

FY 2012-13 and FY 2013-14 SUPPLEMENTAL APPROPRIATIONS
Summary: As Passed by the Senate
House Bill 4112 (S-1) as Amended



Director: Mary Ann Cleary
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FY 2012-13 APPROPRIATIONS						
Budget Area	Executive*		House		Senate	
	Gross	GF/GP	Gross	GF/GP	Gross	GF/GP
Ag & Rural Development	\$500,000	\$1,000,000	\$500,000	\$1,000,000	\$500,000	\$1,000,000
Attorney General	839,500	0	839,500	0	3,210,500	0
Capital Outlay	100	100	100	100	700	700
Community Health	(96,589,200)	(30,270,200)	(96,589,200)	(30,270,200)	(96,589,200)	(30,270,200)
Corrections	2,581,700	0	2,581,700	0	2,581,700	0
Education	(15,947,700)	0	(15,597,700)	350,000	(15,597,700)	350,000
Human Services	(553,176,300)	435,500	(553,176,300)	435,500	(553,176,300)	435,500
Judiciary	668,300	820,000	668,300	820,000	668,300	820,000
Licensing & Reg Affairs	3,800,000	2,800,000	3,800,000	2,800,000	3,800,000	2,800,000
Military & Veterans Affairs	5,136,500	5,136,500	5,136,500	5,136,500	5,136,500	5,136,500
Natural Resources	0	0	0	0	100,000	100,000
State Police	6,000,000	2,000,000	6,000,000	2,000,000	7,129,000	2,000,000
Tech, Mgmt, & Budget	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Transportation	15,396,600	0	15,396,600	0	15,396,600	0
Treasury - Operations	(9,192,300)	(9,500,000)	(9,192,300)	(9,500,000)	(9,192,300)	(9,500,000)
Treasury - MSF	1,220,800	1,220,800	1,220,800	1,220,800	1,220,800	1,220,800
TOTAL	(\$637,762,000)	(\$25,357,300)	(\$637,412,000)	(\$25,007,300)	(\$633,811,400)	(\$24,906,700)

*Reflects State Budget Office supplemental requests 2013-4 (remaining items following enactment of Senate Bill 233) and 2013-8; informal technical SBO requests made on 3/7/13 and 5/29/13; certain items from SBO transfer requests 2013-5 and 2013-7; adjustments to implement May 2013 Consensus caseload estimates in the Community Health, Education, Human Services, and Treasury budgets; and various items proposed as part of FY 2013-14 budget negotiations and other informal communications.

OVERVIEW

House Bill 4112 (S-1) as amended contains FY 2012-13 supplemental appropriation adjustments across a number of budget areas that would, in total, reduce the state budget by \$633.8 million Gross (\$24.9 million GF/GP). The adjustments in the bill can be categorized as follows:

- Adjustments to reflect caseload expenditure levels agreed to at the May Consensus Revenue Estimating Conference and other technical adjustments in the Community Health, Education, Human Services, and Treasury budgets totaling a reduction of \$758.3 million Gross (reduction of \$59.3 million GF/GP).
- Adjustments in the Human Services budget originally proposed by the State Budget Office as legislative transfers totaling a positive \$57.8 million Gross (\$0 GF/GP), as well as an adjustment of \$100,000 Gross (\$0 GF/GP) in the Corrections budget originally proposed as a legislative transfer.

(Continued on next page)

- Other budget adjustments (some of which are legislatively-initiated) totaling a positive \$66.6 million Gross (\$34.4 million GF/GP). This includes an increase of \$25.2 million Gross (\$20.0 million GF/GP) to address projected overspending in the Human Services budget, as well as smaller increases across a number of other budget areas. This level of GF/GP spending increases is consistent with the FY 2013-14 leadership budget agreement.
- Various Capital Outlay-related authorizations and adjustments.

See page 14 of this summary for information on FY 2013-14 appropriations contained in the bill.

FY 2012-13 Appropriation Items:

AGRICULTURE & RURAL DEVELOPMENT

1. Pesticide and Plant Pest Management Revenue Shortfall
 Provides GF/GP funding of \$500,000 for the pesticide and plant pest management program for food safety and inspections, to offset shortfalls in private revenue and in state restricted revenue from agriculture licensing and inspection fees and commodity inspection fees. Reduced crop production in 2012 related to poor growing season reduced inspection fee revenue. Available fund balances have been used. A similar GF/GP appropriation was included in the FY 2013-14 budget as one-time funding. (FY 2013-14 budget negotiations)

	Gross	\$0	\$0	\$0
Private		(75,000)	(75,000)	(75,000)
Restricted		(425,000)	(425,000)	(425,000)
GF/GP		\$500,000	\$500,000	\$500,000

2. Bovine Tuberculosis Testing
 Provides \$500,000 GF/GP to fund testing for bovine tuberculosis for dairy and beef cattle herds that may have been exposed to bovine tuberculosis. Bovine TB testing is a state cost under the Animal Industry Act. Additional funding for the Animal Disease Prevention and Response program is required to cover the estimated \$560,600 cost for testing and related services for 49,625 animals in Sanilac and Hillsdale counties. The testing is to determine if any further infection has occurred that can be traced to a bovine TB positive cow discovered in March in Saginaw County. (FY 2013-14 budget negotiations)

Gross	\$500,000	\$500,000	\$500,000
GF/GP	\$500,000	\$500,000	\$500,000

ATTORNEY GENERAL

3. Memorandums of Understanding with LARA and DCH
 Provides spending authority required for the Attorney General's existing MOUs with LARA and DCH. The MOUs cover unlicensed builders and fireworks safety in LARA and medical services administration regarding subrogation and estate recover cases for the Third Party Liability Division in DCH. (FY 2013-14 budget negotiations)

Gross	\$839,500	\$839,500	\$839,500
IDG	839,500	839,500	839,500

4. Student Safety Hotline
 Provides \$2.4 million Gross (\$0 GF/GP) and 1.0 FTE for a Student Safety Hotline. The funding would allow the Attorney General to cover the costs of developing, managing, and administering the program in cooperation with other state agencies. The appropriation and expenditure of the funds would not take effect unless Senate Bill 374 is enacted. Senate Bill 374 would establish the Michigan Student Safety Act.

