

STATE OF MICHIGAN  
FISCAL YEAR 2010-11

# Appropriations Summary and Analysis



HOUSE  
**FISCAL**  
AGENCY

Mitchell E. Bean, Director

November 2010

**HOUSE FISCAL AGENCY  
GOVERNING COMMITTEE**

**George Cushingberry, Jr.**

**Andy Dillon**

**Kathy Angerer**

**Chuck Moss**

**Kevin Elsenheimer**

**Dave Hildenbrand**

**MICHIGAN HOUSE OF REPRESENTATIVES  
APPROPRIATIONS COMMITTEE**

**George Cushingberry, Jr., Chair**

**Richard Hammel, Vice Chair**

**Joan Bauer**

**Doug Bennett**

**Terry Brown**

**Robert Dean**

**Fred Durhal**

**John Espinoza**

**Lee Gonzales**

**Vincent Gregory**

**Shanelle Jackson**

**Michael Lahti**

**Richard LeBlanc**

**Gary McDowell**

**Fred Miller**

**Alma Smith**

**Dudley Spade**

**Jon Switalski**

**Rashida Tlaib**

**Chuck Moss, Minority Vice Chair**

**David Agema**

**Darwin Booher**

**Bill Caul**

**Robert Genetski**

**Kevin Green**

**Gail Haines**

**Dave Hildenbrand**

**Matt Lori**

**John Proos**

**Bill Rogers**

**Tonya Schuitmaker**

STATE OF MICHIGAN  
HOUSE OF REPRESENTATIVES



HOUSE FISCAL AGENCY

**MITCHELL E. BEAN, DIRECTOR**

P.O. BOX 30014 ■ LANSING, MICHIGAN 48909-7514  
PHONE: (517) 373-8080 ■ FAX: (517) 373-5874  
[www.house.mi.gov/hfa](http://www.house.mi.gov/hfa)

**GOVERNING COMMITTEE**

GEORGE CUSHINGBERRY, JR., CHAIR  
ANDY DILLON  
KATHY ANGERER

CHUCK MOSS, VC  
KEVIN ELSENHEIMER  
DAVE HILDENBRAND

November 2010

TO: Members of the Michigan House of Representatives

This ***FY 2010-11 Appropriations Summary and Analysis*** summarizes the enacted FY 2010-11 appropriations. A *Glossary*, following the table of contents, explains terms used throughout this report to describe Michigan's budget. The *Director's Overview* provides information on resources used in the enacted FY 2010-11 budget; summary tables of appropriated funds and fund sources are also included. *Budget Detail* pages note major budget and boilerplate changes for each department/agency. The last section provides an overview of consensus revenue estimates.

When analyzing the budget, it is important to note the following:

**Adjusted Gross** is the amount to use when measuring the effect of state spending on the state's economy.

**General Fund/General Purpose (GF/GP)** is the amount to use when measuring state resources available for legislative allocation to various state programs.

**State Spending From State Sources** is the amount to use when measuring the amount of state resources collected from taxpayers to finance state spending.

Information in the *Budget Detail* section was provided by HFA Analysts; report production was coordinated by Kathryn Bateson, Administrative Assistant. House Fiscal Agency staff and their areas of responsibility are listed on the inside back cover of this publication. Please feel free to contact them, or me, if you have questions or need further information.



Mitchell E. Bean, Director



# TABLE OF CONTENTS

## **OVERVIEW**

Director's Overview .....	2
Resources Used in FY 2010-11 Year-to-Date Budget .....	3 – 5
Charts:	
FY 2010-11 YTD General Fund/General Purpose (GF/GP) Appropriations.....	6
FY 2010-11 YTD Adjusted Gross Appropriations.....	6
FY 2010-11 GF/GP Distribution .....	7
FY 2010-11 Adjusted Gross Sources.....	7
FY 2010-11 Appropriations Summary Tables .....	8 – 13

## **BUDGET DETAIL**

### **EDUCATION**

Community Colleges .....	16
Education (Department) .....	18
Higher Education.....	20
School Aid.....	23

### **GENERAL GOVERNMENT**

All General Government.....	30
Attorney General.....	31
Civil Rights .....	33
Executive Office .....	34
Legislature .....	35
Legislative Auditor General .....	36
State.....	37
Technology, Management and Budget .....	39
Treasury .....	42

### **HUMAN SERVICES**

Community Health (includes Medicaid, Public Health, Mental Health, and Aging).....	50
Corrections.....	58
Human Services (Department).....	65

### **RESOURCE PROTECTION**

Agriculture.....	76
Natural Resources and Environment .....	81

### **SAFETY AND DEFENSE**

Military and Veterans Affairs .....	86
State Police.....	88

### **ALL OTHERS**

Energy, Labor and Economic Growth .....	92
Judiciary.....	98
Transportation.....	101

<b><u>CONSENSUS REVENUE ESTIMATES</u></b> .....	<b>108</b>
---	------------



# GLOSSARY

## Frequently Used State Budget Terms

### STATE BUDGET TERMS

**Gross Appropriations (Gross):** The total of all applicable appropriations (statutory spending authorizations) in a budget bill.

**Adjusted Gross Appropriations (Adjusted Gross):** The net amount of all gross appropriations after subtracting interdepartmental grants (IDGs) and intradepartmental transfers (IDTs).

**Lapses:** Appropriation amounts that are unspent/unobligated at the end of a fiscal year; appropriations are automatically terminated at the end of a fiscal year unless otherwise provided by law.

**Work Project:** A statutorily-authorized account which allows a spending authorization to be carried over from one fiscal year to a succeeding fiscal year or years—i.e., allows funds to be spent over a period of years.

### APPROPRIATION BILL TERMS

**Line Item:** Specific funding amount in an appropriation bill which establishes spending authorization for a particular program or function (may be for a single purpose or for multiple purposes).

**Boilerplate:** Specific language sections in an appropriation bill which direct, limit, or restrict line item expenditures; express legislative intent; and/or require reports.

### REVENUE SOURCES

**General Fund/General Purpose (GF/GP):** Unrestricted General Fund revenue available to fund any activity accounted for in the General Fund; unused GF/GP revenue lapses to the General Fund at the end of a fiscal year.

**State Restricted (Restricted):** State revenue restricted by state law or outside restriction that is available only for specified purposes; at year-end, unused restricted revenue remains in the restricted fund.

**Federal Revenue:** Federal grant or matchable revenue dedicated to specific programs.

**Local Revenue:** Revenue from local units of government.

**Private Revenue:** Revenue from nongovernment entities: rents, royalties or interest payments, payments from hospitals or individuals, and gifts and bequests.

**Interdepartmental Grant (IDG):** Revenue or funds received by one state department from another state department (usually for a service provided by the receiving department).

**Intradepartmental Transfer (IDT):** Transfers or funds being provided from one appropriation unit to another in the same department.

### MAJOR STATE FUNDS

**Budget Stabilization Fund (BSF):** The countercyclical economic and budget stabilization fund; also known as the “rainy day” fund.

**School Aid Fund (SAF):** A restricted fund; the primary funding source for K-12 schools and Intermediate School Districts.

**General Fund:** The General Fund (funded from taxes and other general revenue) is used to account for the ordinary operations of a governmental unit that are not accounted for in another fund.



# **FY 2010-11 Budget Detail**

## **DIRECTOR'S OVERVIEW**

**Overview  
Resources Used in Enacted Budget  
Summary Tables**

## OVERVIEW

# FY 2010-11 DIRECTOR'S OVERVIEW Summary and Analysis

---

The enacted state budget for Fiscal Year (FY) 2010-11, year-to-date (YTD) at November 1, 2010, includes \$46.8 billion in adjusted gross appropriations, funded from the following sources:

- \$20.2 billion from federal funds.
- \$0.5 billion from local and private sources.
- \$17.8 billion from state restricted funds.
- \$8.3 billion from General Fund/General Purpose (GF/GP) revenue.

Compared to FY 2009-10 YTD appropriations (at November 1, 2010), the enacted budget provides an adjusted gross increase of 2.6%, and a GF/GP increase of 6.6%. The increase in GF/GP appropriations is, in large part, attributable to (1) replacing School Aid Fund revenue that had been appropriated in the Community Colleges budget for FY 2009-10 on a one-time basis and (2) replacing certain temporary funds received under the federal American Recovery and Reinvestment Act (ARRA) utilized in the FY 2009-10 budget that are no longer available (or available in smaller amounts) for FY 2010-11. Additionally, the current GF/GP appropriation total does not reflect anticipated savings of approximately \$80 million from retirement-related reforms that have been enacted into law.

Both FY 2009-10 and FY 2010-11 year-to-date appropriation totals include significant amounts of funds appropriated from temporary ARRA-related revenue. Total FY 2009-10 appropriation amounts include \$2.5 billion in ARRA-related appropriations. Total FY 2010-11 appropriation amounts include \$1.7 billion in ARRA-related appropriations. A large portion of the decline from FY 2009-10 to FY 2010-11 represents a reduction in funds available to offset GF/GP funding in the state budget.

Appropriation comparison tables for individual budget areas in the *Budget Detail* section of this report generally reflect FY 2009-10 year-to-date amounts as of February 11, 2010 (rather than November 1, 2010) to reflect FY 2009-10 budget amounts appropriated when the FY 2010-11 Executive Budget was originally released. Where appropriate, ARRA-related funds are shown separately from other federal funding sources in the *Budget Detail* section.

### **Consensus Revenue Estimates**

The FY 2010-11 GF/GP budget is based on consensus revenue estimates agreed to at the May 21, 2010, Consensus Revenue Estimating Conference. The FY 2010-11 estimates show a \$678.7 million (10.2%) increase in GF/GP revenue from FY 2009-10, and a \$110.0 million (1.0%) increase in School Aid Fund (SAF) revenue.

A portion of the increase in GF/GP revenue is attributable to one-time non-tax revenue sources: \$61.8 million in anticipated tax amnesty revenue and \$166.0 million in anticipated revenue from unclaimed property reforms. Additionally, \$9.1 million is expected from changes related to liquor sales. Similarly, the FY 2010-11 SAF revenue estimate includes \$26.1 million in anticipated tax amnesty revenue.

### **Additional Funding**

In addition to consensus revenue forecasts, FY 2010-11 GF/GP appropriations are based on the following sources of revenue:

- \$0.0 million in beginning fund balance.
- \$477.8 million from the statutory revenue sharing freeze (net of county revenue sharing costs).
- \$45.0 million from the shift of short-term borrowing costs to the SAF.
- \$368.4 million from the use tax on Medicaid managed care.
- \$15.0 million from enhanced tax reform.
- \$11.0 million from a restricted fund transfer and a lapsed work project.

In addition to consensus revenue forecasts, FY 2010-11 School Aid Fund appropriations are based on the following sources of revenue:

- \$163.4 million in beginning fund balance.
- \$1,677.8 million in federal funds (not including ARRA-related funds).
- \$254.6 million in ARRA and Ed Jobs funding.
- \$18.6 million transfer from GF/GP.

**RESOURCES USED IN FY 2010-11 YEAR-TO-DATE BUDGET**

---

Resources used to fund General Fund/General Purpose, School Aid Fund, Medicaid Benefits Trust Fund, and Merit Award Trust Fund expenditures in the FY 2010-11 YTD budget are reported below.

**FY 2010-11 GENERAL FUND/GENERAL PURPOSE RESOURCES**  
**(Millions of Dollars)**

Beginning fund balance	\$0.0
Revenue estimate	7,333.6
Adjustments:	
Revenue sharing freeze (net of county revenue sharing costs)	477.8
Shift short-term borrowing costs to SAF	45.0
Use tax – Medicaid managed care	368.4
Enhanced tax enforcement revenue	15.0
Restricted fund transfer/lapsed work project	11.0
<b>Total Resources</b>	<b>\$8,250.8</b>

**Beginning Fund Balance:** Carryforward from prior fiscal year.

**Revenue Estimates:** Revenue estimates agreed to at the May 2010 consensus revenue estimating conference.

**Revenue Sharing Freeze:** Increased GF/GP revenue as a result of freezing revenue sharing below full statutory funding, net of increased costs for county revenue sharing as counties exhaust reserve funds.

**Shift Short-Term Borrowing Costs:** Cost of short-term notes for cash-flow is shifted to SAF.

**Use Tax – Medicaid managed care:** Use tax revenue resulting from Medicaid contracted health plans (HMOs) and specialty Prepaid Inpatient Health Plans (PIHPs).

**Enhanced tax enforcement revenue:** Anticipated revenue resulting from additional tax enforcement measures.

**Restricted fund transfer/lapsed work project:** Funds transferred to GF/GP.

**OVERVIEW**

**FY 2010-11 SCHOOL AID FUND  
(Millions of Dollars)**

Beginning balance	\$163.4
Revenue estimate	10,866.3
Adjustments:	
GF/GP transfer	18.6
Federal revenue	1,677.8
Federal ARRA / Ed Jobs	254.6
<b>Total Resources</b>	<b>\$12,980.7</b>

**Beginning Balance:** Carryforward from prior fiscal year.

**Revenue Estimate:** Revenue estimates agreed to at the May 2010 consensus revenue estimating conference and assumed new revenues.

**GF/GP Transfer:** Annual transfer; amount varies from year to year.

**Federal Revenue:** Includes grants for the (federal) No Child Left Behind Act, special education, school lunch, and other smaller grant programs.

**FY 2010-11 MEDICAID BENEFITS TRUST FUND  
(Millions of Dollars)**

Estimated beginning balance	\$0.0
Estimated interest	1.0
Estimated deposit:	
Revenue from cigarette tax	284.0
Revenue from other tobacco products tax	48.1
Total settlement revenue	3.4
One-time revenue from GM VEBA adjustment	160.0
Subtotal: Available funds	\$496.5
Withdrawal in FY 2010-11	(336.5)
One-time withdrawal	(160.0)
<b>FY 2010-11 Fund Balance</b>	<b>\$0.0</b>

**FY 2010-11 ESTIMATES  
TOBACCO SETTLEMENT REVENUE/EXPENDITURES  
(Millions of Dollars)**

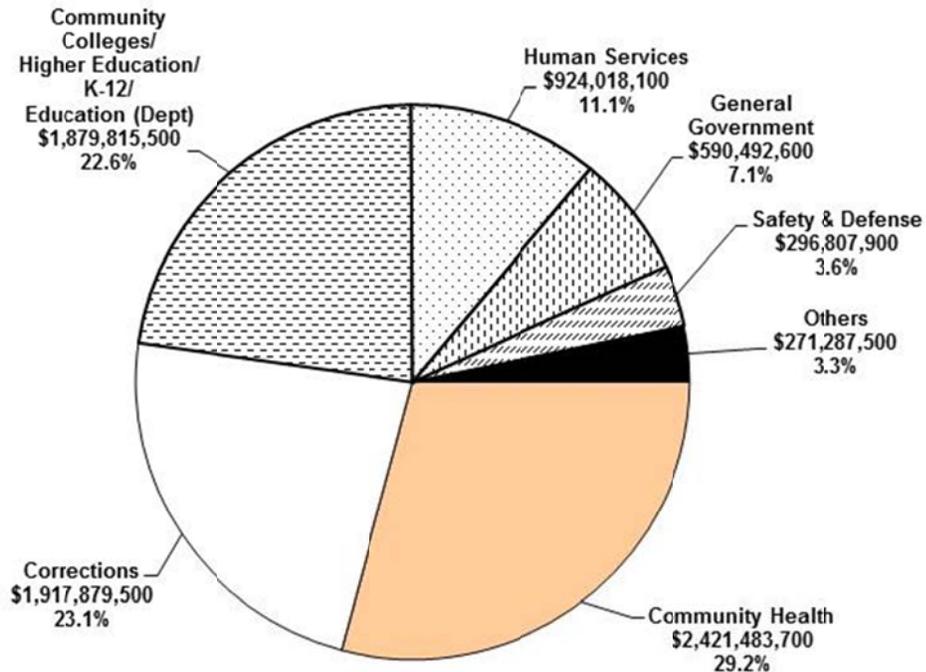
**Merit Award Trust Fund Revenue**

FY 2010-11 Beginning Balance	\$0.0
Tobacco settlement revenue	282.4
Withheld payment	(28.5)
Payments on securitization bonds	(61.2)
Deposit to 21st Century Jobs Fund	(75.0)
Estimated interest	0.9
<b>Resources Subtotal</b>	<b>\$118.6</b>
Attorney general administration	(\$0.4)
Community Health: Medicaid base funding	(82.0)
Community Health: Aging - respite care	(4.5)
Higher Education: Tuition incentive program (TIP)	(30.1)
State Police: Tobacco tax enforcement	(0.6)
Treasury: TIP administration	(1.0)
<b>Expense Subtotal</b>	<b>(\$118.6)</b>
<b>FY 2010-11 Ending Balance</b>	<b>\$0.0</b>

**OVERVIEW**

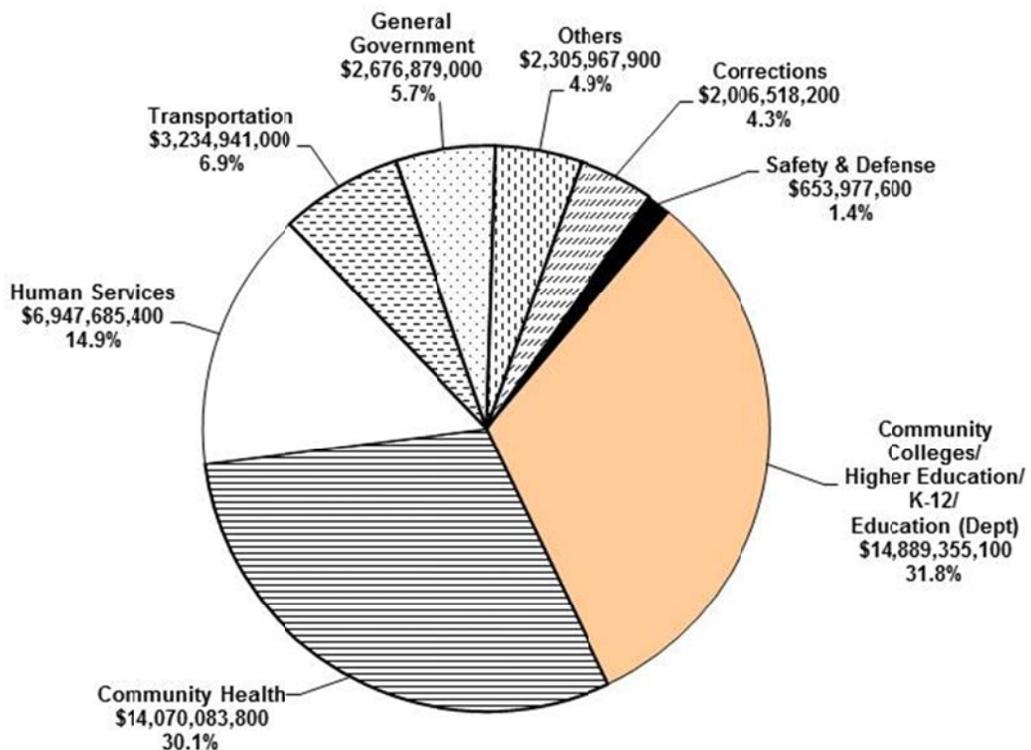
**FY 2010-11 YTD General Fund/General Purpose (GF/GP) Appropriations**

**Total: \$8,301,784,800**

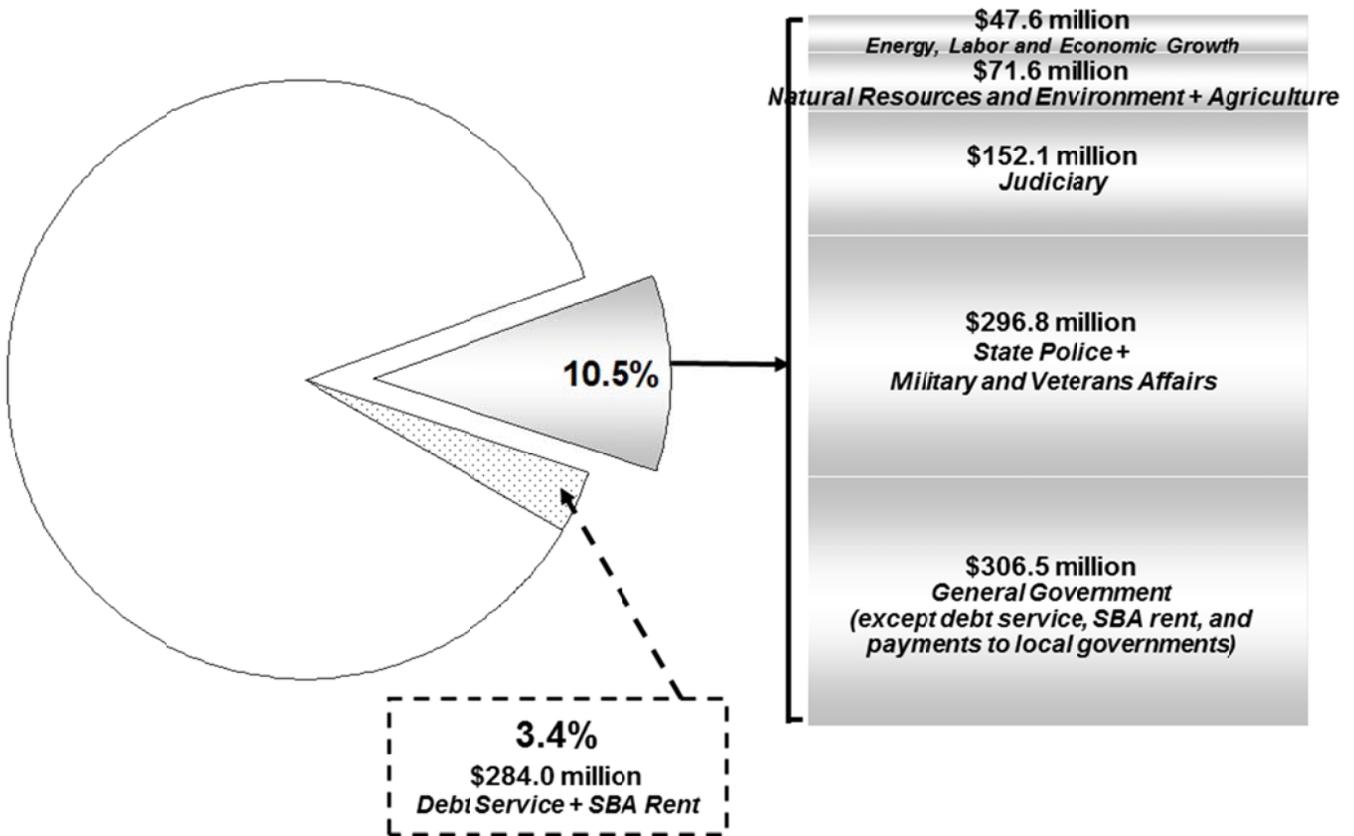


**FY 2010-11 YTD Adjusted Gross Appropriations**

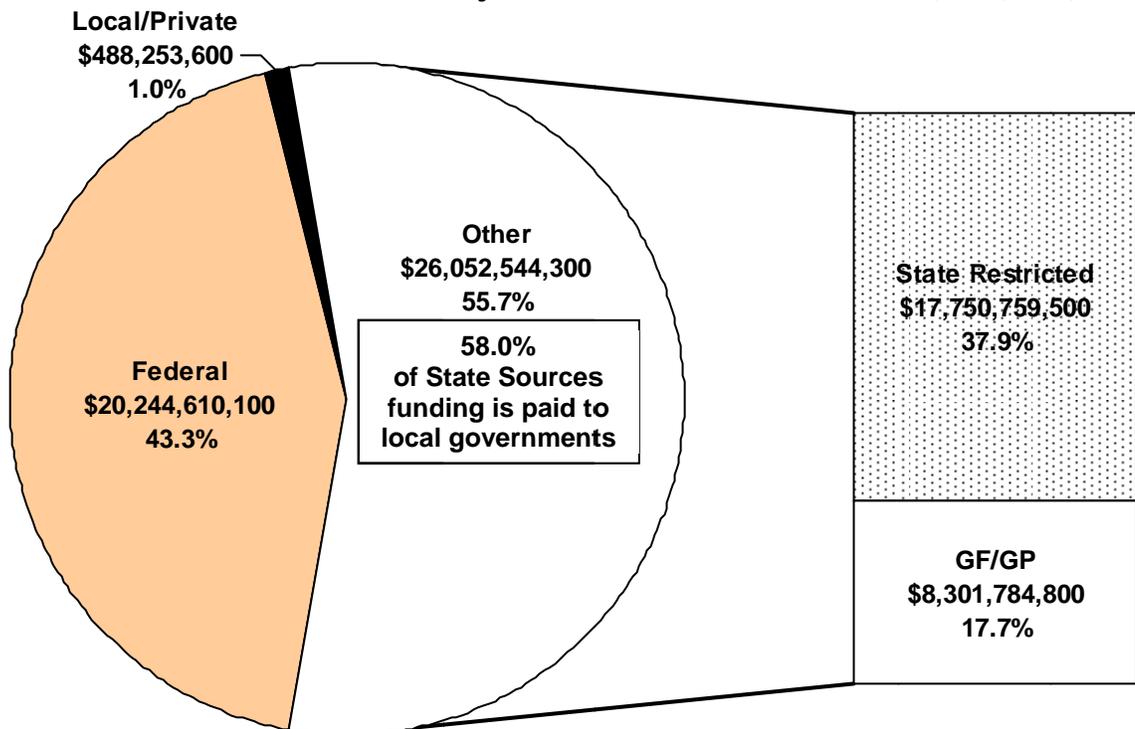
**Total: \$46,785,408,000**



**FY 2010-11 GF/GP = \$8,301,784,800**



**FY 2010-11 Adjusted Gross Sources = \$46,785,408,000**



## OVERVIEW

### **SUMMARY TABLES**

---

In the following tables, appropriations are year-to-date through November 1, 2010.

**Table 1** (page 9) details the FY 2010-11 year-to-date budget by Source of Funds. When interdepartmental grants and intradepartmental transfers are deducted (to avoid double counting), gross appropriations of \$47.5 billion reduce to \$46.8 billion in adjusted gross appropriations.

**Tables 2** (page 10) and **3** (page 11) compare FY 2009-10 YTD appropriations to FY 2010-11 YTD appropriations.

Adjusted Gross Appropriations increase from \$45.6 billion in FY 2009-10 to \$46.8 billion in FY 2010-11, an increase of \$1.2 billion or 2.6%.

GF/GP Appropriations increase from \$7.79 billion in FY 2009-10 to \$8.30 billion in FY 2010-11, an increase of \$514.5 million or 6.6%.

**Table 4** (page 12) compares the number of authorized Full-Time Equated (FTE) Positions (classified and unclassified) for FY 2009-10 YTD to FY 2010-11 YTD. An increase of 511.1 FTEs or 0.92% in total FTEs is shown in Table 4 - from 55,714.7 in FY 2009-10 to 56,225.8 in FY 2010-11. Each FTE is equivalent to 2,088 hours of employee compensated time (including overtime, annual leave, and used sick leave) during the year.

**Table 5** (page 13) shows FY 2010-11 YTD State Spending From State Sources Paid to Local Governments and compares enacted payments to local units of government to the amount of spending from state sources provided in each budget. Pursuant to Article IX, Section 30 of the *Constitution of the State of Michigan of 1963*, at least 48.97% of state spending from state resources must be paid to all units of local government. The enacted FY 2010-11 YTD budget provides for \$15.1 billion in state spending to local units of government, 58.0% of the estimated \$26.1 billion in state spending from state resources - well above the constitutional requirement.

**TABLE 1**  
**FY 2010-11 YEAR-TO-DATE APPROPRIATIONS BY SOURCE OF FUNDS**

<u>Department/Budget Area</u>	<u>Gross</u>	<u>IDG/IDT</u>	<u>Adjusted Gross</u>	<u>Federal</u>	<u>Local</u>	<u>Private</u>	<u>State Restricted</u>	<u>GF/GP</u>
Community Colleges	295,880,500	0	295,880,500	0	0	0	0	295,880,500
Education	126,959,900	0	126,959,900	87,772,100	7,199,400	3,124,500	6,949,800	21,914,100
Higher Education	1,578,278,500	0	1,578,278,500	4,500,000	0	0	30,400,000	1,543,378,500
School Aid	12,888,236,200	0	12,888,236,200	1,937,397,000	0	0	10,932,196,800	18,642,400
<b>EDUCATION</b>	<b>\$14,889,355,100</b>	<b>\$0</b>	<b>\$14,889,355,100</b>	<b>\$2,029,669,100</b>	<b>\$7,199,400</b>	<b>\$3,124,500</b>	<b>\$10,969,546,600</b>	<b>\$1,879,815,500</b>
Attorney General	73,413,100	21,300,300	52,112,800	8,565,700	0	0	14,987,700	28,559,400
Civil Rights	12,778,700	0	12,778,700	1,750,000	0	0	53,000	10,975,700
Executive Office	4,630,800	0	4,630,800	0	0	0	0	4,630,800
Legislative Auditor General	14,996,400	2,301,500	12,694,900	0	0	0	1,539,900	11,155,000
Legislature	102,334,100	250,000	102,084,100	0	0	400,000	1,109,800	100,574,300
State	213,520,400	20,000,000	193,520,400	1,810,000	0	100	177,799,500	13,910,800
Tech, Management and Budget	974,362,200	586,552,900	387,809,300	2,682,000	1,380,400	170,800	83,827,300	299,748,800
Treasury: Operations	656,861,200	14,295,200	642,566,000	206,124,700	2,054,000	0	378,349,300	56,038,000
Treasury: Michigan Strategic Fund	155,846,200	81,200	155,765,000	56,566,900	0	843,600	75,573,000	22,781,500
Treasury: Debt/Revenue Sharing	1,112,917,000	0	1,112,917,000	0	0	0	1,070,798,700	42,118,300
<b>GENERAL GOVERNMENT</b>	<b>\$3,321,660,100</b>	<b>\$644,781,100</b>	<b>\$2,676,879,000</b>	<b>\$277,499,300</b>	<b>\$3,434,400</b>	<b>\$1,414,500</b>	<b>\$1,804,038,200</b>	<b>\$590,492,600</b>
Community Health	14,124,104,600	54,020,800	14,070,083,800	9,474,045,200	235,104,200	88,103,600	1,851,347,100	2,421,483,700
Corrections	2,007,433,600	915,400	2,006,518,200	7,868,500	443,100	0	80,327,100	1,917,879,500
Human Services	6,948,915,700	1,230,300	6,947,685,400	5,914,824,600	33,925,700	14,483,500	60,433,500	924,018,100
<b>HUMAN SERVICES</b>	<b>\$23,080,453,900</b>	<b>\$56,166,500</b>	<b>\$23,024,287,400</b>	<b>\$15,396,738,300</b>	<b>\$269,473,000</b>	<b>\$102,587,100</b>	<b>\$1,992,107,700</b>	<b>\$5,263,381,300</b>
Agriculture	76,448,300	289,100	76,159,200	14,922,600	0	260,100	30,679,400	30,297,100
Natural Resources and Environment	718,968,400	10,521,900	708,446,500	261,615,200	0	6,509,100	399,012,800	41,309,400
<b>RESOURCE PROTECTION</b>	<b>\$795,416,700</b>	<b>\$10,811,000</b>	<b>\$784,605,700</b>	<b>\$276,537,800</b>	<b>\$0</b>	<b>\$6,769,200</b>	<b>\$429,692,200</b>	<b>\$71,606,500</b>
Military and Veterans Affairs	150,042,900	1,152,900	148,890,000	82,203,800	645,400	1,382,700	28,233,400	36,424,700
State Police	529,231,400	24,143,800	505,087,600	103,934,200	6,257,500	269,800	134,242,900	260,383,200
<b>SAFETY AND DEFENSE</b>	<b>\$679,274,300</b>	<b>\$25,296,700</b>	<b>\$653,977,600</b>	<b>\$186,138,000</b>	<b>\$6,902,900</b>	<b>\$1,652,500</b>	<b>\$162,476,300</b>	<b>\$296,807,900</b>
Capital Outlay	0	0	0	0	0	0	0	0
Judiciary	260,358,800	3,573,500	256,785,300	5,539,500	6,252,200	842,500	92,078,000	152,073,100
Energy, Labor and Economic Growth	1,277,823,200	13,246,300	1,264,576,900	845,017,500	16,020,400	6,085,000	349,846,100	47,607,900
Transportation	3,235,819,300	878,300	3,234,941,000	1,227,470,600	56,496,000	0	1,950,974,400	0
<b>ALL OTHERS</b>	<b>\$4,774,001,300</b>	<b>\$17,698,100</b>	<b>\$4,756,303,200</b>	<b>\$2,078,027,600</b>	<b>\$78,768,600</b>	<b>\$6,927,500</b>	<b>\$2,392,898,500</b>	<b>\$199,681,000</b>
<b>TOTAL APPROPRIATIONS</b>	<b>\$47,540,161,400</b>	<b>\$754,753,400</b>	<b>\$46,785,408,000</b>	<b>\$20,244,610,100</b>	<b>\$365,778,300</b>	<b>\$122,475,300</b>	<b>\$17,750,759,500</b>	<b>\$8,301,784,800</b>

Note: Amounts include \$1.7 billion in temporary federal ARRA-related funds.

**OVERVIEW**

**TABLE 2**  
**ADJUSTED GROSS APPROPRIATIONS**  
**FY 2010-11 Year-To-Date Compared with FY 2009-10 Year-to-Date**

<u>Department/Budget Area</u>	<u>FY 2009-10 YTD</u>	<u>FY 2010-11 YTD</u>	<u>FY 2010-11 vs. FY 2009-10 Difference</u>	
Community Colleges	299,360,500	295,880,500	(3,480,000)	-1.2%
Education	114,926,200	126,959,900	12,033,700	10.5%
Higher Education	1,612,243,300	1,578,278,500	(33,964,800)	-2.1%
School Aid	12,707,480,500	12,888,236,200	180,755,700	1.4%
<b>EDUCATION</b>	<b>\$14,734,010,500</b>	<b>\$14,889,355,100</b>	<b>\$155,344,600</b>	<b>1.1%</b>
Attorney General	52,529,700	52,112,800	(416,900)	-0.8%
Civil Rights	14,006,600	12,778,700	(1,227,900)	-8.8%
Executive Office	4,784,700	4,630,800	(153,900)	-3.2%
Legislative Auditor General	13,016,900	12,694,900	(322,000)	-2.5%
Legislature	107,152,700	102,084,100	(5,068,600)	-4.7%
State	195,599,400	193,520,400	(2,079,000)	-1.1%
Technology, Management and Budget	382,707,400	387,809,300	5,101,900	1.3%
Treasury: Operations	412,737,344	642,566,000	229,828,656	55.7%
Treasury: Michigan Strategic Fund	114,036,800	155,765,000	41,728,200	36.6%
Treasury: Debt/Revenue Share	1,059,295,500	1,112,917,000	53,621,500	5.1%
<b>GENERAL GOVERNMENT</b>	<b>\$2,355,867,044</b>	<b>\$2,676,879,000</b>	<b>\$321,011,956</b>	<b>13.6%</b>
Community Health	13,622,115,700	14,070,083,800	447,968,100	3.3%
Corrections	1,997,729,700	2,006,518,200	8,788,500	0.4%
Human Services	6,288,177,900	6,947,685,400	659,507,500	10.5%
<b>HUMAN SERVICES</b>	<b>\$21,908,023,300</b>	<b>\$23,024,287,400</b>	<b>\$1,116,264,100</b>	<b>5.1%</b>
Agriculture	79,152,306	76,159,200	(2,993,106)	-3.8%
Natural Resources and Environment	701,484,800	708,446,500	6,961,700	1.0%
<b>RESOURCE PROTECTION</b>	<b>\$780,637,106</b>	<b>\$784,605,700</b>	<b>\$3,968,594</b>	<b>0.5%</b>
Military and Veterans Affairs	153,230,800	148,890,000	(4,340,800)	-2.8%
State Police	527,546,100	505,087,600	(22,458,500)	-4.3%
<b>SAFETY AND DEFENSE</b>	<b>\$680,776,900</b>	<b>\$653,977,600</b>	<b>(\$26,799,300)</b>	<b>-3.9%</b>
Capital Outlay	35,658,600	0	(35,658,600)	-100.0%
Energy, Labor and Economic Growth	1,505,506,600	1,264,576,900	(240,929,700)	-16.0%
Judiciary	255,658,800	256,785,300	1,126,500	0.4%
Transportation	3,361,611,100	3,234,941,000	(126,670,100)	-3.8%
<b>ALL OTHERS</b>	<b>\$5,158,435,100</b>	<b>\$4,756,303,200</b>	<b>(\$402,131,900)</b>	<b>-7.8%</b>
<b>TOTAL APPROPRIATIONS</b>	<b>\$45,617,749,950</b>	<b>\$46,785,408,000</b>	<b>\$1,167,658,050</b>	<b>2.6%</b>

Notes: (1) Appropriations for Michigan State Housing Development Authority totaling \$203.4 million shifted from Energy, Labor and Economic Growth budget to Treasury budget.

