. Branch Office Relocation in Urban Areas – DELETED

Encourages DOS to locate branch offices in urban areas rather than greenfield sites. Executive, Senate, House, and Conference delete.

TECHNOLOGY, MANAGEMENT, AND BUDGET: FY 2011-12
Summary: Conference Report
Article VIII, House Bill 4526 (H-3) CR-1



Analyst: Robin R. Risko

	FY 2010-11 YTD as of 2/17/11	FY 2011-12 Executive	FY 2011-12 Senate	FY 2011-12 House	FY 2011-12 Conference	Difference: Conference From FY 2010-11 YTD	
						Amount	%
IDG/IDT	\$586,552,900	\$609,070,400	\$608,968,900	\$608,968,900	\$608,968,900	\$22,416,000	3.8
Federal	2,682,000	10,346,000	2,803,400	2,803,400	10,346,000	7,664,000	285.8
Local	1,380,400	1,456,600	1,456,600	1,456,600	1,456,600	76,200	5.5
Private	170,800	180,600	180,600	180,600	180,600	9,800	5.7
Restricted	83,827,300	85,272,900	85,374,400	85,374,400	85,374,400	1,547,100	1.8
GF/GP	299,748,800	313,357,800	308,357,800	307,513,400	310,857,800	11,109,000	3.7
Gross	\$974,362,200	\$1,019,684,300	\$1,007,141,700	\$1,006,297,300	\$1,017,184,300	\$42,822,100	4.4
FTEs	2,972.5	3,038.5	2,986.5	2,986.5	3,038.5	66.0	2.2

Notes: (1) FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011. (2) Figures do not reflect \$61.3 million GF/GP in one-time boilerplate appropriations contained in Sec. 1201 of the Conference Report.

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.

Budget Changes From FY 2010-11 YTD Appropriations		FY 2010-11 Year-To-Date (as of 2/17/11)	Conference Change from Year-to-Date
MANAGEMENT AND BUDGET			
1. SBA Rent Increase			
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. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	Gross	\$241,870,600	\$15,000,000
	GF/GP	\$241,870,600	\$15,000,000
2. Transfer from DLARA to DTMB			
<u>Conference</u> reflects the transfer of FTE positions and funding associated with the Bureau of Labor Market Information and Strategies from the Department of Licensing and Regulatory Affairs to the Department of Technology, Management, and Budget pursuant to Executive Order 2011-4. <u>Executive</u> includes in revised Executive recommendation. <u>House</u> and <u>Senate</u> do not include.	FTEs	N/A	52.0
	Gross	N/A	\$7,542,600
	Federal	N/A	7,542,600
3. Management and Budget GF/GP Reductions			
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. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	Gross	N/A	(\$3,137,400)
	IDG	N/A	(612,300)
	Rest	N/A	(732,600)
	GF/GP	N/A	(\$1,792,500)
4. Management and Budget Early Retirement Savings			
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. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	Gross	N/A	(\$1,529,300)
	GF/GP	N/A	(\$1,529,300)

<u>Budget Changes From FY 2010-11 YTD Appropriations</u>		FY 2010-11 Year-To-Date (as of 2/17/11)	Conference Change from Year-to-Date
5. Gubernatorial Transition	Gross	\$1,500,000	(\$1,500,000)
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. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	GF/GP	\$1,500,000	(\$1,500,000)
6. IT Innovations Fund - State Agency Reforms	Gross	N/A	\$2,500,000
<u>Conference</u> includes funding for a new Information Technology Innovations Fund. The fund will be used to competitively select and invest in high-priority, low-cost state agency innovation projects which demonstrate significant return on investment. <u>Executive</u> includes \$5.0 million. <u>House</u> and <u>Senate</u> do not include.	GF/GP	N/A	\$2,500,000
7. DMB/DIT Consolidation	FTE	N/A	39.0
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. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	Gross	N/A	\$1,400,000
	IDG	N/A	1,400,000
8. Accounting Service Consolidation	FTE	N/A	14.0
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. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	Gross	N/A	\$1,593,200
	IDG	N/A	1,593,200
9. Building Operations Reductions	Gross	\$88,347,300	(\$1,250,000)
Reflects a savings from reorganizing and restructuring building operations staff and not filling vacant positions. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	IDG	88,347,300	(1,250,000)
10. Eliminate Professional Development Funds	Gross	\$225,000	(\$225,000)
Reflects a savings due to elimination of professional development funds for the AFSCME and MPE-SEIU bargaining units. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	IDG	225,000	(225,000)
11. SWCAP-related Fund Source Shifts	Gross	N/A	\$0
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. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	IDG	N/A	101,100
	Rest	N/A	293,600
	GF/GP	N/A	(\$394,700)
12. Fund Source and Technical Adjustments	Gross	N/A	(\$1,100)
Adjusts fund sources and makes technical adjustments to reflect where expenditures are anticipated to occur. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	IDG	N/A	(41,800)
	Rest	N/A	(9,500)
	GF/GP	N/A	\$50,200
13. Management and Budget Economics	Gross	N/A	\$3,175,100
Includes additional funding for economic adjustments to be made for insurance, retirement, and workers' compensation costs and for building occupancy charges. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	IDG	N/A	1,340,900
	Fed	N/A	0
	Local	N/A	0
	Private	N/A	0
	Rest	N/A	730,100
	GF/GP	N/A	\$1,104,100

<u>Budget Changes From FY 2010-11 YTD Appropriations</u>		FY 2010-11 Year-To-Date (as of 2/17/11)	Conference Change from Year-to-Date
TECHNOLOGY SERVICES	Gross	\$415,136,100	\$7,907,900
14. <i>Align IDGs with FY 2011 Enacted</i>	IDG	415,136,100	7,907,900
Adjusts the Technology Services budget to reflect FY 2011 enacted appropriations in other state department budgets:			
<ul style="list-style-type: none"> Increases Agriculture by \$32,000 Decreases DOC by \$600,000 Decreases DOE by \$85,000 Increases DHS by \$8.9 million Decreases DMVA by \$153,200 Decreases DNRE by \$18,700 Increases DSP by \$196,800 Decreases MDOT by \$356,000 			
<u>Executive, Senate, House, and Conference</u> concur.			
15. <i>Program Enhancements</i>	Gross	\$415,136,100	\$14,234,900
Makes the following adjustments to reflect appropriations for program enhancements made in other state department budgets:	IDG	415,136,100	14,234,900
<ul style="list-style-type: none"> DCH - \$8.9 million for the HIPPA Electronic Transaction Standards and International Classification of Diseases projects DHS - \$2.7 million for the Statewide Automated Child Welfare Information System DELEG - \$1.8 million for Michigan Business One Stop, an integrated approach to simplifying business-to-government transactions DHS - \$792,300 for new IT staff as a result of the Children's Rights lawsuit 			
<u>Executive, Senate, House, and Conference</u> concur.			
16. <i>Eliminate Program Funding</i>	Gross	\$415,136,100	(\$656,000)
Reflects elimination of funding in various department budgets for programs no longer needing funding:	IDG	415,136,100	(656,000)
<ul style="list-style-type: none"> DCH - \$401,000 for Electronic Death Registry DHS - \$255,000 one-time funding for development of the LEIN/Bridges interface 			
<u>Executive, Senate, House, and Conference</u> concur.			
17. <i>Technology Services Early Retirement Savings</i>	Gross	N/A	(\$2,795,500)
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. <u>Executive, Senate, House, and Conference</u> concur.	IDG	N/A	(2,795,500)
18. <i>DMB/DIT Consolidation</i>	FTE	N/A	(39.0)
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. <u>Executive, Senate, House, and Conference</u> concur.	Gross	N/A	(\$1,431,100)
	IDG	N/A	(1,431,100)
19. <i>Technology Services Budget Reductions</i>	Gross	N/A	(\$1,256,900)
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)
<ul style="list-style-type: none"> Civil Rights savings of \$150,000 DEQ savings of \$270,000 DTMB savings of \$257,400 DNR savings of \$80,600 DSP savings of \$359,900 Treasury savings of \$139,000 			
<u>Executive, Senate, House, and Conference</u> concur.			
20. <i>Fund Source Adjustments</i>	Gross	N/A	(\$1,500,400)
Aligns fund sources to reflect funding actually received:	IDG	N/A	(1,500,400)
<ul style="list-style-type: none"> Agriculture - \$160,000 DNR - \$32,100 DSP - \$1.3 million 			
<u>Executive, Senate, House, and Conference</u> concur.			

<u>Budget Changes From FY 2010-11 YTD Appropriations</u>		<u>FY 2010-11 Year-To-Date (as of 2/17/11)</u>	<u>Conference Change from Year-to-Date</u>
21. Technology Services Economics	Gross	N/A	\$5,477,600
Includes additional funding for economic adjustments to be made for insurance, retirement, and workers' compensation costs and for building occupancy charges. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	IDG	N/A	5,477,600
CIVIL SERVICE COMMISSION	Gross	N/A	(\$2,000,000)
22. Civil Service Commission GF/GP Reductions	GF/GP	N/A	(\$2,000,000)
Reflects a savings to be achieved by not filling vacant positions. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.			
23. Civil Service Commission Early Retirement Savings	Gross	N/A	(\$1,616,400)
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. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	GF/GP	N/A	(\$1,616,400)
24. Human Resources Consolidation	Gross	N/A	\$277,800
Includes funding from the Department of Corrections for FTE positions that were transferred as a result of human resources consolidation efforts. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	GF/GP	N/A	\$277,800
25. Civil Service Commission Economics	Gross	N/A	\$2,612,100
Includes additional funding for economic adjustments to be made for insurance, retirement, and workers' compensation costs and for building occupancy charges. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	IDG	N/A	129,400
	Federal	N/A	121,400
	Local	N/A	76,200
	Private	N/A	9,800
	Restricted	N/A	1,265,500
	GF/GP	N/A	\$1,009,800

Boilerplate Changes From FY 2010-11

MANAGEMENT AND BUDGET

Sec. 802. Appropriation of Proceeds From Auctions of State Surplus – REVISED

Appropriates proceeds, in excess of costs incurred to conduct transfers or auctions of state surplus, salvage, or scrap property, to offset costs incurred in acquiring and distributing federal surplus property. Executive and House retain. Senate and Conference add language requiring DTMB to provide consolidated Internet auction services through the state's contractors for all local units of government.

Sec. 803. Statewide Administrative and Support Services – REVISED

Authorizes DTMB to receive and expend funds for maintenance, operation, real estate, architectural, engineering, mail pickup and delivery, and purchasing services provided to other departments and Legislative and Judicial branches. Executive and House retain. Senate adds language prohibiting DTMB from spending more than \$1.0 million annually on the purchase of new furniture and requiring DTMB to purchase remanufactured or refurbished furniture. Conference adds language prohibiting DTMB from expending funds for the purchase of new office furniture without first examining the possibility of using existing inventory that can be reused or refurbished.

Sec. 813. Motor Vehicle Fleet – REVISED

Specifies purpose of motor vehicle fleet (MVF) appropriation; requires appropriation to be funded by revenue from rates charged to departments for using vehicle travel services; authorizes department to determine appropriateness of vehicle assignment; authorizes excess revenue to be carried forward to Motor Transport Fund; requires MVF operation plan; specifies data required; authorizes plan adjustment to achieve maximum value and efficiency; requires plan and changes to be reported within 60 days after year end; authorizes DTMB to charge state agencies for fuel costs exceeding \$2.27 per gallon of unleaded gasoline. Executive deletes. House retains and adds language requiring DTMB to use remanufactured parts when repairing fleet vehicles if economically feasible. Senate and Conference add language specifying it is the intent of the Legislature that DTMB, when economically feasible, will prioritize the utilization of remanufactured parts when maintaining and repairing the state's vehicle fleet, and exempts state police fleet.

Sec. 814. Purchasing From Michigan-Based Firms – DELETED

Requires DTMB to adopt policies and procedures necessary to provide a purchasing preference for products manufactured or services offered by Michigan-based firms. House retains. Executive, Senate, and Conference delete.

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. Senate retains. Executive, House, and Conference delete.

Sec. 816. Vendor Disclosure (Information to Collect) – DELETED

Lists information DTMB is required to collect from vendors to ensure compliance with procuring goods and services from Michigan-based providers. House retains. Executive, Senate, and Conference delete.

Boilerplate Changes From FY 2010-11

Sec. 822a. Report on Privatization of Lottery – NEW

Requires DTMB to submit a report on the feasibility of privatizing the administration of the state lottery. Executive does not include. House includes new language requiring the Bureau of State Lottery to submit the same report. Senate and Conference include new language.

TECHNOLOGY SERVICES

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

Requires report on change orders and contract extensions for contracts greater than \$25,000 entered into by DTMB. Executive does not include. Senate retains. House and Conference retain but change dollar amount to \$50,000.

CIVIL SERVICE COMMISSION

Sec. 853. Office of Great Workplace Development – DELETED

Prohibits appropriations from being used for funding Office of Great Workplace Development. House retains. Executive, Senate, and Conference delete.

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. Executive, Senate, House, and Conference delete.

DEPARTMENT OF TREASURY: FY 2011-12
Summary: Conference Report
Article VIII, House Bill 4526 (H-3) CR-1



Analyst: Ben Gielczyk

	FY 2010-11 YTD as of 2/17/11	FY 2011-12 Executive	FY 2011-12 Senate	FY 2011-12 House	FY 2011-12 Conference	Difference: Conference From FY 2010-11 YTD	
						Amount	%
IDG/IDT	\$14,376,400	\$14,421,600	\$14,421,600	\$14,421,600	\$14,421,600	\$45,200	0.3
Federal	262,691,600	744,214,000	257,374,300	257,374,300	744,214,000	481,522,400	183.3
Local	2,054,000	6,532,700	2,099,200	2,099,200	6,532,700	4,478,700	218.0
Private	843,600	380,000	350,000	350,000	380,000	(463,600)	(54.9)
Restricted	1,524,721,000	1,440,956,500	1,451,787,500	1,437,287,500	1,443,956,500	(80,764,500)	(5.3)
GF/GP	120,937,800	274,648,500	203,351,100	202,413,100	249,976,100	129,038,300	106.7
Gross	\$1,925,624,400	\$2,481,153,300	\$1,929,383,700	\$1,913,945,700	\$2,459,480,900	\$533,856,500	27.7
FTEs	2,199.5	2,578.5	2,205.5	2,208.5	2,575.5	376.0	17.1

Notes: (1) FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011. (2) Figures do not reflect \$75.0 million GF/GP and \$30.0 million sales tax revenue in one-time boilerplate appropriations contained in Sec. 1201 of conference report.

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.

