

FY 2012-13 GENERAL OMNIBUS BUDGET
Summary: Conference Report
House Bill 5365 (CR-1)



Mary Ann Cleary, Director

TOTAL APPROPRIATIONS BY BUDGET AREA

Budget Area (Bill Page) [Summary Page]	FY 2012-13 Line Item Appropriations		FY 2012-13 One-Time Appropriations		Total FY 2012-13 Appropriations	
	Gross	GF/GP	Gross	GF/GP	Gross	GF/GP
Agriculture & Rural Dev. (1) [2]	\$74,482,700	\$33,863,600	\$2,470,300	\$2,235,300	\$76,953,000	\$36,098,900
Community Health (30) [6]	14,987,133,200	2,802,091,300	46,924,500	15,346,500	15,034,057,700	2,817,437,800
Corrections (113) [13]	1,986,560,500	1,927,482,300	14,355,400	14,003,300	2,000,915,900	1,941,485,600
Education (181) [19]	328,235,600	67,929,100	674,300	164,100	328,909,900	68,093,200
Environmental Quality (208) [26]	425,880,700	25,652,300	5,549,200	4,160,100	431,429,900	29,812,400
General Government (246) [31]						
<i>Attorney General (247) [33]</i>	<i>84,056,600</i>	<i>33,432,500</i>	<i>1,025,900</i>	<i>393,300</i>	<i>85,082,500</i>	<i>33,825,800</i>
<i>Civil Rights (251) [35]</i>	<i>14,636,600</i>	<i>11,849,300</i>	<i>128,900</i>	<i>104,300</i>	<i>14,765,500</i>	<i>11,953,600</i>
<i>Executive Office (253) [37]</i>	<i>4,829,200</i>	<i>4,829,200</i>	<i>58,700</i>	<i>58,700</i>	<i>4,887,900</i>	<i>4,887,900</i>
<i>Legislature (255) [38]</i>	<i>110,922,500</i>	<i>109,412,700</i>	<i>0</i>	<i>0</i>	<i>110,922,500</i>	<i>109,412,700</i>
<i>Auditor General (257) [40]</i>	<i>18,416,800</i>	<i>12,820,100</i>	<i>270,900</i>	<i>184,800</i>	<i>18,687,700</i>	<i>13,004,900</i>
<i>State (259) [42]</i>	<i>218,374,900</i>	<i>13,853,200</i>	<i>2,294,400</i>	<i>1,034,900</i>	<i>220,669,300</i>	<i>14,888,100</i>
<i>Tech, Mgmt., Budget (265) [44]</i>	<i>1,117,293,400</i>	<i>384,124,000</i>	<i>25,680,200</i>	<i>21,792,200</i>	<i>1,142,973,600</i>	<i>405,916,200</i>
<i>Treasury (271) [47]</i>	<i>2,634,496,300</i>	<i>343,636,700</i>	<i>76,878,400</i>	<i>53,452,400</i>	<i>2,711,374,700</i>	<i>397,089,100</i>
Subtotal: General Government	4,203,026,300	913,957,700	106,337,400	77,020,600	4,309,363,700	990,978,300
Human Services (400) [54]	6,478,390,300	975,507,100	75,441,900	35,636,800	6,553,832,200	1,011,143,900
Judiciary (462) [61]	272,932,900	170,114,600	827,200	636,900	273,760,100	170,751,500
Licensing & Reg. Affairs (478) [64]	786,906,500	50,393,400	5,036,800	177,500	791,943,300	50,570,900
Military & Vets Affairs (514) [69]	153,465,700	32,177,500	18,607,900	6,055,900	172,073,600	38,233,400
Natural Resources (546) [75]	333,990,200	17,641,700	3,892,600	2,096,200	337,882,800	19,737,900
State Police (581) [80]	571,989,000	312,654,900	5,993,700	4,858,900	577,982,700	317,513,800
Transportation (616) [85]	3,462,926,700	0	3,260,800	23,000,000	3,466,187,500	23,000,000
TOTAL	\$34,065,920,300	\$7,329,465,500	\$289,372,000	\$185,392,100	\$34,355,292,300	\$7,514,857,600

FY 2012-13: AGRICULTURE AND RURAL DEVELOPMENT
Summary: Conference Report
Article I, House Bill 5365 (CR-1)



Analyst: William E. Hamilton

IDG/IDT	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Conference	Difference: Conference From FY 2011-12 YTD	
						Amount	%
	\$437,700	\$319,300	\$319,300	\$319,300	\$519,300	\$81,600	18.6
Federal	14,587,700	11,199,600	11,199,600	11,199,600	11,199,600	(3,388,100)	(23.2)
Local	0	0	0	0	0	0	--
Private	178,400	175,800	175,800	175,800	175,800	(\$2,600)	(1.5)
Restricted	29,600,500	28,659,400	28,959,400	28,959,400	28,959,400	(641,100)	(2.2)
GF/GP	29,878,700	34,160,500	34,160,500	35,612,200	36,098,900	6,220,200	20.8
Gross	\$74,683,000	\$74,514,600	\$74,814,600	\$76,266,300	\$76,953,000	\$2,270,000	0.3
FTEs	443.0	424.0	424.0	427.0	431.0	(12.0)	(2.7)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683.
(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

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 2011-12 YTD Appropriations

		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
1. Unclassified Salaries	FTEs	2.0	4.0
<u>Conference</u> follows Target Agreement and adds 4.0 Unclassified FTE positions and \$486,700 GF/GP.	Gross	\$213,300	\$486,700
	GF/GP	\$213,300	\$486,700
2. Information Technology	Gross	\$1,356,300	\$28,600
<u>Conference</u> includes economic adjustments and concurs with House to shift \$20,000 from the Agriculture Equine Industry Development Fund (AEIDF) to Light horse breeders' awards.	IDG	2,900	100
	Restricted	156,100	(14,600)
	GF/GP	\$1,197,300	\$43,100
3. Food and Dairy – Milk Safety and Quality Assurance	FTEs	23.0	3.0
<u>Conference</u> includes economic adjustment; concurs with Senate and includes \$300,000 GF/GP increase as compared to the Executive recommendation, and 3.0 additional FTE positions.	Gross	\$3,103,200	\$371,600
	Federal	35,700	800
	Restricted	165,800	3,800
	GF/GP	\$2,901,700	\$367,000
4. Animal Industry – Indemnity Livestock Depredations	Gross	\$0	\$50,000
<u>Conference</u> adds new line item to account for indemnity payments for livestock depredations as provided in boilerplate Section 453 (2) and (3).	GF/GP	\$0	\$50,000
5. Pesticide and Plant Pest Management – PPPM	FTEs	88.0	(11.0)
<u>Conference</u> reflects economic cost reductions, and \$400,000 restricted fund reduction to reflect actual anticipated revenue. Conference also concurs with Senate and includes \$70,000 GF/GP increase to provide for nursery inspections.	Gross	\$11,025,400	(\$415,300)
	Federal	2,043,900	5,100
	Private	86,500	300
	Restricted	5,224,900	(387,200)
	GF/GP	\$3,670,100	(\$33,500)
6. Producer Security/Grain Dealer Licensing	FTEs	4.0	0.0
<u>Conference</u> concurs with House/Senate and recognizes \$8,200 in economic increases, and \$300,000 in additional restricted revenue from the passage of Senate Bill 887 and Senate Bill 888, bills that would amend Grain Dealers Act (licensing program) the Farm Produce Insurance Act. <u>Conference</u> reduces GF/GP support by a like amount.	Gross	\$566,000	\$8,200
	Restricted	253,600	303,800
	GF/GP	\$312,400	(\$295,600)

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
7. Environmental Stewardship	FTEs	18.0	0.0
<u>Conference</u> reflects economic increases and \$200,100 restricted revenue reduction to reflect actual anticipated revenue. <u>Senate</u> had created a \$100 GF/GP item of difference; this is not recognized in the Conference report.	Gross	\$6,252,500	(\$106,000)
	Federal	1,387,600	21,400
	Restricted	4,864,800	(127,400)
	GF/GP	\$0	\$0
8. Michigan Agriculture Environmental Assurance Program (MAEAP)	FTEs	3.0	4.0
<u>Conference</u> concurs with House/Senate and reflects Executive recommendation; includes economic increases; \$200,100 restricted revenue reduction to reflect actual anticipated revenue; provides \$1.0 million GF/GP increase to baseline funding with the aim of achieving goal of 5,000 MAEAP verifications by 2015.	Gross	\$575,400	\$1,046,100
	Restricted	299,900	23,900
	GF/GP	\$275,500	\$1,022,200
9. Private Forestry Program	Gross	\$0	\$200,000
<u>Conference</u> recognizes \$200,000 IDG from MDNR (Forest development fund) for private forestry program. Department currently administers this program under MOU with MDNR, but is not currently recognized in budget.	IDG	0	200,000
	GF/GP	\$0	\$0
10. Local Conservation Districts	Gross	\$100	\$0
<u>Conference</u> retains \$100 placeholder which had been eliminated in the <u>Executive</u> budget.	GF/GP	\$100	\$0
11. Migrant Labor Housing	FTEs	6.0	3.0
<u>Conference</u> concurs with House/Senate; reflects Executive recommendation to add \$400,000 in baseline GF/GP funding for program which helps ensure safe housing for seasonal farm workers. Department currently conducts pre-season inspections at 850 licensed migrant labor camps in Michigan. Increased funding would support 3.0 additional FTE positions in order to also provide in-season inspections. Also reflects economic adjustments of \$42,500, and elimination of federal fund source.	Gross	\$1,202,600	(\$45,700)
	Federal	488,200	(488,200)
	Restricted	148,200	8,800
	GF/GP	\$566,200	\$433,700
12. Agriculture Development	FTEs	5.0	5.0
<u>Conference</u> concurs with House/Senate; reflects Executive recommendation to add \$600,000 in baseline GF/GP funding to support 5.0 FTE positions to assist with local and regional economic development activities, including promotion of agricultural exports. Also reflects \$45,700 in economic adjustments.	Gross	\$2,066,300	\$645,700
	Federal	1,532,800	34,000
	Restricted	102,200	2,300
	GF/GP	\$431,300	\$609,400
13. Rural Development Value-Added Grant Program	Gross	\$0	\$1,050,000
<u>Conference</u> includes funding for on-going program in Agriculture Development appropriations unit, with additional funding in the One-time section of the budget. See Item #16, below and related boilerplate Section 710.	GF/GP	\$0	\$1,050,000
14. County Fairs Capital Improvement Grants	Gross	\$0	\$281,600
<u>Conference</u> includes a new grant program as an on-going line item in the Fairs and Racing appropriations unit of the budget. See related boilerplate Section 805.	GF/GP	\$0	\$281,600
15. Horse Racing Program – Light Horse Breeders Awards	Gross	\$0	\$20,000
<u>Conference</u> concurs with House and adds line item for Light horse breeders' awards, funded from AEIDF redirected from Information Technology line item.	Restricted	0	20,000
16. One-Time – State Employee Lump-Sum Payment	Gross	\$0	\$470,300
<u>Conference</u> concurs with House/Senate and includes \$470,300 Gross (\$235,300 GF/GP) for negotiated one-time state employee lump sum payment.	IDG	0	2,400
	Federal	0	85,000
	Restricted	0	146,100
	GF/GP	\$0	\$235,300

<u>Major Budget Changes From FY 2011-12 YTD Appropriations</u>		<u>FY 2011-12 Year-to-Date (as of 2/9/12)</u>	<u>Conference Change from Year-to-Date</u>
17. One-Time –Private Forest Development Program	Gross	\$0	\$600,000
<u>House</u> had followed <u>Executive</u> and included \$500,000 GF/GP for Private Forestry Initiative program to provide assistance to private landowners in managing forest land; program to be carried out through grants to local conservation districts. <u>Senate</u> included additional \$100,000 GF/GP and related boilerplate Section 1103.	GF/GP	\$0	\$600,000
<u>Conference</u> concurs with Senate.			
18. One-Time – Healthy Food, Food Safety Modernization	Gross	\$0	\$500,000
<u>Conference</u> concurs with House/Senate and includes \$500,000 GF/GP to develop and implement preventative food safety measures associated with FDA Food Safety Modernization Act; \$93,200 would be used in the Food and Dairy, \$270,000 in Laboratory, and \$136,800 for Animal Health.	GF/GP	\$0	\$500,000
19. One-Time – Healthy Food Grant Program	Gross	\$0	\$0
<u>House</u> had followed <u>Executive</u> and included \$1.0 million GF/GP for Food Hub grant program. <u>Senate</u> did not include but instead created an expanded Rural development value-added program. See Item #16, below.	GF/GP	\$0	\$0
<u>Conference</u> : Not included.			
20. One-Time – Rural Development Grant Program	Gross	\$0	\$900,000
<u>Senate</u> had includes \$2.1 million GF/GP for new grant program as defined in boilerplate Section 1101.	GF/GP	\$0	\$900,000
<u>Conference</u> includes \$900,000 as one-time and an additional \$1.05 million GF/GP as on-going appropriation, as shown in Item #9, above.			
21. One-Time – Antrim County Water Supply Project	Gross	\$0	\$0
<u>Senate</u> included \$100 GF/GP placeholder.	GF/GP	\$0	\$0
<u>Conference</u> : Not included.			
<u>Major Boilerplate Changes From FY 2011-12</u>			
Sec. 204. Civil Service Charge – RETAINED			
Requires Department of Civil Service to bill departments at the end of the first fiscal quarter for 1% charge authorized in the Constitution; payment by the end of the second fiscal quarter.			
Sec. 207. Transparency Report – RETAINED			
Directs department to develop, post, and maintain on a publically accessible website expenditures made during the fiscal year.			
Sec. 211. Information Technology – RETAINED			
Allows establishment of IT projects as Work Projects.			
Sec. 214. Information Technology – RETAINED			
Requires department to pay user fees to DTMB subject to provisions of interagency agreement.			
Sec. 218. Out-of-State Travel – NEW			
Provides for out-of-state travel report. House includes; Senate does not.			
<u>Conference</u> concurs with House and includes.			
Sec. 219. DTMB Office Space Plan – NEW			
Directs state executive branch agencies to cooperate with DTMB office space consolidation plan.			
House includes; Senate does not.			
<u>Conference</u> concurs with House and includes.			
Sec. 230. (Senate Bill) Hiring of Legal Services Other Than Attorney General – NEW			
Prohibits Department from hiring of persons other than the Attorney General to provide legal services.			
Senate includes; House does not.			
<u>Conference</u> concurs with Senate and includes.			

Major Boilerplate Changes From FY 2011-12

Sec. 231. (House Bill) Measuring Outcomes – NEW

Requires Department to identify and report on 10 measurable outcomes.

House includes; Senate does not.

Conference concurs with House and includes.

Sec. 450. Bovine TB – Reimburse DNR for Monitoring/Testing – NOT INCLUDED

Requires department to reimburse DNR for monitoring and testing for Bovine TB.

Senate includes; House does not.

Conference Not included.

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.

Senate includes; House does not.

Conference concurs with Senate and includes.

Sec. 453. Indemnification Payments – MODIFIES

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.

Senate includes; House does not.

Conference modifies to strike reference to use of DNR funds, and adds new subsection (3) indicating that new line item for indemnification, livestock depredation is to be used to support payments under Subsection (2); provides for report.

Sec. 552. Clean Sweep Program – NEW

Encourages department to work with local public health departments and the USDA to maintain and expand Clean Sweep program, including disposal of prescription drugs. Provides reporting requirement.

Conference concurs with House and includes.

Sec. 608. MAEAP and Lake St. Clair Water Quality – NEW

Directs the department to address water quality issues affecting Lake St. Clair, including non-point source pollution.

House includes; Senate does not.

Conference concurs with House and includes.

Sec. 710. (House Bill) Rest Areas and Welcome Centers for Farm Markets – NOT INCLUDED

Requires department to work with MDOT to facilitate use of rest areas and welcome centers for farm markets.

House includes; Senate does not.

Conference Not included.

Sec. 710. Rural Development Value-Added Grant Program – NEW

Conference includes new section which references boilerplate Section 1101 regarding administration of new program.

Sec. 805. County Fair Capital Grant Program – NEW

Provides for matching program for county fair capital grants appropriated in part 1.

House includes; Senate included related Section 1102.

Conference: Includes Senate Section 1102 language renumbered as Section 805.

Sec. 1101. (House Bill) Healthy Food Grant Program – NOT INCLUDED

Provides criteria for the one-time Health Food (food hubs) grant program: grants not to exceed \$200,000. Provides for report.

House includes; Senate does not.

Conference: Not included.

Sec. 1101. (Senate Bill) Rural Development Value-Added Grant Program – NEW

Provides criteria for Rural Development value-added grant program. Provides for reports.

Senate includes; House does not.

Conference: Concurs with Senate and includes.

Sec. 1102. (Senate Bill) County Fair Grant Program – (See Section 805, above)

Sec. 1103. (Senate Bill) Private Forestry Program – NEW

Provides guidance for one-time Private Forestry Program.

Senate includes; House does not.

Conference: Concurs with Senate.

Sec. 1201. Provisions FY 2012-13 Appropriations – MODIFIED

Indicates legislative intent with regard to FY 2013-14 appropriations. Minor House/Senate differences.

Conference: Concurs with Senate.

FY 2012-13: DEPARTMENT OF COMMUNITY HEALTH
Summary: Conference Report
Article IV, House Bill 5365 (CR-1)



Analysts: Margaret Alston, Susan Frey, Steve Stauff

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Conference	Difference: Conference From FY 2011-12 YTD	
						Amount	%
IDG/IDT	\$7,241,200	\$10,023,800	\$10,023,800	\$10,023,800	\$10,023,800	\$2,782,600	38.4
Federal	9,274,293,000	9,740,485,300	9,686,137,800	9,702,741,100	9,696,023,500	421,730,500	4.6
Local	257,851,000	257,280,100	256,951,300	257,214,300	257,148,600	(702,400)	(0.3)
Private	96,499,200	93,264,000	93,364,000	93,364,000	93,364,000	(3,135,200)	(3.3)
Restricted	2,031,475,500	2,146,562,200	2,146,538,500	2,146,557,500	2,160,060,000	128,584,500	6.3
GF/GP	2,975,227,400	2,847,864,700	2,825,781,700	2,825,612,300	2,817,437,800	(157,789,600)	(5.3)
Gross	\$14,642,587,300	\$15,095,480,100	\$15,018,797,100	\$15,035,513,000	\$15,034,057,700	\$391,470,400	2.7
FTEs	3,640.2	3,613.9	3,535.6	3,539.6	3,552.6	(87.6)	(2.4)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Enrolled Senate Bill 683 (Public Act 64 of 2012).
(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time. (3) FTE positions for the Executive Budget Bill were overstated by 63.3.

Overview

The Department of Community Health 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 policy.

Major Budget Changes From FY 2011-12 YTD Appropriations

1. Economic Adjustments

Includes a net increase of \$18.6 million Gross (\$7.2 million GF/GP) to finance negotiated salary and wage increases, actuarially-required retirement rate increases, reduced employer health insurance costs due to 20% employee contribution, and economic adjustments for worker's compensation, building occupancy and rent, food, and gas, fuel, and utility costs for FY 2012-13.

	FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
Gross	N/A	\$18,595,400
IDG	N/A	(54,500)
Federal	N/A	3,933,200
Restricted	N/A	325,500
Local	N/A	7,183,800
Private	N/A	(600)
GF/GP	N/A	\$7,208,000

2. FY 2011-12 Contingency Plan Savings

Recognizes FY 2011-12 contingency plan savings of \$12.2 million Gross (\$6.1 million GF/GP) which is achieved by eliminating 88.3 funded and vacant FTE positions throughout the Department, reducing travel costs, and eliminating contracts.

FTE	N/A	(88.3)
Gross	N/A	(\$12,176,400)
Federal	N/A	(3,034,400)
Restricted	N/A	(304,600)
Local	N/A	(2,776,500)
GF/G	N/A	(\$6,060,900)

3. FY 2012-13 State Employees One-Time Lump Sum Payments

Authorizes one-time only allocation of \$4.3 million Gross (\$2.6 million GF/GP) for negotiated one-time lump sum payments to state employees. However, the authorization for the lump sum payments is included in a new appropriation unit entitled "Sec. 121. ONE-TIME BASIS ONLY APPROPRIATIONS" rather than boilerplate language (Section 1901 of PA 63 of 2011, Article IV).

Gross	N/A	\$4,285,300
IDG	N/A	19,700
Federal	N/A	1,279,400
Restricted	N/A	263,500
Local	N/A	150,400
Private	N/A	800
GF/GP	N/A	\$2,571,500

4. Salary Increases for Unclassified FTE Positions

Includes an increase of \$116,100 Gross (all GF/GP) for the Director and Other Unclassified FTE Positions line item pursuant to the Leadership Target Agreement. The budgetary adjustment represents a 20% increase from the FY 2011-12 year-to-date authorization for this line item.

Gross	\$583,900	\$116,100
GF/GP	\$583,900	\$116,100

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
5. Community Health Automated Medicaid Processing System (CHAMPS) Funding	Gross	\$25,723,700	\$34,477,400
Adds full-year funding of \$13.4 million Gross (\$5.9 million GF/GP) for CHAMPS and includes savings of \$8.9 million Gross (\$1.2 million GF/GP) due to the completion of the federal Health Insurance Portability and Affordability Act (HIPAA) 5010 project which required enhancements related to the Medicaid claims processing system. Authorizes FY 2012-13 one-time allocation of \$30.0 million Gross (\$3.0 million GF/GP) for CHAMPS to implement medical codes for diagnosis and inpatient procedures (ICD 10) as required by federal law.	Federal	22,889,000	26,732,000
	GF/GP	\$2,834,700	\$7,745,400
6. Family Support Subsidy Program	Gross	\$19,470,500	(\$309,500)
Removes excess FY 2011-12 TANF revenue authorization of \$500,000 from the Family Support Subsidy Program which provides \$222.11 monthly payment to an average of 7,159 income-eligible families with a child under age 18 living at home who is severely mentally impaired, severely multiply impaired, or autistic. The reduction for this program is offset with an increase of \$190,500 in TANF revenue anticipating a 1.0% caseload increase in FY 2012-13.	Federal	19,470,500	(309,500)
	GF/GP	\$0	\$0
7. Staffing for Autism Treatment Services Initiative	Gross	N/A	\$0
Adds funding of \$400,000 Gross (all GF/GP) to the Mental Health/Substance Abuse Program Administration line item renamed "Behavioral Health Program Administration" to finance 3.0 FTE positions related to implementation of the autism treatment services initiative. The funding increase is offset by nursing home transition savings.	GF/GP	N/A	\$0
8. Actuarially Sound Capitation Payment Rates Adjustment	Gross	\$6,490,537,900	\$75,148,000
Includes a capitation rate increase of 1.5% for Health Plans and 1.25% for Prepaid Inpatient Health Plans (PIHPs) to ensure that payment rates for these managed care entities are actuarially sound in FY 2012-13. This adjustment results in an additional \$75.1 million Gross (\$25.3 million GF/GP) for the Medicaid Mental Health Services, Medicaid Substance Abuse Services, and Health Plan Services line items.	Federal	4,293,335,900	49,890,800
	Restricted	1,159,708,900	0
	Local	38,931,800	0
	GF/GP	\$998,561,300	\$25,257,200
9. Mental Health Services for Special Populations	Gross	\$8,842,800	\$0
Does not eliminate the FY 2011-12 one-time only allocation of \$3.0 million GF/GP provided for in Section 1901 of PA 63 of 2011, Article IV for mental health services for special populations. The one-time funding is included in a new appropriation unit entitled "Sec. 121. ONE-TIME BASIS ONLY APPROPRIATIONS". The funding would be allocated as follows: \$250,000 for Hispanic/Latino Commission within the Department of Civil Rights; \$700,000 for ACCESS; \$700,000 for Arab/Chaldean; \$650,000 for Chaldean Chamber Foundation; and \$700,000 for Michigan Jewish Federation.	GF/GP	\$8,842,800	\$0
10. Children with Serious Emotional Disturbance Waiver	Gross	\$8,188,000	\$4,463,000
Increases funding for the Children with Serious Emotional Disturbance Waiver Program by \$4.5 million Gross (\$0 GF/GP), enabling the Department to serve additional children eligible for the federal waiver program in which community mental health services programs (CMHSPs) provide home and community-based mental health services. Currently, 12 CMHSPs in eighteen counties provide services for up to 357 children.	IDG	2,769,000	500,000
	Federal	5,419,000	3,963,000
	GF/GP	\$0	\$0
11. Pharmacy Inflationary Adjustment for State Psychiatric Hospitals and Center for Forensic Psychiatry	Gross	\$257,696,200	\$476,100
Includes 3.0% inflationary adjustment for pharmacy costs at state-operated psychiatric hospitals and the Center for Forensic Psychiatry which equates to an increase of \$476,100 Gross (\$240,800 GF/GP) in funding for these facilities.	Federal	29,426,200	23,700
	Restricted	15,240,900	14,300
	Local	17,494,500	197,300
	GF/GP	\$195,534,600	\$240,800

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
12. Healthy Michigan Fund Programs	Gross	\$37,175,900	\$146,600
<i>Healthy Michigan Fund (HMF) changes</i> - Healthy Michigan Fund appropriation for Medicaid is modified to \$28.3 million, a reduction of \$842,800 replaced with a like amount of GF/GP, to reflect decline in HMF revenue.	Restricted	34,175,900	(696,200)
<i>HMF Programs One-Time Basis Only Funding</i> - \$3.0 million GF/GP of one-time basis only funding for public health prevention projects in the HMF Programs line item, is continued under a new one-time basis only line item name of Health and Wellness Initiatives. Project allocations are modified.	GF/GP	\$3,000,000	\$842,800
13. New Wellness 4x4 Initiative	Gross	\$0	\$2,250,000
Includes new funding of \$2.25 million GF/GP for a new community-based collaborative public health program to address obesity, focusing on 4 healthy behaviors and 4 key health measures (\$1.0 million ongoing, \$1.25 million one-time basis only).	GF/GP	\$0	\$2,250,000
14. New Children's Physical Health Initiative	Gross	\$0	\$1,000,000
Provides \$1.0 million GF/GP for a new initiative to address childhood obesity with a before- and after-school physical health pilot program that incorporates evidence-based best practices. Related boilerplate Sec. 654.	GF/GP	\$0	\$1,000,000
15. Primary Care Services	Gross	\$3,195,900	\$355,200
<i>Island Health Clinics</i> - Continues one-time basis only funding of \$300,000 GF/GP for island health clinics for Beaver Island, Mackinac Island and Drummond Island. Adds \$25,000 GF/GP allocation for Bois Blanc Island.	Federal	1,870,300	219,200
<i>Primary Care DSH</i> - Restores primary care disproportionate share (DSH) funding of \$330,200 Gross (\$111,000 GF/GP) for Bronson Methodist Hospital. This funding was included in FY 2011-12 supplemental Enrolled HB 4289.	GF/GP	\$1,325,600	\$136,000
<i>Dental Clinic</i> - Does not include funding for a dental clinic in Kent County.			
16. Michigan Essential Health Care Provider Initiative	Gross	\$872,700	\$618,600
Includes \$1,000,000 Gross (\$500,000 GF/GP) for a new Essential Health Care Provider Program initiative to reduce local and private share of loan repayment costs for obstetricians and gynecologists working in underserved areas (related Sec. 709 (2) boilerplate). Other state funding of \$81,400 GF/GP (and \$300,000 related federal and local funding) for this program is eliminated, the final year of a multi-year phase out of state funding.	Federal	436,300	300,000
	Local	100,000	(100,000)
	Private	255,000	0
	GF/GP	\$81,400	\$418,600
17. Laboratory Services One-Time Equipment Funding	Gross	\$0	\$0
Does not provide new one-time basis only appropriation of \$200,000 GF/GP for replacement of outdated laboratory equipment and supplies.	GF/GP	\$0	\$0
18. Lead Abatement Funding	Gross	\$2,647,700	\$2,000,000
Provides new appropriation of \$2,000,000 state restricted funding for abatement of lead in homes where children reside who have tested positive for high blood lead. Funds appropriated are from the state Environmental Response Fund.	Federal	1,963,600	0
	Restricted	684,100	2,000,000
	GF/GP	\$0	\$0
19. Traumatic Brain Injury Treatment Model Project	Gross	\$0	\$200,000
Restores \$200,000 Gross (\$100,000 GF/GP) funding for use of EBM Care, Inc. traumatic brain injury treatment interactive software at 4 trauma hospitals. This funding was included in FY 2011-12 supplemental Enrolled HB 4289.	Federal	0	100,000
	GF/GP	\$0	\$100,000
20. One-Time Funding for Infant Mortality	Gross	\$0	\$750,000
Includes new one-time basis only funding of \$750,000 GF/GP for expanded maternal and child health and infant mortality programming, within the one-time basis only Health and Wellness Initiatives line item.	GF/GP	\$0	\$750,000
21. New 2-Year Alternative Home Visit Support Program	Gross	\$0	\$2,000,000
Provides \$2.0 million of federal Temporary Assistance for Needy Families (TANF) funding for a new initiative planned for 2 years for a real alternatives pregnancy and parenting support services program as a pilot project to provide enhanced counseling and support for women during pregnancy through 12 months after birth. Related boilerplate Sec. 1136.	Federal	0	2,000,000
	GF/GP	\$0	\$0

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
22. New 2-Year Enhanced Support for Nurse Family Partnership	Gross	\$3,794,200	\$1,000,000
Provides \$1.0 million federal TANF funding for a new initiative planned for 2 years to enhance support and education for the nurse family partnership program including strategic planning and awareness for a Detroit-based nurse family partnership program. Related boilerplate Sec. 1137.	Federal	2,294,200	1,000,000
	GF/GP	\$1,500,000	\$0
23. Aging Services to Support Community Living	Gross	\$35,314,400	\$1,100,000
Includes \$1.1 million GF/GP for senior community programs to be allocated to area agencies on aging for locally-determined needs (Community Services line item funding shown). Related boilerplate Sec. 1421.	Federal	22,880,900	0
	Private	200,000	0
	GF/GP	\$12,233,500	\$1,100,000
24. Cochlear Implant Policy Change	Gross	\$0	\$560,000
Increases the Department's budget by \$560,000 Gross (\$188,900 GF/GP) reflecting annualized FY 2011-12 costs due to a change in State Medicaid policy to cover cochlear implants for both ears rather than just one ear. The appropriation lines affected are Medical Care and Treatment, Physician Services and Auxiliary Medical Services.	Federal	0	371,100
	GF/GP	\$0	\$188,900
25. Electronic Health Records Incentive Program	FTEs	0.0	24.0
Increases the Electronic Health Records Incentive Program line by \$24.7 million Gross (reduces GF/GP \$60,800) and makes a technical adjustment by incorporating 24.0 FTEs. The FY 2011-12 base authorization of \$119.4 million Gross included funding for administration of the program, but no FTEs. All of the FY 2012-13 authorization is for electronic health record (EHR) incentive payments. The Department of Community Health will provide incentive payments to eligible professionals, hospitals and critical access hospitals as they adopt, implement, upgrade or demonstrate meaningful use of certified EHR technology. An EHR is an electronic record of patient health information generated by one or more encounters in any care delivery setting.	Gross	\$119,388,800	\$24,692,600
	Federal	117,989,900	24,753,400
	GF/GP	\$1,398,900	(\$60,800)
26. Graduate Medical Education	Gross	\$162,325,900	(\$231,600)
Reduces from the FY 2011-12 year-to-date funding for the Graduate Medical Education (GME) program, \$231,600 Gross (\$100,000 GF/GP). Of this amount the Hospital Services and Therapy line is increased by \$21.4 million Gross and the One-Time Basis Only Appropriations unit, Hospital Services and Therapy - Graduate Medical Education line is decreased by \$12.8 million Gross.	Federal	115,938,600	(131,600)
	GF/GP	\$46,387,300	(\$100,000)
27. Primary Care Physician Rate Increase	Gross	N/A	\$281,800,000
Recognizes an increase of \$281.8 million of federal funds that will be available to provide an increase in the reimbursement rates for primary care doctors, family doctors and pediatricians up to 100% of Medicare rates. Not included in the rate increase are nurse practitioners, physician assistants and OB/GYNs. This reimbursement level change is a requirement of the Affordable Care Act of 2010 and is entirely federally funded.	Federal	N/A	281,800,000
	GF/GP	N/A	\$0
28. OB/GYN Rate Increase	Gross	N/A	\$11,901,200
Includes an increase of \$11.9 million Gross (\$4.0 million GF/GP) to provide an increase in the reimbursement rates for OB/GYN doctors. The increase equates to approximately 20% and is split between the Physician Services and Health Plan Services appropriation lines. Related boilerplate Sec. 1862.	Federal	N/A	7,901,200
	GF/GP	N/A	\$4,000,000
29. Behavioral Health Drugs On Preferred Drug List	Gross	\$338,717,500	\$18,700,000
Restores \$18.7 million Gross (\$6.3 million GF/GP), in the Pharmaceutical Services line, of the anticipated savings included in the FY 2011-12 budget. These savings resulted from including behavioral health drugs on the preferred drug list. A statutory change would have been required to have realized these savings.	Federal	222,861,200	12,414,900
	GF/GP	\$115,856,300	\$6,285,100
30. Healthy Kids Dental Expansion	Gross	N/A	\$16,666,700
Funding of \$16.6 million Gross (\$5.6 million GF/GP) is included in the Dental Services line to expand the coverage area of the Healthy Kids Dental program.	Federal	N/A	11,065,000
	GF/GP	N/A	\$5,601,700

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
31. Airport Parking Tax Deposit to MBTF		Gross \$105,877,700	\$0
Replaces \$6.7 million of funding received from Wayne County for support of the Medicaid Adult Benefits Waiver program with a like amount of revenue from the Medicaid Benefits Trust Fund (MBTF). For many years Wayne County has provided the Department Wayne's portion of the Airport Parking Tax which the Department uses for support of the Medicaid Adult Benefits Waiver program. This change would simply direct Wayne County's portion of the Airport Parking Tax to the Medicaid Benefits Trust Fund. Legislation would be necessary to make this adjustment.	Federal	70,027,300	0
	Local	6,653,800	(6,653,800)
	Restricted	6,100,000	6,653,800
	GF/GP	\$23,096,600	\$0
32. Medicaid Estate Recovery Program		Gross \$1,686,454,600	\$16,661,700
Restores \$16.7 million Gross (\$5.6 million GF/GP), in the Pharmaceutical Services line, of the anticipated savings included in the FY 2011-12 budget. These savings resulted from strengthening current Michigan estate recovery laws. A statutory change would have been required to have realized these savings.	Federal	1,133,338,700	11,061,700
	Merit Awd	82,275,800	0
	Restricted	256,925,600	0
	Local	6,618,800	0
	GF/GP	\$207,295,700	\$5,600,000
33. MIChoice Program Adjustments		Gross \$229,921,000	\$36,372,100
Increases the Medicaid Home- and Community-Based Services Waiver line by \$36.4 million Gross (\$5.2 million GF/GP) to recognize additional transitions from nursing homes and the reduction in the waiting list for the MIChoice program, \$24.6 million Gross and \$11.8 million Gross respectively.	Federal	146,177,400	23,211,200
	Local	265,000	0
	Private	2,100,000	0
	GF/GP	\$81,378,600	\$13,160,900
34. PACE Program Adjustments		Gross \$30,707,800	\$0
Increases the Program for All-Inclusive Care for the Elderly (PACE) line item by \$4.1 million Gross (\$1.4 million GF/GP) bringing the existing PACE programs up to capacity (\$2.5 million Gross) and adding a Berrien County PACE program (\$1.6 million Gross). Both actions are funded by a reduction to the Long-Term Care Services line in the amount of the PACE increases.	Federal	20,310,200	0
	GF/GP	\$10,397,600	\$0
35. Autism Spectrum Disorder Coverage		Gross \$0	\$20,886,200
Includes \$20.9 million Gross (\$6.7 million GF/GP) to fund autism spectrum disorder treatment for Medicaid and MICHild eligible children. The new line "Autism Services" is authorized at \$17.6 million Gross and the MICHild line at \$3.3 Gross.	Federal	0	14,203,200
	GF/GP	\$0	\$6,683,000
36. Use Tax Adjustment		Gross \$201,057,300	(\$201,057,300)
Includes reversing the FY 2011-12 supplemental PA 278 of 2011 that provided use tax (GF/GP) funding, which corrected authorization necessary to implement the State's final Health Insurance Claim Assessment (HICA) legislation. The Department budget is reduced \$201.1 million Gross (\$167.3 million GF/GP).	Federal	132,979,300	(132,979,300)
	Restricted	(99,214,200)	99,214,200
	GF/GP	\$167,292,200	(\$167,292,200)
37. School-Based Services		Gross \$91,296,500	\$40,206,200
Increases the School-Based Services line by \$40.2 million federal funding representing Michigan school district's 60% portion of the federal Medicaid funds earned by the school district match. The other 40% of federal funding (\$26.8 million) is retained by the State and is used to offset GF/GP in the Medicare Premium Payments line.	Federal	152,160,800	67,010,300
	GF/GP	(\$60,864,300)	(\$26,804,100)
38. Rural and Sole Community Hospital Payments		Gross \$29,533,400	\$5,950,600
Increases the rural and sole community hospital payment pool by \$6.0 million Gross (\$2.0 million GF/GP), from \$29.5 million Gross to \$35.5 million Gross. The funding is shifted from the One-Time Basis Only unit to the on-going Medical Services unit, specifically the Hospital Services appropriation line. Related boilerplate Sec. 1866.	Federal	19,533,400	3,950,600
	GF/GP	\$10,000,000	\$2,000,000
39. One-Time Appropriations		Gross N/A	N/A
Includes \$46.9 million Gross (\$15,346,500 GF/GP) of one-time basis only appropriations. All one-time appropriations are discussed above throughout the Major Budget Changes section.	GF/GP	N/A	N/A
40. Anticipated FY 2013-14 Budget Changes			
Indicates that FY 2013-14 appropriations are anticipated to be the same as FY 2012-13, except line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. Provides adjustments will be determined after the January 2013 Consensus Revenue Estimating Conference. (PART 2A, Sec. 2001)			

Major Boilerplate Changes From FY 2011-12

Boilerplate Deletions

The list below includes major changes to boilerplate, but is not a comprehensive list of all sections deleted.