(2) FY 2009-10 appropriation amount for Capital Outlay represents Natural Resources Trust Fund appropriations for land acquisition/development.

(3) FY 2009-10 total adjusted gross appropriations include \$2.5 billion in temporary federal ARRA-related funds.

(4) FY 2010-11 total adjusted gross appropriations include \$1.7 billion in temporary federal ARRA-related funds.

**TABLE 3**  
**GENERAL FUND/GENERAL PURPOSE APPROPRIATIONS**  
**FY 2010-11 Year-To-Date Compared with FY 2009-10 Year-to-Date**

<u>Department/Budget Area</u>	<u>FY 2009-10 YTD</u>	<u>FY 2010-11 YTD</u>	<u>FY 2010-11 vs. FY 2009-10 Difference</u>	
Community Colleges	90,960,500	295,880,500	204,920,000	225.3%
Education	19,855,200	21,914,100	2,058,900	10.4%
Higher Education	1,460,232,000	1,543,378,500	83,146,500	5.7%
School Aid	30,206,200	18,642,400	(11,563,800)	-38.3%
<b>EDUCATION</b>	<b>\$1,601,253,900</b>	<b>\$1,879,815,500</b>	<b>\$278,561,600</b>	<b>17.4%</b>
Attorney General	28,577,800	28,559,400	(18,400)	-0.1%
Civil Rights	11,631,100	10,975,700	(655,400)	-5.6%
Executive Office	4,784,700	4,630,800	(153,900)	-3.2%
Legislative Auditor General	11,477,000	11,155,000	(322,000)	-2.8%
Legislature	105,642,900	100,574,300	(5,068,600)	-4.8%
State	18,074,300	13,910,800	(4,163,500)	-23.0%
Technology, Management and Budget	293,118,300	299,748,800	6,630,500	2.3%
Treasury: Operations	52,000,500	56,038,000	4,037,500	7.8%
Treasury: Michigan Strategic Fund	27,008,400	22,781,500	(4,226,900)	-15.7%
Treasury: Debt/Revenue	52,181,500	42,118,300	(10,063,200)	-19.3%
<b>GENERAL GOVERNMENT</b>	<b>\$604,496,500</b>	<b>\$590,492,600</b>	<b>(\$14,003,900)</b>	<b>-2.3%</b>
Community Health	2,179,007,500	2,421,483,700	242,476,200	11.1%
Corrections	1,919,711,100	1,917,879,500	(1,831,600)	-0.1%
Human Services	896,924,300	924,018,100	27,093,800	3.0%
<b>HUMAN SERVICES</b>	<b>\$4,995,642,900</b>	<b>\$5,263,381,300</b>	<b>\$267,738,400</b>	<b>5.4%</b>
Agriculture	29,828,300	30,297,100	468,800	1.6%
Natural Resources and Environment	43,954,600	41,309,400	(2,645,200)	-6.0%
<b>RESOURCE PROTECTION</b>	<b>\$73,782,900</b>	<b>\$71,606,500</b>	<b>(\$2,176,400)</b>	<b>-2.9%</b>
Military and Veterans Affairs	36,245,000	36,424,700	179,700	0.5%
State Police	268,141,000	260,383,200	(7,757,800)	-2.9%
<b>SAFETY AND DEFENSE</b>	<b>\$304,386,000</b>	<b>\$296,807,900</b>	<b>(\$7,578,100)</b>	<b>-2.5%</b>
Capital Outlay	400	0	(400)	-100.0%
Energy, Labor and Economic Growth	54,590,400	47,607,900	(6,982,500)	-12.8%
Judiciary	153,132,800	152,073,100	(1,059,700)	-0.7%
Transportation	0	0	0	
<b>ALL OTHERS</b>	<b>\$207,723,600</b>	<b>\$199,681,000</b>	<b>(\$8,042,600)</b>	<b>-3.9%</b>
<b>TOTAL APPROPRIATIONS</b>	<b>\$7,787,285,800</b>	<b>\$8,301,784,800</b>	<b>\$514,499,000</b>	<b>6.6%</b>

Notes: (1) FY 2009-10 GF/GP appropriation for Community Colleges was reduced by \$208.4 million through use of available School Aid Fund revenue of the same amount.  
(2) FY 2009-10 GF/GP appropriation for Higher Education was reduced by \$47.5 million through fund shift with TANF revenue; offsetting adjustment made in Human Services budget.  
(3) FY 2009-10 appropriation amount for Capital Outlay represents construction authorizations for State Building Authority-financed projects.

OVERVIEW

**TABLE 4**  
**AUTHORIZED FULL-TIME EQUATED (FTE) POSITIONS\***  
**FY 2010-11 Year-To-Date Compared with FY 2009-10 Year-to-Date**

<u>Department/Budget Area</u>	<u>FY 2009-10 YTD</u>	<u>FY 2010-11 YTD</u>	<u>FY 2010-11 vs. FY 2009-10</u> <u>Difference</u>	
Community Colleges	0.0	0.0	0.0	
Education	544.5	562.5	18.0	3.3%
Higher Education	1.0	1.0	0.0	0.0%
School Aid	0.0	0.0	0.0	
<b>EDUCATION</b>	<b>545.5</b>	<b>563.5</b>	<b>18.0</b>	<b>3.3%</b>
Attorney General	543.0	520.0	(23.0)	-4.2%
Civil Rights	130.0	118.0	(12.0)	-9.2%
Executive Office	84.2	84.2	0.0	0.0%
Legislative Auditor General	0.0	0.0	0.0	
Legislature	0.0	0.0	0.0	
State	1,815.0	1,815.0	0.0	0.0%
Technology, Management and Budget	3,038.0	2,972.5	(65.5)	-2.2%
Treasury: Operations	1,712.5	2,044.5	332.0	19.4%
Treasury: Michigan Strategic Fund	155.0	155.0	0.0	0.0%
Treasury: Debt/Revenue Sharing	0.0	0.0	0.0	
<b>GENERAL GOVERNMENT</b>	<b>7,477.7</b>	<b>7,709.2</b>	<b>231.5</b>	<b>3.1%</b>
Community Health	4,380.6	4,398.8	18.2	0.4%
Corrections	16,005.1	15,877.5	(127.6)	-0.8%
Human Services	10,911.5	11,869.5	958.0	8.8%
<b>HUMAN SERVICES</b>	<b>31,297.2</b>	<b>32,145.8</b>	<b>848.6</b>	<b>2.7%</b>
Agriculture	573.0	458.5	(114.5)	-20.0%
Natural Resources and Environment	3,712.0	3,675.5	(36.5)	-1.0%
<b>RESOURCE PROTECTION</b>	<b>4,285.0</b>	<b>4,134.0</b>	<b>(151.0)</b>	<b>-3.5%</b>
Military and Veterans Affairs	992.0	977.0	(15.0)	-1.5%
State Police	2,868.0	2,765.0	(103.0)	-3.6%
<b>SAFETY AND DEFENSE</b>	<b>3,860.0</b>	<b>3,742.0</b>	<b>(118.0)</b>	<b>-3.1%</b>
Capital Outlay	0.0	0.0	0.0	
Energy, Labor and Economic Growth	4,744.0	4,418.0	(326.0)	-6.9%
Judiciary	491.0	491.0	0.0	0.0%
Transportation	3,014.3	3,022.3	8.0	0.3%
<b>ALL OTHERS</b>	<b>8,249.3</b>	<b>7,931.3</b>	<b>(318.0)</b>	<b>-3.9%</b>
<b>TOTAL FTE POSITIONS</b>	<b>55,714.7</b>	<b>56,225.8</b>	<b>511.1</b>	<b>0.92%</b>

\* Includes classified, unclassified, and nonlegislative exempt positions. Represents authorized/estimated positions, not necessarily actual positions funded.

**TABLE 5**  
**STATE SPENDING FROM STATE SOURCES PAID TO LOCAL GOVERNMENTS**  
**FY 2010-11 Year-To-Date**

<u>Department/Budget Area</u>	<u>Spending From State Sources</u>	<u>State Spending to Local Government Units</u>	<u>% of State Spending From State Sources as Payment to Locals</u>
Community Colleges	295,880,500	295,880,500	100.0%
Education	28,863,900	5,750,000	19.9%
Higher Education	1,573,778,500	0	0.0%
School Aid	10,950,839,200	10,824,041,900	98.8%
<b>EDUCATION</b>	<b>\$12,849,362,100</b>	<b>\$11,125,672,400</b>	<b>86.6%</b>
Attorney General	43,547,100	0	0.0%
Civil Rights	11,028,700	0	0.0%
Executive Office	4,630,800	0	0.0%
Legislative Auditor General	12,694,900	0	0.0%
Legislature	101,684,100	0	0.0%
State	191,710,300	1,360,800	0.7%
Technology, Management and Budget	383,576,100	0	0.0%
Treasury: Operations	434,387,300	151,426,400	34.9%
Treasury: Michigan Strategic Fund	98,354,500	0	0.0%
Treasury: Debt/Revenue Sharing	1,112,917,000	1,055,284,200	94.8%
<b>GENERAL GOVERNMENT</b>	<b>\$2,394,530,800</b>	<b>\$1,208,071,400</b>	<b>50.5%</b>
Community Health	4,272,830,800	1,259,130,700	29.5%
Corrections	1,998,206,600	92,562,700	4.6%
Human Services	984,451,600	102,301,900	10.4%
<b>HUMAN SERVICES</b>	<b>\$7,255,489,000</b>	<b>\$1,453,995,300</b>	<b>20.0%</b>
Agriculture	60,976,500	1,500,000	2.5%
Natural Resources and Environment	440,322,200	9,491,600	2.2%
<b>RESOURCE PROTECTION</b>	<b>\$501,298,700</b>	<b>\$10,991,600</b>	<b>2.2%</b>
Military and Veterans Affairs	64,658,100	120,000	0.2%
State Police	394,626,100	19,466,900	4.9%
<b>SAFETY AND DEFENSE</b>	<b>\$459,284,200</b>	<b>\$19,586,900</b>	<b>4.3%</b>
Energy, Labor and Economic Growth	397,454,000	39,850,100	10.0%
Judiciary	244,151,100	120,832,300	49.5%
Transportation	1,950,974,400	1,143,995,100	58.6%
<b>ALL OTHER</b>	<b>\$2,592,579,500</b>	<b>\$1,304,677,500</b>	<b>50.3%</b>
<b>TOTALS</b>	<b>\$26,052,544,300</b>	<b>\$15,122,995,100</b>	<b>58.0%</b>



**FY 2010-11  
Budget Detail  
for  
EDUCATION**

---

**Community Colleges  
Department of Education  
Higher Education  
School Aid**

**COMMUNITY COLLEGES  
Summary of FY 2010-11 Enacted Appropriations  
2010 Public Act 165 (Senate Bill 1151)**

**Analyst: Mark Wolf**

	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive Revised	FY 2010-11 Senate	FY 2010-11 House	FY 2010-11 Enacted	Difference: Enacted From FY 2009-10 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	0	0	0	0	0	0	--
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	0	0	0	0	0	0	--
<b>GF/GP</b>	299,360,500	299,100,500	289,940,500	299,100,500	295,880,500	(3,480,000)	(1.2)
<b>Gross</b>	<b>\$299,360,500</b>	<b>\$299,100,500</b>	<b>\$289,940,500</b>	<b>\$299,100,500</b>	<b>\$295,880,500</b>	<b>(3,480,000)</b>	<b>(1.2)</b>
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	--

Note: FY 2009-10 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2010-11 Executive Budget on February 11.

**Overview**

The Community Colleges budget includes funds for operational support of the state's 28 community colleges, the At-Risk Student Success Program, and the renaissance zone tax reimbursement to the colleges. Community colleges also receive operating revenue from local property taxes and student tuition and fees.

<u>Major Budget Changes From FY 2009-10 YTD Appropriations</u>	<u>FY 2009-10 YTD (as of 2/11/10)</u>	<u>Enacted Change From YTD</u>
<b>1. Community College Operations</b> Maintained FY 2009-10 funding levels for each community college.	<b>Gross \$292,557,800</b> GF/GP \$292,557,800	<b>\$0</b> \$0
<b>2. Renaissance Zone Reimbursements</b> Eliminates all funding for renaissance zone reimbursement payments. Based on Department of Treasury estimates, the actual payments would have totaled \$2,868,959, payable to 23 of the 28 colleges. The actual amounts varied from as low as \$348 (Southwestern Michigan) to \$679,924 (Wayne County). Five college districts - Henry Ford, Kirtland, Schoolcraft, Washtenaw, and North Central - do not have renaissance zones.	<b>Gross \$3,480,000</b> GF/GP \$3,480,000	<b>(\$3,480,000)</b> (\$3,480,000)
<b>3. At-Risk Student Success Program</b> Maintained FY 2009-10 funding levels for the program. Appropriation amounts to individual colleges were adjusted based on updated at-risk student data.	<b>Gross \$3,322,700</b> GF/GP \$3,322,700	<b>\$0</b> \$0

**Major Boilerplate Changes From FY 2009-10**

**Sec. 217. Compliance With JCOS Policy – DELETED**

Requires community colleges to comply with the use and finance requirements of the joint capital outlay subcommittee (JCOS) for any construction, renovation, or other capital projects.

**Sec. 224. Legislative Summit on Employment Needs – DELETED**

Encourages colleges to organize and participate in a legislative summit on meeting the employment needs of the state.

**Sec. 241. Nursing Education Programs and Grants – REVISED**

Intent language that colleges expand nursing education programs, and provides that community college nursing students are eligible for the Michigan Nursing Scholarship and assistance from the Michigan Nursing Corps. Revision: deletes reference to financial aid programs.

**Major Boilerplate Changes From FY 2009-10**

**Sec. 248. Tuition Restraint Policy – DELETED**

Intent language encouraging community colleges to not raise tuition more than 0.5% above the United States consumer price index in the immediately preceding year.

**Sec. 249. Consolidation or Dissolution – MODIFIED**

Intent language encouraging community colleges to achieve efficiencies through joint ventures, collaborations, adjusting the size and frequency of classes, web-based instruction, consolidation of services, and coordinating and sharing proposed capital outlay improvements. Revision: deletes a reporting requirement on the Michigan Community College Association.

**Sec. 304. Performance Indicator Formula – REVISED**

States intent that formula developed by performance indicator task force be used for funding distribution in future years.

**Sec. 401. At-Risk Student Success Program – REVISED**

Specifies distribution of at-risk student success grant money. At-risk students are those identified as being enrolled in developmental courses or fail to make satisfactory academic progress, those that are diagnosed as having a learning disability, or those requiring English as a second language (ESL) assistance. Funding is allocated using a base award of \$40,000 to each college, and the number of student contact hours in developmental/preparatory education. Revision: alters the distribution of funds based on updated program data.

**Sec. 501. Activities Classification Structure – DELETED**

The Activities Classification Structure (ACS) collects data on tuition, enrollment, expenditures, revenue, and other program data. The data is compiled by the Department of Energy, Labor and Economic Growth (DELEG). This section is moved to the DELEG budget.

**Sec. 506. North American Indian Tuition Waiver (NAITW) Program Report – DELETED**

The NAITW program waives tuition at the colleges for eligible North American Indian students. This section is moved to the DELEG budget.

**Sec. 509. Report on Associate's Degrees and Certificates – MODIFIED**

Requires colleges to submit to DELEG data on the types of associates degrees and other certificates in the prior fiscal year and requires DELEG to compile a report. The reporting requirement on the colleges is retained, but the reporting requirement on DELEG is moved to the DELEG budget.

**Sec. 511. Perkins Act State Plan – DELETED**

Requires that if the state submits a new Perkins Act state plan, it must also submit a copy of the plan to the Legislature at least 30 days before submitting the plan to the U.S. Department of Education.

**Sec. 513. Tax Increment Financing Authority (TIFA) Report – DELETED**

Requires the Department of Treasury to collect data on the tax revenue foregone by community colleges from TIFAs and other tax abatements.

**DEPARTMENT OF EDUCATION  
Summary of FY 2010-11 Enacted Appropriations  
2010 Public Act 164 (Senate Bill 1154)**

Analysts: Mary Ann Cleary and Bethany Wicksall

	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive Revised	FY 2010-11 Senate	FY 2010-11 House	FY 2010-11 Enacted	Difference: Enacted From FY 2009-10 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	--
<b>Federal</b>	76,297,900	93,936,700	76,004,800	93,936,700	87,772,100	11,474,200	15.0
<b>Local</b>	7,008,700	7,220,000	7,103,900	7,220,000	7,199,400	190,700	2.7
<b>Private</b>	3,096,500	3,124,500	3,107,100	3,124,500	3,124,500	28,000	0.9
<b>Restricted</b>	7,038,900	6,992,900	6,911,200	6,992,900	6,949,800	(89,100)	(1.3)
<b>GF/GP</b>	19,429,600	20,011,900	19,795,700	21,612,100	21,914,100	2,484,500	12.8
<b>Gross</b>	<b>\$112,871,600</b>	<b>\$131,286,000</b>	<b>\$112,922,700</b>	<b>\$132,886,200</b>	<b>126,959,900</b>	<b>\$14,088,300</b>	<b>12.5</b>
<b>FTEs</b>	544.5	552.5	537.0	558.5	562.5	18.0	3.3

Note: FY 2009-10 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2010-11 Executive Budget on February 11.

**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 2009-10 YTD Appropriations**

	FY 2009-10 YTD (as of 2/11/10)	Enacted Change From YTD
<b>1. Race to the Top Education Reforms - State</b>	FTEs 0.0	12.0
Includes \$3.9 million GF/GP and \$5.1 million federal funds along with 12.0 FTEs to implement additional activities required in the State's education reform package. The new MDE responsibilities include the school reform/redesign officer, oversight of the new schools of excellence, developing assessments to measure students' knowledge growth in each grade, correlation of student achievement to individual teachers, creation of an alternative teacher certification process, oversight of the school administrator certification program, and processing claims submitted to the basic instructional materials hotline. (PA 47 of 2010 approved a FY 2009-10 supplemental of \$492,800 GF/GP and 13.0 FTEs.)	<b>Gross \$0</b>	<b>\$8,977,800</b>
	Federal \$0	5,063,700
	GF/GP	\$3,914,100
<b>2. Library of Michigan</b>	FTEs 59.0	(26.0)
Decreases the budget for the Library of Michigan operations by \$804,700 and reduces FTEs by 10.0 positions to find savings pursuant to EO 2009-36 and EO 2009-43. The reductions include eliminating maintenance and oversight of Federal Documents Collection and the Regional Depository Program; eliminating circulation of the remaining Library of Michigan collection materials; ending participation in the interlibrary loan program; and recognizing savings from reductions in collection purchases. Also revises FTEs further by 16.0 positions to adjust the authorization to recognize the actual number of positions transferred in under the EO.	<b>Gross \$4,601,400</b>	<b>(\$804,700)</b>
	GF/GP \$4,601,400	(\$804,700)
<b>3. State Aid to Libraries</b>	<b>Gross \$6,000,000</b>	<b>(\$250,000)</b>
Decreases funding for state aid to local libraries by \$250,000 or 4.2% to \$5,750,000. (Another \$1.5 million was added for state aid to libraries in the school aid supplemental HB 4860, PA 204 of 2010.)	GF/GP \$6,000,000	(\$250,000)

**DEPARTMENT OF EDUCATION**

<b><u>Major Budget Changes From FY 2009-10 YTD Appropriations</u></b>		<b><u>FY 2009-10 YTD (as of 2/11/10)</u></b>	<b><u>Enacted Change From YTD</u></b>
<b>4. Administration for Education Jobs (Ed Jobs) Funds</b>	FTEs	0.0	3.0
Appropriates \$1.9 million of Federal Ed Jobs funds and 3.0 FTEs for administration of the program. Program funding of \$316.3 million to be distributed to districts and ISDs is included in School Aid.	<b>Gross</b>	<b>\$0</b>	<b>\$1,862,700</b>
	Federal	0	1,862,700
	GF/GP	\$0	\$0
<b>5. Book Distribution Centers</b>	<b>Gross</b>	<b>\$200,000</b>	<b>(\$200,000)</b>
Eliminates \$200,000 in funding for book distribution centers.	GF/GP	\$200,000	(\$200,000)
<b>6. Office of the State Superintendent</b>	<b>Gross</b>	<b>\$2,338,800</b>	<b>(\$105,500)</b>
Includes an administrative reduction of \$105,500 or 9.3% of the line's GF/GP appropriation.	Federal	610,600	0
	Private	27,000	0
	Restricted	565,600	0
	GF/GP	\$1,135,600	(\$105,500)
<b>7. Economic Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$1,871,500</b>
Provides an increase of \$1.9 million Gross and \$193,900 GF/GP for economic changes in retirement, insurance, workers' compensation, and building occupancy charges.	Federal	N/A	1,348,000
	Local	N/A	190,700
	Private	N/A	28,000
	Restricted	N/A	110,900
	GF/GP	N/A	\$193,900
<b>8. Office Transfers</b>	FTEs	0	10.0
Recognizes three transfers related to the department. First, it includes an increase of \$4.3 million in federal funds for the College Access Challenge Grant Program, designed to increase college participation and completion rates. The program had been in the Department of Treasury but is moving to the Department of Education. Second, it includes a reduction of \$224,000 from the information technology line for the transfer of population statistics and census reporting to the Department of Technology, Management and Budget. Third, it includes \$483,100 and 4.0 FTEs to recognize the transfer of the Office of Drug Control Policy from DCH pursuant to EO 2009-42.	<b>Gross</b>	<b>\$0</b>	<b>\$4,527,700</b>
	Federal	0	4,751,700
	GF/GP	\$0	(\$224,000)

**Major Boilerplate Changes From FY 2009-10**

**Sec. 207. Office of Safe Schools – DELETED**

Earmarks \$225,000 out of the Federal drug-free grant for the safe school program and establishes program guidelines.

**Sec. 210. Information Technology Work Projects – DELETED**

Allows funds appropriated for information technology to be designated work projects and carried into next fiscal year.

**Sec. 223. FTE Quarterly Reports – DELETED**

Requires the department to report quarterly on FTEs by civil service classification.

**Sec. 802. Book Distribution Centers – DELETED**

Distributes funds for book distribution equally to the Public Enrichment Foundation and Michigan Friends of Education.

**Sec. 804. Library Genealogy and Michigan Collections – NEW**

Includes new language stating the Library of Michigan shall maintain custody of non-Michigan genealogy and all Michigan-specific collections and that it shall continue to make those collections available to the public.

**Sec. 903. Cyber Schools – REVISED**

Revises to require a new report on the districts, pupils, and costs involved in online education programs operated as either a cyber school or under seat-time waivers.

**Sec. 904. Federal Education Jobs Fund Administration – NEW**

Earmarks \$1,862,700 in federal funds appropriated in part 1 for Grants Administration and school support services for the administration and oversight of Federal Education Jobs Fund grants to districts and ISDs.

**HIGHER EDUCATION  
Summary of FY 2010-11 Enacted Appropriations  
2010 Public Act 203 (Senate Bill 1157)**

Analyst: Kyle I. Jen

IDG/IDT	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive Revised	FY 2010-11 Senate	FY 2010-11 House	FY 2010-11 Enacted	Difference: Enacted From FY 2009-10 YTD	
						Amount	%
	\$0	\$0	\$0	\$0	\$0	\$0	--
<b>Federal</b>							
ARRA	68,238,000	0	0	0	0	(68,238,000)	(100.0)
Non-ARRA	5,900,000	4,500,000	11,800,000	4,500,000	4,500,000	(1,400,000)	(23.7)
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	30,400,100	30,400,000	30,400,000	30,400,000	30,400,000	(100)	(0.0)
GF/GP	1,507,705,200	1,543,378,500	1,527,238,500	1,590,734,800	1,543,378,500	35,673,300	2.4
<b>Gross</b>	<b>\$1,612,243,300</b>	<b>\$1,578,278,500</b>	<b>\$1,569,438,500</b>	<b>\$1,625,634,800</b>	<b>\$1,578,278,500</b>	<b>(\$33,964,800)</b>	<b>(2.1)</b>
FTEs	1.0	1.0	1.0	1.0	1.0	0.0	0.0

Notes: (1) FY 2009-10 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2010-11 Executive Budget on February 11. (2) "ARRA" represents temporary funds received under the federal American Recovery and Reinvestment Act.

**Overview**

The Higher Education budget contains funding for operational support of the state's 15 public universities, various financial aid programs for students attending public and independent colleges and universities in the state, and several other higher education-related programs. Appropriations for the 15 public universities are separated into two separate subparts: Research Universities (Michigan State, UM-Ann Arbor, and Wayne State) and State Universities (remaining 12 universities).

**Major Budget Changes From FY 2009-10 YTD Appropriations**

	FY 2009-10 YTD (as of 2/11/10)	Enacted Change From YTD
<b>1. University Operations</b>	<b>Gross \$1,461,182,600</b>	<b>(\$40,837,700)</b>
Replaces \$40.5 million in funding available for FY 2009-10 only from the State Fiscal Stabilization Fund (SFSF) under the American Recovery and Reinvestment Act (ARRA) with an equal amount of GF/GP funding, but applies 2.8% reduction to each of the 15 university operations line items for a total Gross reduction of \$40.8 million.	ARRA 40,483,100	(40,483,100)
	GF/GP \$1,420,699,500	(\$354,600)
<b>2. Agricultural Experiment Station</b>	<b>Gross \$34,198,900</b>	<b>(\$955,800)</b>
Replaces \$16.1 million in funding available for FY 2009-10 only from the SFSF under ARRA with an equal amount of GF/GP funding, but applies 2.8% reduction (\$955,800) to line item from Gross FY 2009-10 level.	ARRA 16,082,900	(16,082,900)
	GF/GP \$18,116,000	\$15,127,100
<b>3. Cooperative Extension Service</b>	<b>Gross \$29,497,000</b>	<b>(\$824,400)</b>
Replaces \$11.7 million in funding available for FY 2009-10 only from the SFSF under ARRA with an equal amount of GF/GP funding, but applies 2.8% reduction (\$824,400) to line item from Gross FY 2009-10 level.	ARRA 11,672,000	(11,672,000)
	GF/GP \$17,825,000	\$10,847,600
<b>4. State Competitive Scholarship Program</b>	<b>Gross \$17,608,500</b>	<b>\$2,253,200</b>
Removes \$1.4 million in federal funds no longer available for the program due to overall reductions in need-based state financial aid funding and adds \$3.7 million GF/GP, equalizing net reduction to line item since FY 2008-09 with Tuition Grant reduction of 44.1%; total funding of \$19.9 million. Program provides scholarships to students with both qualifying ACT scores and demonstrated financial need.	Federal 2,900,000	(1,400,000)
	GF/GP \$14,708,500	\$3,653,200

<b><u>Major Budget Changes From FY 2009-10 YTD Appropriations</u></b>		<b><u>FY 2009-10 YTD (as of 2/11/10)</u></b>	<b><u>Enacted Change From YTD</u></b>
<b>5. Tuition Grant Program</b>	<b>Gross</b>	<b>\$31,664,700</b>	<b>\$0</b>
Retains \$31.7 million GF/GP appropriation for Tuition Grant Program, a need-based program for students attending independent colleges and universities.	GF/GP	\$31,664,700	\$0
<b>6. Merit Award Program</b>	<b>Gross</b>	<b>\$100</b>	<b>(\$100)</b>
Removes \$100 placeholder included in FY 2009-10 budget for any remaining costs of program, which ended with students graduating from high school in 2006.	Restricted	100	(100)
<b>7. Tuition Incentive Program</b>	<b>Gross</b>	<b>\$31,200,000</b>	<b>\$6,200,000</b>
Funds projected cost increase of \$6.2 million, utilizing GF/GP revenue, due to continued increase in number of Medicaid-eligible students graduating from high school and enrolling in associate's degree programs.	Restricted	30,100,000	0
	GF/GP	\$1,100,000	\$6,200,000
<b>8. Children of Veterans and Officer's Survivor Tuition Program</b>	<b>Gross</b>	<b>\$1,000,000</b>	<b>\$200,000</b>
Includes increase of \$200,000 GF/GP for (1) transfer of Officer's Survivor Tuition Program funding from State Police budget (\$48,500 in FY 2009-10), and (2) anticipated increase in costs for Children of Veterans Tuition Grant Program. A portion of this line item (\$300,000) is funded from income tax check-off contributions.	Restricted	300,000	0
	GF/GP	\$700,000	\$200,000

**Major Boilerplate Changes From FY 2009-10**

***Sec. 211. Deprived and Depressed Communities – NEW***

Directs universities to ensure that businesses in deprived and depressed communities compete for and perform contracts.

***Sec. 217. Conflicts of Interest – DELETED***

States intent that university governing boards examine university operations for potential conflicts of interest.

***Sec. 218. Posting of Expenditures – NEW***

States intent that universities maintain a publicly accessible website containing all expenditures made within a fiscal year, along with the purpose of each expenditure; prohibits university from expending more than \$100 to implement the website.

***Sec. 301. State Competitive Scholarships – REVISED***

Provides for distribution of funds appropriated for State Competitive Scholarships. Language revised to specify maximum award level of \$1,300 (FY 2008-09 level), with a report required if the maximum award amount cannot be established at that level.

***Sec. 310. Tuition Incentive Program (TIP) – REVISED***

Provides for TIP eligibility/awards. Prohibition added on eligibility for incarcerated individuals.

***Sec. 316. Financial Aid Workgroup – DELETED***

States intent for workgroup to examine and make recommendations regarding state financial aid programs.

***Sec. 317. Intent Regarding Tuition Grants – DELETED***

States intent that, if economy improves and state revenues increase, funding of Tuition Grants is one of foremost priorities in Higher Education budget.

***Sec. 318. Intent Regarding Promise Grants – DELETED***

States intent that, if economy improves and state revenues increase, funding of Promise Grants is one of foremost priorities in Higher Education budget.

***Sec. 319. Intent Regarding Financial Aid Programs – DELETED***

States intent that, if economy improves and state revenues increase, funding of various financial aid programs is among foremost priorities in Higher Education budget.

## **HIGHER EDUCATION**

### **Major Boilerplate Changes From FY 2009-10**

#### **Sec. 426. *Private Bookstores* – REVISED**

States intent regarding private bookstore access to required textbook lists and university-administered financial accounts; states intent regarding university review process for textbook requirements. Replaced with new language stating intent that each university develop policies for minimizing the costs of textbooks and course materials and submit a report on those policies.

#### **Sec. 433. *Project GREEN* – REVISED**

Allocates funds from Agricultural Experiment and Cooperative Extension line items for Project GREEN (Generating Research and Extension to meet Environmental and Economic Needs). Subsection stating intent for additional funding for bioeconomy research deleted.

#### **Sec. 436. *Tuition Increases* – REVISED**

Requires that funds appropriated from SFSF of ARRA be used to mitigate tuition/fee increases or modernize/renovate/repair facilities, consistent with ARRA provisions. Replaced with language (1) stating intent for universities to increase general fund financial aid expenditures by at the least the same percentage as resident undergraduate tuition/fees (consistent with language included prior to FY 2009-10), with an emphasis on need-based awards, and (2) requiring a report on increases in those amounts, as well as other key financial indicators.

#### **Sec. 471. *Timely Graduation* – DELETED**

States intent that universities limit changes to general graduation requirements during a student's enrollment and provide counseling to facilitate timely graduation.

#### **Sec. 481. *Urban Centers* – NEW**

States intent to consider an appropriation for grants to universities for purpose of hiring a consultant if a university is exploring the possibility of creating an urban center or core in its community.

#### **Sec. 701a. *New Degree Programs* – REVISED**

Lists new degree programs established by universities for which credit hours may be reported to state HEIDI database. New program list received from Presidents Council inserted.

# SCHOOL AID

## Summary of FY 2010-11 Enacted Appropriations

### 2010 Public Acts 110 (SB 1163), 204 (HB 4860) and 205 (HB 5872)

Analysts: Mary Ann Cleary and Bethany Wicksall

IDG/IDT	FY 2009-10 YTD as of 9/1/10	FY 2010-11 Executive Revised	FY 2010-11 Senate	FY 2010-11 House	FY 2010-11 Enacted	Difference: Enacted From FY 2009-10 YTD	
						Amount	%
	\$0	\$0	\$0	\$0	\$0	\$0	--
<b>Federal</b>							
ARRA	450,000,000	184,256,600	184,256,600	184,256,600	254,526,900	(195,473,100)	(43.4)
Non-ARRA	1,612,382,800	1,680,072,300	1,680,072,300	1,680,072,400	1,677,806,400	65,423,600	4.1
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	10,614,891,500	10,968,776,900	10,617,876,900	11,052,638,600	10,937,260,500	322,369,000	3.0
GF/GP	30,206,200	30,206,200	225,606,200	31,706,200	18,642,400	(11,563,800)	(38.3)
<b>Gross</b>	<b>\$12,707,480,500</b>	<b>\$12,863,312,000</b>	<b>\$12,707,812,000</b>	<b>\$12,948,673,800</b>	<b>\$12,888,236,200</b>	<b>\$180,755,700</b>	<b>1.4</b>

Note: FY 2009-10 figures reflect supplementals and Executive Order (EO) actions through September 1, 2009. FY 2010-11 figures include only initial appropriations in SB 1163 and do not include the supplemental appropriations in HB 5872 and HB 4860 for the Executive, Senate and House action. Enacted figures, however, include appropriations made under all three, PAs 110, 204 and 205.