Budget Changes From FY 2010-11 YTD Appropriations		FY 2010-11 Year-To-Date (as of 2/17/11)	Conference Change from Year-to-Date
1. Debt Service Requirements	Gross	\$57,632,800	\$83,295,200
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. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	GF/GP	\$42,118,300	\$83,295,200
2. Presidential Primary Costs	Gross	N/A	\$10,000,000
Includes \$10.0 million GF/GP for anticipated costs associated with the next presidential primary. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	GF/GP	N/A	\$10,000,000
3. Payment in Lieu of Taxes	Gross	\$12,956,400	(\$2,379,400)
Reflects 15.0% reduction in payment in lieu of taxes (PILT) to local governments as recommended by Executive. <u>House</u> included additional \$239,000 reduction. Gross figure includes additional \$513,000 Restricted fund reduction to reflect current year reduction to general fund. <u>Executive</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive Recommendation reduction.	Restricted	2,450,000	(803,400)
	GF/GP	\$10,506,400	(\$1,576,000)
4. Land Bank Fast Track Authority Revolving Fund Loan	Gross	N/A	\$1,000,000
Includes \$1.0 million Federal from the USA Environmental Protection Agency Revolving Loan Fund for cleanup activities at eligible Brownfield sites. Line item was moved to Michigan Strategic Fund under Executive Budget Revision implementing Executive Order 2011-4. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	Federal	N/A	1,000,000
5. Unclaimed Property Legislation Costs	FTE	N/A	5.0
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. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	Gross	N/A	\$700,000
	Restricted	N/A	700,000

<u>Budget Changes From FY 2010-11 YTD Appropriations</u>		<u>FY 2010-11 Year-To-Date (as of 2/17/11)</u>	<u>Conference Change from Year-to-Date</u>
6. Senior Citizen Cooperative Housing	Gross	\$14,520,000	(\$2,500,000)
Reduces funding by \$2.5 million GF/GP to reflect required scheduled payment amount. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	GF/GP	\$14,520,000	(\$2,500,000)
7. Department General Fund Reduction	Gross	N/A	(\$905,500)
Reflects 3.0% across-the-board reduction to Department of Treasury administrative functions. Reduction totals \$905,500 GF/GP. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	GF/GP	N/A	(\$905,500)
8. Business Property Tax Appeal	Gross	\$900,000	(\$600,000)
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. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	GF/GP	\$900,000	(\$600,000)
9. Fund Source Shifts	Gross	N/A	\$0
Reflects \$1.4 million in fund source shifts from various fund sources to state restricted funds. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	IDG/IDT	N/A	(169,000)
	Federal	N/A	(1,184,200)
	Restricted	N/A	1,353,200
10. Tobacco Tax Enforcement	Gross	N/A	\$3,000,000
Conference includes \$3.0 million in restricted funds for enhanced tobacco tax enforcement. <u>Senate</u> included \$4.5 million. <u>Executive</u> and <u>House</u> did not include.	Restricted	N/A	\$3,000,000
11. Tax Plan Implementation	Gross	N/A	\$5,327,600
<u>Conference</u> included an additional \$5.3 million for the costs associated with implementing the new business and income tax plan. <u>Executive</u> , <u>Senate</u> , and <u>House</u> did not include.	GF/GP	N/A	\$5,327,600
CASINO GAMING			
12. Michigan Gaming Control Board Auditor	FTE	N/A	1.0
Includes \$90,200 Gross and 1.0 FTE to staff one new auditor required for audits for recently opened tribal casinos. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Executive</u> concur.	Gross	N/A	\$90,200
	Restricted	N/A	90,200
REVENUE SHARING			
13. Constitutional Revenue Sharing	Gross	\$633,481,800	\$25,497,500
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. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	Restricted	633,481,800	\$25,497,500
14. Economic Vitality Incentive Program	Gross	\$307,061,700	(\$107,061,700)
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. \$15.0 million in one-time funding is also appropriated in boilerplate Sec. 1201(2) that is not included in line-item appropriation. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	Restricted	307,061,700	(107,061,700)
15. County Revenue Sharing	Gross	\$114,740,700	(\$14,740,700)
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. An additional \$15.0 million is appropriated in boilerplate Sec. 1201(2) that is not included in line-item appropriation. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	Restricted	114,740,700	(14,740,700)
MICHIGAN STRATEGIC FUND			
16. Michigan Strategic Fund Fund Source Adjustments	Gross	N/A	(\$6,543,600)
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. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	IDG/IDT	N/A	(50,000)
	Federal	N/A	(6,000,000)
	Private	N/A	(493,600)
17. Michigan Promotion Program	Gross	\$5,402,800	(\$5,402,800)
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). <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	GF/GP	\$5,402,800	(\$5,402,800)

Budget Changes From FY 2010-11 YTD Appropriations		FY 2010-11 Year-To-Date (as of 2/17/11)	Conference Change from Year-to-Date
18. 21st Century Jobs Trust Fund Programmatic Changes	Gross	\$75,000,000	\$0
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:	Restricted	75,000,000	0
<ul style="list-style-type: none"> Pure Michigan: \$25.0 million Gross Innovation and Entrepreneurship: \$25.0 million Gross Business Attraction and Economic Gardening: \$25.0 million Gross 			
<u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.			
19. Business Attraction and Economic Gardening	Gross	N/A	\$25,000,000
<u>Conference</u> includes additional \$25.0 million in GF/GP. These funds are in addition to the \$25.0 million appropriated to the program from the 21st Century Jobs Fund. Note: there is an additional \$50.0 million in one-time appropriations to this purpose in section 1201(1). <u>Executive</u> concurred. <u>House</u> and <u>Senate</u> did not include.	GF/GP	N/A	\$25,000,000
20. Executive Order 2011-4 Adjustments	FTE	N/A	370.0
<u>Conference</u> includes adjustments associated with revisions made under Executive Order 2011-4. In general, former DELEG (now LARA) workforce programs, adult education, and Bureau of Energy Systems funding was moved to the Michigan Strategic Fund. <u>Executive</u> had included in Executive revisions. <u>House</u> and <u>Senate</u> did not include.	Gross	N/A	\$511,219,200
	Federal	N/A	486,839,700
	Local	N/A	4,433,500
	Private	N/A	30,000
	Restricted	N/A	3,669,000
	GF/GP	N/A	16,247,000
DEPARTMENTWIDE ADJUSTMENTS			
21. Early Retirement Savings	Gross	N/A	(\$1,565,400)
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. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	GF/GP	N/A	(\$1,565,400)
22. Economics	Gross	N/A	\$10,425,900
Reflects increased costs of \$10.4 million Gross and \$1.7 million GF/GP associated with employee benefit costs and other economic adjustments. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	IDG/IDT	N/A	264,200
	Federal	N/A	866,900
	Local	N/A	45,200
	Restricted	N/A	7,531,400
	GF/GP	N/A	\$1,718,200

Boilerplate Changes From FY 2010-11

Sec. 902a. Notification of Bond Refinancing or Restructuring – NEW

Requires Department of Treasury to report, within 30 days of a new refinancing or restructuring bond sale, on the annual debt service changes, change in principal and interest over the duration of the debt, and the projected change in present value of the debt service due to the refinancing. Executive and House did not include. Senate and Conference include as new language. Conference changed reporting requirement to 30 days after the bond issue.

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. Executive, Senate, House, and Conference delete section.

Sec. 913(2). Senior Citizen Cooperative Housing Assessments Reporting – REVISED

Requires program audit and authorizes use of up to 1% of funds for these administration of program. Revised with permissive language. Executive and House deleted subsection. Senate and Conference retain and revise.

Sec. 922. Michigan Transportation Fund Report – REVISED

Requires Treasury to report on Michigan Transportation Fund revenue collected and costs of collection. Revised to permit cost of collection to be determined by proration for FY 2011-12 only. Required analysis by April 1, 2012 of the actual costs of tax administration in order to justify continuation of the proration approach. Executive and House deleted section. Senate and Conference retain and revise.

Sec. 925. Public Private Partnership Investment Fund – REVISED

Creates fund and gives examples of investments. Permits balance remaining to carry forward. Contains reporting requirement. Executive revised to eliminate prohibition on the use of funds for DRIC. House retained current-year language. Senate and Conference revised to prohibit use of funds for DRIC or any successor project unless approved by legislature. Revision also added (6) which required the department to monitor the revenue deposited in the public-private partnership investment fund.

Boilerplate Changes From FY 2010-11

Sec. 925a. Detroit River International Crossing – REVISED

Prohibits use of funds appropriated in part 1 to support DRIC. Executive deleted. House retained current-year language. Senate and Conference revised to include prohibition for any successor project to DRIC unless approved by legislature.

Sec. 926. John R. Justice Grant Program – REVISED

Designates unexpended appropriations for John R. Justice grant program as a work project with a completion date of September 30, 2012. Executive and House retained current-year language. Senate and Conference revise to change year to 2013.

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. Executive deleted (2) report. House revised report date to June 30, 2012. Senate and Conference revised report date to January 31, 2012 for the prior fiscal year.

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. Executive, Senate, House, and Conference delete section.

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. Executive, Senate, House, and Conference delete section.

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.) Senate revised to have report due November 30. Executive, House, and Conference delete section.

Sec. 943. Tobacco Tax Enforcement – NEW

Directs the use of funds appropriated in part 1 for the costs associated with a new stamp indicia, reimbursement to licensed tax stamp agents for costs associated with the new stamp, to include machines acceptable to licensed tax stamp agents and Department of Treasury and scanners. Requires report. Executive and House did not include. Senate and Conference included as new section. Conference added reporting requirement.

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. Executive and Senate did not include. House and Conference retain and revise language to say "shall" instead of "may".

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. Executive, Senate, House, and Conference delete section.

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. Executive, Senate, House, and Conference delete section.

Sec. 950. Revenue Sharing – REVISED

Specifies distribution of constitutional revenue sharing payments to cities, villages, and townships. Executive, Senate, House, and Conference delete 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 funding under new incentive program. CVTs that received more than \$4,500 in FY 2009-10 statutory revenue sharing will be eligible to receive up to 67.837363% of their FY 2009-10 statutory revenue sharing payment. Funding includes appropriations in Sec. 1201(2). Provides \$5.0 million for assistance grants to cities, villages, townships, and counties that elect to merge government services. Executive, Senate, and House provided individual distribution plans. Conference included new revised EVIP language.

Sec. 955. County Revenue Sharing – REVISED

Requires county revenue sharing appropriation to be distributed by the department to eligible counties according to the Glen Steil State Revenue Sharing Act of 1971. Executive, Senate, and House retained current-year. Conference revised to add reference to appropriations in Sec. 1201(2).

LOTTERY

Sec. 961. Prohibition of Marketing to Under 18 – DELETED

Prohibits the Bureau of State Lottery from marketing to any individual under the age of 18. House retained. Executive, Senate, and Conference delete section.

Boilerplate Changes From FY 2010-11

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. Executive, Senate, House, and Conference concur on revised language.

Sec. 976. Horse Racing Rewards – REVISED

Allows the racing commissioner to pay rewards of not more than \$5,800 to someone providing information resulting in the arrest and conviction for a crime involving the horse racing industry. Executive and House retain current-year language. Senate and Conference revise to update references to racing commissioner and reduce amount of award to \$5,000.

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. Senate retained and revised years. Executive, House, and Conference delete section.

MICHIGAN STRATEGIC FUND - MICHIGAN STATE HOUSING 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. Executive, Senate, House, and Conference delete section.

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. Executive, Senate, House, and Conference delete section.

MICHIGAN STRATEGIC FUND

Sec. 1003. Michigan Growth Capital Fund – DELETED

Requires Michigan Growth Capital Fund to be used to develop the technology business sector in Michigan. House retains. Executive, Senate, and Conference delete section.

Sec. 1004. Travel Michigan Fees – DELETED

Authorizes Travel Michigan program to establish and collect fees to cover costs of promotional materials. Senate retained. Executive, House, and Conference delete section.

Sec. 1007. Report on MEDC Programs – REVISED

Requires report on activities of each program administered by MSF or MEDC, including spending and FTEs; requires report on tourism promotion and business marketing expenditures and revenues by source. Executive deleted. Senate retained current-year language. House revised to eliminate report on EDJT and Renaissance Zones. Conference revised to delete reference to EDJT.

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. Executive and House included as new section. Senate did not include. Conference included as new section with amount changed to \$5.5 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. Senate revised. Executive, House, and Conference delete section.

Sec. 1024. Business Attraction and Economic Gardening – NEW

Requires that not less than \$20.0 million of the funds appropriated in part 1 and Sec. 1201(1) be used for brownfield redevelopment incentives and historic preservation incentives. Executive and Senate did not include. House and Conference include as new section. Conference revised 85% in House language to say not less than \$20.0 million.

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. Executive, Senate, House, and Conference delete section.

Sec. 1027. Lakeshore Advantage Project – DELETED

Allocates \$3.0 million from 21st Century Jobs Fund to Lakeshore Advantage Project. Executive, Senate, House, and Conference delete section.

Boilerplate Changes From FY 2010-11

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. Executive, Senate, House, and Conference delete section.

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. Executive, Senate, House, and Conference delete section.

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. Executive, Senate, House, and Conference delete section.

Sec. 1031. Spending Plan Report – NEW

Requires MSF to report by April 15, 2012 on the spending plan for the line items for innovation and entrepreneurship and business attraction and economic gardening. Executive and House did not include. Senate and Conference include as new section.

Sec. 1033. Michigan Film Office Minutes – DELETED

Require film office to make minutes of the Michigan Film Office Advisory Council available to the public. House retained. Executive, Senate, and Conference delete section.

Sec. 1034. Business Incubator Program – REVISED

Stipulates funding be awarded competitively to business incubators in ten counties or cities. Executive and House delete section. Senate and Conference revised language. Conference language lists 7 business incubators that shall receive awards ranging from \$500,000 to \$2.0 million. Requires dashboard of indicators.

MICHIGAN STRATEGIC FUND - CAREER EDUCATION

Sec. 1050. Activities Classification Structure Data Book – NEW

Requires MSF to publish the "activities classification structure data book" for Michigan community colleges. Executive included in Executive revision. Senate and House did not include. Conference included as new section.

Sec. 1051. Indian Tuition Waivers – NEW

Requires MSF to submit the compilation of the number of waivers granted. Executive included in Executive revision. Senate and House did not include. Conference included as new section.

Sec. 1052. Associate Degrees Awarded – NEW

Requires MSF to compile information from community colleges on the number of associates degrees and other certificates awarded during the previous fiscal year. Executive included in Executive revision. Senate and House did not include. Conference included as new section.

Sec. 1053. Precollege Engineering Program – NEW

Requires MSF to appropriate \$680,100 to Detroit precollege engineering program and Grand Rapids area precollege engineering program. Executive, Senate, and House did not include. Conference included as new section.

Sec. 1054. WIA Youth Grant Program – NEW

Allows MSF 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. Executive, Senate, and House did not include. Conference included as new section.

MICHIGAN STRATEGIC FUND - WORKFORCE DEVELOPMENT

Sec. 1060. JET Program Guidelines – NEW

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. Executive included in Executive revision. Senate, and House did not include. Conference included as new section.

Sec. 1061. Workforce Development Boards – NEW

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. Executive, Senate, and House did not include. Conference included as a new section.

Sec. 1062. Disabled Veterans Outreach Program – NEW

Stipulates staffing levels for disabled veterans outreach program specialists and local veterans employment representatives to assist veterans with Michigan Works! Employment service centers. States that placement of veterans and disabled veterans a priority. Executive, Senate, and House did not include. Conference included as new section.

Sec. 1063. Appropriation of Unexpended Workforce Training Funds – NEW

Permits appropriation of unencumbered/unexpended Workforce Investment Act and Trade Adjustment Assistance funds from prior years, requires report to the Legislature on such appropriations. Executive included in Executive revision but deleted report. Senate and House did not include. Conference included as new section.

Boilerplate Changes From FY 2010-11

Sec. 1064. Workforce Training Funds Allocation – NEW

Allocates \$100,000 to an existing employee-led public/private workforce development program meeting certain criteria and \$100,000 to an existing workforce development program operated collaboratively with local businesses and educational institutions meeting certain criteria. Executive, Senate, and House did not include. Conference included as new section.

Sec. 1065. Workforce Funds for Libraries – NEW

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. Executive, Senate, and House did not include. Conference included as new section.

Sec. 1066. Gang Diversion Program – NEW

Indicates intent that a portion of the WIA, statewide activities funds be allocated to support coordinated efforts between local Michigan Works! agencies and police and sheriff departments to create programs that offer gang diversion activities. Executive, Senate, and House did not include. Conference included as new section.

Sec. 1068. No Worker Left Behind Report – NEW

Requires MEDC to submit a report on the status of the No Worker Left Behind program. Executive, Senate, and House did not include. Conference included as new section.

Sec. 1101. Fund Balances and Estimated Revenues – REVISED

States estimated revenue by operating fund. Executive, Senate, House, and Conference concur on revision.

**HUMAN SERVICES: FY 2011-12
Summary: Conference Report
Article X, House Bill 4526 (H-3) CR-1**



Analysts: Kevin Koorstra and Bob Schneider

IDG/IDT	FY 2010-11 YTD as of 2/17/10	FY 2011-12 Executive	FY 2011-12 Senate	FY 2011-12 House	FY 2011-12 Conference	Difference: Conference From FY 2010-11 YTD	
						Amount	%
Federal							
ARRA	774,767,800	549,632,400	549,632,400	549,632,400	549,632,400	(225,135,400)	(29.1)
Non-ARRA	5,140,056,800	5,100,154,100	5,084,979,600	5,103,513,800	5,077,418,800	(62,638,000)	(1.2)
Local	33,925,700	30,573,600	30,043,400	30,573,600	27,948,500	(5,977,200)	(17.6)
Private	14,483,500	16,336,100	15,325,100	16,336,100	15,911,100	1,427,600	9.9
Restricted	60,433,500	97,107,200	95,007,200	90,929,400	88,616,500	28,183,000	46.6
GF/GP	924,018,100	1,096,478,200	1,010,231,400	1,066,207,600	1,070,934,500	146,916,400	15.9
Gross	\$6,948,915,700	\$6,891,524,700	\$6,786,462,200	\$6,858,436,000	\$6,831,704,900	(\$117,210,800)	(1.7)
FTEs	11,869.5	11,554.5	11,555.5	11,554.5	11,582.5	(287.0)	(2.4)

Notes: (1) FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011. (2) "ARRA" represents temporary funds received under the federal American Recovery and Reinvestment Act or related sources.