GENERAL SECTIONS

Sec. 207. Principal Measurable Outcomes – NEW

Requires the Department to identify 10 principal measurable outcomes to be affected by the expenditure of appropriated funds and submit a report to the House and Senate Appropriations Committees, House and Senate Fiscal Agencies, and State Budget Director that ranks the outcomes by level of importance and contains current data on those outcomes.

Sec. 287. General Fund/General Purpose Lapses – REVISED

Requires DCH to report on the estimated general fund/general purpose appropriations lapses at the close of the previous fiscal year by no later than November 30, 2012.

Sec. 297. Statewide Office Space Consolidation Plan – NEW

Expresses Legislature's intent that all principal executive departments and agencies cooperate with the development and implementation of the department of technology, management, and budget statewide office space consolidation.

~~COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS~~ BEHAVIORAL HEALTH SERVICES

Sec. 498. Effectiveness of Substance Use Disorders Treatment Programs – NEW

Requires DCH to use standard program evaluation measures to assess the effectiveness of heroin and other treatment programs provided through coordinating agencies and service providers in reducing and preventing the incidence of substance use disorders.

Sec. 499. Mental Health Needs of Deaf and Hard-of-Hearing Persons - NEW

Requires the Department to explore ways to use mental health funding to address the mental health needs of deaf and hard-of-hearing persons.

HEALTH POLICY

Sec. 715. Options for Incentivizing Primary Care Medical School Students to Stay in Michigan – NEW

Includes new language to require DCH to evaluate options for incentivizing students attending medical schools in Michigan to meet their primary care residency requirements in Michigan and to practice in Michigan.

Sec. 716. (Moved from Senate Sec. 1864) Incentivizing Medical Students To Serve in Counties Under 100,000 – NEW

Includes new language encouraging the Department to create a pilot program incentivizing students attending Michigan medical schools to provide primary care medical services in counties of less than 100,000 residents with a medically underserved population. Requires a report by September 30, 2012.

FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES

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

Adds language that requires DCH to provide actual or estimated expenditure data by marital status, and permits the use of state Plan First!, MICHild, Healthy Kids, public assistance, or other official application form to determine actual or estimated public expenditures based on marital status. Current law is retained which establishes the annual report of an estimate of public funds administered by the department for family planning, sexually transmitted infection prevention and treatment, pregnancies, and births, and to report demographics collected by DCH that are self-reported by individuals utilizing those services. Current law is also modified to add as voluntarily self-reported by individuals, related to demographics collected and reported.

Sec. 1108. Restrictions on Use of Pregnancy Prevention Funding – RETAINED

Current law is retained prohibiting pregnancy prevention program line item funds from being used for abortion counseling, referrals, or services.

Sec. 1138. Maternal and Child Health Contractual Services Preference – NEW

Includes new language that requires the department to allocate funds for family, maternal, and children's health services pursuant to section 1 of Public Act 360 of 2002, related to contractual family planning and reproductive services.

OFFICE OF SERVICES TO THE AGING

Sec. 1401. Eligibility for Senior Community Services and Nutrition Services Programs – DELETED

Eliminates boilerplate stating that eligibility for services funded by community services and nutrition services appropriation line items shall be restricted to individuals at least 60 years of age who fail to qualify for home care services under Titles XVIII, XIX, or XX of the Social Security Act.

Sec. 1403. Home-Delivered Meals Waiting Lists – REVISED

Adds report due date of February 1 to current law language which requires area agency on aging regions to report home-delivered meals waiting lists to the Office of Services to the Aging and the Legislature, and establishes standard criteria for persons included on the waiting list, including an initial determination of likely eligibility.

MEDICAL SERVICES ADMINISTRATION – NEW

Sec. 1501. Electronic Health Records Incentive Program Work Project – NEW

Establishes unexpended funds for the Electronic Health Records Incentive program as a work project appropriation with the completion date estimated to be September 30, 2017.

Major Boilerplate Changes From FY 2011-12

MEDICAL SERVICES

Sec. 1846. Graduate Medical Education (GME) Funding – REVISED

Requires the Department to conduct research on the effectiveness of GME funding and report the results by April 1, 2013.

Sec. 1860. Nursing Facilities Reimbursement Reports – NEW

The Department may receive separate reports from the Health Care Association of Michigan, the Michigan County Medical Care Facility Council, and Aging Services of Michigan regarding each group's proposal in designing and implementing a new reimbursement payment system for nursing facilities. Copies of the reports will be available from the Department by July 1, 2013.

Sec. 1861. Nonemergency Medical Transportation Competitive Bid – NEW

Allows nonemergency medical transportation to be competitively bid; may take into consideration a minimum of two bids; one bid must be a public transportation agency; and defines qualified vendor.

Sec. 1863. Quality Indicators In HMO Contract Rebid – NEW

Requires the Department to study the possibility of including quality indicators to exclude certain Medicaid managed care organizations in the next contract rebidding process.

Sec. 1866. Rural Hospital Payments – NEW

Requires the Department to award \$12.0 million GF/GP, and any associated federal Medicaid match, to hospitals providing services to low-income rural residents with those hospitals meeting certain criteria established by the Department. No hospital or hospital system may receive more than 5% of the total distribution and a report is due from the Department by April 1, 2013.

FY 2012-13: DEPARTMENT OF CORRECTIONS
Summary: Conference Report
Article V, House Bill 5365 (CR-1)



Analyst: Bob Schneider

IDG/IDT	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Conference	Difference: Conference From FY 2011-12 YTD	
						Amount	%
	\$974,700	\$992,100	\$992,100	\$992,100	\$992,100	\$17,400	1.7
Federal	8,259,500	8,784,400	8,784,400	8,784,400	8,784,400	524,900	6.3
Local	455,800	264,300	264,300	264,300	264,300	(191,500)	(42.0)
Private	0	0	0	0	0	0	--
Restricted	53,870,300	72,271,500	69,751,500	72,271,500	49,389,500	(4,480,800)	(8.3)
GF/GP	1,950,939,100	1,982,185,600	1,945,453,900	1,909,608,900	1,941,485,600	(9,453,500)	(0.5)
Gross	\$2,014,499,400	\$2,064,497,900	\$2,025,246,200	\$1,991,921,200	\$2,000,915,900	(\$13,583,500)	(0.7)
FTEs	15,568.8	14,879.2	14,437.3	14,320.2	14,695.2	(873.6)	(5.6)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683.
(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

Overview

The Michigan Department of Corrections (MDOC) is responsible for the operation and maintenance of the state's 31 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 December 31, 2011, the Department was responsible for 115,926 Michigan offenders: 52,893 probationers, 42,904 prisoners, and 20,129 parolees.

Major Budget Changes From FY 2011-12 YTD Appropriations

1. Prison and Re-Entry Center Restructuring

Conference increases funding by \$10.8 million to implement a planned MDOC restructuring of current prison and re-entry facilities. Ryan Correctional Facility would be re-purposed as the Detroit Reentry Center to house parolees and parole violators, while a similar Tuscola County re-entry facility will be closed. In addition, to maintain prison bed space, the Muskegon Correctional Facility will be reopened. Overall, the changes add 290 regular prison beds and 884 re-entry beds to the system. Funding impacts are summarized below:

Action	FTEs	Funding Change
Convert Ryan to re-entry center	(117.4)	(\$11,799,000)
Close Tuscola re-entry center	(34.0)	(\$3,849,000)
Re-open Muskegon prison	209.4	\$22,948,000
Food service/transportation/health care	26.0	3,500,000

	FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
FTE	N/A	84.0
Gross	N/A	\$10,800,000
GF/GP	N/A	\$10,800,000

2. Utilization of Retired Correctional Custody Staff

Conference includes \$10.0 million GF/GP savings tied to the use of retired correctional officers to fill custody positions and reduce overtime usage by current officers. Amendments could be needed to the State Employees' Retirement Act to achieve the full projected savings.

Gross	N/A	(\$10,000,000)
GF/GP	N/A	(\$10,000,000)

3. Reclassification of Resident Unit Officer positions

Conference recognizes \$11.9 million in GF/GP savings related to the recent reclassification of 10-level resident unit officers back to the 9-level corrections officer classification. The action reduces salary and retirement costs for over 2,400 MDOC employees that had been classified as resident unit or medical unit officers.

Gross	N/A	(\$11,850,000)
GF/GP	N/A	(\$11,850,000)

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
4. Prison Savings - Perimeter Security Vehicle Assignments	FTE	10,240.9	(135.4)
<u>Conference</u> reduces funding by \$15.6 million GF/GP across prison facilities to reflect the elimination of 135.4 FTE custody positions that had been assigned to operate perimeter security vehicles to monitor the perimeter of various prison facilities. Represents 5.2 FTE positions at 26 different facilities that utilize an ARV for security purposes. <u>House</u> and <u>Senate</u> concurred with <u>Executive</u> proposal for \$13.2 million in GF/GP savings affecting 114.4 FTE positions.	Gross	\$1,097,527,600	(\$15,600,000)
	Federal	1,615,900	0
	Restricted	377,000	0
	GF/GP	\$1,095,534,700	(\$15,600,000)
5. Prison Savings - Facility and Regional Office Staffing	FTE	1,012.5	(93.8)
<u>Conference</u> reduces budget by \$7.2 million to recognize savings from proposed staffing changes in MDOC prisons and regional offices. Newberry Correctional Facility will be converted from a mixed Level I and II facility to a Secure Level I facility (reduction of 56.1 FTEs, \$3.5 million GF/GP). Level IV housing at the Alger Correctional Facility will be converted to Level II (8.7 FTEs, \$1.0 million GF/GP), and custody staffing efficiencies will be achieved at the Marquette Correctional Facility through the use of Level I prisoners within the prison kitchen (7.2 FTEs, \$750,000 GF/GP). In addition, further staffing savings will be achieved in the Southern regional office (25 FTEs, \$1.9 million GF/GP).	Gross	\$115,610,900	(\$7,150,000)
	GF/GP	\$115,610,900	(\$7,150,000)
6. General Prison Operations Savings	FTE	10,240.9	(28.0)
<u>Conference</u> reduces GF/GP authorization to each correctional facility line item by \$80,400 and 1.0 FTE position from Executive-recommended levels, which equates to total savings of \$2.3 million. Department would need to identify additional staffing reductions or operating efficiencies to achieve these savings. <u>House</u> had imposed 2% across-the-board savings totaling \$20.1 million, while <u>Senate</u> had cut 580.0 FTE positions to achieve \$58.8 million in GF/GP savings.	Gross	\$1,097,527,600	(\$2,251,200)
	Federal	1,615,900	0
	Restricted	377,000	0
	GF/GP	\$1,095,534,700	(\$2,251,200)
7. Other Prison Operation Savings Initiatives	FTE	10,240.9	0.0
<u>Conference</u> recognizes savings from various other MDOC savings proposals, including \$1.8 million in negotiated personnel contract savings, \$2.0 million assumed from bidding out for linens and prisoner clothing and reducing Michigan State Industries laundry operations, \$600,000 from converting to an electronic prison law library system, and \$500,000 from converting Assistant Resident Unit Supervisor positions to Prisoner Counselor positions (with lower pay scale) upon new attrition.	Gross	\$1,097,527,600	(\$4,900,000)
	Federal	1,615,900	0
	Restricted	377,000	0
	GF/GP	\$1,095,534,700	(\$4,900,000)
8. Reverse FY 2012 Budgeted Prison Operations Savings	Beds	1,750	(1,750)
<u>Conference</u> removes \$31.3 million in net GF/GP savings included in FY 2011-12 budget to be achieved through contracting for cost-effective housing of prisoners and through other prison operations savings and efficiencies. This includes the elimination of a \$47.9 million Cost Effective Housing Initiative appropriation to support payments to a third-party contractor as well as offsetting savings of \$79.2 million in the Inmate Housing Fund line item. Both line items are retained as \$100 placeholders. <u>House</u> had retained \$7.1 million in net savings related to a proposal to close the Michigan Reformatory and competitively bid for alternative bed space.	Gross	(\$31,326,500)	\$31,326,500
	GF/GP	(\$31,326,500)	\$31,326,500
9. County Jail Reimbursement Program	Gross	\$17,072,100	(\$2,000,000)
<u>Conference</u> concurs with <u>House</u> in reducing program funding by \$2.0 million to bring appropriations down closer to recent spending levels. Total reimbursement payments to counties for FY 2010-11 were just under \$13.0 million. No changes are proposed to eligibility and per diem reimbursement provisions in boilerplate.	Restricted	5,900,000	0
	GF/GP	\$11,172,100	(\$2,000,000)
10. Clinical Complexes - Prisoner Health Care Savings	Gross	\$159,582,100	(\$2,908,900)
<u>Conference</u> reduces appropriations for MDOC clinical complexes by \$2.9 million GF/GP. Action reflects that total spending for FY 2010-11 was \$140.5 million gross, which fell significantly below appropriated levels. <u>House</u> had proposed \$5.0 million reduction.	Restricted	354,900	0
	GF/GP	\$159,227,200	(\$2,908,900)

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
11. Prison Savings - Direct Prisoner Observation Duties	Gross	\$1,097,527,600	(\$2,200,000)
Reflects savings of \$2.2 million GF/GP attributable to use of trained prisoners, rather than custody staff, for direct and continuous observation duties for prisoners who display a self-injury or suicide risk. The policy change would reduce personnel costs, particularly overtime costs, that are often incurred when custody staff is used for direct observation.	Federal	1,615,900	0
	Restricted	377,000	0
	GF/GP	\$1,095,534,700	(\$2,200,000)
12. Prison Savings - Staffing Reductions	FTE	10,240.9	(32.8)
Eliminates a net 32.8 miscellaneous FTE positions across the state's prison facilities and within both regional administrative offices. Position adjustments are based on need, with some facilities gaining positions and others losing positions. Proposal results in total savings of \$2.4 million GF/GP.	Gross	\$1,097,527,600	(\$2,400,000)
	Federal	1,615,900	0
	Restricted	377,000	0
	GF/GP	\$1,095,534,700	(\$2,400,000)
13. Prison Savings - Issuance of Prisoner Clothing	Gross	\$1,097,527,600	(\$1,100,000)
Reduces funding by \$1.1 million GF/GP tied to reductions in the provision of state-issued clothing to prisoners. The Department will seek savings from both reductions in the standard set of clothing items issued to prisoners and from exploring the purchase of clothing from outside vendors rather than manufacturing clothing internally.	Federal	1,615,900	0
	Restricted	377,000	0
	GF/GP	\$1,095,534,700	(\$1,100,000)
14. Closure of Mound Correctional Facility	FTE	324.4	(324.4)
The Mound Correctional Facility in Detroit was closed in December 2011, and partial-year savings from the closure were included as part of the MDOC's FY 2011-12 contingency savings plan to achieve GF/GP savings in lieu of employee concessions. Budget includes \$34.1 million GF/GP in full-year savings from the closure, including \$27.3 million in direct savings from the facility line item, \$1.6 million from food service, \$845,200 in education savings, and \$4.3 million from health care.	Beds	1,062	(1,062)
	Gross	\$34,106,300	(\$34,106,300)
	GF/GP	\$34,106,300	(\$34,106,300)
15. Prisoner Phone Revenue – Special Equipment & Maintenance	Gross	\$0	\$4,300,000
Appropriates \$5.8 million in new restricted revenue from prisoner phone charges in the Special Equipment and Maintenance line item. New prisoner telephone contract will assess additional charges on prisoner calls with a portion of the revenue deposited into a Special Equipment Fund (SEF). Restricted revenue would be used for special security equipment such as tasers, ballistic vests, and contraband detection equipment. Combination of SEF revenue and reductions to normal equipment and maintenance spending result in \$1.5 million GF/GP savings.	Restricted	0	5,800,000
	GF/GP	\$0	(\$1,500,000)
16. Prisoner Phone Revenue – Capital Outlay	Gross	\$0	\$0
<u>Conference</u> rejects proposal to appropriate Special Equipment Fund revenue for capital outlay expenditures. <u>Senate</u> and <u>Executive</u> provided \$13.9 million in Special Equipment Fund revenue from prisoner phone charges to finance security-related capital outlay purchases. \$11.4 million would have been used to begin financing the replacement of personal protection equipment across the prison system. Another \$2.5 million would support the installation of new security cameras within two cell blocks at the Michigan Reformatory. <u>House</u> had concurred with personal protection equipment proposal, but removed \$2.5 million allocation for security cameras.	Restricted	0	0
	GF/GP	\$0	\$0
17. Field Operations Staff Reductions	FTE	2,173.9	(125.0)
<u>Conference</u> includes \$11.3 million GF/GP savings and reduction of 125.0 field operations staff positions related to supervision of parolees and probationers. <u>House</u> and <u>Senate</u> had concurred with <u>Executive</u> reductions of 115 FTE positions and \$10.0 million GF/GP that were initially included in MDOC's FY 2011-12 contingency plan issued in September 2011 by the State Budget Office to achieve GF/GP savings in lieu of employee concessions that did not materialize. <u>Conference</u> includes additional savings of \$1.0 million tied to the elimination of an additional 10 parole/probation agent positions and \$280,000 related to the conversion of around 300 agent positions to parole supervision assistant positions.	Gross	\$257,063,200	(\$11,280,000)
	Restricted	11,585,100	0
	Federal	144,200	0
	Local	455,800	0
	GF/GP	\$244,878,100	(\$11,280,000)

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
18. Other Field Operations Savings			
<u>Conference</u> reduces budget by \$450,000 and 11.0 FTE positions to recognize anticipated savings from expanded telephone reporting by offenders. MDOC will meet telephone reporting costs for offenders who are not able to meet the costs of using the system, thereby reducing staffing needs. MDOC reports that eligibility criteria for telephone reporting will not change. Also includes savings of \$650,000 and elimination of 2.0 FTE positions tied to the closure of Outer District parole office.	FTE	2,173.9	(13.0)
	Gross	\$257,063,200	(\$1,100,000)
	Restricted	11,585,100	0
	Federal	144,200	0
	Local	455,800	0
	GF/GP	\$244,878,100	(\$1,100,000)
19. Contingency Plan – Competitive Bidding of Prisoner Health Care and Mental Health Services			
Reduces funding by \$10.1 million GF/GP in anticipation of savings to be achieved through competitive bidding of prisoner health care services and mental health services currently delivered by state employees along with the operations of the Woodland Center Correctional Facility, which houses MDOC prisoners with serious mental illness. While no specific FTE reduction is proposed, the plan could impact around 1,948 positions currently funded in the budget. Proposal was also included as part of MDOC's FY 2011-12 contingency savings plan to achieve GF/GP savings in lieu of employee concessions.	FTE	1,948.2	0.0
	Gross	\$251,237,300	(\$10,133,100)
	Restricted	746,300	0
	GF/GP	\$250,491,000	(\$10,133,100)
20. Public Safety Initiative			
<u>Executive</u> adds \$4.5 million GF/GP to implement the Governor's announced public safety initiative related to local corrections. Funding would assist distressed communities, particularly the City of Flint, in purchasing jail bed space in neighboring counties to address backlogs of active warrants. <u>Conference</u> concurs with <u>House</u> in providing an additional \$250,000 to the appropriation.	Gross	\$0	\$4,750,000
	GF/GP	\$0	\$4,750,000
21. New Custody Staff Training			
<u>Conference</u> increases funding for new custody staff training costs by \$3.5 million GF/GP to support completion of training for 350 new corrections officers to meet attrition. <u>Executive</u> and <u>Senate</u> had provided \$4.5 million GF/GP increase, while <u>House</u> provided \$3.0 million GF/GP for this purpose. Base training budget for FY 2011-12 provides funding for around 200 trained officers. Funding primarily supports salary and payroll costs of new officers while they participate in training.	Gross	\$4,304,200	\$3,531,500
	GF/GP	\$4,304,200	\$3,531,500
22. Post-Closure Maintenance Costs			
<u>Conference</u> concurs with <u>Senate</u> in not including new funding for post-closure maintenance costs. <u>Executive</u> and <u>House</u> had added \$3.5 million to support maintenance costs related to closed correctional facilities and camps. This would include security, utilities, and other costs related to closed facilities as well as demolition costs to the extent that funds remained available.	Gross	\$0	\$0
	GF/GP	\$0	\$0
23. Neal Settlement Agreement			
Adds \$5.0 million to cover an increase in the required settlement payment arising from a lawsuit brought by female inmates alleging sexual harassment within MDOC facilities during the 1990s. Total payment will be \$20.0 million for both FY 2012-13 and FY 2013-14 before increasing to \$25.0 million for final payment in FY 2014-15.	Gross	\$15,000,000	\$5,000,000
	GF/GP	\$15,000,000	\$5,000,000
24. Information Technology Maintenance and Development			
Adds \$2.4 million GF/GP to cover the costs of information technology system development and maintenance. Around \$1.8 million will support additional contractual programming services related to MDOC offender assessment tools and interstate compact development. The remaining \$615,700 will support 6 additional programmer/analysts within the Department of Technology, Management and Budget (DTMB) to work on support and maintenance of existing MDOC systems.	Gross	\$22,382,800	\$2,445,500
	Restricted	805,900	0
	GF/GP	\$21,576,900	\$2,445,500

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
25. Prisoner Re-entry Programs	Gross	\$54,944,700	(\$3,910,000)
<u>Conference</u> reduces total funding for prisoner re-entry by \$3.9 million. <u>House</u> and <u>Senate</u> had concurred with <u>Executive</u> reduction of \$2.5 million. In addition, \$3.1 million is transferred into the prison facility line items to support prison program coordinators	Federal	1,035,000	0
	GF/GP	\$53,909,700	(\$3,910,000)
26. FTE Position Authorization Adjustments	FTE	N/A	(102.0)
<u>Conference</u> concurs with <u>House</u> in reducing FTE authorization by 128.0 positions in order to better align FTEs with actual staffing levels across several budget line items. In addition, budget adds 21.0 FTE positions to Ryan Correctional Facility line item and 5.0 FTE positions to Public Works Program line item to correct budget adjustments from last year.			
27. Public Works Restricted Revenue Adjustment	Gross	\$10,000,000	(\$9,000,000)
<u>Conference</u> reduces restricted revenue appropriations for prisoner public works programs by \$9.0 million. Program was revised last year to require public works beneficiaries to meet the full costs of providing public works services. Since the policy change, spending has fallen well below appropriated levels.	Federal	10,000,000	9,000,000
	GF/GP	\$0	\$0
28. Economic Adjustments	Gross	N/A	\$37,267,800
Includes \$37.3 million Gross (\$36.3 million GF/GP) to account for various economic adjustments related to personnel (salaries, insurance, retirement), building occupancy, worker's compensation, food and fuel costs.	IDG	N/A	13,500
	Federal	N/A	36,900
	Local	N/A	4,500
	Restricted	N/A	863,800
	GF/GP	N/A	\$36,349,100
29. One-Time Appropriations	Gross	\$0	\$14,355,400
<u>Executive</u> proposes one-time funding of \$1.1 million GF/GP for computerized document imaging equipment and the utilization of DTMB's File Net system for the digitization of prisoner files and \$13.2 million gross (\$12.9 million GF/GP) to cover lump-sum payments to state employees (in boilerplate section 1001). <u>Conference</u> concurs but appropriates in separate line item unit.	IDG	0	3,900
	Federal	0	83,400
	Local	0	1,300
	Restricted	0	263,500
	GF/GP	0	\$14,003,300
30. Anticipated FY 2013-14 Budget Changes			
Reflects anticipated increase from FY 2012-13 budget of \$37.6 million Gross (\$43.0 million GF/GP) for economic and facility utility cost adjustments net of reductions in capital outlay needs in FY 2013-14. (Boilerplate intent language only; would not be binding appropriation.)			

Major Boilerplate Changes From FY 2011-12

Sec. 219. Special Equipment Fund – REVISED

Executive adds new guidelines for Special Equipment Fund revenue derived from prisoner telephone charges. Provides that revenues be used for special equipment and security projects which include, but are not limited to, replacement of personal protection systems, acquisition of contraband detection systems, and critical facility repairs to protect the safety of the public, staff, and prisoners. Provides that unexpended funds be carried forward and be available for appropriation in subsequent fiscal years. Conference modifies language to eliminate critical facility repairs from the list of allowable uses and adds reporting requirement on revenues and spending from Special Equipment Fund.

Sec. 239. Management-to-Staff Ratio – REVISED

Expresses legislative intent that Department maintain management-to-staff ratio of 1 supervisor to for each 5 employees at Lansing central office and regional administration offices. Conference concurs with Senate in revising to "not more than" 1 supervisor to for each 5 employees.

Sec. 403a. Dashboard Indicators of Offender Success – REVISED

Requires collaboration between Department and stakeholders on development and utilization of "dashboard" indicators of offender success or failure. Conference amends current law to require continued efforts with technical assistance provided by the Justice Center of the Council of State Governments on establishing criteria and indicators.

Sec. 416. Felony Drunk Driver Jail Reduction and Community Treatment Program – REVISED

Establishes purposes of the felony drunk driver jail reduction and community treatment program, outlines process for development of program standards, and lists allowable program expenditures. Conference retains guidelines related to allowable expenditures, but eliminates other program guidelines.

Major Boilerplate Changes From FY 2011-12

Sec. 418. State Identification and Birth Certificates for Returning Prisoners – REVISED

Requires MDOC to collaborate with other state entities to develop processes to assist prisoners in obtaining state identification and their birth certificates and report on a plan to implement necessary process and policy changes. Conference eliminates provisions related to state identification that have been addressed through recent statutory changes.

Sec. 426. Prisoner Reintegration, Training, and Employment Programs – DELETED

Allocates \$600,000 to Michigan-chartered non-profit agencies to operate and expand public utility asset recovery recycling programs with at least 45% of employees returning to the community from incarceration.

Sec. 615. Report on Paroling of Lifers with Possibility of Parole – REVISED

Requires report from Parole Board with detailed explanation on why inmate who scores "high probability of release" is not being paroled. Conference amends language to require parole board to calculate parole guideline scores of each inmate and report on the specific reason any individual who scores "high probability of release" is not being paroled. Requires report to Legislature containing these reasons for each inmate.

Sec. 807. Prisoner Medications - REVISED

Requires MDOC to ensure all prisoner medications be transported with a prisoner upon transfer to another facility and requires the provision of at least a 30-day supply of medication and a prescription for refills when a prisoner is released. Conference amends language to require prisoners being released to "have access to" at least a 30-day supply of medication.

Sec. 814. Psychotropic Medications – NEW

Requires Department to assure that psychotropic medications are available, when deemed medically necessary by a licensed medical services provider, to prisoners with mental illness diagnoses but not enrolled in Corrections mental health services.

Sec. 924. Evaluation and Placement of Prisoners With Mental Illness – REVISED

Provides guidelines for treatment of prisoners with mental illness. Conference revises language to require evaluation of prisoners in therapeutic seclusion at a frequency defined in the Mental Health Code or every 12 hours, whichever requires more frequent evaluations. Current law required evaluations every 12 hours.

Sec. 935. Facility Closure Guidelines – DELETED

Establishes legislative intent that MDOC fully consider local economic impact when making determinations on facility closures and makes it a high priority to close a facility for which the local economic impact is minimized.

Sec. 935. Cost Effectiveness of Correctional Facilities – NEW

Requires MDOC to evaluate facilities in terms of cost effectiveness and to make determinations as to how long each facility should remain open; requires analysis of economic impact of closing obsolete facilities and provides that Department shall work with Michigan Economic Development Corporation and other entities to encourage private sector investment in affected communities.

Sec. 939. Competitive Bidding Provisions – REVISED

Requires competitive bidding for the privatization of the special alternative incarceration (SAI) facility at Camp Cassidy Lake. Conference modifies language to also require bidding of prison stores, food service, and up to 1,750 custody beds.

Sec. 943. Perimeter Security Measures – NEW

Establishes intent that the MDOC maintain sufficient perimeter security measures at prison facilities to ensure the safety of surrounding communities.

Sec. 945. Prohibition Against Restrictions on Prisoner Mentors – NEW

Requires MDOC to allow person acting as prisoner mentor to continue the mentoring relationship as that prisoner transitions back into the community during a parole term unless not in the best interest of the prisoner; prohibits MDOC policy from automatically disqualifying a mentor from continuing an established relationship during parole term.

Sec. 946. Faith-Based Programming – NEW

Prohibits Department from restricting access to programming or a qualified person providing programming because of the faith-based nature of the programming. Requires communication of a clear policy to key prison staff regarding the validity of faith-based programming.

Sec. 1009. Information Packet for Prisoner Families – NEW

Requires MDOC to create and annually update an information packet for families of incoming prisoners to be made available on the MDOC website. Language specifies packet content and encourages collaboration with families and advocacy groups.

Sec. 1011. Religious Cable Television Programming – NEW

Provides that MDOC accept in-kind services and equipment donations to facilitate the addition of a cable network that provides programming to address prisoner religious needs. Specifies added channels shall add no extra costs to the State.

Sec. 1201. Anticipated FY 2013-14 Appropriations

States legislative intent to provide appropriations for FY 2013-14, adjusting FY 2012-13 amounts based on economic and other factors.

FY 2012-13: DEPARTMENT OF EDUCATION
Summary: Conference Report
Article VI, House Bill 5365 (CR-1)



Analysts: Bethany Wicksall and Mark Wolf

IDG/IDT	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Conference	Difference: Conference From FY 2011-12 YTD	
						Amount	%
	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	244,074,400	246,894,300	244,551,300	244,551,300	244,551,300	476,900	0.2
Local	7,269,200	5,560,400	5,560,400	5,560,400	5,560,400	(1,708,800)	(23.5)
Private	3,133,400	2,828,700	2,828,700	2,828,700	3,078,700	(54,700)	(1.7)
Restricted	7,438,900	7,626,300	7,626,300	7,626,300	7,626,300	187,400	2.5
GF/GP	64,643,900	68,043,200	67,363,900	64,298,500	68,093,200	3,449,300	5.3
Gross	\$326,559,800	\$330,952,900	\$327,930,600	\$324,865,200	\$328,909,900	\$2,350,100	0.7
FTEs	596.0	594.5	586.5	588.5	590.5	(5.5)	(0.9)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683.
(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

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 2011-12 YTD Appropriations

1. Early Childhood Investment Corporation

Executive provides \$1.9 million federal funding to the Office of Great Start for funding for the Early Childhood Investment Corporation (ECIC) to support early childhood education program improvements through the 54 Great Start Collaboratives, to provide planning grants for the Children's Healthcare Access Program (CHAP), and to support the state's Tiered Quality Rating Improvement System (TQRIS), which provides assessments and professional development training for child care providers in the state.

House provides only \$1.0 million Gross (\$344,700 GF/GP).

Senate concurs with the increase of \$655,300 Federal, and moves the FY 2011-12 ECIC grant amount (\$12,723,000) and the \$655,300 increase into a new line item for early childhood programs, with boilerplate specifically stating that the funds shall not be administered by the ECIC. Funding and programs would instead be administered by the department.

Conference concurs on the \$655,300 Federal increase, and provides a \$172,400 GF/GP increase. Funding, primarily from the state's federal Child Care Development Fund (CCDF) allocation would continue to be administered by the ECIC.

	FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
Gross	\$12,723,000	\$827,700
Federal	12,723,000	655,300
GF/GP	\$0	\$172,400

2. State Aid to Libraries

Executive maintains current year funding levels.

House increases funding for State Aid to Libraries - distributed under 1977 PA 89 generally on a per-capita basis - by \$470,700 GF/GP.

Senate concurs with Executive.

Conference concurs with House and provides an additional increase of \$291,600.