#### Overview

The School Aid budget makes appropriations to the state's 551 local school districts, 240 public school academies, and 57 intermediate school districts (ISDs) for operations and certain categorical programs. It also appropriates funds to the Center for Education Performance and Information, and other entities to implement certain grants and other programs related to education.

#### Major Budget Changes From FY 2009-10 YTD Appropriations

	FY 2009-10 YTD (as of 9/1/10)	Enacted Change From YTD
<b>1. Per Pupil Reduction of \$154 (Sec. 11d)</b>	<b>Gross (\$245,745,500)</b>	<b>\$2,779,700</b>
Continues the \$154 per pupil reduction begun in FY 2009-10 for FY 2010-11 for a savings of \$243.0 million. Beginning in FY 2010-11 Sec. 32d (school readiness grants) is added to the protected list of programs which may not be cut to satisfy this reduction. (See major boilerplate for additional language changes.)	Restricted (245,745,500)	2,779,700

<b>2. Federal Education Jobs (Ed Jobs) Funding (Sec. 11p) – PARTIAL VETO</b>	<b>Gross \$0</b>	<b>\$70,270,300</b>
PA 205 (HB 5872) appropriates the district and ISD portion of the Federal Ed Jobs funding totaling \$316.3 million based on the Federal guidelines that require that funds be distributed through the state's primary funding formulae.	Federal 0	70,270,300

PA 205 (HB 5872) appropriates the district and ISD portion of the Federal Ed Jobs funding totaling \$316.3 million based on the Federal guidelines that require that funds be distributed through the state's primary funding formulae.

First, it distributes \$246.0 million to districts in a one-time payment equal to \$154 per pupil to restore the per pupil reductions under Section 11d of the School Aid Act, to restore them to FY 2008-09 funding levels. VETO eliminates funding for this portion of the appropriation.

Second, it distributes \$4.5 million to ISDs in a one-time payment equal to 6.9% of their current FY 2010-11 Section 81 payments.

Finally, it distributes the remaining \$65.8 million to districts in a one-time per pupil increase based on the 2x formula. Each district's allocation is equal to a per pupil amount between \$23 and \$46.

**SCHOOL AID**

<b><u>Major Budget Changes From FY 2009-10 YTD Appropriations</u></b>		<b><u>FY 2009-10 YTD (as of 9/1/10)</u></b>	<b><u>Enacted Change From YTD</u></b>
<b>3. Proposal A Obligation Payment (Sec. 22a)</b>	<b>Gross</b>	<b>\$5,785,000,000</b>	<b>(\$21,000,000)</b>
Reduces by \$21.0 million to adjust for changes in taxable values and pupil memberships from the May consensus estimates.	Restricted	5,785,000,000	(21,000,000)
<b>4. Discretionary Payment (Sec. 22b)</b>	<b>Gross</b>	<b>\$3,739,000,000</b>	<b>\$18,756,600</b>
Appropriates \$3,573.5 million in state funds and \$184.3 in Federal ARRA funds for a total increase in overall funding of \$18.8 million from the current year to adjust for changes in taxable values and pupil memberships based on May consensus estimates.	ARRA	450,000,000	(265,743,400)
	Restricted	3,289,000,000	284,500,000
<b>5. School Bond Loan Fund (Sec. 11j)</b>	<b>Gross</b>	<b>\$40,000,000</b>	<b>(\$34,832,200)</b>
PA 110 (SB 1163) appropriates \$45.1 million to pay for interest costs, an increase of \$5.1 million over FY 2009-10. However, PA 204 (HB 4860) decreases that appropriation by \$40.0 million to recognize one-time savings created by refinancing the current bonds.	Restricted	40,000,000	(34,832,200)
<b>6. MBT Impact on Out-of-Formula Districts (Sec. 22e)</b>	<b>Gross</b>	<b>\$1,300,000</b>	<b>\$500,000</b>
PA 110 (SB 1163) adds an additional \$500,000 for Pontiac School District. VETO eliminates the additional funding for Pontiac School District. PA 204 (HB 4860) re-appropriates the vetoed \$500,000 for Pontiac School District. (See major boilerplate for additional language changes.)	Restricted	1,300,000	500,000
<b>7. Juvenile Detention Facilities (Sec. 24a)</b>	<b>Gross</b>	<b>\$1,751,300</b>	<b>(\$311,300)</b>
Decreases costs due to facility closures and, therefore, fewer pupils. Does not fund the cost of economic increases of \$86,200.	Restricted	1,751,300	(311,300)
<b>8. Challenge Grant Program (Sec. 24c)</b>	<b>Gross</b>	<b>\$642,300</b>	<b>\$100,000</b>
PA 204 (HB 4860) adds an additional \$100,000 for the Challenge Grant Program.	Restricted	642,300	100,000
<b>9. Renaissance Zone Reimbursement (Sec. 26a)</b>	<b>Gross</b>	<b>\$35,500,000</b>	<b>(\$9,200,000)</b>
PA 204 (HB 4860) eliminates the reimbursement from the General Fund to the School Aid Fund for lost State Education Tax (SET) revenue due to renaissance zones. Fully maintains renaissance zone reimbursements to districts.	Restricted	26,300,000	0
	GF/GP	\$9,200,000	(\$9,200,000)
<b>10. School Lunch Programs (Sec. 31d)</b>	<b>Gross</b>	<b>\$395,001,100</b>	<b>\$30,000,000</b>
Appropriates estimated increase in available federal funds for free and reduced lunch programs.	Federal	372,506,000	30,000,000
	Restricted	22,495,100	0
<b>11. Great Start Readiness Program (Sec. 32d)</b>	<b>Gross</b>	<b>\$95,975,000</b>	<b>\$2,600,000</b>
Appropriates an additional \$1.3 million for school readiness district programs and \$1.3 million for school readiness competitive programs. This would provide a total of 764 additional half-day preschool slots for district and competitive programs.	Restricted	88,100,000	1,300,000
	GF/GP	\$7,875,000	\$1,300,000
<b>12. Federal Grants (including No Child Left Behind) (Sec. 39a)</b>	<b>Gross</b>	<b>\$785,497,200</b>	<b>\$8,836,100</b>
Increases funding by \$8.8 million to recognize increased available federal funding.	Federal	785,497,200	8,836,100
<b>13. Special Education Payment (Sec. 51a)</b>	<b>Gross</b>	<b>\$1,444,283,000</b>	<b>\$73,300,000</b>
Increases state funding by \$38.3 million to reflect changes in special education pupil estimates and cost estimates and \$35.0 million for estimated federal funding increase.	Federal	424,700,000	35,000,000
	Restricted	1,019,583,000	38,300,000
<b>14. School Bus Inspections (Sec. 74)</b>	<b>Gross</b>	<b>\$1,403,500</b>	<b>(\$969,700)</b>
Reduces funding to \$433,800. Inspections will be done by school districts instead of Michigan State Police, with only random audits conducted by the Michigan State Police.	Restricted	1,403,500	(969,700)
<b>15. ISDs General Operations (Sec. 81)</b>	<b>Gross</b>	<b>\$67,776,800</b>	<b>(\$2,400,000)</b>
Reduces FY 2009-10 funding by \$2.4 million to \$65.4 million.	Restricted	67,776,800	(2,400,000)

SCHOOL AID

<u>Major Budget Changes From FY 2009-10 YTD Appropriations</u>		<u>FY 2009-10 YTD (as of 9/1/10)</u>	<u>Enacted Change From YTD</u>
<b>16. Postsecondary Agriculture Education Program (Sec. 92)</b>	<b>Gross</b>	<b>\$0</b>	<b>\$300,000</b>
PA 110 (SB 1163) appropriates \$300,000 to Saginaw Valley State University (SVSU) for the purpose of establishing an agriculture education program. <i>VETO eliminates funding for this new program.</i> PA 204 (HB 4860) re-appropriates the \$300,000 for SVSU.	Restricted	0	300,000
<b>17. State Aid to Libraries for MELCat Support (Sec. 93)</b>	<b>Gross</b>	<b>\$0</b>	<b>\$1,500,000</b>
PA 204 (HB 4860) appropriates \$1.5 million to the Library of Michigan for state aid to libraries to help support the Michigan electronic library (MELCat) in public schools and public libraries. This is in addition to the \$5.75 million appropriated for state aid to libraries in the Department of Education budget.	GF/GP	\$0	\$1,500,000
<b>18. Center for Education and Performance and Information (CEPI) (Sec. 94a)</b>	<b>Gross</b>	<b>\$16,902,700</b>	<b>\$7,026,200</b>
Original appropriation increases funding for CEPI by \$135,000 in state funds and adds contingency language to appropriate \$1.8 million GF/GP and \$8.4 million SAF to support CEPI in the implementation of recent education reforms in the event that Michigan does not receive a Federal Race to the Top (RTTT) award. PA 204 (HB 4860) recognizes that Michigan did not receive a Federal RTTT grant and recognizes the contingency appropriation of \$10.2 million state funds to support CEPI in the implementation of recent education reforms and transfer of \$3.3 million in federal funds to the Department of Education to implement recent education reforms.	Federal	13,416,600	(3,348,800)
	Restricted	0	8,440,000
	GF/GP	\$3,486,100	\$1,935,000
<b>19. Cultural Access Grants (Sec. 99p) – VETOED</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
Appropriates \$100,000 for a competitive grant to provide students with access to cultural, art, zoos, or music resources. <i>VETO eliminates funding for this program.</i>	Restricted	0	0
<b>20. Assessment Testing Costs (Sec. 104)</b>	<b>Gross</b>	<b>\$34,944,400</b>	<b>\$8,500,000</b>
Original appropriation provides for a contingency appropriation of \$13.6 million SAF for assessment requirements in the implementation of recent education reforms. PA 204 (HB 4860) recognizes the contingency appropriation of \$13.6 million SAF and the transfer of \$5.1 million in federal funds to the Department of Education for assessment requirements in the recent education reforms because Michigan did not receive a Federal RTTT award.	Federal	8,313,700	(5,063,700)
	Restricted	26,630,700	13,563,700

Major Boilerplate Changes From FY 2009-10

**Sec. 6(6)(J). Requiring Permission of a Resident District to Count a Nonresident Pupil in Membership – REVISED**

Revises this subsection to allow a district to count the child of an employee who was enrolled in the district under this subsection prior to the parent being laid off because of a reduction in the district's workforce.

**Sec. 6(6)(O). Requiring Permission of a Resident District to Count a Nonresident Pupil in Membership – NEW**

Exempts a district from seeking permission from the resident district if the pupil transfers as a requirement of the pupil's school not making Adequate Yearly Progress (AYP) under No Child Left Behind.

**Sec. 11(d). Implementation of Service Consolidation Plans – REVISED**

Requires districts to report on current efforts to consolidate services by February 1, 2011 and requires districts and ISDs to explore coordinating regional purchasing of diesel fuel.

## **SCHOOL AID**

### **Major Boilerplate Changes From FY 2009-10**

#### **Sec. 18. Pupil Accounting Field Audits – REVISED**

Allows for districts operating a single building with less than 700 pupils to have field audit conducted biennially. An eligible district must have a stable pupil count and their previous two pupil count field audits must have had less than a 2% error rate.

Revises the reporting requirement for ISDs to avoid duplication requirements already in the Revised School Code. Limits ISD requirements to annual budgets, personnel cost pie chart and links to bargaining agreements, health care benefit plans and audit reports.

#### **Sec. 19. Required Annual Progress Reports – REVISED**

Eliminates the annual progress report to the department on the continued implementation of the following sections in the school code: Sec. 1204a (annual education report), Sec. 1277 (school improvement plan), Sec. 1278 (core academic curriculum), and Sec. 1280 (accreditation). This does not eliminate the reporting requirement under No Child Left Behind.

#### **Sec. 20. Foundation Allowance Adjustments – REVISED**

Adjusts the foundation allowances of 6 hold harmless districts, whose foundation allowance dropped below the basic foundation allowance, back to the basic foundation allowance of \$8,489 (Avondale, Clarenceville, East Lansing, Harper Woods, Livonia, and Northville). These adjustments would not take effect until FY 2011-12 and are contingent on a change in the Revised School Code which would exempt these 6 districts from hold harmless status. **Sec. 20(3)(d)**

Corrects a technical issue impacting foundation allowances for PSAs located in a district that is funded with 100% local revenue. Current formula allows for an increase in the foundation allowance for PSAs to be based on total state and local revenue and not actual foundation allowance. All future increases to PSA foundation allowances shall be calculated on increases to the foundation allowance of the school district the PSA is located in. **Sec. 20(6)**

Increases the foundation allowance by \$10-\$20 per pupil under the 2x formula for FY 2010-11. The increase in funding is contingent on passage of SB 884 (tax amnesty) by September 30, 2010. **Sec. 20(25) – VETOED**

#### **Sec. 20j. Additional Calculation for Hold Harmless Districts – VETOED**

Restores 50% of the funding that was vetoed by the Governor for FY 2010-11. The increase in funding is contingent on passage of SB 884 (tax amnesty) by September 30, 2010.

#### **Sec. 22e. MBT Impact on Out-of-Formula Districts – REVISED**

Changes eligibility requirements to allow new grantees to receive funding, however, no grantee could receive more than 15% of the appropriation. This change is effective starting in FY 2010-11.

#### **Sec. 31a. At-Risk – REVISED**

Revises the 25% reduction made to Dearborn's at-risk allocation such that it would be reduced after all payments made under this section are prorated rather than before. This change is effective starting in FY 2010-11.

#### **Sec. 31d and 31f. School Lunch and School Breakfast – REVISED**

Adds language that would give preference to food grown or produced by Michigan businesses.

#### **Sec. 32d. Great Start School Readiness - District and Competitive Grants – REVISED**

Changes the requirement that programs serve at least 75% of students (up from 50%) from families with a household income of 300% or less of the federal poverty level.

Modifies language that allows teachers who are currently employed as a teacher in a subcontracted program without the required degrees to be able to continue to teach if they have 90 credit hours and at least four years' teaching experience.

#### **Sec. 32l. Great Start School Readiness - Competitive Grants – REVISED**

Gives priority for continued funding in FY 2011-12 and FY 2012-13 to programs that receive a new grant in FY 2010-11.

#### **Sec. 39. Great Start School Readiness - Formula Calculation – REVISED**

Revises to count the slots received by districts in FY 2009-10 that were used to satisfy reductions in Sec. 11d as part of the number of slots used by a district in FY 2009-10 in order to calculate the number of slots a district is eligible for in FY 2010-11.

#### **Sec. 39a. Federal Grants – REVISED**

Adds language that would allow an ISD to file consolidated applications for federal grants on behalf of two or more districts with the agreement of those districts.

**Major Boilerplate Changes From FY 2009-10**

**Sec. 81. ISD Operations – REVISED**

Adds language which would protect from future reductions the portion of an ISD's allocation under Sec. 81 equal to the amount transferred into Section 81 for each ISD in 1994-95 from former Section 146 and Section 147 related to FICA and retirement.

**Sec. 94a. Center for Educational Performance (CEPI) – REVISED**

Clarifies and adds language identifying the main functions of CEPI as the following: (1) coordinating data collection, (2) creating, maintaining and enhancing the statewide longitudinal data system, (3) collecting data in the most efficient manner possible including the electronic transcript services, and (4) creating, maintaining and enhancing the web-based educational portal. Does not include the P-20 advisory council.

**Sec. 101(10). Professional Development Requirement – REVISED**

Maintains that a district may count up to 38 hours of professional development as instructional hours and deletes the requirement that at least 5 of those professional development hours be provided online.

**Sec. 101(12). Cyber School Report – NEW**

Adds a reporting requirement to study the actual cost of providing distance learning or other alternative instructional delivery due by September 10, 2012.

**Sec. 102. Deficit District Reporting – REVISED**

Adds language to the deficit district reporting requirement by also requiring any district which adopts a current year budget that projects a deficit fund balance to follow the same rules as a district currently in deficit.

**Sec. 104. Assessment Testing and Funding – REVISED**

Strikes language which requires the Department to replace the MEAP social studies test with the "Explore" exam if it is as robust as the MEAP test, and to apply for a federal waiver if replacing the MEAP. The Department sent a letter to the Legislature (February 11, 2010) stating that the "Explore" test is not more robust than the MEAP. Also strikes language requiring the Department to seek a federal waiver to replace the 3rd through 8th grade MEAP test with an "off-the-shelf" test.

**Sec. 166b. Districts Providing Instruction for Nonpublic Schools – REVISED**

Allows a PSA that is located in the district, or in a district contiguous to the district, in which a nonpublic school is located to provide instruction to a nonpublic student under the same conditions that apply to the contiguous district.

**Sec. 166c. Basic Materials Hotline/Claims Process – REVISED**

Revises to require districts to develop and implement a policy addressing adequate supplies. Requires the department to develop a model policy and make available on its website. Establishes a protocol to follow if a teacher determines they do not have access to adequate instructional supplies. A teacher would make claims first to a principal or superintendent, then the school board, then the department if the claim is not resolved. Requires the department to investigate the claim.

**Sec. 166d. Non-Disclosure Penalty – NEW**

Prohibits a school of excellence that is a cyber school or a management organization with which a cyber school has a contract to sign an agreement prohibiting them from disclosing information about their salary or other compensation. A cyber school violating this section would have their total state aid payment reduced by 2%.

**Enacting Section 2 – REPEALS SECTIONS**

Repeals the following: Sec. 32n (before- and after-school program), Sec. 57 (advanced and accelerated program), and Sec. 98a (intent language to fund 21st century learning initiatives).



**FY 2010-11  
Budget Detail  
for  
GENERAL GOVERNMENT**

---

**Attorney General  
Civil Rights  
Executive Office  
Legislature  
Legislative Auditor General  
State  
Technology, Management and Budget  
Treasury**

ALL GENERAL GOVERNMENT

**ALL GENERAL GOVERNMENT  
Summary of FY 2010-11 Enacted Appropriations  
2010 Public Act 191 (House Bill 5880)**

Analysts: Robin R. Risko and Ben Gielczyk

	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive Revised	FY 2010-11 House	FY 2010-11 Senate	FY 2010-11 Enacted	Difference: Enacted From FY 2009-10 YTD	
						Amount	%
<b>IDG/IDT</b>	\$645,839,400	\$644,031,100	\$646,991,900	\$643,119,000	\$644,781,100	(\$1,058,300)	(0.2)
<b>Federal</b>	133,337,400	277,017,200	109,610,400	279,459,700	277,499,300	144,161,900	108.1
<b>Local</b>	3,089,200	3,434,400	3,446,900	3,417,600	3,434,400	345,200	11.2
<b>Private</b>	1,265,700	1,414,500	1,423,100	1,423,100	1,414,500	148,800	11.8
<b>Restricted</b>	1,664,754,900	1,769,366,100	1,724,871,800	1,685,816,200	1,804,038,200	139,283,300	8.4
<b>GF/GP</b>	647,300,400	674,938,400	667,819,900	672,558,200	590,492,600	(56,807,800)	(8.8)
<b>Gross</b>	<b>\$3,095,587,000</b>	<b>\$3,370,201,700</b>	<b>\$3,154,164,000</b>	<b>\$3,285,793,800</b>	<b>\$3,321,660,100</b>	<b>\$226,073,100</b>	<b>7.3</b>
<b>FTEs</b>	7,513.7	7,691.2	7,394.2	7,699.2	7,709.2	195.5	2.6

Note: FY 2009-10 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2010-11 Executive Budget on February 11.

**Overview of All General Government Departments**

The following departmental and agency budgets are included in this budget bill: Executive Office, Legislature, Legislative Auditor General, and the Departments of Attorney General, Civil Rights, State, Technology, Management and Budget (including the former Departments of Civil Service and Information Technology, and State Building Authority rent costs), and Treasury (including Bureau of State Lottery, Michigan Gaming Control Board, and Michigan Strategic Fund). The Department of Treasury budget also includes revenue sharing payments to local units of government and general obligation debt service. Major budget issues are listed by department on the following pages.

**Major Boilerplate Changes From FY 2009-10**

**GENERAL SECTIONS OF BOILERPLATE**

**Sec. 227. No-Bid Contracts – DELETED**

Prohibits departments from entering into no-bid contracts for greater than \$500,000 unless there are no other bidders; for bundled contracts the \$500,000 limit applies to the individual contracts within the bundle.

**Sec. 229. Initiatives and Recommendations Related to Savings Identified in Audit Reports – NEW**

Requires state departments and agencies to report on their efforts and progress made toward achieving savings and efficiencies that are identified by the auditor general in audit reports.

**Sec. 230. FTE Positions and Transparency Websites – NEW**

Requires reports from executive branch departments and agencies on the number of FTE positions in pay status by civil service classification; requires executive branch departments and agencies to develop, post, and maintain Internet sites showing all expenditures.

**Sec. 231. Transparency Website Expenditure – NEW**

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

# ATTORNEY GENERAL

## Summary of FY 2010-11 Enacted Appropriations

### 2010 Public Act 191 (House Bill 5880)

Analyst: Robin R. Risko

	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive Revised	FY 2010-11 House	FY 2010-11 Senate	FY 2010-11 Enacted	Difference: Enacted From FY 2009-10 YTD	
						Amount	%
<b>IDG/IDT</b>	\$21,289,800	\$21,300,300	\$21,762,300	\$21,261,300	\$21,300,300	\$10,500	0.0
<b>Federal</b>	8,277,800	8,565,700	8,656,000	8,508,800	8,565,700	287,900	3.5
<b>Local</b>	0	0	0	0	0	0	--
<b>Private</b>	0	0	0	0	0	0	--
<b>Restricted</b>	15,521,000	14,987,700	15,290,800	14,967,900	14,987,700	(533,300)	(3.4)
<b>GF/GP</b>	28,785,000	28,632,300	28,196,000	28,580,100	28,559,400	(225,600)	(0.8)
<b>Gross</b>	<b>\$73,873,600</b>	<b>\$73,486,000</b>	<b>\$73,905,100</b>	<b>\$73,318,100</b>	<b>\$73,413,100</b>	<b>(\$460,500)</b>	<b>(0.6)</b>
<b>FTEs</b>	543.0	520.0	520.0	520.0	520.0	(23.0)	(4.2)

Note: FY 2009-10 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2010-11 Executive Budget on February 11.

#### 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 offering justice to victims of crime and delivering excellent legal services at a minimum cost to taxpayers.

<b>Major Budget Changes From FY 2009-10 YTD Appropriations</b>		<b>FY 2009-10 YTD (as of 2/11/10)</b>	<b>Enacted Change From YTD</b>
<b>1. SOCC Reduction</b>	<b>Gross</b>	<b>\$124,900</b>	<b>(\$9,100)</b>
Reflects a savings due to a 10% reduction in the Attorney General's salary, effective January 1, 2011, as recommended by the State Officers Compensation Commission and approved by the Legislature (SCR 11 of 2009).	GF/GP	\$124,900	(\$9,100)
<b>2. GF/GP Budget Reductions</b>	FTEs	N/A	(15.0)
Reflects a savings to be achieved by reducing department staff by 15.0 FTE positions and applying administrative rate reductions to information technology costs.	<b>Gross</b>	<b>N/A</b>	<b>(\$1,142,300)</b>
	GF/GP	N/A	(\$1,142,300)
<b>3. Eliminate Homeowner Construction Lien Fund</b>	FTEs	4.0	(4.0)
Reflects a reduction of 4.0 FTE positions and a savings due to elimination of the Homeowner Construction Lien Fund.	<b>Gross</b>	<b>\$566,100</b>	<b>(\$566,100)</b>
	Restricted	566,100	(566,100)
<b>4. Eliminate Auto Theft Prevention Grant</b>	FTEs	4.0	(4.0)
Reflects a reduction of 4.0 FTE positions and a savings due to elimination of the Auto Theft Prevention grant from the Department of State Police.	<b>Gross</b>	<b>\$420,000</b>	<b>(\$420,000)</b>
	IDG	420,000	(420,000)
<b>5. Eliminate Funding for Defense of Game and Fish Protection</b>	<b>Gross</b>	<b>\$150,000</b>	<b>(\$150,000)</b>
Reflects a savings due to elimination of funding for defense of the Game and Fish Protection Fund.	Restricted	150,000	(150,000)

**ATTORNEY GENERAL**

<b><u>Major Budget Changes From FY 2009-10 YTD Appropriations</u></b>		<b><u>FY 2009-10 YTD</u></b> <b><u>(as of 2/11/10)</u></b>	<b><u>Enacted Change</u></b> <b><u>From YTD</u></b>
<b>6. Economics</b>	<b>Gross</b>	<b>N/A</b>	<b>\$1,902,200</b>
Includes additional funding to cover costs of a 3% salary and wage increase, as well as increases in insurance, retirement, and workers' compensation premium costs, for union employees; reduces funding for building occupancy charges.	IDG	N/A	430,500
	Federal	N/A	287,900
	Restricted	N/A	182,800
	GF/GP	N/A	\$1,001,000
<b>7. Target Agreement</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$72,900)</b>
Reduces funding for the Attorney General Operations line item.	GF/GP	N/A	(\$72,900)

**Major Boilerplate Changes From FY 2009-10**

**Sec. 314. Medicaid False Claim Act Revenue – VETOED**

Appropriates revenue collected by the Department, under the Medicaid False Claim Act, for the purpose for which it was received; authorizes carryforward.

**CIVIL RIGHTS  
Summary of FY 2010-11 Enacted Appropriations  
2010 Public Act 191 (House Bill 5880)**

**Analyst: Robin R. Risko**

	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive Revised	FY 2010-11 House	FY 2010-11 Senate	FY 2010-11 Enacted	Difference: Enacted From FY 2009-10 YTD	
						Amount	%
<b>IDG/IDT</b>	\$0	\$0	\$0	\$0	\$0	\$0	--
<b>Federal</b>	2,057,300	1,750,000	1,750,000	1,750,000	1,750,000	(307,300)	(14.9)
<b>Local</b>	0	0	0	0	0	0	--
<b>Private</b>	0	0	0	0	0	0	--
<b>Restricted</b>	0	53,000	53,000	53,000	53,000	53,000	100.0
<b>GF/GP</b>	11,706,400	11,148,600	10,756,500	10,988,100	10,975,700	(730,700)	(6.2)
<b>Gross</b>	<b>\$13,763,700</b>	<b>\$12,951,600</b>	<b>\$12,559,500</b>	<b>\$12,791,100</b>	<b>\$12,778,700</b>	<b>(\$985,000)</b>	<b>(7.2)</b>
<b>FTEs</b>	130.0	118.0	118.0	118.0	118.0	(12.0)	(9.2)

Note: FY 2009-10 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2010-11 Executive Budget on February 11.

**Overview**

The Michigan Civil Rights Commission is charged with investigating alleged discrimination against any person because of religion, race, color, or national origin, and is directed to "secure the equal protection of such civil rights without such discrimination." The Michigan Department of Civil Rights serves as the administrative arm charged with implementing policies of the Commission. The Department provides educational programs that promote voluntary compliance with civil rights laws, investigates and resolves discrimination complaints, disseminates information 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 2009-10 YTD Appropriations**

		FY 2009-10 YTD (as of 2/11/10)	Enacted Change From YTD
<b>1. GF/GP Budget Reductions</b>	FTEs	N/A	(10.0)
Reflects a savings to be achieved by carrying forward a reduction of 10.0 FTE positions from FY 2009-10 and applying administrative rate reductions to information technology costs.	<b>Gross</b>	<b>N/A</b>	<b>(\$936,500)</b>
	GF/GP	N/A	(\$936,500)
<b>2. Federal Funding Contract Decrease</b>	<b>Gross</b>	<b>\$2,057,300</b>	<b>(\$307,300)</b>
Reduces federal Equal Employment Opportunity Commission grant funding by \$195,000 and United States Department of Housing and Urban Development funding by \$112,300 based on projections of anticipated revenue.	Federal	2,057,300	(307,300)
<b>3. Economics</b>	<b>Gross</b>	<b>N/A</b>	<b>\$521,000</b>
Includes additional funding to cover costs of a 3% salary and wage increase, as well as increases in insurance, retirement, and workers' compensation premium costs, for union employees; reduces funding for building occupancy charges.	GF/GP	N/A	\$521,000
<b>4. Target Agreement</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$172,900)</b>
Reduces funding for the Civil Rights Operations line item.	GF/GP	N/A	(\$172,900)

**Major Boilerplate Changes From FY 2009-10**

None

EXECUTIVE OFFICE

**EXECUTIVE OFFICE**  
**Summary of FY 2010-11 Enacted Appropriations**  
**2010 Public Act 191 (House Bill 5880)**

Analyst: Robin R. Risko

	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive Revised	FY 2010-11 House	FY 2010-11 Senate	FY 2010-11 Enacted	Difference: Enacted From FY 2009-10 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	0	0	0	0	0	0	--
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	0	0	0	0	0	0	--
GF/GP	4,823,700	4,630,800	4,498,300	4,630,800	4,630,800	(192,900)	(4.0)
Gross	<b>\$4,823,700</b>	<b>\$4,630,800</b>	<b>\$4,498,300</b>	<b>\$4,630,800</b>	<b>\$4,630,800</b>	<b>(\$192,900)</b>	<b>(4.0)</b>
FTEs	84.2	84.2	84.2	84.2	84.2	0.0	0.0

Note: FY 2009-10 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2010-11 Executive Budget on February 11.

**Overview**

The Executive Office budget provides funding for the Governor, the Lieutenant Governor, and their staffs. Major constitutionally-specified responsibilities include organization and supervision of the Executive branch and annual preparation and submission of the Executive budget. Divisions within the Governor's Office include: Executive, Cabinet Affairs and Management, Chief Operating Officer, External Affairs, Legal, Operations, Appointments, Constituent Services, Policy, Communications, Legislative Affairs, Scheduling, and the Governor's offices in Washington D.C., Southeastern Michigan, and the Upper Peninsula.

<b><u>Major Budget Changes From FY 2009-10 YTD Appropriations</u></b>		<b>FY 2009-10 YTD (as of 2/11/10)</b>	<b>Enacted Change From YTD</b>
<b>1. SOCC Reduction</b>	<b>Gross</b>	<b>\$3,973,900</b>	<b>(\$18,600)</b>
Reflects a savings due to a 10% reduction in the salaries and expense allowances of the Governor and Lieutenant Governor, effective January 1, 2011, as recommended by the State Officers Compensation Commission and approved by the Legislature (SCR 11 of 2009).	GF/GP	\$3,973,900	(\$18,600)
<b>2. GF/GP Budget Reductions</b>	<b>Gross</b>	<b>\$3,673,000</b>	<b>(\$174,300)</b>
Reflects a savings to be achieved through administrative reductions.	GF/GP	\$3,673,000	(\$174,300)

**Major Boilerplate Changes From FY 2009-10**

There is no boilerplate for the Executive Office.

# LEGISLATURE

## Summary of FY 2010-11 Enacted Appropriations

### 2010 Public Act 191 (House Bill 5880)

Analyst: Robin R. Risko

IDG/IDT	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive Revised	FY 2010-11 House	FY 2010-11 Senate	FY 2010-11 Enacted	Difference: Enacted From FY 2009-10 YTD	
						Amount	%
	\$0	\$0	\$0	\$0	\$250,000	\$250,000	100.0
<b>Federal</b>	0	0	0	0	0	0	--
<b>Local</b>	0	0	0	0	0	0	--
<b>Private</b>	400,000	400,000	400,000	400,000	400,000	0	0.0
<b>Restricted</b>	1,109,800	1,109,800	1,109,800	1,109,800	1,109,800	0	0.0
<b>GF/GP</b>	104,764,900	100,574,300	98,323,300	100,574,300	100,574,300	(4,190,600)	(4.0)
<b>Gross</b>	<b>\$106,274,700</b>	<b>\$102,084,100</b>	<b>\$99,833,100</b>	<b>\$102,084,100</b>	<b>\$102,334,100</b>	<b>(\$3,940,600)</b>	<b>(3.7)</b>
<b>FTEs</b>	0.0	0.0	0.0	0.0	0.0	0.0	--

Note: FY 2009-10 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2010-11 Executive Budget on February 11.

#### 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 2009-10 YTD Appropriations

##### 1. SOCC Reduction

Reflects a savings due to a 10% reduction in the salaries, supplemental salaries, and expense allowances of members of the Legislature, effective January 1, 2011, as recommended by the State Officers Compensation Commission and approved by the Legislature (SCR 11 of 2009).

	FY 2009-10 YTD (as of 2/11/10)	Enacted Change From YTD
<b>Gross</b>	N/A	<b>(\$1,249,500)</b>
GF/GP	N/A	(\$1,249,500)

##### 2. GF/GP Budget Reductions

Reflects savings to be achieved through administrative reductions.

<b>Gross</b>	N/A	<b>(\$2,941,100)</b>
GF/GP	N/A	(\$2,941,100)

##### 3. Legislative Corrections Ombudsman

Includes IDG funding from the Department of Corrections for the Legislative Corrections Ombudsman.

<b>Gross</b>	<b>\$369,700</b>	<b>\$250,000</b>
IDG	0	250,000
GF/GP	\$369,700	\$0

#### Major Boilerplate Changes From FY 2009-10

##### Sec. 603. National Association Dues – MODIFIED

Authorizes \$51,000 to be paid annually to the National Conference of Commissioners on Uniform State Laws if the funding is available.

##### Sec. 610. Health Insurance Benefits – DELETED

Prohibits funding from being used to pay for health insurance benefits for unmarried domestic partners of legislators or legislative employees.

**LEGISLATIVE AUDITOR GENERAL  
Summary of FY 2010-11 Enacted Appropriations  
2010 Public Act 191 (House Bill 5880)**

**Analyst: Robin R. Risko**

	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive Revised	FY 2010-11 House	FY 2010-11 Senate	FY 2010-11 Enacted	Difference: Enacted From FY 2009-10 YTD	
						Amount	%
<b>IDG/IDT</b>	\$1,801,500	\$1,801,500	\$1,801,500	\$1,801,500	\$2,301,500	\$500,000	27.8
<b>Federal</b>	0	0	0	0	0	0	--
<b>Local</b>	0	0	0	0	0	0	--
<b>Private</b>	0	0	0	0	0	0	--
<b>Restricted</b>	1,539,900	1,539,900	1,539,900	1,539,900	1,539,900	0	0.0
<b>GF/GP</b>	11,619,800	11,155,000	10,808,800	11,155,000	11,155,000	(464,800)	(4.0)
<b>Gross</b>	<b>\$14,961,200</b>	<b>\$14,496,400</b>	<b>\$14,150,200</b>	<b>\$14,496,400</b>	<b>\$14,996,400</b>	<b>\$35,200</b>	<b>0.2</b>
<b>FTEs</b>	0.0	0.0	0.0	0.0	0.0	0.0	--

Note: FY 2009-10 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2010-11 Executive Budget on February 11.

**Overview**

The Office of 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 Office of the Legislative Auditor General is to improve accounting and financial reporting practices and promote effectiveness, efficiency, and economy in state government. Its 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.