Overview

The Department of Human Services (DHS) administers a wide range of programs and services to assist Michigan's most vulnerable families, including public assistance programs that provide direct cash support as well as assistance with food, child care and other emergency needs. The DHS is also charged with protecting children and assisting families by administering foster care, adoption and family preservation programs, and by enforcing child support laws. The DHS is also responsible for delivering juvenile justice services and for licensing day care, adult foster care, and child welfare agencies in the state.

Major Budget Changes From FY 2010-11 YTD Appropriations

		FY 2010-11 Year-to-Date (as of 2/17/11)	Conference Change from Year-to-Date
1. Child Welfare Services: Annualize Staff Added during FY11	FTE	684.0	0.0
Annualizes funding for 335 child welfare staff to be hired during FY 2010-11. Fiscal Year 2010-11 budget increased child welfare staffing by \$47.8 million for 684 additional FTEs. However, only partial-year funding was provided for 335 of these positions. These FTEs are appropriated to meet the caseload to worker ratios as required in the Children's Rights settlement agreement. By October 1, 2011 direct foster care staff can have a caseload to worker ratio of no more than 15:1.	Gross	\$47,838,600	\$29,723,600
	Federal	10,727,600	7,534,200
	GF/GP	\$37,111,000	\$22,189,400
2. Child Welfare Services: Annualize Shift to Private Agency Administration	Gross	\$5,924,600	\$30,106,700
Increases funding for private foster care administration by \$30.1 million. FY 2010-11 budget increased funding by \$5.9 million to transfer 2,625 (or 15%) publicly administered foster care cases to private child placing agencies during the last quarter. The intent of the transfer of foster care cases to the private agencies is to help the local DHS offices meet the 15:1 case to worker ratio as mandated by the Children's Rights settlement agreement.	Federal	1,777,400	9,662,500
	GF/GP	\$4,147,200	\$20,444,200
3. Child Welfare Services: Private Agency Administrative Rate Changes	Gross	N/A	\$6,907,700
Increases appropriations \$7.8 million to increase private adoption rates by 36%. Also reduces specialized independent living administrative rates by 50% of the difference between the current specialized rates and the general independent living administrative rate saving \$877,600.	Federal	N/A	1,461,700
	GF/GP	N/A	\$5,446,000

<u>Major Budget Changes From FY 2010-11 YTD Appropriations</u>		<u>FY 2010-11 Year-to-Date (as of 2/17/11)</u>	<u>Conference Change from Year-to-Date</u>
4. Child Welfare Services: Other Changes	Gross	N/A	\$8,960,400
Increases funding \$4.3 million in anticipation of legislation changes allowing adoptive parents up to 1 year to request a higher adoption subsidy if the child has special needs, increases funding \$4.0 million for the second needs assessment as required by the Children's Rights settlement agreement, and increases appropriations \$2.7 million for IT upgrades. Also reduces guardianship assistance \$1.0 million recognizing prior year lapses and eliminates the partial tuition reimbursement for a savings of \$998,600.	Federal	N/A	665,300
	GF/GP	N/A	\$8,286,100
5. Child Welfare Caseloads	Gross	\$633,047,400	(\$51,331,300)
Reduces overall appropriations for child welfare program caseloads \$51.3 million. Foster care payments decrease \$29.6 million to fund an average caseload of 7,200. Adoption subsidy payments decrease \$9.3 million to fund an average caseload of 27,450. Child care fund decreases \$12.6 million to reflect caseload projection.	Federal	358,943,300	(14,187,800)
	Local	19,247,100	(5,858,300)
	Private	1,800,000	(400,000)
	GF/GP	\$253,057,000	(\$30,885,200)
6. Temporary Assistance for Needy Families (TANF) Funding Adjustments	Gross	N/A	\$0
Increases GF/GP by \$181.8 million to offset one-time federal TANF revenues appropriated in FY 2010-11 that are no longer available. GF/GP is partially offset with \$38.8 million in new one-time TANF contingency funds.	Federal	N/A	(143,006,600)
	GF/GP	N/A	\$143,006,600
7. TANF Fund Shift with Higher Education	Gross	\$0	\$0
Transfers out federal TANF to Higher Education budget to fund financial aid programs and transfers in GF/GP and Merit Award Trust Funds from Higher Education to fund the Family Independence Program (FIP). This transfer improves the state's ability to meet federal TANF maintenance of effort (MOE) requirements and is consistent with supplemental adjustments made in previous fiscal years. Offsetting adjustments are made in the Higher Education budget.	Federal	0	(93,826,400)
	Restricted	0	30,100,000
	GF/GP	\$0	\$63,726,400
8. Public Assistance Caseloads	Gross	\$706,383,700	\$9,293,200
Increases funding for public assistance programs \$9.3 million. The Family Independence Program (FIP) increases \$2.1 million to fund an average caseload of 81,763. State Disability Assistance (SDA) decreases \$2.1 to fund an average caseload of 10,250. SSI supplementation increases \$2.4 million to fund 258,500 cases. Child Development and Care (CDC) increases \$6.8 million to fund 28,136 cases.	Federal	519,313,100	(6,046,000)
	Restricted	45,062,400	0
	GF/GP	\$142,008,200	\$15,339,200
9. Family Independence Program: 48-Month Lifetime Limit	Gross	\$428,835,100	(\$77,400,000)
Reduces FIP \$77.4 million by implementing a retroactive 48-month lifetime limit for FIP cases. Exemptions to the lifetime limit would include having a physical or mental incapacity, caring for a disabled family member, being a victim of domestic violence, certain periods of pregnancy, or after giving birth. Assumes 12,600 cases (15% of the caseload) would have their benefits expire.	Federal	374,130,200	(12,400,000)
	Restricted	32,784,100	0
	GF/GP	\$21,920,800	(\$65,000,000)
10. Family Independence Program: Earned Income Disregard	Gross	\$428,835,100	\$10,000,000
Increases earned income disregard for FIP case closure from \$200 + 20% to \$200 + 50% at a projected cost of \$10.0 million (earned income disregard for case opening would stay \$200 + 20%).	Federal	374,130,200	0
	Restricted	32,784,100	0
	GF/GP	\$21,920,800	\$10,000,000
11. Family Independence Program: Other Reductions	Gross	\$428,835,100	(\$18,614,800)
Reduces the FIP clothing allowance \$9.9 million by limiting clothing allowance for only the children in FIP groups that do not include an adult and reduces FIP \$7.5 million in anticipation of savings from longer sanction periods in HB 4409 as passed by the House. Reduces FIP \$1.2 million as a result of counting adoption subsidies as family income during the FIP benefit calculation. Also discontinues the policy of passing through the first \$50 in child support to the FIP recipients, increasing restricted revenues \$1.7 million and offsetting \$1.7 million in GF/GP. Also GF/GP is offset with half of the FY 2010-11 funding for JET Plus (\$4.3 million) (Other \$4.3 million in JET Plus funding is available for FY 2012-13).	Federal	374,130,200	4,250,000
	Restricted	32,784,100	1,700,000
	GF/GP	\$21,920,800	(\$24,564,800)

Major Budget Changes From FY 2010-11 YTD Appropriations		FY 2010-11 Year-to-Date (as of 2/17/11)	Conference Change from Year-to-Date
12. Child Development and Care Reductions	Gross	\$182,113,300	(\$28,900,000)
Reduces base child care subsidies from \$1.60 per child per hour to \$1.35 per child per hour for enrolled providers saving \$13.9 million in federal TANF funds. The enrolled providers would remain eligible to receive \$1.85 per child per hour if they complete additional training annually. Also reduces subsidy appropriations \$10.0 million by reducing maximum amount of reimbursable hours per case and \$5.0 million from fraud prevention. The TANF funds are redirected elsewhere in the budget to offset GF/GP.	Federal	145,182,900	0
	GF/GP	\$36,930,400	(\$28,900,000)
13. State Disability Assistance Rate Reduction	Gross	\$34,765,000	(\$4,716,400)
Reduces SDA rates for persons in independent living arrangements from \$269 per month to \$200 per month SDA is a cash assistance program for disabled adults without children. The new rate would be phased in for only new cases.	Restricted	12,278,300	(1,650,700)
	GF/GP	\$22,486,700	(\$3,065,700)
14. Local Office: Staff Reduction	FTE	N/A	(300.0)
Reduces local office staff by 300 positions with the assumption that the savings can be realized through attrition rather than layoffs. Executive states that increases in workload for remaining local office staff can be mitigated through IT improvements and the other local office adjustments outlined in item 15 below.	Gross	N/A	(\$19,534,800)
	Federal	N/A	(7,178,400)
	GF/GP	N/A	(\$12,356,400)
15. Local Office: Other Adjustments	FTE	N/A	50.0
Appropriates 50 additional outstationed eligibility specialists to determine Medicaid eligibility in nursing homes, hospitals and mental health facilities (\$4.3 million, no GF/GP cost), \$2.6 million for medical/psychiatric child welfare evaluations, and \$1.7 million to annualize the costs of 100 limited-term eligibility specialists hired during FY 2010-11.	Gross	N/A	\$8,554,400
	Federal	N/A	2,712,200
	Local	N/A	1,066,400
	Private	N/A	1,066,400
	GF/GP	N/A	\$3,709,400
16. Juvenile Justice Facility Reductions	FTE	180.0	(20.0)
Reduces Maxey \$1.6 million, Bay Pines \$905,800, and Shawono \$503,500. Additional re-entry program costs are included (\$200,000 GF/GP) for a net savings of \$2.8 million gross, \$786,700 GF/GP. This proposal generates the same about of gross and GF/GP savings as the original Executive proposal that would have closed Shawono.	Gross	\$23,210,300	(\$2,822,000)
	Federal	1,715,900	(36,000)
	Local	11,476,700	(1,999,300)
	GF/GP	\$10,017,700	(\$786,700)
17. Background Check Program	Gross	\$0	\$1,000,000
Appropriates \$1.0 million to fund the background check program for adult foster care facilities and homes for the aged within the LARA budget.	Federal	0	0
	GF/GP	\$0	\$1,000,000
18. Other Program Eliminations	Gross	N/A	(\$16,993,800)
Eliminates appropriation funding for Jobs Education and Training Plus (JET Plus) (\$8.5 million federal), Zero to Three (\$3.8 million federal), Before- and After-School (\$3.0 million GF/GP), customer service center (\$850,000 GF/GP), Conductive Learning Center (\$300,000 GF/GP), Michigan Home Based Child Care Council (MHBCCC) (\$200,000 GF/GP), University of Detroit Mercy legal services (\$200,000 GF/GP), and YouthVille Detroit (\$100,000 GF/GP).	Federal	N/A	(12,343,800)
	GF/GP	N/A	(\$4,650,000)
19. Program Reductions	FTE	N/A	(15.0)
Reduces appropriation levels for employment and training support services (\$4.8 million federal), indigent burial (\$3.2 million gross, \$2.8 million GF/GP), child protection and permanency (\$2.8 million gross, \$2.6 million GF/GP), Early Childhood Investment Corporation, (\$1.9 million GF/GP), state disbursement unit contract savings (\$1.8 million gross, \$626,700 GF/GP), strong families/safe children (\$1.5 million federal), children's trust fund grants (\$1.0 million restricted), executive operation staff (\$712,000 gross, \$226,300 GF/GP), child support enforcement staff (\$588,300 gross, \$200,000 GF/GP), families first (\$500,000 federal), Bureau of Community Action and Economic Opportunity staff cut (\$380,000 federal), multicultural integration funding (\$300,000 gross, \$100,000 GF/GP), LEIN start-up costs (\$255,000 GF/GP), and domestic violence (\$250,000 GF/GP).	Gross	N/A	(\$20,942,000.)
	Federal	N/A	(10,155,600)
	Restricted	N/A	(1,000,000)
	GF/GP	N/A	(\$9,786,400)
20. Federal Funding Increases	Gross	N/A	\$8,666,400
Increases federal funding available for Refugee Assistance Program (\$3.7 million), Michigan Community Services Commission (\$3.0 million), Community Services Block Grant (\$750,000), Bureau of Child and Adult Licensing (\$632,400), and Weatherization (\$250,000). Also includes \$380,000 in funds freed up for CSBG and Weatherization by reducing 3 FTEs from the Bureau of Community Action and Economic Opportunity.	Federal	N/A	8,666,400
	GF/GP	N/A	\$0

Major Budget Changes From FY 2010-11 YTD Appropriations		FY 2010-11 Year-to-Date (as of 2/17/11)	Conference Change from Year-to-Date
21. Child Support Fees	Gross	\$0	\$0
FY 2010-11 budget removed boilerplate language authorizing DHS to collect an annual \$25 support fee from the custodial parent. Conference does not reinstitute the \$25 annual fee and removes \$1.0 million in fee revenue fund balance appropriated in FY 2010-11.	Restricted	(2,625,000)	(1,000,000)
	GF/GP	\$2,625,000	\$1,000,000
22. Child Support Incentive Payments Replacement	Gross	\$0	\$0
Changes enacted through ARRA allowed the state to temporarily use federal child support incentive revenues to draw down additional regular federal IV-D funds. \$17.5 million in GF/GP is appropriated to offset potential revenue shortfalls for both the state and counties as a result of the re-instated prohibition from using child support incentive revenues to draw down additional federal funds.	Federal	17,489,900	(17,489,900)
	GF/GP	(\$17,489,900)	\$17,489,900
23. ARRA Funding	FTEs	2.0	(2.0)
Removes \$11.7 million in federal ARRA funding no longer available in FY 2011-12. \$9.5 million in food assistance administration ARRA funds is partially offset with \$4.0 million federal and \$4.0 million GF/GP. \$2.0 million in transitional supportive housing and \$250,000 and 2 FTEs for faith-based grants are not offset.	Gross	\$11,745,200	(\$3,759,500)
	ARRA	11,745,200	(11,745,200)
	Federal	0	3,992,900
	GF/GP	\$0	\$3,992,800
24. Office of Inspector General Savings	FTEs	36.0	0.0
Reduces Family Independence Program (FIP) and Child Development and Care Subsidies (CDC) \$4.3 million due to projected cost avoidances as a result of the January 1, 2011 expansion of the Front End Eligibility (FEE) program. FEE inspector general staff will review applications to identify persons ineligible before an application is approved or denied by local office staff. Conference also includes \$1.3 million in net savings in public assistance funding from OIG program enhancements.	Gross	(\$7,753,400)	(\$5,532,100)
	Federal	(3,788,600)	(4,546,700)
	GF/GP	(\$3,964,800)	(\$985,400)
25. Early Retirement Savings	Gross	N/A	(\$5,664,000)
Recognizes \$5.7 million in full year net savings from the retirement incentive program enacted in FY 2010-11. Around 1,300 DHS employees retired as a result of the retirement incentive program. Net savings include the added costs from a 5-year banked leave time payout.	IDG	N/A	5,000
	Federal	N/A	(3,365,200)
	Private	N/A	33,300
	Restricted	N/A	(800)
	GF/GP	N/A	(\$2,336,300)
26. Federal Medical Assistance Percentage Adjustments	Gross	N/A	\$0
Increases GF/GP by \$6.5 million to replace the ARRA FMAP increase no longer available for FY 2011-12. Reduces GF/GP by \$1.2 million from the base FMAP federal match rate adjustment from 65.79% to 66.14%. This rate is used to determine federal cost sharing for several DHS programs, specifically foster care, adoption subsidies, and child care subsidies funded with federal Title IV-E.	ARRA	N/A	(6,499,700)
	Federal	N/A	1,162,500
	GF/GP	N/A	\$5,337,200
27. Economic Adjustments	Gross	N/A	\$24,646,500
Increases economic costs related to retirement, insurances, workers' compensation, and building occupancy charges by \$24.5 million gross, \$8.5 million GF/GP.	IDG	N/A	7,800
	Federal	N/A	15,472,000
	Local	N/A	542,600
	Private	N/A	65,400
	Restricted	N/A	34,500
	GF/GP	N/A	\$8,524,200

Major Boilerplate Changes From FY 2010-11

GENERAL SECTIONS

Sec. 231. TANF Contingency Funds – NEW

Permits DHS to utilize TANF Contingency funds, if they become available, to increase the family independence program earned income disregard or to improve public assistance programs by emphasizing work. Requires a report on the expenditures authorized under this section.