FTE	--	--	1.0
Gross	--	--	\$2,371,000
Restricted	--	--	2,371,000

FY 2012-13 Appropriation Items:

Executive

House

Senate

CAPITAL OUTLAY

5. LSSU School of Business Building - School of Business Building South Hall Renovations and Additions

Gross	\$100	\$100	\$100
GF/GP	\$100	\$100	\$100

Provides construction authorization (\$100) for the Lake Superior State University's (LSSU) School of Business Building South Hall renovation. Total project cost is \$12.0 million. State share is \$9.0 million; university share is \$3.0 million. Project involves renovation of adaptive reuse of the abandoned South Hall that was being considered for demolition. Project involves renovation of 32,526 sq. ft. of existing space and the addition of approximately 12,600 sq. ft. of space. New building will provide general-use smart classrooms and seminar rooms; project labs for business, industry, and community collaborations; student study, breakout, and collaboration spaces; community presentation space; a café and commons area; and faculty offices. Funding for university's share of project costs will be made available through a "Building Excellence" fund-raising campaign. Estimated completion date is December 2014. Planning authorization for the project was authorized in PA 329 of 2010. Construction authorization and financing was approved at the March 20, 2013 Joint Capital Outlay Subcommittee. First year of SBA rent would be appropriated in DTMB section below. (SBO request 2013-4)

6. State Emergency Operations Center Construction Authorization

Gross	--	--	\$100
GF/GP	--	--	\$100

Provides construction authorization (\$100) for the State Emergency Operations Center (SEOC). Total project cost is \$19.0 million. Federal share is \$2.0 million; state share is \$17.0 million. Project would consist of a 27,200 sq. ft. new facility and renovations to 51,800 sq. ft. of the General Office Building at the Secondary Complex in Dimondale. The new facility will connect to the General Office Building. Security measures and perimeter fencing around the structure are included in the total estimated cost. The facility would house the SEOC and related support functions. Related support functions from the Michigan State Police include the Emergency Management and Homeland Security Division, the Business Emergency Operations Center, the Michigan Cyber Command Center, and the Michigan Intelligence Operations Center. The Department of Technology, Management, and Budget Michigan Public Safety Communications System would also be located at the Secondary Complex. (SBO letter 2/7/13)

7. Saginaw Valley State University - Wickes Hall Renovations

Gross	--	--	\$100
GF/GP	--	--	\$100

Provides planning authorization for Saginaw Valley State University - Wickes Hall renovations. Total project cost is \$8.0 million. University share is \$2.0 million; state share is \$6.0 million. Project involves renovation of 100,000 sq. ft. of building space, replacement of mechanical, electrical, and plumbing systems, and architectural changes as required to realize needed operational efficiencies in the building. Building serves as university's main student services and administration facility and houses Admissions, Financial Aid, Registrar, Student Financial Services, Student Advising, Career Services, Cashier, International Programs, president, vice presidents, deans, Human Resources, main computer center, computer labs, and academic classrooms. Funding for university's share of project costs will be made available through general revenue bonds, private contributions, and/or other unrestricted university funds.

FY 2012-13 Appropriation Items:

	<u>Executive</u>	<u>House</u>	<u>Senate</u>	
8. Southwestern Michigan College - Science and Allied Health Labs, Classrooms, and Related Renovations	Gross	--	--	\$100
	GF/GP	--	--	\$100
<p>Provides planning authorization (\$100) for Southwestern Michigan College - Science and Allied Health labs, classrooms, and related renovations. Total project cost is \$7.0 million. College share is \$3.5 million; state share is \$3.5 million. Project involves renovation of 37,000 sq. ft. of space between two buildings. The William P.D. O'Leary building will be renovated into a new science and allied health building and the Foster W. Daugherty Building will be renovated into a general purpose classroom building. Project involves replacement of electrical service, plumbing, HVAC, upgrades in technology, and renovations required for ADA compliance issues. College currently has required matching funds. Estimated completion date is 36 months following project approval.</p>				
9. Macomb Community College - South Campus C-Building Renovation	Gross	--	--	\$100
	GF/GP	--	--	\$100
<p>Provides planning authorization (\$100) for Macomb Community College - South Campus C-Building renovation. Total project cost is \$8.5 million. College share is \$4.3 million; state share is \$4.3 million. Project involves renovation of South Campus C-Building. Current structure is 52,661 sq. ft. and the renovation will increase overall square footage to 56,000 sq. ft. The building will be renovated to accommodate business administration, information technology, humanities, and health programs. The structure will house general classroom space, computer labs, and campus offices. Project involves upgraded classrooms, office relations, new student meeting areas, energy efficiency upgrades, roof, replacement of mechanical and electrical systems, and upgrades in technology. Estimated completion is 101-122 weeks following project approval.</p>				
10. Muskegon Community College - Science Laboratory Center	Gross	--	--	\$100
	GF/GP	--	--	\$100
<p>Provides planning authorization (\$100) for Muskegon Community College - Science Laboratory Center. Total project cost is \$9.3 million. College share is \$4.6 million; state share is \$4.6 million. Project involves construction of new 25,000 sq. ft. Science Laboratory Center and renovation of the life and physical science laboratories. Structure would be two stories and house astronomy, biology, chemistry, physics, physical science, and geology. Funding for college's share of project costs will be made available from the college's plant fund in addition to grants and donations.</p>				
11. Kalamazoo Valley Community College - Healthy Living Campus	Gross	--	--	\$100
	GF/GP	--	--	\$100
<p>Provides planning authorization (\$100) for Kalamazoo Valley Community College - Healthy Living Campus. Total project cost is \$29.5 million. College share is \$23.5 million; state share is \$6.0 million. Project involves construction of a new facility in downtown Kalamazoo to support curriculum in energy conservation, urban farming, composting, recycling, and cooking and sourcing locally grown, organic ingredients. KVCC plans to move allied health programs to the new campus, including nursing, medical assistant, EMT, and respiratory care programs. Project is an expansion/revision of the previously proposed culinary institute.</p>				
COMMUNITY HEALTH				
12. Medicaid Cost Adjustments	Gross	(\$157,244,500)	(\$157,244,500)	(\$157,244,500)
	Federal	(107,088,700)	(107,088,700)	(107,088,700)
	GF/GP	(\$50,155,800)	(\$50,155,800)	(\$50,155,800)
<p>Reduces various lines by a net \$157.2 million Gross (\$50.2 million GF/GP) recognizing lower Medicaid caseload, utilization and inflation cost projections within Medical Services, Mental Health/Substance Abuse, Children's Special Health Care Services, Federal Medicare Pharmaceutical and School-Based Services programs. (SBO request 2013-4 & May 2013 Consensus)</p>				