<b><u>Major Budget Changes From FY 2009-10 YTD Appropriations</u></b>		<b>FY 2009-10 YTD (as of 2/11/10)</b>	<b>Enacted Change From YTD</b>
<b>1. GF/GP Budget Reductions</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$464,800)</b>
Reflects savings to be achieved through administrative reductions.	GF/GP	N/A	(\$464,800)
<b>2. Funding for MDOC Activities</b>	<b>Gross</b>	<b>\$0</b>	<b>\$500,000</b>
Includes IDG funding from the Department of Corrections for audit activities related to the Department of Corrections. <b>(Please note: the funding was vetoed from the Department of Corrections budget.)</b>	IDG	0	500,000

**Major Boilerplate Changes From FY 2009-10**

None

# STATE

## Summary of FY 2010-11 Enacted Appropriations

### 2010 Public Act 191 (House Bill 5880)

Analyst: Ben Gielczyk

	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive Revised	FY 2010-11 House	FY 2010-11 Senate	FY 2010-11 Enacted	Difference: Enacted From FY 2009-10 YTD	
						Amount	%
<b>IDG/IDT</b>	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$0	0.0
<b>Federal</b>	1,810,000	1,810,000	1,810,000	1,810,000	1,810,000	0	0.0
<b>Local</b>	0	0	0	0	0	0	--
<b>Private</b>	100	100	100	100	100	0	0.0
<b>Restricted</b>	169,364,700	175,299,500	176,578,000	173,705,300	177,799,500	8,434,800	5.0
<b>GF/GP</b>	17,955,400	14,062,200	13,593,800	13,950,900	13,910,800	(4,044,600)	(22.5)
<b>Gross</b>	<b>\$209,130,200</b>	<b>\$211,171,800</b>	<b>\$211,981,900</b>	<b>\$209,466,300</b>	<b>\$213,520,400</b>	<b>\$4,390,200</b>	<b>2.1</b>
<b>FTEs</b>	1,815.0	1,815.0	1,815.0	1,815.0	1,815.0	0.0	0.0

Note: FY 2009-10 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2010-11 Executive Budget on February 11.

#### 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.

#### Major Budget Changes From FY 2009-10 YTD Appropriations

##### 1. GF/GP Reductions

Reduces GF/GP funding for the following line items: Regulatory Services Operations by \$287,600; Customer Delivery Branch Operations by \$277,900; Central Operations by \$277,500; Department Services Operations by \$272,300; Executive Direction Operations by \$7,000; and Information Technology Administrative reductions of \$60,000.

	FY 2009-10 YTD (as of 2/11/10)	Enacted Change From YTD
<b>Gross</b>	<b>N/A</b>	<b>(\$1,182,300)</b>
<b>GF/GP</b>	<b>N/A</b>	<b>(\$1,182,300)</b>

##### 2. Business Application Modernization (BAM)

Eliminates total funding for BAM due to the completion of the project by DIT. BAM program is an end-to-end review of business processes which will allow for more online transactions, reduce error, expand form of payment, and other electronic and online upgrades.

<b>Gross</b>	<b>(\$4,550,000)</b>	<b>(\$4,550,000)</b>
<b>Restricted</b>	<b>(1,800,000)</b>	<b>(1,800,000)</b>
<b>GF/GP</b>	<b>(\$2,750,000)</b>	<b>(\$2,750,000)</b>

##### 3. Economic Adjustments

Includes additional funding for salary and wage, insurance, and retirement for union employees and rent (\$6.8 million Gross; \$388,900 million GF/GP); reduces funding for workers' compensation and building occupancy costs (\$464,300 Gross; \$401,300 GF/GP). Also includes DIT economic adjustment increases of \$492,300 Gross and \$87,400 GF/GP.

<b>Gross</b>	<b>N/A</b>	<b>\$6,830,500</b>
<b>Restricted</b>	<b>N/A</b>	<b>6,755,500</b>
<b>GF/GP</b>	<b>N/A</b>	<b>\$75,000</b>

##### 4. Target Agreement General Fund Reductions

Reduces funding for Department Services (\$20,400), Regulatory Services (\$20,000), Branch Operations (\$72,900), and Central Operations (\$38,100) to meet General Fund target agreement.

<b>Gross</b>	<b>N/A</b>	<b>(\$151,400)</b>
<b>GF/GP</b>	<b>N/A</b>	<b>(\$151,400)</b>

**STATE**

**Major Boilerplate Changes From FY 2009-10**

**Sec. 715. Credit and Debit Card Service Assessment – REVISED**

Stipulates that service assessments collected by the department of state from the user of a credit or debit card is appropriated to the department for necessary expenses related to that service. Removes language indicating that funds are allocated for expenditure when they are received by the Department of Treasury because funding was moved to Part 1 appropriation.

**Sec. 716b. BAM Report – NEW**

Includes language which requires the Department to report on funding expended for the project since its inception.

**Sec. 716c. Network Connectivity – NEW**

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

**Sec. 719. Business Application Modernization (BAM) Project – DELETED**

Appropriates \$4.6 million funding for the BAM Project to be used for development, implementation, and maintenance of BAM.

**Sec. 721. ATM Commission Fees – NEW**

Allows the Department to collect ATM commission fees from companies that have ATMs located in Secretary of State branch offices. Requires commission fees collected to be deposited in the Transportation Administration Collection Fund.

**Sec. 728. Performance Audit Report – DELETED**

Requires the Department to submit a report on improvements and changes made with regard to issues identified by the Auditor General in the 2009 cash receipts and branch office customer service audit.

# TECHNOLOGY, MANAGEMENT AND BUDGET

## Summary of FY 2010-11 Enacted Appropriations

### 2010 Public Act 191 (House Bill 5880)

Analyst: Robin R. Risko

	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive Revised	FY 2010-11 House	FY 2010-11 Senate	FY 2010-11 Enacted	Difference: Enacted From FY 2009-10 YTD	
						Amount	%
<b>IDG/IDT</b>	\$584,509,400	\$586,552,900	\$589,368,200	\$585,897,800	\$586,552,900	\$2,043,500	0.3
<b>Federal</b>	11,219,800	2,682,000	2,917,800	2,917,800	2,682,000	(8,537,800)	(76.1)
<b>Local</b>	2,027,600	1,380,400	1,380,400	1,380,400	1,380,400	(647,200)	(31.9)
<b>Private</b>	151,900	170,800	170,800	170,800	170,800	18,900	12.4
<b>Restricted</b>	72,200,500	83,853,900	84,881,000	83,804,000	83,827,300	11,626,800	16.1
<b>GF/GP</b>	293,574,300	303,325,400	302,271,200	301,381,300	299,748,800	6,174,500	2.1
<b>Gross</b>	<b>\$963,683,500</b>	<b>\$977,965,400</b>	<b>\$980,989,400</b>	<b>\$975,552,100</b>	<b>\$974,362,200</b>	<b>\$10,678,700</b>	<b>1.1</b>
<b>FTEs</b>	3,038.0	2,972.5	2,971.5	2,971.5	2,972.5	(65.5)	(2.2)

Note: FY 2009-10 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2010-11 Executive Budget on February 11.

#### Overview

The Department of Technology, Management and Budget was recently created pursuant to Executive Order 2009-55. The EO merges the former Departments of Information Technology and Management and Budget. 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, State Building Authority, and Civil Service Commission.

<u>Major Budget Changes From FY 2009-10 YTD Appropriations</u>	FY 2009-10 YTD (as of 2/11/10)	Enacted Change From YTD
<b>MANAGEMENT AND BUDGET</b>		
<b>1. SBA Rent Increase</b>	<b>Gross \$235,370,600</b>	<b>\$6,500,000</b>
Includes additional funding for State Building Authority rent payments. Adjustments are made based on a number of factors including project start and end dates, delays, refinancing, refunding, the number of current projects underway, and assumptions of upcoming finance needs for planned projects.	GF/GP \$235,370,600	\$6,500,000
<b>2. Gubernatorial Transition</b>	<b>Gross N/A</b>	<b>\$1,500,000</b>
Includes additional funding for costs associated with the gubernatorial transition. Funding is used for both the outgoing and the incoming governor and covers expenses associated with staff, leave payments, unemployment benefits, office space, supplies, moving, and other related costs.	GF/GP N/A	\$1,500,000
<b>3. Accounting Service Consolidation</b>	FTEs N/A	8.0
Includes an additional 8.0 FTE positions and funding to reflect the transfer of accounting functions from the Department of Civil Rights, the Civil Service Commission, and the Office of the State Employer to Management and Budget.	<b>Gross N/A</b>	<b>\$859,600</b>
	IDG N/A	859,600

**TECHNOLOGY, MANAGEMENT AND BUDGET**

<b><u>Major Budget Changes From FY 2009-10 YTD Appropriations</u></b>		<b><u>FY 2009-10 YTD (as of 2/11/10)</u></b>	<b><u>Enacted Change From YTD</u></b>
<b>4. New Building Operations and Private Rent Adjustment</b>	<b>Gross</b>	<b>N/A</b>	<b>\$861,600</b>
Includes an additional \$785,200 to cover utility and maintenance costs at the State Police headquarters building and an additional \$76,400 for private rent adjustments at One Division and Rickle Road Lab buildings.	IDG	N/A	861,600
<b>5. Audits of Public School Employer Units</b>	FTEs	N/A	2.0
Includes an additional 2.0 FTE positions and funding for costs associated with conducting audits of retirement data submitted by public school employer reporting units. This data includes wages, hours, and contributions of public school employees.	<b>Gross</b>	<b>N/A</b>	<b>\$180,500</b>
	Restricted	N/A	180,500
<b>6. SWCAP-Related Fund Source Shifts</b>	<b>Gross</b>	<b>N/A</b>	<b>\$0</b>
Adjusts IDG, federal, state restricted, and GF/GP fund sources in order to reflect how departmental and statewide overhead costs should be financed according to the most recent Statewide Cost Allocation Plan (SWCAP). The Plan allocates the costs of providing central support services to other state departments and their respective fund sources.	IDG	N/A	(48,300)
	Federal	N/A	(266,700)
	Restricted	N/A	2,706,000
	GF/GP	N/A	(\$2,391,000)
<b>7. Building Operations Reductions</b>	FTEs	253.0	(2.0)
Reflects a reduction of 2.0 FTE positions and funding due to building contract reductions (\$601,000), savings from reorganization (\$500,000), and further staff restructuring (\$156,900).	<b>Gross</b>	<b>\$87,784,000</b>	<b>(\$1,257,900)</b>
	IDG	87,784,000	(1,257,900)
<b>8. Budget Reductions</b>	FTEs	N/A	(41.0)
Reflects a reduction of 41.0 FTE positions and a savings due to a reduction of staff and support services provided, a reduction of on-call hours and system maintenance for MAIN, a reduction in funding for the Center for Education Performance Information, from applying administrative rate reductions to information technology costs, from not filling vacant FTE positions, and from adjusting FTE authorization to reflect actual funded positions.	<b>Gross</b>	<b>N/A</b>	<b>(\$772,000)</b>
	Restricted	N/A	(156,800)
	GF/GP	N/A	(\$615,200)
<b>9. Management and Budget Economics</b>	<b>Gross</b>	<b>N/A</b>	<b>\$3,401,200</b>
Includes additional funding to cover costs of a 3% salary and wage increase, as well as increases in insurance, retirement, and workers' compensation premium costs, for union employees; reduces funding for building occupancy charges.	IDG	N/A	786,300
	Restricted	N/A	629,400
	GF/GP	N/A	\$1,985,500
<b>10. Target Agreement</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$103,200)</b>
Reduces funding for the ID mail program by \$50,000 Gross and GF/GP and reduces funding for the Financial Services program by \$53,200 Gross and \$26,600 GF/GP.	Restricted	N/A	(26,600)
	GF/GP	N/A	(\$76,600)
<b>TECHNOLOGY SERVICES</b>			
<b>11. Base Adjustments</b>	<b>Gross</b>	<b>\$423,323,100</b>	<b>(\$8,244,500)</b>
Reduces line items within the Technology Services budget to reflect actual appropriations in FY 2009-10 for information technology services and projects in other state department budgets.	IDG	423,323,100	(8,244,500)
<b>12. Program Enhancements</b>	FTEs	1,635.0	1.0
Makes adjustments within the Technology Services budget to reflect appropriations for program enhancements made in other state department budgets.	<b>Gross</b>	<b>\$423,323,100</b>	<b>\$14,534,800</b>
	IDG	423,323,100	14,534,800
<b>13. Budget Reductions</b>	FTEs	1,635.0	(1.0)
Reflects savings to be achieved in various department budgets through staff reductions, administrative efficiencies, administrative rate reductions, contract reductions, server and license reductions, reductions in CSS&M and maintenance costs, and delaying equipment purchases.	<b>Gross</b>	<b>\$423,323,100</b>	<b>(\$5,017,500)</b>
	IDG	423,323,100	(5,017,500)

**TECHNOLOGY, MANAGEMENT AND BUDGET**

<b><u>Major Budget Changes From FY 2009-10 YTD Appropriations</u></b>		<b><u>FY 2009-10 YTD (as of 2/11/10)</u></b>	<b><u>Enacted Change From YTD</u></b>
<b>14. Eliminate Program Funding</b>	<b>Gross</b>	<b>\$423,323,100</b>	<b>(\$6,363,500)</b>
Reflects elimination of funding in various department budgets for programs no longer needing funding or as a result of funding not being available.	IDG	423,323,100	(6,363,500)
<b>15. Transfers</b>	FTEs	N/A	(2.0)
Reflects the transfer of FTE positions and funding within various department budgets from IT programs to non-IT programs.	<b>Gross</b>	<b>N/A</b>	<b>(\$1,310,100)</b>
	IDG	N/A	(1,310,100)
<b>16. Technology Services Economics</b>	<b>Gross</b>	<b>N/A</b>	<b>\$5,831,400</b>
Includes additional funding to cover costs of a 3% salary and wage increase, as well as increases in insurance and retirement, for union employees; reduces funding for workers' compensation premium costs and building occupancy charges.	IDG	N/A	5,831,400
<b>17. Additional IT Staff for DHS</b>	<b>Gross</b>	<b>N/A</b>	<b>\$985,900</b>
Reflects the addition of information technology-related staff in the Department of Human Services, which were added as a result of the Children's Rights Settlement agreement.	IDG	N/A	985,900
<b>CIVIL SERVICE COMMISSION</b>			
<b>18. Budget Reductions</b>	FTEs	N/A	(20.0)
Reflects a reduction of 20.0 FTE positions and a savings to be achieved through retirement, attrition, possible layoffs, and by applying administrative rate reductions to information technology costs.	<b>Gross</b>	<b>N/A</b>	<b>(\$1,766,300)</b>
	Federal	N/A	(800)
	Restricted	N/A	(1,000)
	GF/GP	N/A	(\$1,764,500)
<b>19. Civil Service Commission Economics</b>	<b>Gross</b>	<b>N/A</b>	<b>\$1,771,500</b>
Includes additional funding to cover costs of a 3% salary and wage increase, as well as increases in insurance and retirement, for union employees; reduces funding for workers' compensation premium costs.	IDG	N/A	64,100
	Federal	N/A	408,300
	Local	N/A	80,400
	Private	N/A	10,800
	Restricted	N/A	484,100
	GF/GP	N/A	\$723,800

**Major Boilerplate Changes From FY 2009-10**

**MANAGEMENT AND BUDGET**

**Sec. 724. Document and Data Imaging – DELETED**

Authorizes the department to charge for document and data imaging services, copies, media, storage, conferences, workshops, and training classes, and appropriates the money collected to be used for providing the services.

**Sec. 724a. Existing 2-1-1 Capacities – DELETED**

Requires DMB to assist DIT in determining how existing 2-1-1 capacities will be utilized by each department with community resource information and referral service.

**Sec. 727. Contract Savings – DELETED**

Requires the department to take measures to reduce existing contractual expenditures by \$20 million, lists required measures to be followed, and requires annual report on the amount of contract savings achieved.

**TECHNOLOGY SERVICES**

**Sec. 580. Business Application Modernization Project – DELETED**

Specifies the amount of funding appropriated for BAM project, lists what funding can be used for, designates funding as a work project account, and authorizes unexpended funding to be carried forward.

**Sec. 582. Michigan.gov – DELETED**

Requires report on improvements made to Michigan.gov.

**CIVIL SERVICE COMMISSION**

None

**TREASURY**  
**Summary of FY 2010-11 Enacted Appropriations**  
**2010 Public Act 191 (House Bill 5880)**

Analyst: Ben Gielczyk

	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive Revised	FY 2010-11 House	FY 2010-11 Senate	FY 2010-11 Enacted	Difference: Enacted From FY 2009-10 YTD	
						Amount	%
<b>IDG/IDT</b>	\$11,120,700	\$14,376,400	\$14,059,900	\$14,158,400	\$14,376,400	\$3,255,700	29.3
<b>Federal</b>	95,782,000	262,209,500	94,476,600	264,473,100	262,691,600	166,909,600	174.3
<b>Local</b>	1,526,400	2,054,000	2,066,500	2,037,200	2,054,000	527,600	34.6
<b>Private</b>	723,700	843,600	852,200	852,200	843,600	119,900	16.6
<b>Restricted</b>	1,353,620,700	1,492,522,300	1,445,419,300	1,410,636,300	1,524,721,000	171,100,300	12.6
<b>GF/GP</b>	151,964,700	201,409,800	199,372,000	201,297,700	120,937,800	(31,026,900)	(20.4)
<b>Gross</b>	<b>\$1,614,738,200</b>	<b>\$1,973,415,600</b>	<b>\$1,756,246,500</b>	<b>\$1,893,454,900</b>	<b>\$1,925,624,400</b>	<b>\$310,886,200</b>	<b>19.3</b>
<b>FTEs</b>	1,867.5	2,181.5	1,885.5	2,190.5	2,199.5	332.0	17.8

Note: FY 2009-10 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2010-11 Executive Budget on February 11.

**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), the Michigan State Housing Development Authority (MSHDA), and the Michigan Strategic Fund (MSF) are autonomous agencies housed within the Department of Treasury. Funds and programs of the MSF are administered by the Michigan Economic Development Corporation (MEDC), which also administers the 21st Century Jobs Fund.

<b>Major Budget Changes From FY 2009-10 YTD Appropriations</b>	<b>FY 2009-10 YTD (as of 2/11/10)</b>	<b>Enacted Change From YTD</b>
<b>TREASURY OPERATIONS</b>		
<b>1. GF/GP Budget Reductions</b>	FTEs	N/A (9.0)
Reduces funding \$1.8 million GF/GP and eliminates 9.0 FTE positions. Reductions are achieved through consolidated staff reductions, DIT rate and administrative reductions, and targeted program reductions by the department.	<b>Gross</b>	<b>N/A (\$1,787,700)</b>
	GF/GP	N/A (\$1,787,700)
<b>2. Contractual Services for Other Departments</b>	<b>Gross</b>	<b>N/A \$3,684,200</b>
Increases funding to various line items for contractual services provided by the department for other departments and state agencies. Spending authorization was previously provided for in boilerplate Sec. 928 of the FY 2009-10 General Government budget.	IDG	N/A 1,930,300
	Restricted	N/A 1,753,900
	GF/GP	N/A \$0
<b>3. Tax Compliance</b>	FTEs	338.0 9.0
Includes \$1.0 million Gross and 9.0 FTEs in additional audit staff to meet obligations of MBT business filings. Program will generate an estimated \$4.0 million in FY 2010-11 and \$10.0 million in FY 2011-12. Will be implemented as part of FY 2009-10 supplemental.	<b>Gross</b>	<b>\$34,988,700 \$1,000,000</b>
	Restricted	33,103,900 1,000,000
	GF/GP	\$1,884,800 \$0
<b>4. Tax Processing</b>	FTEs	151.0 4.0
Increases funding by \$400,000 Gross and 4.0 FTEs to eliminate backlog of paid error returns to be processed. Program will generate \$10.0 million in revenue beginning in FY 2011. Also proposed as part of FY 2009-10 supplemental.	<b>Gross</b>	<b>\$14,075,100 \$400,000</b>
	IDG	2,298,200 0
	Restricted	11,776,900 400,000

**TREASURY**

<b><u>Major Budget Changes From FY 2009-10 YTD Appropriations</u></b>		<b><u>FY 2009-10 YTD (as of 2/11/10)</u></b>	<b><u>Enacted Change From YTD</u></b>
<b>5. Bottle Bill Supplemental</b>	<b>Gross</b>	<b>\$1,500,000</b>	<b>(\$1,500,000)</b>
Removes one-time reverse bottle bill redemption antifraud fund supplemental included in FY 2009-10 budget.	Restricted	1,500,000	(1,500,000)
<b>6. College Access Challenge Grant Program</b>	<b>Gross</b>	<b>\$2,202,400</b>	<b>(\$2,202,400)</b>
Removes funding for College Access Challenge Grant Program. Funding for program was available for two years and is established as a work project to be used through FY 2010-11. Line item funding was transferred to the Department of Education budget bill.	Federal	2,202,400	(2,202,400)
<b>7. Michigan Merit Award Administration</b>	FTEs	6.0	(6.0)
Eliminates funding for Michigan Merit Award Administration. Program is eliminated due to elimination of Michigan Promise Grant program.	<b>Gross</b>	<b>\$1,430,800</b>	<b>(\$1,430,800)</b>
	Restricted	1,430,800	(1,430,800)
<b>8. Business Property Tax Appeal</b>	FTEs	N/A	7.0
Includes \$900,000 in GF/GP funding and 7.0 FTE positions for new Business Property Tax Appeal program. Program will provide assessment review for property tax appeals that affect School Aid Fund.	<b>Gross</b>	<b>N/A</b>	<b>\$900,000</b>
	GF/GP	N/A	\$900,000
<b>9. Supervision of General Property Tax Law</b>	<b>Gross</b>	<b>N/A</b>	<b>\$900,000</b>
Includes \$1.0 million in restricted delinquent tax revenue for personal property tax audits. Reduces line by \$100,000 GF/GP as part of target reductions.	Restricted	N/A	1,000,000
	GF/GP	N/A	(\$100,000)
<b>10. Michigan Finance Authority</b>	FTEs	N/A	18.0
Includes \$3.0 million in Gross funding for the Michigan Finance Authority which was transferred to the Department of Treasury under Executive Order 2010-2.	<b>Gross</b>	<b>N/A</b>	<b>\$2,971,500</b>
	Restricted	N/A	2,971,500
	GF/GP	N/A	\$0
<b>11. Land Bank Fast Track Authority</b>	FTEs	N/A	6.0
Includes \$2.0 million in Gross funding for the Land Bank Fast Track Authority which was transferred to the Department of Treasury under Executive Order 2010-2. \$157,500 is unrolled and placed in the Information Technology section.	<b>Gross</b>	<b>N/A</b>	<b>\$2,037,200</b>
	Restricted	N/A	2,037,200
	GF/GP	N/A	\$0
<b>12. Michigan State Housing Development Authority</b>	FTEs	N/A	289.0
Includes \$223.7 million Gross funding for the Michigan State Housing Development Authority which was transferred to the Department of Treasury under Executive Order 2010-2.	<b>Gross</b>	<b>N/A</b>	<b>\$223,663,600</b>
	Federal	N/A	168,044,200
	Restricted	N/A	55,619,400
	GF/GP	N/A	\$0
<b>13. Economic Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$6,982,400</b>
Increases funding by \$6.1 million Gross and \$661,300 GF/GP for economics, which includes salaries, wages, and retirement for union employees, building occupancy charges, workers' compensation, and insurance costs; includes Lottery and Michigan Gaming Control Board. Also includes DIT economic adjustments of \$833,900 Gross and \$184,400 GF/GP.	IDG	N/A	286,400
	Federal	N/A	535,300
	Local	N/A	42,600
	Restricted	N/A	5,272,400
	GF/GP	N/A	\$845,700
<b>14. Renaissance Zone Reimbursements</b>	<b>Gross</b>	<b>\$2,992,000</b>	<b>(\$2,992,000)</b>
Eliminates funding for Renaissance Zone reimbursements as part of target agreement reductions.	GF/GP	\$2,992,000	(\$2,992,000)
<b>15. Departmental and Budget Services</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$95,500)</b>
Reduces funding for Departmental and Budget Services by \$95,500 as part of target agreement reductions.	GF/GP	N/A	(\$95,500)
<b>16. John R. Justice Grant Program</b>	<b>Gross</b>	<b>N/A</b>	<b>\$282,100</b>
Includes \$282,100 in federal funding for new John R. Justice Grant Program.	Federal	N/A	282,100

**TREASURY**

<b><u>Major Budget Changes From FY 2009-10 YTD Appropriations</u></b>		<b><u>FY 2009-10 YTD (as of 2/11/10)</u></b>	<b><u>Enacted Change From YTD</u></b>
<b>DEBT SERVICE</b>			
<b>17. Debt Service Payments</b>			
	<b>Gross</b>	<b>\$80,177,500</b>	<b>(\$22,544,700)</b>
Decreases funding by \$22.5 million through short-term refinancing of debt service payments.	Restricted	15,514,500	0
	GF/GP	\$64,663,000	(\$22,544,700)
<b>GRANTS</b>			
<b>18. Convention Facility Development Distribution</b>			
	<b>Gross</b>	<b>\$83,850,000</b>	<b>(\$9,000,000)</b>
Eliminates \$9.0 million in one-time convention facility development funding associated with Public Act 62 of 2009.	Restricted	83,850,000	(9,000,000)
<b>CASINO GAMING</b>			
<b>19. Office of Racing Commissioner</b>			
	FTEs	N/A	10.0
Includes \$2.1 million Gross and 10.0 FTE (1.0 FTE unclassified) positions for the Office of Racing Commission that was transferred from the Department of Agriculture as part of Executive Orders 2009-45 and 2009-54. Includes added funding (\$358,100) for additional race dates.	<b>Gross</b>	<b>N/A</b>	<b>\$2,263,100</b>
	Restricted	N/A	2,263,100
<b>20. Casino Gaming Control Administration and Information Technology</b>			
	FTEs	115.0	1.0
Includes \$1.6 million in restricted funds for casino gaming laboratory services and background investigations. Funding was previously appropriated in boilerplate Section 972 of FY 2010-11 General Government budget. Also includes \$86,500 in restricted funding and 1.0 FTE position under the Casino Gaming Control Administration for Indian Gaming Auditor to audit new casinos along with \$94,000 in restricted funding for Casino Gaming DIT staff person to audit new Indian Casinos.	<b>Gross</b>	<b>\$21,011,900</b>	<b>\$1,783,500</b>
	Restricted	21,011,900	1,783,500
<b>STATE LOTTERY</b>			
<b>21. Promotion and Advertising</b>			
	<b>Gross</b>	<b>\$18,622,000</b>	<b>(\$931,100)</b>
Reduces funding by 5 percent, or \$931,100, for lottery promotion and advertising.	Restricted	18,622,000	(931,100)
<b>REVENUE SHARING</b>			
<b>22. Constitutional Revenue Sharing</b>			
	<b>Gross</b>	<b>\$622,137,900</b>	<b>\$11,343,900</b>
Increases revenue sharing payments by \$11.3 million. Fiscal Year 2009-10 YTD amounts were based on the January 2009 Consensus Revenue Estimating Conference (CREC) figures. Maintained current year combined statutory and constitutional revenue sharing payments. FY 2010-11 recommended amounts are based on May 2010 CREC.	Restricted	622,137,900	11,343,900
<b>23. Statutory Revenue Sharing</b>			
	<b>Gross</b>	<b>\$314,169,900</b>	<b>(\$7,108,200)</b>
Decreases statutory revenue sharing payments by \$7.1 million from FY 2009-10 YTD amounts due to increase in Constitutional payments. Maintained current year combined statutory and constitutional revenue sharing payments. FY 2010-11 reflect May 2010 CREC estimates.	Restricted	314,169,900	(7,108,200)
<b>24. County Revenue Sharing</b>			
	<b>Gross</b>	<b>\$55,291,700</b>	<b>\$59,449,000</b>
Increases county revenue sharing payments by \$59.4 million to fund the additional counties anticipated to be eligible again for state payments. Counties become eligible when they exhaust their revenue sharing reserve funds.	Restricted	55,291,700	59,449,000
<b>MICHIGAN STRATEGIC FUND</b>			
<b>25. 21st Century Jobs Program Funding</b>			
	<b>Gross</b>	<b>\$28,500,000</b>	<b>\$46,500,000</b>
Increases funding by \$46.5 million in restricted funding to restore FY 2009-10 transfer to general fund. Statute provides for \$75.0 million.	Restricted	28,500,000	46,500,000

<u>Major Budget Changes From FY 2009-10 YTD Appropriations</u>		<u>FY 2009-10 YTD (as of 2/11/10)</u>	<u>Enacted Change From YTD</u>
<b>26. Economic Development Job Training (EDJT) Program</b>	<b>Gross</b>	<b>\$4,705,800</b>	<b>(\$4,705,800)</b>
Eliminates funding for the Economic Development Job Training Program. The EDJT Program provides employee training grants to maintain or attract permanent jobs for Michigan residents. The grants are for high-skill/high-wage jobs in 21st century industries, such as advanced manufacturing, life sciences, technology, homeland security, and alternative energy.	GF/GP	\$4,705,800	(\$4,705,800)
<b>27. Arts and Cultural Grants</b>	<b>Gross</b>	<b>N/A</b>	<b>\$300,000</b>
Includes \$100,000 in restricted funds for Arts and Cultural Grants. New funding would come from a voluntary income tax check-off beginning in tax year 2009 that would be deposited in the arts fund. Also includes \$200,000 in additional federal funding.	Federal	N/A	200,000
	Private	N/A	100,000
	<b>Gross</b>	<b>N/A</b>	<b>\$447,700</b>
<b>28. MSF Economic Adjustments</b> Includes \$447,700 Gross and \$359,700 GF/GP funding for economics, which include increased funding for salaries, wages, and retirement for union employees, workers' compensation, and insurance costs.	Federal	N/A	50,400
	Private	N/A	19,900
	Restricted	N/A	17,700
	GF/GP	N/A	\$359,700
<b>29. Target Agreement</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$8,100)</b>
Reduces funding in Jobs Creation Services line item by \$8,100 as part of target agreement reduction.	GF/GP	N/A	(\$8,100)

**Major Boilerplate Changes From FY 2009-10**

**DEPARTMENT OF TREASURY**

**Sec. 903. Private Collection Agency/Law Firm Contracting – REVISED**

Authorizes department to contract with private collection agencies and law firms to collect taxes and other accounts due, including defaulted student loans; requires report. Revision prohibits amounts appropriated for defaulted student loan collections from exceeding 23% of the collection or a lesser amount prescribed in the contract.

**Sec. 921. Renaissance Zone Reimbursements – DELETED**

Directs Renaissance Zone Reimbursement appropriation in part 1 to be used for reimbursements to public libraries. Directs reimbursements to be made not more than 60 days after department has received all necessary information. Funding was eliminated for reimbursements.

**Sec. 924. Principal Residence Tax Audits – REVISED**

Authorizes department to receive and expend principal residence audit fund revenue for administration of principal residence audits; requires report. Revision requires report to state amount of exemptions denied and revenue received under the program.

**Sec. 925. Public-Private Partnership Investment Program – REVISED**

Includes current year language and revises to state that public private investments shall not include activities related to the Detroit River International Crossing.

**Sec. 925a. Public-Private Partnership Appropriations – NEW**

Includes new language prohibiting the funds appropriated for the public-private partnership investment program from being used for activities related to the Detroit River International Crossing.

**Sec. 926. John R. Justice Grant – NEW**

Includes new language which designates the John R. Justice grant appropriation as work project appropriations. The project's purpose is to provide student loan forgiveness to qualified public defenders and prosecutors.

**Sec. 927. Personal Property Tax Audits – NEW**

Includes language which requires the Department of Treasury to submit annual progress reports regarding personal property tax audits.

## **TREASURY**

### **Major Boilerplate Changes From FY 2009-10**

#### **Sec. 929. Data and Collection Services – DELETED**

Authorizes the department to enter into agreements to supply data or collection services to other executive principal departments or state agencies, the U.S. Department of Treasury, or local units of government. (Deleted due to the inclusion of funding in part 1.)

#### **Sec. 943. Form 1099-G Mailings – DELETED**

Prohibits the department from including complete social security numbers in form 1099-G mailings to taxpayers.

#### **Sec. 946. Coordinated Assessment and Training Activities – DELETED**

Authorizes members of state tax commission and management level staff of the assessment and certification division to meet with statewide assessment organizations quarterly to coordinate assessment and training activities.

#### **Sec. 947. Revenue Enhancement Program – DELETED**

Requires quarterly progress reports regarding personal property tax audits. Requires that \$500,000 be used for principal residence exemption compliance program and requires quarterly reports. States that revenue collected under the program shall be used to reimburse the state general fund for the costs of the program prior to making any other appropriation of the funds.

#### **Sec. 949. Tobacco Stamp Program – DELETED**

Directs the department to explore the possibility of a public-private partnership for new tobacco stamp technology; requires report.

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

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

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

Directs distribution of constitutional and statutory revenue sharing payments to cities, villages, and townships. Revises to require payments to be at 100% of previous year.

#### **Sec. 955. County Revenue Sharing – REVISED**

Revises includes language which directs the county revenue sharing appropriation to be distributed by the department to eligible counties according to the Glenn Steil State Revenue Sharing Act of 1971.

### **CASINO GAMING**

#### **Sec. 972. Gaming Oversight – DELETED**

Appropriates funds distributed by the Michigan Gaming Control Board to the department for oversight of casino gaming upon receipt; directs the funds to be used to pay for costs incurred for casino gaming oversight activities. (Deleted due to inclusion of funding in part 1.)

#### **Sec. 975. State Services Fee Fund Transfer – DELETED**

Authorizes the transfer of \$1.6 million from the State Services Fee Fund to the General Fund.

#### **Sec. 976. Horse Racing Industry Crimes – NEW**

Authorizes the racing commissioner to pay rewards of not more than \$5,800 to a person who provides information which results in the arrest and conviction for a crime involving the horse racing industry. Awards are paid from the Office of Racing Commissioner line-item.

#### **Sec. 977. Michigan Agriculture Equine Industry Development Fund – NEW**

Includes new language which requires proration of all appropriations from the Michigan Agriculture Equine Industry Development Fund if revenues to the fund decline during the fiscal year. The language exempts the racing commission and laboratory analysis program appropriations from the proration.

#### **Sec. 978. Racing Commission Regulatory Charges – NEW**

Includes new language which follows Public Act 66 of 2010. The section requires the Michigan Gaming Control Board to determine actual regulatory costs of conducting race dates; it would limit reimbursement to actual expenses; and the language specifies that in the case of reduced revenues, race dates can be reduced, after consultation with certified horsemen's organizations.

#### **Sec. 979. Thoroughbred Race Purses – NEW**

Includes new language which provides use of purse funds in the event that no live thoroughbred race meet is held in 2010 or 2011. The section provides for funds to be escrowed and specifies purse pool distribution order.

**Major Boilerplate Changes From FY 2009-10**

**HOUSING AND COMMUNITY DEVELOPMENT**

***Sec. 980. Michigan State Housing Development Authority Annual Report – NEW***

Includes new language which requires MSHDA to annually present a report on the status of the authority's housing production goals under all financing programs.

***Sec. 981. Michigan Broadband Development Authority Report – NEW***

Includes new language which requires the department and MSHDA to reports on the status of loans entered into by the Michigan Broadband Development Authority.