	Gross	\$5,445,700	\$762,300
GF/GP	\$5,445,700	\$762,300	

Major Budget Changes From FY 2011-12 YTD Appropriations	FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
3. Michigan College Access Network		
<u>Executive</u> provides \$2.0 million GF/GP to the College Access and Outreach Unit (CAO), partially replacing lost federal funds, to enable the CAO, the Michigan College Access Network and its partners to continue to provide support to families preparing for college and to enable the continued placement of college advisors in urban and rural schools in the state.	FTE 6.0	(6.0)
<u>House</u> concurs with the Executive on the GF/GP, but removes unfunded FTE positions and excess federal funding authorization.	Gross \$4,322,400	(\$4,322,400)
<u>Senate</u> does not concur with Executive, eliminates funding and staffing.	Federal 4,322,400	(4,322,400)
<u>Conference</u> concurs with the Executive on the GF/GP, but removes unfunded FTE positions and excess federal funding authorization.	GF/GP \$0	\$2,000,000
4. Technology Infrastructure Grant Program		
<u>House</u> provides \$125,000 GF/GP and 1.0 FTE position in staff support to the Office of Grants Coordination and School Support Services to implement the technology infrastructure improvement grant program proposed in the House School Aid budget. The program would provide districts (and ISDs on behalf of constituent districts) with funds, totaling \$75.0 million, for the development or improvement of a district's technology infrastructure in preparation for the planned implementation in 2014-15 of online student achievement growth assessments. Grants would be capped at \$2.0 million per district, with grants awarded to ISDs on behalf of their constituent districts, if the ISD-wide grant provides savings over individual district grants.	FTE 67.6	1.0
<u>Senate</u> does not include.	Gross \$11,311,400	\$125,000
<u>Conference</u> concurs with the House on placing the position within the Office of Grants Administration and School Support Services to implement the technology infrastructure improvement grant and/or performance funding included in the School Aid budget.	Federal 10,715,700	0
	Local 11,700	0
	Restricted 71,700	0
	GF/GP \$512,300	\$125,000
5. Performance-Based Funding Initiative		
<u>Executive</u> provides \$125,000 GF/GP and 1.0 FTE position in staff support to the Bureau of Assessments and Accountability (BAA) to implement the performance funding program proposed in the School Aid Budget (Sec. 22f). The program would provide districts with incentive funds, totaling an estimated \$70.0 million, based on students' proficiency growth in grades 3-8 mathematics, grades 3-8 reading, and all subject areas for high school students.	FTE 64.1	1.0
<u>House</u> does not concur with Executive.	Gross \$11,635,000	\$125,000
<u>Senate</u> concurs with Executive. The Senate School Aid budget, however, provides \$40.0 million to districts based on assessment achievement growth for students in grades 2-11 taking a computer adaptive test during the Fall and Spring of the school year.	Federal 9,992,200	0
<u>Conference</u> includes the position in the Bureau of Assessment and Accountability.	GF/GP \$1,642,800	\$125,000
6. Charter School Oversight – Office of Field Services		
<u>Executive</u> provides \$250,000 GF/GP and 2.0 FTE positions to the Office of Field Services to provide continued levels of oversight and support of school districts and charter schools following the enactment of 2011 PA 270 (SB 618), which lifted the cap on university-authorized charter schools.	FTE 44.0	0.0
<u>House</u> does not concur with Executive.	Gross \$9,519,200	\$0
<u>Senate</u> concurs with Executive	Federal 8,748,300	0
<u>Conference</u> does not concur with Executive.	Private 572,100	0
	Restricted 53,000	0
	GF/GP \$145,800	\$0
7. Early Childhood Program Funding and Administration Report		
<u>Conference</u> modifies the provisions of a report on funding for early childhood programs (first proposed by the Senate) to also include a review of the administration of the early childhood "system". The conference committee adds \$250,000 Private and \$60,000 GF/GP for the Office of Great Start to fund the cost of the study	Gross N/A	\$310,000
	Private N/A	250,000
	GF/GP N/A	\$60,000

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
8. Office of State Aid and School Finance	FTE	7.5	2.0
<u>Conference</u> increases funding for the Office of State Aid and School Finance by \$250,000 to fund two additional FTE positions. Staffing and resources for the office have remained flat for several years, while its workload has increased in recent years due to an increase in the number of schools operating under deficit elimination plans.	Gross	\$1,023,400	\$250,000
	GF/GP	\$1,023,400	\$250,000
9. Persistently Lowest Achieving (PLA) Schools	FTE	64.1	2.0
<u>Executive</u> provides \$760,000 GF/GP to the Bureau of Assessment and Accountability, School Reform Office (SRO) to support reform/redesign activities of PLA schools not receiving federal School Improvement Grants (SIG), allowing the SRO to provide services commensurate with SIG-funded activities, including weekly monitoring, on-going learning, and technical assistance to PLA schools. Additionally, the funds would enable the SRO and the Office of Education Innovation and Improvement (OEII) to assist schools in closing the achievement gap between highest and lowest achieving districts (i.e. so-called "focus schools"), as provided for in the MDE's federal Elementary and Secondary Education Act (ESEA) flexibility waiver request.	Gross	\$11,635,000	\$885,000
<u>House</u> concurs with Executive.	Federal	9,992,200	0
<u>Senate</u> concurs with Executive.	GF/GP	\$1,642,800	\$885,000
<u>Conference</u> concurs with Executive-proposed increase of \$760,000 GF/GP and 1.0 FTE position, and adds an additional \$125,000 GF/GP and 1.0 FTE position.			
10. Michigan Schools for the Deaf and Blind (MSDB)	FTE	103.0	(27.0)
<u>Executive</u> reduces funding and staffing for the MSDB, following the recent sale of the MSDB's Flint campus to a private developer. The sale of the property has reduced the MSDB's property maintenance costs necessitating fewer capital expenses and maintenance staff. Enrollment declines in recent years have also necessitated fewer staff.	Gross	\$14,624,600	(\$2,088,000)
<u>House</u> concurs with Executive.	Federal	6,464,200	(45,000)
<u>Senate</u> concurs with Executive.	Local	7,181,000	(1,827,300)
<u>Conference</u> concurs with Executive.	Private	760,800	(215,700)
	Restricted	218,600	0
11. Charter School Oversight – Office of Education Innovation and Improvement	FTE	55.7	2.0
<u>Executive</u> provides \$250,000 GF/GP and 2.0 FTE positions to the Office of Education Innovation and Improvement for the administration of charter planning grants and continued levels of oversight and support of charter schools following enactment of 2011 PA 270 (SB 618), which lifted the cap on university-authorized charter schools. [These positions were added with 2012 PA 89.]	Gross	\$10,931,900	\$250,000
<u>House</u> concurs with Executive.	Federal	8,883,300	0
<u>Senate</u> concurs with Executive.	Private	573,300	0
<u>Conference</u> concurs with Executive.	Restricted	510,900	0
	GF/GP	\$964,400	\$250,000
12. Michigan Electronic Library (MeL) Database	Gross	\$950,000	\$800,000
<u>Executive</u> provides \$800,000 GF/GP for the Library of Michigan, to support the library's acquisition of business databases and other online resource programs for small businesses and entrepreneurs.	GF/GP	\$950,000	\$800,000
<u>House</u> concurs with Executive.			
<u>Senate</u> concurs with Executive.			
<u>Conference</u> concurs with Executive.			
13. Child Development and Care (CDC) Caseloads	Gross	\$159,155,700	(\$3,000,000)
<u>Executive</u> reduces funding for the child care assistance payments by \$3.0 million due changes in monthly caseloads and costs per case.	Federal	117,166,900	0
<u>House</u> concurs with Executive.	GF/GP	\$41,988,800	(\$3,000,000)
<u>Senate</u> concurs with Executive.			
<u>Conference</u> concurs with Executive. At the May Consensus Revenue Estimate Conference it was estimated that FY12 average monthly caseloads will be 27,860 at an average monthly cost of \$476, and FY13 average monthly caseloads will be 27,340 at an average monthly cost of \$476.			

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
14. CDC Program External Support	Gross	\$30,613,800	(\$655,300)
<u>Executive</u> provides for an economics adjustment, reducing funding support for an interdepartmental grant to the Department of Human Services for DHS responsibilities in CDC program administration by \$655,300. Also, offsets \$1,244,700 million federal with GF/GP, and using the federal funds to partially fund the increase for the ECIC.	Federal	30,613,800	(655,300)
<u>House</u> concurs with the funding reduction, but not the GF/GP fund shift.			
<u>Senate</u> concurs with the funding reduction, but not the GF/GP fund shift.			
<u>Conference</u> concurs with the funding reduction, but not the GF/GP fund shift.			
15. Federal Fund Shift	Gross	N/A	\$1,849,000
<u>Executive</u> includes an additional \$1.8 million from several federal fund sources previously appropriated in the budget of the Center for Education Performance and Information (CEPI) within the School Aid Budget. These federal funds are offset with GF/GP funds in the CEPI budget.	Federal	N/A	1,849,000
<u>House</u> concurs with Executive.			
<u>Senate</u> concurs with Executive.			
<u>Conference</u> concurs with Executive.			
16. State Aid Management System (SAMS)	Gross	\$3,511,000	\$125,000
<u>Executive</u> provides an additional \$125,000 for IT costs to support the maintenance of the State Aid Management System (SAMS), the department's new IT system used to disburse school aid payments to districts. The MDE fully migrated to the new system in July 2011. The additional funds support 1.0 FTE position included in the budget for the Department of Technology, Management, and Budget.	Federal	2,062,400	0
	Local	76,500	0
	Restricted	325,500	0
	GF/GP	\$1,046,600	\$125,000
<u>House</u> concurs with Executive.			
<u>Senate</u> concurs with Executive.			
<u>Conference</u> concurs with Executive.			
17. Economic Adjustments	Gross	N/A	\$3,782,500
<u>Executive</u> reflects increased costs of \$3.8 million Gross (\$730,500 GF/GP) for negotiated salary and wage increases, actuarially-required retirement rate increases and other economic adjustments for FY 2012-13, and provide \$1.5 million Gross (\$253,300 GF/GP) for FY 2013-14.	Federal	N/A	2,566,200
	Local	N/A	102,000
	Restricted	N/A	383,800
	GF/GP	N/A	\$730,500
<u>House</u> concurs with Executive, but revises economics adjust to account for the elimination of the staffing for the College Access Challenge Grant.			
<u>Senate</u> concurs with Executive, but revises economics adjust to account for the elimination of the staffing for the College Access Challenge Grant.			
<u>Conference</u> concurs with Executive, but revises economics adjust to account for the elimination of the staffing for the College Access Challenge Grant.			
18. One-Time Boilerplate Appropriations	Gross	N/A	\$674,300
<u>Executive</u> includes FY 2012-13 appropriation designated as "one-time" of \$624,300 Gross (\$114,100 GF/GP) for negotiated one-time lump sum payments to state employees. As part of their contract, unionized employees will receive a 1% lump sum payment, and Non-Exclusively Represented Employees (NEREs) will receive a 2% lump sum payment in October 2012.	Federal	N/A	429,100
	Local	N/A	16,500
	Restricted	N/A	64,600
	GF/GP	N/A	\$164,100
<u>House</u> concurs with Executive.			
<u>Senate</u> concurs with Executive.			
<u>Conference</u> concurs with Executive on the lump-sum payments, and provides an additional \$50,000 GF/GP for the Central Assessment Lending Library at Central Michigan University.			
19. Full-Time Equivalent (FTE) Positions Authorization	FTE	N/A	19.5
<u>Executive</u> adjusts FTE authorization for the Office of Assessment and Accountability (2.5 FTEs), the Office of Grants Coordination and School Support Services (14.0 FTEs), Office of Audits (1.0 FTE), and central support services (2.0 FTEs) to reflect the actual number of FTE positions within those line items. There is no associated funding change.	Gross	N/A	\$0
	GF/GP	N/A	\$0
<u>House</u> concurs with Executive.			
<u>Senate</u> concurs with Executive.			
<u>Conference</u> concurs with Executive.			

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
20. State Board of Education/Superintendent of Public Instruction	FTE	14.0	0.0
<u>Senate</u> unrolls the unclassified positions, listing the six positions individually, and reduces funding for State Board/Superintendent Operations by \$500,000.	Gross	\$3,031,500	\$0
<u>Conference</u> does not concur with the Senate. The conference maintains a single line item for unclassified positions, but reduces funding by \$9,600 Gross, and increases funding for State Board/Superintendent Operations by \$9,600 Gross.	Federal	345,900	0
	Private	28,100	0
	Restricted	647,700	0
	GF/GP	\$2,009,800	\$0

21. Anticipated FY 2013-14 Budget Changes

Executive provides \$1.5 million Gross (\$0.3 million GF/GP) for actuarially-required retirement rate increases and other economic adjustments for FY 2013-14. (Boilerplate intent language only; would not be binding appropriation.)

House concurs with Executive.

Senate concurs with Executive.

Conference concurs with Executive.

Major Boilerplate Changes From FY 2011-12

Sec. 207. Department Financial information – RETAINED

Requires MDE to maintain a searchable website accessible to the public which includes expenditures by category and appropriation unit, payments to vendors, the number of active employees by classification, and job specifications and wage rates. Executive (Sec. 20-205) places this requirement on the Department of Technology, Management, and Budget (rather than individual departments), and deletes language allowing MDE to develop its own website or to refer to a central website. House maintains current law. Senate maintains current law. Conference maintains current law.

Sec. 208. Personnel Records – RETAINED

Directs that MDE require districts to retain teacher personnel records regarding sexual misconduct. Executive deletes this section. House maintains current law. Senate maintains current law. Conference maintains current law.

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

Requires that MDE allow districts to appeal a determination of failure to meet AYP prior to MDE reporting those results. Executive deletes this section. House maintains current law. Senate maintains current law. Conference maintains current law.

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

Restricts out-of-state travel by MDE employees to certain circumstances. Executive deletes this section. House deletes the restrictions on out-of-state travel, and revises the report, requiring the date and costs of each trip by an MDE employee. Senate maintains current law. Conference maintains current law on the travel restrictions, and requires the report to identify travel for professional development conferences or training seminars.

Sec. 215. Out-of-State Travel for Professional Development – REVISED

Limits out-of-state travel to out of state professional development conferences or training seminars. Executive deletes this section. House deletes this section. Senate maintains current law. Conference maintains current law.

Sec. 217. Economically Distressed Areas – DELETED

Encourages MDE to contract with businesses located in economically distressed communities. Executive deletes this section. House deletes this section. Senate maintains current law. Conference deletes this section.

Sec. 220. Timely Data – REVISED

Requires MDE to provide data requested by legislators, legislative staff, and the fiscal agencies in a timely manner. Executive deletes this provision. House retains this provision and adds that a departmental office that fails to provide reasonably requested data within 30 days shall have 1% of its appropriation withheld. Senate maintains current law. Conference retains this provision and adds that the funding for the State Board/Superintendent operations shall be reduced by 1% of state funds if the department fails to provide reasonably requested data within 30 days, or fails to provide reports required by boilerplate or statute within 30 days of the due date.

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 this section. House maintains current law. Senate maintains current law. Conference maintains current law.

Sec. 226. Lapse Report – RETAINED

Requires MDE to report on the projected year-end General Fund lapse amounts for the prior fiscal year by November 15. Executive (Sec. 20-204) requires the report to be provided by report by November 30. House maintains current law. Senate maintains current law. Conference maintains current law.

Major Boilerplate Changes From FY 2011-12

Sec. 227. Restricted Funds Report – RETAINED

Requires MDE to provide a report to the Legislature on restricted fund revenues, expenditures, and balances for FY 2011-12 and FY 2012-13 within 14 days of the issuance of the FY 2013-14 Executive Recommendation. Executive (Sec. 20-206) requires the report be provided by the State Budget Office, rather than MDE. House maintains current law. Senate maintains current law. Conference maintains current law.

Sec. 228. Office Space Consolidation – NEW

House adds legislative intent language that the MDE comply with the office space consolidation plan by DTMB. Senate does not concur with House. Conference concurs with the House.

Sec. 229. State Education Reforms – RETAINED

Requires MDE and the superintendent to use funds appropriated in part 1 to ensure that its responsibilities under the school reform and redesign law (MCL 380.1280c) are carried out within the time required. Executive deletes this section. House maintains current law. Senate maintains current law. Conference maintains current law.

Sec. 230. Performance Outcomes – NOT INCLUDED

House adds language requiring MDE to develop performance metrics impacted by the expenditure of funds in part 1 and provide biannual reports to the Legislature on the progress in meeting those performance goals. Senate does not concur with House. Conference does not concur with House.

Sec. 501. Felony Conviction Files – RETAINED

Requires that MDE maintain professional personnel registry and certificate revocations/felony conviction files. Executive deletes this section. House maintains current law. Senate maintains current law. Conference maintains current law.

Sec. 601. Charter School Office – REVISED

Earmarks \$350,000 and 3.5 FTE positions to operate the charter schools office. Executive and House delete this section. Senate increases the earmark to \$600,000 and 5.5 FTE positions. Conference concurs with the Senate.

Sec. 701. Collaboration with the Center for Educational Performance and Information (CEPI) – DELETED

Directs MDE to work collaboratively with CEPI to support data collection. Executive and House delete this section. Senate maintains current law. Conference concurs with the Executive.

Sec. 803. Keep Library Functions Together – REVISED

Legislative intent that the State maintain the Library of Michigan and its component programs together in a state department. Executive deletes this section. House maintains current law. Senate maintains current law. Conference retains this section, but allows the genealogy collection to move elsewhere. (In recent months, the department has had ongoing discussions with the State Archives and interested stakeholders on moving the genealogy collection to the State Archives.)

Sec. 804. Library Collections – DELETED

Requires the MDE and the Library of Michigan to maintain custody of the non-Michigan genealogy and all Michigan-specific collections and continue to make these collections available to the public. Executive deletes this section. House maintains current law. Senate maintains current law. Conference concurs with Executive.

Sec. 902. College Access Program – REVISED

Current law designates college access program funds as a work project. Executive provides that funds appropriated for the college access program may be used to support (1) Michigan College Access Network operations, programming, and services to local college access networks; (2) local college access networks, which are community-based organizations that work to improve college participation and completion rates; (3) the Michigan College Access Portal, an online portal to help students and families plan and apply for college; (4) public awareness campaigns to encourage low-income and first-generation students to attend college; and (5) subgrants to post-secondary institutions to provide student mentors and college advisors to assist high school students in navigating the postsecondary planning and enrollment process. House concurs with Executive. Senate deletes current law, and does provide funding in FY 2012-13. Conference concurs with Executive.

Sec. 903. Online Education – RETAINED

Directs MDE to work with districts that operate a cyber school or an 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 this section. House maintains current law. Senate maintains current law. Conference maintains current law.

Sec. 1001. Number of Child Care Providers Report – RETAINED

Requires report on the number of childcare providers by type receiving payment for childcare services on October 1. (Previously included in the DHS budget this language applies now to the MDE with the transfer of the Child Development and Care Program from DHS to MDE.) Executive deletes this section. House maintains current law. Senate concurs with Executive. Conference maintains current law.

Sec. 1001. Early Childhood Program Grants – NOT INCLUDED

Senate states that funds for early childhood program grants shall be distributed to the extent allowable under federal law for the purpose of local or direct programming for early childhood participants. Funding is not to be administered by the Early Childhood Investment Corporation. Conference does not concur with Senate.

Major Boilerplate Changes From FY 2011-12

Sec. 1002. Early Childhood Programs Funding Study – NEW

Senate requires a report by the MDE on the source and funding of early childhood activities, the agency responsible for distributing funding, the recipients of funding, the number of children served, a "fiscal map" of federal, state, and private expenditures on programs and services for children through age 8 and their families, and an analysis of the effectiveness of early childhood programs in ensuring funding is used for services and the efficiency of funding spent on administration. The report, along with any recommendations, is to be submitted to the Legislature by May 15, 2013. Conference modifies the report to a review of the efficiency and effectiveness of the early childhood system, including a review of program administration and the role and responsibilities of the Office of Great Start and the Early Childhood Investment Corporation. The section also imposes a penalty of 1% of state funds on the Office of Great Start if the report is not transmitted to the Legislature when due.

Sec. 1003. Child Development and Care Program Report – DELETED

Requires a report on the amount of child care payments paid by parents in addition to the child care subsidy and the number of enrolled child care providers by reported annual household income. (Previously included in the DHS budget this language applies now to the MDE with the transfer of the Child Development and Care Program from DHS to MDE.) Executive deletes this section. House maintains current law. Senate concurs with Executive. Conference deletes this section.

Sec. 1003. Early Childhood Investment Corporation Annual Report – NEW

Conference adds language requiring the Early Childhood Investment Corporation (ECIC) to submit an annual report by February 15 for FY 2011 and FY 2012 detailing the amounts of grants award, grant recipients, the activities funded by each grant, an analysis of the work of each grantee. The section also requires ECIC contracts to be bid through a statewide RFP process.

Sec. 1005. Notification of CDC Eligibility Reduction or Elimination – DELETED

Requires DHS/MDE to immediately notify the client and child care provider when the client's eligibility is reduced or eliminated; requires continued payment to providers until provider receives notice; requires annual report on additional payments. (Previously included in the DHS budget this language applies now the MDE with the transfer of the Child Development and Care Program from DHS to MDE.) Executive deletes this section. House maintains current law. Senate concurs with Executive. Conference deletes this section.

Sec. 1201. Anticipated FY 2013-14 Appropriations – NEW

House, Senate, and Conference add language for legislative intent to provide appropriations for FY 2013-14, adjusting FY 2012-13 amounts based on economic and other factors. (See item 18 under Major Budget Changes for specific anticipated appropriation adjustments.)

FY 2012-13: DEPARTMENT OF ENVIRONMENTAL QUALITY
Summary: Conference Report
Article VII, House Bill 5365 (CR-1)



Analyst: Viola Bay Wild

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Conference	<i>Difference: Conference From FY 2011-12 YTD</i>	
						<i>Amount</i>	<i>%</i>
IDG/IDT	\$12,615,200	\$9,021,200	\$9,021,200	\$9,021,200	\$9,021,200	(\$3,594,000)	(28.5)
Federal	160,757,400	161,687,500	161,687,500	161,687,500	161,687,500	930,100	0.6
Local	0	0	0	0	0	0	--
Private	725,800	533,200	533,200	533,200	533,200	(192,600)	(26.5)
Restricted	226,510,400	230,881,300	230,452,400	230,233,000	230,375,600	3,865,200	1.7
GF/GP	28,378,300	29,405,000	29,072,000	30,053,300	29,812,400	1,434,100	5.1
Gross	\$428,987,100	\$431,528,200	\$430,766,300	\$431,528,200	431,429,900	\$2,442,800	0.6
FTEs	1,340.5	1,347.8	1,327.5	1,328.8	1,327.5	(13.0)	(1.0)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683.
(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.
(3) House totals do not include \$300,000 restricted funding appropriated by boilerplate in Section 307.

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.

		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
Major Budget Changes From FY 2011-12 YTD Appropriations			
1. Funding Authorization Reductions	Gross	N/A	(\$5,288,800)
<u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>Conference</u> reduce funding authorization by \$5.3 million to align with anticipated revenues. Federal funding reduced by \$1.6 million, restricted by \$3.1 million, private by \$200,000, and IDG by \$380,000. Restricted funds reduced include Water Analysis Fees, Great Lakes Protection Fund, Stormwater Permit Fees, and Environmental Protection Bond Fund, and Environmental Response Fund, among others.	IDG	N/A	(380,000)
	Federal	N/A	(1,561,600)
	Private	N/A	(200,000)
	Restricted	N/A	(3,147,200)
2. GF/GP Reduction	Gross	N/A	\$0
<u>House</u> includes \$333,000 GF/GP reduction throughout various line items for a net GF/GP reduction of 1.32% from the Executive recommendation.	GF/GP	N/A	\$0
3. FTE Reduction	FTE	N/A	(19.0)
<u>House</u> , <u>Senate</u> , and <u>Conference</u> include a reduction of 19.0 FTE authorizations from various line items; these FTEs no longer had funding associated with the positions.	Gross	N/A	\$0
	Restricted	N/A	0
4. State-Owned Sites Cleanup Program	Gross	\$4,400,000	(\$4,400,000)
<u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>Conference</u> eliminate one-time \$4.4 million restricted funding of the State Site Cleanup Fund from previous year for cleanups of high risk sites where the State is responsible for the contamination.	Restricted	4,400,000	(4,400,000)
5. Wetlands Funding	Gross	\$2,000,000	(\$1,500,000)
<u>Executive</u> eliminates Environmental Protection Fund funding of \$2.0 million because funds are no longer available and replaces funding with \$500,000 federal support and a one-time \$1.5 million GF/GP boilerplate appropriation. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur, but appropriate the \$1.5 million one-time GF/GP funding in new line item (the \$1.5 million GF/GP is shown in item #18 below).	Federal	0	500,000
	Restricted	2,000,000	(2,000,000)
	GF/GP	\$0	\$0

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
6. Cost Allocation Adjustment	Gross	N/A	\$0
<u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>Conference</u> adjust funding to reflect cost allocation changes from FY 2011-12.	IDG	N/A	(52,000)
	Federal	N/A	(367,100)
	Restricted	N/A	419,100
7. Leaking Underground Storage Tanks (LUST) Cleanups	Gross	\$20,000,000	\$10,000,000
<u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>Conference</u> include additional \$10.0 million Refined Petroleum Fund (RPF) revenue for cleanup work at LUST sites. Funding is available by replacing \$10.0 million of RPF revenues currently used for debt service in Treasury with GF/GP funding.	Restricted	20,000,000	10,000,000
8. MiWaters Data System Project	Gross	\$3,200,000	(\$1,200,000)
<u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>Conference</u> provide \$2.0 million funding from Land and Water Permit Fees Fund to upgrade the National Pollutant Discharge Elimination Management System and combine it with Coastal and Inland Waters Permit Information System (CIWPIS) to form new MiWaters data system. Eliminates \$3.2 million funding for CIWPIS in FY 2011-12.	Restricted	3,200,000	(1,200,000)
9. Drinking Water Revolving Fund (DWRP) Program	Gross	N/A	\$2,500,000
<u>Executive</u> includes \$2.5 million GF/GP for DWRP program to provide state match to secure federal funding for infrastructure loans for public water facilities. An additional one-time GF/GP appropriation of \$2.5 million is provided through boilerplate. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur, but appropriate \$2.5 million one-time GF/GP funding in new line item (additional \$2.5 million shown in item #18 below).	GF/GP	N/A	\$2,500,000
10. State Revolving Fund Program Staff	FTE	N/A	5.0
<u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>Conference</u> include \$725,000 funding from the Strategic Water Quality Initiative Fund and 5.0 FTE positions for new cleanup program for sewer improvement projects.	Gross	N/A	\$725,000
	Restricted	N/A	725,000
11. Great Lakes Compact Council	Gross	N/A	\$50,000
<u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>Conference</u> provide \$50,000 GF/GP to help fund administrative costs of the Great Lakes Compact Council.	GF/GP	N/A	\$50,000
12. Nonferrous Metallic Mining Funding	FTE	N/A	1.0
<u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>Conference</u> provide \$100,000 funding from the Nonferrous Metallic Mineral Surveillance Fund and 1.0 FTE position for the nonferrous metallic mining program.	Gross	N/A	\$100,000
	Restricted	N/A	100,000
13. Large Quantity Water Withdrawal Fee Increase	FTE	N/A	0.0
<u>Executive</u> includes additional 1.25 FTE positions and \$103,900 restricted funding authorization. \$648,300 estimated to be realized through a 25% increase in the large quantity water withdrawal annual fee (from \$200 to \$250) and extension of the fee to agricultural sector. New revenue would replace \$325,000 CMI funding and fund the current year unfunded authorization of \$219,400. <u>House</u> does not include fee increase revenues or the additional 1.25 FTE authorization and eliminates the \$325,000 CMI funding that is no longer available. <u>Senate</u> does not include increased fee revenues, but replaces the \$648,300 anticipated restricted revenues with GF/GP funding and includes 1.25 additional FTE positions for program in lieu of the fee increase. <u>Conference</u> does not include fee increase or additional 1.25 FTE positions, but eliminates \$325,000 CMI funding, \$219,400 unfunded authorization, and includes \$350,000 GF/GP funding.	Gross	N/A	(\$194,400)
	Restricted	N/A	(544,400)
	GF/GP	N/A	\$350,000
14. FY 2011-12 Contingency Plans Funding	Gross	N/A	(\$81,600)
<u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>Conference</u> include reduction of \$81,600 GF/GP funding as part of an employee concessions contingency plan for FY 2011-12.	GF/GP	N/A	(\$81,600)
15. Muskegon Cleanup Site One-Time Appropriation	Gross	\$6,000,000	(\$6,000,000)
<u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>Conference</u> eliminate one-time funding of \$6.0 million GF/GP for Muskegon cleanup site appropriated through boilerplate in FY 2011-12.	GF/GP	\$6,000,000	(\$6,000,000)

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
16. Other Post-Employment Benefits (OPEB) FY 2011-12 GF/GP Relief Adjustment	Gross	N/A	\$0
<u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>Conference</u> include adjustments to replace the one-time IDG funding relief of \$3.5 million for OPEB costs in FY 2011-12.	IDG	N/A	(3,293,400)
	Federal	N/A	1,393,800
	Restricted	N/A	1,899,600
	GF/GP	N/A	\$0
17. Unclassified Salaries	Gross	\$500,000	\$200,000
<u>Conference</u> includes \$200,000 funding for the Unclassified Salaries line item.	Restricted	356,400	142,600
	GF/GP	\$143,600	\$57,400
18. One-Time Appropriations	Gross	N/A	\$5,549,200
<u>Executive</u> includes the following one-time appropriations in boilerplate for FY 2012-13:	IDG	N/A	48,800
• \$1.5 million Gross (\$160,100 GF/GP) for negotiated one-time lump sum payments to state employees.	Federal	N/A	415,700
• \$2.5 million Gross and GF/GP for Drinking Water Revolving Fund state match program.	Private	N/A	4,200
• \$1.5 million Gross and GF/GP for Wetlands Program.	Restricted	N/A	920,400
<u>House</u> , <u>Senate</u> , and <u>Conference</u> concur, but appropriate funding in a new line item unit.	GF/GP	N/A	\$4,160,100
19. Economic Adjustments	Gross	N/A	\$1,983,400
<u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>Conference</u> reflect increased costs of \$2.0 million Gross (\$398,200 GF/GP) for negotiated salary and wage increases, actuarially-required retirement rate increase, reduced employer health insurance costs due to 20% employee contribution, and other economic adjustments.	IDG	N/A	82,600
	Federal	N/A	549,300
	Private	N/A	3,200
	Restricted	N/A	950,100
	GF/GP	N/A	\$398,200
20. Anticipated FY 2013-14 Budget Changes			
<u>House</u> reflects anticipated increase from FY 2012-13 budget of \$4.5 million Gross (\$490,400 GF/GP) for economic adjustments in FY 2013-14 and a decrease of \$2.0 million restricted funding for MiWaters data system (Boilerplate intent language only; would not be binding appropriation.)			

Major Boilerplate Changes From FY 2011-12

Sec. 204. Civil Service Charges – RETAINED

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

Sec. 206. IT Work Project Appropriations – RETAINED

Designates IT appropriations as work projects; allows carry-forward of funding. Executive and Senate delete language; House and Conference retain language.

Sec. 208. DMTB IT User Fees – RETAINED

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

Sec. 209. Out-of-State Travel Report – NEW

House and Conference include language that requires Department to report out-of-state travel expenses annually.

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. Administrative Rule Promulgation – RETAINED

Prohibits DEQ to adopt a rule that will apply to a small business if it has a disproportionate economic impact. Executive deletes language; House, Senate, and Conference retain language.

Sec. 218. Office Space Consolidation Plan – NEW

House and Conference include legislative intent language that the Department work with DTMB to develop and implement a statewide office space consolidation plan.

Sec. 223. FTE Report by Line Item – RETAINED

Requires DEQ to report on the number of funded FTEs and number of FTEs funded by line item. Executive deletes language; House, Senate, and Conference retain language.

Major Boilerplate Changes From FY 2011-12

Sec. 224. Quarterly FTE Report – RETAINED

Requires DEQ to report on the number of FTEs in pay status; report required quarterly. Executive deletes language; House, Senate, and Conference retain language.

Sec. 225. Expenditure Posting on Internet – RETAINED

Requires expenditures to be posted by the Department on the internet on a searchable website. Executive revises language to require DTMB to post expenditures; House and Conference retain current-year language; Senate deletes language.

Sec. 227. Permit Application Status Tracking Tool – REVISED

Requires report on implementation of a permit application tracking tool on DEQ website. Executive deletes language; House and Conference revise language to require report listing actions and program changes taken to implement the tracking tool, plan and timeline for implementation, and any estimated costs; Senate retains current language.

Sec. 228. Customer Satisfaction Evaluation Program – REVISED

Requires DEQ to develop a customer satisfaction evaluation program; requires report. Executive deletes language; House, Senate, and Conference revise language to require report on program and feedback the Department received.

Sec. 229. Expedited Permitting Program – REVISED

Requires report identifying specific permit programs for which an expedited permitting option could be developed. Executive deletes language; House and Conference revise language to require report listing actions and program changes taken to implement the program, plan and timeline for implementation, and any estimated costs; Senate retains current language.

Sec. 230. Measurable Outcomes Report – NEW

House and Conference include language requiring report identifying 10 principal measurable outcomes of budget expenditures.

Sec. 305. Refined Petroleum Fund – RETAINED

States legislative intent to restore \$70.0 million Refined Petroleum Fund transferred to General Fund in FY 2006-07. Executive deletes language; House, Senate, and Conference retain language.

Sec. 306. Refined Petroleum Fund Cleanup Site List – REVISED

Lists cleanup projects funded through the Refined Petroleum Product Cleanup Program. Executive deletes language; House, Senate, and Conference revise language to include new list of authorized cleanup sites. Senate and Conference include new language requiring report.

Sec. 307. Engineering Study Appropriation – NEW

House and Conference include language that appropriates \$300,000 CMI funding for an engineering study concerning the Wickes Manufacturing TCE plume site.

Sec. 309. Brownfield Grants and Loans Program Work Projects – RETAINED

Provides work project status to Part 1 funds for brownfield grants and loans programs. Executive and House delete language; Senate and Conference retain current language.

Sec. 310. Bonding Language – NEW

Conference includes language that allows DEQ, upon approval by State Budget Director, to expend GF/GP funding to meet cash flow requirements of projects financed by bond proceeds if bonds have not yet been authorized; funding will be repaid to GF/GP when bonds have been sold.

Sec. 311. Tax Exemption Certificates – DELETED

Requires DEQ to enter into an MOU with Treasury on tax exemption certificates concerning air and water pollution equipment. Executive, House, Senate, and Conference delete language.

Sec. 401. Aquatic Nuisance Control (ANC) – REVISED

Requires \$100,000 be allocated to fund the one additional FTE position for ANC program added in FY 2011; requires report. Executive deletes language; House retains language; Senate and Conference revises language to require that \$700,000 and 5 FTEs be allocated to the program.

Sec. 402. 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.

Sec. 404. Water Withdrawal Assessment Program – NOT INCLUDED

Senate includes language that requires DEQ to work with an agricultural industry group to recommend a long-term funding solution to the Water Withdrawal Assessment Program; requires report.

Sec. 601. Solid Waste Program Report – REVISED

Requires report on the Department's Solid Waste Management Program and policies. Report shall include options for long-term funding, the impact of recycling, composting, and beneficial reuse, as well as the feasibility of contracting out landfill inspections. Executive deletes language; House and Conference revise language to require report that includes plan for long-term funding and all actions and program changes taken to implement recommendation of 2012 report; Senate retains current language.

Major Boilerplate Changes From FY 2011-12

Sec. 602. Clean Sweep Program – NEW

House and Conference include new language encouraging the Department to work with local public health departments, the Department of Agriculture and Rural Development, and the USDA to maintain and expand the clean sweep program for safe disposal of hazardous household chemicals and drugs; requires report.

Sec. 1001. One-Time Basis Appropriation – NOT INCLUDED

Executive includes language that appropriates \$1.5 million Gross (160,100 GF/GP) for state employee lump sum payments, \$2.5 million GF/GP for Drinking Water Revolving Fund state match, and \$1.5 million GF/GP for wetlands program; funding is on a one-time basis only. House, Senate, and Conference do not include boilerplate language, but appropriate funding in a new line item unit.

Sec. 1201. Anticipated FY 2013-14 Appropriations – RETAINED

House includes language that states legislative intent to provide appropriations for FY 2013-14, adjusting FY 2012-13 amounts based on economic and other factors. (See item 20 under Major Budget Changes for specific anticipated appropriation adjustments.) Senate and Conference include current language and updates years.

**FY 2012-13: TOTAL GENERAL GOVERNMENT
Summary: Conference Report
Article VIII, House Bill 5365 (CR-1)**



Analyst: Robin R. Risko and Ben Gielczyk

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Conference	<i>Difference: Conference From FY 2011-12 YTD</i>	
						<i>Amount</i>	<i>%</i>
IDG/IDT	\$689,218,400	\$692,338,500	\$692,338,500	\$692,338,500	\$692,338,500	\$3,120,100	0.5
Federal	769,753,400	722,234,100	722,234,100	722,234,100	722,234,100	(47,519,300)	(6.2)
Local	8,109,500	8,007,000	8,007,000	8,007,000	8,007,000	(102,500)	(1.3)
Private	985,600	5,989,000	5,989,000	5,989,000	5,989,000	5,003,400	507.7
Restricted	1,773,984,000	1,868,956,100	1,882,956,100	1,869,254,900	1,889,816,800	115,832,800	6.5
GF/GP	875,464,100	943,746,200	888,754,100	938,678,400	990,978,300	115,514,200	13.2
Gross	\$4,117,515,000	\$4,241,270,900	\$4,200,278,800	\$4,236,501,900	\$4,309,363,700	\$191,848,700	4.7
FTEs	8,159.2	7,783.7	7,785.7	7,783.7	7,766.7	(392.5)	(4.8)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683, 2012 PA 64.
(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

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 the Bureau of State Lottery, Michigan Gaming Control Board, Michigan Strategic Fund - Michigan State Housing Development Authority, Revenue Sharing, and Debt Service). **Budget issues are listed by department on the following pages.**

Major Boilerplate Changes From FY 2011-12

GENERAL SECTIONS OF BOILERPLATE

Sec. 206. Transparency Website – REVISED

Requires departments and agencies to maintain searchable websites accessible to 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 revises language to transfer responsibility of the websites from the departments and agencies to DTMB. House retains current law. Senate concurs with Executive. Conference concurs with Executive and adds a requirement for quarterly updates.