FY 2012-13 Appropriation Items:**13. HICA Shortfall Fix**

Replaces \$137.0 million of state restricted health insurance claims assessment (HICA) authorization within the Health Plan Services line item with \$99.4 million of state restricted Medicaid Benefits Trust Fund revenue and \$37.6 million of Merit Award authorization, which satisfies the current estimated HICA shortfall in FY 2012-13. (SBO request 2013-4 with informal technical adjustment)

	<u>Executive</u>	<u>House</u>	<u>Senate</u>
Gross	\$0	\$0	\$0
Merit Awd	37,600,000	37,600,000	37,600,000
Restricted	(37,600,000)	(37,600,000)	(37,600,000)

14. Integration of Care for Dual Eligibles

Reinstates \$29.8 million Gross (\$10.0 million GF/GP) removed from the FY 2012-13 budget as savings generated by integrating care for dual eligibles. The care integration pilot projects have yet to be started and are not anticipated to produce savings in FY 2013-14. (SBO request 2013-4)

Gross	\$29,828,700	\$29,828,700	\$29,828,700
Federal	19,803,300	19,803,300	19,803,300
GF/GP	\$10,025,400	\$10,025,400	\$10,025,400

15. Other Medical Services and CSHCS Adjustments

Reflects various other Medicaid and non-Medicaid adjustments:

- Nursing home quality assurance assessment program (QAAP) payment adjustment
 - Children's Special Health Care Services (CSHCS) eligibles to managed care
 - Civil Monetary Fund shift between appropriation lines
 - Dental settlement financing fund shift
 - State psychiatric hospital disproportionate share hospital (DSH) adjustment
 - Enhanced medication program savings
 - Hospital QAAP payment adjustment
- (SBO request 2013-4)

Gross	\$25,816,900	\$25,816,900	\$25,816,900
Federal	16,024,400	16,024,400	16,024,400
Local	1,115,600	1,115,600	1,115,600
Restricted	(1,183,300)	(1,183,300)	(1,183,300)
GF/GP	\$9,860,200	\$9,860,200	\$9,860,200

16. Primary Care Services Health Rankings Grant

Appropriates \$9,700 to recognize new private funds available from a Consulting Services County Health Rankings Release grant from the Robert Wood Johnson Foundation and the University of Wisconsin Population Health Institute. The purpose of the grant is to take action in response to the annual release of the County Health Rankings. Funds are carryforward from FY 2011-12 and a FY 2012-13 award. (SBO informal technical request of 3/7/13)

Gross	\$9,700	\$9,700	\$9,700
Private	9,700	9,700	9,700

17. Michigan-Illinois Alliance Medicaid Management Information Systems Project

Allocates \$5.0 million to the Michigan Medicaid Information System line item to recognize private funds that may become available from the Michigan-Illinois Alliance Medicaid Management Information Systems Project. This adjustment is consistent with changes included in the FY 2013-14 DCH budget as passed by the Legislature. (SBO informal technical request of 5/29/13)

Gross	\$5,000,000	\$5,000,000	\$5,000,000
Private	5,000,000	5,000,000	5,000,000

CORRECTIONS**18. City of Detroit Detention Center**

Appropriates \$2.5 million in local funds to be received by the department under an agreement with the City of Detroit to open and operate a detention center on the site of the former Mound Correctional Facility. The department will operate the facility on behalf of the city as a 200-bed lock-up starting in July 2013. Costs for operating the facility will be fully covered by the city and include \$450,000 in one-time physical plant changes to install cameras and fencing. A revision to the Executive Budget to reflect continued operations in FY 2013-14 has been submitted. (SBO request 2013-8)

Gross	\$2,481,700	\$2,481,700	\$2,481,700
Local	2,481,700	2,481,700	2,481,700

FY 2012-13 Appropriation Items:**19. Grant Funding for Post-Secondary Education**

Appropriates private grant funding received from the Vera Institute for Justice to be used to develop and support a comprehensive pilot project that creates an education and reentry continuum that begins in prison and continues on in the community. The project seeks to demonstrate that access to post-secondary education combined with re-entry services will reduce recidivism in communities impacted by higher crime rates. The total grant awarded to the state was \$1.0 million which will be distributed over a five year period. (SBO Transfer Request 2013-7)

	<u>Executive</u>	<u>House</u>	<u>Senate</u>
Gross	\$100,000	\$100,000	\$100,000
Private	100,000	100,000	100,000

EDUCATION**20. Consensus Child Development and Care Caseload Reduction**

Reduces child development and care assistance funding by \$15.9 million in federal funds to reflect May 2013 Consensus caseload estimates. Consensus estimates 25,400 monthly cases with an average cost of \$460 per case. (May 2013 Consensus)

Gross	(\$15,947,700)	(\$15,947,700)	(\$15,947,700)
Federal	(15,947,700)	(15,947,700)	(15,947,700)

21. Cooperative Education Grant

Provides a grant of \$350,000 to a district with a new cooperative education agreement in effect for 2013-2014 to educate another district's students because the other district has discontinued providing grades 9 to 12 beginning in 2013-2014.