Sec. 294. Statewide Automated Child Welfare Information System Funding – NEW

Allows DHS to increase federal authorization at the relevant federal match rate if DHS can identify state funds elsewhere in the budget that can be transferred into the IT line item. Also allows funding to be designated as a work project.

CHILD AND FAMILY SERVICES

Sec. 502. Indian Tribal Government Foster Care Reimbursement – DELETED

Requires reimbursement to Indian Tribal governments for 50% of foster care expenditures not otherwise eligible for federal funding.

Major Boilerplate Changes From FY 2010-11

Sec. 503. Adoption Subsidy Payment Continuance – DELETED

Requires for continuance of adoption subsidy payments after the 18th birthday under certain criteria.

Sec. 556. Adoption Subsidy Reporting – REVISED

Requires report on adoption subsidy program, including compliance with federal notification requirements, adoptive parent requests for training cost reimbursement, subsidy hearing requests, and number of payments suspended while children remain in custody of adoptive parents. Revised to require DHS to propose legislation that would allow adoptive parents up to 1 year to request to have the determination of care supplement revised.

Sec. 565. Family Preservation Funding for Wayne County – DELETED

Allocates \$1.6 million of family preservation funding to Wayne County to support home-based programs as part of county expansion of community-based services for delinquent and abused/neglected youth.

PUBLIC ASSISTANCE

Sec. 601. Shelter Vendor Payments – REVISED

Allows termination of shelter vendor payments if the rental unit is not in compliance with local housing codes, or when the landlord is delinquent on property taxes; requires landlord cooperation with weatherization and conservation efforts. Deletes subsections (1) and (3).

Sec. 610. State Emergency Relief Exemption – REVISED

Requires consideration of expenses for finding employment as good cause for persons applying for SER assistance. Revised to prohibit SER from being paid to individuals who have been convicted of public assistance fraud, from being paid to illegal immigrants, and SER for rent assistance from being paid directly to the applicant.

Sec. 613. Indigent Burial Payment Rates and Pilot Project – REVISED

Establishes provider reimbursement rates of \$455 for funeral directors, \$145 for cemeteries/crematoriums, and \$100 for vault providers; allows DHS to work with funeral directors on a statewide pilot program for direct cremations of unclaimed bodies. Revised to only allow DHS to provide reimbursements for the direct cremation of unclaimed bodies.

Sec. 617. FIP Minor Parent Household Restriction – DELETED

Prohibits a minor parent from receiving family independence program (FIP) benefits if the supervising adult is his or her partner.

Sec. 619. Title IV-A and Food Assistance Benefit Exemption – REVISED

Exempts individuals convicted of a drug felony after August 22, 1996 from the federal prohibition on receiving Title IV-A and food assistance benefits; requires benefits be paid to a third party for these cases. Revision adds additional condition prohibiting repeat offenders from receiving Title IV-A and food assistance.

Sec. 635. Child Development and Care (CDC) Provider Central Registry Notification – DELETED

Requires DHS to determine whether a child care provider is listed on the Child Abuse and Neglect Central Registry; if a provider is listed, requires DHS to immediately deny applicant's request for CDC payments.

Sec. 675. Child Development and Care Services Rate Structure – DELETED

Establishes rate structure for child development and care subsidies; requires enrolled providers complete one-time basic training; allows enrolled providers to receive higher rate if complete 10 hours of additional annual training.

JUVENILE JUSTICE SERVICES

Sec. 726. Residential Provider Contracts and Rate Floor – DELETED

Prohibits DHS from entering or maintaining a contract with for-profit provider of residential services or a provider that uses a for-profit management group unless provider was licensed or management group was under contract on or before August 1, 2007. Establishes floor funding of \$137 per day for these providers.

GENERAL SECTIONS

Sec. 1201. FY 2012-13 Appropriations – NEW

States intent to provide same appropriations for FY 2012-13, adjusted for caseload and related costs, federal fund match rates, economic factors, and available revenue.

JUVENILE JUSTICE SERVICES

Sec. 726. Residential Provider Contracts and Rate Floor – DELETED

Prohibits DHS from entering or maintaining a contract with for-profit provider of residential services or a provider that uses a for-profit management group unless provider was licensed or management group was under contract on or before August 1, 2007. Establishes floor funding of \$137 per day for these providers.

Sec. 732. Shawono Center Staffing – NEW

Requires DHS to ensure that staff currently employed at Shawono Center are given priority for staff positions they are qualified to fill.

JUDICIARY: FY 2011-12
Summary: Conference Report
Article XI, House Bill 4526 (H-3) CR-1



Analyst: Ben Gielczyk

	FY 2010-11 YTD as of 2/17/11	FY 2011-12 Executive	FY 2011-12 Senate	FY 2011-12 House	FY 2011-12 Conference	Difference: Conference From FY 2010-11 YTD	
						Amount	%
IDG/IDT	\$3,573,500	\$2,573,500	\$3,573,500	\$2,573,500	\$3,573,500	\$0	--
Federal	5,539,500	5,539,500	5,539,500	5,539,500	5,539,500	0	--
Local	6,252,200	6,342,700	6,342,700	6,342,700	6,342,700	90,500	1.4
Private	842,500	842,500	842,500	842,500	842,500	0	--
Restricted	92,078,000	92,100,300	88,140,700	88,140,700	88,140,700	(3,937,300)	(4.3)
GF/GP	152,073,100	152,876,900	152,534,300	152,534,300	152,534,300	461,200	0.3
Gross	\$260,358,800	\$260,275,400	\$256,973,200	\$255,973,200	\$256,973,200	(\$3,385,600)	(1.3)
FTEs	491.0	491.0	491.0	491.0	491.0	0.0	--

Note: FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011.

Overview

Article VI of the State Constitution of 1963 forms the basis for Michigan's judicial branch of government, which receives funds appropriated through the budget act for the Judiciary. The Judiciary budget provides operational funding for the Michigan Supreme Court, Court of Appeals, and related judicial agencies. The budget also funds the salaries of justices of the Supreme Court and judges of the appeals, circuit, probate, and district courts according to constitutional and statutory requirements. Assistance for local court operations is provided through a variety of grant programs. The largest of these, the Court Equity grant program, reimburses counties for trial court operations based on a statutory formula that recognizes circuit and probate caseloads and the numbers of judgeships.

Major Budget Changes From FY 2010-11 YTD Appropriations

		FY 2010-11 Year-to-Date (as of 2/17/11)	Conference Change from Year-to-Date
1. Elimination of Trial Court Judgeships	Gross	N/A	(\$1,012,000)
Includes savings associated with temporary elimination of two judgeships on January 1, 2011 and recommended elimination of six trial court judgeships in FY 2011-12. Savings totaling \$69,900 GF/GP associated with temporary elimination of two judgeships represent one-quarter of annual savings due to temporary elimination beginning on January 1, 2011. Savings totaling \$942,100 GF/GP associated with elimination of six trial court judgeships represent full year savings. <u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	GF/GP	N/A	(\$1,012,000)
2. Elimination of Court of Appeals Judgeships	Gross	N/A	(\$342,600)
Includes savings associated with the elimination of two Court of Appeals judgeships. Savings total \$342,600 GF/GP. <u>Executive</u> did not include. <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	GF/GP	N/A	(\$342,600)
3. Early Retirement Savings	Gross	\$1,019,500	(\$1,019,500)
Reflects a \$1.0 million Gross and GF/GP reduction which accounts for savings associated with the FY 2010-11 early retirement package. <u>Executive</u> and <u>House</u> included negative line item reflecting savings. <u>Senate</u> and <u>Conference</u> spread reduction to applicable line items.	GF/GP	\$1,019,500	(\$1,019,500)
4. Department of Corrections IDG to Drug Treatment Courts	Gross	\$1,000,000	\$1,000,000
Increase of \$1.0 million GF/GP and decrease of \$1.0 million IDG to reflect fund source transfer. Replaces Michigan Department of Corrections IDG with corresponding amount of GF/GP. <u>Executive</u> and <u>House</u> include fund source transfer. <u>Senate</u> and <u>Conference</u> include fund source transfer and additional \$1.0 million IDG from corrections for "swift and sure" sanctions program.	IDG	1,000,000	0
	GF/GP	\$0	\$1,000,000

<u>Major Budget Changes From FY 2010-11 YTD Appropriations</u>		<u>FY 2010-11 Year-to-Date (as of 2/17/11)</u>	<u>Conference Change from Year-to-Date</u>
5. Court Equity Fund Source Adjustment	Gross	\$64,794,700	(\$3,959,600)
Includes technical adjustment downward of \$3,959,600 to bring fund source in line with revenue collections. <u>Executive</u> did not include. <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	Restricted	54,399,600	(3,959,600)
	GF/GP	\$10,395,100	\$0
6. Economics	Gross	N/A	\$1,948,100
Funds economic adjustments as follows for FY 2011-12:	Local	N/A	90,500
	Restricted	N/A	22,300
	GF/GP	N/A	\$1,835,300
<ul style="list-style-type: none"> Insurance: (\$190,400) Gross, (\$172,800) GF/GP Retirement: \$1,951,600 Gross, \$1,823,400 GF/GP Worker's compensation: \$30,400 Gross and GF/GP Building occupancy: \$156,500 Gross, \$154,300 GF/GP 			

Executive, Senate, House, and Conference concur on Economic adjustments.

Major Boilerplate Changes From FY 2010-11

Sec. 215(3). Out-of-State Travel Restrictions Report – RETAINED

Limits out-of-state travel in the judicial branch to certain situations. Deletes requirement of report on out-of-state travel expenses. Executive and House deleted. Senate and Conference retained.

Sec. 221. Transparency – REVISED

Requires judicial branch to develop and maintain, on a publicly accessible Internet site, all expenditures made by the judicial branch within the fiscal year. Executive deleted. Senate retained current law. House and Conference revised language.

Sec. 222. Restricted Fund Report – NEW

Requires judicial branch to report on the estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for fiscal years 2012 and 2013. Conference includes as new standard language.

Sec. 223. Juror Compensation Reimbursement Fund Transfer – DELETED

Requires \$2.6 million of the juror compensation reimbursement fund balance at the close of FY 2009-10 be transferred to the general fund. Executive, Senate, House, and Conference concur.

Sec. 301. Direct Trial Court Automation Support – REVISED

Directs the State Court Administrative Office (SCAO) to recover costs for services to local trial courts under direct trial court automation support program. Eliminates reporting requirements. Executive deletes. Senate retains current year. House and Conference revise by removing reporting requirements.

Sec. 311(5). Federal Department of Transportation, National Highway Safety Administration Funding – NEW

Authorizes the judiciary to receive and expend federal funds in an amount not to exceed \$450,000 for drug treatment courts. Executive and Senate did not include. House and Conference include as new language.

Sec. 320. Mental Health Services – DELETED

Provides that \$1.0 million of the IDG from the Department of Corrections shall be allocated for Drug Court mental health treatment services. Executive, Senate, House, and Conference concur.

Sec. 320. Swift-and-Sure Sanction Pilot Program – NEW

Authorizes \$1.0 million IDG from the Department of Corrections appropriated in part 1 to be expended for a swift-and-sure sanction program. Executive and House did not include. Senate and Conference include as new section.

Sec. 321. Legal Self-Help Website – NEW

Indicates that it is the intent of the legislature that the judicial branch support a statewide legal self-help website and local nonprofit self-help centers that provide assistance to persons representing themselves in civil legal proceedings. Executive did not include. Senate, House, and Conference include as new section.

Sec. 322. State Appellate Defender Office Byrne Formula Grant – NEW

Provides that if Byrne formula grant funding is awarded to the State Appellate Defender Office (SADO), SADO may receive and expend funding not exceeding \$750,000 as an IDG from the Department of State Police for specified projects. Executive and Senate did not include. House and Conference include as new section.

Sec. 1201. Fiscal Year 2012-13 Appropriations – NEW

States legislative intent that FY 2012-13 appropriations will be funded at the same level as FY 2011-12 appropriations after adjusting for various factors. Executive and House did not include section but included individual line items indicating FY 2012-13 appropriations. Senate and Conference include as new section.

LICENSING AND REGULATORY AFFAIRS: FY 2011-12
Summary: Conference Report
Article XII, House Bill 4526 (H-3) CR-1



Analyst: Mark Wolf

	FY 2010-11 YTD as of 2/17/11	FY 2011-12 Executive	FY 2011-12 House	FY 2011-12 Senate	FY 2011-12 Conference	Difference: Conference From FY 2010-11 YTD	
						Amount	%
IDG/IDT	\$13,246,300	\$12,673,500	\$12,673,500	\$12,673,500	\$13,373,500	\$127,200	1.0
Federal	845,017,500	364,517,700	839,727,100	839,727,100	365,728,300	(479,289,200)	(56.7)
Local	16,020,400	7,859,900	12,293,400	12,293,400	7,859,900	(8,160,500)	(50.9)
Private	6,085,000	4,727,800	4,576,500	4,576,500	4,727,800	(1,357,200)	(22.3)
Restricted	349,846,100	392,737,600	360,335,700	359,335,700	388,808,100	38,962,000	11.1
GF/GP	47,607,900	26,582,500	42,555,800	43,536,300	31,072,800	(16,535,100)	(34.7)
Gross	\$1,277,823,200	\$809,099,000	\$1,272,162,000	\$1,272,142,500	\$811,570,400	(\$466,252,800)	(36.5)
FTEs	4,418.0	4,317.3	4,410.5	4,415.0	4,378.3	(39.7)	(0.9)

Notes: (1) FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011. (2) The House and Senate figures do not reflect the reorganization of the department.

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 now includes functions performed by the DCH Bureau of Health Systems and the Bureau of Health Professions, but no longer includes 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.

Major Budget Changes From FY 2010-11 YTD Appropriations	FY 2010-11 Year-to-Date (as of 2/17/11)	Conference Change from Year-to-Date
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Conference Agreement on Items of Difference

1. Executive Direction – Office of Communications

The Conference Committee (concurring with 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.

FTE	49.0	0.0
Gross	\$5,559,500	(\$100,000)
Federal	2,533,700	(100,000)
Restricted	2,554,000	0
GF/GP	\$471,800	0

2. Liquor Control Commission

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 Conference Committee (partially concurring with the House) reduces the FTE authorization and appropriation, and establishes a new line item (separate from LCC operations) providing a placeholder appropriation 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. The House included \$1.0 million (effectively a placeholder) for LCC IT upgrades.