***Sec. 982. Cities of Promise Blight Elimination Program Report – NEW***

Includes new language which requires MSHDA to provide a report on the Cities of Promise Blight Elimination Program.

***Sec. 983. Land Bank Fast Track Authority – NEW***

Includes new language which authorizes the authority to expend additional revenues received under the Land Bank Fast Track Act for purposes authorized by the act.

***Sec. 984. State Historic Preservation Programs – NEW***

Includes new language which appropriates the funds collected by State Historic Preservation Programs for document reproduction and services and application fees for all expenses necessary to provide the required services.

***Sec. 985. Michigan Housing and Community Development Fund Transfer of Funds – NEW***

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

**MICHIGAN STRATEGIC FUND (MSF)**

***Sec. 1002. Economic Development Job Training (EDJT) Grants – DELETED***

Provides description and direction for Economic Development Job Training Grant Program. Program is eliminated.

***Sec. 1010. Advertising Material – DELETED***

Prohibits MSF funding from being spent on premiums or advertising material involving personal effects or apparel except Travel Michigan.

***Sec. 1023. Tourism Promotion – REVISED***

Revises language to require MSF to coordinate tourism promotion with the tourism industry. Requires annual report, due by July 1, which lists places included in tourism promotion.

***Sec. 1024. Small Business Technology and Development Centers (SBTDC) – REVISED***

Revises language which authorizes the MSF Board to allocate funds from the 21st Century Jobs Trust Fund to Small Business Technology and Development Centers for Small Business Innovation Research/Small Business Technology Transfer Research grant or matching loan programs to include not less than \$1.4 million for the same purpose.

***Sec. 1025. Michigan Aerospace Manufacturers Association Allocation – NEW***

Includes new language which requires \$250,000 to be allocated to the Michigan Aerospace Manufacturers Association for organizational assistance and to advance and promote the aerospace manufacturing community in the state of Michigan.

***Sec. 1028. 21st Century Jobs Trust Fund Limit on Spending – NEW***

Includes new language that would cap the amount that could be awarded or committed to \$25.0 million during the first quarter of the fiscal year.

***Sec. 1029. 21st Century Jobs Trust Fund Spending Reauthorization – NEW***

Includes new language that would provide for a continuation of spending authorization of funds from the 21st Century Jobs Trust Fund authorized by PA 225 of 2005.

***Sec. 1030. Grant to Detroit Institute of Arts – NEW***

Includes language which appropriates up to \$10.0 million from the unreserved general fund/general purpose balance to the MSF as a grant to the Detroit Institute of Arts.

***Sec. 1034. Business Incubators – REVISED***

Includes revised language which stipulates that funding for business incubators be distributed to ten counties or cities. Revised current year language to set aside \$250,000 for Macomb County instead of the city of Detroit. Also changed Ingham County to the city of Lansing. Requires that \$1.3 million in 21st Century Jobs Fund funding be used to fund the listed business incubators.

**TREASURY**

**Major Boilerplate Changes From FY 2009-10**

**Sec. 1035. Michigan Council for Arts and Cultural Affairs (MCACA) Arts and Cultural Grants – REVISED**

Includes language which requires MCACA to administer an arts and cultural grant program that maintains an equitable geographic distribution of funding and utilizes past arts and cultural grant programs as a guideline; requires MCACA to publish application criteria; authorizes MCACA to charge a non-refundable application fee to be used for expenses necessary to administer the programs; requires a report to the legislature which lists all grant recipients and the total award to each, sorted by county.

**FY 2010-11  
Budget Detail  
for  
HUMAN SERVICES**

---

**Community Health  
Corrections  
Human Services**

**COMMUNITY HEALTH**

**COMMUNITY HEALTH  
Summary of FY 2010-11 Enacted Appropriations  
2010 Public Act 187 (Senate Bill 1152)**

**Analysts: Margaret Alston, Susan Frey, and Steve Stauff**

IDG/IDT	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive Revised	FY 2010-11 Senate	FY 2010-11 House	FY 2010-11 Enacted	Difference: Enacted From FY 2009-10 YTD	
						Amount	%
<b>Federal</b>	\$48,946,000	\$54,020,800	\$54,224,300	\$54,224,300	\$54,020,800	\$5,074,800	10.4
ARRA	1,080,092,400	854,977,900	920,178,700	927,383,700	650,327,000	(429,765,400)	(39.8)
Non-ARRA	7,857,901,800	9,022,364,000	8,473,442,300	8,511,571,100	8,823,718,200	965,816,400	12.3
<b>Local</b>	225,972,600	231,643,100	232,374,700	233,837,800	235,104,200	9,131,600	4.0
Private	72,308,500	80,266,800	80,272,500	88,109,300	88,103,600	15,795,100	21.8
<b>Restricted</b>	1,487,808,800	2,196,563,500	1,885,052,500	1,873,881,400	1,851,347,100	363,538,300	24.4
<b>GF/GP</b>	2,304,602,500	2,014,477,300	1,920,421,400	2,023,521,200	2,421,483,700	116,881,200	5.1
<b>Gross</b>	<b>\$13,077,632,600</b>	<b>\$14,454,313,400</b>	<b>\$13,565,966,400</b>	<b>\$13,712,528,800</b>	<b>\$14,124,104,600</b>	<b>\$1,046,472,000</b>	<b>8.0</b>
<b>FTEs</b>	4,380.6	4,371.8	4,360.3	4,390.1	4,398.8	18.2	0.4

Notes: (1) FY 2009-10 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2010-11 Executive Budget on February 11. (2) "ARRA" represents temporary funds received under the federal American Recovery and Reinvestment Act, P.L. 111-5 and the step-down enhanced FMAP extension in P.L. 111-226.

**Overview**

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

<b>Major Budget Changes From FY 2009-10 YTD Appropriations</b>	<b>FY 2009-10 YTD (as of 2/11/10)</b>	<b>Enacted Change From YTD</b>
<b>1. Economic Adjustments</b>	<b>Gross</b>	<b>N/A</b>
Includes a net increase of \$26.5 million gross (\$11.5 million GF/GP) to finance economic adjustments for a 3.0% salary and wage increase for unionized employees, defined benefit and contribution retirement, insurance, workers' compensation, building occupancy, food, and gas, fuel, and utility costs for FY 2010-11. Included in the net increase is the removal of the 3.0% salary and wage and related fringe benefit economic adjustment for non-exclusively represented employees (NEREs) totaling \$4.8 million gross (\$2.0 million GF/GP).	IDG	2,339,800
	Federal	4,821,600
	Restricted	1,619,500
	Local	6,257,400
	Private	(800)
	GF/GP	\$11,510,000
<b>2. Family Support Subsidy Program Caseload Increase</b>	<b>Gross</b>	<b>\$18,599,200</b>
Projecting a 2.6% caseload increase in the Family Support Subsidy Program, TANF funds for this program are increased by \$871,300. This program provides \$222.11 monthly payment to income-eligible families with a child under 18 living at home who is severely mentally impaired, severely multiply impaired, or autistic.	Federal	871,300
	GF/GP	\$0
<b>3. Actuarially Sound Capitation Payment Rates Adjustment</b>	<b>Gross</b>	<b>\$5,495,522,200</b>
Increases capitation payment rates for Health Plan Services and Medicaid Mental Health Services by 0.4% and 1.4%, respectively, and Medicaid Substance Abuse Services by (4.8%) which equates to \$35.0 million gross, \$17.3 million GF/GP to ensure rates are actuarially sound in FY 2010-11. The actuarially sound rates adjustment is considerably lower than the FY 2009-10 adjustment due to changes in Medicaid enrollment and the rebasing of current encounter data for Health Plans and Prepaid Inpatient Health Plans (PIHPs).	Federal	17,662,200
	Local	0
	Restricted	0
	GF/GP	\$17,318,100

**COMMUNITY HEALTH**

<b><u>Major Budget Changes From FY 2009-10 YTD Appropriations</u></b>		<b>FY 2009-10 YTD (as of 2/11/10)</b>	<b>Enacted Change From YTD</b>
<b>4. Mental Health Services for Special Populations Funding</b>	<b>Gross</b>	<b>\$6,823,800</b>	<b>\$50,000</b>
Allocates an additional \$50,000 GF/GP for the Chaldean Chamber Foundation.	GF/GP	\$6,823,800	\$50,000
<b>5. CMH Non-Medicaid Services Reduction</b>	<b>Gross</b>	<b>\$287,468,000</b>	<b>(\$5,435,400)</b>
Reduces administrative funds included in the Community Mental Health (CMH) Non-Medicaid Services appropriation by \$3.8 million GF/GP. Also, reduces funding for non-Medicaid services provided to persons with mental illness and developmental disabilities by \$1.6 million GF/GP. (Sec. 462)	GF/GP	\$287,468,000	(\$5,435,400)
<b>6. Hospital Rate Adjustor Increase for PIHPs</b>	<b>Gross</b>	<b>\$1,970,775,800</b>	<b>\$15,957,400</b>
Adds \$16.0 million gross (\$275,300 GF/GP) to Medicaid Mental Health Services due to an increase in the hospital rate adjustor for Prepaid Inpatient Health Plans (PIHPs) which was established in FY 2009-10. As is the case for Medicaid Health Plans, estimated payments from private inpatient hospitals for mental health services are passed through PIHPs.	Federal	1,443,987,500	11,368,100
	Restricted	8,019,000	4,314,000
	Local	25,228,900	0
	GF/GP	\$493,540,400	\$275,300
<b>7. Freeze on Enrollment in Home and Community-Based Services Waiver</b>	<b>Gross</b>	<b>\$1,970,775,800</b>	<b>(\$8,634,600)</b>
Includes a reduction of \$8.6 million gross (\$2.5 million GF/GP) for Medicaid Mental Health Services as enrollment in the federal Home and Community-Based Services Habilitation Supports Program would be frozen and/or reduced by 300 persons. Under this Medicaid waiver, PIHPs provide services to persons with developmental disabilities who would otherwise need the level of care provided in an Intermediate Care Facility for Mental Health Retardation.	Federal	1,443,987,500	(6,151,300)
	Restricted	8,019,000	0
	Local	25,228,900	0
	GF/GP	\$493,540,400	(\$2,483,300)
<b>8. Community Substance Abuse Prevention, Education, and Treatment Programs Funding Reduction and Fund Shift</b>	<b>Gross</b>	<b>\$82,292,200</b>	<b>(\$636,100)</b>
Includes a reduction of \$1.6 million GF/GP for the Community Substance Abuse Prevention, Education, and Treatment programs line item. Also, one-time carryforward substance abuse licensing/fine revenue of \$950,000 for this line item is replaced with GF/GP. Allocates \$1.0 million GF/GP to enhance the community health outreach program provided by Self-Help Addiction Rehabilitation (SHAR). (Sec. 493)	Federal	65,777,500	0
	Restricted	2,734,200	(950,000)
	GF/GP	\$13,780,500	\$313,900
<b>9. Annualize Forensic Mental Health Services to DOC Costs</b>	<b>Gross</b>	<b>\$45,489,700</b>	<b>\$2,735,000</b>
Adds \$2.7 million to the interdepartmental grant from the Department of Corrections (DOC) to annualize the FY 2009-10 phase-in costs for six outpatient and one residential treatment programs.	IDG	45,489,700	2,735,000
	GF/GP	\$0	\$0
<b>10. Primary Care Services Funding</b>	<b>Gross</b>	<b>\$4,268,800</b>	<b>\$175,000</b>
Includes \$100,000 GF/GP allocation for Beaver, Drummond, and Mackinac Island clinics. Also, restores funding of \$75,000 GF/GP for the Helen M. Nickless Volunteer Clinic which was vetoed by the Governor in the FY 2009-10 budget.	Federal	3,031,400	0
	GF/GP	\$1,237,400	\$175,000
<b>11. Medical Marijuana Program</b>	<b>Gross</b>	<b>\$259,000</b>	<b>\$450,000</b>
Agrees with the Executive's technical adjustment request to include state restricted revenue funding for an additional 5.0 FTE positions for the Health Professions line item to reduce the Medical Marijuana Program's licensing backlog.	Restricted	259,000	450,000
	GF/GP	\$0	\$0

**COMMUNITY HEALTH**

<b><u>Major Budget Changes From FY 2009-10 YTD Appropriations</u></b>		<b>FY 2009-10 YTD (as of 2/11/10)</b>	<b>Enacted Change From YTD</b>
<b>12. Health Systems Administration</b>	<b>Gross</b>	<b>\$20,644,300</b>	<b>\$1,298,700</b>
Agrees with the Executive's technical adjustment request to include federal revenue financing of \$1.3 million for an additional 6.0 FTE positions for the Health Systems Administration line item. The staff is needed for Tier 3 surveyor work of nursing homes and non long-term care facilities. (Sec. 730)	Federal	13,103,200	1,298,700
	Restricted	3,111,500	0
	Private	200,000	0
	GF/GP	\$4,229,600	\$0
<b>13. Healthy Michigan Fund</b>	<b>Gross</b>	<b>\$37,428,200</b>	<b>(\$39,900)</b>
Maintains current year Healthy Michigan Fund appropriations of \$10.9 million for public health projects with a \$39,900 reduction for pregnancy prevention programs, and \$23.1 million for Medicaid which includes a \$3.4 million fund shift to GF/GP to recognize reduced Healthy Michigan Fund revenue.	Restricted	37,428,200	(3,446,500)
	GF/GP	\$0	\$3,406,600
<b>14. Public Health Laboratory Services and Facilities</b>	FTEs	122.0	(13.0)
Reduces public health laboratory services by \$711,800 GF/GP and 7.0 FTEs with elimination of certain testing services for parasitology and mycology (fungal infections). Funding for the Upper Peninsula public health laboratory in Houghton, one of 5 regional laboratories, is reduced from \$600,000 to \$250,000 for planned 2-year transition to local operation of the laboratory; related 6.0 FTEs are eliminated. Sec. 840 is related new boilerplate allocating the Upper Peninsula laboratory funds.	<b>Gross</b>	<b>\$18,439,100</b>	<b>(\$1,061,800)</b>
	IDG	447,100	0
	Federal	1,683,600	0
	Restricted	9,048,100	0
	GF/GP	\$7,260,300	(\$1,061,800)
<b>15. Public Health and Family Health Grants</b>	<b>Gross</b>	<b>N/A</b>	<b>\$6,885,900</b>
Recognizes grant adjustments from federal and private sources for public health and family health programs, including new grants of \$1.2 million, grants that have ended totaling \$6.2 million, and net adjustments to ongoing grants and revenue of \$11.9 million.	Federal	N/A	(3,463,200)
	Private	N/A	10,349,100
	GF/GP	N/A	\$0
<b>16. ARRA and ACA Federal Public Health and Family Health Grants</b>	<b>Gross</b>	<b>\$0</b>	<b>\$7,700,000</b>
Includes \$5.0 million for anticipated federal ARRA public health grants including public health laboratory infrastructure, and electronic medical record and immunization registry information sharing. Also includes \$2.7 million for federal Patient Protection and Affordable Care Act grant funds including public health infrastructure, and maternal, infant and early childhood home visitation.	Federal	0	7,700,000
	GF/GP	\$0	\$0
<b>17. Public Health and Epidemiology Services and Staff</b>	FTEs	N/A	(6.1)
Reduces state funding for public health staff and services for GF/GP savings, including \$453,000 and 3.3 FTE positions in epidemiology and tuberculosis, \$366,300 and 1.0 FTE in infectious disease control, \$199,000 and 1.0 FTE in public health administration, and \$71,100 and 0.8 FTE in injury prevention and chronic disease.	<b>Gross</b>	<b>N/A</b>	<b>(\$1,089,400)</b>
	GF/GP	N/A	(\$1,089,400)
<b>18. Local Public Health Operations Funding</b>	<b>Gross</b>	<b>\$40,082,800</b>	<b>(\$1,000,000)</b>
Reduces GF/GP funding to local public health departments by \$1.0 million for most state-local cost-shared services: immunizations, infectious disease control, sexually transmitted disease control and prevention, food protection, public water supply, private groundwater supply, and on-site sewage management. Hearing and vision screening programs funded by this line item are not affected. Revises the funding line item name from Local Public Health Operations to Essential Local Public Health Services.	Local	5,150,000	0
	GF/GP	\$34,932,800	(\$1,000,000)
<b>19. Traumatic Brain Injury Pilots</b>	<b>Gross</b>	<b>\$0</b>	<b>\$200,000</b>
Restores \$200,000 gross (\$100,000 GF/GP) funding for traumatic brain injury pilot programs vetoed in the prior fiscal year, including related Sec. 1031 boilerplate.	Federal	0	100,000
	GF/GP	\$0	\$100,000

<b><u>Major Budget Changes From FY 2009-10 YTD Appropriations</u></b>		<b>FY 2009-10 YTD (as of 2/11/10)</b>	<b>Enacted Change From YTD</b>
<b>20. Early Childhood Program Placeholder – VETOED</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
Includes \$100 placeholder for the early childhood collaborative secondary prevention program for at-risk families with children 0-3 years old. Funding for the program was vetoed in the prior fiscal year. Governor vetoed the line item.	GF/GP	\$0	\$0
<b>21. Stillbirth Awareness</b>	<b>Gross</b>	<b>\$0</b>	<b>\$50,000</b>
Provides \$50,000 GF/GP for efforts to reduce the incidence of stillbirth including a counting fetal kicks awareness program, and includes related new Sec. 1117 boilerplate to encourage state efforts to reduce the incidence of stillbirth and to allocate the appropriated funds.	GF/GP	\$0	\$50,000
<b>22. Women, Infants, and Children (WIC) Food Program</b>	<b>Gross</b>	<b>\$246,061,500</b>	<b>\$21,143,800</b>
Recognizes net increase of \$21.1 million gross for the WIC special supplemental food and nutrition program for food and administration costs, related to continued increases in program participation and food costs and increased rebate revenue from infant formula manufacturers. A federal WIC nutrition grant of \$175,000 is completed.	Federal	192,815,400	15,783,900
	Private	53,246,100	5,359,900
	GF/GP	\$0	\$0
<b>23. Crime Victim's Rights Fund DHS and MSP Appropriations</b>	<b>Gross</b>	<b>\$2,353,300</b>	<b>(\$2,353,300)</b>
Eliminates state restricted Crime Victim's Rights Fund interdepartmental grant appropriations of \$1.1 million to Michigan State Police and \$1.3 million to Department of Human Services to support certain programs, due to declining balance in the Fund and prioritization of expenditures of the Fund per statute. The Fund has supported these IDGs since FY 2006-07. The lost funds are partially or fully replaced in the DHS and MSP enacted budgets using other revenues.	Restricted	2,353,300	(2,353,300)
	GF/GP	\$0	\$0
<b>24. Aging Programs and Services</b>	FTEs	44.5	(1.0)
Reduces state funding for senior services for GF/GP savings, including: \$1.1 million for community services programs, \$763,200 for senior nutrition services and meals, and \$387,900 for three senior volunteer programs. Reductions represent 8% of the GF/GP funding for these programs. Funding for administration and the Commission on Services to the Aging is reduced by \$92,500 GF/GP and 1.0 FTE.	<b>Gross</b>	<b>\$91,889,400</b>	<b>(\$2,316,800)</b>
	Federal	55,203,900	0
	Private	537,000	0
	Merit Awd	4,468,700	0
	Restricted	1,800,000	0
	GF/GP	\$29,879,800	(\$2,316,800)
<b>25. Nonemergency Transportation and Incontinent Supplies - Title V Eligibles</b>	<b>Gross</b>	<b>\$0</b>	<b>\$1,151,700</b>
Restores \$1,151,700 GF/GP for nonemergency transportation that had been eliminated in FY 2009-10 for Title V Children's Special Health Care Services (CSHCS) eligibles. Incontinent supply funding for Title V CSHCS eligibles was not restored.	GF/GP	\$0	\$1,151,700
<b>26. Medicaid Recovery and Revenue Maximization</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$27,255,600)</b>
Includes net savings of \$7.5 million GF/GP from an increased cost of \$1.5 million gross (\$753,800 GF/GP) for 15.0 FTEs who will be dedicated to Medicaid payment recoveries and revenue maximization, and expected savings of \$28.8 million gross (\$8.3 million GF/GP) within Medicaid program services.	Federal	N/A	(19,737,300)
	GF/GP	N/A	(\$7,518,300)
<b>27. Transitional Medical Assistance Plus Program</b>	<b>Gross</b>	<b>\$3,735,200</b>	<b>(\$3,735,200)</b>
Reduces funding of \$3.7 million GF/GP by eliminating the State support of the Transitional Medical Assistance (TMA) Plus program. TMA Plus provides adults in families with income up to 185% of the federal poverty level (FPL) who are transitioning off from Medicaid, and are no longer eligible for regular TMA, to extend health care coverage for 12 months. Monthly premiums from \$50 to \$110 are paid by the individuals. Approximately 950 eligibles would be affected. Boilerplate language requires DCH to permit TMA eligibles medical coverage at 100% cost share. (Sec. 1603(4))	GF/GP	\$3,735,200	(\$3,735,200)

**COMMUNITY HEALTH**

<b><u>Major Budget Changes From FY 2009-10 YTD Appropriations</u></b>		<b><u>FY 2009-10 YTD</u></b> <b><u>(as of 2/11/10)</u></b>	<b><u>Enacted Change</u></b> <b><u>From YTD</u></b>
<b>28. General Motors Pension FMAP Fix</b>		<b>Gross</b>	<b>N/A</b> <b>\$0</b>
Reduces GF/GP by \$160.0 million which will be offset by an increase in Medicaid Benefits Trust Fund revenue due to an anticipated deposit to the fund related to the correction of a historical Federal Medical Assistance Percentage (FMAP) calculation. The creation by General Motors of a Voluntary Employee Benefits Association (VEBA) in 2006 resulted in artificially low FMAP rates in subsequent years. This payment is authorized by the Children's Health Insurance Program Reauthorization Act (CHIPRA) of 2009, but the final amount is yet to be determined.		Restricted	N/A      160,000,000
		GF/GP	N/A      (\$160,000,000)
<b>29. Medicaid Caseload, Utilization and Inflation Increase</b>		<b>Gross</b>	<b>\$10,662,313,300</b> <b>\$554,186,000</b>
Includes an increase of \$554.2 million gross (\$161.5 million GF/GP) to cover caseload, utilization and inflation changes within Medicaid, Mental Health/Substance Abuse, Children's Special Health Care Services and Federal Medicare Prescription Programs.		Federal	7,872,832,400      392,671,900
		Local	46,068,800      0
		Private	2,100,000      0
		Merit Awd	18,431,200      0
		Restricted	1,279,543,500      0
		GF/GP	\$1,443,337,400      \$161,514,100
<b>30. Medicaid FMAP Federal Stimulus Bill Adjustment</b>		<b>Gross</b>	<b>\$10,662,313,300</b> <b>\$0</b>
Provides an increase of \$429.8 million GF/GP to offset the change from 4 quarters of enhanced federal Medicaid match rates resulting from the American Recovery and Reinvestment Act (ARRA) in FY 2009-10 to one quarter of ARRA and two additional quarters of stepped-down enhanced rates in FY 2010-11.		Federal	7,872,832,400      (429,765,400)
		Local	46,068,800      0
		Private	2,100,000      0
		Merit Awd	18,431,200      0
		Restricted	1,279,543,500      0
		GF/GP	\$1,443,337,400      \$429,765,400
<b>31. Medicare Part D ARRA FMAP Adjustment</b>		<b>Gross</b>	<b>N/A</b> <b>\$0</b>
Includes savings of \$28.8 million GF/GP offset by additional federal ARRA FMAP funds. The funds are available due to a recent determination from the federal Department of Health and Human Services under which the enhanced ARRA FMAP rate will be applied to the State contribution (clawback provision) required by the Medicare Part D drug program.		Federal	N/A      28,826,600
		GF/GP	N/A      (\$28,826,600)
<b>32. Reinstatement of Second DSH Pool</b>		<b>Gross</b>	<b>\$45,000,000</b> <b>\$7,500,000</b>
Provides \$7.5 million gross to fund a second disproportionate share hospital (DSH) payment pool. This pool had been funded in FY 2008-09 at \$5.0 million gross and had been maintained at this level by the Legislature for FY 2009-10, but funding was removed by the Governor's veto. The second DSH pool recipients are unaffiliated hospitals and hospital systems that received less than \$900,000 in DSH payments in FY 2007-08. (Sec. 1699)		Federal	28,435,500      4,739,300
		Restricted	6,114,900      2,760,700
		GF/GP	\$10,449,600      \$0
<b>33. Other Medicaid Fund Source Adjustments</b>		<b>Gross</b>	<b>N/A</b> <b>\$0</b>
Includes \$103.9 million GF/GP to offset \$63.6 million less Merit Award Trust Fund Revenue and \$40.3 million less Medicaid Benefits Trust Fund Revenue.		Federal	N/A      0
		Restricted	N/A      (103,857,700)
		GF/GP	N/A      \$103,857,700
<b>34. Reinstatement of Medicaid Adult Dental and Podiatric Services</b>		<b>Gross</b>	<b>\$0</b> <b>\$20,787,000</b>
Includes \$19.6 million gross (\$5.6 million GF/GP) to reinstate adult Medicaid dental services and \$1.2 million gross (\$353,500 GF/GP) to reinstate adult podiatric services. These services were not included in the FY 2009-10 budget and had been removed in the last quarter of FY 2008-09, pursuant to Executive Order 2009-22.		Federal	0      14,808,600
		GF/GP	\$0      \$5,978,400

<b><u>Major Budget Changes From FY 2009-10 YTD Appropriations</u></b>		<b>FY 2009-10 YTD (as of 2/11/10)</b>	<b>Enacted Change From YTD</b>
<b>35. Nursing Home Transition Savings</b>	<b>Gross</b>	<b>\$2,071,356,400</b>	<b>(\$29,565,000)</b>
Includes nursing home transition savings of \$29.6 million gross (\$8.5 million GF/GP), the result of transitioning 450 additional nursing home occupants to the MIChoice program.	Federal	1,559,697,400	(21,062,100)
	Local	6,883,800	0
	Private	2,100,000	0
	Merit Awd	18,431,200	0
	Restricted	200,781,800	0
	GF/GP	\$283,462,200	(\$8,502,900)
<b>36. School-Based Services</b>	<b>Gross</b>	<b>\$64,630,600</b>	<b>\$26,665,900</b>
The School-Based Services line is increased by \$26.7 million gross (a reduction of \$17.8 million GF/GP) due to additional settlements with schools that provide Medicaid services. The schools provide the State match, with 60% of the federal matching dollars provided to the schools and 40% retained by the State to offset GF/GP.	Federal	64,630,600	44,443,200
	GF/GP	\$0	(\$17,777,300)

**Major Boilerplate Changes From FY 2009-10**

**GENERAL**

**Sec. 284. Prescription Drug Website – VETOED**

Requires DCH to expand its current prescription drug website by July 1, 2011. Funds totaling \$75,000 gross (\$37,500 GF/GP) were included in the Medical Services Administration line item for the costs associated with expanding the drug website.

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

Requires DCH to report on the estimated general fund/general purpose appropriation lapses at the close of the previous fiscal year by no later than December 1, 2011.

**COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS**

**Sec. 462. CMH Non-Medicaid Funding Formula – REVISED**

Requires DCH to continue to utilize the FY 2009-10 funding formula for all Community Mental Health Services Programs (CMHSPs) that receive funds appropriated under the CMH non-Medicaid Services line, with the exception of administrative costs. Also, requires DCH to convene a Workgroup, including CMHSPs, regarding the allocation of the current fiscal year administrative reduction of \$3,797,900.

**Sec. 490. Workgroup on Uniform Standards for Providers Contracting with PIHPs, CMHSPs, and Coordinating Agencies – NEW**

Requires the establishment of a Workgroup that includes representatives of DCH, PIHPs, CMHSPs, substance abuse coordinating agencies, and affected providers to develop a plan to maximize uniformity and consistency in the standards required of providers contracting directly with PIHPs, CMHSPs, and substance abuse coordinating agencies that apply to community living supports, personal care services, substance abuse services and skill-building services. Requires DCH to provide a status report on the Workgroup's effort by June 1, 2011.

**Sec. 491. Habilitation Supports Waiver for Persons with Developmental Disabilities – NEW**

Requires the Department to explore changes in the Habilitation Supports Waiver for persons with developmental disabilities that would permit a slot to become available to a county that has demonstrated a greater need for the services.

**Sec. 492. Mental Health Services to County Jail Inmates – NEW**

Does not allow the Department to prohibit the use of GF/GP dollars by CMHSPs to provide mental health services to inmates of a county jail if a CMHSP has entered into an agreement with a county or county sheriff.

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

**Sec. 603. Forensic Mental Health Provided to the Department of Corrections – REVISED**

Adds subsection (2) that requires the interdepartmental agreement between DCH and DOC to be updated every 3 years and meet the standard of care for the provision of mental health services.

## **COMMUNITY HEALTH**

### **Major Boilerplate Changes From FY 2009-10**

#### ***Sec. 608. Privatization of Food Service and Custodial Services – REVISED***

Requires DCH, in consultation with the Department of Technology, Management and Budget, to establish and implement a bid process to identify 1 or more private contractors to provide food service and custodial services for the administrative areas at any state hospital identified by the DCH as capable of generating a minimum of 7.5% savings through the outsourcing of those services.

#### **PUBLIC HEALTH ADMINISTRATION**

#### ***Sec. 653. Public Health Emergency Planning – NEW***

Requires the Department to develop plans to address potential state public health emergencies.

#### **HEALTH POLICY, REGULATION, AND PROFESSIONS**

#### ***Sec. 727. Outsourcing the Medical Marijuana Program – REVISED***

Requires DCH to establish and implement a bid process to identify a private or public contractor to provide management of the Medical Marijuana Program by October 1, 2010, if authorized by law. Requires DCH to transfer responsibility for management of the program to the contractor identified by the bid process, if authorized by law.

#### ***Sec. 729. Obstetrics and Gynecology Shortage – NEW***

Requires the Department to identify counties in which there are an insufficient number of health professionals providing obstetrical and gynecological services and identify policy or fiscal, or both, measures considered necessary to address the shortage.

#### ***Sec. 730. Outpatient End-Stage Renal Disease Facility – NEW***

Requires DCH to ensure that any Medicare certification survey authorized by the Center for Medicare and Medicaid Services for the expansion of, or the operation of, a new outpatient end-stage renal disease facility to be conducted within 120 days after that authorization as allowed by federal rules, regulations, and instructions.

#### **LOCAL HEALTH ADMINISTRATION AND GRANTS**

#### ***Sec. 902. (2) Enhanced Grants to Local Health Departments for Consolidation – NEW***

Requires the Department to explore ways to permit enhanced local public health operations (now renamed essential local public health services) grants to local public health departments that successfully consolidate.

#### **CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION**

#### ***Sec. 1006. Allocation for Smoking Quit Kits – REVISED***

Modifies language prioritizing use of smoking prevention program funds to reduce the allocation for the quit kit program from \$365,000 to \$100,000.

#### ***Sec. 1007. Violence Prevention Program – REVISED***

Modifies language directing the use of violence prevention funds to be permissive, and to strike prevention of workplace violence as priority programming. Eliminates language allowing DCH to provide funds to local school districts for family violence prevention programs.

#### **FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES**

#### ***Sec. 1112. Allocation for Communities with High Infant Mortality Rates – VETOED***

Requires that DCH allocate up to \$1,000,000 to communities with high infant mortality rates from the prenatal care outreach and service delivery support line item funds. This section relates to the \$100 funding that is vetoed with Sec. 1139.

#### ***Sec. 1139. Nurse Family Partnership Program – VETOED***

Requires that the Department fund the nurse family partnership program from the funds appropriated in part 1 for prenatal care outreach and service delivery support. Veto of Sec. 1139 eliminates related \$100 GF/GP placeholder funding.

#### **CHILDREN'S SPECIAL HEALTH CARE SERVICES**

#### ***Sec. 1204. CSHCS and Medicaid HMOs – REVISED***

Requires the Department to work with the Michigan Association of Health Plans to identify and report on a Medicaid HMO reimbursement methodology for Children's Special Health Care Services (CSHCS) eligibles.

#### ***Sec. 1205. Conditional CSHCS Eligibility – NEW***

Requires the Department to request that families complete a Healthy Kids application if the Department determines that a CSHCS enrollee is likely to qualify for Medicaid or MICHild coverage. If the application is not completed within 3 months of the Department's request the enrollee will be ineligible for participation in the CSHCS program.

**Major Boilerplate Changes From FY 2009-10**

**OFFICE OF SERVICES TO THE AGING**

***Sec. 1404. Area Agencies and Local Provider Fees – REVISED***

Modifies existing language that permits area agencies on aging and local providers to receive and expend fees by allowing fees to be used to maintain services in addition to being used to expand services.

**MEDICAL SERVICES**

***Sec. 1678. MICHild and National School Lunch Act Eligibility – NEW***

Requires the Department to explore the cost to implement automatic enrollment of a child in the MICHild program if the child meets the income criteria for free breakfast, lunch or milk under the National School Lunch Act.

***Sec. 1679. MICHild Mental Health Rate Redetermination – NEW***

Requires the Department to redetermine MICHild program mental health rates based on the most recent encounter data and to pay the CMHSPs rates sufficient to cover costs of MICHild mental health service provision.

***Sec. 1687. Health Insurance for Direct Care Workers – REVISED***

Requires DCH to study the feasibility, impact, and cost of supporting a Medicaid rate enhancement to be used exclusively to fund health care insurance for direct care workers in nursing homes, adult foster care homes, homes for the aged and home- and community-based services programs if the Patient Protection and Affordable Care Act (Health Care Reform) is repealed or overturned.

***Sec. 1786. Low-Day Thresholds for Hospitals – REVISED***

Requires the Department to convene a workgroup to consider reimbursement changes for hospital admissions of less than 24 hours. Any changes adopted by the Department must be budget neutral.

***Sec. 1834. Home- and Community-Based Services Waiver Eligibility for Managed Care Dual Eligibles – NEW***

Requires that individuals eligible for both Medicaid and Medicare who are enrolled in a Medicare Advantage special needs plan shall be eligible for services provided through the home- and community-based services waiver program.

***Sec. 1836. Coverage for Certain Optical Services – NEW***

Requires DCH to expand adult Medicaid optical coverage to medically necessary optical devices and other treatment services when conventional treatments do not provide functional vision correction.

***Sec. 1841. Health Care Reform Fiscal Impact – NEW***

Requires the Department to report on the fiscal impact of federal health care reform legislation on the Department by April 1, 2011.

***Sec. 1842. Hospital Outpatient Medicaid Rate Adjustment – NEW***

Requires the Department, subject to the availability of funds and the hospital qualifying, to adjust outpatient Medicaid reimbursement rates to be the actual cost of delivering outpatient services to that hospital's Medicaid recipients. The term qualifying hospital is defined.