Gross	--	\$350,000	\$350,000
GF/GP	--	\$350,000	\$350,000

HUMAN SERVICES**22. Public Assistance Caseload Adjustments**

Reduces funding for public assistance programs \$625.9 million Gross (\$7.7 GF/GP) as follows:

- Food Assistance Program (FAP) is reduced \$603.0 million Gross, from 1,088,146 cases at \$271 per month to 901,625 cases at \$269 per month.
- Family Independence Program (FIP) is reduced \$16.5 million Gross (\$1.2 million GF/GP), from 53,298 cases at \$397 per month to 49,500 cases at \$395 per month.
- State Disability Assistance is reduced \$5.6 million GF/GP from 8,777 cases at \$257 per month to 7,988 cases at \$224 per month
- SSI State Supplementation is reduced \$855,000 GF/GP from 271,800 cases at \$19 per month to 268,912 cases at \$19 per month

(SBO request 2013-4 & May 2013 Consensus)

Gross	(\$625,881,900)	(\$625,881,900)	(\$625,881,900)
Federal	(603,167,100)	(603,167,100)	(603,167,100)
Restricted	(15,000,000)	(15,000,000)	(15,000,000)
GF/GP	(\$7,714,800)	(\$7,714,800)	(\$7,714,800)

23. Child Welfare Caseload Adjustments

Reduces funding for child welfare programs \$25.4 million Gross (\$11.8 million GF/GP) as follows:

- Foster care payments are reduced \$21.6 million Gross (\$9.2 million GF/GP), from 7,500 cases at \$23,552 per year to 6,360 cases at \$27,020 per year.
- Guardianship Assistance is reduced \$220,400 Gross (\$662,200 GF/GP), from 518 cases at \$712 per month to 500 cases at \$715 per month
- The County Child Care Fund is reduced \$4.0 million Gross (\$2.0 million GF/GP).
- Adoption Subsidies are increased \$408,200 Gross (\$73,000 GF/GP).

(SBO request 2013-4 & May 2013 Consensus)

Gross	(\$25,415,800)	(\$25,415,800)	(\$25,415,800)
Federal	(12,593,500)	(12,593,500)	(12,593,500)
Local	(2,794,200)	(2,794,200)	(2,794,200)
Private	1,821,600	1,821,600	1,821,600
GF/GP	(\$11,849,700)	(\$11,849,700)	(\$11,849,700)

FY 2012-13 Appropriation Items:

		<u>Executive</u>	<u>House</u>	<u>Senate</u>
24. Family Independence Program - Litigation Payments	Gross	\$15,000,000	\$15,000,000	\$15,000,000
Provides \$15.0 million in federal Temporary Assistance for Needy Families (TANF) block grant funding in the Family Independence Program line item and redirects \$15.0 million in GF/GP to a new Family Independence Program - Litigation Payments line item. The current standing of <i>Smith v. Corrigan</i> , and passage of Senate Bill 1386 (PA 607 of 2012), allows DHS to implement its policy revisions to the federal 60-month lifetime limit effective March 1, 2013. Approximately 7,000 cases will be closed. This new line item will fund the FIP payments made to these 7,000 cases from October 2012 - February 2013. (SBO request 2013-4 & May 2013 Consensus)	Federal	15,000,000	15,000,000	15,000,000
25. Adoption Subsidies	Gross	\$28,000,000	\$28,000,000	\$28,000,000
Provides \$28.0 million Gross (\$17.0 million TANF) to support a \$3.00 per child per day rate increase for all adoption subsidy cases. The FY 2012-13 DHS budget included sufficient funding for a \$3.00 per child per day rate increase for current foster care cases and for only new adoption subsidy cases (the FY 2012-13 budget does not include boilerplate language mandating a rate increase). Due to a legal opinion indicating that DHS could not exclude current cases, the rate increase was implemented on October 1, 2012 for both new and existing adoption subsidy cases. (SBO transfer request 2013-5)	Federal	28,000,000	28,000,000	28,000,000
26. Adoption Support Services	Gross	\$2,100,000	\$2,100,000	\$2,100,000
Provides \$2.1 million Gross to recognize costs for post-adoption services and adoptive placements facilitated by private child placing agencies. A transfer request was approved during FY 2011-12 to fund these services. (SBO transfer request 2013-5)	Federal	2,100,000	2,100,000	2,100,000
27. Payroll Taxes and Fringe Benefits	Gross	\$26,185,000	\$26,185,000	\$26,185,000
Provides \$26.2 million Gross to support a shortfall in total funding available to support the retirement, insurances, taxes and other post-employment benefit (OPEB) costs associated with on-board staff throughout the department. In addition, DHS is incurring retirement and OPEB charges above what were anticipated. (SBO transfer request 2013-5)	Federal	26,185,000	26,185,000	26,185,000
28. Disability Determination Services	Gross	\$802,200	\$802,200	\$802,200
Provides \$802,200 Gross (\$590,000 GF/GP) to recognize administrative expenditure projections above current appropriation levels. Part of the cause is that DHS is incurring retirement and Other Post-Employment Benefits (OPEB) charges above what were anticipated. (SBO transfer request 2013-5)	IDG	112,000	112,000	112,000
	Federal	100,200	100,200	100,200
	GF/GP	\$590,000	\$590,000	\$590,000
29. Adult, Children, and Family Services Staffing	Gross	\$745,000	\$745,000	\$745,000
Provides \$745,000 Gross (\$110,000 GF/GP) to recognize administrative expenditure projections above current appropriation levels. Part of the cause is that DHS is incurring retirement and Other Post-Employment Benefits (OPEB) charges above what were anticipated. (SBO transfer request 2013-5)	Federal	525,000	525,000	525,000
	Restricted	110,000	110,000	110,000
	GF/GP	\$110,000	\$110,000	\$110,000
30. Local Office Staff and Operations	Gross	\$365,000	\$365,000	\$365,000
Provides \$365,000 Gross (\$220,000 GF/GP) to recognize administrative expenditure projections above current appropriation levels. Part of the cause is that DHS is incurring retirement and Other Post-Employment Benefits (OPEB) charges above what were anticipated. (SBO transfer request 2013-5)	Restricted	145,000	145,000	145,000
	GF/GP	\$220,000	\$220,000	\$220,000
31. Executive Operations Salaries and Wages	Gross	\$1,300,000	\$1,300,000	\$1,300,000
Provides \$1.3 million Gross (\$625,000 GF/GP) to reorganize administrative units such as hiring, grant management, Office of Professional Development, and contracting functions into the executive operations salaries and wages line item. (SBO transfer request 2013-5)	Federal	675,000	675,000	675,000
	GF/GP	\$625,000	\$625,000	\$625,000