Sec. 211. Budget Stabilization Fund – REVISED

Shows calculation used to determine pay-in/pay-out amount to/from Budget Stabilization Fund, required by Section 352 of Management and Budget Act, 1984 PA 431. Executive requires a deposit of \$130.0 million into the fund in FY 2012-13. House concurs with Executive. Senate concurs with Executive. Conference requires a deposit of \$140.0 million.

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

Limits out-of-state travel; authorizes the State Budget Director to grant exceptions to allow travel; requires a monthly report on the number of exceptions granted. Executive deletes. House deletes this section, but includes new language which requires departments and agencies to report on out-of-state travel expenses, listing all travel by all employees outside of this state that is funded in whole or in part with funds appropriated to the departments/agencies. Senate retains current law. Conference includes revised House language.

Sec. 221. Reduce Impact of Rules on Small Businesses – DELETED

Prohibits use of funds to prepare regulatory plans or to promulgate rules that fail to reduce the disproportionate economic impact on small businesses. Executive deletes. House retains current law. Senate deletes. Conference deletes.

Sec. 231. Full-Time Equated Position Report – NEW

Requires departments and agencies to provide a detailed report on the number of actual full-time equated and part-time positions within each department; requires the report to include total compensation appropriated for each position. Executive and Senate do not include. House includes. Conference includes a revised version of the new House language - intent language that departments and agencies properly account for their spending and do not use FTE positions as placeholders for spending in other parts of their budgets with reporting requirement.

Major Boilerplate Changes From FY 2011-12

Sec. 232. Metrics – NEW

Requires departments and agencies to identify and rank by importance 10 measurable outcomes to be affected by expenditure of appropriations; requires biannual updates on the measurable outcomes; requires 5 measurable outcomes, rather than 10, for smaller departments/agencies. Executive and Senate do not include. House and Conference include.

Sec. 233. Spending Authorization for Special Maintenance – NEW

Authorizes appropriation of federal and state restricted funds up to the amounts that will be earned based on initiatives undertaken with funds appropriated for special maintenance, remodeling, and additions for state facilities. Executive includes in DTMB. House includes in DTMB. Senate includes in DTMB. Conference includes in General Sections instead of in DTMB.

Sec. 234. Spending Authorization for Enterprisewide Information Technology Investments – NEW

Authorizes appropriation of federal and state restricted funds up to the amounts that will be earned based on initiatives undertaken with funds appropriated for enterprisewide information technology investments. Executive includes in DTMB. House includes in DTMB. Senate includes in DTMB. Conference includes in General Sections instead of in DTMB.

FY 2011-12 ONE-TIME ONLY APPROPRIATIONS

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

Appropriates \$136.3 million in GF/GP revenue and \$30.0 million in sales tax revenue on a one-time basis only in FY 2011-12. Executive deletes. House deletes. Senate deletes. Conference deletes.

FY 2013-2014 ANTICIPATED APPROPRIATIONS

Sec. 1201. Anticipated Appropriations – NEW

States legislative intent to provide appropriations for FY 2013-14, adjusting FY 2012-13 amounts based on economic and other factors. Executive does not include. House includes and lists adjustment amounts for each applicable department/agency. Senate includes intent language, but does not include adjustment amounts. Conference concurs with Senate.

FY 2012-13: DEPARTMENT OF ATTORNEY GENERAL
Summary: Conference Report
Article VIII, House Bill 5365 (CR-1)



Analyst: Robin R. Risko

IDG/IDT	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Conference	Difference: Conference From FY 2011-12 YTD	
						Amount	%
	\$23,007,400	\$24,082,100	\$24,082,100	\$24,082,100	\$24,082,100	\$1,074,700	4.7
Federal	9,299,900	9,932,600	9,932,600	9,932,600	9,932,600	632,700	6.8
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	16,282,700	17,242,000	17,242,000	17,242,000	17,242,000	959,300	5.9
GF/GP	29,836,300	33,690,500	33,357,500	33,690,500	33,825,800	3,989,500	13.4
Gross	\$78,426,300	\$84,947,200	\$84,614,200	\$84,947,200	\$85,082,500	\$6,656,200	8.5
FTEs	520.0	513.0.0	513.0	513.0	514.0	(6.0)	(1.2)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683, 2012 PA 64.
(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

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.

Major Budget Changes From FY 2011-12 YTD Appropriations

1. Public Safety Initiative - Cities in Distress

Executive includes an additional \$900,000 GF/GP for prosecutorial services to reduce the backlog of outstanding warrants in high crime areas of the state and to increase prosecutions and incarceration of offenders. House includes an additional \$890,800 GF/GP. The difference between the Executive and House is \$9,200, which is reduced from the Executive recommendation in order to meet House GF/GP targets. Senate concurs with Executive. Conference concurs with Executive and includes an additional FTE position.

	FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
FTE	N/A	1.0
Gross	N/A	\$900,000
GF/GP	N/A	\$900,000

2. Tobacco Tax Enforcement

Executive includes additional FTE positions and funding to support enforcement of tobacco tax laws and enforcement of the multi-state tobacco settlement agreement. House concurs. Senate concurs. Conference concurs.

FTE	N/A	5.0
Gross	N/A	\$500,000
GF/GP	N/A	\$500,000

3. Information Technology

Executive includes an additional \$500,000 GF/GP to cover deficits in information technology appropriations which have existed for the past six fiscal years. House includes an additional \$486,000 GF/GP. The difference between the Executive and House is \$14,000, which is reduced from the Executive recommendation in order to meet House GF/GP targets. Senate concurs with Executive. Conference concurs with Executive.

Gross	\$781,600	\$500,000
GF/GP	\$781,600	\$500,000

		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
<u>Major Budget Changes From FY 2011-12 YTD Appropriations</u>			
4. Full-Year Savings from Announced Contingency Plan	FTE	N/A	(12.0)
<u>Executive</u> reflects full-year savings anticipated from the contingency plan issued in September 2011. The plan was introduced to achieve savings in lieu of state employee concessions that did not materialize. Funded vacant FTE positions are eliminated as part of the plan. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Gross	N/A	(\$1,298,000)
	IDG	N/A	(729,000)
	Federal	N/A	(120,000)
	Restricted	N/A	(409,000)
	GF/GP	N/A	(\$40,000)
	Gross	N/A	\$164,800
	Restricted	N/A	164,800
5. Additional Attorney for Casino Regulation			
<u>Executive</u> includes additional State Casino Gaming Fund revenue to support an attorney position which will assist the illegal gambling task force with legal matters relating to the identification and investigation of illegal gambling operations. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.			
6. Eliminate Funding for Redistricting	Gross	\$250,000	(\$250,000)
<u>Executive</u> eliminates one-time funding included in the FY 2011-12 budget for legal activities associated with defending Michigan's redistricting plan. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	GF/GP	\$250,000	(\$250,000)
7. Transfer Funding to Unclassified Positions	Gross	N/A	\$0
<u>Executive</u> transfers \$88,400 from the Attorney General Operations line item to the Unclassified Positions line item to cover costs of salary increases (\$68,400 for Solicitor General and \$20,000 for the other four unclassified positions). <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	GF/GP	N/A	\$0
8. Economic Adjustments	Gross	N/A	\$4,978,200
<u>Executive</u> includes \$5.0 million Gross (\$1.9 million GF/GP) for negotiated salary and wage increases, the actuarially-required retirement rate increase, reduced employer health insurance costs due to the 20% employee contribution, increased building occupancy and rent charges, and reduced workers' compensation costs. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	IDG	N/A	1,457,300
	Federal	N/A	632,300
	Restricted	N/A	1,037,700
	GF/GP	N/A	\$1,850,900
9. GF/GP Reductions	Gross	N/A	\$0
<u>House</u> reduces \$287,400 GF/GP from Attorney General Operations, \$8,400 GF/GP from Child Support Enforcement, and \$14,000 GF/GP from PACC in order to meet House GF/GP targets. <u>Senate</u> does not include GF/GP reductions. <u>Conference</u> does not include GF/GP reductions.	GF/GP	N/A	\$0
10. One-Time Appropriations - Employee Lump Sum Payments	Gross	N/A	\$1,025,900
<u>Executive</u> includes a one-time appropriation, in boilerplate section 2-301, of \$1.0 million Gross (\$393,300 GF/GP) for the negotiated one-time lump sum payments to state employees. <u>House</u> concurs, but appropriates the funding in a line item. <u>Senate</u> concurs with House. <u>Conference</u> concurs with House.	IDG	N/A	297,300
	Federal	N/A	122,600
	Restricted	N/A	212,700
	GF/GP	N/A	\$393,300
11. Unclassified Positions	Gross	N/A	\$135,300
<u>Conference</u> includes additional funding for unclassified positions in an effort to provide adequate funding for the 6.0 unclassified positions that are authorized in Article XI, Section 5 of the State Constitution.	GF/GP	N/A	\$135,300
12. Anticipated FY 2013-14 Budget Changes			
<u>House</u> , <u>Senate</u> , and <u>Conference</u> include an anticipated increase in funding from the FY 2012-13 levels of \$2.0 million Gross (\$745,300 GF/GP) for economic adjustments in FY 2013-14. (Boilerplate intent language only; would not be binding appropriations.)			

Major Boilerplate Changes From FY 2011-12

Sec. 1201. Anticipated FY 2013-14 Appropriations – NEW

States legislative intent to provide appropriations for FY 2013-14, adjusting FY 2012-13 amounts based on economic and other factors. (See item #12 under Major Budget Changes for specific anticipated appropriation adjustments.)

FY 2012-13: DEPARTMENT OF CIVIL RIGHTS
Summary: Conference Report
Article VIII, House Bill 5365 (CR-1)



Analyst: Robin R. Risko

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Conference	Difference: Conference From FY 2011-12 YTD	
						Amount	%
IDG/IDT	\$144,500	\$0	\$0	\$0	\$0	(\$144,500)	(100.0)
Federal	2,880,600	2,641,300	2,641,300	2,641,300	2,641,300	(239,300)	(8.3)
Local	0	0	0	0	0	0	--
Private	18,700	18,700	18,700	18,700	18,700	0	0.0
Restricted	151,900	151,900	151,900	151,900	151,900	0	0.0
GF/GP	11,187,100	11,520,700	11,406,500	11,520,700	11,953,600	766,500	6.9
Gross	\$14,382,800	\$14,332,600	\$14,218,400	\$14,332,600	\$14,765,500	\$382,700	2.7
FTEs	126.0	121.0	126.0	121.0	127.0	1.0	0.8

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683, 2012 PA 64.
(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

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 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.

Major Budget Changes From FY 2011-12 YTD Appropriations

1. Reduce Federal Funding/Offset with GF/GP

Executive reduces federal funding authorization for the Division on Deaf and Hard of Hearing by \$667,400 in order to reflect the amount of federal funding actually available, and increases GF/GP by \$120,000 to partially offset the loss of federal revenue. This funding will be used to meet the statutory obligation of testing and certifying sign language interpreters. House concurs. Senate concurs. Conference concurs.

	FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
Gross	\$1,186,100	(\$547,400)
Federal	667,400	(667,400)
Private	18,700	0
Restricted	93,400	0
GF/GP	\$406,600	\$120,000

2. Full-Year Savings from Announced Contingency Plan

Executive reflects full-year savings anticipated from the contingency plan issued in September 2011. The plan was introduced to achieve savings in lieu of state employee concessions that did not materialize. Funded vacant FTE positions are eliminated as part of the plan. House concurs. Senate concurs. Conference concurs.

FTE	N/A	(6.0)
Gross	N/A	(\$260,900)
GF/GP	N/A	(\$260,900)

3. Asian Pacific American Affairs Commission

Executive includes an FTE position and funding for the Asian Pacific American Affairs Commission which was transferred in the FY 2011-12 budget from DLARA, but without FTE authorization or funding. The Commission's objectives are to study the status of, serve the needs of, recognize the accomplishments of, devise methods to overcome discrimination against, ensure equal access to state services for, initiate programs for the betterment of, and promote public awareness of Asian Pacific Americans. House includes an additional \$99,000 GF/GP. The difference between the Executive and House is \$1,000, which is reduced from the Executive recommendation in order to meet House GF/GP targets. Senate concurs with Executive. Conference concurs with Executive.

FTE	0.0	1.0
Gross	\$0	\$100,000
GF/GP	\$0	\$100,000

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
4. Increased Enforcement	FTE	N/A	5.0
<u>Executive</u> includes additional FTE positions and funding for increased enforcement activities which will help to reduce the average processing time for discrimination complaints. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Gross	N/A	\$287,800
	Federal	N/A	172,800
	GF/GP	N/A	\$115,000
5. Economic Adjustments	Gross	N/A	\$241,400
<u>Executive</u> includes \$241,400 Gross (\$155,200 GF/GP) for negotiated salary and wage increases, the actuarially-required retirement rate increase, reduced employer health insurance costs due to the 20% employee contribution, reduced building occupancy and rent charges, and workers' compensation costs. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Federal	N/A	86,200
	GF/GP	N/A	\$155,200
6. GF/GP Reductions	Gross	N/A	\$0
<u>House</u> reduces \$99,100 GF/GP from Civil Rights Operations, \$5,500 GF/GP from Commission on Disability Concerns, \$2,000 GF/GP from Hispanic/Latino Commission of Michigan, and \$6,600 GF/GP from Information Technology in order to meet House GF/GP targets. <u>Senate</u> does not include GF/GP reductions. <u>Conference</u> does not include GF/GP reductions.	GF/GP	N/A	\$0
7. One-Time Appropriations - Employee Lump Sum Payments	Gross	N/A	\$128,900
<u>Executive</u> includes a one-time appropriation, in boilerplate section 3-401, of \$128,900 Gross (\$104,300 GF/GP) for the negotiated one-time lump sum payments to state employees. <u>House</u> concurs, but appropriates the funding in a line item. <u>Senate</u> concurs with House. <u>Conference</u> concurs with House.	Federal	N/A	24,600
	GF/GP	N/A	\$104,300
8. Unclassified Positions	FTE	N/A	1.0
<u>Conference</u> includes authorization for an additional unclassified position and additional funding in an effort to provide adequate funding for the 6.0 unclassified positions that are authorized in Article XI, Section 5 of the State Constitution.	Gross	N/A	\$432,900
	GF/GP	N/A	\$432,900
9. Anticipated FY 2013-14 Budget Changes			
<u>House</u> , <u>Senate</u> , and <u>Conference</u> include an anticipated increase in funding from the FY 2012-13 levels of \$320,300 Gross (\$258,600 GF/GP) for economic adjustments in FY 2013-14. (Boilerplate intent language only; would not be binding appropriations.)			

Major Boilerplate Changes From FY 2011-12

Sec. 401. (2) Private Contingency Funds – REVISED

Appropriates up to \$500,000 in private contingency funds. Executive revises amount to \$750,000. House concurs. Senate concurs. Conference concurs.

Sec. 1201. Anticipated FY 2013-14 Appropriations – NEW

States legislative intent to provide appropriations for FY 2013-14, adjusting FY 2012-13 amounts based on economic and other factors. (See item #9 under Major Budget Changes for specific anticipated appropriation adjustments.)

FY 2012-13: EXECUTIVE OFFICE
Summary: Conference Report
Article VIII, House Bill 5365 (CR-1)



Analyst: Robin R. Risko

IDG/IDT	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Conference	Difference: Conference From FY 2011-12 YTD	
						Amount	%
	\$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	4,599,200	4,887,900	4,887,900	4,887,900	4,887,900	288,700	6.3
Gross	\$4,599,200	\$4,887,900	\$4,887,900	\$4,887,900	\$4,887,900	\$288,700	6.3
FTEs	84.2	84.2	84.2	84.2	84.2	0.0	0.0

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683, 2012 PA 64.
(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

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.

Major Budget Changes From FY 2011-12 YTD Appropriations	FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
1. Economic Adjustments	Gross	N/A
<u>Executive</u> includes \$230,000 GF/GP for negotiated salary and wage increases. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	GF/GP	\$230,000
2. One-Time Appropriations - Employee Lump Sum Payments	Gross	N/A
<u>Executive</u> includes a one-time appropriation, in boilerplate section 8-301, of \$58,700 GF/GP for the negotiated one-time lump sum payments to state employees. <u>House</u> concurs, but appropriates the funding in a line item. <u>Senate</u> concurs with House. <u>Conference</u> concurs with House.	GF/GP	\$58,700

Major Boilerplate Changes From FY 2011-12

None

FY 2012-13: LEGISLATURE
Summary: Conference Report
Article VIII, House Bill 5365 (CR-1)



Analyst: Robin R. Risko

IDG/IDT	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Conference	Difference: Conference From FY 2011-12 YTD	
						Amount	%
	\$250,000	\$0	\$0	\$0	\$0	(\$250,000)	(100.0)
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	0.0
Restricted	1,109,800	1,109,800	1,109,800	1,109,800	1,109,800	0	0.0
GF/GP	102,884,800	108,012,700	108,212,700	112,367,700	109,412,700	6,527,900	6.3
Gross	\$104,644,600	\$109,522,500	\$109,722,500	\$113,877,500	\$110,922,500	\$6,277,900	6.0
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	--

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683, 2012 PA 64.
(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

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.

Major Budget Changes From FY 2011-12 YTD Appropriations	FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
1. Economic Adjustments <u>Executive</u> includes additional funding to cover costs of economic adjustments. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Gross GF/GP	N/A N/A
		\$4,877,900 \$4,877,900
2. Legislative Corrections Ombudsman <u>Executive</u> includes additional GF/GP for the Legislative Corrections Ombudsman. The general fund will replace IDG funding which previously came from the Department of Corrections. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Gross IDG GF/GP	\$606,200 250,000 \$356,200
		\$0 (250,000) \$250,000
3. Michigan Veterans' Facility Ombudsman <u>House</u> appropriates additional funding to the Legislative Council to be used for establishing a Michigan Veterans' Facility Ombudsman. The purpose of the Ombudsman will be to conduct investigations concerning actions or omission of actions or conditions at the veterans' homes which are alleged to be contrary to law or policy or that pose a significant health or safety issue. <u>Senate</u> does not include the funding. <u>Conference</u> does not include the funding.	Gross GF/GP	\$0 \$0
		\$0 \$0
4. Capitol Restoration, Maintenance, and Renewal <u>Senate</u> appropriates an additional \$3.1 million GF/GP for completion of renovation and maintenance projects at the Capitol Building. <u>Conference</u> does not include the funding.	Gross GF/GP	\$0 \$0
		\$0 \$0
5. Additional Funding for the Senate <u>Senate</u> appropriates an additional \$100,000 GF/GP for the Senate. <u>Conference</u> does not include the funding.	Gross GF/GP	\$0 \$0
		\$0 \$0

<u>Major Budget Changes From FY 2011-12 YTD Appropriations</u>	<u>FY 2011-12 Year-to-Date (as of 2/9/12)</u>	<u>Conference Change from Year-to-Date</u>	
6. Additional Funding for OPEB	Gross	\$0	\$1,400,000
<u>Senate</u> appropriates an additional \$577,500 GF/GP for the House and \$577,500 GF/GP for the Senate for unfunded OPEB costs. <u>Conference</u> includes \$700,000 GF/GP for the House and \$700,000 GF/GP for the Senate.	GF/GP	\$0	\$1,400,000
7. National Association Dues	Gross	\$0	\$0
<u>Executive</u> and <u>House</u> maintain current year structure. Senate creates new line items to specify appropriation amounts for each association (total appropriations for dues is the same in the Executive recommendation, House passed bill, and Senate passed bill). <u>Conference</u> concurs with Executive and House and keeps all funding for National Association Dues in one line item.	GF/GP	\$0	\$0
<i>*Please note: The Legislative Auditor General budget is rolled in with the Legislature budget in the Executive budget recommendation, but appears separate in this document.</i>			

Major Boilerplate Changes From FY 2011-12

Sec. 603. National Association Dues – REVISED

Requires the Legislative Council to distribute funds appropriated for payment of national association dues; authorizes \$51,000 to be paid for annual dues to the NCCUSL if funding is available. Executive retains current law. House retains current law. Senate revises \$51,000 to \$53,000. Conference strikes reference to amount of dues to be paid to NCCUSL.

FY 2012-13: LEGISLATIVE AUDITOR GENERAL
Summary: Conference Report
Article VIII, House Bill 5365 (CR-1)



Analyst: Robin R. Risko

IDG/IDT	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Conference	Difference: Conference From FY 2011-12 YTD	
						Amount	%
	\$3,767,500	\$3,792,100	\$3,792,100	\$3,792,100	\$3,792,100	\$24,600	0.7
Federal	0	0	0	0	0	0	--
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	1,574,800	1,890,700	1,890,700	1,890,700	1,890,700	315,900	20.1
GF/GP	11,624,100	13,004,900	13,004,900	13,004,900	13,004,900	1,380,800	11.9
Gross	\$16,966,400	\$18,687,700	\$18,687,700	\$18,687,700	\$18,687,700	\$1,721,300	10.1
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	--

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683, 2012 PA 64.
(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

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.

Major Budget Changes From FY 2011-12 YTD Appropriations	FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
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1. FY 2011-12 Base Adjustment	Gross	N/A	\$511,000
<u>Executive</u> includes additional funding to correct understated appropriations in the FY 2011-12 budget for employee-related economics. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	IDG	N/A	202,400
	Restricted	N/A	89,200
	GF/GP	N/A	\$219,400

2. Fund Source Shifts as a Result of the Statewide Single Audit	Gross	N/A	\$0
<u>Executive</u> reduces IDG revenue and increases state restricted and GF/GP in order to accurately reflect where expenditures will occur as a result of converting to a statewide single audit. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	IDG	N/A	(500,000)
	Restricted	N/A	160,000
	GF/GP	N/A	\$340,000

3. Economic Adjustments	Gross	N/A	\$939,400
<u>Executive</u> includes \$939,400 Gross (\$636,600 GF/GP) for negotiated salary and wage increases, the actuarially-required retirement rate increase, and reduced employer health insurance costs due to the 20% employee contribution. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	IDG	N/A	210,100
	Restricted	N/A	92,700
	GF/GP	N/A	\$636,600

4. One-Time Appropriations - Employee Lump Sum Payments	Gross	N/A	\$270,900
<u>Executive</u> includes a one-time appropriation, in boilerplate section 11-501, of \$270,900 Gross (\$184,800 GF/GP) for the negotiated one-time lump sum payments to state employees. <u>House</u> concurs, but appropriates the funding in a line item. <u>Senate</u> concurs with House. <u>Conference</u> concurs with the House.	IDG	N/A	59,000
	Federal	N/A	27,100
	GF/GP	N/A	\$184,800

5. Anticipated FY 2013-14 Budget Changes
House, Senate, and Conference include an anticipated increase in funding from the FY 2012-13 levels of \$501,100 Gross (\$337,000 GF/GP) for economic adjustments in FY 2013-14. (Boilerplate intent language only; would not be binding appropriations.)

<u>Major Budget Changes From FY 2011-12 YTD Appropriations</u>	<u>FY 2011-12 Year-to-Date (as of 2/9/12)</u>	<u>Conference Change from Year-to-Date</u>
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**Please note: The Legislative Auditor General budget is rolled in with the Legislature budget, but appears separate in this document.*

Major Boilerplate Changes From FY 2011-12

Sec. 624. Statewide Single Audit – DELETED

Requires a report regarding the feasibility of converting to a statewide single audit. Executive deletes. House deletes. Senate deletes. Conference deletes.

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

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 deletes. House deletes. Senate deletes. Conference deletes.

Sec. 1201. Anticipated FY 2013-14 Appropriations – NEW

States legislative intent to provide appropriations for FY 2013-14, adjusting FY 2012-13 amounts based on economic and other factors. (See item #5 under Major Budget Changes for specific anticipated appropriation adjustments.)

FY 2012-13: DEPARTMENT OF STATE
Summary: Conference Report
Article VIII, House Bill 5365 (CR-1)



Analyst: Ben Gielczyk

IDG/IDT	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Conference	Difference: Conference From FY 2011-12 YTD	
						Amount	%
	\$26,312,700	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	(\$6,312,700)	(24.0)
Federal	1,810,000	1,810,000	1,810,000	1,810,000	1,810,000	0	0.0
Local	0	0	0	0	0	0	--
Private	100	100	100	100	100	0	0.0
Restricted	179,884,700	184,971,100	183,971,100	184,971,100	183,971,100	4,086,400	2.3
GF/GP	11,750,600	14,041,300	14,505,200	14,041,300	14,888,100	3,137,500	26.7
Gross	\$219,758,100	\$220,822,500	\$220,286,400	\$220,822,500	\$220,669,300	\$911,200	0.4
FTEs	1,815.0	1,698.0	1,695.0	1,698.0	1,695.0	(120.0)	(6.6)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683, 2012 PA 64.
(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

Overview

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

<u>Major Budget Changes From FY 2011-12 YTD Appropriations</u>		<u>FY 2011-12 Year-to-Date (as of 2/9/12)</u>	<u>Conference Change from Year-to-Date</u>
1. Credit and Debit Card Assessment Fees	Gross	\$1,000,000	\$4,000,000
<u>Executive</u> increases appropriation authorization by \$4.0 million Gross to accommodate the increase in credit and debit card fee collections due to the increase in online transactions associated with ExpressSOS. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	Restricted	1,000,000	4,000,000
2. Contingency Plan Adjustment	FTE	N/A	(11.0)
<u>Executive</u> recommends reduction of \$965,800 Gross (\$103,900 GF/GP) due to the elimination of 11.0 FTE positions (funded, vacant) provided as part of the FY 2011-12 employee concession contingency plan. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	Gross	N/A	(\$965,800)
	Restricted	N/A	(861,900)
	GF/GP	N/A	(\$103,900)
3. Transportation Administration Collection (TAC) Fund Adjustments	FTE	N/A	(113.0)
<u>Executive</u> recommends reduction of \$8.0 million Gross to adjust TAC Fund appropriation authorization to actual revenues. Eliminates 113.0 FTE positions (unfilled and unfunded) associated with TAC Fund appropriation. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	Gross	N/A	(\$8,000,000)
	Restricted	N/A	(8,000,000)
4. Target Reductions	Gross	N/A	N/A
<u>House</u> reduces GF/GP appropriations by 1.0% to meet target figures. Reductions are spread to various line items. <u>Senate</u> and <u>Conference</u> do not include.	GF/GP	N/A	N/A
5. Economic Adjustments	Gross	N/A	\$3,335,900
<u>Executive</u> includes funding for increased costs of \$3.3 million Gross (\$291,200 GF/GP) for negotiated salary and wage increases, actuarially-required retirement rate increase, reduced employer health insurance costs, and other economic adjustments. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	IDG	N/A	701,600
	Restricted	N/A	2,343,100
	GF/GP	N/A	\$291,200

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
6. Commercial Driver License Medical Certificate (One-Time)	FTE	N/A	4.0
<u>Executive</u> included \$1.0 million Gross and 7.0 FTEs for new Commercial Driver License Medical Certificate program. <u>Senate</u> concurred with <u>Executive</u> . <u>House</u> subcommittee did not include \$1.0 million restricted fund but did include 4.0 FTEs and \$600,000 as one-time funding. <u>Conference</u> concurs with <u>House</u> .	Gross	N/A	\$600,000
	GF/GP	N/A	\$600,000
7. Unclassified Positions	Gross	\$453,200	\$246,800
<u>Conference</u> includes \$246,800 for unclassified positions.	GF/GP	\$453,200	\$246,800
8. Michigan Transportation Fund Fund Shift	Gross	N/A	\$0
<u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> replace \$1.7 million of Michigan Transportation Fund revenue with General Fund. Statutorily, the Michigan Transportation Fund IDG to Department of State must remain at \$20.0 million.	IDG	N/A	(\$1,668,500)
	GF/GP	N/A	\$1,668,500
9. One-Time Appropriations	Gross	N/A	\$1,694,400
<u>Executive</u> proposes \$1.7 million Gross, \$434,900 GF/GP, designated as a one-time appropriation (in boilerplate section 15-401) for state employee lump sum payments and ExpressSOS marketing. <u>House</u> concurs and adds \$600,000 GF/GP (see above) for the Commercial Driver License Medical Certificate Program. <u>House</u> appropriates in separate line item unit. <u>Senate</u> concurs with <u>Executive</u> . <u>Conference</u> concurs with <u>Executive</u> and <u>Senate</u> .	Restricted	N/A	1,259,500
	GF/GP	N/A	\$434,900
10. Anticipated FY 2013-14 Budget Changes			
Reflects anticipated increases from FY 2012-13 budget. (Boilerplate intent language only; would not be binding appropriation.)			

Major Boilerplate Changes From FY 2011-12

Sec. 711 (2). Olympic Education Training Plates Revenue – DELETED

Appropriates funds in the Olympic Education Training Center Fund to the Olympic Education Training Center at Northern Michigan University. House, Senate, and Conference delete subsection; authorization exists in preceding language.

Sec. 716b. Business Application Modernization Project Report – RETAINED

Requires the DOS to report on funding expended for the BAM project since its inception. House deletes section. Senate and Conference retained current language.

Sec. 1201. Anticipated FY 2013-14 Appropriations

States legislative intent to provide appropriations for FY 2013-14, adjusting FY 2012-13 amounts based on economic and other factors. (See item #7 under Major Budget Changes for specific anticipated appropriation adjustments.)

**FY 2012-13: DEPARTMENT OF TECHNOLOGY,
MANAGEMENT, AND BUDGET
Summary: Conference Report
Article VIII, House Bill 5365 (CR-1)**



Analyst: Ben Gielczyk

	FY 2011-12 YTD as of 2/9/12	FY 2012-13		FY 2012-13		Difference: Conference From FY 2011-12 YTD	
		Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Conference	Amount	%
IDG/IDT	\$620,917,600	\$635,564,900	\$635,564,900	\$635,564,900	\$635,564,900	\$14,647,300	2.4
Federal	10,653,700	9,464,300	9,464,300	9,464,300	9,464,300	(1,189,400)	(11.2)
Local	1,520,800	1,320,800	1,320,800	1,320,800	1,320,800	(200,000)	(13.2)
Private	186,800	190,200	190,200	190,200	190,200	3,400	1.8
Restricted	89,828,500	90,517,200	90,517,200	90,517,200	90,517,200	688,700	0.8
GF/GP	374,553,100	401,916,200	380,041,900	399,916,200	405,916,200	31,363,100	8.4
Gross	\$1,097,660,500	\$1,138,973,600	\$1,117,099,300	\$1,136,973,600	\$1,142,973,600	\$45,313,100	4.1
FTEs	3,038.5	2,814.0	2,814.0	2,814.0	2,814.0	(224.5)	(7.4)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683, 2012 PA 64.
(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

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.

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
1. Information Technology Development Projects	Gross	N/A	\$47,000,000
<u>Executive</u> includes \$50.0 million GF/GP for statewide IT initiatives targeting technology upgrades and automation opportunities. <u>House</u> includes \$29.6 million. The difference (\$20.4 million) is a reduction to meet House targets. <u>Senate</u> includes \$48.0 million. <u>Conference</u> includes \$47.0 million.	GF/GP	N/A	\$47,000,000
2. Building Maintenance Fund	Gross	N/A	\$18,000,000
<u>Executive</u> includes \$15.0 million GF/GP to address deterioration and maintenance issues at state-owned buildings. <u>House</u> includes \$14.8 million. The difference (\$185,100) is a reduction to meet House targets. <u>Senate</u> concurs with Executive. <u>Conference</u> includes \$18.0 million.	GF/GP	N/A	\$18,000,000
3. Contingency Plan Adjustment	FTE	N/A	(9.0)
<u>Executive</u> includes reduction of \$806,300 Gross (\$567,100 GF/GP) due to the elimination of 9.0 FTE positions (funded, vacant positions). These positions were offered as part of the FY 2011-12 employee concession contingency plan. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	Gross	N/A	(\$806,300)
	IDG	N/A	(9,400)
	Restricted	N/A	(229,800)
	GF/GP	N/A	(\$567,100)
4. Military Retirement Program Transfer	Gross	N/A	\$3,981,700
<u>Executive</u> transfers \$4.0 million GF/GP from the Department of Military of Veterans Affairs (DMVA) to the Office of Retirement Services for the costs associated with the Military Retirement Program. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	GF/GP	N/A	\$3,981,700

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
5. Information Technology Adjustments	FTE	1,559.5	(100.0)
<u>Executive</u> includes \$4.3 million Gross for various department and agency technology services adjustments. Eliminates 100.0 FTE positions to accurately reflect funded positions. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	Gross	\$444,146,200	\$4,270,800
	IDG	444,146,200	4,270,800
6. Statewide Single Audit Implementation	FTE	N/A	1.0
<u>Executive</u> includes \$90,000 Gross and 1.0 FTE to allow the Office of Financial Management to establish and fill a new position to assume the additional workload that will result from the implementation of a statewide single audit. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	Gross	N/A	\$90,000
	Restricted	N/A	90,000
7. Capital Outlay Projects	Gross	N/A	\$1,800
<u>Executive</u> includes \$1,800 in placeholders for University and Community College construction authorizations. <u>Senate</u> concurs with <u>Executive</u> . <u>House</u> does not include. <u>Conference</u> includes \$1,800, but utilizes for DTMB operations/administration. Capital Outlay projects were not included in Conference report.	GF/GP	N/A	\$1,800
8. Professional Development Funds	Gross	N/A	\$175,000
<u>Executive</u> includes funding to provide professional development and training for State classified employees. Negotiated in collective bargaining. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	Restricted	N/A	175,000
9. Other Target Reductions	Gross	N/A	\$0
<u>House</u> reduces GF/GP appropriations by \$717,200 to meet targets. Reductions are spread to various line items. <u>Senate</u> and <u>Conference</u> do not include.	GF/GP	N/A	\$0
10. Economic Adjustments	Gross	N/A	\$15,048,500
Reflects increased costs of \$15.0 million Gross (\$2.4 million GF/GP) for negotiated salary and wage increases, actuarially-required retirement rate increase, reduced employer health insurance costs due to 20% employee contribution, and other economic adjustments. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	IDG	N/A	10,381,800
	Federal	N/A	658,900
	Private	N/A	3,400
	Restricted	N/A	1,590,300
	GF/GP	N/A	\$2,414,100
11. Teacher Evaluation Pilot Program (One-Time)	Gross	N/A	\$4,000,000
<u>Conference</u> includes \$4.0 million GF/GP designated as one-time appropriations for a pilot study of the teacher and administrator evaluation system.	GF/GP	N/A	\$4,000,000
12. Other One-Time Appropriations	Gross	N/A	\$21,680,200
<u>Executive</u> proposes \$21.7 million Gross, \$17.8 million GF/GP, designated as a one-time appropriation (in boilerplate section 17-801). <u>House</u> proposes \$21.1 million, \$17.2 million GF/GP, in new line item section for:	IDG	N/A	3,104,100
<ul style="list-style-type: none"> State employee lump sum payments: \$4.7 million Special maintenance, remodeling, and addition - state facilities: \$10.0 million Space consolidation fund: \$6.4 million (Senate and Executive included \$7.0 million) 	Federal	N/A	426,700
	Restricted	N/A	357,200
	GF/GP	N/A	\$17,792,200
<u>Senate</u> and <u>Conference</u> concurred with <u>Executive</u> .			
13. Anticipated FY 2013-14 Budget Changes			
Reflects anticipated increase from FY 2012-13 budget for FY 2013-14. (Boilerplate intent language only; would not be binding appropriation.)			

Major Boilerplate Changes From FY 2011-12

Sec. 803 (5). Statewide Administrative and Support Services – REVISED

Prohibits 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. Executive deletes subsection. House revises language to include a report to the legislature on why new office furniture purchases was necessary. Senate deletes subsection. Conference includes revised language requiring department to develop a plan for a statewide state-owned inventory management system.

Major Boilerplate Changes From FY 2011-12

Sec. 813 (4). Motor Vehicle Fleet (MVF) – REVISED

Executive, House, Senate, and Conference revise subsection (4) by changing when the department may charge for fuel costs increases. Changes amount from \$2.27 per gallon to "\$3.04 net of tax."