CORRECTIONS

**CORRECTIONS**  
**Summary of FY 2010-11 Enacted Appropriations**  
**2010 Public Act 188 (Senate Bill 1153)**

**Analyst: Robert Schneider**

	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive Revised	FY 2010-11 Senate	FY 2010-11 House	FY 2010-11 Enacted	Difference: Enacted From FY 2009-10 YTD	
						Amount	%
<b>IDG/IDT</b>	\$891,900	\$915,400	\$915,400	\$915,400	\$915,400	\$23,500	2.6
<b>Federal</b>	7,746,100	7,868,500	7,868,500	7,868,500	7,868,500	122,400	1.6
<b>Local</b>	432,700	443,100	443,100	443,100	443,100	10,400	2.4
<b>Private</b>	0	0	0	0	0	0	--
<b>Restricted</b>	43,410,200	82,066,300	82,066,300	80,451,900	80,327,100	36,916,900	85.0
<b>GF/GP</b>	1,903,641,900	1,875,904,500	1,908,576,700	1,993,205,900	1,917,879,500	14,237,600	0.7
<b>Gross</b>	<b>\$1,956,122,800</b>	<b>\$1,967,197,800</b>	<b>\$1,999,870,000</b>	<b>\$2,082,884,800</b>	<b>\$2,007,433,600</b>	<b>\$51,310,800</b>	<b>2.6</b>
<b>FTEs</b>	15,767.1	14,630.3	15,937.5	15,966.0	15,877.5	110.4	0.7
<b>Avg. Pop.</b>	45,433	39,160	46,213	46,689	45,501	68	0.1

Note: FY 2009-10 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2010-11 Executive Budget on February 11.

**Overview**

The Michigan Department of Corrections (MDOC) operates under the codification of correctional statutes established under Public Act 232 of 1953. The MDOC budget funds operation of the state prison system, supervision of parolees and felony probationers, and a variety of offender programs both in prison and in the community. It also funds training of corrections officers and centralized functions of administration, research, and financial operations. Prison construction is funded through the Capital Outlay budget.

**Major Budget Changes From FY 2009-10 YTD Appropriations**

FY 2009-10 YTD  
(as of 2/11/10)      Enacted Change  
From YTD

**1. Prison Operation Savings**

Does not concur with the Governor's proposal to assume \$129.5 million in net savings related to the implementation of "Good Time" sentencing reform legislation that would re-establish "good time" credits against their sentences for prisoners who avoid major misconducts and would eliminate current restrictions on community placement of prisoners. The Executive budget assumed a reduction of 7,529 prisoners on average for FY 2010-11, the closure of 4 to 5 state prisons by October 2010, and the elimination of 1,745 state custody staff positions.

Beds	45,433	(1,188)
FTEs	10,696.0	0.0
<b>Gross</b>	<b>\$1,066,365,800</b>	<b>(\$42,125,400)</b>
Federal	1,409,200	0
Restricted	2,180,500	0
GF/GP	\$1,062,776,100	(\$42,125,400)

Does include \$42.1 million in savings within the appropriations units which fund the state's correctional facilities. The appropriation for each facility is reduced by 3.8% from the revised Executive proposal. Prison population figures are also adjusted to reflect recent census figures.

**2. Regional Administration Consolidation**

Includes \$5.3 million in savings from the consolidation of the department's three regional administrations to two regions. The current Southwestern region will be consolidated with the Southeastern and Northern regions, resulting in a Southern and Northern region structure. Savings are related to the reduction of 54.0 FTE positions from the Southwestern region administration and clinical complexes. Remaining funding for the Southwestern region is transferred to the Southern and Northern regions and to individual facilities in the current Southwestern region.

FTE	405.3	(54.0)
<b>Gross</b>	<b>\$54,798,400</b>	<b>(\$5,300,600)</b>
Restricted	97,500	0
GF/GP	\$54,700,900	(\$5,300,600)

**CORRECTIONS**

<b><u>Major Budget Changes From FY 2009-10 YTD Appropriations</u></b>	<b><u>FY 2009-10 YTD (as of 2/11/10)</u></b>	<b><u>Enacted Change From YTD</u></b>
<b>3. Reduce Guard Tower Staffing at Ryan and Mound Facilities</b>	FTE 594.3	(23.5)
Reduces funding to reflect a reduction in the staffing of guard towers at the Mound Correctional Facility and Ryan Correctional Facility. The towers will be manned only during times of prisoner movement. The closures will result in the elimination of a net 23.5 FTE positions with savings of just under \$1.8 million.	<b>Gross \$55,570,100</b>	<b>(\$1,798,300)</b>
	GF/GP \$55,570,100	(\$1,798,300)
<b>4. Prisoner Health Care: Managed Care Contract</b>	<b>Gross \$95,881,400</b>	<b>(\$6,146,000)</b>
Assumes an \$11.0 million reduction from Executive-recommended level in costs of prisoner health care services delivered through the Department's managed care contract with Prison Health Services Inc. Savings are taken after allowing for an Executive-proposed increase related to inflationary and per-prisoner cost adjustments included in the contract (\$4.9 million). Savings would need to be met through further reductions in the utilization of off-site medical care or through reductions in contract rates paid for medical services.	GF/GP \$95,881,400	(\$6,146,000)
<b>5. County Jail Reimbursement Program</b>	<b>Gross \$0</b>	<b>\$16,572,100</b>
Restores \$16.6 million for county jail reimbursement program which provides state reimbursement to counties that house convicted felons who meet boilerplate criteria in their county jails. Program funding was vetoed in FY 2009-10, but partial-year funding of \$9.7 million was restored through a recent supplemental. Related boilerplate provides that counties choose between the traditional eligibility/reimbursement structure of the program, and the newer tiered reimbursement and eligibility provisions included in the FY 2009-10 supplemental. Budget also increases GF/GP funding to offset declines in restricted revenue available for the program.	Restricted 0	5,900,000
	GF/GP \$0	\$10,672,100
<b>6. Transportation: Supply Chain Efficiency Savings</b>	FTEs 215.6	0.0
Includes \$6.5 million in assumed savings through supply chain management efforts related to transportation services. Cost savings would be achieved through moving toward a regular statewide schedule for transportation runs and other efficiencies that lead to reduced vehicle usage.	<b>Gross \$23,351,600</b>	<b>(\$6,500,000)</b>
	GF/GP \$23,351,600	(\$6,500,000)
<b>7. Food Service: Supply Chain Efficiency Savings</b>	FTEs 423.0	0.0
Includes \$7.6 million in assumed savings through supply chain management efforts related to prison food services. MDOC has established a standardized statewide food menu for the prison population using uniform recipes and portion sizes. These changes are expected to result in reduced storage needs and better leverage in making purchases from vendors.	<b>Gross \$72,611,800</b>	<b>(\$7,590,900)</b>
	IDG 593,500	0
	GF/GP \$72,018,300	(\$7,590,900)
<b>8. New Custody Staff Training</b>	<b>Gross \$250,500</b>	<b>\$3,373,300</b>
Increases funding by \$3.4 million GF/GP to finance training for new corrections officers. The Department anticipates at least 600 corrections officers will retire between now and the end of FY 2011 based on normal attrition rates. The funding increase will allow 200 new officers to complete training. Funding for training had been reduced in recent years from \$11.2 million in FY 2007-08 to \$3.5 million in FY 2008-09 and finally to \$250,500 in FY 2009-10 as facility closures limited the need for new custody staff hiring.	GF/GP \$250,500	\$3,373,300
<b>9. New Parole/Probation Officers for High-Risk Caseloads</b>	FTEs 1,992.6	40.0
Supports 40 new parole/probation officer positions with \$3.2 million GF/GP in order to allow for lower caseload volumes for agents who handle high-risk sex offender caseloads that require greater investigative work and specialized training.	<b>Gross \$171,935,100</b>	<b>\$3,154,600</b>
	GF/GP \$171,935,100	\$3,154,600

**CORRECTIONS**

<b><u>Major Budget Changes From FY 2009-10 YTD Appropriations</u></b>	<b><u>FY 2009-10 YTD (as of 2/11/10)</u></b>	<b><u>Enacted Change From YTD</u></b>
<b>10. Supply Chain Transformation Initiative</b>	<b>Gross</b>	<b>\$1,800,000</b>
Adds \$2.8 million in additional funding for supply chain transformation efforts aimed at achieving long-run savings in food service, transportation, warehousing, prison store and laundry operations, as well as other operational areas of the department.	GF/GP	\$1,800,000 (estimated)
		<b>\$2,800,000</b>
		<b>\$2,800,000</b>
<b>11. Residential Substance Abuse Treatment Programs</b>	<b>Gross</b>	<b>\$19,191,500</b>
Increases funding in the Substance Abuse Testing and Treatment line item by \$5.0 million targeted toward the operation of residential substance abuse treatment programs around the state.	Federal	143,500
	GF/GP	\$19,048,000
		<b>\$5,000,000</b>
		<b>\$5,000,000</b>
<b>12. Interdepartmental Grant Programs – PARTIALLY VETOED</b>	<b>Gross</b>	<b>\$0</b>
Provides \$1.0 million in new grant funding to the Judiciary to support drug treatment courts, \$500,000 for the legislative Office of the Auditor General to provide further oversight over MDOC programs, and \$250,000 for the Legislative Corrections Ombudsman. Also transfers \$100,000 to a new grant line item to Human Services to support two DHS eligibility specialists housed in correctional facilities. Governor vetoed allocation for Office of the Auditor General.	GF/GP	\$0
		<b>\$1,250,000</b>
		<b>\$1,250,000</b>
<b>13. Community Corrections</b>	<b>Gross</b>	<b>\$12,758,000</b>
Increases funding by \$1.2 million GF/GP to provide a 9.4% increase in appropriations for local community corrections programs, which provide local courts with alternative sentencing options to prison and jail.	GF/GP	\$12,758,000
		<b>\$1,200,000</b>
		<b>\$1,200,000</b>
<b>14. Pennsylvania Inmates at Muskegon Correctional Facility</b>	Beds	0
Includes \$29.9 million in new state restricted revenue to come from fees paid by the State of Pennsylvania to operate the Muskegon Correctional Facility to house inmates from that state. New revenue allows Michigan to continue to operate the 1,320-bed facility and retain the 238 staff employed there. Finalized contract calls for Pennsylvania to make \$62 per diem payments to Michigan for each prisoner housed. In addition, Pennsylvania is responsible for the costs of health care provided outside the prison.	FTEs	0.0
	<b>Gross</b>	<b>\$0</b>
	Restricted	0
	GF/GP	\$0
		<b>\$29,871,600</b>
		<b>\$29,871,600</b>
		<b>\$0</b>
		<b>\$0</b>
<b>15. Other Program Enhancements</b>	<b>Gross</b>	<b>N/A</b>
Adds \$500,000 proposed to support established recycling programs within non-profit agencies that include persons transitioning from prison as employees, and provides \$100,000 to allow MDOC to hire a child/adolescent psychiatrist.	GF/GP	N/A
		<b>\$600,000</b>
		<b>\$600,000</b>
<b>16. Central Office Staffing Reductions</b>	FTEs	N/A
Eliminates twelve central office positions within the Executive Office (1.0 FTE), Bureau of Fiscal Management (3.0 FTEs), Office of Legal Services (5.0 FTEs), Field Operations Administration (1.0 FTE), Parole Board operations (1.0 FTE), and Prison Food Service (1.0 FTE).	<b>Gross</b>	<b>N/A</b>
	Restricted	N/A
	GF/GP	N/A
		<b>(12.0)</b>
		<b>(\$1,000,000)</b>
		<b>0</b>
		<b>(\$1,000,000)</b>
<b>17. Mental Health Services: Consolidate Administration and Reduce Pharmacy Costs</b>	FTEs	149.7
Assumes \$10.0 million in savings related to the consolidation of the Department of Community Health's Corrections Mental Health Program into the MDOC. Savings will be partially achieved through the elimination of dual supervision and management positions. In addition, it is anticipated that savings will be achieved in pharmaceutical costs through the use of a single MDOC formulary for mental health pharmaceuticals.	<b>Gross</b>	<b>\$60,112,200</b>
	GF/GP	\$60,122,200
		<b>(\$10,000,000)</b>
		<b>(\$10,000,000)</b>

**CORRECTIONS**

<b><u>Major Budget Changes From FY 2009-10 YTD Appropriations</u></b>	<b><u>FY 2009-10 YTD (as of 2/11/10)</u></b>	<b><u>Enacted Change From YTD</u></b>	
<b>18. Mental Health Services: Residential Treatment and Outpatient Mental Health Teams</b>	FTEs 149.7	0.0	
Provides additional funding to annualize FY 2009-10 budget increases for six additional outpatient mental health teams and for an additional Residential Treatment Program unit. In addition to mental health staff provided through the Department of Community Health, this also includes funding for MDOC custody and support staff assigned to units. FTE authorization for these staff was already added to last year's budget.	<b>Gross \$60,112,200</b>	<b>\$5,401,100</b>	
	GF/GP \$60,122,200	\$5,401,100	
<b>19. Field Operations: GPS tether oversight and usage</b>	FTEs 1,992.6	(20.0)	
Eliminates 20.0 FTE positions within the Field Operations administration related to changes in Department policy regarding oversight of GPS tether units. Responsibility for reviewing GPS maps would move from GPS parole agents to department specialists, reducing agent workload. Department will also review tether protocols to ensure appropriate use.	<b>Gross \$171,935,100</b>	<b>(\$2,805,500)</b>	
	GF/GP \$171,935,100	(\$2,805,500)	
<b>20. Office of Legal Services: Reduce administrative law examiners</b>	FTEs 23.0	(10.0)	
Reduces positions and funding for the Office of Legal Services to reflect changes in Department policy related to prisoner misconduct hearings. Hearings before administrative law examiners would be limited to serious misconduct cases that might involve the reduction of disciplinary credit or placement in administrative segregation. Other less serious cases would be reviewed within the facility through informal hearings.	<b>Gross \$2,583,700</b>	<b>(\$1,054,100)</b>	
	GF/GP \$2,583,700	(\$1,054,100)	
<b>21. Other Budget Reductions</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$7,600,000)</b>
Implements budget reductions in the following areas:	GF/GP	N/A	(\$7,600,000)
▪ Education programs: reduced \$4.0 million to reflect historical lapse in this program, assumed savings from contracting for computer and server maintenance, and assumed savings from a new partnership with the Department of Energy, Labor and Economic Growth related to education programming.			
▪ Michigan Prisoner ReEntry Initiative (MPRI) contracts: reduced \$1.5 million to reflect reduced need for capacity-building and other start-up contracts.			
▪ Jackson steam contract: eliminates \$1.5 million in funding related to contract with Jackson incinerator for steam production; contract not cost effective according to MDOC.			
▪ IT savings: \$600,000 savings associated with conversion to M-1 system.			
<b>22. Economic Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$79,515,600</b>
Includes economic adjustments of:	IDG/IDT	N/A	23,400
▪ \$57.2 million gross, \$56.1 million GF/GP to cover a 3% salary and wage increase for unionized state employees as well as increased employee retirement costs.	Federal	N/A	119,400
▪ \$18.8 million gross, \$18.7 million GF/GP for insurance.	Local	N/A	10,400
▪ \$1.8 million gross and GF/GP for worker's compensation.	Restricted	N/A	1,145,400
▪ \$139,300 gross and GF/GP for building occupancy charges.	GF/GP	N/A	\$78,217,000
▪ \$941,800 gross and GF/GP for food.			
▪ \$729,700 gross and GF/GP for fuel and utilities.			

**Major Boilerplate Changes From FY 2009-10**

**Sec. 204a. Health Care Professionals Compensation Study – NEW**

Requires the Michigan Department of Corrections (MDOC) to work with the Civil Service Commission and Department of Civil Service to review compensation rates for health care professionals who provide direct services to prisoners and to compare compensation with comparable health care professionals in the private sector; requires department to make recommendations to address any disparity.

## **CORRECTIONS**

### **Major Boilerplate Changes From FY 2009-10**

#### ***Sec. 212. Quarterly FTE Report and Online Expenditure Information – NEW***

Requires quarterly report on the number of FTEs in pay status by civil service classification; requires MDOC to develop and maintain website listing all expenditures within a fiscal year, including the purpose of the expenditure.

#### ***Sec. 235. Cost Reduction Strategies – NEW***

Establishes legislative intent that the MDOC reduce expenditures by following recommendations outlined in specified reports from the Office of the Auditor General, and by continuing the supply chain transformation utilizing a contract with a supply chain external resource.

#### ***Sec. 236. Revenues from Sale of Scott Correctional Facility – NEW***

Establishes legislative intent that from revenue resulting from the sale of the Scott Correctional Facility, sufficient funds shall be appropriated to MDOC to reimburse Michigan State Industries for costs related to the construction of the Industries Building, which was operated on that site by Michigan State Industries.

#### ***Sec. 410(3). Residential Substance Abuse Treatment Programs – REVISED***

Increases the maximum per diem reimbursement for community corrections residential services from \$47.50 to \$48.50 for facilities that have been accredited by the American Corrections Association or a similar organization as approved by MDOC. Maximum per diem remains \$47.50 for non-accredited facilities.

#### ***Sec. 414. County Jail Reimbursement Program (CJRP) – RESTORED***

Restores language guiding the CJRP program. Language was vetoed in FY 2009-10 budget. Language is revised to provide counties with the option of electing one of two eligibility/reimbursement standards. The first standard incorporates the provisions of the FY 2010 supplemental that restored partial-year program funding, including the provision of a three-tiered reimbursement rate with a \$60 per diem for diverted offenders with presumptive prison guideline scores, a \$50 per diem for those with a straddle cell guideline for a group one crime, and a \$35 per diem for those with a straddle cell guideline for a group two crime. The second standard includes the more traditional eligibility requirements and a flat \$43.50 per diem reimbursement rate as was in effect during FY 2008-09.

Also establishes a reimbursement committee review of payments for eligible claims under the new tiered reimbursement standard, and requires the State Budget Office to request a transfer from other MDOC line items if there appears to be a shortfall in funding.

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

Expands eligible purposes for the use of funds to include jail diversion for felony drunk drivers who would have been sentenced to jail and whose lower limit of the minimum sentencing guideline range is one year or less, whose upper limit of the range is more than 18 months, and whose prior record variable score is less than 35 points.

#### ***Sec. 418. State Identification and Birth Certificates – REVISED***

Requires MDOC to collaborate with the State Court Administrative Office to seek changes to Michigan Court Rules that would require the court to collect relevant identification at sentencing from persons being admitted into the corrections system; requires collaboration with Department of State to develop an achievable list of documents necessary to obtain driver's license or state ID for use by prisoners before discharge or parole; requires cooperation with Department of Community Health to create and maintain a process through which prisoners can obtain Michigan birth certificates and requires MDOC assistance in obtaining out-of-state certificates.

#### ***Sec. 422. MPRI Programs and Services – REVISED***

Establishes legislative intent that Michigan Prisoner ReEntry Initiative (MPRI) programs be maintained as standard operating procedure within the MDOC from prisoner entry into the system until re-entry into the community. New language clarifies that services should focus on moderate- to high-risk individuals, and that special in-prison programming be provided to individuals who were paroled, have returned to prison, and will be eligible for parole again. Also adds that MPRI services shall include basic computer skills training.

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

Allocates \$500,000 to one or more non-profit agencies with established public utility asset recovery recycling programs, and requires hiring at least 45% returning citizens through the funded program. Requires programs to be administered by Michigan-chartered non-profit corporations with documented entrepreneurial social enterprise expertise in creating employment opportunities for parolees.

**Major Boilerplate Changes From FY 2009-10**

***Sec. 434. Employment Projects in High-Crime Neighborhoods – NEW***

Establishes legislative intent that MDOC work with Department of Energy, Labor and Economic Growth, Michigan State Housing Development Authority, and local government officials to implement employment-related projects for at-risk young adults, probationers, and parolees in high-crime neighborhoods with incarceration rates of at least 45%; requires MDOC to work with Department of Human Services (DHS) and Superintendent of Public Instruction to recommend programs that offer academic, counseling, and social support to children of incarcerated parents. In her signing letter, Governor noted the requirements imposed on DHS and the State Superintendent may be unconstitutional as appropriations for these departments are not contained in the act.

***Sec. 505(2). Mental Health Awareness Training – NEW***

Requires all staff having direct prisoner contact and employed within correctional facilities to attend at least one mental health awareness training session. New language extends the current boilerplate requirements which only apply to custody staff.

***Secs. 507 through 509. Interdepartmental Grants – PARTIALLY VETOED***

New sections provide guidance on the purpose of the interdepartmental grants appropriated in the MDOC budget: \$1.0 million to Judiciary for drug treatment courts; \$500,000 for Legislative Auditor General for MDOC oversight activities; and \$250,000 to Legislative Corrections Ombudsman for MDOC oversight. The allocation for the Legislative Auditor General in Section 508 was vetoed by the Governor.

***Sec. 615. Parole Board Review of Inmates Sentenced to Life with Possibility of Parole – NEW***

Requires the parole and commutations board, after it has reviewed the cases of all inmates sentenced to life imprisonment with the possibility of parole who have good institutional records and pose low risk to the community, to provide an explanation to the Legislature as to why those who score “high probability of release” are not being paroled.

***Sec. 803. Mental Health Services for Prisoners – NEW***

Requires MDOC to use recognized performance standards and measures of quality to conduct periodic performance reviews of all mental health contracts. Requires renegotiation of contracts at least once every 3 years.

***Sec. 807. Prisoner Medications During Transfers and Release from Facilities – REVISED***

Requires MDOC to ensure that all medications for a prisoner be transported with that prisoner during any transfer to another facility and requires the provision of at least a 30-day supply of medication and a prescription for refills when prisoners are released from prison.

***Sec. 813. Monitoring of Drug Utilization for Prisoner Health Care – NEW***

Requires MDOC to collaborate with Department of Community Health to monitor and document drug utilization for prisoner health care services. Includes examination of drug utilization patterns and cost-cutting strategies used by corrections systems in other states, and requires report to Legislature on other states in this regard.

***Sec. 814. Availability of Psychotropic Drugs – NEW***

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

***Sec. 913. Programming as a Condition of Parole – REVISED***

Establishes legislative intent that any prisoner required to complete an assaultive offender, sexual offender, or other program as a condition of parole be transferred to a facility where such programs are available in order to allow timely completion prior to expiration of his or her minimum sentence. Current law required transfer when possible and dealt only with assaultive offender programs.

***Sec. 924. Evaluation of Prisoners at Intake for Mental Health Issues – REVISED***

Current law requires evaluation for substance abuse disorders, developmental disorders, and serious mental illness. Revised language adds “other mental health disorders” and revises references to seclusion to “therapeutic seclusion”.

***Sec. 927. Use of Maxey/Woodland Center Correctional Facility – REVISED***

Requires MDOC to enter into an intergovernmental agreement with the Department of Human Services to place offenders less than 19 years of age who are committed to MDOC into underutilized units at the Maxey/Woodland Center Correctional Facility. Current law requires MDOC to examine the potential of such an agreement. In her signing letter, Governor noted the requirements imposed on DHS may be unconstitutional as appropriations for DHS are not contained in the act.

***Sec. 929. Placement of Young Prisoners with Mental Illness – REVISED***

Current law provides guidelines for placement of prisoners less than 19 years of age who have serious mental illness or a developmental disorder. Revised language includes those with “serious emotional disturbance”.

## **CORRECTIONS**

### **Major Boilerplate Changes From FY 2009-10**

#### ***Sec. 933. Learning Management Pilot Programs – VETOED***

Appropriates \$50,000 for two pilot programs for a secure, scalable inmate learning management tool to improve prisoner job skills and assist in GED work. The pilots would be housed on a single secure server for use in one state prison and one county jail. The section was vetoed by the Governor.

#### ***Sec. 934. Prison Industries Pilot Program – NEW***

Requires MDOC to establish a pilot program for the manufacturing of textiles and clothing in at least one state correctional facility.

**HUMAN SERVICES**  
**Summary of FY 2010-11 Enacted Appropriations**  
**2010 Public Act 190 (House Bill 5882)**

Analysts: Kevin Koorstra and Bob Schneider

IDG/IDT	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive Revised	FY 2010-11 House	FY 2010-11 Senate	FY 2010-11 Enacted	Difference: Enacted From FY 2009-10 YTD	
						Amount	%
<b>Federal</b>	\$2,426,600	\$1,130,300	\$1,130,300	\$1,130,300	\$1,230,300	(\$1,196,300)	(49.3)
ARRA	406,411,700	811,419,100	817,002,900	819,002,900	774,767,800	368,356,100	90.6
Non-ARRA	4,551,061,200	5,127,936,600	5,151,279,200	5,114,685,600	5,140,056,800	588,995,600	12.9
Local	37,498,800	35,204,800	40,864,200	35,164,600	33,925,700	(3,573,100)	(9.5)
Private	10,209,700	14,483,500	9,491,500	9,491,500	14,483,500	4,273,800	41.9
Restricted	57,015,400	65,762,600	58,219,700	58,049,600	60,433,500	3,418,100	6.0
GF/GP	852,297,600	994,228,400	934,528,200	916,456,100	924,018,100	71,720,500	8.4
<b>Gross</b>	<b>\$5,916,921,000</b>	<b>\$7,050,165,300</b>	<b>\$7,012,516,000</b>	<b>\$6,953,980,600</b>	<b>\$6,948,915,700</b>	<b>\$1,031,994,700</b>	<b>17.4</b>
FTEs	10,911.5	11,959.5	11,990.5	10,976.5	11,869.5	958.0	8.8

Notes: (1) FY 2009-10 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2010-11 Executive Budget on February 11. (2) "ARRA" represents temporary funds received under the federal American Recovery and Reinvestment Act.

**Overview**

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

**Major Budget Changes From FY 2009-10 YTD Appropriations**

FY 2009-10 YTD Enacted Change  
(as of 2/11/10) From YTD

**1. Child Welfare Improvements: Staffing Increases**

Increases child welfare staffing levels to meet more stringent caseload-to-worker ratios as required in the Children's Rights settlement agreement. By the beginning of FY 2011-12, child welfare cases to direct care staff have to be at a ratio of 15:1. Annualizes cost of staff added during FY 2009-10. Also annualizes the cost of 189 staff proposed for FY 2010 through a supplemental appropriation request. Funding for new staff added to support 160 child welfare staff for whole year and 335 child welfare staff for only last quarter of FY 2010-11. Conference reduces funding for new staff by \$3.7 million under the assumption that the new staff cannot all be hired and on board for whole fiscal year.

FTEs	N/A	684.0
<b>Gross</b>	<b>N/A</b>	<b>\$47,838,600</b>
Federal	N/A	10,727,600
GF/GP	N/A	\$37,111,000

Positions	New FTEs
Child protective services workers	417
Foster care workers	71
Adoption support workers	82
Education planners	14
First-line supervisors	161
Permanency planning specialists	(54)
POS contract monitoring unit	(7)
<b>TOTAL STAFF</b>	<b>684</b>

**HUMAN SERVICES**

<b><u>Major Budget Changes From FY 2009-10 YTD Appropriations</u></b>	<b><u>FY 2009-10 YTD</u></b>	<b><u>Enacted Change</u></b>
	<b><u>(as of 2/11/10)</u></b>	<b><u>From YTD</u></b>
<b>2. Child Welfare Improvements: Private Agencies</b>	<b>Gross</b>	<b>N/A</b>
Increases funding for private foster care and adoption services administration to move foster care and adoption casework to private agencies. For adoption services, all cases will be transferred to private supervision with DHS oversight. Within foster care, the adjustment provides for a 15% increase in cases handled by private agencies during the last quarter of FY 2010-11. Transfer of cases is intended to help local DHS foster care case workers meet the cases to direct care staff ratio of 15:1 as required in the Children's Rights settlement agreement.	Federal	\$7,693,500
	GF/GP	1,812,300
		\$5,881,200
<b>3. Child Welfare Improvements: Other Services</b>	<b>Gross</b>	<b>N/A</b>
Increases IT costs to upgrade the child welfare information systems (\$10.5 million); extends foster care, adoption and guardianship benefits to the age of 20 (\$7.2 million); increases strong families/safe children by \$5.9 million in one-time federal funds; and increases GF/GP by \$300,000 to fund the legal expenses of the lawsuit plaintiffs, Children's Rights. Also assumes program savings by removing Needs Assessment funding (\$4.0 million) and use of residential placements to reflect savings from mental health in-home waiver (\$3.6 million).	Federal	\$16,242,100
	Local	12,935,200
	GF/GP	(142,900)
		\$3,449,800
<b>4. Private Adoption Agencies – VETOED</b>	FTEs	7.2
Increases funding to restore the special adoption contract (\$1.0 million) and to provide a 36% rate increase to adoption rates (\$6.7 million). Legislature intended for funding to assist with the Children's Rights Settlement Agreement requirement that direct care staff have a case-to-worker ratio of 15:1. Funding was vetoed in FY 2009-10. Governor vetoed both increases.	<b>Gross</b>	<b>\$0</b>
	Federal	\$23,969,700
	GF/GP	9,098,900
		0
		\$14,870,800
		\$0
<b>5. Public Per Diem Fund Shift</b>	<b>Gross</b>	<b>\$0</b>
Replaces \$6.1 million in local funding with GF/GP as a result of not implementing a \$40 public per diem for DHS child welfare administrative costs included in the FY 2009-10 budget. The Governor deemed the proposal to be unenforceable and reverses the fund shift. (See boilerplate Sections 546 and 547.)	Local	\$0
	GF/GP	(6,112,400)
		\$6,112,400
<b>6. Emergency TANF Funding: Family Independence Program</b>	<b>Gross</b>	<b>\$379,058,900</b>
Budget assumes the availability of \$280.4 million in one-time Temporary Assistance for Needy Families (TANF) revenue for FY 2009-10 and FY 2010-11 from a prior-year carryforward and from the projected receipt of \$232.6 million in Emergency TANF Contingency Fund (ETCF) revenue from the federal government through ARRA. Executive proposes to utilize the revenue for both program enhancements and to offset GF/GP funding in FY 2010-11 as well as in a FY 2009-10 supplemental request (6/2/10 SBO letter). FY 2010-11 allocations are outlined in the next several items.	TANF	\$328,870,100
	ETCF	0
	Restricted	(197,064,900)
	GF/GP	34,870,000
		196,263,800
		0
		\$801,100

First, the available ETCF revenue would help to avoid further GF/GP costs within the Family Independence Program (FIP), which provides cash assistance to low-income families with children. Around \$196.3 million in ETCF and carryforward revenue will replace regular TANF carryforward in the program, avoiding the need to add \$196.3 million in GF/GP to maintain the program. This cost avoidance results in \$189.8 million in direct GF/GP savings to the budget, while another \$5.7 million in GF/GP is redirected to help fund limited-term field staff and \$770,900 million in GF/GP is redirected to help fund increased printing and postage costs related to the Bridges eligibility system.