FY 2012-13 Appropriation Items:**32. Children's Services Salaries and Wages**

Provides \$544,200 Gross to support current on-board staffing costs in the children's services salaries and wages line item. (SBO transfer request 2013-5)

	<u>Executive</u>	<u>House</u>	<u>Senate</u>
Gross	\$544,200	\$544,200	\$544,200
Federal	544,200	544,200	544,200

33. Electronic Benefit Transfer (EBT)

Reduces \$1.3 million Gross (\$625,000 GF/GP) from the EBT line item based lower transactional costs based on public assistance caseload declines. Transfers available funding to support increases elsewhere in the DHS budget. (SBO transfer request 2013-5)

Gross	(\$1,300,000)	(\$1,300,000)	(\$1,300,000)
Federal	(675,000)	(675,000)	(675,000)
GF/GP	(\$625,000)	(\$625,000)	(\$625,000)

34. Employment and Training Support Services

Reduces \$700,000 GF/GP from the employment and training support services line item because of policy changes to vehicle repairs and purchases implemented during FY 2012-13. Transfers available funding to support increases elsewhere in the DHS budget. (SBO transfer request 2013-5)

Gross	(\$700,000)	(\$700,000)	(\$700,000)
GF/GP	(\$700,000)	(\$700,000)	(\$700,000)

35. Child Welfare First Line Supervisors

Reduces \$220,000 GF/GP from the child welfare first line supervisors line item. The GF/GP is able to be reduced because of a transfer request (SBO Letter 4/3/13) transfers in \$4.2 million in federal revenues based on DHS's staffing cost allocation plans. Transfers available funding to support increases elsewhere in the DHS budget. (SBO transfer request 2013-5)

Gross	(\$220,000)	(\$220,000)	(\$220,000)
GF/GP	(\$220,000)	(\$220,000)	(\$220,000)

36. Projected Overspending

Provides \$25.3 million Gross (\$20.0 million GF/GP) to support projected spending over what was anticipated. Shortfall primarily from retirement and Other Post-Employment Benefits (OPEB) charges above what were anticipated. (FY 2013-14 budget negotiations)

Gross	\$25,300,000	\$25,300,000	\$25,300,000
Federal	700,000	700,000	700,000
Local	674,100	674,100	674,100
Private	3,925,900	3,925,900	3,925,900
GF/GP	\$20,000,000	\$20,000,000	\$20,000,000

JUDICIARY**37. Appellate Public Defender Program**

Authorizes receipt and expenditure of federal revenue being made available from the Department of Justice for the Appellate Public Defender program. (SBO request 2013-4)

Gross	\$418,300	\$418,300	\$418,300
Federal	418,300	418,300	418,300

38. Drug Treatment Courts

Authorizes receipt and expenditure of federal revenue being made available from the Office of Highway Safety Planning for drug treatment courts. (SBO request 2013-4)

Gross	\$250,000	\$250,000	\$250,000
Federal	250,000	250,000	250,000

39. Court Fee Fund Adjustment

Reduces state restricted Court Fee Fund revenue and offsets the reduction with increased GF/GP. As a result of an actuarial adjustment made in the Judges' Retirement System, more Court Fee Fund revenue than what was originally anticipated was needed to fully fund retirement costs for judges. (FY 2013-14 budget negotiations)

Gross	\$0	\$0	\$0
Restricted	(820,000)	(820,000)	(820,000)
GF/GP	\$820,000	\$820,000	\$820,000

FY 2012-13 Appropriation Items:**Executive****House****Senate****LICENSING & REGULATORY AFFAIRS****40. Worker's Compensation Supplemental Payments**

Authorizes \$1.0 million in GF/GP spending authorization for the Compensation Supplement Fund to support reimbursements to self-insured entities that no longer receive a MBT tax credit which was repealed by 2011 PA 39. The Compensation Supplement Fund, administered by the Workers' Compensation Agency, is utilized to reimburse insurers and self-insured entities for supplemental worker's compensation benefits paid weekly to employees (or their survivors) injured between 9/1/1965 and 12/31/1979 to provide for cost-of-living adjustments; supplemental payments are required by Section 352 of the Worker's Disability Compensation Act of 1969, added in 1982 to adjust benefits for employees injured before maximum benefits were increased by amendments made in 1980. Sections 352(8) and 391(7) of the Act stipulate that insurers and self-insured entities are entitled to reimbursement from the Compensation Supplement Fund for supplemental worker's compensation benefits paid, unless they otherwise receive tax credits under the Insurance Code of 1956 or the Michigan Business Tax of 2007. (FY 2013-14 budget negotiations)

Gross	\$1,000,000	\$1,000,000	\$1,000,000
GF/GP	\$1,000,000	\$1,000,000	\$1,000,000

41. UIA Expanded Fraud Control Program

Authorizes a one-time advance of \$1.8 million in GF/GP spending authorization to the Expanded Fraud Control Program administered by the Unemployment Insurance Agency (UIA) to support the hiring of 15 full-time equated employees who would provide for in-person attendance at contested unemployment benefits fraud administrative hearings. 2011 PA 269 lowered the amount for which benefit fraud is considered a felony violation from \$25,000 to \$3,500. In August 2012 federal grants to the UIA were reduced by \$37.2 million and approximately 400.0 full-time equated employees were laid off. (See boilerplate item pertaining to repayment of GF/GP spending authorization.) (FY 2013-14 budget negotiations)

Gross	\$1,800,000	\$1,800,000	\$1,800,000
GF/GP	\$1,800,000	\$1,800,000	\$1,800,000

42. Firefighters Training Council

Spending authorization from restricted revenue from the Fireworks Safety Fund to be allocated to the Firefighters Training Council. (Informal agreement)