Sec. 814. Report on Enterprisewide Information Technology Investments – NEW

Requires department to provide a detailed plan for the funding appropriated for Enterprisewide Information Technology Investments. Executive does not include. Senate does not include. House and Conference include as new language.

Sec. 815. Contracting with Vendor Employing Former Procurement Employee – NOT INCLUDED

Specifies that the department may not contract with a vendor for goods or services unless that vendor has certified with the department that they do not employ a former employee of the department purchasing operations who has been severed from state employment with the department purchasing operations for less than one year. House includes as new language. Senate does not include. Conference does not include.

Sec. 816. Department Contracting Competitive Bidding and Transparency – NOT INCLUDED

Requires the department to institute competitive bidding for any contract for goods and services exceeding \$250,000. The department shall also post any savings realized from a renegotiated contract on the department dashboard. House includes as new. Senate does not include. Conference does not include.

Sec. 821. Space Consolidation Fund – NEW

Requires department to provide a detailed plan for the funding appropriated for the Space Consolidation Fund. Conference includes as new language.

Sec. 822a. Report on Privatizing State Lottery – DELETED

Requires DTMB to submit a report by April 1 regarding the feasibility of privatizing the state lottery. Executive, House, Senate, and Conference delete.

TECHNOLOGY SERVICES

Sec. 828. IT Annual Funding Report – RETAINED

Requires annual report from DTMB that lists total amount of funding appropriated and corresponding expenditures for IT services and projects by funding source for all departments and agencies. Executive and Senate delete. House and Conference retain.

Sec. 829. Life-Cycle of Hardware and Software – RETAINED

Requires report which analyzes and makes recommendations on life-cycle of IT hardware and software. Executive and House deletes. Senate and Conference retain section.

Sec. 832. Child Support Enforcement System Report – RETAINED

Requires department to provide a report calculating the total cost of the Child Support Enforcement System from the inception of the program. The report shall include all penalties paid to the federal government. Executive and Senate delete. House and Conference retain.

Sec. 850. One Percent Charges for Civil Service – REVISED

Provides that 1% of restricted funds for the Civil Service Commission (CSC) be assessed on actual 1% restricted sources total aggregate payroll of classified service for the preceding fiscal year. Executive revised language, but no effective change. House retained current year. Senate and Conference concur with Executive.

Sec. 876. University and Community College Construction Authorizations – NOT INCLUDED

Authorizes appropriation and financing for 18 university and community college capital outlay projects. Provides project descriptions and costs. Executive and Senate include as new. House and Conference do not include.

Sec. 880. Special Maintenance Federal and State Restricted Fund Spending Authorization – NEW (Sec. 233)

Authorizes appropriation of related federal and state restricted funds up to the amounts that will be earned based upon the initiatives undertaken with funds appropriated in part 1 for Special maintenance, Remodeling and Addition - State Facilities. Executive includes as new section 17-802. House concurs. Senate concurs but includes as Sec. 866. Conference includes in general sections Sec. 233.

Sec. 881. Enterprisewide Information Technology Investments Federal and State Restricted Fund Spending Authorization – NEW (Sec. 233)

Authorizes appropriation of related federal and state restricted funds up to the amounts that will be earned based upon the initiatives undertaken with funds appropriated in part 1 for Enterprisewide Information Technology Investments. Executive includes as new section 17-803. House concurs. Senate concurs but includes as Sec. 836. Conference includes in general sections Sec. 234.

Sec. 1201. Anticipated FY 2013-14 Appropriations

States legislative intent to provide appropriations for FY 2013-14, adjusting FY 2012-13 amounts based on economic and other factors. (See item #12 under Major Budget Changes for specific anticipated appropriation adjustments.)

FY 2012-13: DEPARTMENT OF TREASURY
Summary: Conference Report
Article VIII, House Bill 5365 (CR-1)



Analyst: Ben Gielczyk

IDG/IDT	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Conference	Difference: Conference	
						From FY 2011-12 YTD	%
						Amount	
	\$14,818,700	\$8,899,400	\$8,899,400	\$8,899,400	\$8,899,400	(\$5,919,300)	(39.9)
Federal	745,109,200	698,385,900	698,385,900	698,385,900	698,385,900	(46,723,300)	(6.3)
Local	6,588,700	6,686,200	6,686,200	6,686,200	6,686,200	97,500	1.5
Private	380,000	5,380,000	5,380,000	5,380,000	5,380,000	5,000,000	1,315.8
Restricted	1,485,151,600	1,563,073,400	1,588,073,400	1,573,372,200	1,594,934,100	109,782,500	7.4
GF/GP	329,028,900	351,673,800	323,337,500	349,249,200	397,089,100	68,060,200	20.7
Gross	\$2,581,077,100	\$2,634,098,700	\$2,630,762,400	\$2,641,972,900	\$2,711,374,700	\$130,297,600	5.0
FTEs	2,575.5	2,553.5	2,553.5	2,553.5	2,532.5	(43.0)	(1.7)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683, 2012 PA 64.
(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

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.

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
1. Presidential Primary			
<u>Executive</u> removes \$10.0 million GF/GP appropriated in FY 2011-12 for costs associated with the Presidential Primary. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Gross GF/GP	\$10,000,000 \$10,000,000	(\$10,000,000) (\$10,000,000)
2. Constitutional Revenue Sharing			
<u>Executive</u> increases constitutional revenue sharing payments by \$13.6 million Gross to adjust for January Consensus Revenue Estimating Conference (CREC). <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> revises to include May Consensus Revenue Estimating Conference (CREC) estimates for FY 2012-13. NOTE: FY 2011-12 appropriation has been adjusted to reflect revised CREC estimates.	Gross Restricted	\$697,500,500 \$697,500,500	\$27,995,800 \$27,995,800
3. Economic Vitality Incentive Program			
<u>Executive</u> includes FY 2011-12 one-time boilerplate appropriations (\$10.0 million Gross) in line-item as ongoing appropriations. Amounts to no gross funding change in FY 2012-13. <u>House</u> includes additional \$10.0 million for program. <u>Senate</u> concurs with <u>Executive</u> on funding level. <u>Conference</u> includes additional \$15.0 million to be split evenly (\$7.5 million) between ongoing and one-time appropriations.	Gross Restricted	\$210,000,000 210,000,000	\$15,000,000 15,000,000

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
4. County Payments	Gross	\$115,000,000	\$15,600,000
<u>Executive</u> includes \$125.6 million and restructures county revenue sharing as an incentive program. Increases county payments by \$10.6 million Gross (75.0% of full funding). Projected increase of \$9.5 million Gross for FY 2013-14. FY 2011-12 one-time boilerplate funding (\$15.0 million Gross) is shifted to line-item as ongoing appropriations (no Gross funding change). <u>House</u> includes \$130.6 million (77.9% of full-funding) for county payments. Approximately \$39.2 million (30% of total funding) will be used for a county incentive program detailed in section 952 and \$91.4 million will be used for county revenue sharing payments. <u>Senate</u> includes \$127.1 million (75.8% of full-funding). Approximately \$25.4 million (20% of total funding) will be used for a county incentive program detailed in section 952 and \$101.7 million will be used for county revenue sharing payments. <u>Conference</u> concurs with House on total funding. Approximately \$26.1 million (20% of total funding) will be used for county incentive program detailed in section 952 and \$104.5 million will be used for county revenue sharing payments. \$2.5 million of the County Incentive Program payments will be treated as one-time funding.	Restricted	115,000,000	15,600,000
5. Competitive Assistance Grant Program	Gross	\$5,000,000	\$10,000,000
Revised <u>Executive</u> includes \$15.0 million (\$10.0 million) for competitive grant assistance program to assist local units of government with consolidations, mergers, cooperative efforts, and collaborations. <u>House</u> includes \$25.0 million (\$20.0 million one-time). <u>Senate</u> includes \$25.0 million (all one-time). <u>Conference</u> concurs with Executive.	Restricted	\$5,000,000	10,000,000
6. Payments in Lieu of Taxes	Gross	\$10,577,000	\$3,679,900
<u>Executive</u> increases payments in lieu of taxes (PILT) by \$1.8 million Gross (reduction of \$349,400 GF/GP) to reflect legislative change requiring the Michigan Natural Resource Trust Fund (MNRTF) to make MNRTF Purchased Land PILT payments in full. <u>House</u> concurs. <u>Senate</u> concurs with MNRTF changes and restores PILT payments to FY 2010-11 levels. <u>Conference</u> concurs with Senate.	Restricted	1,646,600	2,453,900
	GF/GP	\$8,930,400	\$1,226,000
7. Contingency Plan Adjustment	FTE	N/A	(43.0)
<u>Executive</u> includes reduction of \$3.1 million Gross (\$993,700 GF/GP) due to the elimination of 43.0 FTEs (funded, vacant positions). These positions were offered as part of the FY 2011-12 employee concession contingency plan. Includes fund shift to replace restricted funds associated with contingency plan. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Gross	N/A	(\$3,088,300)
	Restricted	N/A	(2,094,600)
	GF/GP		(\$993,700)
8. FY 2011-12 Supplemental Appropriations Removal	Gross	N/A	(\$2,000,000)
<u>Executive</u> removes \$2.0 million GF/GP in FY 2011-12 one-time supplemental appropriations for Michigan Finance Authority (\$1.0 million) and Tax Plan Implementation. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	GF/GP	N/A	(\$2,000,000)
9. Tobacco Tax Enforcement	FTE	0.0	13.0
<u>Executive</u> includes \$1.5 million GF/GP and 13.0 FTE positions to support tobacco tax enforcement. Replaces \$3.0 million Gross authorization included in FY 2011-12. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Gross	\$3,000,000	(\$1,500,000)
	Restricted	3,000,000	(3,000,000)
	GF/GP	\$0	\$1,500,000
10. General Fund Replacement Revenue	Gross	\$23,893,500	\$0
<u>Executive</u> includes \$16.4 million GF/GP as replacement revenue for restricted and IDG funds. Replaces \$10.0 million Refined Petroleum Fund that supports debt service payments. Replaces \$6.4 million of IDG from Michigan Transportation Fund. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	IDG	8,379,000	(6,421,600)
	Restricted	15,514,500	(10,000,000)
	GF/GP	\$0	\$16,421,600
11. Office of Fiscal Responsibility	FTE	N/A	10.0
<u>Executive</u> includes \$4.5 million GF/GP and 10.0 FTE positions for assistance to local units of government facing financial emergencies. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Gross	N/A	\$4,500,000
	GF/GP	N/A	\$4,500,000

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
12. Facility for Rare Isotope Beams	Gross	N/A	\$2,339,900
<u>Executive</u> includes in Higher Education budget recommendation. <u>House</u> includes \$2.3 million for debt service associated with the Facility for Rare Isotope Beams project at Michigan State University. <u>Senate</u> does not include. <u>Conference</u> concurs with House.	GF/GP	N/A	\$2,339,900
13. Community College Renaissance Zone Reimbursements	Gross	N/A	\$3,500,000
<u>Conference</u> includes \$3.5 million GF/GP for renaissance zone payments to community colleges. <u>House</u> included \$4.0 million in one-time funding.	GF/GP	N/A	\$3,500,000
14. Dual Enrollment Payments	Gross	N/A	\$10,000,000
<u>Conference</u> includes \$10.0 million GF/GP to fund dual enrollment payments due to higher education institutions.	GF/GP	N/A	\$10,000,000
15. Health Insurance Claims Assessment Program	FTE	N/A	15.0
<u>Executive</u> includes \$1.9 million Gross and 15.0 FTE positions for the administration of the Health Insurance Claims Assessment Program. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Gross	N/A	\$1,948,400
	Restricted	N/A	1,948,400
16. Other One-Time Appropriations (Treasury)	Gross	N/A	\$5,742,700
<u>Executive</u> proposes \$12.7 million Gross, \$311,500 GF/GP, (revised exec rec) designated as a one-time appropriation (in boilerplate section 19-1001). <u>House</u> includes \$22.7 million Gross, \$311,500 GF/GP, in new line item section:	IDG	N/A	112,800
<ul style="list-style-type: none"> State employee lump sum payments: \$2.7 million Gross Competitive Assistance Grant Program: \$20.0 million (Revised Executive Recommendation included \$10.0 million) 	Federal	N/A	171,700
<u>Senate</u> includes \$27.7 million Gross, \$311,500 GF/GP, in new line item section:	Restricted	N/A	2,146,700
<ul style="list-style-type: none"> State employee lump sum payments: \$2.7 million Gross Competitive Assistance Grant Program: \$25.0 million 	GF/GP	N/A	\$3,311,500
<u>Conference</u> includes \$5.7 million Gross, \$3.3 million GF/GP, in new line item section:			
<ul style="list-style-type: none"> State employee lump sum payments: \$2.7 million Gross Treasury legal services: \$3.0 million Gross (EVIP, CIP, and Competitive Assistance Grants one-time included in relevant section) 			
17. Target Reductions	Gross	N/A	\$0
<u>House</u> includes reductions to various Treasury Operations lines to meet House targets. Reductions total \$676,200 GF/GP (1.0% of Operations GF/GP funding). <u>Senate</u> does not include. <u>Conference</u> does not include.	GF/GP	N/A	\$0
MICHIGAN STRATEGIC FUND			
18. Business Attraction and Economic Gardening	Gross	\$100,000,000	\$0
<u>Executive</u> includes FY 2011-12 one-time boilerplate appropriations (\$50.0 million GF/GP) in line-item as ongoing appropriations. Amounts to no gross funding change. <u>House</u> concurs with shift of one-time appropriations into line-item but reduces by \$10.0 million. <u>Senate</u> concurs with shift of one-time appropriations into line-item but reduces by \$34.0 million. <u>Conference</u> concurs with Executive.	Restricted	25,000,000	0
	GF/GP	\$75,000,000	\$0
19. Arts and Cultural Grants	Gross	\$2,567,400	\$3,582,600
<u>Executive</u> includes \$3.6 million GF/GP to support arts and cultural programs and events. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Federal	1,050,000	0
	Private	100,000	0
	GF/GP	\$1,417,400	\$3,582,600
20. Workforce Development Private Fund Authorization	Gross	N/A	\$5,000,000
<u>Executive</u> includes \$5.0 million Gross private fund appropriation authorization in anticipation of foundation grants awarded to the Workforce Development Agency. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Private	N/A	5,000,000

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
21. Federal Fund Authorization Adjustment	Gross	\$233,328,300	(\$50,000,000)
<u>Executive</u> reduces federal fund authorization for Workforce Investment Act by \$50.0 million to reflect available federal funds. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Federal	233,328,300	(50,000,000)
22. One-Time Appropriations (MSF/MSHDA)	Gross	N/A	\$1,135,700
<u>Executive</u> includes FY 2012-13 boilerplate appropriations of \$1.1 million Gross (\$140,900 GF/GP) designated as one-time for negotiated one-time lump sum payments. <u>House</u> concurs but places in a new line item section. <u>Senate</u> concurs with House and adds \$340,000 for pre-college programs in engineering and sciences. <u>Conference</u> concurs with Executive and House and funds includes \$1.1 million for negotiated one-time lump sum payments.	Federal	N/A	408,500
	Restricted	N/A	586,300
	GF/GP	N/A	\$140,900
23. Talent Fund for Job Training and Skills Development	Gross	N/A	\$10,000,000
<u>Executive</u> (revised) included \$10.0 million GF/GP for a new talent fund that would target structurally unemployed in distressed cities. <u>House</u> did not include. <u>Senate</u> includes \$13.2 million. <u>Conference</u> concurs with revised Executive recommendation.	GF/GP	N/A	\$10,000,000
24. One-Time Film Incentive Funding	Gross	\$25,000,000	\$25,000,000
<u>Executive</u> retains \$25.0 million one-time boilerplate funding from FY 2011-12 in boilerplate section. <u>House</u> reduces one-time funding by \$10.0 million and places in a new line item section. <u>Senate</u> increases one-time funding by \$25.0 million. <u>Conference</u> concurs with Senate and includes \$50.0 million.	GF/GP	\$25,000,000	\$25,000,000
25. Employment Services Program Transfer	FTE	21.0	(21.0)
<u>Conference</u> removes penalty and interest fund source for certain Workforce Development Programs (Employment Services Program) and transfers funding to the Department of Licensing and Regulatory Affairs. Eliminates 21.0 FTE positions	Gross	\$2,814,700	(\$2,814,700)
	Restricted	2,814,700	(2,814,700)
26. Economic Adjustments (Treasury Operations and MSF)	Gross	N/A	\$15,213,600
<u>Executive</u> includes funding for increased costs of \$15.2 million Gross (\$2.0 million GF/GP) for negotiated salary and wage increases, actuarially-required retirement rate increase, reduced employer health insurance costs due to 20% employee contribution, and other economic adjustments. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	IDG	N/A	389,500
	Federal	N/A	2,266,400
	Local	N/A	97,500
	Restricted	N/A	10,411,000
	GF/GP	N/A	\$2,049,200
27. Anticipated FY 2013-14 Budget Changes			
Reflects anticipated increase from FY 2012-13 budget. (Boilerplate intent language only; would not be binding appropriation.)			

Major Boilerplate Changes From FY 2011-12

Sec. 906. Charge For Audits Conducted – REVISED

Authorizes Department of Treasury to charge for audits as permitted by state or federal law under contractual arrangements with local units of government, other principal executive departments, or state agencies. Executive deletes (2) which requires appropriation for state compliance audits to be used to cover costs of audits performed by independent CPAs or Department of Treasury auditors. Deletes (3) which requires audit to be performed for the most current county fiscal year in conjunction with the financial single audit. Includes new (2) which creates a revolving fund known as the Audit Charges Fund to collect contractual charges and carry forward for future appropriation. House concurs. Senate concurs. Conference concurs.

Sec. 905. Municipal Finance Fee Fund Carry Forward – NEW

Executive includes the Municipal Finance Fee Fund in the Department of Treasury. Fees are established under the Municipal Finance Act, PA 34 of 2001. The section would allow the Department of Treasury to carry forward the municipal finance fees for future appropriation rather than have the fees lapse to the General Fund. House concurs in Sec. 907a. Senate concurs. Conference concurs.

Sec. 919. Private Auditing of Unclaimed Property – RETAINED

Authorizes department to contract with a private auditing firm to collect unclaimed property on behalf of the State. Appropriates up to 12% of revenues collected on a contingency basis. Requires annual report. Executive deletes. House retains. Senate deletes. Conference retains.

Major Boilerplate Changes From FY 2011-12

Sec. 922. Michigan Transportation Fund – DELETED

Requires department to submit a report for the previous fiscal year regarding amount of Michigan Transportation Fund revenue collected and the cost of collection. Permits cost of collection to be prorated in FY 2011-12 only. Requires analysis by April 1, 2012, of the actual cost of tax administration in order to justify continuation of proration. Executive deletes. House retains. Senate deletes. Conference deletes.

Sec. 925. Public Private Partnerships – RETAINED

Creates Public Private Partnership Investment Fund to fund investments such as capital asset improvements, energy resource exploration, financial and investment incentives, infrastructure construction, and public-private sector joint ventures. Executive eliminates subsection (2) and (5). House concurs in eliminating subsection (5) but retains subsection (2). Senate retains. Conference retains.

Sec. 943. Tobacco Tax Enforcement – DELETED

Authorizes the department to use tobacco tax enforcement funding for certain costs associated with tobacco tax enforcement; requires a report. Executive deletes section. House retains but eliminates subsection (1). House also revises subsection (2) to include Attorney General and subsection (3) to change the reporting date to February 1. Senate deletes section. Conference deletes section.

REVENUE SHARING

Sec. 951. Competitive Grant Assistance Program – NEW

Executive includes new section to provide \$15.0 million (revised Exec Rec) (\$5.0 million in FY 2011-12) for assistance grants to cities, villages, townships, and counties that elect to merge government services via a Competitive Grant Assistance Program; \$10.0 million (revised Exec Rec) of total available funding considered one-time boilerplate appropriation (19-1001). House concurs with new section and revises amount to \$25.0 million. Senate concurs with new section and refers to appropriation in part 1 (one-time); includes work project language; and continues to make available unclaimed EVIP funds. Conference concurs with new section; includes school districts and ISDs; includes work project language; and continues to make available unclaimed EVIP funds.

Sec. 952. Economic Vitality Incentive Program and County Incentive Program – REVISED

Executive revises language to specify the distribution of \$210.0 million under economic vitality incentive program (revises program from FY 2011-12). Cities, villages, and townships (CVTs) that received a statutory revenue sharing payment in FY 2009-10 greater than \$4,500 will be eligible for 67.837363% of their FY 2009-10 statutory revenue sharing payment if certain criteria are met. Provides for redistribution of funds not distributed due to a failure to qualify. Adds County Incentive Program (CIP) and specifies distribution of \$125.6 million for counties eligible to receive county revenue sharing payments. House includes section but revises language. Category 3 is revised to require compliance with 2011 PA 152 only. County Incentive Program revised to specify distribution of \$31.2 million (30% of overall FY 2012-13 county payments). Senate includes section but revises language. Certain category requirements are revised - Category 3 provides local units with a choice between pension/health care changes and complying with PA 152 to qualify; includes 20% of overall FY 2012-13 county payment in incentive program. Conference includes section but revises language. There are minor revisions throughout; major revisions include Category 3 and payment structure. Category 3 certification allows for pension plan revisions or compliance with PA 152 (including opt-out provision). Payment structure revision links 2 payment month payments in each category solely to that category (CVTs will not receive payments associated with categories until due dates for category). CIP would distribute \$26.1 million (20%) of total county payments. CIP follows current-year EVIP payment structure.

LOTTERY

Sec. 960. Lottery Operating Revenues – REVISED

Appropriates funds from State Lottery Fund for necessary expenses in operating lottery games and charitable gaming. Conference makes technical revision to reference statute.

CASINO GAMING

Sec. 979. Millionaire Party Regulation – NEW

Appropriations amount not to exceed \$4.0 million to the Michigan Gaming Control Board from the State Lottery Fund to support regulation and licensing of millionaire parties pursuant to Executive Order 2012-4. Requires report. Executive included in revised recommendation. Conference revises and includes as new section.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY - MSF

Sec. 985. Michigan Housing and Community Development Fund – NOT INCLUDED

Requires 10% of the funds received from the funds received by the state from the joint state-federal foreclosure settlement to be appropriated to the Michigan Housing and Community Development Fund. Senate includes as new language. Conference does not include.

MICHIGAN STRATEGIC FUND

Sec. 1001. Contingency Funds – REVISED

Appropriates federal, state, and private contingency funds. Executive revised contingency fund amount by increasing federal contingency funds (\$50.0 million); state restricted contingency funds (\$5.0 million); private contingency funds (\$5.0 million); and local at \$100,000. House concurs but does not include \$100,000 in local funds. Senate includes \$20.0 million Federal, \$2.0 million restricted, \$2.0 million private, and \$100,000 for local contingency funds. Conference concurs with Senate.

Major Boilerplate Changes From FY 2011-12

Sec. 1007. Report on MEDC Program – REVISED

Requires report on activities of MEDC from investment or Indian gaming revenues. Specific programs to be reported on are included in boilerplate. Executive deletes. House retains. Senate revised to include reporting of investments funded and updates list of programs to include Business Development Program, Community Revitalization Program, and Film Incentives. Conference concurs with Senate; changes report to February 15.

Sec. 1014. Core Communities Program – RETAINED

Specifies program repayments are appropriated for continuing the purpose of the program and provides for annual report on the status of the fund and awards made. Executive deletes. House deletes. Senate deletes. Conference retains.

Sec. 1021. 21st Century Jobs Funds Spending Reauthorization – DELETED

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 \$5.5 million. Executive, House, Senate, and Conference delete.

Sec. 1023. Tourism Coordination – REVISED

Requires MSF to coordinate with tourism industry. Requires report. Conference revised report date.

Sec. 1024. Business Attraction and Economic Gardening – RETAINED

Requires \$20.0 million to be expended on Brownfield and Historic Preservation projects. Executive deletes. House retains. Senate deletes. Conference retains.

Sec. 1031. Spending Plan Report – REVISED

Requires MSF to report on the spending plan for innovation and entrepreneurship and business attraction and economic gardening. Executive deletes. House retains. Senate revises to state that if spending plan changes after reporting date, MSF shall notify the appropriation subcommittees, fiscal agencies, and budget office within 10 business days. Conference concurs with Senate.

Sec. 1032. Film Tax Credit Program – REVISED

Requires film office to report on film tax credit program. Executive deleted. House revised to include reference to new grant film incentive grant program. Senate revises to adjust for new film grant program. Conference concurs with Senate.

Sec. 1033. Film Incentives Status Report – NEW

Requires quarterly reports on the status of the film incentives approved under section 29h of the MSF Act. Conference includes as new section.

Sec. 1033b. Film Production Expenditures – NEW

Specifies legislative intent that the applicable percentage of the state certified qualified production expenditures be determined based on the date of the agreement. Conference includes as new language.

Sec. 1034. Business Incubator Program – REVISED

Stipulates funding be awarded competitively to business incubators in ten counties or cities. Requires that \$1.3 million in 21st Century Jobs Trust Fund funding be used to fund business incubators. Executive and House delete. Senate adds Mason County and updates award date. Conference increases minimum funding levels; adds new business incubators.

Sec. 1034b. Van Andel Institute Funding – NEW

Requires \$500,000 of the funding appropriated for Innovation and Entrepreneurship be used to provide a grant to the Van Andel Institute to be used as a match for funding received from the department of defense and the national institutes of health for advanced medical research. Conference includes as new language.

Sec. 1052. Chaldean Employment Assistance – NEW

Requires \$200,000 of the funding appropriated for Community Ventures to be allocated to a Chaldean nonprofit to fund an existing workforce development program. Conference includes as new language.

Sec. 1053. Pre-College Engineering Programs – NEW

Requires \$340,000 of the funding appropriated for Community Ventures to be allocated evenly to pre-college engineering programs in Detroit and Grand Rapids. Senate included language indicating how one-time funding should be distributed. Conference includes as new language.

Sec. 1061. Local Workforce Development Boards – DELETED

Requires local workforce development boards to maintain partnership with government agencies, public school districts, and public colleges in their service area to qualify for funding. Requires educational advisory group. Executive deletes. House retains. Senate deletes. Conference deletes.

Sec. 1062. Veterans Outreach – RETAINED

Requires a disabled veterans outreach program specialist or employment representative to be available by the MSF to Michigan Works! service centers as resources permit. Executive deletes. House retains. Senate deletes. Conference retains.

Major Boilerplate Changes From FY 2011-12

Sec. 1064. Workforce Training Funds Allocation – DELETED

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 and House delete. Senate retains. Conference deletes.

Sec. 1065. Allocations to Public Libraries – DELETED

Requires Michigan Works! agencies to use a portion of funds to pay for services provided by libraries that serve as access points. Executive deletes. House retains. Senate deletes. Conference deletes.

Sec. 1066. Gang Diversion Program – DELETED

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, House, Senate, and Conference delete.

Sec. 1068. Workforce Training Programs Report – REVISED

Requires report with detailed funding information for each Michigan Works! agency by fund source. Executive deletes. House retains. Senate deletes. Conference revises to change references to No Worker Left Behind to Workforce Training Programs.

Sec. 1201. Anticipated FY 2013-14 Appropriations

States legislative intent to provide appropriations for FY 2013-14, adjusting FY 2012-13 amounts based on economic and other factors. (See item #27 under Major Budget Changes for specific anticipated appropriation adjustments.)

FY 2012-13: DEPARTMENT OF HUMAN SERVICES
Summary: Conference Report
Article X, House Bill 5365 (CR-1)



Analyst: Kevin Koorstra

IDG/IDT	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Conference	Difference: Conference From FY 2011-12 YTD	
						Amount	%
Federal	\$35,821,900	\$31,241,700	\$30,581,300	\$31,241,700	\$30,581,300	(\$5,240,600)	(14.6)
Local	5,496,420,500	5,394,076,700	5,530,111,200	5,386,656,100	5,384,799,500	(111,621,000)	(2.0)
Private	28,679,500	33,549,200	31,182,400	31,448,000	32,529,400	3,849,900	13.4
Restricted	16,136,400	16,375,800	10,619,700	16,415,000	7,876,600	(8,259,800)	(51.2)
GF/GP	123,701,000	88,847,000	82,476,400	87,772,300	86,901,500	(36,799,500)	(29.7)
Gross	1,047,330,500	1,028,796,400	1,015,889,600	991,406,500	1,011,143,900	(36,186,600)	(3.5)
FTEs	\$6,748,089,800	\$6,592,886,800	\$6,700,860,600	\$6,544,939,600	\$6,553,832,200	(\$194,257,600)	(2.9)
	11,546.5	11,208.5	11,544.2	11,187.0	11,764.0	217.5	1.9

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683.
(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

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 and 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.

<u>Major Budget Changes From FY 2011-12 YTD Appropriations</u>	<u>FY 2011-12 Year-to-Date (as of 2/9/12)</u>	<u>Conference Change from Year-to-Date</u>
1. Adjustments to Current Services Baseline	FTE	N/A 0.0
<u>Conference</u> reduces funding \$78.8 million Gross (\$26.6 million GF/GP) from reviewing historic and current expenditures, lapses, and transfers in prior fiscal years. Adjustments also reduced TANF funding \$16.2 million. <u>Senate</u> and <u>House</u> make similar adjustments. As background, DHS lapsed \$43.5 million in GF/GP authorization and \$75.1 million in federal TANF funds in FY 2010-11.	Gross	N/A (\$78,813,400)
	IDG	N/A (660,400)
	Federal	N/A (40,584,500)
	Local	N/A (754,800)
	Private	N/A (8,333,200)
	Restricted	N/A (1,870,700)
	GF/GP	N/A (\$26,609,800)
2. GF/GP Offset with Temporary Assistance for Needy Families (TANF)	Gross	N/A \$0
<u>Conference</u> concurs with <u>Senate</u> and increases federal TANF block grant funding in the family independence program line item to offset GF/GP. TANF is available from adjustments made to the current services baseline in item 1.	Federal	N/A 10,892,800
	GF/GP	N/A (\$10,892,800)
3. Temporary Assistance for Needy Families (TANF) Fund Source Deduct	Gross	N/A \$0
<u>Conference</u> concurs with <u>House</u> and unrolls the federal Temporary Assistance for Needy Families (TANF) block grant from the general "total federal revenues" fund source deduct into its own appropriations fund source deduct.	Federal	N/A (579,039,800)
	TANF	N/A 579,039,800
	GF/GP	N/A \$0

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
4. Child Welfare Caseload Adjustments		Gross	(\$21,001,400)
Reduces funding for child welfare programs \$21.0 million Gross (\$10.1 million GF/GP) as follows:		Federal	(14,461,300)
<ul style="list-style-type: none"> Foster care payments increase \$3.1 million Gross (\$3.4 million GF/GP reduction) from 7,200 cases at \$24,378 per year to 6,948 cases at \$23,737 per year. Adoption subsidies reduce \$6.6 million Gross (\$1.4 million GF/GP) from 27,450 cases at \$652.50 per month to 26,925 cases at \$648.59 per month. The County Child Care Fund is reduced \$20.0 million Gross (\$7.5 million GF/GP). Guardianship assistance payments are increased \$2.6 million Gross (\$2.1 million GF/GP). 		Local	3,341,000
		Private	200,000
		GF/GP	(\$10,081,100)
5. Child Welfare Staffing		FTE	577.0
<u>Conference</u> increases \$23.3 million Gross (\$7.3 million GF/GP) to hire 577.0 additional child welfare staff in order to be in compliance with the case-to-staff ratios required by the Children's Rights settlement agreement. On May 22, DHS requested 307 new child protective services, 174 new direct care, and 96 1st line supervisors and will hire these staff during FY 2012-13. Boilerplate requires funding to be transferred to other line items to be expended. Annualized cost for new staff will be \$49.6 million Gross.		Gross	\$23,320,300
		Federal	16,027,300
		GF/GP	\$7,293,000
6. Private Child Welfare Agency Rate Increases		Gross	\$12,248,600
<u>Conference</u> increases \$12.2 million Gross (\$7.3 million GF/GP) to increase residential rates for the facilities whose per diem is below the median rate, to provide a \$37 administrative rate for trial reunification, to provide training reimbursements for private agencies, and to increase special independent living rates. <u>Senate</u> and <u>House</u> also increase private agency rates.		Federal	4,209,000
		Local	735,000
		GF/GP	\$7,304,600
7. Foster Family Rate Increase		Gross	\$11,291,300
<u>Conference</u> concurs with <u>Executive</u> and <u>House</u> and increases \$11.3 million Gross (\$6.3 million GF/GP) to increase foster family rates \$3.00 per child per day. New rate would be implemented for current foster care cases, new guardianship assistance cases, and new adoption subsidy cases. <u>Senate</u> revises cost estimation for foster care rate increase and does not provide funding to increase new guardianship and adoption subsidy cases. The last increase for family rates was implemented in 2004.		Federal	4,167,200
		Local	809,700
		GF/GP	\$6,314,400
8. Michigan Youth Opportunity Initiative		FTE	18.0
<u>Executive</u> and <u>House</u> increases \$1.9 million Gross (\$878,900 GF/GP) to support 18.0 new FTEs to provide assistance to foster youth aging out of foster care. GF/GP would leverage federal funds to help support these new staff. The GF/GP contribution is redirected from other areas of the budget as a result of increasing federal Temporary Assistance for Needy Families (TANF) block grant funding. <u>Conference</u> concurs with <u>Senate</u> and does not increase \$230,000 GF/GP for youth summer employment program.		Gross	\$1,671,800
		Federal	1,022,900
		GF/GP	\$648,900
9. Family Preservation Programs		Gross	(\$238,400)
<u>Executive</u> and <u>House</u> increases funding for family reunification \$2.5 million Gross. Funding would support a new Supported Visitation contract and a new Parent Partners contract. Increases Families First \$500,000 Gross. Reduces Strong Families/Safe Children funding \$2.7 million Gross. The new programs emphasize mentoring and enhanced support to parents with a child removed from their home. <u>Conference</u> concurs with <u>Senate</u> and does not increase Families First funding \$500,000 Gross.		Federal	(238,400)
		GF/GP	\$0

Major Budget Changes From FY 2011-12 YTD Appropriations	FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
10. Other Child Welfare Adjustments	Gross	N/A
Includes child welfare adjustments as reviewed below:	Federal	(280,900)
<ul style="list-style-type: none"> Increases funding for out-patient mental health services \$4.4 million GF/GP. Increases funding for new psychotropic oversight contracts \$1.1 million Gross (\$559,200 GF/GP). Increases Youth in Transition \$15,000 GF/GP. Eliminates \$4.0 million GF/GP for a one-time Needs Assessment. Reduces medical psychiatric evaluations \$1.4 million Gross (\$600,000 GF/GP) by implementing a statewide drug testing contract. Reduces medical subsidies for adoptive youth \$1.0 million GF/GP. 	GF/GP	(600,000)
11. State Juvenile Justice Facilities	FTE	0.0
Conference reduces \$2.0 million Gross (\$1.0 million GF/GP) authorization for the 3 DHS juvenile justice facilities. Senate increases GF/GP \$2.5 million to reduce county chargeback rate from 50% to 40% and to not charge counties for exceptional medical expenses. Reduces \$1.0 million GF/GP authorization for the 3 DHS juvenile justice facilities. House reduces funding \$21.3 million Gross (\$9.2 million GF/GP) from closing all 3 DHS juvenile justice facilities and reducing administrative staff; maintains \$2.4 million GF/GP for closed site costs. Increases foster care payments line \$9.9 million Gross (\$4.9 million GF/GP) to move 90 youth in the 3 DHS facilities to private residential facilities.	Gross	(\$2,000,000)
	Federal	0
	Local	(1,000,000)
	GF/GP	(\$1,000,000)
12. Public Assistance Caseload Adjustments	Gross	(\$152,420,700)
Reduces funding for public assistance programs \$152.4 million Gross (\$29.8 GF/GP) as follows:	Federal	(122,636,500)
<ul style="list-style-type: none"> Food Assistance Program (FAP) is reduced \$68.4 million Gross from 1,103,042 cases at \$271 per month to 996,958 cases at \$271 per month. Family Independence Program (FIP) is reduced \$85.7 million Gross from 69,363 cases at \$407 per month to 53,298 cases at \$397.01 per month. State Disability Assistance (SDA) program is reduced \$824,800 GF/GP from 10,250 cases at \$227 per month to 8,777 cases at \$257.33 per month. State Supplementation program is increased \$2.5 million GF/GP from 258,500 cases at \$19.50 per month to 271,800 cases at \$19.31 per month. 	Restricted	0
	GF/GP	(\$29,784,200)
13. Energy Services Adjustments	Gross	\$83,400,000
Executive increases federal Low-income Home Energy Assistance Program (LIHEAP) based on anticipated federal grant authorization by \$58.5 million. Transfers out \$35.0 million in restricted fee revenue targeted for energy assistance to the Department of Licensing and Regulatory Affairs (LARA). A total of \$60.0 million in restricted fee revenue is appropriated in LARA for energy services. Senate concurs with Executive and inserts \$100 point of difference. House concurs with federal grant authorization increase, but does not concur with appropriating \$60.0 million in surcharge revenue in the LARA budget; instead reduces LIHEAP administrative allocation from 10% to 5% reducing 88.0 local office FTEs and redirects \$8.0 million in federal LIHEAP for energy assistance and appropriates \$52.0 million in federal Temporary Assistance for Needy Families (TANF) designated as one-time funding. Conference concurs with federal grant authorization increase, but does not concur with new surcharge revenue in the LARA budget; instead appropriates \$59.9 million Gross (\$27.7 million GF/GP) as one-time funding.	Federal	90,700,000
	Restricted	(35,000,000)
	GF/GP	\$27,700,000