<b><u>Major Budget Changes From FY 2009-10 YTD Appropriations</u></b>	<b><u>FY 2009-10 YTD</u></b> <b><u>(as of 2/11/10)</u></b>	<b><u>Enacted Change</u></b> <b><u>From YTD</u></b>	
<b>7. <i>Redirected Emergency TANF Funding: Other Budget Items</i></b>	<b>Gross</b>	<b>N/A</b>	<b>\$10,106,800</b>
Provides \$4.1 million in ETCF revenues and \$2.0 million in food assistance administration ARRA funds to fund additional rent costs and facility maintenance needs. The availability of ETCF revenue removes the need to add GF/GP funding for these purposes. Additionally, \$770,900 in GF/GP savings created through the use of ETCF revenue in the FIP line item (see item 6 above) is used for increased printing and postage costs related to the Bridges eligibility system and to higher public assistance caseload levels.	ARRA	N/A	6,047,500
	Other Fed	N/A	3,288,400
	GF/GP	N/A	\$770,900
<b>8. <i>Limited-Term Field Staff</i></b>	FTEs	200.0	100.0
Shifts GF/GP savings created through the use of ETCF in the FIP line item (see item 6 above) to support the maintenance of 200 limited-term eligibility specialist positions added in the FY 2009-10 budget and to support an additional 100 limited-term field staff positions. Staff intended to assist with high caseload and application levels. Of the 100 new positions, funding is available to hire 50 positions for the last 3 quarters of the fiscal year, and 50 positions are funded for the last half of the fiscal year. The 200 eligibility specialist positions were funded partially with one-time non-matched federal food assistance revenues from the ARRA stimulus. Thus, additional GF/GP is needed to maintain the positions for FY 2010-11.	<b>Gross</b>	<b>\$11,516,200</b>	<b>\$4,874,100</b>
	Federal	8,887,800	(792,000)
	GF/GP	\$2,628,400	\$5,666,100
<b>9. <i>Emergency TANF Funding: JET-Plus Program</i></b>	<b>Gross</b>	<b>N/A</b>	<b>\$8,500,000</b>
Provides \$8.5 million in additional ETCF for the Jobs, Education, and Training Plus (JET-Plus) Program, which is less than the \$17.0 million requested by the revised Executive proposal. The program would provide support services, basic education, specialized training programs, and subsidized employment opportunities with the goal of moving persons receiving public assistance into self-sufficiency. Initial funding for the program in the Department of Energy, Labor and Economic Growth budget was eliminated through previous Executive Order budget reductions.	ETCF	N/A	8,500,000
	GF/GP	N/A	\$0
<b>10. <i>Emergency TANF Funding: Redirected Funding from JET-Plus – PARTIAL VETO</i></b>	<b>Gross</b>	<b>N/A</b>	<b>(\$2,000,000)</b>
Redirects ETCF proposed in the original Executive Request for JET-Plus program, using \$16.5 million to offset GF/GP, \$5.0 million to fund the vetoed in-home incentive program which is assumed to create \$5.0 million in GF/GP savings in the child care fund line item, \$3.0 million to fund the vetoed Before- and After-School grants, and \$25,000 to fund the vetoed Michigan After-School Partnership. Governor vetoed federal funding for the in-home incentive and Michigan After-School Partnership.	ETCF	N/A	19,475,000
	GF/GP	N/A	(\$21,475,000)
<b>11. <i>Emergency TANF Funding: Employment and Training</i></b>	<b>Gross</b>	<b>\$14,735,000</b>	<b>\$0</b>
Rejects Executive proposal to use \$4.8 million in additional ETCF revenue in a FY 2009-10 supplemental (2/11/10 SBO letter) to hire 197 additional field staff positions. (This original request by the Executive has since been replaced.) Conference does not concur with hiring the field staff during FY 2009-10, and uses that funding to offset GF/GP in the Employment and Training Support Services line item.	ETCF	0	4,823,000
	Other Fed	7,635,000	0
	GF/GP	\$7,100,000	(\$4,823,000)

**HUMAN SERVICES**

<b><u>Major Budget Changes From FY 2009-10 YTD Appropriations</u></b>	<b>FY 2009-10 YTD (as of 2/11/10)</b>	<b>Enacted Change From YTD</b>
<b>12. Public Assistance Caseloads</b>	<b>Gross \$3,416,000,000</b>	<b>\$633,284,100</b>
Increases funding for public assistance programs by \$633.3 million over year-to-date levels. The largest increase (\$630.0 million) is provided for the Food Assistance Program (FAP) to fund an average caseload of 1,029,000. FAP benefits are 100% federally funded so there is no GF/GP impact. The Family Independence Program (FIP) increases by \$46.9 million to fund an average caseload of 82,000. State Disability Assistance (SDA) increases \$813,000 to fund an average caseload of 10,750. SSI supplementation decreases \$1.8 million to fund 245,640 cases. Child Development and Care decreases \$42.7 million to fund 28,710 cases.	Federal 3,230,408,200	600,357,500
	Restricted 47,298,300	0
	GF/GP \$138,293,500	\$32,926,600
<b>13. Food Assistance Program Benefit Increase</b>	<b>Gross \$2,696,807,000</b>	<b>\$266,331,900</b>
Increases FAP benefits for groups not eligible to claim the standard utility allowance by adding \$1.00 in federal LIHEAP funds to their EBT cards. On average, this group of FAP cases will see a monthly benefit increase of \$88.	Federal 2,694,207,000	266,331,900
	Restricted 2,600,000	0
	GF/GP \$0	\$0
<b>14. Enrolled Child Development and Care</b>	<b>Gross \$111,570,400</b>	<b>(\$12,088,300)</b>
Reduces federal funding in the enrolled child development and care line by \$12.1 million. Enrolled providers are required to either complete a one-time basic training requirement or be disenrolled. Reduction assumes not all currently enrolled providers will complete the basic training requirement by the time the requirement takes effect. Federal funding is used to offset GF/GP in the FIP line item.	Federal 95,346,300	0
	GF/GP \$16,224,100	(\$12,088,300)
<b>15. Inspector General - Front End Eligibility</b>	FTEs 99.0	36.0
Adds 36 additional inspector general staff on January 1, 2011 to expand the Front End Eligibility (FEE) program statewide (\$2.9 million). Expansion of FEE statewide projected to create \$16.4 million in cost avoidance over both the DHS and DCH budgets by not approving applications of persons found to be ineligible through FEE. Program savings in the DHS budget include FIP, Child Development and Care, and Food Assistance Program.	<b>Gross \$6,044,000</b>	<b>(\$7,753,400)</b>
	Federal 4,633,900	(3,788,600)
	GF/GP \$1,410,100	(\$3,964,800)
<b>16. Child Welfare Caseloads</b>	<b>Gross \$649,711,300</b>	<b>(\$23,435,400)</b>
Reduces overall appropriations for child welfare program caseloads by \$23.4 million. Foster care payments decrease by \$21.3 million to fund an average caseload of 7,312. Adoption subsidy payments decrease \$5.7 million to fund an average caseload of 28,105. Child care fund increases by \$3.6 million (or 1.7%) to reflect caseload projection.	Federal 388,094,300	(42,575,900)
	Local 14,684,500	4,705,500
	Private 2,650,000	(850,000)
	GF/GP \$244,282,500	\$15,285,000
<b>17. CCDF ARRA Funds</b>	<b>Gross \$0</b>	<b>\$0</b>
Increases GF/GP by \$16.7 million to offset one-time Child Care and Development (CCDF) ARRA funds. Michigan is allocated \$58.7 million in CCDF ARRA of which \$7.4 million was appropriated in FY 2008-09 and \$51.3 million was appropriated in FY 2009-10 to offset GF/GP in other areas of the budget.	CCDF (ARRA) 21,076,500	(16,656,700)
	GF/GP (\$21,076,500)	\$16,656,700
<b>18. Electronic Benefit Transfer (EBT)</b>	<b>Gross \$6,433,500</b>	<b>\$6,575,500</b>
Increases contractual payments to administer EBT payments for cash and food assistance. FAP transaction activity has increased, resulting in higher costs related to administering EBT payments. Increase uses food assistance administration ARRA funds to offset GF/GP that would be needed without these one-time federal funds.	Federal 3,402,200	6,425,900
	GF/GP \$3,031,300	\$149,600

**HUMAN SERVICES**

<b><u>Major Budget Changes From FY 2009-10 YTD Appropriations</u></b>	<b><u>FY 2009-10 YTD (as of 2/11/10)</u></b>	<b><u>Enacted Change From YTD</u></b>
<b>19. Federal Funding Increases</b>	FTEs 24.0	3.0
Increases federal Weatherization funds by \$9.0 million, Community Services Block Grant by \$1.4 million, and adds 2.0 FTEs for administration of those two programs (\$191,300). Also increases refugee services by \$6.5 million, and adds federal funding for 1.0 FTE within the Office of Inspector General (\$95,700).	<b>Gross \$62,325,800</b>	<b>\$17,182,800</b>
	Federal 62,325,800	17,182,800
	GF/GP \$0	\$0
<b>20. Rape Prevention and Services</b>	FTEs 0.0	0.5
Recognizes \$1.0 million in civil infraction fee revenue earmarked by 2008 PA 546 to support victims of sexual assault and provides \$1.0 million in additional GF/GP in order to redirect TANF to support rape prevention services. These revenues offset the elimination of a \$1.3 million grant in the Department of Community Health budget from the Crime Victim's Rights Fund for these services.	<b>Gross \$2,600,000</b>	<b>\$700,000</b>
	IDG 1,300,000	(1,300,000)
	Federal 1,300,000	0
	Restricted 0	1,000,000
	GF/GP \$0	\$1,000,000
<b>21. Child Advocacy Centers</b>	FTEs 0.0	0.5
Recognizes civil infraction fee revenue earmarked in 2008 PA 544 to support child advocacy centers throughout the state. The Domestic Violence and Treatment board will administer the funding to support victims of child sexual abuse.	<b>Gross \$0</b>	<b>\$1,000,000</b>
	Restricted 0	1,000,000
	GF/GP \$0	\$0
<b>22. Disability Determination, SSI Advocacy, and SSI Recoveries – PARTIAL VETO</b>	FTEs 556.9	175.0
Increases federal funding by \$21.8 million to hire 175 FTEs for disability determinations to address backlog of individuals waiting for final determination. Reduces private contract for SSI legal advocacy by \$975,000. These new FTEs are projected to generate \$2.0 million in GF/GP savings from SDA caseload reductions, and \$2.5 million in GF/GP savings from additional SSI recoveries in the SDA line item. Governor vetoed remaining \$300,000 in funding for private SSI legal advocacy.	<b>Gross \$86,039,700</b>	<b>\$18,629,600</b>
	IDG 291,600	0
	Federal 82,755,500	21,813,300
	Restricted 702,000	2,450,000
	GF/GP \$2,290,600	(\$5,633,700)
<b>23. Employment and Training Programs</b>	<b>Gross N/A</b>	<b>(\$3,504,900)</b>
Offsets \$11.4 million in GF/GP with TANF cut from the DELEG Welfare-to-Work line item, and reduces GF/GP \$3.5 million from not funding Michigan Rehabilitation Services programming out of the employment and training support services line item.	Federal N/A	11,400,000
	GF/GP NA	(\$14,904,900)
<b>24. Food Stamp Reinvestment</b>	FTEs 31.8	(29.0)
Reduces GF/GP by \$2.5 million and FTEs by 31.8 from food stamp reinvestment line item. Funding is not needed in FY 2010-11 as DHS is in compliance with federal food assistance program error rate thresholds. Transfers \$150,000 in GF/GP and 2.8 FTEs from food stamp reinvestment line item to local office field staff.	<b>Gross \$2,500,000</b>	<b>(\$2,200,000)</b>
	Federal 0	150,000
	GF/GP \$2,500,000	(\$2,350,000)
<b>25. Child Care Fund</b>	<b>Gross \$216,872,000</b>	<b>\$1,164,100</b>
Increases GF/GP \$1.2 million to reflect a policy change allowing Wayne County to retain all, rather than 50%, of federal Title IV-E earnings related to its eligible costs.	Federal 116,569,900	0
	GF/GP \$100,302,100	\$1,164,100
<b>26. Juvenile Justice Facility Adjustments</b>	FTEs 204.0	(24.0)
Annualizes savings from the January 2010 closures of Nokomis Challenge Center (\$1.2 million) and the community juvenile justice centers (\$687,000); reduces funding for Maxey Training School by \$2.0 million and by 24 FTEs; and replaces local school aid funding with GF/GP based on continued declines in the number of youth at the facilities (\$771,900).	<b>Gross \$25,764,000</b>	<b>(\$3,933,200)</b>
	Federal 1,943,400	(222,000)
	Local 13,489,200	(2,678,100)
	GF/GP \$10,331,400	(\$1,033,100)

**HUMAN SERVICES**

<b><u>Major Budget Changes From FY 2009-10 YTD Appropriations</u></b>		<b><u>FY 2009-10 YTD (as of 2/11/10)</u></b>	<b><u>Enacted Change From YTD</u></b>
<b>27. Zero to Three and IV-B Carryforward</b>	<b>Gross</b>	<b>\$3,843,800</b>	<b>\$0</b>
Replaces TANF funding for Zero to Three programs with \$3.8 million in one-time federal Title IV-B carryforward revenue and assumes \$2.0 million in TANF funding for FY 2009-10 Zero to Three programming will not be spent. The TANF lapse and IV-B carryforward will be used to offset GF/GP elsewhere in the budget. Program will be restructured to focus on high-need families in urban areas.	TANF	3,843,800	2,000,000
	IV-B	0	3,843,800
	GF/GP	\$0	(\$5,843,800)
<b>28. Other Program Increases – PARTIAL VETO</b>	<b>Gross</b>	<b>N/A</b>	<b>\$6,831,900</b>
Increases funding for Mi Bridges (\$5.0 million), to create a customer service resource center (\$850,000), medical/psychiatric evaluations (\$531,900), Conductive Learning Center (\$300,000), YouthVille Detroit (\$100,000), Kent and Muskegon County crisis prevention (\$50,000) and 2-1-1 (\$50,000). Governor vetoed funding for Kent and Muskegon crisis prevention.	Federal	N/A	56,200
	Private	NA	5,000,000
	GF/GP	NA	\$1,775,700
<b>29. Other Program Eliminations and Reductions</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$5,503,000)</b>
Reduces State Disbursement Unit contract savings (\$2.9 million), guardianship assistance through reduced caseload projection (\$1.6 million), projected child care training and oversight lapse (\$500,000), volunteer services (258,800). Eliminates MSU kinship care earmark (\$200,000).	Federal	N/A	(2,401,500)
	GF/GP	N/A	(\$3,101,500)
<b>30. Fee Revenue Reduction</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$657,200)</b>
Reduces fee revenues related to boilerplate Sections 309 and 911 allowing licensing fees for child care organizations and charging an annual \$25 child support fee charged to the custodial parent, respectively. \$2.7 million in GF/GP is used to offset the reduction in fee revenue.	Restricted	N/A	(3,382,200)
	GF/GP	N/A	\$2,725,000
<b>31. Information Technology</b>	<b>Gross</b>	<b>\$128,164,300</b>	<b>\$7,899,400</b>
Increases information technology funding to extend contracted “Bridges” system support (\$9.0 million) and to integrate the Law Enforcement Information Network (LEIN) system into “Bridges” (\$300,000). Costs are offset from Child Support IT contract savings (\$1.0 million), offsetting GF/GP with child support fee revenue carryforward (\$1.0 million), administrative savings (263,800), and DTMB consolidation savings (136,800).	Federal	96,860,200	4,589,800
	Restricted	0	1,000,000
	GF/GP	\$31,304,100	\$2,309,600
<b>32. Medicaid Match Rate Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$0</b>
Increases \$1.2 million in GF/GP appropriations as a result of projected adjustments to the Federal Medical Assistance Percentage (FMAP) rate. This rate is used to determine federal cost sharing within several DHS programs, including foster care, adoption subsidies, and day care. Around \$7.3 million in GF/GP savings is attributable to the increase in the base FY 2009-10 FMAP rate from 63.19% to 65.79%. These savings are offset by \$8.5 million in new GF/GP costs that result from the ARRA-related FMAP rate increase of 6.2 percentage points being available for only the first quarter rather than for the full fiscal year. The ARRA FMAP increase is phased down to 3.2 percentage points in the second quarter and 1.2 percentage points in the third quarter and then phased out in the last quarter.	Federal	N/A	881,800
	Restricted	N/A	(2,085,900)
	GF/GP	N/A	\$1,204,100

<b><u>Major Budget Changes From FY 2009-10 YTD Appropriations</u></b>	<b><u>FY 2009-10 YTD (as of 2/11/10)</u></b>	<b><u>Enacted Change From YTD</u></b>
<b>33. Economic Adjustments</b>	<b>Gross</b>	<b>N/A</b>
Increases funding by \$38.9 million to cover the cost of a 3% salary and wage increase for state employees, as well as adjustments for insurance, retirement, and worker's compensation costs. Increase includes economic adjustments for staff within DTMB for IT support and within DELEG for State Office of Administrative Hearings and Rules. The adjustments do not include funding to cover a 3% salary and wage increase for not exclusively represented employees (NEREs) which was rejected by the State Civil Service Commission.		<b>\$38,874,800</b>
	IDG	3,700
	Federal	25,266,600
	Local	754,800
	Private	150,000
	Restricted	10,000
	GF/GP	\$12,689,700

**Major Boilerplate Changes From FY 2009-10**

**GENERAL SECTIONS**

**Sec. 205. Hiring Freeze – DELETED**

Specifies details of a hiring freeze on state classified civil service employees, provides exceptions to the hiring freeze only with State Budget Director's approval, and requires a quarterly report on the number of exceptions.

**Sec. 225. Lease Cancellation – NEW**

Requires the department to cancel the lease at 14000 Schoolcraft Avenue, Detroit, MI effective November 30, 2010.

**Sec. 288. Time Limits on Provider Payments – VETOED**

Prohibits DHS from establishing time limits on payments to providers for purchased services that have been properly documented by the provider; requires DHS to use GF/GP if federal claims cannot be made.

**Sec. 289. Overdue Foster Care Payments – NEW**

Requires DHS to pay private child placing agencies and child caring institutions all verified overdue payments for foster care services provided to youth under contract.

**Sec. 291. Michigan Home Based Child Care Council Report – NEW**

Requires DHS to report on the money DHS provides to the MHBCCC related to administrative costs as well as money transferred to the MHBCCC related to union dues.

**Sec. 292. Child Development and Care Report – NEW**

Requires DHS to report the number of child care providers eligible for CDC subsidies on October 1, 2008 and on October 1, 2010.

**EXECUTIVE OPERATIONS**

**Sec. 309. Licensing Fees for Child Care and Adult Foster Care Organizations – DELETED**

Provides that DHS shall assess fees on child care organizations and adult foster care facilities, with revenue used to finance licensing and regulatory activities.

**ADULT AND FAMILY SERVICES**

**Sec. 423. Crisis Prevention and Food Assistance Outreach Programs – PARTIAL VETO**

Requires DHS to allocate \$75,000 to Barry County for domestic violence prevention; \$100,000 to support a food stamp hotline for elderly citizens who may be eligible for food assistance; and \$50,000 for food aid outreach projects in Kent and Muskegon Counties. Earmarks for Barry, Kent, and Muskegon Counties were vetoed.

**CHILDREN'S SERVICES**

**Sec. 503. Adoption Subsidy Payment Continuance – REVISED**

Revises guidelines for the continuance of adoption subsidy payments for families with adopted children who have not earned a high school diploma or GED, but are making progress toward completion. Concurs with new Executive language that allows payments to continue until the child's twentieth birthday if he or she was adopted at age 16 or later.

**Sec. 507. Foster Care Private Collections – NEW**

Allows DHS to satisfy appropriations deductions with private collections for services provided in prior fiscal years.

**Sec. 517. Zero to Three Program – REVISED**

Concurs with Executive in revising program criteria for the Zero to Three Program by language specifying the program is to be administered through the Children's Trust Fund, and eliminating various program guidelines.

## **HUMAN SERVICES**

### **Major Boilerplate Changes From FY 2009-10**

#### ***Sec. 540. Foster Care Treatment and Group Homes – NEW***

Requires DHS to issue a request for proposals for treatment foster care and group homes no later than January 1, 2011.

#### ***Sec. 546. Foster Care Rates – REVISED***

Maintains language establishing an administrative rate of \$37.00 per day for foster care services and \$28.00 per day for general independent living services for private child placing agencies, and setting rates for specialized independent living to be at least as high as the rates in FY 2008-09. Eliminates language regarding the sharing of per diem costs between the state and counties on a 75/25 basis for children not eligible for Title IV-E funding. Governor's FY 2009-10 signing letter stated the cost sharing mandated by the section was unenforceable to the degree that it conflicts with existing state statute.

#### ***Sec. 547. Foster Care Public Administrative Per Diem – DELETED***

Establishes a \$40.00 administrative rate per day for publicly supervised foster care cases. Provides that the per diem would be shared between the state and counties at a rate of 75% state and 25% county for children not eligible for Title IV-E funding. Governor's FY 2009-10 signing letter stated the cost sharing mandated by the section was unenforceable to the degree that it conflicts with existing state statute.

#### ***Sec. 565. Family Preservation Funding for Wayne County – REVISED***

Reduces Wayne County allocation of family preservation funding from \$2.0 million to \$1.6 million. Funding supports home-based programs as part of county expansion of community-based services for delinquent and abused/neglected youth.

#### ***Sec. 573. Special Adoption Contracts – VETOED***

Restores language vetoed in FY 2009-10 that provides \$1.0 million to support contracts with adoption agencies that place long-term permanent wards who have been wards for over one year after termination of parental rights. Agencies would receive \$16,000 for each finalized placement.

#### ***Sec. 581. Adoption Agency Contract Rates – VETOED***

Restores language vetoed in FY 2009-10 that establishes a rate structure for adoption agencies, increasing rate payments by 36% over the existing rate schedule. Language specifies the new funding is intended to assist agencies in order to comply with new Children's Rights settlement caseload requirements of 15 cases per worker.

#### ***Sec. 586. Purchase of Services (POS) Monitors and Caseload Ratios – REVISED***

Requires DHS to request a modification of Children's Rights settlement agreement to permit department to ensure that 95% of purchase of service monitors have caseloads of no more than 90 cases. Also requires new evaluation of the effectiveness of the purchase of service monitoring function.

#### ***Sec. 587. In-Home Care Incentive Program – VETOED***

Restores language vetoed in FY 2009-10 that establishes a Child Care Fund In-Home Care Incentive Program to encourage counties to utilize in-home care services rather than out-of-home placements. Program would provide 75% state reimbursement for any increased costs in this area.

#### ***Sec. 588. Reports from Children's Rights Lawsuit Settlement Monitor – NEW***

Concurs with Executive language which requires DHS to transmit all reports from the court-appointed settlement monitor to the Appropriations Subcommittees and other stakeholders concurrent with their public release. Requires monthly reporting on subsidized guardianship program and foster care waiver program for children with serious emotional disturbances.

#### ***Sec. 589. Restrictions on Transfer of Foster Care Cases to Private Supervision – NEW***

Prohibits the Department from transferring foster care cases from DHS supervision to private agency supervision where the case requires a county contribution to the private agency administrative rate.

## **PUBLIC ASSISTANCE**

#### ***Sec. 613(2). Indigent Burial Pilot Program – NEW***

Restores language vetoed in FY 2009-10 budget which permits the DHS to establish a regional or statewide indigent burial pilot program that would reimburse funeral directors for the cremation of deceased indigent persons not claimed by a responsible party.

#### ***Sec. 671. Child Development and Care Sanction Policy – NEW***

Requires DHS to develop and implement a sanctions policy that applies to criminal and fraudulent behavior in the Child Development and Care program.

**Major Boilerplate Changes From FY 2009-10**

**Sec. 672. Report on Electronic Benefit Transfer Card Abuse – NEW**

Requires DHS to report on efforts to reduce inappropriate utilization of Bridge cards by program recipients.

**Sec. 675. Child Development and Care Services Rate Structure – REVISED**

Outlines the rate structure to be used by DHS in reimbursing child development and care providers that provide services to eligible families, including two tiers for enrolled providers with the higher tier being available to the enrolled providers who complete annual training. Language is revised to add infant and toddler incentive bonus for enrolled providers from Section 640, which is also tiered to completion of training.

**Sec. 683. SSI Advocacy Contract with Legal Services Association of Michigan – VETOED**

Allocation for SSI advocacy services provided through the Legal Services Association of Michigan (LSAM) is reduced from \$1,275,000 to \$300,000. New language requires DHS to refer cases to LSAM if DHS cannot provide SSI legal assistance. Referral shall notify clients that LSAM may be eligible to receive a portion of the client's SSI lump-sum payment as authorized by MCL 400.44.

**Sec. 696. Chaldean Community Foundation – VETOED**

Allocates \$100 to the Chaldean Community Foundation for translation, health care, tutoring, mentoring, and refugee resettlement services. Section was vetoed, funding for the Chaldean Community Foundation was appropriated in a FY 2009-10 supplemental (2010 PA 193).

**JUVENILE JUSTICE SERVICES**

**Sec. 726(2). Residential Provider Per Diem Rates and Rate Floor – REVISED**

Increases floor funding from \$130 per day to \$137 per day for providers of residential services for both juvenile justice and abuse/neglect youth.

**LOCAL OFFICE SERVICES**

**Sec. 756. Limited-Term Eligibility Specialists – NEW**

Provides that funding appropriated for limited-term field staff, salaries and wages be expended to support 100 new limited-term eligibility specialist positions. Authorization is contingent, however, on establishment of customer service resource center as required in Section 754.

**Sec. 757. Need for and Allocation of Bilingual Caseworkers – NEW**

Requires DHS to collect county data to evaluate whether interpreter services are provided at a sufficient level and whether the allocation of current interpreters across counties is appropriate.

**CHILD SUPPORT ENFORCEMENT**

**Sec. 904. Prohibition Against Charge-Back to Counties for Services – DELETED**

Prohibits DHS from charging back to counties any fees paid to Internal Revenue Service or Department of Treasury related to tax intercept and offset programs for child support enforcement.

**Sec. 911. Child Support Annual Fee – DELETED**

Requires DHS to implement a \$25 annual fee to be deducted from support collected on behalf of individuals served by the program. Elimination of this authorization to charge the fee would require DHS to pay the federal government its share of the fee revenue from state funding.

**COMMUNITY ACTION AND ECONOMIC OPPORTUNITY**

**Sec. 1104. Community Action Agency TANF Allocation – VETOED**

Earmarks \$500,000 for Earned Income Tax Credit (EITC) education and outreach contracts. Establishes preferences for receipt of funds.



**FY 2010-11  
Budget Detail  
for  
RESOURCE PROTECTION**

---

**Agriculture  
Natural Resources and Environment**

**AGRICULTURE**

**AGRICULTURE  
Summary of FY 2010-11 Enacted Appropriations  
2010 Public Act 166 (House Bill 5875)**

**Analyst: William E. Hamilton**

IDG/IDT	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive Revised	FY 2010-11 House	FY 2010-11 Senate	FY 2010-11 Enacted	Difference: Enacted From FY 2009-10 YTD	
						Amount	%
<b>Federal</b>							
ARRA	22,300	0	0	0	0	(22,300)	(100.0)
Non-ARRA	15,531,100	14,766,400	14,769,900	14,757,600	14,922,600	(608,500)	(3.9)
<b>Local</b>							
Private	0	0	0	0	0	0	--
Restricted	243,200	260,100	260,100	260,100	260,100	16,900	6.9
<b>GF/GP</b>							
Gross	33,809,600	33,343,600	32,492,100	30,579,400	30,679,400	(3,130,200)	(9.3)
	30,050,500	28,619,600	29,381,600	30,297,100	30,297,100	246,600	0.8
<b>Gross</b>	<b>\$80,369,000</b>	<b>\$77,278,700</b>	<b>\$77,192,800</b>	<b>\$76,183,300</b>	<b>\$76,448,300</b>	<b>(\$3,920,700)</b>	<b>(4.9)</b>
<b>FTEs</b>	573.0	459.9	460.4	458.5	458.5	(114.5)	(20.0)

Note: FY 2009-10 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2010-11 Executive Budget on February 11.

**Overview**

The Department of Agriculture's mission is "to protect, promote, and preserve the agricultural interests of the people of the State of Michigan." Key department programs and priorities include: ensuring food safety and security; consumer protection including enforcement of standard weight/measures and product labeling laws; protecting animal health and welfare; pesticide regulation; control of plant pests and invasive species; environmental stewardship programs.

<b>Major Budget Changes From FY 2009-10 YTD Appropriations</b>		<b>FY 2009-10 YTD (as of 2/11/10)</b>	<b>Enacted Change From YTD</b>
<b>1. Accounting Service Center</b>	<b>Gross</b>	<b>\$0</b>	<b>\$878,300</b>
Authorizes reimbursement of the Michigan Department of Transportation for accounting support; reflects consolidation and transfer of accounting functions and related funding/FTEs to MDOT.	GF/GP	\$0	\$878,300
<b>2. Departmentwide - Rent and Building Occupancy</b>	<b>Gross</b>	<b>\$421,100</b>	<b>\$621,100</b>
Increase from current year better reflects actual building occupancy costs. The appropriation includes no GF/GP revenue; the restricted funds appropriated may not be fully supported by actual revenue. Building occupancy costs not supported by actual revenue are charged to department program lines.	Federal	153,400	311,000
	Restricted	267,700	310,100
	GF/GP	\$0	\$0
<b>3. Food and Dairy - Food/Milk Safety and Quality Assurance</b>	FTEs	115.0	(8.0)
Retains \$100,000 increase in restricted dairy inspection fee revenue added in FY 2009-10 to reflect 2010 amendments to Grade A Milk Law and Manufacturing Milk Law. Also includes \$165,000 federal USDA grant for country-of-origin inspections. Budget does not include a \$500,000 increase in dairy fees proposed by the Executive. Appropriates \$9.2 million in GF/GP revenue, the largest use of GF/GP revenue in this budget.	<b>Gross</b>	<b>\$12,539,700</b>	<b>\$464,400</b>
	Federal	470,500	188,200
	Restricted	3,139,100	24,400
	GF/GP	\$8,930,100	\$251,800

Unrolls what had been a single line item into two lines, *Food safety and quality assurance* and *Milk safety and quality assurance*.

<b><u>Major Budget Changes From FY 2009-10 YTD Appropriations</u></b>	<b><u>FY 2009-10 YTD</u></b> <b><u>(as of 2/11/10)</u></b>	<b><u>Enacted Change</u></b> <b><u>From YTD</u></b>
<b>4. Animal Industry - Animal Health and Disease Response</b>	FTEs 70.0	(2.0)
Rolls up what had been two separate line items, <i>Animal Health and Welfare</i> , and <i>Bovine Tuberculosis</i> , into a single <i>Animal Health and Disease Response</i> line item. The columns to the right compare the combined current year line items with the new rolled up line item. Budget eliminates \$75,000 IDG related to Cervid fees; no actual revenue is available to support this IDG.	<b>Gross \$9,651,400</b>	<b>(\$177,200)</b>
	IDG 75,000	(75,000)
	Federal 1,273,500	17,700
	Restricted 246,000	7,800
	GF/GP \$8,056,900	(\$127,700)
Appropriates \$7.9 million GF/GP revenue, the second largest use of GF/GP within this budget.		
<b>5. Pesticide and Plant Pest Management (PPPM)</b>	FTEs 110.0	(16.0)
Reduces FTE count by 16.0 to better align with actual. Reduces federal USDA and EPA grant revenue to better reflect actual. Appropriates \$4.0 million in GF/GP revenue; GF/GP support had been \$6.6 million in FY 2000-01.	<b>Gross \$11,929,300</b>	<b>(\$582,300)</b>
	Federal 2,549,600	(530,100)
	Private 152,600	13,800
	Restricted 5,211,800	(77,600)
	GF/GP \$4,015,300	\$11,600
Retains \$200,000 in pesticide dealer license fee revenue in the base. This restricted revenue was used to replace GF/GP in the FY 2007-08 budget, based on the anticipated passage of 2008 PA 18. The fee generated no additional revenue in FY 2007-08 and only \$17,700 in actual revenue in FY 2008-09.		
<b>6. Emerald Ash Borer Program</b>	FTEs 24.5	(14.5)
Appropriates \$2.1 million reflecting continuing reduction in federal support for this program; appropriation had been as much as \$25.0 million in FYs 2003-04 and 2004-05.	<b>Gross \$3,034,200</b>	<b>(\$895,700)</b>
	Federal 3,034,200	(895,700)
<b>7. Producer Security/Grain Dealer Licensing</b>	FTEs 0.0	4.0
In FY 2009-10 this line item was in the Executive direction appropriation unit, funded with all restricted funds at \$238,500. Moved to the PPPM appropriation unit, the enacted budget reflects economic increase of \$14,100 (restricted), and adds \$300,000 GF/GP to baseline program.	<b>Gross \$0</b>	<b>\$552,600</b>
	Restricted 0	252,600
	GF/GP \$0	\$300,000
<b>8. Environmental Stewardship</b>	FTEs 27.0	(27.0)
Appropriates only \$94,400 for this line, using \$41,700 federal, and \$52,700 restricted, with no GF/GP funding or FTE positions. The reduction reflects the unrolling of several programs into separate line items, as shown below, including MEAEP, Right-to-Farm, and Intercounty Drains. In addition, all funding for the Migrant Labor Housing inspection program is now reflected in a single programmatic line item, as shown in Item #13 below.	<b>Gross \$2,582,500</b>	<b>(\$2,488,100)</b>
	IDG 445,400	(445,400)
	Federal 39,500	2,200
	Restricted 160,400	(107,700)
	GF/GP \$1,937,200	(\$1,937,200)
General fund support for the entire <i>Environmental Stewardship</i> appropriation unit, including MAEAP, Right-to-Farm, Intercounty Drains, and Migrant Labor Housing is \$1.4 million – GF/GP funding for comparable <i>Environmental Stewardship</i> programs had been \$3.7 million in FY 2000-01.		
<b>9. Michigan Agriculture Environmental Assurance Program (MAEAP)</b>	FTEs 0.0	3.0
Unrolls the program into a separate line with \$262,000 GF/GP funding and 3.0 FTE positions. In the current year, the program had been funded at \$586,400 GF/GP with 5.0 FTE positions, within the <i>Environmental Stewardship</i> line item.	<b>Gross \$0</b>	<b>\$262,000</b>
	GF/GP \$0	\$262,000
<b>10. Right to Farm</b>	FTEs 0.0	3.0
Unrolls the program into a separate line with \$407,100 GF/GP funding and 3.0 FTE positions.	<b>Gross \$0</b>	<b>\$504,300</b>
	IDG 0	97,200
	GF/GP \$0	\$407,100

**AGRICULTURE**

<b><u>Major Budget Changes From FY 2009-10 YTD Appropriations</u></b>	<b><u>FY 2009-10 YTD</u></b>	<b><u>Enacted Change</u></b>
	<b><u>(as of 2/11/10)</u></b>	<b><u>From YTD</u></b>
<b>11. <i>Intercounty Drains</i></b>	FTEs	0.0
Unrolls the program into a separate line with \$416,100 GF/GP funding and 3.0 FTE positions.	<b>Gross</b>	<b>\$0</b>
	GF/GP	\$416,100
<b>12. <i>Local Conservation Districts</i></b>	<b>Gross</b>	<b>\$0</b>
Includes \$100 placeholder. General fund support for Local conservation districts had been \$2.8 million in FY 2000-01.	GF/GP	\$100
<b>13. <i>Migrant Labor Housing</i></b>	FTEs	0.0
Consolidates inspection program (by transfer from <i>Environmental Stewardship</i> line) with federal housing grant program. Retains \$110,000 funding from \$5 per occupant migrant labor housing inspection fee established in 2010 PA 13 and 2010 PA 14, but does not include proposed \$25 increase in the inspection fee.	<b>Gross</b>	<b>\$425,100</b>
	Federal	400,000
	Restricted	25,000
	GF/GP	\$100
<b>14. <i>Laboratory Services</i></b>	FTEs	63.0
Reduces FTE count to better align with actual. Appropriation includes \$2.5 million GF/GP – GF/GP funding for this program had been \$4.0 million in FY 2000-01.	<b>Gross</b>	<b>\$5,893,100</b>
	IDG	189,100
	Federal	916,200
	Restricted	2,330,600
	GF/GP	\$2,457,200
<b>15. <i>Consumer Protection Program</i></b>	FTEs	51.0
Reduces FTE count to better align with actual. Reflects economic adjustments of \$260,700 Gross; \$100 GF/GP. Line item supports motor fuel quality program, weights and measures, and metrology laboratory. Restricted revenue includes \$3.0 million from the Refined petroleum fund. The fee that supports the Refined petroleum fund is set to sunset on December 31, 2010; the budget assumes extending the sunset.	<b>Gross</b>	<b>\$5,237,400</b>
	Restricted	5,236,900
	GF/GP	\$500
<b>16. <i>Agriculture Development</i></b>	FTEs	6.0
Reduces FTE count to better align with actual and baseline GF/GP reduction. Appropriation includes \$298,200 GF/GP – GF/GP funding had been \$915,000 FY 2000-01.	<b>Gross</b>	<b>\$2,177,000</b>
	Private	10,900
	Federal	1,579,300
	Restricted	259,500
	GF/GP	\$327,300

**Major Budget Changes From FY 2009-10 YTD Appropriations**

**FY 2009-10 YTD Enacted Change  
(as of 2/11/10) From YTD**

**17. Horse Racing Programs**

Agriculture Equine Industry Development Fund (AEIDF) support for horse racing programs is shown below:

**Gross \$2,955,581 \$470,119**  
**Restricted 2,955,581 470,119**

	<b>Current YTD*</b>	<b>FY 2010-11</b>
Purses and supplements - fairs/licensed tracks	\$815,280	\$764,300
Licensed tracks - light horse racing	4,544	42,600
Standardbred (SB) breeders' awards	131,058	312,500
SB purses/supplements - licensed tracks	306,832	577,000
SB sire stakes	278,640	261,200
SB training and stabling	12,400	11,600
Thoroughbred owners' awards	42,640	39,900
Thoroughbred program (unrolled into two separate lines)	634,756	
Thoroughbred supplements - licensed tracks		387,000
Thoroughbred breeders awards		387,000
Thoroughbred sire stakes	285,520	267,600
Distribution of outstanding winning tickets	443,911	375,000
<b>Total</b>	<b>\$2,955,581</b>	<b>\$3,425,700</b>

\* Note YTD figures are as of 9/30/2010 and reflect negative supplemental appropriation 2010 PA 66 (HB 5407) which reduced appropriations to reflect available revenue.

**18. Office of Racing Commissioner**

Reflects the transfer of this office to the Michigan Gaming Control Board (MGCB). The related funding from the AEIDF was also transferred to the MGCB in the General Government budget.

**FTEs 10.0 (10.0)**  
**Gross \$1,785,000 (\$1,785,000)**  
**Restricted 1,785,000 (1,785,000)**

**19. Economics**

State Budget Office had originally identified \$3.2 million for economic increases: \$857,200 for employee salary and wages, \$528,900 for insurances, \$1.2 million for retirement contributions, \$31,600 for workers' compensation, and \$621,100 for building occupancy charges. The increase in building occupancy better reflects actual department building occupancy costs, which have been under-appropriated. In addition, the budget recognizes \$82,800 in economic increases related to information technology.

**Gross N/A \$3,241,300**  
**IDG N/A 3,400**  
**Federal N/A 917,000**  
**Private N/A 16,900**  
**Restricted N/A 1,147,200**  
**GF/GP N/A \$1,156,800**

Note that these computed economic increases will be partially offset by an estimated \$399,100 in savings from the Civil Service Commission's rejection of a proposed 3% pay increase for non-represented employees.