Gross	\$1,000,000	\$1,000,000	\$1,000,000
Restricted	1,000,000	1,000,000	1,000,000

MILITARY AND VETERANS AFFAIRS**43. Resident Aide Contract Implementation Delay**

Provides \$5.1 million to the Grand Rapids Veterans' Home to cover the cost of state-employed resident care aides payable through mid-March. The additional funds are necessary to cover the costs resulting from the delay in implementing the contract with the J2S Group for resident care aides at GRVH following a series of lawsuits and other challenges to the move to privatize resident care aides. (A similar supplemental adjustment was made in the FY 2011-12 budget after implementation of the privatization did not go forward as planned pending the outcome of litigation.) In August 2012, the Court of Appeals ruled in favor of the department, allowing the department to privatize resident care aides at the home, resulting in the layoff of about 170 state employees. (FY 2013-14 budget negotiations)

Gross	\$5,136,500	\$5,136,500	\$5,136,500
GF/GP	\$5,136,500	\$5,136,500	\$5,136,500

NATURAL RESOURCES**44. Grand River Waterway Study**

Appropriates \$100,000 GF/GP funding for a cost study of dredging the Grand River between Lake Michigan and Grand Rapids.

Gross	--	--	\$100,000
GF/GP	--	--	\$100,000

FY 2012-13 Appropriation Items:**Executive****House****Senate****STATE POLICE****45. Security at Events**

Provides \$2.0 million GF/GP to support the Governor's Homeland Security Initiative. The funds appropriated here would cover costs of security associated with the additional show-of-force, enforcement, or traffic safety efforts by MSP troopers and local law enforcement agencies responding to major public or recreational events within the state. (FY 2013-14 budget negotiations)

Gross	\$2,000,000	\$2,000,000	\$2,000,000
GF/GP	\$2,000,000	\$2,000,000	\$2,000,000

46. DNA Analysis Program

Provides \$4.0 million from the State Forensics Laboratory Fund/Lawsuit Settlement Proceeds Fund to support the cost of testing additional sexual assault kits (SAKs) and reducing the backlog of untested SAKs resulting from the closure of the Detroit Crime Lab in 2008. (FY 2013-14 budget negotiations)

Gross	\$4,000,000	\$4,000,000	\$4,000,000
Restricted	4,000,000	4,000,000	4,000,000

47. Student Safety Hotline

Provides \$1.1 million from the Student Safety Fund/Lawsuit Settlement Proceeds Fund and 2.0 FTE positions to operate a student safety hotline (telephone, website, and other means of communication) in cooperation with the Department of Attorney General and other state agencies, as provided under Senate Bill 374. The hotline would be used to receive reports and other information concerning potential harm or criminal acts direct at school students, school employees, or schools.

Gross	--	--	\$1,129,000
Restricted	--	--	1,129,000

TECHNOLOGY, MANAGEMENT, & BUDGET**48. LSSU School of Business Building - School of Business Building South Hall Renovations and Additions**

Provides first year of SBA financing (\$900,000) for the Lake Superior State University's (LSSU) School of Business Building South Hall renovation. See Capital Outlay section above for further information. (SBO request 2013-4)

Gross	\$900,000	\$900,000	\$900,000
GF/GP	\$900,000	\$900,000	\$900,000

49. MSP Marshall Post

Provides spending authorization for a planning grant to explore a new Michigan State Police (MSP) post in Marshall near the I-94 and I-96 corridors. The state is currently working with the City of Marshall to establish the Marshall Regional Law Enforcement Center which will include the MSP post along with the Marshall Police Department. The City of Marshall received a Competitive Grant Assistance Program (CGAP) grant from the Department of Treasury in October of 2012 which will support the design, planning, and construction of the Center. The supplemental request is proposed as alternative funding mechanism to be expended to plan for a MSP post if the Marshall Regional Law Enforcement Center project does not develop as anticipated. (SBO request 2013-4)

Gross	\$100,000	\$100,000	\$100,000
GF/GP	\$100,000	\$100,000	\$100,000

50. Information Technology Innovation Fund

Unappropriates and reappropriates \$2.5 million GF/GP to allow for adjustments to related boilerplate language. (FY 2013-14 budget negotiations)

Gross	\$0	\$0	\$0
GF/GP	\$0	\$0	\$0

TRANSPORTATION**51. Discretionary State Operating**

The statutory formula for distributing local bus operating assistance favors transit agencies that generate local funds to support transit operations; reduced local funding for transit agency operations generally results in reduced state operating assistance as well. Because of the way the state operating assistance is calculated, anticipated reductions in Detroit general fund support for the Detroit Department of Transportation (DDOT) will also reduce the amount of state assistance provided to other urban transit agencies. The Executive proposes additional CTF funding for those urban transit agencies affected by the reduction in Detroit general fund support for DDOT. (SBO request 2013-4)

Gross	\$5,396,600	\$5,396,600	\$5,396,600
Restricted	5,396,600	5,396,600	5,396,600

FY 2012-13 Appropriation Items:

		<u>Executive</u>	<u>House</u>	<u>Senate</u>
52. City of Detroit TIGER IV Grant	Gross	\$10,000,000	\$10,000,000	\$10,000,000
Provides spending authority for a \$10.0 million federal Transportation Investment Generating Economic Recover (TIGER IV) grant to the city of Detroit for a project identified as "Link Detroit." Link Detroit represents a series of multimodal transportation improvements designed to connect several destinations within the city. Targeted improvements include the Eastern Market, the Midtown Loop Greenway, the Dequindre Cut Greenway (an abandoned rail corridor), and the replacement of three city bridges over railroad tracks east of the Eastern Market. The Michigan Department of Transportation is acting as the pass-through agency for this local federal aid grant. TIGER IV grants are federal competitive/discretionary grants. Federal Highway Administration documents approving the grant proposal, dated May 7, 2013, indicate that funds not obligated by September 30, 2013 will be reallocated. (Informal request)	Federal	10,000,000	10,000,000	10,000,000