FTE	158.0	(6.0)
Gross	\$18,613,500	(\$1,000,000)
Restricted	18,613,500	(1,000,000)

Major Budget Changes From FY 2010-11 YTD Appropriations		FY 2010-11 Year-to-Date (as of 2/17/11)	Conference Change from Year-to-Date
3. Fire Protection Grants			
The <u>Conference Committee</u> reduces funding for Fire Protection Grants by \$1.6 million from the Liquor Purchase Revolving (LPRF). The grants are distributed to local units with state property, with the distribution based on the value of 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. The <u>Conference</u> concurs with the <u>Executive</u> and <u>Senate</u> . The <u>House</u> eliminated funding from the LPRF.	Gross Restricted	\$10,910,500 10,910,500	(\$1,636,600) (1,636,600)
4. Bureau of Fire Services			
The <u>Conference</u> replaces all GF/GP support for the Bureau of Fire Services with LPRF revenue available with the reduction in funding for the fire protection grants, and the reduction for bootlegging enforcement for the LCC. The <u>Executive</u> and <u>Senate</u> offset \$1.6 million GF/GP with the \$1.6 million reduction for fire protection grants. The <u>House</u> replaced \$2.4 million GF/GP with available LPRF from the reduction to Fire Protection Grants.	Gross IDG Federal Restricted GF/GP	\$5,559,000 100,000 788,000 2,071,000 \$2,600,000	\$0 0 0 2,600,000 (2,600,000)
5. Unemployment Insurance Special Fraud Control Fund			
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.) The <u>Conference</u> concurs with the <u>House</u> .	Gross Restricted	N/A N/A	\$1,000,000 1,000,000
6. From DCH: Background Checks for AFC/HFA Employees			
The <u>Conference Committee</u> continues to support the state's subsidy for conducting background checks for employees of adult foster care (AFC) homes and homes for the aged (HFAs), but reduces funding by \$168,500. GF/GP support for the program is partially offset with \$28,100 in available LPRF funds and an IDG from the Department of Human Services, which has primary regulatory authority of AFC/HFA facilities. The <u>Executive</u> and <u>House</u> eliminated the subsidy, the <u>Senate</u> retained it.	FTE Gross IDG Federal Restricted GF/GP	5.5 \$2,705,400 0 542,900 0 \$2,162,500	0.0 (\$165,800) 1,000,000 3,100 28,100 (\$1,190,700)
7. From DCH: Bureau of Health Systems – Health Facilities Fees			
The <u>Conference Committee</u> does not concur with a proposal by the <u>Executive</u> and <u>Senate</u> to increase the license fees imposed on health facilities – hospitals, nursing homes, hospice programs, hospice residences, and surgical outpatient centers. The proposal, which would have required a statutory change, would have offset \$4.4 million GF/GP and generated an additional \$739,000.	FTE Gross Federal Private Restricted GF/GP	221.0 \$24,383,000 15,695,000 200,000 4,076,400 \$4,411,600	0.0 \$0 0 0 0 \$0
Adjustments made to reflect reorganizations			
8. Michigan Compensation Appellate Commission			
The <u>Conference Committee</u> establishes a new line item for the Michigan Compensation Appellate Commission, a 9-member panel of administrative law judges, established with Executive Order 2011-6. The MCAC combines the functions of the Workers Compensation Appellate Commission, which was an appellate adjudication body for workers compensation claims, and the Michigan Employment Security Board of Review, which heard appeals of UI benefit and tax decisions by the Unemployment Insurance Agency.	FTE Gross Federal Restricted	N/A N/A N/A N/A	25.0 \$3,033,600 2,882,100 151,500

Prior to the issuance of the executive order, the Executive, House, and Senate eliminated the Workers Compensation Appellate Commission outright, with appeals of the decisions by the Board of Magistrates heard directly by the Court of Appeals.

Major Budget Changes From FY 2010-11 YTD Appropriations		FY 2010-11 Year-to-Date (as of 2/17/11)	Conference Change from Year-to-Date
9. Office of Regulatory Reinvention	FTE	N/A	2.0
The Conference Committee, concurring with the Executive, creates a new line item for the Office of Regulatory Reinvention, which coordinates and oversees the rule-making activities of LARA and the several departments and agencies. (This function was previously a responsibility of the State Office of Administrative Hearings and Rules, which was reorganized as the Michigan Administrative Hearing System.)	Gross	N/A	\$350,000
	Restricted	N/A	350,000
10. Health Regulatory Programs	FTE	N/A	395.3
Executive Order 2011-4 transferred the DCH Bureau of Health Professions and the DCH Bureau of Health Systems to LARA.	Gross	N/A	\$56,948,100
	IDG	N/A	1,000,000
	Federal	N/A	19,926,600
– The Bureau of Health Professions is responsible for licensing and regulating more than 400,000 health professional practicing more than 35 occupations. Administration of these licensing requirements is generally undertaken in conjunction with a licensing board composed of licensed health professionals and public members generally under the authority of Article 15 (Occupations) of the Public Health Code, 1978 PA 378.	Private	N/A	200,000
	Restricted	N/A	31,331,200
	GF/GP	N/A	4,490,300
– The Bureau of Health Systems is responsible for ensuring that regulated health facilities provide safe and effective health care services in a safe environment through licensing and regulating health care facilities and nursing homes, licensing and regulating radiation machines, and taken appropriate enforcement action (often in cooperation with the Centers for Medicare and Medicaid Services).			
11. Programs Transferred from LARA	FTE	N/A	(437.0)
Executive Order 2011-4 transferred 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 out of the department. [The conference change shown to the right shows the amount transferred out of the department from the initial FY12 Executive Recommendation.]	Gross	N/A	(\$522,168,300)
	Federal	N/A	(495,049,700)
	Local	N/A	(4,433,500)
	Private	N/A	(48,700)
	Restricted	N/A	(5,622,600)
	GF/GP	N/A	(\$17,013,800)
Executive–House–Senate Items of Agreement			
12. Workers Compensation Agency	Gross	\$9,417,400	(\$400,000)
Shifts \$447,300 (Corporations Fees) saved from the reorganization 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
	GF/GP	\$6,627,000	(\$847,300)
13. OFIR – Credit Union Examinations	FTE	370.0	2.0
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.	Gross	\$58,416,800	\$175,000
	Federal	2,050,400	0
	Restricted	56,366,400	175,000
14. OFIR – Investment Advisors Regulation	FTE	370.0	4.0
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.	Gross	\$58,416,800	\$300,000
	Federal	2,050,400	0
	Restricted	56,366,400	300,000

Major Budget Changes From FY 2010-11 YTD Appropriations		FY 2010-11 Year-to-Date (as of 2/17/11)	Conference Change from Year-to-Date
15. OFIR – Life Insurance Regulation	FTE	370.0	1.0
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.	Gross	\$58,416,800	\$81,000
	Federal	2,050,400	0
	Restricted	56,366,400	81,000
16. Tax Tribunal – Hearings Officers	Gross	\$2,867,900	\$150,000
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
17. Proprietary Schools Regulation	FTE	5.0	0.0
Increases funding to the Bureau of Commercial Services allowing the bureau of increase its regulatory activities concerning private trade/career schools. The bureau 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.	Gross	\$662,000	\$145,700
	Restricted	662,000	145,700
<i>Note: Under EO 2011-4, the Bureau of Workforce Transformation, which regulated proprietary schools, was transferred to the Michigan Strategic Fund. Regulation of proprietary schools would, however, remain within LARA, but is now a responsibility of the Bureau of Commercial Services.</i>			
18. Michigan Business One-Stop Web Portal	Gross	N/A	\$1,820,000
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
19. Real Estate Continuing Education	Gross	\$18,384,600	\$28,000
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
20. Wage and Hour Division	Gross	\$3,346,800	(\$110,000)
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
	GF/GP	\$355,000	(\$110,000)
21. Michigan Rehabilitation Service	Gross	\$73,641,400	(\$4,012,800)
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
	Local	2,684,500	(3,762,800)
	Private	816,000	0
	Restricted	1,401,800	0
	GF/GP	7,879,700	(\$250,000)

<u>Major Budget Changes From FY 2010-11 YTD Appropriations</u>		<u>FY 2010-11 Year-to-Date (as of 2/17/11)</u>	<u>Conference Change from Year-to-Date</u>
22. Unemployment Insurance Agency	Gross	\$144,923,200	(\$4,494,500)
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)
	Restricted	1,500,000	0
23. Fund Shift	Gross	N/A	\$0
Shifts authorization among various fund sources to more accurately reflect expenditure needs. Most of these shifts net out to zero within the same fund source category (e.g. federal, restricted, etc). One shift, concerning the Public Service Commission, decreases the MPSC's authorization from public utility assessments, 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 costs. (This shift was also made in the March 21, 2011 FY 2011 legislative transfer.)	Federal	N/A	170,000
	Restricted	N/A	(170,000)
24. Retirement Savings	Gross	N/A	(\$1,758,800)
Realizes some cost savings relative to the recent retirement of employees through the elimination of unfilled vacancies.	Federal	N/A	(1,161,600)
	Restricted	N/A	(597,200)
25. Economics Adjustments	Gross	N/A	\$16,421,600
Accounts for increases in retirement costs. Other employee economic components (salaries and wages, insurance, workers' compensation claims) and rent and building occupancy charges are reduced or held flat.	IDG	N/A	484,300
	Federal	N/A	8,280,300
	Local	N/A	7,600
	Private	N/A	1,500
	Restricted	N/A	6,959,600
	GF/GP	N/A	\$688,300

Major Boilerplate Changes From FY 2010-11

Sec. 205. Hiring Freeze – NOT INCLUDED

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. The House added this section; the Conference Committee did not.

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 and Senate delete this section; the House and Conference Committee retain 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. The House and Conference Committee add this section.

Sec. 213. User Fees for Information Technology – DELETED

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

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. The House and Conference Committee add this section.

Major Boilerplate Changes From FY 2010-11

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. 216. General Fund/General Purpose Lapse Report – RETAINED

Requires LARA to submit a report providing estimates of GF/GP lapses for departmental programs. The Executive and Senate delete this section; the House and Conference Committee retain it. (This section was previously Section 226.)

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 Senate and Conference Committee retain this section; the Executive deletes this section; the House revises the section to eliminate the restrictions on travel for professional development.

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, Senate, and Conference Committee retain it.

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 and Senate delete this section; the House and Conference Committee retain 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. 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 Senate retains it; the House and Conference Committee retain it, but delete the reporting requirement on the BES since those funds are no longer available (and the bureau has since been moved out of LARA).

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. 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 Senate retains it; the House retains it, but deletes the limit on the cost of it, and deletes the FTE report; the Conference Committee revises the section to require the report to include YTD expenditures by category, by appropriation unit, to vendors (listed individually by name), the number of active employees, job specifications, and wage rates.

Sec. 232. LARA Television Productions – NEW

Prohibits the department from developing or producing television productions. The House and Conference Committee add this section.

Sec. 234. Carry-Forward Funds Report – NEW

Requires the department to report on the amount of funds carried forward into the next fiscal year. The House adds this section. The Conference Committee revises the report to include for all state restricted funds FY 2011 (actual) and FY 2012 (projected) fund balances, revenue, and expenditures.

Sec. 301. Fire Protection Grants – DELETED

Requires that these grants be distributed in accordance with 1977 PA 289. The Executive and Senate delete this language, the House retains it; the Conference Committee retains the existing language and adds the local governments submit a report to the department, in order to be eligible for a grant, on their ability to respond to situations on state property, and the cost of being prepared and able to respond to situations on state property.

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.

Major Boilerplate Changes From FY 2010-11

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. 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 Senate deletes it; the House and Conference Committee retain it.

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. 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. The Conference Committee revises the language, which previously specified the per-page charge, to allow the department to charge "reasonable" fees. This language was included in a similar section in the DCH budget that was transferred to the LARA budget with EO 2011-4.

Sec. 320. Licensing and Regulation Fees – RETAINED

Allows carryforward of generated from occupational licensing and regulation fees in excess of the appropriation.

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 – REVISED

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. The Conference Committee eliminates the reference to the employment service agency (the Bureau of Workforce Transformation) following the transfer of the bureau to the MSF/MEDC with EO 2011-4.

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. The Conference Committee concurs with the House, but adds that the department shall report the percentage of the project completed to date.

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, Senate, and Conference Committee retain 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 and Senate delete this section; the House and Conference Committee delete this section but insert 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. 342. CET Earmark – NEW

Provides an earmark of \$80,000 from the Consultation Education and Training (CET) grants to organizations representing the mining industry in the state.

Sec. 350. Funds Collected Under the Administrative Procedures Act – REVISED

Appropriates funds collected under the Administrative Procedures Act (1969 PA 306) for the cost of publication and distribution of administrative procedures. The Conference Committee merges this section into Section 227.

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 and Senate delete language establishing application and award deadlines and requiring a report to the Legislature. The House and Conference Committee delete the application and award deadlines, but keep the reporting requirement.

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 and Senate delete this section; the House and Conference Committee retain it.

Major Boilerplate Changes From FY 2010-11

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. 380. Homeowner Construction Lien Recovery Fund – NEW

Appropriates the remaining funds in the Homeowner Construction Lien Recovery Fund (now repealed) for the payment of court-ordered construction lien judgments entered prior to the fund's repeal on August 23, 2010. Since its repeal, the fund has received some restitution payments resulting from court orders made prior to August 23, 2010. The House, Senate, and Conference Committee add this section.

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. The House adds this section. The Conference Committee adds a requirement that the report include the MTT's plan to eliminate its backlog of cases.

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. 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. The Executive, House, Senate, and Conference Committee 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 – DELETED

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, Senate, and Conference Committee delete 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 and Senate delete this section; the House and Conference Committee retain 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 and Senate delete this section; the House and Conference Committee retain 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. The Executive and Senate delete the provision allowing funding to be used for tuition payments; the House and Conference Committee retain it.

Sec. 611. Michigan Commission for the Blind Matching Funds – REVISED

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 and Senate delete this section; the House and Conference Committee add 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. The Executive, House, and Conference Committee delete this section; the Senate retains it.

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. 614. Approval of Budgets for Subregional Libraries – RETAINED

Requires approval of budgets for subregional libraries by LARA prior to release of state funding.

Major Boilerplate Changes From FY 2010-11

Sec. 708. Quarterly Staff Reports from Nursing Facilities – RETAINED

Transferred from DCH Budget: Requires that nursing facilities' quarterly reports to LARA include the total patient care hours provided each month and the percentage of pool staff, by state licensure and certification classification, used each month during the previous calendar quarter. Requires LARA to make the quarterly staff report available to the public.

Sec. 714. Nursing Facility Complaint Investigations – RETAINED

Transferred from DCH Budget: Requires LARA to report to the Legislature by April 1 on the timeliness of nursing facility complaint investigations and the number of allegations that are substantiated on an annual basis. Requires LARA to make every effort to contact complainants during the investigations.

Sec. 716. Investigations of Health Care Professionals – RETAINED

Transferred from DCH Budget: Requires LARA to give priority to investigations of alleged wrongdoing by licensed health care professional that are alleged to have occurred within two years of the initial complaint.

Sec. 718. Nursing Home Complaint Deficiencies – REVISED

Transferred from DCH Budget: Requires a study by May 1 on the frequently cited complaint deficiencies for nursing homes during the prior three fiscal years. The Executive and House delete this section; the Senate retains it; the Conference Committee deletes a requirement that implement any training program (for nursing facility staff or LARA staff) identified.

Sec. 726. Medical Marijuana Program Fees – RETAINED

Transferred from DCH Budget: Requires LARA to submit an annual report on the amount collected from application and renewal fees for the medical marijuana program, as well as the cost for administering the program. The Executive and House delete the reporting requirement; the Senate retains it; the Conference Committee adds a requirement that the department report on the timeliness of processing initial and renewal MMP applications.

Sec. 727. Outsource Medical Marijuana Program Administration – REVISED

Transferred from the DCH Budget: Requires LARA to establish and implement a bid process to identify a public or private contractor to administer the medical marijuana program by October 1, and requires the department to transfer administration of the program to the contractor by April 1st. The Executive deletes this section; the House retains it; the Senate and Conference Committee delete a proviso that the bid process occur "if authorized by law" and moves the date of the transfer to the contractor up to January 1.

Sec. 729. Circulating Nurse Data – NEW

Permits hospitals and ambulatory surgical centers to report to the department whether registered nurses serve as circulating nurses during surgical procedures and requires the department to report on the data it receives. The Senate and Conference Committee add this section.

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.

MILITARY AND VETERANS AFFAIRS: FY 2011-12
Summary: Conference Report
Article XIII, House Bill 4526 (H-3) CR-1



Analyst: Jan Wisniewski

	FY 2010-11 YTD as of 2/17/10	FY 2011-12 Executive	FY 2011-12 Senate	FY 2011-12 House	FY 2011-12 Conference	Difference: Conference From FY 2010-11 YTD	
						Amount	%
IDG/IDT	\$1,152,900	\$1,152,800	\$1,152,800	\$1,152,800	\$1,152,800	(\$100)	(0.0)
Federal	82,203,800	87,678,000	87,678,000	87,678,000	87,678,000	5,474,200	6.7
Local	645,400	644,800	644,800	644,800	744,800	99,400	15.4
Private	1,382,700	1,423,300	1,423,300	1,423,300	1,423,300	40,600	2.9
Restricted	28,233,400	28,439,700	28,439,700	28,439,700	28,439,700	206,300	0.7
GF/GP	36,424,700	33,044,900	33,044,900	33,044,900	33,044,900	(3,379,800)	(9.3)
Gross	\$150,042,900	\$152,383,500	\$152,383,500	\$152,383,500	\$152,483,500	\$2,440,600	1.6
FTEs	970.0	819.0	819.0	819.0	819.0	(151.0)	(15.6)

Note: FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011.