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
14. Program Increases			
<u>Conference</u> increases \$900,000 GF/GP for Chaldean Community Foundation, \$450,000 GF/GP for food bank funding, and \$300,000 GF/GP for the Prosecuting Attorneys Association of Michigan to assist state prosecutors, adult protective services, and criminal justice on matters relating to elder abuse and financial exploitation. <u>House</u> increases \$10.0 million GF/GP for veteran advocacy and special maintenance of state administered veteran homes, \$450,000 GF/GP for food bank funding, and \$300,000 GF/GP for the Prosecuting Attorneys Association of Michigan.	Gross GF/GP	N/A N/A	\$1,650,000 \$1,650,000
15. SSI State Supplementation Rate Reduction			
<u>Conference</u> concurs with <u>Senate</u> and reduces SSI state supplementation rates to the minimum federally required rate. Most of the rate reductions would impact couples on SSI rather than individuals on SSI.	Gross GF/GP	\$60,489,000 \$60,489,000	(\$750,000) (\$750,000)
16. State Supplementation Administration			
Reduces \$300,000 GF/GP to recognize savings from distributing State SSI Supplementation payments through Electronic Funds Transfer rather than through paper checks.	Gross GF/GP	\$2,681,100 \$2,681,100	(\$300,000) (\$300,000)
17. Local Office Adult Services Increase			
<u>Executive</u> and <u>House</u> increases local office Adult Services staff by 41.0 FTEs and \$2.9 million Gross (\$924,700 GF/GP). New staff will reduce caseloads per worker from 237:1 to 200:1. Adult Services staff work on both Adult Protective Services and Adult Community Placements. <u>Conference</u> concurs with <u>Senate</u> and increases local office Adult Services staff by 20.5 FTEs.	FTE Gross Federal GF/GP	N/A N/A N/A N/A	20.5 \$1,467,800 1,005,500 \$462,300
18. Mobile Worker Initiative			
Increases funding \$2.4 million Gross (\$935,400 GF/GP) to purchase smart phones and apps to make direct care staff, licensing staff, and inspector general staff more mobile. With more staff in the field, the Executive Recommendation projects savings from rent and leases to offset the costs.	Gross Federal GF/GP	\$0 0 \$0	\$0 0 \$0
19. Stratified Case Management			
Increases funding \$1.2 million Gross to launch an initiative to help DHS identify client cases with the most barriers, that use the most services (state, local, or community-based services), and to coordinate services to help persons reach self-sufficiency.	Gross Federal Private GF/GP	\$0 0 0 \$0	\$1,195,000 1,145,000 50,000 \$0
20. Other Local Office Increases			
<u>Executive</u> and <u>House</u> increases security costs \$495,000 Gross (\$352,700 GF/GP) in both ongoing and one-time costs to improve the security and safety at DHS local offices, increases mileage reimbursement for volunteer services \$225,700 Gross (\$58,700 GF/GP), and increases \$74,800 Gross and 1.0 FTE for SSI advocacy. <u>Senate</u> does not increase funding for security improvements, does not increase funding for SSI advocacy, and provides less funding for volunteer services mileage reimbursements. <u>Conference</u> only increases volunteer services mileage reimbursements.	FTE Gross Federal Restricted GF/GP	N/A N/A N/A N/A	0.0 \$225,700 167,000 0 \$58,700
21. Child Support Enforcement - Paternity Testing			
<u>Executive</u> and <u>House</u> increases funding \$1.8 million Gross (\$612,000 GF/GP) to provide unwed mothers the option to have a paternity test at the hospital to legally identify the father as alternative to the current requirement to sign an affidavit of parentage. Program seeks to avoid future costs of paternity establishment and would be voluntary and not mandated. <u>Conference</u> concurs with <u>Senate</u> and does not increase funding.	Gross Federal GF/GP	\$0 0 \$0	\$0 0 \$0
22. Background Check Program			
Transfers out \$1.0 million GF/GP from the DHS budget to the LARA budget.	Gross GF/GP	\$1,000,000 \$1,000,000	(\$1,000,000) (\$1,000,000)
23. Other Program Reductions			
<u>Conference</u> removes \$187,000 GF/GP from multicultural integration line and replaces it with TANF, reduces 2-1-1 \$150,000 GF/GP, and eliminates private allocations for the Children's Benefit Fund donations, W.J. Maxey Memorial Fund, and Wayne County gifts and bequests.	FTEs Gross Federal Private GF/GP	N/A N/A N/A N/A	0.0 (\$316,000) 37,400 (166,000) (\$187,400)

Major Budget Changes From FY 2011-12 YTD Appropriations	FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date	
24. Bridges Maintenance and Support	Gross	N/A	\$2,218,600
Increases funding for maintenance and support for the Bridges information technology eligibility program by \$2.2 million Gross (\$856,300 GF/GP). Funding will be used for regular Bridges updates and revisions that have had to be delayed due to the number of recent public assistance policy revisions, in addition to IT activities related to transferring out the Child Development and Care (CDC) program to the Office of Great Start within the Department of Education.	Federal	N/A	1,353,300
	GF/GP	N/A	\$856,300
25. Disability Determination Services	FTEs	721.9	(175.0)
Eliminates funding and FTEs added during FY 2009-10 to again perform eligibility reconsiderations for persons applying for federal SSI and SSDI. The intent was that the reconsideration process would reduce the number of individuals requesting a federal appeal. The FTEs were never hired because the federal government suspended the reconsideration process.	Gross	\$114,949,500	(\$21,904,600)
	IDG	299,900	0
	Federal	113,651,200	(21,904,600)
	GF/GP	\$998,400	\$0
26. FTE and Federal Authorization Adjustments	FTEs	N/A	(43.0)
Reduces FTE authorizations by 43.0 positions within child welfare, children services, and juvenile justice. Reduces federal authorization by \$47.4 million within child support enforcement, child support information technology, and payroll taxes and fringe benefits. These are adjustments to align spending with appropriations rather than program reductions or cuts.	Gross	N/A	(\$47,423,900)
	Federal	N/A	(47,423,900)
	GF/GP	N/A	\$0
27. FY 2011-12 Employee Contingency Plan	FTEs	N/A	(182.0)
Reduces budgeted salaries and wages to reflect actual realized salaries and wages by \$21.0 million Gross (\$5.8 million GF/GP). Eliminates funded staff vacancies saving \$6.0 million Gross (\$2.3 million GF/GP). Implements a targeted hiring freeze saving \$7.2 million Gross (\$2.8 million GF/GP) and offsets \$7.8 million GF/GP with TANF savings from the employee contingency plan.	Gross	N/A	(\$34,241,100)
	Federal	N/A	(15,470,100)
	GF/GP	N/A	(\$18,771,000)
28. Employee Economics	Gross	N/A	\$21,471,600
Increases employee economic costs related to salary and wages, retirement, insurances, and building occupancy changes by \$10.9 million Gross (\$5.5 million GF/GP). Replaces \$3.9 million in IDG funds from DTMB with federal funds. Increases funding designated as one-time in boilerplate for state employee lump sum payments by \$10.5 million Gross (\$3.9 million GF/GP).	IDG	N/A	(4,580,200)
	Federal	N/A	15,922,000
	Local	N/A	391,400
	Private	N/A	219,400
	Restricted	N/A	71,200
	GF/GP	N/A	\$9,447,800
29. Federal Medical Assistance Percentage (FMAP) Adjustments	Gross	N/A	\$0
Reduces GF/GP by \$529,900 from the FMAP federal match rate adjustment from 66.14% to 66.39%. This rate is used to determine federal cost sharing for foster care payments and adoption subsidies.	Federal	N/A	529,900
	GF/GP	N/A	(\$529,900)
30. Other One-Time Appropriations	Gross	\$0	\$5,000,000
Conference increases \$5.0 million Gross (\$4.0 million GF/GP), on a one-time basis, in a separate line item unit as follows:	Federal	0	1,000,000
	GF/GP	\$0	\$4,000,000
<ul style="list-style-type: none"> \$2.5 million Gross (\$1.5 million GF/GP) for Inspector General information technology upgrades. \$1.0 million GF/GP for before- or after-school programs. \$750,000 GF/GP for Seita Scholarship. \$500,000 GF/GP for a juvenile justice behavioral health study. \$250,000 GF/GP for 2 local office to implement Medicaid eligibility efficiencies. 			
31. Anticipated FY 2013-14 Budget Changes			
Reflects anticipated adjustments from FY 2012-13 budget for caseload and economic adjustments in FY 2013-14. (Boilerplate intent language only; would not be binding appropriation.)			

Major Boilerplate Changes From FY 2011-12

GENERAL SECTIONS

Sec. 217. Limits on Out-of-State Travel – REVISED

Limits out-of-state travel to specific conditions; requires report on out-of-state travel exemptions. Conference and House removes out-of-state travel limitation; maintains reporting requirement.

Sec. 223. Medicaid Determination Requirements – DELETED

Requires DHS to determine Medicaid eligibility within 60 days when disability is an eligibility factor and within 45 days for all other applicants.

Sec. 224. Medicaid Determination Requirements for Nursing Home Patients – DELETED

Requires DHS to approve or deny Medicaid applications for nursing home patients within 45 days of receipt of necessary information.

Sec. 284. Contingency Fund Appropriations – REVISED

Appropriates \$200.0 million in federal, \$5.0 million in state restricted, \$20.0 million in local, and \$20.0 million in private contingency funds; appropriations may not be expended until transferred through legislative transfer process. Conference includes new \$40.0 million federal TANF contingency fund.

Sec. 290. Welfare Fraud Hotline – NEW

Requires DHS to include the welfare fraud hotline phone number on any public advertisement.

Sec. 291. E-Verify – NEW

Requires DHS to use E-Verify to verify that new employees and new contractors are legally present in the United States; requires report on implementation.

EXECUTIVE OPERATIONS

Sec. 307. 2-1-1 Statewide Call System – REVISED

Allocates \$550,000 for Michigan 2-1-1 to coordinate and support a statewide 2-1-1 call system; provides that funding shall not exceed 50% of total operating expenses; requires annual report. Conference and House allocates \$400,000 and requires 2-1-1 to refer calls of fraud, waste, and abuse to DHS.

ADULT AND FAMILY SERVICES

Sec. 425. Employment Support Services Program – REVISED

Requires DHS to reduce waste, fraud, and abuse within the current policy on payments for car repairs and car purchases. House limits car repair allocation to not more than \$500 per year. Conference limits car repair allocation to not more than \$500 per year, but allows DHS to approve exceptions up to \$900 per year; requires report on number of exceptions.

CHILDREN'S SERVICES

Sec. 503. Third Party Private Agency Rate Setting Contract – NEW

Requires DHS to enter into a contract with a third party to set establish per diem rates for private child welfare agencies and DHS on an annual basis, requires report on the established rates.

Sec. 525. On-site Evaluations – NEW

Requires DHS to use same on-site evaluation process and noncompliance penalties for private-operated and state-operated residential facilities.

Sec. 527. Child Welfare Staffing Enhancement – NEW

Prohibits DHS from expending funding from new child welfare staffing enhancement line item until transferred through legislative transfer process to the appropriate line items.

Sec. 540. Psychotropic Medication For Youth in Out-of-Home Placements – NEW

Requires DHS to determine within 30 days to change prescribed psychotropic medication for state wards if the placement administration determines that the medication should be changed, or to seek parental consent within 7 business days for a temporary court ward.

Sec. 546. Foster Care Agency Administrative Rates – REVISED

Establishes foster care administrative rate of \$37 for private child placing agencies under contract with DHS; establishes general independent living administrative rate of \$28; establishes specialized independent living administrative rates less than rates provided in FY 2008-09 but more than the general independent living rate. Senate increases the foster care administrative rate to \$40; increases the general independent living administrative rate to \$30; reinstates the special independent living administrative rate to FY 2010-11 levels. House does not establish special independent living administrative rate; provides a \$5 foster care administrative rate increase, provided that state law is amended to eliminate the county match rate for the rate increase. Conference reinstates the special independent living administrative rate to FY 2010-11 levels.

PUBLIC ASSISTANCE

Sec. 604. State Disability Assistance (SDA) Program – REVISED

Establishes requirements for the SDA program. Conference and House strikes subsection allowing refugees or asylees who lose federal disability assistance to be eligible for SDA.

Major Boilerplate Changes From FY 2011-12

Sec. 611. State Supplementation Rates – NEW

Prohibits state supplementation levels for living independently or living in the household of another from exceeding the minimum level required under federal law or regulations.

Sec. 612. Refugee Assistance Asset Test – NEW

Requires DHS to implement an asset test for applicants and recipients of refugee assistance program medical benefits.

Sec. 616. Electronic Benefit Transfer Fees – NEW

Requires retailers participating in the electronic benefit transfer program from charging more than \$2.50 in fees for cash back.

Sec. 657. Extended Family Independence Program (EFIP) Notifications – NEW

Requires DHS to notify individuals eligible for EFIP that receiving EFIP will count toward the federal and state lifetime cash assistance limits.

JUVENILE JUSTICE SERVICES

Sec. 721. Residential Facility of Last Resort – NEW

If demand exceeds capacity at state-operated facilities, requires DHS to post a RFP to contract with not less than 1 private provider to be a residential facility of last resort instead of increasing available occupancy at state-operated facilities.

ONE-TIME BASIS ONLY

Sec. 1207. Medicaid Determination and Eligibility LEAN process – NEW

Requires DHS to make a determination of Medicaid eligibility no later than 60 days when disability is an eligibility factor and no later than 45 days for all other applications, including nursing homes; Requires DHS to implement a LEAN process to increase the efficiency and reduce standards of promptness of Medicaid eligibility determination at 2 local offices; requires report on the LEAN process at the 2 local offices and the plan to implement statewide.

FY 2012-13: JUDICIARY
Summary: Conference Report
Article XI, House Bill 5365 (CR-1)



Analyst: Erik Jonasson

IDG/IDT	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Conference	Difference: Conference From FY 2011-12 YTD	
						Amount	%
	\$3,602,700	\$2,638,200	\$2,638,200	\$2,638,200	\$2,638,200	(\$964,500)	(26.8)
Federal	5,694,800	6,017,100	6,017,100	6,017,100	6,017,100	322,300	5.7
Local	6,560,700	7,049,300	7,049,300	7,049,300	7,049,300	488,600	7.4
Private	869,700	921,800	921,800	921,800	921,800	52,100	6.0
Restricted	88,319,000	88,582,200	88,582,200	88,582,200	86,382,200	(1,936,800)	(2.2)
GF/GP	154,740,300	163,551,500	162,856,200	168,551,500	170,751,500	16,011,200	10.3
Gross	\$259,787,200	\$268,760,100	\$268,064,800	\$273,760,100	\$273,760,100	\$13,972,900	5.4
FTEs	491.0	472.0	472.0	472.0	472.0	(19.0)	(3.9)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683.
(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

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 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
1. Fund Shift and Increase for Swift-and-Sure Sanctions Program	Gross	\$1,000,000	\$5,000,000
<u>Executive</u> maintains funding at \$1.0 million, with GF/GP funds replacing an IDG from the Department of Corrections. Boilerplate adjustments expand grant eligibility criteria to courts with a concurrent jurisdiction plan. <u>House</u> concurs with funding amount, but retains boilerplate limiting eligible counties to those with unified trial courts. <u>Senate</u> concurs with fund shift, adds an additional \$5.0 million gross (\$3.2 million GF/GP), and expands definition of eligible counties (see boilerplate Sec. 320). <u>Conference</u> concurs with Senate, with changes to boilerplate Sec 320.	IDG/IDT	1,000,000	(1,000,000)
	Restricted	0	1,729,400
	GF/GP	\$0	\$4,270,600
2. Continuance and Expansion of Mental Health Courts	FTE	N/A	1.0
<u>Executive</u> proposes \$2.1 million GF/GP for funding and expansion of mental health courts, and one FTE to conduct mental health court evaluations. <u>House</u> reduces executive recommendation by \$50,000 GF/GP. <u>Senate</u> and <u>Conference</u> concur with executive recommendation.	Gross	N/A	\$2,100,000
	GF/GP	N/A	\$2,100,000
3. Replace Court Fee Revenue with GF	Gross	\$94,562,800	\$0
<u>Executive</u> reduces Court Fee Fund revenue for judicial salaries by \$2.2 million due to reductions in expected revenue, replacing with GF/GP. <u>Conference</u> concurs with executive recommendation.	Restricted	7,090,200	(2,200,000)
	GF/GP	\$87,472,600	\$2,200,000
4. Drug Court Funding Increase	Gross	N/A	\$1,250,000
<u>Executive</u> proposes an additional \$1.25 million for drug court funding. <u>House</u> reduces executive recommendation by \$77,000 GF/GP. <u>Senate</u> and <u>Conference</u> concur with executive recommendation.	GF/GP	N/A	\$1,250,000

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
5. Court of Appeals Fund Source Transfer			
<u>Senate</u> replaces \$1.7 million in restricted fund revenue with GF/GP. The associated restricted fund revenues (filing/motion fees and miscellaneous revenue) are added to the fund increase for the swift-and-sure sanctions program in item 1. <u>Conference</u> concurs with <u>Senate</u> .	Gross Restricted GF/GP	N/A N/A N/A	\$0 (1,729,400) \$1,729,400
6. State Appellate Defender Office (SADO) Staff Increases			
<u>Executive</u> adds funding of \$225,000 GF/GP for additional staff to assist in meeting the statutory requirement that SADO handle 25% of indigent appellate defense cases. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	FTE Gross GF/GP	39.0 \$5,322,800 \$4,582,700	3.0 \$225,000 \$225,000
7. Additional Court Consolidation Staff			
<u>Executive</u> adds funding of \$160,000 GF/GP for 2.0 FTEs at the State Court Administrative Office, to facilitate ongoing consolidation efforts, performance metrics, and operating efficiencies. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	FTE Gross GF/GP	N/A N/A N/A	2.0 \$160,000 \$160,000
8. Reduced Funding for Eliminated Judgeships			
<u>Executive</u> adjusts budget for statutory changes in the number of judgeships resulting from PA 300 of 2011. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	Gross Restricted GF/GP	\$94,279,400 7,090,200 \$87,189,200	(\$199,600) 0 (\$199,600)
9. Funding for Court of Appeals Judges			
<u>Executive</u> adds funding for two Court of Appeals judges. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	Gross GF/GP	N/A N/A	\$342,600 \$342,600
10. Economics Adjustments			
<u>Executive</u> funds economics adjustments as follows for FY 2012-2013. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	Gross IDG/IDT Federal Local Private Restricted GF/GP	N/A N/A N/A N/A N/A N/A N/A	\$4,272,800 29,700 271,100 410,000 43,900 221,800 \$3,296,300
<ul style="list-style-type: none"> Salaries, Wages, & OASI: \$949,400 Gross, \$753,500 GF/GP Insurance: (\$313,500) Gross, (\$246,700) GF/GP Retirement: \$3,768,300 Gross, \$2,924,400 GF/GP Worker's Compensation: (\$85,600) Gross & GF/GP Rent & Building Occupancy: (\$45,800) Gross & (\$49,300) GP/GP 			
11. One-Time Appropriations			
<u>Executive</u> proposes \$827,200 Gross (\$636,900 GF/GP) designated as a one-time appropriation (in boilerplate section 401) for lump sum payments to state employees <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur but appropriate in separate line item unit.	Gross IDG/IDT Federal Local Private Restricted GF/GP	N/A N/A N/A N/A N/A N/A N/A	\$827,200 9,100 51,200 78,600 8,200 43,200 \$636,900

Major Boilerplate Changes From FY 2011-12

Sec. 215. Out-of-State Travel – REVISED

Requires the judiciary prepare a travel report listing all travel by judicial branch employees in the preceding fiscal year. Executive strikes current law, House strikes limitations on out-of-state travel, and reduces reporting requirement to the dates and costs of transportation for each travel occurrence. Senate retains current YTD language. Conference uses House language.

Sec. 311. Drug Courts – REVISED

Specifies criteria for drug court grants; provides \$1.8 million IDG of Byrne grant revenue for expanding drug treatment courts to assist in avoiding prison bed space growth for nonviolent offenders. Executive removes subsection authorizing judiciary to receive and expend funds from U.S. Department of Transportation in an amount not to exceed \$450,000 for drug treatment courts. House, Senate, and Conference concur.

Major Boilerplate Changes From FY 2011-12

Sec. 320. Swift-and-Sure Sanctions Pilot Program - REVISED

Authorizes \$1.0 million GF/GP appropriated in part 1 to be expended for swift-and-sure sanction program. Executive expands the definition of "qualifying county" to include counties with a drug treatment court and concurrent jurisdiction plan. House keeps current year definition of "qualifying county," adds a definition for the term "unified trial court." Senate removes requirements for concurrent jurisdiction or unified trial court plans, expands eligibility to DWI/sobriety courts. Conference includes requirement for unified trial court or drug court, allows for \$100,000 of swift-and-sure money to be used for administration, and includes definition of unified trial court. Preference is given to courts which have had swift-and-sure programs in prior years, or have higher numbers of residents or former residents under the supervision of the Department of Corrections.

Sec. 322. State Appellate Defender Office Byrne Formula Grant - REVISED

Executive provides that, if Byrne formula grant funding is awarded to the State Appellate Defender Office (SADO), SADO may receive and expend funding not exceeding \$250,000 as an IDG from the Department of State Police. House, Senate, and Conference concur.

Sec. 1201. Anticipated FY 2013-14 Appropriations

States legislative intent to provide appropriations for FY 2013-14, adjusting FY 2012-13 amounts based on economic and other factors.

FY 2012-13: LICENSING AND REGULATORY AFFAIRS
Summary: Conference Report
Article XII, House Bill 5365 (CR-1)



Analyst: Paul Holland

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Conference	Difference: Conference From FY 2011-12 YTD	
						Amount	%
IDG/IDT	\$14,870,100	\$13,496,900	\$13,496,900	\$13,496,900	\$13,496,900	(\$1,373,200)	(9.2)
Federal	377,515,600	390,840,600	250,710,900	391,016,600	391,076,000	13,560,400	3.6
Local	7,859,900	7,159,900	0	7,159,900	7,159,900	(700,000)	(8.9)
Private	4,727,800	5,427,800	1,900,000	5,427,800	3,927,800	(800,000)	(16.9)
Restricted	411,820,500	380,017,500	324,030,800	379,841,700	325,711,800	(86,108,700)	(20.9)
GF/GP	\$42,024,100	\$50,570,900	\$10,957,600	\$35,571,000	50,570,900	8,546,800	20.3
Gross	\$858,818,000	\$847,513,600	\$601,096,200	\$832,513,900	\$791,943,300	(\$66,874,700)	(7.8)
FTEs	4,378.3	4,419.8	3,638.3	4,366.8	4,317.3	(61.0)	(1.4)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683. (2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time. (3) Description of House changes pertains to HB 5384 (H-2). (4) Description of Senate changes pertains to SB 958 (S-1). (5) Description of Executive pertains to the recommendation issued on 02/09/12 and revision issued on 05/10/12.

Overview

The Department of Licensing and Regulatory Affairs (LARA) administers the state's primary regulatory and employment security agencies. LARA is organized into four principal units: 1) Licensing and Regulatory, which implements and enforces Michigan laws pertaining to financial, commercial and occupational, construction and fire safety, health profession and facility, public utility, and liquor regulations; 2) the Michigan Administrative Hearing System, a quasi-judicial agency which centralizes and conducts administrative hearings for agencies throughout state government; 3) Employment Security and Workplace Safety, including the administration of unemployment insurance, workers' compensation insurance, occupational safety and health, and rehabilitation programs; and 4) the Office of Regulatory Reinvention, which oversees administrative rule-making and evaluates the state's regulatory infrastructure. The various agencies within LARA are primarily supported by several federal grants and by revenue generated through numerous fees collected from regulated entities.

Major Budget Changes From FY 2011-12 YTD Appropriations

		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
1. Bureau of Fire Services—Fireworks Regulation	FTE	57.0	6.0
Increases staff and spending authority for the Bureau of Fire Services (BFS) to administer new consumer fireworks regulations pursuant to 2011 PA 256 funded with revenue from the new Fireworks Safety Fund supported by certification fees and a retail sales tax on the purchase of fireworks.	Gross	\$5,889,300	\$600,000
	IDG	100,000	0
	Federal	788,000	0
	Restricted	5,001,300	600,000
2. Bureau of Fire Services—Increase GF/GP	FTE	57.0	0.0
Increases GF/GP appropriation for the Bureau of Fire Services (BFS) rather than increase the nominal amount of Fire Service Fees (set in boilerplate) paid by hospitals and schools to the BFS for inspections pursuant to the Fire Prevention Code (1941 PA 207).	Gross	\$5,889,300	\$585,000
	IDG	100,000	0
	Federal	788,000	0
	Restricted	5,001,300	0
	GF/GP	\$0	\$585,000
3. Bureau of Commercial Services—AG Expenses	FTE	175.0	0.0
Increases spending authorization for the Bureau of Commercial Services (BCS) from the Real Estate Enforcement Fund to support legal expenses of the Department of Attorney General (AG) pertaining to the investigation of mortgage fraud; these funds are currently transferred to the AG as an, off-budget, revenue reduction.	Gross	\$20,520,800	\$300,000
	Restricted	20,520,800	300,000

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
4. Bureau of Health Professions—Remove SB 683 OPEB IDG		FTE 160.0	0.0
Implicitly eliminates the IDG from the Department of Technology, Management, and Budget (DTMB) to the Bureau of Health Professions (BHP) that was included in the revision of the supplemental in SB 683 (S-1) for FY 2011-12 supporting the prefunding of Other Post Retirement Benefits (OPEB).		Gross \$28,648,500	(\$884,000)
	IDG	884,000	(884,000)
	Federal	3,507,000	0
	Restricted	24,257,500	0
5. Bureau of Health Systems—Facilities Inspections		FTE 199.6	0.0
Increases spending authorization for the Bureau of Health Systems (BHS), to support the inspections of health facilities, from federal Title 18 Medicare funds and Health Systems Fees paid by health facilities regulated by BHS; this is an increase of authorization to spend additional revenues, not an increase in the nominal amount of state fees.		Gross \$22,907,700	\$1,580,000
	Federal	16,036,800	740,000
	Local	200,000	0
	Restricted	1,915,400	840,000
	GF/GP	\$4,755,500	\$0
6. Bureau of Health Systems—Increase Support for FSOF Inspections		FTE 199.6	3.9
Appropriates additional GF/GP and FTEs within the Bureau of Health Systems (BHS) to support the inspection and licensing of Freestanding Surgical Outpatient Facilities as required under the Public Health Code.		Gross \$22,907,700	\$530,000
	Federal	16,036,800	0
	Local	200,000	0
	Restricted	1,915,400	0
	GF/GP	\$4,755,500	\$530,000
7. Workers' Compensation Administration—Contingency Plan		FTE 96.6	(1.0)
Eliminates one vacant clerical support position within the Workers' Compensation Agency (WCA) at a saving in GF/GP.		Gross \$9,218,000	(\$71,100)
	Restricted	3,310,600	0
	GF/GP	\$5,907,400	(\$71,100)
8. Unemployment Insurance Agency—Transfer Appropriation		FTE 1,302.7	0.0
Transfers spending authorization for the Penalty and Interest account of the Contingent Fund which is supported with interest earned on UI contributions and penalties and damages collected under the MESA from the Workforce Development Agency within the Michigan Strategic Fund (where it was transferred by E.O. 2011-4) to the UIA to support staff detailed to the MRS.		Gross \$142,269,600	\$2,814,700
	Federal	141,269,600	0
	Restricted	1,000,000	2,814,700
9. Michigan Rehabilitative Services—Staffing Adjustment		FTE 513.5	36.5
Increases authorized FTEs in the Michigan Rehabilitative Services (MRS) to accurately reflect the actual number of MRS staff, this increase in FTEs reflects a reclassification of Michigan Career and Technical Institute (MCTI) staff and not an increase in actual staff employed; previously the staff at the MCTI was not considered as FTEs within MRS.		Gross \$74,576,300	\$0
	Federal	64,327,300	0
	Private	816,000	0
	Restricted	1,492,200	0
	GF/GP	\$7,940,800	\$0
10. Michigan Administrative Hearing System—DEQ Costs		FTE 205.4	0.0
Reduces the amount paid to the Michigan Administrative Hearing System (MAHS) via IDG from the Department of Environmental Quality (DEQ) to more accurately reflect the costs associated with the DEQ administrative hearing caseload.		Gross \$31,911,900	(\$80,200)
	IDG	12,886,100	(80,200)
	Federal	7,975,900	0
	Restricted	10,985,600	0
	GF/GP	\$64,300	\$0
11. Liquor Control Commission IT Upgrades—Support for IT Upgrades		Gross \$100	\$1,999,900
Support for the replacement of the COBOL-based IT system currently used by the Liquor Control Commission (LCC) with modern software from the Liquor Purchase Revolving Fund, estimated to take five years to complete and will require further appropriation in future budget bills.		Restricted 100	1,999,900
12. Private Grant Programs—Reduce Private Grant Programs		Gross \$3,000,000	(\$1,500,000)
Reduces spending authorization for private grants received by LARA.		Private 3,000,000	(1,500,000)
13. Low-Income Energy Efficiency Assistance—Eliminate LIEEF		Gross \$95,000,000	(\$95,000,000)
Eliminates the Low-Income Energy Efficiency Fund (LIEEF), invalidated by the Court of Appeals in July 2011. The LIEEF program was administered by the Public Service Commission (PSC) which awarded grants, supported by assessments on certain investor-owned utility companies, to the Department of Human Services and nonprofit organizations to support energy assistance for low-income residents and energy efficiency for all Michigan residents.		Restricted 95,000,000	(95,000,000)

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
14. Vulnerable Household Warmth Assistance—Eliminate VHWF	Gross	\$23,000,000	(\$23,000,000)
Eliminates the Vulnerable Household Warmth Fund (VHWF), which was established by 2011 PA 274 and appropriated for by 2011 PA 275. The VHWF provided funding, through fiscal year 2012, for nonprofit organizations that were awarded grants under the LIEEF program by the PSC in Docket No. U-13129 to support energy assistance for low-income residents.	Restricted	13,000,000	(13,000,000)
	GF/GP	\$10,000,000	(\$10,000,000)
15. State Employee Lump Sum Payments—One-Time Appropriations	Gross	N/A	\$5,036,800
Provides one-time funding for lump-sum payments to state employees agreed to in 2011; 1% of salary for employees represented by a union and 2% of salary for employees not exclusively represented.	IDG	N/A	163,500
	Federal	N/A	2,815,400
	Restricted	N/A	1,880,400
	GF/GP	N/A	\$177,500
16. Autism Coverage Fund—Create	FTE	N/A	2.0
Appropriates for the Autism Coverage Fund, created as a line item within a new appropriation unit, to support reimbursements for insurance carriers through the Autism Coverage Reimbursement Program established by 2012 PA 101, under which insurance carriers may seek reimbursement for claims associated with the diagnosis and treatment of autism spectrum disorders through an application process implemented by Office of Finance and Administrative Services within LARA, 1% of the appropriation may be expended for administrative costs.	Gross	N/A	\$15,000,000
	GF/GP	N/A	\$15,000,000
17. Numerous Line Items—Economics Adjustments	Gross	N/A	\$25,214,200
Reflects increased costs for negotiated salary and wage increases (1.902% overall), actuarially-required retirement benefit rate increases, reduced employer health insurance costs due to 20% employee contribution, decreased Workers' Compensation costs, increased in property management expenses, and other incidental economic adjustments within LARA. Includes \$848,000 in economics adjustments for DTMB staff providing IT services to LARA.	IDG	N/A	862,500
	Federal	N/A	14,369,600
	Restricted	N/A	9,069,800
	GF/GP	N/A	\$912,300
18. Numerous Line Items—Various Fund Shifts	Gross	\$15,462,300	\$0
Includes various fund shifts between and within line items and fund sources which all net out to zero gross, although some do shift between the types of fund sources. Some fund shifts reflect changes in the availability and categorization of funds, while others reflect changes to more accurately reflect program administration. (Includes a \$1.5 million fund shift from federal revenue to GF/GP for grants to Centers for Independent Living.)	IDG	1,435,000	(1,435,000)
	Federal	5,484,800	(4,364,600)
	Local	700,000	(700,000)
	Private	0	700,000
	Restricted	6,727,500	4,386,500
	GF/GP	\$1,115,000	\$1,413,100
19. Numerous Line Items—FTE True-Up	FTE	4,378.3	(108.4)
Adjusts the number of appropriated FTEs throughout agencies within LARA to more accurately reflect the actual staffing practices of LARA.	Gross	N/A	N/A
20. Eliminate/Extend Past Fee Increase Sunsets	Gross	N/A	\$0
Assumes the elimination or extension of sunsets on various past fee increases, set to expire on September 30, 2012, on corporate and business filing fees collected under the Bureau of Commercial Services and numerous occupational registration and licensing fees collected under the Bureaus of Commercial Services and Construction Codes and the Office of Financial and Insurance Regulation. Based on LARA estimates, the elimination of fee sunsets will generate approximately \$16.2 million dollars in FY 2012-13.	Restricted	N/A	0
21. Anticipated FY 2013-14 Budget Changes	Gross	N/A	\$12,529,000
Anticipated increases from FY 2012-13 budget of \$12.5 million Gross (\$556,000 GF/GP) for economic adjustments in FY 2013-14. (Boilerplate intent language only; would not be binding appropriation.)	IDG	N/A	440,300
	Federal	N/A	7,158,900
	Restricted	N/A	4,373,800
	GF/GP	N/A	\$556,000

Major Boilerplate Changes From FY 2011-12

Sec. 203. Definitions – REVISED

Defines various terms and abbreviations used in the bill. *Many definitions are deleted.*

Major Boilerplate Changes From FY 2011-12

Sec. 210. Deprived and Depressed Communities – DELETED

Directs LARA to reasonably ensure that businesses in "deprived and depressed" communities compete for and perform contracts for service and supplies.

Sec. 211. Information Technology Work Projects – REVISED

Permits appropriations for Information Technology work to be designated as work projects and carried forward. *Revises LCC IT Upgrade work project anticipated amount and estimate completion date.*

Sec. 219. Office Space Consolidation Plan – ADDED

States that the Legislature intends to cooperate with the office space consolidation plan implemented by DTMB.

Sec. 227. Sale of Documents – REVISED

Permits LARA to sell various agency documents at the cost of production and stipulates that the revenues shall carry forward and be expended only on the costs of production and distribution. *Deletes restriction of the expending of revenues.*

Sec. 230. Principal Measurable Outcomes – ADDED

Directs LARA to identify and rank 10 measurable outcomes by October 31, 2012 and provide biennial updates on efforts and improvements in those outcomes by April 1.