TREASURY - OPERATIONS

53. Michigan State Housing Development Authority Unclassified Position	Gross	\$57,700	\$57,700	\$57,700
Includes \$57,700 Gross (\$0 GF/GP) for the costs associated with moving the Executive Director of the Michigan State Housing Development Authority to an unclassified position in Treasury. (SBO request 2013-4)	Restricted	57,700	57,700	57,700

54. Fuel Tracking Federal Grant	Gross	\$250,000	\$250,000	\$250,000
Includes \$250,000 Gross (\$0 GF/GP) to cover the costs related to upgrading the fuel tracking IT system for Michigan, Virginia, and Kentucky to detect fraud and evasion. Funding is part of a multistate grant and will cover the information technology and contractor costs related to the upgrade. The upgrade will create system compatibilities to improve detection of fraud and evasion of motor fuel taxes. (SBO request 2013-4)	Federal	250,000	250,000	250,000

55. Dual Enrollment	Gross	(\$9,500,000)	(\$9,500,000)	(\$9,500,000)
Unappropriates \$9.5 million GF/GP for nonpublic pupil dual enrollment payments due to lower than anticipated enrollment. Public Act 200 of 2010 appropriated \$10.0 million GF/GP to support dual enrollment payments for nonpublic pupils. (May 2013 Consensus)	GF/GP	(\$9,500,000)	(\$9,500,000)	(\$9,500,000)

TREASURY - MICHIGAN STRATEGIC FUND

56. Land Bank Fast Track Authority	Gross	\$1,220,800	\$1,220,800	\$1,220,800
Includes \$1.2 million GF/GP to support Land Bank Fast Track Authority operations. The Land Bank Fast Track Fund has not realized sufficient revenues from real estate sales to support operations. (SBO request 2013-4)	GF/GP	\$1,220,800	\$1,220,800	\$1,220,800

FY 2012-13 Boilerplate Items:

		<u>Executive</u>	<u>House</u>	<u>Senate</u>
ATTORNEY GENERAL				
1. Lawsuit Settlement Proceeds Fund Transfer		Not Included	Not Included	Sec. 251
Transfers \$3.5 million of the unencumbered balance remaining in the Lawsuit Settlement Proceeds Fund to the Student Safety Fund. States that neither the transfer of funds nor the appropriations in part 1 to the Student Safety Hotline would take effect unless Senate Bill 374 is enacted into law.				
2. Student Safety Hotline Work Project Authority		Not Included	Not Included	Sec. 252
Establishes work project status for appropriation for Student Safety Hotline, allowing unexpended funds to be carried forward into the subsequent fiscal year. The tentative completion date would be September 30, 2017.				

FY 2012-13 Boilerplate Items:

Executive

House

Senate

CAPITAL OUTLAY

3. Michigan State University - Bioengineering Facility Cost/Scope Increase

Authorizes Michigan State University (MSU) to increase the cost and scope of its bioengineering facility authorized for construction in PA 192 of 2012. As originally authorized, the facility consisted of 67,505 sq. ft. and a cost of \$40.3 million (\$30.0 million state share/\$10.3 million MSU share). MSU requested that the scope of the project be increased by 61,045 sq. ft. and \$17.4 million with the increase entirely funded by MSU. The cost and scope increase was approved at the March 20, 2013 Joint Capital Outlay Subcommittee meeting. (SBO letter dated 10/25/12)

Included

Sec. 301

Sec. 301

4. Public Purpose, Lease and Conveyance, and Annual Appropriation - "Doughnut Hole" Projects

Authorizes lease approval for those projects where construction authorization was approved but the State Building Authority (SBA) leases have not been approved via concurrent resolution. This authorization would apply to ten university projects, nine community college projects, and three state agency projects. States that the Legislature determines the leasing of SBA-financed facilities are for a public purpose under the State Building Authority Act of 1964. Approves and authorizes the leases and conveyance of properties to the SBA, the SBA acquiring the facilities and leasing to the state and the educational institutions, and the Governor and Secretary of State executing the leases of and on behalf of the state pursuant to the SBA Act. Specifies intent of the Legislature to annually appropriate sufficient amounts to pay rent obligations pursuant to the leases. (Informal SBO request)

Included

Sec. 302

Sec. 302

5. Public Purpose, Lease and Conveyance, and Annual Appropriation - LSSU School of Business

States that the Legislature determines the leasing of SBA-financed facilities are for a public purpose under the State Building Authority Act of 1964, approves and authorizes the lease and conveyance of property to the SBA and from the SBA to state and educational institutions, as applicable, executed by the Governor and Secretary of State on behalf of the state, and specifies intent of the Legislature to annually appropriate sufficient amounts to pay rent obligations pursuant to the lease. Construction authorization and financing was approved at the March 20, 2013 Joint Capital Outlay Subcommittee. (SBO request 2013-4)

Included

Sec. 303

Sec. 303

COMMUNITY HEALTH

6. Michigan-Illinois Alliance Medicaid Management Information System Project

Allocates \$5.0 million in private revenue for the Michigan-Illinois Alliance Medicaid Management Information Systems Project. (SBO informal request of 5/29/13, replacing language from SBO request 2013-4)

Included

Sec. 401

Sec. 401

EDUCATION

7. Cooperative Education Grant

Allocates grant of \$350,000 to a district with a new cooperative education agreement in effect for 2013-2014 to educate another district's students because the other district has discontinued providing grades 9 to 12 beginning in 2013-2014.