Overview

The Department of Military and Veterans Affairs is responsible for the training and administration of Army and Air National Guard forces, providing combat-ready military forces during times of national emergency, and performing civil relief operations under the command of the Governor during state emergencies. The Department's budget includes administrative and maintenance costs associated with these responsibilities as well as National Guard-related programs such as the Challenge Program. The Department has oversight over the following veterans-related programs: state-licensed nursing care at veterans homes in Grand Rapids and Marquette, grant funding to veterans service organizations, and the Michigan Veterans Trust Fund.

Major Budget Changes From FY 2010-11 YTD Appropriations

		FY 2010-11 Year-to-Date (as of 2/17/11)	Conference Change from Year-to-Date
1. Challenge Program	FTEs	25.0	0.0
Conference adds \$100,000 in Local - School Aid funds for increased funding for the Challenge Program.	Gross	\$4,091,000	\$100,000
	IDG/IDT	\$152,900	\$0
	Federal	\$2,450,000	\$0
	Private	\$842,700	\$0
	Local	\$645,400	\$100,000
2. Military Training Sites Firefighters	FTEs	18.0	24.0
Executive increases \$2.5 million in federal funds for 18 additional firefighters at the Alpena Air National Guard Base and 6 additional firefighters at Fort Custer in Battle Creek. Senate, House, and Conference concur.	Gross	\$25,358,500	\$2,500,000
	Federal	\$23,988,400	\$2,500,000
	GF/GP	\$1,370,100	\$0
3. Capital Outlay - Camp Grayling Light Demolition Range	Gross	\$0	\$1,700,000
Executive increases \$1.7 million in federal funds for construction of a light demolition range at Camp Grayling. Senate, House, and Conference concur.	Federal	\$0	\$1,700,000
4. Military Retirement	Gross	\$3,584,100	\$200,000
Executive increases \$200,000 GF/GP for increased retirement costs as mandated in the Michigan Military Act. Senate, House, and Conference concur.	GF/GP	\$3,584,100	\$200,000
5. Capital Outlay - Land Acquisitions and Appraisals	Gross	\$500,000	(\$500,000)
Executive decreases \$500,000 in restricted funds for land acquisitions and appraisals at Camp Grayling that was included in FY 2010-11. Senate, House, and Conference concur.	Restricted	\$500,000	(\$500,000)
6. Grand Rapids Veterans' Home Resident Care Aides	Gross	\$50,891,300	(\$4,200,000)
Executive decreases \$4.2 million GF/GP as savings for moving to competitive bidding for Resident Care Aide positions at the Grand Rapids Veterans' Home. Senate, House, and Conference concur.	Federal	\$20,335,400	\$0
	Restricted	\$15,701,500	\$0
	GF/GP	\$14,854,400	(\$4,200,000)

<u>Major Budget Changes From FY 2010-11 YTD Appropriations</u>		<u>FY 2010-11 Year-to-Date (as of 2/17/11)</u>	<u>Conference Change from Year-to-Date</u>
7. Early Retirement Savings	Gross	NA	(\$204,500)
<u>Executive</u> decreases \$204,000 GF/GP across several lines as savings associated with the FY 2010-11 retirements. Also includes Information Technology related employee retirements. <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	GF/GP	NA	(\$204,500)
8. Economics	Gross	NA	\$2,844,600
<u>Executive</u> increases \$824,200 GF/GP and \$2.8 million gross for department economics (adjustments for insurance, pension, retiree health care, building occupancy charges, worker's compensation, food, and fuel). <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	IDG	NA	(\$100)
	Federal	NA	\$1,274,200
	Restricted	NA	\$706,300
	Private	NA	\$40,600
	Local	NA	(\$600)
	GF/GP	NA	\$824,200

Major Boilerplate Changes From FY 2010-11

Sec. 204. Interdepartmental Grant Funds – NEW

Provides listing of interdepartmental grant funds received by the department from various sources outside the department.

Sec. 207. Department Website For Expenditures – NEW

Requires department to maintain a searchable website for various expenditure information.

Sec. 216. Schedule Of Programs and Revenue Sources – NEW

Provides flexibility for the department to spend for various programs and does not allow flexibility for statutory funding requirements.

Sec. 217. Budgetary Efficiency For Core Services – NEW

Requires department to improve budgetary efficiency for delivering core services by prioritizing personnel over buildings, consolidation of core service functions, streamlining services, identifying efficiencies where possible.

Sec. 218. Unused GF/GP For Department Incentive Pool – NEW

Requires that any unused GF/GP lapsed funds be designated for a department incentive pool.

Sec. 219. Quarterly Meetings – NEW

Requires department to be available for quarterly meetings before the subcommittees and to provide various information as evidence of validating that all requirements have been achieved.

Sec. 220. Services To Veterans Reports – NEW

Requires department to report on various services to veterans in Sec. 401, such as metric requirements, audits and tax reports, population of the two veterans' homes, and the Veterans' Trust Fund.

Sec. 221. Claims Filed For Veterans – NEW

Requires grant recipients in Sec. 401 to report to the department the number of claims filed and awarded with the Department of Veterans Affairs.

Sec. 222. Department Core Services – NEW

Requires that the appropriations in part 1 are for core services, which are also listed.

Sec. 227. Bids By Unions For Contract Services – NEW

Allows employee unions to bid for contract services.

Sec. 228. State Restricted Fund Balances, Projected Revenues, And Expenditures – NEW

Requires that 14 days after the release of the Executive Recommendation that state restricted fund information for the current and next fiscal years be reported to state budget director, the subcommittees, and the fiscal agencies.

Sec. 301. Administrative Support For Department Operations – NEW

Requires department to provide proper levels of administrative support, staffing and resources, and fiscal controls for expenditures.

Sec. 302. National Guard Armories – NEW

Requires department to properly operate and maintain armories in the state.

Sec. 303. Army National Guard Forces For State and Local Emergencies – NEW

Requires department to provide Army National Guard forces for emergencies and to properly train and equip military forces.

Sec. 304. Army and National Guard Training Facilities – NEW

Requires department to properly operate and maintain training facilities, such as Fort Custer and Camp Grayling.

Sec. 305. Air National Guard For State and Local Emergencies – NEW

Requires department to provide Air National Guard forces for emergencies and to properly train and equip military forces.

Major Boilerplate Changes From FY 2010-11

Sec. 306. Air National Guard Training Facilities – NEW

Requires department to properly operate and maintain Selfridge and Battle Creek air bases and the Alpena training center.

Sec. 401. Veterans Advice, Advocacy, And Assistance – MODIFIED

Modifies current year language for veterans advice, advocacy, and assistance by removing some reporting requirements covered under Sec. 220 and 221.

Sec. 402. Veterans Trust Fund – NEW

Requires department to work with the Michigan Veterans Trust Fund Board to provide grant funds and other services to veterans.

Sec. 403. Military Family Relief Fund – NEW

Requires department to provide grant funds from the Military Family Relief Fund and to provide services to military families.

Sec. 404. County Veterans Counselors – MODIFIED

Requires department to provide training and resources for county veterans counselors.

Sec. 405. Challenge Program – NEW

Requires department to maintain staffing and resources for operating the Challenge Program.

Sec. 501. Veterans' Homes – NEW

Requires department to provide staffing and resources for operating the two veterans' homes.

Sec. 1201. Fiscal Year 2012-2013 Appropriations – NEW

Provides legislative intent for anticipated appropriations for FY 2012-2013.

NATURAL RESOURCES: FY 2011-12
Summary: Conference Report
Article XIV, House Bill 4526 (H-3) CR-1



Analyst: Viola Bay Wild

	FY 2010-11 YTD as of 2/17/10	FY 2011-12 Executive	FY 2011-12 Senate	FY 2011-12 House	FY 2011-12 Conference	Difference: Conference From FY 2010-11 YTD	
						Amount	%
IDG/IDT	\$1,830,100	\$1,935,000	\$1,935,000	\$1,935,000	\$1,935,000	\$104,900	5.7
Federal	78,713,500	69,319,800	69,319,800	69,319,900	69,319,800	(9,393,700)	(11.9)
Local	0	0	0	0	0	0	--
Private	5,824,400	2,842,400	2,842,400	2,842,400	2,842,400	(2,982,000)	(51.2)
Restricted	220,947,800	242,382,400	242,267,400	242,267,400	242,267,400	21,319,600	9.6
GF/GP	15,986,900	13,716,200	13,716,200	13,604,500	13,831,200	(2,155,700)	(13.5)
Gross	\$323,302,700	\$330,195,800	\$330,080,800	\$329,969,200	\$330,195,800	\$6,893,100	2.1
FTEs	2,192.4	2,176.4	2,176.4	2,176.4	2,179.4	(13.0)	(0.6)

Notes: (1) FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011. (2) Figures do not reflect \$6.0 million GF/GP in one-time boilerplate appropriations contained in Sec. 1001 of conference report.

Overview

The Department of Natural Resources (DNR) manages, conserves, and protects Michigan's resources. Programs include forest management, land and minerals management, wildlife and fisheries management, conservation law enforcement, state parks and forest campgrounds, and Michigan's historical programs.

		FY 2010-11 Year-to-Date (as of 2/17/11)	Conference Change from Year-to-Date
Major Budget Changes From FY 2010-11 YTD Appropriations			
1. Early Retirement Savings			
<u>Executive</u> , <u>Senate</u> , <u>House</u> and <u>Conference</u> include \$283,900 Gross and GF/GP savings realized from the FY 2010-11 early retirement program.	Gross	N/A	(\$283,900)
	GF/GP	N/A	(\$283,900)
2. GF/GP Reductions			
<u>Executive</u> reduces funding by \$838,100 Gross and GF/GP by decreasing funding for various programs. Savings realized from a \$92,400 reduction in Law Enforcement, the elimination of 2.0 FTEs and \$253,100 GF/GP funding for Historical Programs, \$184,700 administrative cost savings, and \$307,900 reduction in Wildlife Division programs which includes \$115,000 reduction for captive cervidae program. <u>House</u> does not include the \$115,000 captive cervidae GF/GP reduction, but includes the remaining Executive reductions and reduces GF/GP funding by an additional \$226,800 for a total GF/GP reduction of \$949,900. <u>Senate</u> and <u>Conference</u> include \$723,100 GF/GP reduction - agreeing with all the Executive GF/GP reductions except the \$115,000 captive cervidae reduction.	FTE	N/A	(2.0)
	Gross	N/A	(\$723,100)
	GF/GP	N/A	(\$723,100)
3. Mackinac Island State Park Commission			
<u>Executive</u> , <u>Senate</u> , <u>House</u> and <u>Conference</u> reduce GF/GP funding by \$1.6 million and recommend a funding shift of \$1.6 million from GF/GP to Michigan State Park Endowment Fund (MSPEF); MSPEF funding remains in State Parks line item.	Gross	N/A	\$0
	Restricted	N/A	1,561,900
	GF/GP	N/A	(\$1,561,900)
4. Freedom Trail Commission			
<u>Executive</u> , <u>Senate</u> , and <u>Conference</u> delete \$22,500 GF/GP funding for Freedom Trail Commission; <u>House</u> includes \$100 placeholder. GF/GP reduction included in item #2 above.	Gross	N/A	\$0
	GF/GP	N/A	\$0
5. Recreation Passport Revenue			
<u>Executive</u> , <u>Senate</u> , <u>House</u> and <u>Conference</u> increase restricted funding to numerous programs by \$3.1 million to reflect additional revenue from Recreation Passport program.	Gross	N/A	\$3,114,000
	Restricted	N/A	3,114,000

Major Budget Changes From FY 2010-11 YTD Appropriations		FY 2010-11 Year-to-Date (as of 2/17/11)	Conference Change from Year-to-Date
6. Great Lakes Restoration Initiative (GLRI)	Gross	\$15,000,000	(\$5,000,000)
<u>Executive</u> , <u>Senate</u> , <u>House</u> and <u>Conference</u> reduce federal funding authorization by \$5.0 million for the GLRI grant program to align with anticipated grant awards.	Federal	15,000,000	(5,000,000)
7. Funding Authorization Reductions	Gross	N/A	(\$3,039,200)
<u>Executive</u> , <u>Senate</u> , <u>House</u> and <u>Conference</u> reduce federal, restricted, and private funding authorizations by \$3.0 million to align with anticipated revenues. Reduced restricted funds include Game and Fish Fund - Turkey Permit Fees, Game and Fish Fund - Wildlife Resources Protection Fund, History Fees, Cervidae Licensing Fees, Public Use Deed Fees, and ORV Trail Improvement Fund, among others.	Federal	N/A	(1,000)
	Private	N/A	(1,050,000)
	Restricted	N/A	(1,988,200)
8. Accounting Consolidation Changes	FTE	14.0	(14.0)
<u>Executive</u> , <u>Senate</u> , <u>House</u> and <u>Conference</u> transfer 14.0 FTEs to MDOT to consolidate accounting staff from various departments. The \$1.3 million Gross and \$155,000 GF/GP funding associated with the FTEs will remain in the DNR budget and fund an Accounting Service Center.	Gross	\$1,348,500	\$0
	Restricted	1,193,500	0
	GF/GP	\$155,000	\$0
9. Captive Cervidae Fee Proposal	Gross	N/A	\$0
<u>Executive</u> includes \$115,000 additional restricted funding to the Cervidae Licensing & Inspection Fees Fund to be realized through an increase in fees on private captive cervidae facilities. <u>Executive</u> proposal would increase 3-year inspection fees from \$750 to \$2,250 for Class III (ranch) and Full Registration facilities. (<u>Executive</u> reduces GF/GP by \$115,000 - see item #2 above.) <u>Senate</u> includes GF/GP reduction, but does not include additional fee revenue. <u>House</u> and <u>Conference</u> do not include increased fee revenue and do not include the GF/GP reduction.	Restricted	N/A	0
	GF/GP	N/A	\$0
10. Unclassified FTE Increase	FTE	3.0	3.0
<u>Conference</u> increases the authorizations for unclassified positions by 3.0 FTEs to restore the number of unclassified positions to 6.0 - which is the amount the Department was authorized before the merger into the DNRE.	Gross	N/A	\$0
	GF/GP	N/A	\$0
11. Cormorant Population Control	Gross	N/A	\$0
<u>Senate</u> and <u>Conference</u> increase the Cormorant Population Control line item by \$50,000 to a total of \$100,000 for FY 2011-12. The line item funded by Game and Fish Fund funding. The Fisheries Resource Management line item is reduced by the same \$50,000 amount.	Restricted	N/A	\$0
12. Capital Outlay Projects	Gross	\$18,978,600	\$6,101,400
<u>Executive</u> , <u>Senate</u> , <u>House</u> and <u>Conference</u> increase funding for parks, forestry and waterways capital outlay projects by \$6.1 million Gross. <u>Senate</u> dedicates \$2.5 million for Grand Marais Harbor in the funding. <u>House</u> includes a \$100 placeholder for Grand Marais Harbor. <u>Conference</u> funds projects at Executive Recommendation level and includes separate boilerplate appropriation for Grand Marais (Sec. 1101).	Federal	9,075,000	(5,325,000)
	Private	2,000,000	(2,000,000)
	Restricted	7,903,600	13,426,400
13. Economics	Gross	N/A	\$6,723,900
<u>Executive</u> , <u>Senate</u> , <u>House</u> and <u>Conference</u> increase funding in FY 2011-12 by \$6.7 million Gross and \$413,200 GF/GP for economic increases in retirement costs and Worker's Compensation costs. Total includes \$216,900 Gross and \$26,000 GF/GP for DIT economics.	IDG	N/A	104,900
	Federal	N/A	932,300
	Private	N/A	68,000
	Restricted	N/A	5,205,500
	GF/GP	N/A	\$413,200

Major Boilerplate Changes From FY 2010-11

Sec. 204. Civil Service Charges – RETAINED

Requires Civil Service to charge state departments 1% of salary payments. Executive and Senate delete language; House and Conference retain language.