Sec. 231. Transparency Website – REVISED

Requires LARA to maintain, either by itself or centrally with the state, a searchable website accessible by the public at no cost, which includes various appropriation, procurement, and staffing information. *Removes authorization for LARA to develop and maintain its own website and directs LARA to work with DTMB.*

Sec. 236 One-Time Lump-Sum Payments Report – ADDED

Requires LARA to provide a report with information about every employee that receives a payment of more than \$1,000. Senate creates.

Sec. 301. Fire Protection Grants – REVISED

Directs LARA to expend funds in accordance with 1977 PA 289 and stipulates that local units of government are eligible for funds if they provide a specified report to LARA. *Adds reporting requirements from Sec. 301a.*

Sec. 301a. Fire Protection Grant Report – DELETED

Directs local units of government receiving funds in accordance with 1977 PA 289 to submit a report on the expenditures relating to fire protection of state-owned property and directs to provide a standard template for the report and a summary of the reports and transmit to the Legislature and SBO.

Sec. 302a. Fire Safe Cigarette Fine Revenue – DELETED

Appropriates funds credited to the Cigarette Fire Safety Standard and Firefighter Protection Act Fund created by 2009 PA 56 to be expended for purposes provided for in 2009 PA 56.

Sec. 361. Low-Income Energy Efficiency Fund Program – DELETED

Requires the PSC to provide a report on the distribution of funds for the LIEEF program and permits LARA to carry forward unexpended funds collected under the LIEEF program to the subsequent fiscal year.

Sec. 390. Tax Tribunal Caseload Report – REVISED

Requires the Tax Tribunal and MAHS to provide a report containing specified information about the caseload, dispositions, and backlog of tax tribunal cases to the Legislature and SBO. *Adds new reporting requirements.*

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

Requires that nursing facilities' quarterly reports to LARA include the specified information and requires LARA to make the quarterly staff report available to the public.

Sec. 714. Nursing Facility Complaint Investigations Report – REVISED

Requires LARA to report the timeliness of nursing facility complaint investigations and the number of allegations that are substantiated on an annual basis to the Legislature and SBO and requires LARA to make every effort to contact complainants during the investigations. *Adds the reporting requirements from Sec. 718.*

Sec. 716. Investigations of Health Care Professionals – DELETED

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 – DELETED

Requires LARA to provide a report on frequently cited complaint deficiencies for nursing homes during the prior three fiscal years to the Legislature and SBO.

Sec. 726. Medical Marijuana Program Fees – REVISED

Requires LARA to provide a report of all information pertaining to the revenue and expenditures of the Medical Marijuana Program and other specified information to the Legislature and SBO and permits LARA to raise application and renewal fees if revenue is insufficient to offset expenses of the Program. *Revises reporting requirements.*

Major Boilerplate Changes From FY 2011-12

Sec. 727. Outsource Medical Marihuana Program Administration – DELETED

Requires LARA to establish and implement a bid process to identify a public or private contractor to administer the Medical Marihuana Program and requires LARA to transfer administration of the Program to the contractor by January 1st.

Sec. 729. Circulating Nurse Data – DELETED

Permits hospitals and ambulatory surgical centers to report to LARA whether registered nurses serve as circulating nurses during surgical procedures and requires LARA to report on the data it receives to the Legislature.

Sec. 732. Support for BHS Inspections of FSOFs – ADDED

Stipulates that the Bureau of Health Systems expend at least \$530,000 on the inspections of Freestanding Surgical Outpatient Facilities (FSOFs) (see #6 in "Major Budget Changes From FY 2011-12 YTD Appropriations" above).

Sec. 801. Autism Coverage Reimbursement Program – ADDED

Appropriates the money in the Autism Coverage Fund to be expended on the Autism Coverage Reimbursement Program as authorized by 2012 PA 101 (see #16 in "Major Budget Changes From FY 2011-12 YTD Appropriations" above).

Sec. 802. Autism Coverage Reimbursement Program Reporting Requirements – ADDED

Stipulates additional reporting requirements pertaining to the Autism Coverage Reimbursement Program authorized by 2012 PA 101 (see #16 in "Major Budget Changes From FY 2011-12 YTD Appropriations" above).

FY 2012-13: MILITARY AND VETERANS AFFAIRS
Summary: Conference Report
Article XIII, House Bill 5365 (CR-1)



Analyst: Robin R. Risko

IDG/IDT	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Conference	Difference: Conference From FY 2011-12 YTD	
						Amount	%
	\$3,963,300	\$1,166,500	\$11,166,500	\$1,166,500	\$1,166,500	(2,796,800)	(70.6)
Federal	87,877,900	99,239,400	99,239,400	99,239,400	99,239,400	11,361,500	12.9
Local	765,600	769,200	769,200	1,503,600	1,503,600	738,000	96.4
Private	1,448,000	1,503,700	1,503,700	1,503,700	1,503,700	55,700	3.8
Restricted	28,506,400	30,427,000	30,427,000	30,427,000	30,427,000	1,920,600	6.7
GF/GP	33,983,700	34,733,400	34,411,600	34,733,400	38,233,400	4,249,700	12.5
Gross	\$156,544,900	\$167,839,200	\$177,517,400	\$168,573,600	\$172,073,600	\$15,528,700	9.9
FTEs	826.0	826.0	826.0	841.0	842.0	16.0	1.9

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683, 2012 PA 64.
(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

Overview

The Department of Military and Veterans Affairs has three primary missions: to execute duties as specified in various state statutes and by the Governor, to administer state regulated services, and to ensure preparedness of the Michigan National Guard to assist both state and federal authorities. The Michigan National Guard serves to protect the lives and property of Michigan citizens during times of natural disaster and civil unrest, to preserve peace, order, and public safety at the direction of the Governor, and to assist the federal government in defending sovereign interests of the United States when they are threatened or violated. The department also oversees state programs for veterans, the state's veterans' homes in Grand Rapids and Marquette, grants to veterans service organizations, and the Michigan Veterans' Trust Fund.

Bill Structure

The current year bill contains four line items, in four appropriation units, and 27 corresponding scheduled programs. The conference report contains 15 line items, in five appropriation units, and 23 corresponding scheduled programs. Boilerplate sections in the conference report have been rearranged, where necessary, to correspond with new appropriation unit titles.

Major Budget Changes From FY 2011-12 YTD Appropriations

1. Armory Maintenance

Executive includes an additional on-going appropriation of \$2.4 million GF/GP to address the backlog of special maintenance projects at the state's 43 armories. House includes an additional on-going appropriation of \$2.0 million GF/GP. The difference between the Executive and House is \$446,800. Of that, \$321,800 is reduced from the Executive recommendation in order to meet House GF/GP targets and \$125,000 is reduced in order to hold the veterans service organization grants harmless and fund the Veterans Certification Officer proposed by the Executive. (See #4 and #5 below) Senate concurs with Executive. Conference concurs with Executive.

	FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
Gross	\$651,200	\$2,400,000
GF/GP	\$651,200	\$2,400,000

2. Military Retirement Program

Executive includes an additional \$150,000 GF/GP to cover full-year costs of mandatory retirement payments required pursuant to 1967 PA 150, the Michigan Military Act, and then transfers all costs associated with the Military Retirement program to the Office of Retirement Services within the Department of Technology, Management, and Budget (\$3,981,700 GF/GP). House concurs. Senate concurs. Conference concurs.

	FTE	Conference Change from Year-to-Date
	1.0	(1.0)
Gross	\$3,831,700	(\$3,831,700)
GF/GP	\$3,831,700	(\$3,831,700)

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
3. Additional Funding for Unclassified Positions	FTE	7.0	1.0
<u>Executive</u> reflects a transfer of \$500,000 GF/GP to Unclassified Military Personnel to fully fund current unclassified positions. (\$200,000 GF/GP is transferred from Headquarters and Armories, \$150,000 GF/GP from the Grand Rapids Veterans' Home, and \$150,000 GF/GP from the D.J. Jacobetti Veterans' Home) <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs with additional funding and adjusts the number of unclassified positions in the bill to match the number currently on payroll.	Gross	\$665,000	\$500,000
	GF/GP	\$665,000	\$500,000
4. Veterans Affairs Directorate Administration	FTE	2.0	1.0
<u>Executive</u> reflects a transfer of \$125,000 GF/GP to fund a Veterans Affairs Certification Officer and \$125,000 GF/GP to cover a funding shortfall. (\$125,000 GF/GP is transferred from veterans service organization grants, \$75,000 GF/GP from the Grand Rapids Veterans' Home, and \$50,000 GF/GP from the D.J. Jacobetti Veterans' Home) <u>House</u> concurs, but transfers the \$125,000 GF/GP for the Veterans Affairs Certification Officer from the Special Maintenance - State line item instead of from the veterans service organization grants. <u>Senate</u> concurs with Executive. <u>Conference</u> concurs with Executive.	Gross	\$205,300	\$250,000
	GF/GP	\$205,300	\$250,000
5. Veterans Service Organization Grants	Gross	\$3,029,600	(\$125,000)
<u>Executive</u> reduces grant funding for veterans service organizations by \$125,000 GF/GP and transfers the funding to the Veterans Affairs Directorate Administration. <u>House</u> does not reduce grant funding for veterans service organizations. (See #4 above) <u>Senate</u> reduces grant funding by \$125,200 GF/GP; transfers \$125,000 to the Veterans Affairs Directorate Administration and uses \$200 to create two \$100 placeholders. (See #20 below). <u>Conference</u> concurs with Executive.	GF/GP	\$3,029,600	(\$125,000)
6. Transfers to Fund Increases	Gross	N/A	(\$625,000)
<u>Executive</u> reduces funding by \$225,000 GF/GP for the Grand Rapids Veterans' Home, by \$200,000 GF/GP for the D.J. Jacobetti Veterans' Home, and by \$200,000 GF/GP for Headquarters and Armories and transfers the funding to Unclassified Military Personnel and Veterans Affairs Directorate Administration. <u>House</u> concurs. <u>Senate</u> concurs. (See #3 and #4 above). <u>Conference</u> concurs with Executive.	GF/GP	N/A	(\$625,000)
7. Grand Rapids Veterans' Home Restricted Funding	Gross	\$16,176,500	(\$2,000,000)
<u>Executive</u> reduces the budget to more accurately reflect the amount of Income and Assessment revenue received at the Grand Rapids Veterans' Home. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Restricted	16,176,500	(2,000,000)
8. D. J. Jacobetti Veterans' Home Fund Source Shift	Gross	\$11,450,900	\$0
<u>Executive</u> increases the federal Veterans Health Administration fund source and reduces the Income and Assessments fund source at the D.J. Jacobetti Veterans' Home to more accurately reflect the amount of revenue received at the home. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Federal	6,137,700	250,000
	Restricted	5,313,200	(250,000)
9. Federal Revenue Adjustment	Gross	\$24,294,100	\$425,000
<u>Executive</u> increases federal funding authorization by \$225,000 for the Grand Rapids Veterans' Home and by \$200,000 and for the D.J. Jacobetti Veterans' Home in order to reflect the amount of federal funding being made available. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Federal	24,294,100	425,000
10. Savings from Privatization of Staff	Gross	N/A	(\$921,300)
<u>Executive</u> reflects a reduction of \$921,300 GF/GP in anticipation of additional savings resulting from privatizing resident care aide positions at the Grand Rapids Veterans' Home. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	GF/GP	N/A	(\$921,300)
11. Economic Adjustments	Gross	N/A	\$1,564,400
<u>Executive</u> includes \$1.6 million Gross (\$546,800 GF/GP) for negotiated salary and wage increases, the actuarially-required retirement rate increase, reduced employer health insurance costs due to the 20% employee contribution, workers' compensation costs, and food and fuel costs. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	IDG	N/A	(2,797,500)
	Federal	N/A	2,979,000
	Private	N/A	51,500
	Restricted	N/A	784,600
	GF/GP	N/A	\$546,800

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
12. Remove One-Time Capital Outlay Funding	Gross	\$1,700,000	(\$1,700,000)
<u>Executive</u> removes one-time Capital Outlay funding appropriated in the FY 2011-12 budget for construction of a light demolition range at Camp Grayling. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Federal	1,700,000	(1,700,000)
13. One-Time Appropriations - Capital Outlay - Replace Flint Armory	Gross	\$0	\$12,000,000
<u>Executive</u> includes one-time funding for construction of a new armory in Flint, to replace the existing 87-year-old facility. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Federal	0	9,000,000
	Restricted	0	3,000,000
14. One-Time Appropriations - Capital Outlay - Land Acquisitions and Appraisals	Gross	\$0	\$250,000
<u>Executive</u> includes authorization for the department to spend up to \$250,000 on land acquisitions and appraisals should land become available. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Restricted	0	250,000
15. One-Time Appropriations - Employee Lump Sum Payments	Gross	N/A	\$707,900
<u>Executive</u> includes a one-time appropriation, in boilerplate section 13-701, of \$707,900 Gross (\$155,900 GF/GP) for the negotiated one-time lump sum payments to state employees. <u>House</u> concurs, but appropriates the funding in a line item. <u>Senate</u> concurs with House. <u>Conference</u> concurs with House.	IDG	N/A	700
	Federal	N/A	407,500
	Local	N/A	3,600
	Private	N/A	4,200
	Restricted	N/A	136,000
	GF/GP	N/A	\$155,900
16. One-Time Appropriations - Special Maintenance State	Gross	\$0	\$2,400,000
<u>Executive</u> includes a one-time appropriation, in boilerplate section 13-701, of \$2.4 million GF/GP for addressing the backlog of special maintenance projects at the state's 43 armories. <u>House</u> concurs with the \$2.4 million GF/GP, includes an additional \$324,800 in IDG funding being made available from the Department of Human Services, and appropriates the funding in a line item. <u>Senate</u> concurs with Executive, but appropriates the funding in a line item. <u>Conference</u> concurs with Senate.	IDG	0	0
	GF/GP	\$0	\$2,400,000
17. One-Time Appropriations - Special Maintenance and Remodeling Grand Rapids Veterans' Home	Gross	\$0	\$1,600,000
<u>House</u> includes a one-time line item appropriation of \$4.4 million for special maintenance projects at the Grand Rapids Veterans' Home to be funded with IDG funding being made available from the Department of Human Services. <u>Senate</u> does not include. <u>Conference</u> includes \$1.6 million GF/GP.	IDG	0	0
	GF/GP	\$0	\$1,600,000
18. One-Time Appropriations - Special Maintenance and Remodeling D.J. Jacobetti Veterans' Home	Gross	\$0	\$516,000
<u>House</u> includes a one-time line item appropriation of \$1.6 million for special maintenance projects at the D. J. Jacobetti Veterans' Home to be funded with IDG funding being made available from the Department of Human Services. <u>Senate</u> does not include. <u>Conference</u> includes \$516,000 GF/GP.	IDG	0	0
	GF/GP	\$0	\$516,000
19. One-Time Appropriations - Veterans Advice, Advocacy and Assistance Grants	Gross	\$0	\$0
<u>House</u> includes a one-time line item appropriation of \$2.0 million for veterans service organization grants to be funded with IDG funding being made available from the Department of Human Services. <u>Senate</u> does not include. <u>Conference</u> does not include.	IDG	0	0

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
20. One-Time Appropriations - Veterans Service Enhancements	Gross	\$0	\$434,000
<u>House</u> includes a one-time line item appropriation of \$1.7 million for Michigan Veterans Coalition initiatives to be funded with IDG funding being made available from the Department of Human Services. Proposed initiatives include: establishing and implementing a college campus program to assist veterans on campus with enrolling in the veterans affairs health care system and with filing claims for disabilities; and implementing an Internet-based data system, in collaboration with the Michigan Association of County Veterans Counselors, to ensure that Michigan's veterans and their families receive professional assistance, advocacy, and counseling to obtain and receive benefits. <u>Senate</u> includes two \$100 GF/GP placeholders, one for each of the initiatives. <u>Conference</u> includes \$434,000 GF/GP total for the two initiatives.	IDG	0	0
	GF/GP	\$0	\$434,000
21. One-Time Appropriations - County Counselor Accreditation	Gross	\$0	\$200,000
<u>House</u> includes a \$100 placeholder for a pilot grant program for counties to fund additional accredited veterans service officers. The intent is for grants to be made available to Kent County, Wayne County, and other underserved counties based on need of veterans services. <u>Senate</u> does not include. <u>Conference</u> includes \$200,000 GF/GP, does not reference as a pilot program, and deletes references to Kent and Wayne Counties.	IDG	0	0
	GF/GP		\$200,000
22. One-Time Appropriations - Department Data Upgrades and Digitization	Gross	\$0	\$750,000
<u>House</u> includes a \$100 placeholder for department data upgrades and digitization of all medical records and military discharge documents. <u>Senate</u> does not include. <u>Conference</u> includes \$750,000 GF/GP.	IDG	0	0
	GF/GP	\$0	\$750,000
23. Michigan Youth ChalleNGe Program	FTE	25.0	15.0
<u>Senate</u> includes additional FTE positions and funding for the Michigan Youth ChalleNGe Program. <u>Conference</u> concurs.	Gross	\$4,186,900	\$734,400
	Local	4,186,900	734,400
24. Anticipated FY 2013-14 Budget Changes			
<u>House</u> , <u>Senate</u> , and <u>Conference</u> include an anticipated increase in funding from the FY 2012-13 levels of \$2.4 million Gross (\$535,600 GF/GP) for economic adjustments in FY 2013-14. (Boilerplate intent language only; would not be binding appropriations.)			

Major Boilerplate Changes From FY 2011-12

GENERAL SECTIONS OF BOILERPLATE

Sec. 207. Transparency Website – REVISED

Requires the department to maintain a searchable website accessible by the public at no cost that includes expenditure data, data on payments made to vendors, and data on number of active employees, job specifications, and wage rates. Executive revises to require DTMB to maintain the website. House retains requirement for department to maintain the website. Senate deletes. Conference revises to require the department to provide the necessary data to DTMB so DTMB can maintain the website.

Sec. 211. Information Technology Work Project Account – DELETED

Designates the appropriation for information technology as a work project account. Executive deletes. House retains. Senate deletes. Conference deletes.

Sec. 213. Out-of-State Travel Restrictions – REVISED

Limits out-of-state travel; authorizes the State Budget Director to grant exceptions to allow travel; requires a monthly report on the number of exceptions granted. Executive deletes. House deletes this section, but includes new language which requires departments and agencies to report on out-of-state travel expenses, listing all travel by all employees outside of this state that is funded in whole or in part with funds appropriated to the departments/agencies. Senate retains current law. Conference includes revised House language as section 218.

Sec. 214. Information Technology Services – DELETED

Requires the department to pay user fees to DTMB for technology-related services and projects. Executive deletes. House retains. Senate deletes. Conference deletes.

Major Boilerplate Changes From FY 2011-12

Sec. 218. *GF/GP Savings from Department Incentive Pool* – DELETED

Requires unused GF/GP obtained as a result of efficiencies to be designated as the department incentive pool balance; requires funds associated with GF/GP supplemental requests to be debited against the department incentive pool balance if supplemental requests do not meet specified criteria; specifies how the positive year-end balance of the department incentive pool balance shall be allocated. Executive deletes. House deletes. Senate deletes. Conference deletes.

Sec. 219. *Meetings to Report on Achieving Requirements* – REVISED

Requires the department to be available to meet quarterly with the subcommittees to provide information as evidence of validating that all requirements in the bill have been achieved. Executive deletes. House retains and revises meeting requirement to biannually, by April 1 and September 30. Senate retains current law. Conference revises to quarterly reporting requirement.

MILITARY

Sec. 300. *Unclassified Positions* – NEW

Lists titles of unclassified positions currently in the department; requires the department to notify the subcommittees prior to submitting requests for additional unclassified positions or requests for substantive changes to the duties of existing unclassified positions. Conference includes new language.

Sec. 302. *National Guard Armories* – REVISED

Requires the department to properly operate and maintain armories in the state. Senate adds requirement that the department establish a system that measures the condition and adequacy of armory facilities, and identify and upgrade 15 red armories to yellow or green facilities. Conference concurs with Senate.

VETERANS AND COMMUNITY OUTREACH

Sec. 401. *Veterans Advice, Advocacy, and Assistance* – REVISED

Requires the department to provide advice, advocacy, and assistance services to veterans, to maintain proper levels of staffing and resources, to distribute grant funding, to take steps to improve coordination of veterans benefits counseling, and to increase its responsibility in administration, management, oversight, and outreach of delivery of services. Senate adds requirement that the department increase the percentage of veterans who become aware of their eligibility for education benefits, and increase the percentage of veterans who become aware of job training and placement opportunities. Conference concurs with Senate.

HOMES

Sec. 501. (2) *Veterans' Homes* – REVISED

Requires the department to provide resources necessary to provide adequate nursing care services to a licensed maximum capacity of 618 skilled nursing and 140 domiciliary beds at the Grand Rapids Veterans' Home and 182 skilled nursing and 59 domiciliary beds at the D.J. Jacobetti Veterans' Home. Executive deletes. House retains and revises by deleting the specified numbers of beds. Senate retains and revises by deleting the maximum capacity of beds and including a minimum capacity. Conference concurs with Senate (now Sec. 601).

Sec. 602. *Michigan Veterans' Facility Ombudsman* – NEW

Specifies legislative intent for establishing a Michigan Veterans' Facility Ombudsman; specifies duties and responsibilities of the Ombudsman. The Ombudsman's purpose will be to conduct investigations concerning actions or omission of actions or conditions at the veterans' homes which are alleged to be contrary to law or policy or that pose a significant health or safety issue. Executive does not include. House includes. Senate does not include. Conference includes.

CAPITAL OUTLAY AND ONE-TIME APPROPRIATIONS

Sec. 703. *Special Maintenance and Remodeling at the Veterans' Homes* – NEW

Requires appropriations to be used for maintenance, remodeling, and information technology needs at the homes; specifies that maintenance includes improvements to the mechanical, electrical, plumbing, and security systems, roof repairs and replacements, energy conservation measures, lighting upgrades, repair and replacement of floors, pipe insulation, windows, boilers, new and upgraded fire detection and suppression systems, and other repairs, upgrades, and renovation projects; requires the homes to report on their plans for expending the one-time appropriations. Executive does not include. House includes. Senate does not include. Conference includes.

Sec. 704. *Veterans Service Enhancements* – NEW

Requires appropriation to be used to establish and implement a college campus program, in collaboration with the United States Department of Veterans Affairs vocational rehabilitation program, to assist veterans on campus with enrolling in the veterans affairs health care system and with filing claims for disabilities; requires appropriation to be used to implement an Internet-based data system, in collaboration with the Michigan Association of County Veterans Counselors, to ensure Michigan's veterans and their families receive professional assistance, advocacy, and counseling in obtaining and receiving benefits. Executive does not include. House includes. Senate does not include. Conference includes.

Sec. 705. *County Counselor Accreditation* – NEW

Requires the department to develop an application and grant process to fund accredited veterans service officers; requires grants to be made available to underserved counties, based on need of veterans services. Executive does not include. House includes. Senate does not include. Conference includes.

Major Boilerplate Changes From FY 2011-12

Sec. 706. Department Data Upgrades and Digitization – NEW

Requires the department to digitize all medical records and military discharge documents which are currently on paper and microfilm. Executive does not include. House includes. Senate does not include. Conference includes.

ANTICIPATED APPROPRIATIONS

Sec. 1201. Anticipated FY 2013-14 Appropriations – NEW

States legislative intent to provide appropriations for FY 2013-14, adjusting FY 2012-13 amounts based on economic and other factors. (See item #24 under Major Budget Changes for specific anticipated appropriation adjustments.)

FY 2012-13: DEPARTMENT OF NATURAL RESOURCES
Summary: Conference Report
Article XIV, House Bill 5365 (CR-1)



Analyst: Viola Bay Wild

IDG/IDT	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Conference	Difference: Conference From FY 2011-12 YTD	
						Amount	%
	\$6,587,500	\$2,027,200	\$2,027,200	\$2,027,200	\$2,027,200	(\$4,560,300)	(69.2)
Federal	69,356,200	66,603,000	66,524,800	66,603,000	66,524,800	(2,831,400)	(4.1)
Local	0	0	0	0	0	0	--
Private	2,931,600	7,239,200	7,239,200	7,239,200	7,239,200	4,307,600	146.9
Restricted	246,939,100	245,054,800	241,907,000	241,724,100	242,353,700	(4,585,400)	(1.9)
GF/GP	18,326,700	19,637,900	16,442,500	16,737,900	19,737,900	1,411,200	7.7
Gross	\$344,141,100	\$340,562,100	\$334,140,700	\$334,331,400	\$337,882,800	(\$6,258,300)	(1.8)
FTEs	2,179.4	2,152.5	2,099.8	2,152.5	2,099.8	(79.6)	(3.7)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683.
(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

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.

Major Budget Changes From FY 2011-12 YTD Appropriations

		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
1. Funding and FTE Authorization Adjustments			
<u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>Conference</u> reduce restricted funding authorization by \$10.1 million and private funding by \$260,100 to align with anticipated revenues. Includes a net federal funding authorization increase of \$1.6 million; reduces FTE authorizations by 24.0 positions through the elimination of unfilled and unfunded positions.	FTE	N/A	(24.0)
	Gross	N/A	(\$8,728,900)
	Federal	N/A	1,648,800
	Private	N/A	(260,100)
	Restricted	N/A	(10,117,600)
2. GF/GP Reduction			
<u>House</u> includes \$145,400 GF/GP reduction throughout various line items.	Gross	N/A	\$0
	GF/GP	N/A	\$0
3. FTE Reduction			
<u>House</u> and <u>Conference</u> include a reduction of 52.7 FTE authorizations from various line items; these FTEs no longer had funding associated with the positions.	FTE	N/A	(52.7)
	Gross	N/A	\$0
	Restricted	N/A	0
4. Great Lakes Restoration Initiative			
<u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>Conference</u> reduce federal funding by \$4.5 million to align with anticipated revenues.	Gross	\$10,000,000	(\$4,500,000)
	Federal	10,000,000	(4,500,000)
5. Gifts and Bequests Authorization			
<u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>Conference</u> include additional \$4.5 million private funding authorization and changes name of line item to Gifts and Pass-Through Transactions.	Gross	\$500,000	\$4,500,000
	Private	500,000	4,500,000
6. Dam Management Grant Program			
<u>Executive</u> , <u>Senate</u> , and <u>Conference</u> include \$500,000 GF/GP funding and 1.0 FTE position for competitive grants for removal or maintenance of failing dams from private and state-owned land; additional one-time GF/GP funding of \$2.0 million appropriated in boilerplate (additional \$2.0 million funding is shown in item #19 below). <u>House</u> includes \$450,000 GF/GP funding and 1.0 FTE position.	FTE	N/A	1.0
	Gross	N/A	\$500,000
	GF/GP	N/A	\$500,000

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
7. Summer Youth Initiative			
<u>Revised Executive</u> and <u>Conference</u> appropriate \$3.0 million GF/GP funding for a new summer employment program for youth in the following urban areas: Pontiac, Flint, Saginaw, and Detroit. <u>House</u> and <u>Senate</u> do not include program funding.	Gross GF/GP	N/A N/A	\$3,000,000 \$3,000,000
8. Off Road Vehicle (ORV) License Fee Increase			
<u>Executive</u> includes \$2.5 million additional restricted funding to be realized through an increase in the ORV license from the current annual fee of \$16.25 to a \$35.00 annual fee. <u>House</u> , <u>Senate</u> , and <u>Conference</u> do not include fee increase revenues.	Gross Restricted	N/A N/A	\$0 0
9. Duplicate Recreational Safety Certificate Fee			
<u>Executive</u> and <u>Senate</u> include additional \$70,400 funding to be realized through a new fee charged for duplicate safety certificates such as boating, hunter, snowmobile, or ORV safety certificates; fee for replacement certificates would be \$11.00; \$28,200 of fee increase deposited into federal Hunter Education Fund. <u>House</u> and <u>Conference</u> do not include new fee revenues.	Gross Federal Restricted	N/A N/A N/A	\$0 0 0
10. Shooting Range Fees			
<u>Executive</u> and <u>Senate</u> increase federal funding authorization by \$50,000 in anticipation of a statutory change that would allow the DNR to charge a \$5.00 daily fee at all shooting ranges on state-owned land; currently range fees can only be charged at state parks; revenue will be deposited into the federal Hunter Education Fund. <u>House</u> and <u>Conference</u> do not include new fee revenues.	Gross Federal	N/A N/A	\$0 0
11. FY 2011-12 Contingency Plans Funding			
<u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>Conference</u> include reduction of \$364,200 GF/GP funding and elimination of authorization for 3.9 FTE positions as part of an employee concessions contingency plan for FY 2011-12.	FTE Gross GF/GP	N/A N/A N/A	(3.9) (\$364,200) (\$364,200)
12. State Park Improvement Revenue Bond Payment			
<u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>Conference</u> include \$3,300 restricted funding for State Park Improvement Revenue Bond Payment.	Gross Restricted	N/A N/A	\$3,300 3,300
13. Other Post-Employment Benefits (OPEB) FY 2011-12 GF/GP Relief Adjustment			
<u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>Conference</u> include funding adjustments to replace the one-time IDG funding relief of \$4.6 million for OPEB costs in FY 2011-12.	Gross IDG Federal Restricted	N/A N/A N/A N/A	\$0 (4,590,100) 1,300,800 3,289,300
14. Grand Marais Harbor One-Time Appropriation			
<u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>Conference</u> eliminate one-time funding of \$4.0 million GF/GP for Grand Marais Harbor appropriated through boilerplate in FY 2011-12.	Gross GF/GP	\$4,000,000 \$4,000,000	(\$4,000,000) (\$4,000,000)
15. State Park Funding			
<u>House</u> includes additional \$225,000 restricted funding from the Michigan State Park Endowment Fund to the state parks line item. <u>Conference</u> includes \$275,000 restricted funding.	Gross Restricted	N/A N/A	\$275,000 275,000
16. Forestry - Best Practices Management Audit			
<u>House</u> includes \$100 Forest Development Fund funding as a placeholder for a grant to the Sustainable Forestry Initiative to conduct a best management practices analysis and audit on water quality and related forestry issues.	Gross Restricted	N/A N/A	\$0 0
17. Cormorant Population Mitigation			
<u>Executive</u> and <u>House</u> remove line item; <u>Senate</u> and <u>Conference</u> fund program with \$100,000 GF/GP funding.	Gross Restricted GF/GP	N/A N/A N/A	\$100,000 0 \$100,000
18. Unclassified Salaries			
<u>Conference</u> includes \$396,800 restricted funding for the Unclassified Salaries line item.	Gross Restricted GF/GP	N/A N/A N/A	\$396,800 396,800 \$0

Major Budget Changes From FY 2011-12 YTD Appropriations	FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date	
19. One-Time Appropriations	Gross	N/A	\$3,892,600
<u>Executive</u> includes the following one-time appropriations in boilerplate for FY 2012-13:	IDG	N/A	11,300
<ul style="list-style-type: none"> \$1.9 million Gross (\$96,200 GF/GP) for negotiated one-time lump sum payments to state employees. \$2.0 million Gross and GF/GP for Dam Management Grant Program. 	Federal	N/A	260,500
	Private	N/A	15,500
	Restricted	N/A	1,509,100
	GF/GP	N/A	\$2,096,200
<u>House</u> , <u>Senate</u> , and <u>Conference</u> concur, but appropriate funding in a separate line item unit.			
20. Economic Adjustments	Gross	N/A	\$5,370,600
<u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>Conference</u> reflect increased costs of \$5.4 million Gross (\$79,200 GF/GP) for negotiated salary and wage increases, actuarially-required retirement rate increase, reduced employer health insurance costs due to 20% employee contribution and other economic adjustments.	IDG	N/A	18,500
	Federal	N/A	908,500
	Private	N/A	52,200
	Restricted	N/A	4,312,200
	GF/GP	N/A	\$79,200
21. Capital Outlay Projects	Gross	\$25,080,000	(\$6,703,500)
<u>Revised Executive</u> decreases funding for capital outlay projects in FY 2012-13 by \$5.9 million. Restricted funding for state parks and forest area projects is changed to state parks repair and maintenance projects and decreased by \$3.3 million; restricted funding for waterways projects is reduced by \$179,400 and federal funding is reduced by \$2.5 million. For FY 2013-14, proposed funding for waterways boating projects is reduced by \$3.4 million. <u>House</u> , <u>Senate</u> , and <u>Conference</u> reduce funding by \$6.7 million; do not include new project proposed in Executive Revision 2013-3.	Federal	3,750,000	(2,450,000)
	Restricted	21,330,000	(4,253,500)
22. Anticipated FY 2013-14 Budget Changes			
<u>House</u> reflects anticipated increase from FY 2012-13 budget of \$5.5 million Gross (\$79,200 GF/GP) for economic adjustments in FY 2013-14 and a decrease of \$3.4 million restricted funding for waterways boating projects. (Boilerplate intent language only; would not be binding appropriation.)			

Major Boilerplate Changes From FY 2011-12

Sec. 204. Civil Service Charges – RETAINED

Requires Civil Service to charge departments 1% of salary payments, pursuant to Section 5, Article XI of the State Constitution. Executive and Senate delete language; House and Conference retain language.

Sec. 208. DTMB Information Services User Fees – RETAINED

Directs DNR to pay user fees to DTMB for technology-related services and projects. Executive and Senate delete language; House 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. 216. Information Technology Appropriation Work Project – RETAINED

Allows appropriated funding for IT to be designated as work projects; allows appropriations to be carried forward. Executive and Senate delete language; House and Conference retain language.

Sec. 218. Out-of-State Travel Report – NEW

House and Conference include language that requires Department to report out-of-state travel expenses annually.

Sec. 219. Office Space Consolidation Plan – NEW

House and Conference include legislative intent language that the Department work with DTMB to develop and implement a statewide office space consolidation plan.

Sec. 223. Waterways Fund Projects – RETAINED

Requires report on activities of Waterways Commission during the previous fiscal year; list of completed waterways fund projects to be provided to Legislature and State Budget Director by January 31, 2012. Executive deletes language; House, Senate, and Conference retain language.

Sec. 230. Measurable Outcomes Report – NEW

House and Conference include language that requires a report identifying 10 principal measurable outcomes of Department's budget expenditures; requires biannual updates.

Major Boilerplate Changes From FY 2011-12

Sec. 233. FTE Report – RETAINED

Requires report on number of FTEs in pay status; report required quarterly. Executive deletes language; House, Senate, and Conference retain language.

Sec. 234. Expenditure Posting on the Internet – RETAINED

Requires Department to maintain searchable public website detailing expenditures. Executive revises language to require DTMB to maintain website; House and Conference retain language; Senate deletes language.

Sec. 301. Engineering Services Fees – DELETED

Allows fee charge against capital outlay or special maintenance appropriation to recover engineering service cost. Executive, House and Conference delete language; Senate retains language.

Sec. 306. Historical Program Fees – RETAINED

Allows DNR to charge fees for historical program services and museum admissions; Executive eliminates language that requires free admission for children under 18 to the Michigan Historical Museum. House, Senate, and Conference retain language. (Sec. 406)

Sec. 308. Land Transactions – RETAINED

Requires detailed report to Legislature on land purchases, sales and exchanges. Executive deletes language; House, Senate, and Conference retain language. (Sec. 408)

Sec. 309. Oil and Gas Lease Report – RETAINED

Requires DNR to report on active oil and gas leases entered into before July of 1995 on parcels larger than 160 acres where the producing unit 1/4 of the total lease acreage or less. Executive and House delete language; Senate and Conference retain language. (Sec. 409)

Sec. 402. Livestock Loss Indemnification – DELETED

State legislative intent that the DNR reimburse Department of Agriculture and Rural Development for livestock losses caused by wolves, coyotes, or cougars. Executive, House, and Conference delete language; Senate retains language.

Sec. 502. Water Control Structure Certification – RETAINED

Directs Fisheries Division to not interfere with the certification process for dams and other water control structures. Executive deletes language; House, Senate, and Conference retain language. (Sec. 602)

Sec. 503. Invasive Species Order Enforcement – NEW

Senate and Conference include new language that requires the DNR to produce a report on efforts taken to enforce the invasive species order concerning raising feral swine in Michigan.