Not Included

Sec. 451

Sec. 451

LICENSING & REGULATORY AFFAIRS

8. UIA Fraud - Work Project Authorization

Stipulates that the unexpended funds appropriated in part 1 for the expanded fraud control program within the Unemployment Insurance Agency are designated as a work project in compliance with the Management and Budget Act of 1984, allowing unexpended funds to be carried forward into the subsequent fiscal year. (FY 2013-14 budget negotiations)

Included

Sec. 501

Sec. 501

9. UIA Fraud - GF/GP Repayment

Stipulates that the GF/GP funds appropriated for the expanded fraud control program within the Unemployment Insurance Agency shall be repaid from the Contingent Fund no later than September 30, 2015. (FY 2013-14 budget negotiations)

Included

Sec. 502

Sec. 502

10. Firefighters Training Council

Allocates \$1.0 million to the Firefighters Training Council to be expended pursuant to section 11 of the Michigan Fireworks Safety Act. (Informal agreement)

Included

Sec. 503

Sec. 503

FY 2012-13 Boilerplate Items:

Executive **House** **Senate**

MILITARY & VETERANS AFFAIRS

11. Grand Rapids Veterans Home Canopy Project

Included Sec. 601 Sec. 601

Increases the total spending authorization for the canopy reconstruction project at the main entrance of the Grand Rapids Veterans' Home (McLeish Building) initially funded with \$500,000 private funds in FY 2011 (2011 PA 50). The total cost of the project is increased to \$1.6 million due to an increase in the scope and size of the project after the department received a grant from the U.S. Department of Veterans Affairs for an expanded project. The new canopy was initially to be 2,980 ft². The availability of federal funds allowed for the construction of a 5,200 ft² canopy and the installation of a new snowmelt system for the entrance area sidewalk. The old canopy was 35 years old and the existing snowmelt system (in only partial operating condition) was original to the building built in 1975. The \$1.6 million in funding includes \$1.04 million Federal, \$60,000 GF/GP (from FY 2012-13 spending authority for maintenance projects GRVH, and the original \$500,000 Private made available in FY11. (FY 2013-14 budget negotiations)

NATURAL RESOURCES

12. Grand River Waterways Study

Not included Not included Sec. 650

Requires funds appropriated for the Grand River waterways study to be used for a study on the depth of the river from Lake Michigan to Grand Rapids and the cost of dredging that section.

STATE POLICE

13. DNA Analysis - Work Project Authorization

Included Sec. 701 Sec. 701

Designates the appropriation for DNA Analysis/SAK Testing as a work project, allowing unexpended funds to be carried forward into the subsequent fiscal year, with a total estimated cost of \$4.0 million and a tentative completion date of September 30, 2017. (FY 2013-14 budget negotiations)

14. Lawsuit Settlement Proceeds Fund

Included Sec. 702 Sec. 702

Transfers \$4.0 million from the unencumbered balance of the Lawsuit Settlement Proceeds Fund established in Section 33 of 1846 RS 12 (MCL 14.33) to the State Forensic Laboratory Fund established in Sec. 3 of the Forensic Laboratory Funding Act (1994 PA 35, MCL 12.203). Among other funds, money held in the fund is to be expended by the Department of State Police for costs incurred in providing forensic tests in connection with criminal investigation. (FY 2013-14 budget negotiations)

15. Student Safety Hotline Work Project Authority

Not Included Not Included Sec. 703

Establishes work project status for appropriation for Student Safety Hotline, allowing unexpended funds to be carried forward into the subsequent fiscal year. The tentative completion date would be September 30, 2017.

TECHNOLOGY, MANAGEMENT, & BUDGET

16. Information Technology Innovation Fund

Included Sec. 801 Sec. 801

Stipulates that the Information Technology Innovation Fund shall be administered by DTMB for the purpose of providing a revolving, self-sustaining resource for financing information, communications, and technology innovation projects for state agencies, local units of government, educational institutions, and nonprofit organizations, in addition to appropriating loan repayments and outside contributions to the fund and permitting carryforward of money within the fund. (FY 2013-14 budget negotiations)

TREASURY - OPERATIONS

17. Fuel Tracking IT System - Work Project Authorization

Included Sec. 901 Sec. 901

Establishes work project status for appropriation for fuel tracking IT system, allowing unexpended funds to be carried forward into the subsequent fiscal year. (SBO request 2013-4)

FY 2013-14 APPROPRIATIONS

Budget Area	Executive*		House		Senate	
	Gross	GF/GP	Gross	GF/GP	Gross	GF/GP
Community Health	\$0	\$0	\$0	\$0	\$89,300	\$89,300
Natural Resources	0	0	0	0	150,000	150,000
Transportation	0	0	0	0	2,000,000	0
TOTAL	\$0	\$0	\$0	\$0	\$2,239,300	\$239,300

OVERVIEW

House Bill 4112 (S-1) as amended contains legislatively-initiated FY 2013-14 supplemental appropriations totaling \$2.2 million Gross (\$239,300 GF/GP).

FY 2013-14 Appropriation Items:

Executive

House

Senate

COMMUNITY HEALTH

1. Michigan Care Improvement Immunization Registry

Provides \$89,300 in additional GF/GP funding to the Health and Wellness Initiatives line item to restore FY 2013-14 funding for the Michigan Care Improvement Immunization Registry (MCIR) to the current FY 2012-13 funding level of \$2,098,800.

Gross	--	--	\$89,300
GF/GP	--	--	\$89,300

NATURAL RESOURCES

2. Aquatic Invasive Species (AIS) Prevention and Control

Includes \$150,000 GF/GP funding and 1.0 FTE position within Fisheries Resource Management to fund an AIS specialist within the DNR. This funding and FTE position were included in the Executive Budget Recommendation for FY 2013-14, but were not included in the enacted budget bill (HB 4328).

FTE	--	--	1.0
Gross	--	--	\$150,000
GF/GP	--	--	\$150,000

TRANSPORTATION

3. Municipal Credit Program

Includes \$2.0 million from the Comprehensive Transportation Fund for the Municipal Credit program, a statutory program established in 1951 PA 51. Funding for the program had not been included in the enacted FY 2013-14 budget. Program funds are distributed to cities, villages, and townships in Wayne, Oakland, and Macomb counties for local public transportation services.

Gross	--	--	\$2,000,000
Restricted	--	--	2,000,000

FY 2013-14 Boilerplate Items:

Executive

House

Senate

NATURAL RESOURCES

1. Aquatic Invasive Species Specialist

Provides that \$150,000 of the funding appropriated in Part 1 for Fisheries Resource Management be allocated to fund an Aquatic Invasive Species Specialist within the DNR.

Not Included	Not Included	Sec. 1301
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