Sec. 208. DIT User Fees – RETAINED

Directs DNR to pay user fees to DTMB for technology services and projects. Executive and Senate delete language; House and Conference retain language.

Sec. 209. Out-of-State Travel Restrictions – DELETED

Limits purpose/amount of out-of-state travel; requires annual report. Executive, Senate, and Conference delete language; House retains and includes new language to allow state budget director to grant travel exceptions.

Major Boilerplate Changes From FY 2010-11

Sec. 210. Purchase of Foreign Goods and Services – RETAINED

Prohibits purchase of foreign goods and services if competitively priced and comparable American ones are available; requires preference for Michigan businesses and those operated by veterans. Executive deletes language; House, Senate, and Conference retain language.

Sec. 211. Businesses in Economically Deprived or Depressed Communities – RETAINED

Encourages vendor contracts in economically depressed communities. Executive deletes language; House, Senate, and Conference retain language.

Sec. 212. Disciplinary Action Against State Employees – RETAINED

Prohibits Department from disciplining state employees for communicating with members of the Legislature and their staffs. Executive deletes language; House, Senate, and Conference retain language.

Sec. 213. Rule Promulgation – DELETED

Requires report on policy changes made to implement a public act; Department is not allowed to adopt a rule that will apply to a small business if it has a disproportionate economic impact. Executive, Senate, and Conference delete language; House retains language.

Sec. 214. Legal Services – RETAINED

Department may not hire attorneys to provide legal services provided by the Attorney General. Executive deletes language; House, Senate, and Conference retain language.

Sec. 215. Contingency Fund Transfer Authority – REVISED

Provides authority for contingency fund transfers: up to \$3.0 million federal, \$10.0 million restricted, \$100,000 local, and \$1.0 million private; transfers must be approved by both House and Senate appropriations committees. Executive, Senate, House and Conference revise language amounts listed above.

Sec. 216. IT Work Projects – NEW

Allows IT projects to be designated as work projects and appropriations to be carried forward. House and Conference include new language.

Sec. 217. Retention of Reports – NEW

Requires DNR to retain copies of all reports funded from appropriations. House and Conference include new language.

Sec. 218. Pending Permits – DELETED

Any permit application pending after two years shall be considered administratively complete on January 1, 2011. Executive, Senate, and Conference delete language; House includes new language requiring report on permits considered complete under this section.

Sec. 219. Hiring Freeze – NOT INCLUDED

Imposes hiring freeze on state classified civil service. House includes language; Senate and Conference do not include language.

Sec. 220. GF/GP Lapse – NEW

Requires report of estimated GF/GP appropriation lapses at close of previous year. House and Conference include new language.

Sec. 222(1)(2). Restricted Fund Revenue, Expenditures and Fund Balances – REVISED

Requires report of revenue, spending, and estimated year-end balance for restricted funds. Executive and Senate delete language; House retains language; Conference revises language and eliminates the requirement to reissue estimates in September.

Sec. 222(3). FTE Information Report – DELETED

Requires report on funding of FTE positions supported by each line item. Executive, Senate, House and Conference delete language.

Sec. 223. Waterways Fund Projects – RETAINED

Requires report on activities of Waterways Commission during previous fiscal year; list of completed waterways fund projects to be provided to Legislature and State Budget Director by January 31, 2011. Executive deletes language; House, Senate, and Conference retain language.

Sec. 225. Out-of-State State Employee Training – DELETED

Prohibits out-of-state travel to conferences for more than one employee unless funded by federally or privately, or for conferences for which one employee does not have expertise. Executive, Senate, and Conference delete language; House retains language.

Sec. 233(1). FTE Report and Expenditure Report – RETAINED

Requires quarterly report on number of FTEs. Executive and Senate delete language; House and Conference retain language.

Sec. 233(2). Expenditure Posting on Internet – REVISED

Requires expenditures to be reported on a publicly accessible internet site, including the purpose for which the expenditures were made. Executive and Senate delete language; House retains language; Conference revises language to require specific expenditure information to be posted (Renumbers to Sec. 234).

Sec. 234. Website Expenditure Posting Cost – RETAINED

Directs DNR to spend less than \$10,000 to post expenditures on the website. Executive and Senate delete language; House and Conference retain language (Renumbers to Sec. 235).

Major Boilerplate Changes From FY 2010-11

Sec. 306. Historical Program Fees – REVISED

Allows DNR to charge fees for historical program services and museum admissions. Executive eliminates language that requires children under 18 be admitted free to the Michigan Historical Museum; House retains language; Senate and Conference revise language to provide legislative intent that children shall be admitted free if museum revenues are high enough.

Sec. 307. Freedom Trail Funding – DELETED

Requires \$22,500 funding for the Freedom Trail Commission. Executive, Senate, House and Conference delete language.

Sec. 308. Land Transactions – RETAINED

Requires report to Legislature on land purchases, sales and exchanges. Executive deletes language; Senate, House and Conference retain language.

Sec. 501. Bovine TB Eradication Efforts – DELETED

Requires annual report on enforcement actions taken to eradicate bovine TB, relevant scientific studies and the number of deer found to be infected. Executive, Senate, and Conference delete language; House retains language.

Sec. 502. Livestock Loss Indemnification – RETAINED

Requires Department to reimburse Department of Agriculture for livestock losses caused by wolves, coyotes, or cougars. Executive deletes language; Senate, House and Conference retain language (Renumbers to Sec. 402).

Sec. 502. Water Control Structure Certification – NEW

Directs Fisheries Division to not interfere with the certification process for dams and other water control structures. House and Conference include new language.

Sec. 702. State Park Campground Closures – RETAINED

Requires Department to notify Legislature if reduced operations or recreation opportunities are planned at any state park or recreation area. Executive and Senate delete language; House and Conference retain language (Renumbers to Sec. 602).

Sec. 703. Porcupine Mountain Ski Hill – DELETED

Prohibits DNR from altering operations of the ski hill or demolishing any buildings related to the ski hill in Porcupine Mountains Wilderness State Park. Executive, Senate, and Conference delete language; House retains language.

Sec. 706. State Forest Campgrounds Closures – NEW

States legislative intent that the forest campgrounds proposed to be closed remain open. Senate and Conference include language.

Sec. 708. Property Leases – NOT INCLUDED

Requires DNR to extend or renew existing leases to individuals on land that was part of the settlement agreement with utility companies over the Ludington hydroelectric facility. House includes new language; Conference does not include language.

Sec. 710. DNR Aircraft Report – NEW

Requires DNR to report on wildfire protection aircraft program. Report shall include the number of planes owned, aircraft costs, airplane usage, number of wildfires, and annual flight hours logged. House and Conference include new language.

Sec. 802. Timber Marking – REVISED

Directs Department to mark and prescribe treatment on 63,000 acres, prepare for harvest 58,000 acres at an average rate of 12.5 to 15.0 cords per acre; requires quarterly report. Executive deletes language; Senate includes current-year language; House revises language to require treatment on 95,000 acres and harvest on 77,000 acres; Conference requires treatment on 79,000 acres and harvest on 67,500 (Renumbers to Sec. 702).

Sec. 802. Marine Safety Grants – NEW

Requires Marine Safety Grant Program report. Report to include watercraft registrations revenues, revenues and expenditures of the Marine Safety Fund, grant distribution methodology, and a list of grant awards by county. House and Conference include language.

Sec. 804. Horseback Riding Opportunities – RETAINED

Directs Department to work cooperatively with horseback riding interests to increase horseback riding opportunities. Executive deletes language; Senate, House and Conference retain language (Renumbers to Sec. 704).

Sec. 805. Contract Foresters – RETAINED

Allows Department to hire sufficient contract foresters to mark timber. Executive deletes language; Senate, House and Conference retain language (Renumbers to Sec. 705).

Sec. 807. Timber Industry Meetings – DELETED

Directs Department Director to meet semiannually with timber industry representatives to discuss timber industry issues. Executive, Senate, and Conference delete language; House retains language.

Sec. 808. State Forest Campgrounds Mini-State Parks Pilot Program – REVISED

Requires a strategic plan be developed to incorporate selected state forest campgrounds into the state park system as mini-state parks and develop a pilot program using 6 of the state forest campgrounds closed by E.O. 2009-22; requires report. Executive and Senate delete language; House and Conference revise language to require completion of the plan (Renumbers to Sec. 707).

Major Boilerplate Changes From FY 2010-11

Sec. 901. Snowmobile Law Enforcement Grants – RETAINED

Provides snowmobile law enforcement grants to county law enforcement agencies in counties with state snowmobile trails. Executive deletes language; Senate, House and Conference retain language (Renumbers to Sec. 801).

Sec. 1003. Off Road Vehicle (ORV) Trail Improvement Grants – RETAINED

Requires \$980,000 be expended for new trails. Executive deletes language; Senate, House and Conference retain language (Renumbers to Sec. 902).

Sec. 1104. Grand Marais Harbor Project – NEW

Requires DNR to fund the Grand Marais Harbor breakwall construction project once necessary permits are obtained; Senate, and Conference include language; House states legislative intent to fund project.

Sec. 1101. Capital Outlay Appropriations for the Harbors and Docks Grants in Aid – RETAINED

Provides for disbursement of Waterways Fund appropriation to the federal government and local governmental units. Executive deletes language; Senate, House and Conference retain language (Renumbers to Sec. 1001).

Sec. 1101. One-Time Appropriation Grand Marais Harbor – NEW

Provides \$4.0 million GF/GP appropriation by boilerplate for the Grand Marais harbor project. Conference includes language.

Sec. 1201. FY 2012-13 Anticipated Appropriations – NEW

States intent that FY 2012-13 line item appropriations will be the same as those for FY 2011-12 with certain economic adjustments. Senate and Conference include language.

**STATE POLICE: FY 2011-12
Summary: Conference Report
Article XVI, House Bill 4526 (H-3) CR-1**



Analyst: Jan Wisniewski

IDG/IDT	FY 2010-11 YTD as of 2/17/10	FY 2011-12 Executive	FY 2011-12 Senate	FY 2011-12 House	FY 2011-12 Conference	Difference: Conference From FY 2010-11 YTD	
						Amount	%
Federal							
ARRA	2,000,000	0	0	0	0	(2,000,000)	(100.0)
Non-ARRA	103,634,200	106,251,500	106,251,500	106,051,500	106,051,600	2,417,400	2.3
Local	6,257,500	6,456,700	6,456,700	6,456,700	6,456,700	199,200	3.2
Private	269,800	216,100	216,100	216,100	216,100	(53,700)	(19.9)
Restricted	135,942,900	123,336,100	126,336,100	120,336,100	126,336,100	(9,606,800)	(7.1)
GF/GP	260,383,200	261,676,000	261,676,000	263,538,900	264,676,000	4,292,800	1.6
Gross	\$532,631,400	\$521,482,600	\$524,482,600	\$520,145,500	\$524,282,700	(\$8,348,700)	(1.6)
FTEs	2,765.0	2,747.0	2,747.0	2,747.0	2,753.0	(12.0)	(0.4)

Note: FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011.

Overview

The Department of State Police provides a wide range of law enforcement services—including highway patrol, criminal investigations, forensic sciences, motor carrier enforcement, emergency management, highway safety planning, fire investigation, criminal justice data processing, and various specialized law enforcement services. The Department's responsibilities also include oversight of law enforcement standards in the state through the Michigan Commission on Law Enforcement Standards (MCOLES) and administration of several law enforcement-related grant programs.

Major Budget Changes From FY 2010-11 YTD Appropriations	FY 2010-11 Year-to-Date (as of 2/17/11)	Conference Change from Year-to-Date
<p>1. Various GF/GP Shifts to Laboratory Operations Conference shifts funds from various lines/schedule of programs to Laboratory Operations: Special Maintenance and Utilities (\$44,800); Fire Investigation Training To Locals (\$50,000); Mental Health Awareness Training (\$100,000); Detroit Laboratory (\$100). The Detroit Laboratory, Mental Health Awareness Training, and Fire Investigation Training To Locals lines/schedule of programs are also eliminated.</p>	<p>Gross NA GF/GP NA</p>	<p>\$194,900 \$194,900</p>
<p>2. Interdepartmental Grant To Legislature Conference decreases this line/program by \$199,900 in federal funds but maintains a \$100 placeholder for possible funding for technological security upgrades at the Capitol Building.</p>	<p>Gross \$200,000 Federal \$200,000</p>	<p>(\$199,900) (\$199,900)</p>
<p>3. Fingerprint Fee Increase Executive decreases \$3.0 million GF/GP and replaces with restricted funds from a \$10 increase for fingerprint fees. The state cost of fingerprints is \$30 and would increase to \$40. This fund shift would pay for latent print scientist costs. Senate concurred with Executive but House and Conference did not concur and maintained \$3.0 million GF/GP.</p>	<p>Gross \$3,000,000 Restricted \$0 GF/GP \$3,000,000</p>	<p>\$3,000,000 \$0 \$3,000,000</p>
<p>4. Tobacco Tax Enforcement Conference includes \$3.0 million in restricted funds and 6.0 FTEs for enhanced tobacco tax enforcement efforts.</p>	<p>Gross NA Restricted NA</p>	<p>\$3,000,000 \$3,000,000</p>
<p>5. Field Services Restructuring Executive decreases \$3.2 million GF/GP for modifying police services to accommodate various public safety needs which may result in the reduction of posts in the state but will also expand investigative services to these areas. Senate, House, and Conference concur.</p>	<p>Gross \$3,208,500 GF/GP \$3,208,500</p>	<p>(\$3,208,500) (\$3,208,500)</p>

Major Budget Changes From FY 2010-11 YTD Appropriations		FY 2010-11 Year-to-Date (as of 2/17/11)	Conference Change from Year-to-Date
6. Rockford Regional Dispatch Center Closure	FTEs	12.0	(12.0)
<u>Executive</u> decreases \$1.0 million GF/GP and 12.0 FTEs for the closure of the Rockford Regional Dispatch Center, which will reduce the number of dispatch centers from five to four. This will not result in a reduction of dispatch services to this area of the state. <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur with Executive.	Gross	\$1,000,000	(\$1,000,000)
	GF/GP	\$1,000,000	(\$1,000,000)
7. Eliminate Collins Road Facility Lease	Gross	\$750,000	(\$750,000)
<u>Executive</u> decreases \$750,000 GF/GP for moving the remaining functions at the Collins Road Facility to the Lansing Township Annex building. <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur with Executive.	GF/GP	\$750,000	(\$750,000)
8. Early Retirement Savings	Gross	\$1,859,800	(\$1,859,800)
<u>Executive</u> decreases \$1.9 million GF/GP for FY 2011 retirement savings in FY 2011-12. <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur with Executive.	GF/GP	\$1,859,800	(\$1,859,800)
9. Deferred Retirement Option Plan (DROP) Savings	Gross	\$2,757,100	(\$2,757,100)
<u>Executive</u> decreases \$2.8 million GF/GP as projected savings for an assumed 64 enlisted staff entering the DROP program. <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur with Executive.	GF/GP	\$2,757,100	(\$2,757,100)
10. Economics	Gross	NA	\$22,940,400
<u>Executive</u> increases \$18.5 million GF/GP and \$22.0 million Gross for department economics (adjustments for insurance, pension, retiree health care, building occupancy charges, worker's compensation, food, and fuel). Also increases \$8.6 million GF/GP. <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur with Executive.	IDG	NA	\$1,075,800
	Federal	NA	\$1,394,000
	Local	NA	\$131,700
	Private	NA	\$16,100
	Restricted	NA	\$1,795,500
	GF/GP	NA	\$18,527,300
11. Various Administrative Savings	Gross	\$8,739,300	(\$8,739,300)
<u>Executive</u> decreases \$8.7 million GF/GP for various administrative savings including reducing trooper overtime costs and anticipated retirement attrition of 34.0 FTEs. <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur with Executive.	GF/GP	\$8,739,300	(\$8,739,300)
12. School Bus Inspections	FTEs	4.0	11.0
<u>Executive</u> increases \$1.0 million in Local - School Bus Revenue (from School Aid funds) and 11.0 FTEs to fully reinstate school bus inspections for all school buses in the state. For FY 2010-11, the school bus inspection program was reduced by \$1.0 million and 11.0 FTEs resulting in random and intermittent inspections and audits of school buses. <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur with Executive.	Gross	\$421,000	\$1,047,400
	Local	\$421,000	\$1,047,400
13. Reversal of One-Time Fund Shifts	Gross	\$5,248,800	\$0
<u>Executive</u> increases a total of \$5.2 million GF/GP and decreases the same amount in federal and restricted funds for various lines funded with non -GF/GP funds in FY 2010-11. Includes \$510,200 in federal funds and \$1.7 million in restricted funds for Laboratory Operations, \$1.0 million in restricted funds for At-Post Troopers, and \$2.0 million in federal ARRA funds for Federal Anti-Drug Initiatives. <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur with Executive.	Federal	\$2,510,200	(\$2,510,200)
	Restricted	\$2,738,600	(\$2,738,600)
	GF/GP	\$0	\$5,248,800

Major Boilerplate Changes From FY 2010-11

Sec. 204. Interdepartmental Grant Funds – NEW

Provides listing of interdepartmental grant funds received by the department from various sources outside the department

Sec. 205. Interdepartmental Grant Funds To Other Departments – NEW

Provides listing of interdepartmental grant funds to other departments.