Sec. 504. Cervid Operation Fees – NEW

Senate and Conference include language requiring a report on the use of registration fees from privately owned cervid operations.

Sec. 506. Game and Fish Protection Fund: Turkey Permit Fees – NOT INCLUDED

Senate includes language requiring a report on the use of turkey permit fees in the previous year.

Sec. 602. State Park Campground Closures – RETAINED

Requires Legislature be notified if reduced operations or recreation opportunities are planned at any state park or recreation area. Executive deletes language; House, Senate, and Conference retain language. (Sec. 702)

Sec. 603. Cormorant Management – NEW

Senate and Conference include language requiring a quarterly report on the use of cormorant management funding; requires Department to submit funding to the USDA to pay for increased taking of cormorants and their nests.

Sec. 604. Upper Peninsula Walleye Spring Fingerlings Plan – NOT INCLUDED

Senate includes language requiring the DNR to review its plans to stock walleye spring fingerlings in the UP.

Sec. 702. Timber Marking – RETAINED

Directs Department to mark and prescribe treatment on 79,000 acres, prepare for harvest 67,500 acres at an average rate of 12.5 to 15.0 cords per acre; requires quarterly report. Executive deletes language; House, Senate, and Conference retain language. (Sec. 802)

Sec. 704. Horseback Riding Opportunities – RETAINED

Directs Department to work cooperatively with horseback riding interests to increase horseback riding opportunities. Executive deletes language; House, Senate, and Conference retain language. (Sec. 804)

Sec. 705. Contract Foresters – RETAINED

Allows DNR to hire sufficient contract foresters to mark timber. Executive deletes language; House, Senate, and Conference retain language. (Sec. 805)

Major Boilerplate Changes From FY 2011-12

Sec. 706. State Forest Campground Closures – RETAINED

States legislative intent that the state forest campgrounds proposed by the DNR to be closed will remain open. Executive deletes language; House, Senate, and Conference retain language.

Sec. 707. State Forest Campgrounds Mini-State Parks Pilot Program – DELETED

Requires a strategic plan be developed to incorporate selected state forest campgrounds into the state park system as mini-state parks; requires report. Executive, Senate, and Conference delete language; House revises language to require a report containing information on state forest campgrounds management and funding.

Sec. 710. DNR Aircraft Report – DELETED

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

Sec. 801. Snowmobile Law Enforcement Grants – RETAINED

Provides snowmobile law enforcement grants to county law enforcement agencies in counties with state snowmobile trails. Executive deletes language; House, Senate, and Conference retain language. (Sec. 901)

Sec. 802. Marine Safety Grants – RETAINED

Requires report on the Marine Safety Grant Program. 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. Executive deletes language; House, Senate, and Conference retain language. (Sec. 902)

Sec. 902. Off Road Vehicle (ORV) Trail Improvement Grants – RETAINED

Requires expenditure of not less than \$980,000 for the development of new ORV trails. Executive deletes language; House, Senate, and Conference retain language. (Sec. 1002)

Sec. 903. Dam Management Program – NEW

Executive and Senate include language that provides that the unexpended funds for the Dam Management Grant Program are considered work project appropriations (Senate renumbers as **Sec. 1003**). House and Conference revise language to include that a long term plan be part of grant application.

Sec. 903. Recreation Passport Citations – NOT INCLUDED

Senate includes language requiring the DNR to adopt a standard operating procedure of issuing warnings and not citations for vehicles parked at State forest campgrounds or nonmotorized trailway heads without proof of purchasing a recreation passport.

Sec. 904. Sustainable Forestry Initiative: Best Management Practices Audit – NOT INCLUDED

House includes legislative intent language to provide grant funding to the Sustainable Forestry Initiative to work with forestland owners and prepare an analysis and audit of state-wide best management practices for water quality and related forestry issues.

Sec. 1001. 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; House, Senate, and Conference retain language. (Sec. 1101)

Sec. 1004. Capital Outlay - Grand Marais Harbor Project – DELETED

Requires that DNR fund a capital outlay project to construct a breakwall at the Grand Marais Harbor once the necessary permits have been issued; project estimate cost is \$7.0 million. Executive, House, Senate, and Conference delete language.

Sec. 1101. One-Time Appropriation - Grand Marais Harbor Capital Outlay Project – DELETED

Appropriates \$4.0 million GF/GP for the Grand Marais harbor capital outlay project; funding is on a one-time basis only. Executive, House, Senate, and Conference delete language.

Sec. 14-901. One-Time Basis Appropriation – NOT INCLUDED

Executive includes language that appropriates \$1.9 million Gross (96,200 GF/GP) for state employee lump sum payments and \$2.0 million GF/GP for a dam management grant program; funding is on a one-time basis only. House, Senate, and Conference do not include boilerplate language, but appropriate the funding in a separate line item unit.

Sec. 1201. Anticipated FY 2013-14 Appropriations – RETAINED

House revises language to state legislative intent to provide appropriations for FY 2013-14, adjusting FY 2012-13 amounts based on economic and other factors. (See item 20 under Major Budget Changes for specific anticipated appropriation adjustments.) Senate and Conference retain current year language and updates years.

FY 2012-13: DEPARTMENT OF STATE POLICE
Summary: Conference Report
Article XVI, House Bill 5365 (CR-1)



Analyst: Robin R. Risko

IDG/IDT	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Conference	Difference: Conference From FY 2011-12 YTD	
						Amount	%
	\$26,111,100	\$25,235,000	\$25,235,000	\$25,235,000	\$25,238,500	(\$872,600)	(3.3)
Federal	106,072,200	104,911,000	104,911,000	104,911,000	104,911,000	(1,161,200)	(1.1)
Local	6,699,800	6,869,400	6,869,400	6,869,400	6,869,400	169,600	2.5
Private	220,900	231,300	231,300	231,300	231,300	10,400	4.7
Restricted	124,470,300	119,005,700	119,005,700	123,005,700	123,218,700	(1,251,600)	(1.0)
GF/GP	270,166,000	316,891,400	313,767,100	312,691,400	317,513,800	47,347,800	17.5
Gross	\$533,740,300	\$573,143,800	\$570,019,500	\$572,943,800	\$577,982,700	\$44,242,400	8.3
FTEs	2,753.0	2,674.0	2,674.0	2,883.0	2,884.0	131.0	4.8

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683, 2012 PA 64.
(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

Overview

The mission of the Department of State Police is to protect public safety while respecting the rights and dignity of all persons. In addition to the department's role of providing general law enforcement services, the department is responsible for the development and coordination of state-level programs, technologies, and specialized services that enhance enforcement and emergency response capabilities for the entire public safety community. Organizational goals of the department are to prevent and investigate crime and enforce the law, improve traffic safety, provide for homeland security and emergency prevention, response, and recovery, provide the highest quality specialized services, enhance organizational performance, and improve operational efficiencies.

Bill Structure

The current year bill contains four line items, in four appropriation units, and 56 corresponding scheduled programs. The conference report contains 11 line items, in seven appropriation units, and 57 corresponding scheduled programs. Boilerplate sections in the conference report have been rearranged, where necessary, to correspond with new appropriation unit titles.

Major Budget Changes From FY 2011-12 YTD Appropriations	FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
1. Law Enforcement Enhancement		
<u>Executive</u> includes an additional \$15.0 million GF/GP for law enforcement enhancement. The funding will be used to operate and fund on-going costs associated with two trooper recruit schools. Included are costs for classroom training, course materials, meals, lodging, supplies, and uniforms for recruits, training staff per diem costs, warehouse supplies, weapons, payroll, and administrative activities. <u>House</u> includes \$11.8 million. The difference between the Executive and House is \$3,151,400. Of that, \$3,124,300 is reduced from the Executive recommendation in order to meet House GF/GP targets, \$27,000 is reduced in order to fund cold case teams, and \$100 is reduced in order to establish a placeholder for training to state and local dive teams. (See #15 and #16 below) <u>Senate</u> includes an additional \$10.0 million GF/GP and authorization for 180.0 FTE positions. <u>Conference</u> concurs with Executive on additional \$15.0 million and concurs with Senate on authorizing 180.0 FTE positions.	FTEs 0.0 Gross \$0 GF/GP \$0	180.0 \$15,000,000 \$15,000,000
2. Additional Laboratory Operations Staff		
<u>Executive</u> includes additional FTE positions and funding for laboratory operations. Funding will be used for additional scientists, equipment, and training in an effort to achieve a case turnaround time of 30 days. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	FTE 212.0 Gross \$28,960,100 GF/GP \$15,753,500	12.0 \$1,895,600 \$1,895,600

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
3. Additional DNA Analysis Program Staff	FTE	57.5	8.0
<u>Executive</u> includes additional FTE positions and funding for DNA analysis. Funding will be used for additional scientists, equipment, and training in an effort to achieve a reduced case turnaround time. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Gross	\$7,982,800	\$1,281,600
	GF/GP	\$3,103,400	\$1,281,600
4. Public Safety Initiative - Cities in Distress	Gross	\$0	\$2,769,900
<u>Executive</u> includes additional funding to provide more investigative and patrol assistance in high crime areas of the state. Specifically, this funding will be used to cover overtime, training, aviation, and fleet costs associated with assisting Flint, Detroit, Pontiac, and Saginaw. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	GF/GP	\$0	\$2,769,900
5. Fleet Leasing	Gross	\$12,980,700	\$2,650,000
<u>Executive</u> includes additional funding to cover the costs of an increase in rates which are set for vehicles by DTMB. The rate is a blended rate which covers the costs of vehicle acquisition, insurance, gasoline, and maintenance. The rate increase is due primarily to the increase in fuel costs. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	GF/GP	\$12,980,700	\$2,650,000
6. Regional Policing Plan	Gross	N/A	\$1,324,000
<u>Executive</u> includes \$674,000 GF/GP to cover costs for cell phones and blackberry devices for staff that are utilizing mobile offices, and includes \$650,000 GF/GP to cover support, server hosting, and storage costs associated with mobile computers/offices. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	GF/GP	N/A	\$1,324,000
7. Replace Outdated Equipment	Gross	N/A	\$1,106,600
<u>Executive</u> includes \$673,000 GF/GP to replace 180 outdated mobile radios and create a 10-year lifecycle replacement program, and includes \$433,600 GF/GP to replace 160 mobile data computers and create a 5-year lifecycle replacement program. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	GF/GP	N/A	\$1,106,600
8. Additional Casino Gaming Staff	FTE	32.0	2.0
<u>Executive</u> includes additional FTE positions and funding for investigation of illegal gambling operations. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Gross	\$5,028,200	\$249,000
	IDG	5,028,200	249,000
9. Tobacco Tax Enforcement	FTE	N/A	30.0
<u>Executive</u> includes an additional \$200,000 GF/GP for one tobacco tax enforcement analyst position and the associated training costs. <u>House</u> concurs. <u>Senate</u> includes an additional 30.0 FTE positions and \$4.2 million Gross (\$4.0 million state restricted tobacco tax revenue; \$200,000 GF/GP) for tobacco tax enforcement activities. <u>Conference</u> concurs with Senate.	Gross	N/A	\$4,200,000
	Restricted	N/A	4,000,000
	GF/GP	N/A	\$200,000
10. Replace Federal and State Restricted Revenues with GF/GP	Gross	N/A	\$318,200
<u>Executive</u> includes an additional \$9.1 million in GF/GP to replace various federal and state restricted revenues which are no longer available to the department. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Federal	N/A	(1,757,800)
	Restricted	N/A	(7,000,000)
	GF/GP	N/A	\$9,076,000
<ul style="list-style-type: none"> Replaces \$7.0 million in state restricted Commercial Mobile Radio Service Fee revenue within the Michigan Public Safety Communications System due to the fund being exhausted by the end of FY 2011-12. Replaces \$1,403,400 in federal DHS funding which is no longer available; funding is used to maintain telecommunications, licensing fees, server hosting, and maintenance costs for the Michigan Intelligence Operations Center and the Emergency Management and Homeland Security Division. Replaces \$354,400 in federal DOT grant funding which is being reduced by 75% in FY 2012-13; funding is used to maintain Toxicology staffing levels. Replaces \$318,200 in federal Byrne grant (ARRA) funding that will be exhausted by the end of FY 2011-12; funding is used for lab technicians. 			

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
11. Full-Year Savings from Announced Contingency Plan	FTE	N/A	(2.0)
<u>Executive</u> reflects full-year savings anticipated from the contingency plan issued in September 2011. The plan was introduced to achieve savings in lieu of state employee concessions that did not materialize. Funded vacant FTE positions are eliminated as part of the plan, as well as shifting current positions funded with GF/GP to vacant restricted funded positions. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Gross	N/A	(\$1,202,300)
	Restricted	N/A	(47,300)
	GF/GP	N/A	(\$1,155,000)
12. Economic Adjustments	Gross	N/A	\$13,754,300
<u>Executive</u> includes \$13.8 million Gross (\$8.9 million GF/GP) for negotiated salary and wage increases, the actuarially-required retirement rate increase, reduced employer health insurance costs due to the 20% employee contribution, and adjustments for building occupancy charges. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	IDG	N/A	638,200
	Federal	N/A	1,363,800
	Local	N/A	133,900
	Private	N/A	8,700
	Restricted	N/A	2,691,900
	GF/GP	N/A	\$8,917,800
13. Align FTE Positions and Revenues	FTE	N/A	(100.0)
<u>Executive</u> reduces FTE positions by 100.0 to reflect the actual number of funded FTE positions in the department. Reduces various IDG, federal, and state restricted funding sources and increases others in an effort to reflect actual revenues where they are received. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Gross	N/A	(\$4,737,100)
	IDG	N/A	(25,800)
	Federal	N/A	(1,995,900)
	Restricted	N/A	(2,715,400)
	GF/GP	N/A	\$0
14. Unclassified Positions	FTE	N/A	1.0
<u>Conference</u> includes authorization for an additional unclassified position and additional funding in an effort to move towards providing adequate funding for the 6.0 unclassified positions that are authorized in Article XI, Section 5 of the State Constitution.	Gross	N/A	\$438,900
	IDG	N/A	3,500
	Restricted	N/A	213,000
	GF/GP	N/A	\$222,400
15. Cold Case Teams	Gross	\$0	\$0
<u>House</u> includes \$27,000 GF/GP for the department to distribute to nine cold case teams in the state. These teams are comprised of volunteer, retired police officers who work with local units to help solve cold cases. <u>Senate</u> does not include. <u>Conference</u> does not include.	GF/GP	\$0	\$0
16. Training for State and Local Dive Teams	Gross	\$0	\$0
<u>House</u> includes a \$100 placeholder in anticipation of receiving grant funding that will be used for training state and local dive teams. <u>Senate</u> does not include. <u>Conference</u> does not include.	GF/GP	\$0	\$0
17. One-Time Appropriations - Traffic Control Services for Michigan International Speedway	Gross	\$800,000	\$0
<u>Executive</u> eliminates one-time funding included in the FY 2011-12 budget for providing traffic control services at Michigan International Speedway. <u>House</u> concurs. <u>Senate</u> includes the funding as one-time funding in FY 2012-13. <u>Conference</u> concurs with the Senate.	GF/GP	\$800,000	\$0
18. One-Time Appropriations - Employee Lump Sum Payments	Gross	N/A	\$3,220,000
<u>Executive</u> includes a one-time appropriation, in boilerplate section 16-601, of \$3.2 million Gross (\$2.1 million GF/GP) for the negotiated one-time lump sum payments to state employees. <u>House</u> concurs, but appropriates the funding in a line item. <u>Senate</u> concurs with House. <u>Conference</u> concurs with House.	IDG	N/A	168,700
	Federal	N/A	249,700
	Local	N/A	38,900
	Private	N/A	1,700
	Restricted	N/A	675,800
	GF/GP	N/A	\$2,085,200

<u>Major Budget Changes From FY 2011-12 YTD Appropriations</u>	<u>FY 2011-12 Year-to-Date (as of 2/9/12)</u>	<u>Conference Change from Year-to-Date</u>
19. One-Time Appropriations - Various	Gross	N/A
<u>Executive</u> includes the following one-time appropriations in boilerplate section 16-601:	GF/GP	N/A
		\$1,973,700
		\$1,973,700

- \$1,356,800 GF/GP to replace 256 in-car cameras that are currently equipped with VHS technology.
- \$266,900 GF/GP to replace protective gear that currently does not meet federal standards.
- \$750,000 GF/GP to cover lease costs at the Collins Road facility.

House concurs, but appropriates the funding in line items. Senate concurs with House. Conference concurs with House on appropriating the funding in line items, but reduces the amount of the appropriation for lease costs at the Collins Road facility to \$350,000.

20. Anticipated FY 2013-14 Budget Changes

House, Senate, and Conference include an anticipated increase in funding from the FY 2012-13 levels of \$11.7 million Gross (\$8.2 million GF/GP) for economic adjustments in FY 2013-14. (Boilerplate intent language only; would not be binding appropriations.)

Major Boilerplate Changes From FY 2011-12

GENERAL SECTIONS OF BOILERPLATE

Sec. 207. Transparency Website – REVISED

Requires the department to maintain a searchable website accessible by the public at no cost that includes expenditure data, data on payments made to vendors, and data on number of active employees, job specifications, and wage rates. Executive revises to require DTMB to maintain the website. House retains requirement for department to maintain the website. Senate deletes. Conference revises to require the department to provide the necessary data to DTMB so DTMB can maintain the website.

Sec. 211. Information Technology Work Project Account – DELETED

Designates the appropriation for information technology as a work project account. Executive deletes. House retains. Senate deletes. Conference deletes.

Sec. 213. Out-of-State Travel Restrictions – REVISED

Limits out-of-state travel; authorizes the State Budget Director to grant exceptions to allow travel; requires a monthly report on the number of exceptions granted. Executive deletes. House deletes this section, but includes new language which requires departments and agencies to report on out-of-state travel expenses, listing all travel by all employees outside of this state that is funded in whole or in part with funds appropriated to the departments/agencies. Senate retains current law. Conference includes revised House language as section 218.

Sec. 214. Information Technology Services – DELETED

Requires the department to pay user fees to DTMB for technology-related services and projects. Executive deletes. House retains. Senate deletes. Conference deletes.

Sec. 218. GF/GP Savings from Department Incentive Pool – DELETED

Requires unused GF/GP obtained as a result of efficiencies to be designated as the department incentive pool balance; requires funds associated with GF/GP supplemental requests to be debited against the department incentive pool balance if supplemental requests do not meet specified criteria; specifies how the positive year-end balance of the department incentive pool balance shall be allocated. Executive deletes. House deletes. Senate deletes. Conference deletes.

Sec. 219. Meetings to Report on Achieving Requirements – REVISED

Requires the department to be available to meet quarterly with the subcommittees to provide information as evidence of validating that all requirements in the bill have been achieved. Executive deletes. House retains and revises meeting requirement to biannually, by April 1 and September 30. Senate retains current law. Conference revises to quarterly reporting requirement.

Sec. 226. Worksite Inspections – DELETED

Requires the department to strive to inspect its worksites annually to ensure internal control and quality of service. Executive deletes. House deletes. Senate deletes. Conference deletes.

EXECUTIVE DIRECTION

Sec. 250. Unclassified Positions – NEW

Lists titles of unclassified positions in the department; requires the department to notify the subcommittees prior to submitting requests for additional unclassified positions or requests for substantive changes to the duties of existing unclassified positions. Conference includes new language.

Major Boilerplate Changes From FY 2011-12

SCIENCE, TECHNOLOGY, AND TRAINING BUREAU

Sec. 301. *Forensic Testing Services and Evidence* – REVISED

Requires the department to maintain proper levels of staffing and resources for providing forensic testing services and evidence; requires the department to post changes to protocol for retaining and purging DNA samples and records on the department's website. Senate adds requirement that the department hire and train 20 additional forensic employees with the intent of reaching an average 30-day turnaround time for forensic evidence. Conference concurs with Senate (now Sec. 401).

Sec. 302. (7) *Recruiting Veterans* – NEW

Requires the department to place emphasis on recruiting and hiring veterans. Executive does not include. House includes. Senate does not include. Conference includes and adds a reporting requirement on the number of veterans who commence and the number of veterans who conclude trooper recruit school.

Sec. 304. *Criminal History and Accident Data Collection System* – REVISED

Requires the department to maintain proper levels of staffing and resources for maintaining criminal history and accident data collection systems. Senate adds requirement that the department conduct 30 outreach activities targeted to criminal justice agencies. Conference concurs with Senate.

Sec. 306. (4) *Coordination of LEIN and BRIDGES Systems* – DELETED

Requires the department to work with DHS to coordinate functions of the LEIN system and the BRIDGES case management system. Executive deletes. House deletes. Senate deletes. Conference deletes.

Sec. 306. (5) *Probation Information on LEIN* – DELETED

Requires the department to implement procedures by which all probation information is placed on the LEIN system. Executive deletes. House retains. Senate deletes. Conference deletes.

FIELD SERVICES BUREAU

Sec. 401. *Traffic Safety and Enforcement* – REVISED

Requires the department to maintain proper levels of staffing and resources for overseeing traffic safety and enforcement. Senate adds requirement that the department dedicate a minimum of 23,374 patrol hours in distressed cities. Conference concurs with Senate (now Sec. 501).

Sec. 402. *Criminal Investigations* – REVISED

Requires the department to maintain proper levels of staffing and resources for identifying and apprehending criminals through criminal investigations; requires the department to work with the Department of Community Health and other medical-related associations on the treatment of sexual assault victims; requires the department to enforce tobacco products tax act. Executive, House, and Senate delete requirement that the department work with DCH and others on the treatment of sexual assault victims. Senate adds requirement that the department hire and train 180 troopers. Conference concurs with Senate (now Secs. 504 and 602).

Sec. 406. *Regional Communication Centers* – DELETED

Requires the department to maintain proper levels of staffing and resources for operating and maintaining regional communication centers in the state. Executive deletes. House retains. Senate deletes. Conference deletes.

Sec. 409. *Law Enforcement Delivery of Service Model* – DELETED

Requires the 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. Executive deletes. House deletes. Senate deletes. Conference deletes.

Sec. 410. *Cities in Distress Public Safety Initiative* – NEW

Requires the department to report on statistics associated with the cities in distress public safety initiative (i.e., statistics regarding trooper schools, criminal activity, and local law enforcement officers). Executive does not include. House includes. Senate does not include. Conference includes as Sec. 506.

Sec. 411. *Status of Regional Policing Model* – NEW

Requires the department to report on transition by the department to the regional policing model (i.e., costs and savings associated with shifting personnel from traditional office assignments to road patrol assignments). Executive does not include. House includes. Senate does not include. Conference includes as Sec. 507.

SUPPORT SERVICES

Sec. 505. *Public Safety Grants* – DELETED

Requires the department to administer various public safety grants to state, local, and private public safety entities. Executive deletes. House retains. Senate deletes. Conference deletes.

ANTICIPATED APPROPRIATIONS

Sec. 1201. *Anticipated FY 2013-14 Appropriations* – NEW

States legislative intent to provide appropriations for FY 2013-14, adjusting FY 2012-13 amounts based on economic and other factors. (See item #20 under Major Budget Changes for specific anticipated appropriation adjustments.)

FY 2012-13: DEPARTMENT OF TRANSPORTATION
Summary: Conference Report
Article XVII, House Bill 5365 (CR-1)



Analyst: William E. Hamilton

IDG/IDT	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Conference	Difference: Conference From FY 2011-12 YTD	
						Amount	%
	\$19,917,800	\$3,531,900	\$3,531,900	\$3,531,900	\$3,531,900	(\$16,385,900)	(83.3)
Federal	1,241,195,200	1,221,830,100	1,221,830,100	1,221,830,100	1,221,830,100	(19,365,100)	(1.6)
Local	53,968,500	52,080,200	52,080,200	52,080,200	52,080,200	(1,888,300)	(3.5)
Private	0	100,000	100,000	100,000	100,000	100,000	--
Restricted	2,029,355,700	2,055,548,100	2,165,548,100	2,161,548,100	2,165,645,300	136,289,600	6.7
GF/GP	500,000	119,000,000	23,000,000	23,000,000	23,000,000	22,500,000	4,500
Gross	\$3,344,937,200	\$3,452,090,300	\$3,466,090,300	\$3,462,090,300	\$3,466,187,500	\$121,250,300	3.6
FTEs	3,049.6	2,918.3	2,918.3	2,918.3	2,918.3	(131.3)	(4.3)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683.
(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

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. 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. State aviation fuel taxes, and a portion of the Airport Parking Tax is dedicated to the State Aeronautics Fund (SAF).

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
1. Debt Service	Gross	\$287,473,400	(\$47,198,900)
<u>Conference</u> concurs with House/Senate and appropriates \$240.3 million for debt service. The appropriation follows the Executive recommendation and reflects anticipated debt service schedules.	Federal	53,434,300	(7,567,600)
	Restricted	234,039,100	(39,631,300)
2. Support Services by Other State Departments	Gross	\$51,748,900	(\$5,431,000)
<u>Conference</u> concurs with House/Senate which followed the Executive recommendation.	Restricted	51,748,900	(5,431,000)
Appropriation of \$46.3 million for Interdepartmental grants (IDGs) authorize the reimbursement of other state departments from restricted transportation funds for services provided to those transportation funds; includes \$20.0 million MTF to the Department of State for costs of registration tax collection program, and \$2.5 million MTF to the Department of Treasury for costs related to the collection of motor fuel taxes.			
Represents a decrease in baseline appropriation of \$6.7 million, including \$6.2 million decrease in MTF IDG to Department of Treasury (from \$8.4 million to \$2.5 million) to reflect cost allocation study, and \$575,000 decrease in STF IDG to the Attorney General (from \$2.8 million to \$2.4 million). Baseline decreases were partially offset by economic adjustments.			
3. Unclassified Salaries	FTEs	6.0	0.0
<u>Conference</u> includes an additional \$97,000 (STF) as compared to current year and House/Senate/Executive.	Gross	\$602,800	\$97,200
Appropriation per Target agreement.	Restricted	602,800	97,200

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	Conference Change from Year-to-Date
4. State Trunkline Road and Bridge Construction	Gross	\$842,310,000	\$98,743,200
<u>House</u> had included \$100.0 million additional STF revenue in anticipation of passage Senate Bill 351 to match federal aid highway funds. Senate Bill 351 would redirect part of the sales tax on gasoline from the state General Fund to the STF. The House also reflected \$1.3 million reduction in baseline restricted revenue;	Federal	742,092,000	0
	Local	30,000,000	0
	Restricted	70,218,000	98,743,200
	GF/GP	\$0	\$0

Senate had included \$96.0 million additional STF revenue in anticipation of passage Senate Bill 351 to match federal aid highway funds. Senate was is \$4.0 million less than House.

Conference concurs with House. Target agreement directs that the proposed redirection of sales tax in Senate Bill 351 would be for one year only.

5. Aeronautics Capital Projects	Gross	\$109,750,600	(\$2,017,400)
Appropriation for <i>Airport safety, protection, and improvement</i> reflects anticipated federal funding, and SAF/local matching funds, for the federal Airport Improvement Program.	Federal	94,090,600	(11,907,500)
	Local	13,133,500	(1,988,300)
	Restricted	2,526,500	11,878,400

House and Senate had included an additional \$10.0 million SAF beyond the Executive recommendation in anticipation of passage of House Bill 4025; House Bill 4025 would redirect part of the sales tax on aviation fuel from the state General Fund to the SAF.

Conference concurs with House/Senate; Target agreement directs that the proposed redirection of sales tax in House Bill 4025 would be for one year only.

6. State Employee Lump-Sum Payment (One-Time)	Gross	\$0	\$3,260,800
Represents appropriation for negotiated one-time lump sum payments to state employees.	IDG	0	14,800
	Restricted	0	3,246,800

Conference concurs with House/Senate and includes this item as a Part 1 line item.

7. Federal Match – Transit Capital (One-Time)	Gross	\$0	\$12,000,000
<u>Conference</u> concurs with House/Senate and includes this item as a Part 1 line item. Includes related Boilerplate Sections 1001 and 1002.	GF/GP	\$0	\$12,000,000

6. Federal Match – Rail Operations/Infrastructure (One-Time)	Gross	\$0	\$11,000,000
<u>Conference</u> concurs with House/Senate and includes this item as a Part 1 line item. Includes related Boilerplate Section 1002.	GF/GP	\$0	\$11,000,000

Major Boilerplate Changes From FY 2011-12

Sec. 202. Authority of Management and Budget Act – RETAINED

House retains reference to DMB Act; Senate does not include.

Conference concurs with House and includes.

Sec. 207. Searchable Website for Expenditures and Employees – RETAINED

Senate retains current year language; House does not include Subsection (2) which allows department option of using state central transparency website.

Conference concurs with Senate.

Sec. 214. Information Technology User Fees – RETAINED

House retains current year language; Senate does not include.

Conference concurs with House.

Sec. 216. Privatization Notification Plan – NOT INCLUDED

House retains current year language; Senate does not include.

Conference concurs with Senate and does not include.

Major Boilerplate Changes From FY 2011-12

Sec. 218. *Out of State Travel Report* – MOVED TO SEC. 260

House includes reporting requirements;

Senate includes current year restrictions and reporting requirements in **Sec. 260**.

Conference concurs with Senate numbering.

Sec. 219. *DTMB Office Space Plan* – NEW

Directs state executive branch agencies to cooperate with DTMB office space consolidation plan.

House includes new standard language; Senate does not include.

Conference concurs with House and includes.

Sec. 230. *Measurable Outcomes Report* – NEW

House includes new reporting requirement; Senate does not include.

Conference concurs with House and includes.

Sec. 260. *Out of State Travel Report* – RETAINED

Senate retains current year restrictions and reporting requirements

House includes reporting requirements only in **Sec. 218**.

Conference concurs with Senate.

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

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

Senate retains current year language; House does not include.

Conference concurs with Senate.

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

Sets guidelines for use of transportation funds (Interdepartmental grants) by other state agencies; provides reporting requirements and biennial audit. Senate includes subsection (3) regarding Department of Treasury; House does not include Subsection (3).

Conference concurs with House and does not include Subsection (3).

Sec. 312. *State Trunkline Fund Carryforward* – MOVED TO SEC. 604

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

House retains; Senate moves this section to **Sec. 604**.

Conference concurs with Senate numbering.

Sec. 354. *Solicit Proposals for Improper Payment Audit* – NOT INCLUDED

Deletes requirement that department to solicit proposals for an audit of improper payments.

Senate retains; House does not include.

Conference concurs with House and does not include.

Sec. 381. *E-Verify for Legal Status of Contractor/Subcontractor New Employees* – NEW

Requires the department to use the E-Verify system to verify legal status of contractor and subcontractor new hires. Provides reporting requirement.

House adds new section; Senate does not include.

Conference adopts modified language.

Sec. 382. *State Airfleet Study* – MODIFIED

House modifies to indicate legislative intent that department and State Budget Office to provide independent study of needs of state airfleet every five years; Senate does not include.

Conference concurs with House.

Sec. 384. *New International Trade Crossing (NITC)* – MODIFIED

House modifies to include reference to completion of Gateway project; Senate retains current year language.

Conference concurs with House.

Sec. 393. *Best Practices for Public Transportation* – NOT INCLUDED

House modifies to include increasing farebox recovery as a best practice; Senate does not include.

Conference concurs with Senate and does not include section.

Sec. 395. *Gateway Project Completion* – NEW

House includes new language: "*The department shall not expend any funds appropriated in part 1 for unclassified salaries until the Gateway project is completed in accordance with the 2004 Gateway project implementation agreement as amended.*" Senate does not include.

Conference includes modified intend language which states legislative intent that the Gateway project be finished; does not tie completion to an appropriation.

Major Boilerplate Changes From FY 2011-12

Sec. 398. Street Railway Appropriation – MOVED TO SEC. 735

Provides for \$0 appropriation to a street railway pursuant to section 10e(22) of 1951 PA 51.

House retains; Senate moves this section to **Sec. 735**.

Conference concurs with Senate numbering.

Sec. 399. Rest Areas and Welcome Centers for Farm Markets – NOT INCLUDED

Requires department to work with MDOT to facilitate use of rest areas and welcome centers for farm markets.

House includes; Senate does not.

Conference concurs with Senate and does not include.

Sec. 602. Manufactured Pipe – NOT INCLUDED

Provided standards for use and testing of manufactured pipe.

Senate retains current year language; House does not include.

Conference concurs with House and does not include.

Sec. 603. Traffic Congestion – RETAINED

Directed department to consider traffic congestion be used as criteria in project selection.

Senate retains current year language; House does not include.

Conference concurs with Senate and retains.

Sec. 604. State Trunkline Fund Carryforward – RETAINED

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

Senate moves this section from **Sec. 312**.

Conference concurs with Senate.

Sec. 610. Dead Deer – MODIFIED

Legislative intent language regarding clean-up of dead deer and other large animal remains.

Senate modifies to delete "intent" and adds "shall" language; House does not include.

Conference concurs with Senate.

Sec. 661. Matching Federal-Aid Highway Funds – NEW

House "Of the appropriation from the state trunkline fund in part 1 for state trunkline federal aid and road and bridge construction, \$100,000,000.00 represents estimated revenue from passage of Senate Bill 351 of the 2011-2012 legislative session and is intended to ensure that the state is able to match all available federal-aid highway funds."

Senate is identical except in using the figure \$96,000,000.00, instead of \$100,000,000.00.

Conference concurs with House.

Sec. 701. Intercity Bus Equipment Fund – MODIFIED

Provides for separate accounting and carryforward authority for this fund.

House and Senate retain current year language; Department has asked for modified language.

Conference adopts modified language to recognize intercity *facility* fund.

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

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

House retains current year language; Senate modifies the reporting requirement

Conference concurs with House.

Sec. 714. Local Transit Demand-Response Services – NOT INCLUDED

Requires department, in cooperation with local transit agencies, work to ensure that demand-response services are provided throughout Michigan.

Senate retains current year language; House does not include.

Conference concurs with House and does not include.

Sec. 734. Transit Agency Service Performance Measures – NOT INCLUDED

Directed department work to ensure that transit agencies meet certain service performance measures.

Senate retains current year language; House does not include.

Conference concurs with House and does not include.

Sec. 735. Street Railway Appropriation – RETAINED

Provides for \$0 appropriation to a street railway pursuant to section 10e(22) of 1951 PA 51.

Senate moves this section from **Sec. 398**.

Conference concurs with Senate renumbering.

Sec. 741. Report on Bus Transit Roll-Over Safety Standards – NEW

Senate adds new report on bus roll-over standards; House does not include.

Conference concurs with Senate.

Major Boilerplate Changes From FY 2011-12

Sec. 802. State Airplane Sale – NOT INCLUDED

House adds new language: "Within the fiscal year ending September 30, 2013, the department shall sell one of two Beechcraft King Air Twin Engine Turbo Prop airplanes. Proceeds from the sale shall be credited to the State aeronautics fund." Senate does not include.

Conference concurs with Senate.

Sec. 902. Aeronautics Capital Program Status Report – MODIFIED

Senate retains current year language; House adds HFA and SFA added as report recipients.

Conference concurs with House.

Sec. 905. Airport Improvement Program Matching Funds – NEW

"Of the appropriation from the state aeronautics fund in part 1 for airport safety, protection, and improvement \$10,000,000.00 represents estimated revenue from passage of House Bill 4025 of the 2011-2012 legislative session and is intended to ensure that the state is able to match all available federal airport improvement program grant funds." House and Senate both include this language.

Sec. 1001. One-Time Transit Capital – NEW

House adds new language: "In awarding grants to local public transit agencies with service populations greater than 50,000, from the one-time general fund/general purpose appropriation in part 1, federal aid match for transit capital, the department shall give priority to the following: (1) projects for bus rehabilitation (2) project applications from agencies which recover not less than 20% of fixed route operating costs from farebox revenue.

Senate does not include.

Conference concurs with House and includes.

Sec. 1002. One-Time Transit/Rail General Fund Lapse – NEW

House directs that unexpended GF/GP funds lapse to the General Fund; establishes reporting requirement.

Senate does not include. Department requested a modification to include "or encumbered".

Conference adopts department recommendation and adds the words "or encumbered."

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

Current year included language regarding FY 2012-13 planning budget; modified to reflect FY 2013-14.

Conference concurs with Senate.