Sec. 207. Department Website For Expenditures – NEW

Requires department to maintain a searchable website for various expenditure information.

Sec. 216. Schedule Of Programs and Revenue Sources – NEW

Provides flexibility for the department to spend for various programs and does not allow flexibility for statutory funding requirements.

Sec. 217. Budgetary Efficiency For Core Services – NEW

Requires department to improve budgetary efficiency for delivering core services by prioritizing personnel over buildings, consolidation of core service functions, streamlining services, identifying efficiencies where possible.

Major Boilerplate Changes From FY 2010-11

Sec. 218. Unused GF/GP For Department Incentive Pool – NEW

Requires that any unused GF/GP lapsed funds be designated for a department incentive pool.

Sec. 219. Quarterly Meetings – NEW

Requires department to be available for quarterly meetings before the subcommittees and to provide various information as evidence of validating that all requirements have been achieved.

Sec. 220. Various Annual Reports – NEW

Requires department to report on various services such as Bridge Card enforcement, bus inspections, Secondary Road Patrol, and casino gaming oversight.

Sec. 221. Department Core Services – NEW

Requires that the appropriations in part 1 are for core services, which are also listed.

Sec. 222. Post Closure Notification – MODIFIED

Requires 90 day rather than 180 notification to the subcommittees for post closures or consolidations.

Sec. 226. Worksite Inspections – NEW

Requires annual inspection of worksites for internal control and quality of service.

Sec. 227. Interoperability Standards – MODIFIED

Requires department to define interoperability standards for effective communication between public safety agencies.

Sec. 229. State Restricted Fund Balances, Projected Revenues, And Expenditures – NEW

Requires that 14 days after the release of the Executive Recommendation that state restricted fund information for the current and next fiscal years be reported to state budget director, the subcommittees, and the fiscal agencies.

Sec. 301. Forensic Testing Services – NEW

Requires department to provide forensic testing services for criminal investigations with improved turnaround times.

Sec. 302. Criminal Justice Training – NEW

Requires department to provide various educational training programs for the criminal justice community and to provide staffing and resources for this training.

Sec. 303. MCOLES Services – NEW

Requires MCOLES to provide standards for law enforcement officers and to provide staffing and resources for providing training for police academy programs.

Sec. 304. Criminal History and Accident Data Collection System – NEW

Requires department to maintain staffing and resources for the law enforcement community for the criminal history system and the accident data collection system.

Sec. 305. Fingerprint and Background Checks – NEW

Requires department to provide staffing and resources for fingerprint and background check services to law enforcement agencies.

Sec. 306. Law Enforcement Information Network (LEIN) Services – NEW

Requires department to maintain staffing and resources for LEIN to the public safety community and provide LEIN related policies and services.

Sec. 401. Traffic Safety and Enforcement – NEW

Requires department to oversee traffic safety and enforcement and to maintain staffing and resources for enhancing traffic safety.

Sec. 402. Criminal Investigations – NEW

Requires department to identify and apprehend criminals and to maintain staffing and resources for investigating crimes. Also requires department to be involved with sexual assault treatment and enforcement of tobacco products.

Sec. 403. Fire Investigation Services – NEW

Requires department to provide fire investigation services to local law enforcement agencies.

Sec. 404. Sex Offender Registry – NEW

Requires department to oversee and enforce the state's sex offender registry.

Sec. 405. Specialty Services To Citizens – NEW

Requires department to provide various specialty services, such as the canine unit, bomb squad, emergency support teams, underwater recovery, and aviation services.

Sec. 406. Regional Communication Centers – NEW

Requires department to operate and maintain regional communication centers in the state.

Major Boilerplate Changes From FY 2010-11

Sec. 407. Security Services At The Capitol Building – MODIFIED

Requires department to pursue federal grants to improve security services at the Capitol Building and allows the department to develop a phased approach.

Sec. 408. Civil Disorders and Natural Disasters – NEW

Requires department to respond to civil disorders and natural disasters and to maintain readiness.

Sec. 409. Law Enforcement Delivery Of Service Model – NEW

Requires department to develop a law enforcement delivery of service model and to coordinate with local and county law enforcement for efficient delivery of services without duplication.

Sec. 501. Intelligence Operations Center – NEW

Requires department to operation the intelligence operations center and to ensure public safety through emergency management with public and private sector partners.

Sec. 502. Hazardous Materials Response Training – NEW

Requires department to provide hazardous materials response training and to ensure that first responders are allocated federal Homeland Security grants and that the City of Detroit shall not use Homeland Security grants to supplant general funds.

Sec. 503. Emergency Operations Center – NEW

Requires department to operate and maintain the emergency operations center and to relocate the center from its present location at Collins Road to another suitable facility.

Sec. 504. Public Awareness Campaigns – NEW

Requires department to conduct public awareness campaigns and to train child passenger awareness to parents.

Sec. 505. Public Safety Grants – NEW

Requires department to administer various public safety grants to various public safety entities.

Sec. 1001. Michigan International Speedway Traffic Control – NEW

Provides one-time funds of \$800,000 GF/GP for traffic control services at the Michigan International Speedway.

Sec. 1201. Fiscal Year 2012-2013 Appropriations – NEW

Provides legislative intent for anticipated appropriations for FY 2012-2013.

**TRANSPORTATION: FY 2011-12
Summary: Conference Report
Article XVII, House Bill 4526 (H-3) CR-1**



Analyst: William E. Hamilton

	FY 2010-11 YTD as of 2/17/10	FY 2011-12 Executive	FY 2011-12 Senate	FY 2011-12 House	FY 2011-12 Conference	Difference: Conference From FY 2010-11 YTD	
						Amount	%
IDG/IDT	\$878,300	\$3,451,500	\$3,451,500	\$3,451,500	\$3,451,500	2,573,200	293.3
Federal	1,227,470,600	1,241,195,200	1,241,195,200	1,241,195,200	1,241,195,200	13,724,600	1.1
Local	56,496,000	53,968,500	53,968,500	53,968,500	53,968,500	(2,527,500)	(4.4)
Private	0	0	0	0	0	0	
Restricted	1,950,974,400	2,079,155,500	2,014,155,500	2,029,155,500	2,029,155,500	78,181,100	4.0
GF/GP	0	0	0	0	0	0	
Gross	\$3,235,819,300	\$3,377,770,700	\$3,312,770,700	\$3,327,770,700	\$3,327,770,700	\$91,951,400	2.8
FTEs	3,022.3	3,049.3	3,049.3	3,049.3	3,049.3	27.0	8.9

Notes: (1) FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011. (2) Figures do not reflect \$500,000 GF/GP in one-time boilerplate appropriations contained in Sec. 1001 of conference report.

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.

Major Budget Changes From FY 2010-11 YTD Appropriations

		FY 2010-11 Year-to-Date (as of 2/17/11)	Conference Change from Year-to-Date
1. Debt Service	Gross	\$246,813,000	\$40,660,400
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
	Restricted	200,980,900	33,058,200
2. Support Services by Other State Departments	Gross	\$51,112,200	\$636,700
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	636,700
3. Finance, Contracts, and Support Services	FTEs	250.5	27.0
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.	Gross	\$24,621,500	\$1,591,900
	Restricted	23,743,200	(981,300)
	IDG	878,300	2,573,200

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.

Major Budget Changes From FY 2010-11 YTD Appropriations		FY 2010-11 Year-to-Date (as of 2/17/11)	Conference Change from Year-to-Date
4. State Trunkline Maintenance	FTEs	836.7	1.0
Reflects economic increases, \$2.3 million; increase related to position transfers, \$80,200; includes STF baseline reduction of \$5.0 million 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.	Gross	\$274,663,900	(\$7,646,200)
	Restricted	274,663,900	(7,646,200)
5. State Trunkline Road and Bridge Construction	Gross	\$796,226,200	\$46,083,800
The Governor's proposed budget identified sufficient state revenue to match all estimated available federal aid.	Federal	713,019,500	29,072,500
	Local	30,000,000	0
	Restricted	53,206,700	17,011,300
<u>Conference</u> concurs with both House and Senate in that it does not recognize \$50.0 million in STF funds from the Canadian contribution to a proposed Detroit-Windsor crossing project, but does include the same amount for federal funds as the Governor's proposed budget. Conference assumes the use of toll credits to provide the non-federal 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.]			
<u>Conference</u> does <u>not</u> include \$10.0 million in CTF funds the House had appropriated for the state trunkline federal aid construction program and does <u>not</u> recognize the House inclusion of \$1.2 million from a proposed reduction in the MTF IDG to the Michigan Department of Treasury.			
6. Local Federal Aid Road and Bridge Construction	Gross	\$248,751,000	(\$8,308,000)
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.	Federal	248,751,000	(8,308,000)
7. Local Bridge Fund	Gross	\$26,799,800	\$452,700
Act 51 earmark reflects anticipated gasoline tax revenue.	Restricted	26,799,800	452,700
8. MTF Distribution to Local Road Agencies	Gross	\$858,756,500	\$29,976,100
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.	Restricted	858,756,500	29,976,100
<u>Conference</u> concurs with the Senate and Executive.			
<u>Conference</u> does <u>not</u> include \$10.0 million in CTF funds the House had appropriated for County road commissions and does <u>not</u> recognize the House inclusion of \$1.9 million from a proposed reduction in the MTF IDG to the Michigan Department of Treasury.			
9. Transportation Economic Development Fund (TEDF)	Gross	\$32,425,500	(\$199,300)
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.	Restricted	32,425,500	(199,300)
Does not include current year appropriation of \$1.0 million for "Non-profit street railways"; funding shifted to Category A program.			
10. Bus Transit - Local Bus Operating Assistance	Gross	\$166,624,000	\$0
<u>Conference</u> concurs with the Senate and Executive recommends \$166.6 million (CTF) for state operating assistance to local public transit agencies – unchanged since FY 2006-07.	Restricted	166,624,000	0
<u>Conference</u> does <u>not</u> include the House-proposed shift of \$10.0 million CTF to road programs and does <u>not</u> recognize the House inclusion of \$337,900 from a proposed reduction in the MTF IDG to the Michigan Department of Treasury.			
11. Intercity Services	Gross	\$7,250,000	(\$1,150,000)
Provides \$650,000 in additional CTF support; reduces Intercity Bus Equipment Fund authorization by \$1.8 million to reflect actual revenue.	Federal	4,500,000	0
	Local	50,000	0
	Restricted	2,700,000	(1,150,000)

<u>Major Budget Changes From FY 2010-11 YTD Appropriations</u>		<u>FY 2010-11 Year-to-Date (as of 2/17/11)</u>	<u>Conference Change from Year-to-Date</u>
12. Freight Preservation and Development	Gross	\$3,364,200	\$1,735,800
Provides additional CTF support to program that supports capital improvements to state owned rail property.	Federal	100,000	0
	Restricted	3,264,200	1,735,800
13. Specialized Services	Gross	\$7,443,800	\$1,470,000
Supports transit programs for elderly and disabled citizens. Increase reflects anticipated federal and CTF revenue.	Federal	1,785,000	700,000
	Local	1,700,000	785,000
	Restricted	3,958,800	(15,000)
14. Bus Capital/Transit Capital	Gross	\$41,300,000	\$8,748,400
Provides increased state CTF matching funds for federal transit grants to local transit agencies.	Federal	28,300,000	0
	Local	5,000,000	0
	Restricted	8,000,000	8,748,400
<u>Conference</u> follows the Governor's proposed budget and does <u>not</u> include the House-proposed shift of \$10.0 million CTF to road programs, or the Senate's \$15.0 million shift to GF/GP.			
15. State/Local Capital Facilities Projects	Gross	\$12,891,100	(\$9,889,600)
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.	Federal	6,514,800	(6,514,800)
	Restricted	6,376,300	(3,374,800)
16. AERO Capital Projects	Gross	\$123,246,400	(\$13,495,800)
Provides funding for federal Airport Improvement Program; reflects anticipated program funding.	Federal	102,927,900	(8,837,300)
	Local	16,446,000	(3,312,500)
	Restricted	3,872,500	(1,346,000)
17. Economics	Gross	N/A	\$14,207,200
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.	Restricted	N/A	14,207,200

Boilerplate Changes From FY 2010-11

Sec. 205. Hiring Freeze – DELETED

Imposes a hiring freeze for state civil service positions.

Sec. 207. Transparency – MODIFIED

Directs department to maintain on a searchable website expenditures made during the fiscal year; number of employees and job classification.

Sec. 210. Economically Distressed Areas – DELETED

Encourages the department to contract with businesses in economically distressed areas.

Sec. 270. Remanufactured Parts – NEW

Requires use of remanufactured parts for repair and maintenance of state motor vehicle fleet.

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. Adds subsection prohibiting the department from reducing or restricting a contractor's prequalification until all administrative appeals have been exhausted under certain conditions.

Sec. 321. Complete Streets/Enhancement Grants – DELETED

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

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

Sec. 334. Disadvantaged Businesses Enterprise (DBE) Program – DELETED

Deletes language which required MDOT to continue MBE/WBE program and reporting requirement; does not include House language limiting DBE goal to 5%, participation to 5 years.

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

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

Boilerplate Changes From FY 2010-11

Sec. 382. State Airfleet Study – NEW

Directs department and State Budget Office to provide independent study of needs of state airfleet, report required by March 30, 2012. Does not include House language which had directed department to sell one of two MDOT-owned Beechcraft turbo-prop aircraft by September 30, 2012.

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

Limits spending on DRIC or successor project; 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. Includes new language directing department to use all available toll credits from private toll facilities to match available federal funds.

Sec. 393. Best Practices for Public Transportation – MODIFIED

Directing Directs department to support best practices; deletes references to hybrid buses.

Sec. 398. Street Railway Appropriation – MODIFIED

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.

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

Deletes language which provided for audits of local road agencies by Department of Treasury.

Sec. 604. Work Zone Safety Signs – DELETED

Deletes 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. 654. Long-term Viability of Mackinac Bridge – DELETED

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

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

Deletes section dealing with 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. Includes House language encouraging use of crumb rubber from tires.

Sec. 662. Improved Emergency Response Access Point, Graafschap Fire/Laketown Township – DELETED

Intent language regarding emergency access on US-31 in Allegan County.

Sec. 664. Use of Additional MTF Revenue – RETAINED

Provides that revenue in excess of revenue estimates be used to reinstate delayed projects.

Sec. 711. Seven-Day Rail Passenger Service (AMTRAK) – MODIFIED

Directs Department to negotiate with a rail carrier to provide seven-day Port Huron/Chicago and Grand Rapids/Chicago service; provides certain directives; new report on capital projects.

Sec. 1001. One-Time GF/GP Swing Bridge Maintenance – NEW

Appropriates \$500,000 GF/GP for maintenance of two swing bridges.

Sec. 1201. Intent to provide FY 2012-13 Appropriations – NEW

New language.