**Major Boilerplate Changes From FY 2009-10**

**Sec. 407. Earmark for Dairy Inspection Programs – NOT INCLUDED**

The enacted budget separates dairy inspection program into new line item for FY 2010-11 and thus does not need boilerplate earmark.

**Sec. 552. Provisions Regarding Invasive Species – NEW**

Requires Department to evaluate methods of limiting transport of invasive species on shipping pallets; requires report.

**Sec. 553. Earmark for Export Inspections – NEW**

Earmarks \$200,000 in PPM to ensure commodity export inspections.

**AGRICULTURE**

**Major Boilerplate Changes From FY 2009-10**

***Sec. 803. Thoroughbred Program Escrow – MODIFIED***

Provides for “escrowing” of funds for thoroughbred program; updated to reflect 2009-10 and 2010-11 fiscal years. The Governor’s signing statement indicated that the section was unenforceable in that it attempted to amend other Michigan statutes by reference, a violation of Section 25, Article IV of the Constitution.

***Sec. 804. Michigan Gaming Control Board (MGCB) – NEW***

Requires MGCB to use actual expenditure data in determining regulatory costs. Governor’s signing statement indicated that the section was outside the scope of the bill and was thus unenforceable.

**NATURAL RESOURCES AND ENVIRONMENT**  
**Summary of FY 2010-11 Enacted Appropriations**  
**2010 Public Act 189 (Senate Bill 1161)**

Analyst: Viola Bay Wild

	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive Revised	FY 2010-11 Senate	FY 2010-11 House	FY 2010-11 Enacted	Difference: Enacted From FY 2009-10 YTD	
						Amount	%
<b>IDG/IDT</b>	\$12,322,900	\$11,217,300	\$12,401,300	\$12,517,700	10,521,900	(\$1,801,000)	(14.6)
<b>Federal</b>	252,998,700	261,097,200	260,191,100	261,331,500	261,615,200	8,616,500	3.4
<b>Local</b>	0	0	0	0	0	0	--
<b>Private</b>	6,040,000	6,509,100	6,486,300	6,509,100	6,509,100	469,100	7.8
<b>Restricted</b>	396,617,100	397,500,800	391,635,000	398,191,300	399,012,800	2,395,700	0.6
<b>GF/GP</b>	43,949,400	41,800,000	41,341,500	40,797,400	41,309,400	(2,640,000)	(6.0)
<b>Gross</b>	<b>\$711,928,100</b>	<b>\$718,124,400</b>	<b>\$712,055,200</b>	<b>\$719,347,000</b>	<b>\$718,968,400</b>	<b>\$7,040,300</b>	<b>1.0</b>
<b>FTEs</b>	3,712.0	3,674.5	3,674.5	3,678.5	3,675.5	(36.5)	(1.0)

Note: FY 2009-10 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2010-11 Executive Budget on February 11.

**Overview**

The Department of Natural Resources and Environment (DNRE) was created on January 17, 2010 by Executive Order 2009-45, which ordered the merger of the Department of Natural Resources and the Department of Environmental Quality. Through its natural resources programs, the DNRE 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 historical programs and museums. The Department's environmental programs support environmental protection, conservation, cleanup and redevelopment programs and regulatory efforts established to protect, restore, and reuse Michigan's air, water, and land resources.

<u>Major Budget Changes From FY 2009-10 YTD Appropriations</u>		<u>FY 2009-10 YTD (as of 2/11/10)</u>	<u>Enacted Change From YTD</u>
<b>1. Department Consolidation Savings</b>	FTE	N/A	(5.0)
Reduces funding by \$356,000 Gross and GF/GP for consolidation savings. Savings of \$200,000 generated from the elimination of 5.0 unclassified FTEs; rent savings total \$156,000.	<b>Gross</b>	<b>N/A</b>	<b>(\$356,000)</b>
	GF/GP	N/A	(\$356,000)
<b>2. GF/GP Reductions</b>	FTE	N/A	(16.5)
Reduces GF/GP funding for administrative reductions by \$1.0 million and eliminates 16.5 FTEs. Major reductions taken in State Historical Programs (\$394,300), Wildlife (\$151,000), Mackinac Island Park Commission (\$134,100), General Law Enforcement (\$116,800), and IT (\$103,900). Additional \$590,600 GF/GP reduction taken throughout various line items.	<b>Gross</b>	<b>N/A</b>	<b>(\$1,626,600)</b>
	GF/GP	N/A	(\$1,626,600)
<b>3. Water Program GF/GP Reductions</b>	FTE	N/A	(13.0)
Eliminates 13.0 FTEs and reduces \$1.3 million GF/GP in water programs.	<b>Gross</b>	<b>N/A</b>	<b>(\$1,299,400)</b>
	GF/GP	N/A	(\$1,299,400)
<b>4. Pittman-Robertson Federal Funding</b>	<b>Gross</b>	<b>N/A</b>	<b>\$555,000</b>
Increases federal authorization in Communications and Law Enforcement line items for additional federal Pittman-Robertson funding.	Federal	N/A	555,000
<b>5. State Forest Campgrounds</b>	FTE	51.0	(3.0)
Includes \$323,900 GF/GP reduction and elimination of 3.0 FTE positions to the forest recreation program. Savings will come from keeping 12 state forest campgrounds closed, reducing ski trail grooming, and decreasing pathway maintenance.	<b>Gross</b>	<b>\$4,924,000</b>	<b>(\$323,900)</b>
	Restricted	4,360,100	0
	GF/GP	\$563,900	(\$323,900)

**NATURAL RESOURCES AND ENVIRONMENT**

<b><u>Major Budget Changes From FY 2009-10 YTD Appropriations</u></b>		<b><u>FY 2009-10 YTD (as of 2/11/10)</u></b>	<b><u>Enacted Change From YTD</u></b>
<b>6. Restricted Funds Reduction</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$3,460,900)</b>
Reduces authorization for Game and Fish Fund - Deer Habitat, Snowmobile Registration Fees, and Marine Safety Fund to align with anticipated revenues.	Restricted	N/A	(3,460,900)
<b>7. Brownfield Redevelopment</b>	<b>Gross</b>	<b>\$5,500,000</b>	<b>(\$5,500,000)</b>
Reduces funding for brownfield redevelopment grants and loans by \$5.5 million to eliminate one-time supplemental funding from previous year.	Restricted	5,500,000	(5,500,000)
<b>8. Additional Funding Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$30,700</b>
Reduces private funding authorization to align with revenues (\$75,900); increases State Parks Improvement Bond debt service (\$6,600); appropriates \$100,000 for public use and replacement deed program previously appropriated through boilerplate.	Private	N/A	(75,900)
	Restricted	N/A	106,600
<b>9. Waste and Hazardous Materials Funding</b>	<b>Gross</b>	<b>N/A</b>	<b>\$0</b>
Replaces GF/GP support for Hazardous Waste Management with restricted funding from the Hazardous Materials Transport Permit Fund.	Restricted	N/A	400,000
	GF/GP	N/A	(\$400,000)
<b>10. Michigan Historical Programs</b>	<b>Gross</b>	<b>N/A</b>	<b>\$698,800</b>
Increases funding for Michigan Historical programs to align with actual expenditures and revenue; authorizes expenditures previously made by boilerplate; includes admission fees to Michigan Historical Museum.	Federal	N/A	349,900
	Private	N/A	500,000
	Restricted	N/A	(151,100)
<b>11. Aquatic Nuisance Control (ANC) Program</b>	FTE	N/A	1.0
Includes \$100,000 GF/GP funding and 1.0 additional FTE to fund additional staff for ANC program.	<b>Gross</b>	<b>N/A</b>	<b>\$100,000</b>
	GF/GP	N/A	\$100,000
<b>12. Cormorant Control</b>	<b>Gross</b>	<b>\$0</b>	<b>\$50,000</b>
Includes \$50,000 restricted funding from the Game and Fish Fund for activities related to controlling the cormorant population in Michigan.	Restricted	0	50,000
<b>13. Fisheries</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$50,000)</b>
Reduces the Fisheries Resource Management line item by \$50,000 Game and Fish Fund funding.	Restricted	0	(50,000)
<b>14. Information Technology Savings</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$157,800)</b>
Reduces funding to reflect information technology savings.	Restricted	N/A	(52,000)
	GF/GP	N/A	(\$105,800)
<b>15. Capital Outlay</b>	<b>Gross</b>	<b>\$16,991,200</b>	<b>\$1,987,400</b>
Increases funding for state park, forestry, waterways construction and infrastructure projects by \$2.0 million; reduces State Park Endowment Fund support by \$2.0 million; increases federal funding authorization.	Federal	5,067,100	4,007,900
	Private	2,000,000	0
	Restricted	9,924,100	(2,020,500)
<b>16. Retail Sales System (RSS) Upgrade</b>	<b>Gross</b>	<b>N/A</b>	<b>\$2,000,000</b>
Includes \$2.0 million Game and Fish Fund funding to upgrade software that runs the RSS which is used to sell hunting and fishing licenses.	Restricted	N/A	2,000,000
<b>17. Funding Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$665,400)</b>
Adjusts funding to reflect fund shifts and transfers from FY 2009-10, eliminated the Engineering Services IDG, and included a federal fund shift for the underground storage tank program.	IDG	N/A	(771,800)
	Federal	N/A	1,308,700
	Restricted	N/A	(1,202,300)
<b>18. Economic Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$15,058,400</b>
Increases funding by \$15.1 million Gross and \$1.4 million GF/GP for economics including a 3.0% wage increase for union employees and adjustments for retirement, building occupancy charges and insurances. (Wage increase does not include wage increases for Non-Exclusively Represented Employees (NEREs).)	IDG	N/A	(1,029,200)
	Federal	N/A	2,395,000
	Private	N/A	45,000
	Restricted	N/A	12,275,900
	GF/GP	N/A	\$1,371,700

**Major Boilerplate Changes From FY 2009-10**

**Sec. 208. Department Grant and Loan Programs – DELETED**

Requires report including description of available grant/loan programs, criteria for awards, and a list of recipients.

**Sec. 219. Restricted Fund Allocation Plan – DELETED**

Requires DNRE to develop a plan for allocating restricted funds among administrative and regulatory activities.

**Sec. 221. Refined Petroleum Fund (RPF) – NEW**

States legislative intent that after FY 2010-11, RPF revenues be used solely for leaking underground storage tanks.

**Sec. 222. FTE Report – REVISED**

Requires quarterly report on number of FTEs in pay status by civil service classification (Renumbered as Sec. 233(1)).

**Sec. 223. Detailed Appropriated and Supportable FTE Information – DELETED**

Directs DNRE to report on supportable FTEs including salary, wage and benefit costs for FTEs for each line item.

**Sec. 227. Restricted Fund Allocation Plan for Administrative Units – DELETED**

Requires restricted fund allocation plan and a report.

**Sec. 230. DEQ Spending Limitation – DELETED**

Provides that after November 1, 2009, DEQ may not make part 1 expenditures unless a notice of intent to spend is provided to the Speaker of the House of Representatives 30 days in advance.

**Sec. 232. Expenditure Reports: FY 2008-09 – REVISED**

Requires report of expenditures on web site, including purpose of the expenditures (Renumbered as Sec. 233(2)).

**Sec. 233. Report Retention – DELETED**

Requires Department to retain copies of all funded reports; reports are to be received and provided for public use.

**Sec. 234. Website Expenditure Postings – NEW**

Directs Department to spend less than \$10,000 to post expenditures on website.

**Sec. 235. Criminal and Civil Fine Revenue – DELETED**

Requires annual report on amount of criminal and civil fine revenue collected during fiscal year.

**Sec. 236. General Fund Lapse – DELETED**

Directs Department to report by September 30 on the estimated amount of general fund lapse by program area.

**Sec. 237. Best Available Retrofit Technologies (BART) – DELETED**

Stipulates that Department use BART standards in actions taken on air pollution permits.

**Sec. 238. Great Lakes Water Quality Bond – DELETED**

Requires Great Lakes Water Quality Bond report.

**Sec. 239. Program Comparisons With Other States – DELETED**

Specifies that the Department compare regulatory programs with other Great Lakes states.

**Sec. 240. Permit Program Efficiencies – DELETED**

Provides that the Department conduct an examination of air permitting program to determine efficiencies; requires report.

**Sec. 241. Beverage Container Fraud – DELETED**

Requires implementation of 2008 PA 389 concerning reverse vending machines and beverage container standards.

**Sec. 242. Freedom of Information Act (FOIA) Requests – DELETED**

Requires semiannual report on requests made under the FOIA.

**Sec. 306. Historical Program Fees – NEW**

Allows DNRE to charge fees for historical program services such as document production, conferences, workshops, facilities, and museum admissions; requires that children under 18 be admitted free to Michigan Historical Museum; allows DNRE to receive voluntary contributions of \$2 per child.

**Sec. 401. Restricted Fund Transfer: Solid Waste Management Fund – REVISED**

Transfers \$2.0 million from the Solid Waste Management Fund Perpetual Care Account to the Solid Waste Management Fund Staff Account. (Renumbered as Sec. 407.)

## **NATURAL RESOURCES AND ENVIRONMENT**

### **Major Boilerplate Changes From FY 2009-10**

**Sec. 408. Refined Petroleum Cleanup Site List – NEW**

Lists cleanup projects funded through the Refined Petroleum Cleanup Program.

**Sec. 501. Water Quality Enforcement Report – DELETED**

Requires report on enforcement and activities funded from National Pollution Discharge Elimination System Fund.

**Sec. 601. Scrap Tire Fire Suppression – DELETED**

Provides \$100,000 for scrap tire fire suppression grants.

**Sec. 651. Aquatic Nuisance Control (ANC) Program – NEW**

Requires \$100,000 be allocated to fund up to one additional FTE for ANC program; requires report.

**Sec. 652. Aquifer Dispute Resolution – NEW**

Directs Department to fund an aquifer dispute resolution process if funds are available.

**Sec. 704. Fishing Advisories – DELETED**

Requires website be listed in fishing guide for DCH advisories.

**Sec. 807. Timber Industry Meetings – NEW**

Directs Director of DNRE to meet semiannually with timber industry representatives to discuss timber industry issues.

**Sec. 808. State Forest Campground Funding – NEW**

Requires the Department to develop a strategic plan to incorporate selected state forest campgrounds into the state park system as mini-state parks and develop a pilot program using 6 of the state forest campgrounds closed by E.O. 2009-22.

**Sec. 901. Water Control Structure Certification – DELETED**

Directs Fisheries to not impede certification process for water control structures.

**Sec. 1004. Defibrillators in State Parks – DELETED**

Requires defibrillators in state parks.

**Sec. 1202. Contract Foresters – REVISED**

Directs DNRE to hire a sufficient amount of contract foresters to mark timber. (Renumbered as Sec. 805.)

**Sec. 1207. Timber Sale Bidding Process – DELETED**

Requires DNRE to work with stakeholders to review bidding process and implement needed changes; requires report.

**Sec. 1302. Island Lake Shooting Range Concession Contract – DELETED**

Requires public notice of expiration date or amendments to concession contract for Island Lake Shooting Range.

**FY 2010-11  
Budget Detail  
for  
SAFETY AND DEFENSE**

---

**Military and Veterans Affairs  
State Police**

**MILITARY AND VETERANS AFFAIRS  
Summary of FY 2010-11 Enacted Appropriations  
2010 Public Act 162 (House Bill 5885)**

**Analyst: Jan Wisniewski**

	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive Revised	FY 2010-11 House	FY 2010-11 Senate	FY 2010-11 Enacted	Difference: Enacted From FY 2009-10 YTD	
						Amount	%
<b>IDG/IDT</b>	\$1,686,500	\$1,154,700	\$1,154,700	\$1,152,900	\$1,152,900	(\$533,600)	(31.6)
<b>Federal</b>	77,347,300	82,203,800	82,203,800	82,203,800	82,203,800	4,856,500	6.3
<b>Local</b>	1,295,100	653,200	1,295,100	645,400	645,400	(649,700)	(50.2)
<b>Private</b>	1,471,200	1,422,200	1,422,200	1,382,700	1,382,700	(88,500)	(6.0)
<b>Restricted</b>	27,924,200	28,660,400	28,660,400	28,233,400	28,233,400	309,200	1.1
<b>GF/GP</b>	36,425,500	36,951,100	35,413,300	36,432,900	36,424,700	(800)	(0.0)
<b>Gross</b>	<b>\$146,149,800</b>	<b>\$151,045,400</b>	<b>\$150,149,500</b>	<b>\$150,051,100</b>	<b>\$150,042,900</b>	<b>\$3,893,100</b>	<b>2.7</b>
<b>FTEs</b>	992.0	977.0	977.0	977.0	977.0	(15.0)	(1.5)

Note: FY 2009-10 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2010-11 Executive Budget on February 11.

**Overview**

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

<b>Major Budget Changes From FY 2009-10 YTD Appropriations</b>		<b>FY 2009-10 YTD (as of 2/11/10)</b>	<b>Enacted Change From YTD</b>
<b>1. Headquarters and Armories Administrative Reduction</b>	<b>Gross</b>	<b>\$10,959,700</b>	<b>(\$8,200)</b>
Maintains current funding except for including \$8,200 GF/GP in administrative reductions.	GF/GP	\$10,959,700	(\$8,200)
<b>2. Capital Outlay - Land Acquisitions and Appraisals</b>	<b>Gross</b>	<b>\$15,000,000</b>	<b>\$500,000</b>
Increases \$500,000 in restricted funds for land acquisition at Camp Grayling.	Federal	15,000,000	0
	Restricted	0	500,000
<b>3. Military Retirement Cost-of-Living Increase</b>	<b>Gross</b>	<b>\$3,407,800</b>	<b>\$176,300</b>
Provides \$176,300 GF/GP for a federally-mandated cost-of-living increase.	GF/GP	\$3,407,800	\$176,300
<b>4. Special Maintenance - State</b>	<b>Gross</b>	<b>\$651,200</b>	<b>\$0</b>
Maintains current funding using \$500,000 GF/GP from the Grand Rapids Veterans' Home and \$151,200 GF/GP from Information Technology Services and Projects.	GF/GP	\$651,200	\$0
<b>5. Military Training Sites and Support Facilities</b>	<b>Gross</b>	<b>\$1,946,500</b>	<b>(\$84,000)</b>
Decreases \$84,000 GF/GP in the Departmentwide Accounts line for various administrative reductions.	GF/GP	\$278,700	(\$84,000)
<b>6. Veterans Advice, Advocacy, and Assistance</b>	<b>Gross</b>	<b>\$3,029,600</b>	<b>\$0</b>
Eliminates the individual VSO lines and places all funding in a new Veterans Advice, Advocacy, and Assistance Grants line.	GF/GP	\$3,029,600	\$0

**MILITARY AND VETERANS AFFAIRS**

<b><u>Major Budget Changes From FY 2009-10 YTD Appropriations</u></b>	<b><u>FY 2009-10 YTD (as of 2/11/10)</u></b>	<b><u>Enacted Change From YTD</u></b>
<b>7. Challenge Program</b> Decreases 15.0 FTEs and Gross funding by \$596,900. Additional federal revenue allows the Challenge Program to continue operating with smaller classes of participants.	FTEs 40.0 <b>Gross \$4,737,000</b> IDG 686,500 Federal 1,824,200 Local 1,295,100 Private 931,200	(15.0) <b>(\$596,900)</b> (531,800) 625,800 (641,900) (49,000)
<b>8. Economic Adjustments</b> Provides funds for economic adjustments; includes economic adjustments for information technology; also includes a reduction equating to 3% salary costs likely to require additional revisions.	<b>Gross N/A</b> IDG N/A Federal N/A Private N/A Local N/A Restricted N/A GF/GP N/A	<b>\$3,464,000</b> 800 2,181,100 15,900 3,100 583,400 \$679,700
<b>9. Grand Rapids Veterans' Home</b> Increases \$1.0 million in available federal funds; also decreases \$500,000 GF/GP to retain the Special Maintenance - State line.	<b>Gross \$48,767,300</b> Federal 18,472,600 Restricted 15,316,900 GF/GP \$14,977,800	<b>\$500,000</b> 1,000,000 0 (\$500,000)
<b>10. D.J. Jacobetti Veterans' Home</b> Increases \$1.1 million in available federal funds and decreases \$750,000 in restricted funds.	<b>Gross \$15,656,100</b> Federal 5,177,100 Restricted 5,741,100 GF/GP \$4,737,900	<b>\$300,000</b> 1,050,000 (750,000) \$0
<b>11. Veterans' Affairs Directorate</b> Decreases \$83,000 GF/GP in administrative reductions.	<b>Gross \$276,700</b> GF/GP \$276,700	<b>(\$83,000)</b> (\$83,000)
<b>12. Information Technology</b> Decreases \$400 in federal funds, \$400 in restricted funds, and \$400 GF/GP for Department of Technology, Management and Budget consolidation savings and decreases \$30,000 GF/GP in administrative reductions; also transfers \$151,200 GF/GP to the Special Maintenance - State line.	<b>Gross \$1,154,300</b> Federal 472,900 Restricted 351,800 GF/GP \$329,600	<b>(\$182,400)</b> (400) (400) (\$181,600)

**Major Boilerplate Changes From FY 2009-10**

**Sec. 501. Veterans Service Organizations – MODIFIED**

Deletes sections detailing how grant funds are to be distributed to the VSOs.

**Sec. 606. Grand Rapids Veterans' Home Feasibility Study – DELETED**

Deletes requirement for the Department to prepare a feasibility study for increasing operational efficiencies.

**STATE POLICE**  
**Summary of FY 2010-11 Enacted Appropriations**  
**2010 Public Act 163 (House Bill 5888)**

Analyst: Jan Wisniewski

IDG/IDT	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive Revised	FY 2010-11 House	FY 2010-11 Senate	FY 2010-11 Enacted	Difference: Enacted From FY 2009-10 YTD	
						Amount	%
<b>Federal</b>	\$26,108,400	\$24,443,500	\$24,443,500	\$26,343,800	\$24,143,800	(\$1,964,600)	(7.5)
ARRA	0	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	--
Non-ARRA	93,839,000	102,487,200	102,487,200	101,934,200	101,934,200	8,095,200	8.6
Local	8,545,500	7,677,600	6,287,800	7,647,300	6,257,500	(2,288,000)	(26.8)
Private	273,300	273,300	273,300	269,800	269,800	(3,500)	(1.3)
Restricted	131,287,300	137,878,400	145,580,900	134,042,900	134,242,900	2,955,600	2.3
GF/GP	267,259,200	258,930,500	252,360,100	258,193,400	260,383,200	(6,876,000)	(2.6)
<b>Gross</b>	<b>\$527,312,700</b>	<b>\$533,690,500</b>	<b>\$533,432,800</b>	<b>\$530,431,400</b>	<b>\$529,231,400</b>	<b>\$1,918,700</b>	<b>0.4</b>
FTEs	2,868.0	2,758.0	2,757.0	2,764.0	2,764.0	(104.0)	(3.6)

Note: FY 2009-10 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2010-11 Executive Budget on February 11.

**Overview**

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

<b>Major Budget Changes From FY 2009-10 YTD Appropriations</b>		<b>FY 2009-10 YTD (as of 2/11/10)</b>	<b>Enacted Change From YTD</b>
<b>1. Law Enforcement Information Network (LEIN) User Fees</b>	<b>Gross</b>	<b>\$1,389,800</b>	<b>\$0</b>
Decreases \$1.4 million in Local - LEIN Fees and replaces with GF/GP to fully fund LEIN user fees. LEIN subscribers will no longer be required to pay 1/3 of the LEIN costs.	Local	1,389,800	(1,389,800)
	GF/GP	\$0	\$1,389,800
<b>2. Commercial Mobile Radio Service Fees</b>	<b>Gross</b>	<b>\$5,000,000</b>	<b>\$2,000,000</b>
Increases \$2.0 million more from the Emergency 9-1-1 Fund for the Michigan Public Safety Communications System.	Restricted	5,000,000	2,000,000
<b>3. Transfer Office of Drug Control Policy from Department of Community Health</b>	<b>Gross</b>	<b>\$0</b>	<b>\$8,488,900</b>
Transfers the Office of Drug Control Policy from DCH in Executive Order 2009-42 and creates a new line in the Support Services unit titled Office of Justice Program Grants with 4.0 FTEs and \$8.5 million in federal Department of Justice funds.	Federal	0	8,488,900
<b>4. Crime Victims Rights Fund - Replace With GF/GP</b>	<b>Gross</b>	<b>\$1,053,500</b>	<b>\$0</b>
Eliminates restricted Crime Victims Rights Fund and replaces with GF/GP in Management Services, Criminal Justice Information Center Division, Laboratory Operations, Operational Support, and Information Technology Services and Projects.	Restricted	1,053,500	(1,053,500)
	GF/GP	\$0	\$1,053,500
<b>5. Capitol Security Guards</b>	FTEs	7.0	0.0
Increases \$124,800 for security services at the Capitol Building.	<b>Gross</b>	<b>\$518,000</b>	<b>\$124,800</b>
	GF/GP	\$518,000	\$124,800

<u>Major Budget Changes From FY 2009-10 YTD Appropriations</u>	<u>FY 2009-10 YTD (as of 2/11/10)</u>	<u>Enacted Change From YTD</u>
<b>6. At-Post Troopers</b>	<b>Gross</b>	<b>\$143,803,900</b>
Decreases \$836,000 GF/GP to delay the backfill of troopers in the Deferred Retirement Option Plan (DROP); decreases \$1.0 million GF/GP for attrition savings; decreases \$1.2 million GF/GP to reduce trooper overtime costs; decreases \$1.1 million GF/GP for various administrative reductions.	Restricted	46,280,200
	GF/GP	\$97,523,700
		<b>(\$4,147,100)</b>
		0
<b>7. Fleet Leasing Reduction</b>	<b>Gross</b>	<b>\$14,037,500</b>
Decreases \$1.1 million GF/GP in the Fleet Leasing line, which may result in mileage restrictions or the use of fewer patrol vehicles.	GF/GP	\$14,037,500
		<b>(\$1,056,800)</b>
<b>8. School Bus Inspection Reduction</b>	FTEs	15.0
Decreases 11.0 FTEs and \$1.0 million from the Local - School Aid Fund to decrease the school bus inspection program. Schools will certify their own mechanics or private mechanics and the State Police will perform random and intermittent audits of inspections.	<b>Gross</b>	<b>\$1,432,900</b>
	Local	1,432,900
		<b>(\$1,047,400)</b>
		(11.0)
		<b>(\$1,047,400)</b>
<b>9. Multi-Jurisdictional Drug Task Forces One-Time Funding</b>	<b>Gross</b>	<b>\$6,650,100</b>
Increases \$2.0 million in ARRA Byrne Grant funds as one-time funding for multi-jurisdictional drug task forces in the Federal Antidrug Initiatives line.	Federal	3,774,300
	Restricted	694,500
	GF/GP	\$2,181,300
		<b>\$2,000,000</b>
		2,000,000
		0
		\$0
<b>10. IDG, Federal, Restricted, and Local Funds Authorization - Various Adjustments</b>	<b>Gross</b>	<b>N/A</b>
Reflects anticipated revenues and expenditures by decreasing various federal, IDG, and restricted funds and increasing local funds.	IDG	N/A
	Federal	N/A
	Restricted	N/A
	Local	N/A
		<b>(\$2,370,800)</b>
		(1,468,100)
		(858,900)
		(80,000)
		36,200
<b>11. Various Administrative Reductions</b>	<b>Gross</b>	<b>N/A</b>
Decreases 20.0 FTEs and \$5.2 million GF/GP as attrition savings; decreases \$1.5 million GF/GP for reduced trooper and forensic staff overtime costs; decreases \$279,300 for vacancy savings; decreases \$166,500 to delay the backfill of DROP participants, decreases \$298,400 for reduced overtime costs; decreases 5.0 FTEs and \$333,000 GF/GP for administrative support staff reductions; decreases \$208,600 GF/GP for MCOLES administration reductions; decreases \$250,000 GF/GP for a revised administrative cost allocation plan; decreases \$383,200 GF/GP for Information Technology rate reductions and operational efficiencies; decreases \$13,000 GF/GP for Department of Technology, Management and Budget consolidation savings; moves \$200,000 from Fleet Leasing to Laboratory Operations; increases \$857,200 GF/GP to Laboratory Operations.	GF/GP	N/A
		<b>(\$8,370,200)</b>
		(\$8,370,200)
<b>12. Economic Adjustments</b>	<b>Gross</b>	<b>N/A</b>
Increases funding for employee economic adjustments; including Department of Information Technology economic adjustments. Also removes \$5.7 million GF/GP and \$7.5 million Gross equating to a 3% for salary costs, which will likely require additional revisions.	IDG	N/A
	Federal	N/A
	Local	N/A
	Private	N/A
	Restricted	N/A
	GF/GP	N/A
		<b>\$6,035,800</b>
		491,600
		385,200
		128,200
		(3,500)
		650,800
		\$4,383,500

**Major Boilerplate Changes From FY 2009-10****Sec. 203. Definitions – MODIFIED**

Adds ARRA, meaning American Recovery and Reinvestment Act.

**Sec. 301. Local LEIN Fees – MODIFIED**

Absolves LEIN subscribers from paying local LEIN fees for FY 2010-2011 unless LEIN subscribers have outstanding balances for previous fiscal years.

## **STATE POLICE**

### **Major Boilerplate Changes From FY 2009-10**

#### ***Sec. 241. IDG to Judiciary for Byrne Grant Funds – NEW***

Adds new language providing a \$1.8 million IDG from Byrne Justice Assistance Grant funds to the Judiciary.

#### ***Sec. 255. State Lease Contracts – DELETED***

Deletes legislative intent for the state to honor its lease contracts to uphold credit ratings and credibility with business relationships.

#### ***Sec. 256. New Headquarters Acquisition – DELETED***

Deletes one-time language allowing the state to purchase the new State Police headquarters building.

#### ***Sec. 501. DNA Analysis Samples and Records – MODIFIED***

Modifies notifying police agencies when changes are made to the Department's DNA analysis samples and records retention protocol and adds language directing the department to post a copy of the protocol changes on the department's website.

#### ***Sec. 902. Security Guards – MODIFIED***

Modifies language allowing security services at the House Office Building, the Farnum Building, the Capitol parking lot, and the Roosevelt parking ramp for emergency situations.

**FY 2010-11  
Budget Detail  
for  
ALL OTHERS**

---

**Energy, Labor and Economic Growth  
Judiciary  
Transportation**

**ENERGY, LABOR AND ECONOMIC GROWTH  
Summary of FY 2010-11 Enacted Appropriations  
2010 Public Act 186 (House Bill 5884)**

**Analyst: Mark Wolf**

	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive Revised	FY 2010-11 House	FY 2010-11 Senate	FY 2010-11 Enacted	Difference: Enacted From FY 2009-10 YTD	
						Amount	%
<b>IDG/IDT</b>	\$29,465,100	\$13,246,300	\$13,503,500	\$13,210,600	\$13,246,300	(\$16,218,800)	(55.0)
<b>Federal</b>	960,797,800	838,292,500	1,008,535,800	834,569,300	845,017,500	(115,780,300)	(12.1)
<b>Local</b>	15,921,000	16,020,400	16,020,400	15,976,200	16,020,400	99,400	0.6
<b>Private</b>	5,314,300	6,085,000	6,085,000	6,085,000	6,085,000	770,700	14.5
<b>Restricted</b>	400,221,500	346,588,400	407,372,400	342,839,700	349,846,100	(50,375,400)	(12.6)
<b>GF/GP</b>	54,784,100	45,279,400	43,945,200	47,607,900	47,607,900	(7,176,200)	(13.1)
<b>Gross</b>	<b>\$1,466,503,800</b>	<b>\$1,265,512,000</b>	<b>\$1,495,462,300</b>	<b>\$1,260,288,700</b>	<b>\$1,277,823,200</b>	<b>(\$188,680,600)</b>	<b>(12.9)</b>
<b>FTEs</b>	4,739.0	4,406.0	4,701.0	4,405.0	4,418.0	(321.0)	(6.8)

Note: FY 2009-10 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2010-11 Executive Budget on February 11.

**Overview**

The Department of Energy, Labor and Economic Growth has primary responsibility for the regulatory functions that relate specifically to commercial, business, and workers' issues. Executive Order 2008-20 transferred certain energy-related functions from the Department of Environmental Quality in order to consolidate energy programs within the department.

<b>Major Budget Changes From FY 2009-10 YTD Appropriations</b>		<b>FY 2009-10 YTD (as of 2/11/10)</b>	<b>Enacted Change From YTD</b>
<b>1. Michigan Nursing Corps</b>	<b>Gross</b>	<b>\$300,000</b>	<b>\$200,000</b>
Eliminates remaining GF/GP appropriation, and supports program with \$500,000 in Workforce Investment Act funds. Through tuition assistance and stipends, the program aims to increase the number of classroom and clinical nursing faculty (and, as a result, the capacity of nursing education programs).	Federal	0	500,000
	GF/GP	\$300,000	(\$300,000)
<b>2. Workers' Compensation Agency (WCA)</b>	FTEs	116.0	0.0
Reduces funding for the WCA and the Board of Magistrates and Appellate Commission by \$321,500 GF/GP.	<b>Gross</b>	<b>\$12,219,700</b>	<b>(\$321,500)</b>
	Restricted	4,731,700	0
	GF/GP	\$7,488,000	(\$321,500)
<b>3. Welfare-to-Work</b>	<b>Gross</b>	<b>\$107,333,600</b>	<b>(\$10,409,800)</b>
Reduces funding for the welfare-to-work line item by \$10.4 million, effectively allowing TANF funding to be available in the DHS budget.	Federal	89,299,000	(7,600,000)
	GF/GP	\$18,034,600	(\$2,809,800)
<b>4. Liquor Control Commission</b>	FTEs	152.0	6.0
Adds \$1.0 million (Liquor Purchase Revolving Fund) and 6.0 FTE positions to support enhanced enforcement combating bootlegging. The target agreement anticipates \$4.0 million in additional GF/GP revenue due to enhanced bootlegging penalties, per 2010 PA 175 (HB 6426).	<b>Gross</b>	<b>\$16,180,000</b>	<b>\$1,000,000</b>
	Restricted	16,180,000	1,000,000
<b>5. Insurance Advocate</b>	FTEs	1.0	0.0
Reducing funding for the Automobile and Home Insurance Consumer Advocate, a civil service position created by EO 2008-2, by \$62,300, effectively funding the position for half of the fiscal year.	<b>Gross</b>	<b>\$124,500</b>	<b>(\$62,300)</b>
	Restricted	124,500	(62,300)
<b>6. Michigan State Housing Development Authority (MSHDA)</b>	FTEs	289.0	(289.0)
Eliminates funding for MSHDA, reflecting the authority's transfer to the Department of Treasury with Executive Order 2010-2.	<b>Gross</b>	<b>\$203,403,000</b>	<b>(\$203,403,000)</b>
	Federal	156,950,000	(156,950,000)
	Restricted	46,453,000	(46,453,000)

**ENERGY, LABOR AND ECONOMIC GROWTH**

<b><u>Major Budget Changes From FY 2009-10 YTD Appropriations</u></b>		<b><u>FY 2009-10 YTD (as of 2/11/10)</u></b>	<b><u>Enacted Change From YTD</u></b>
<b>7. Land Bank Fast Track Authority (LBFTA)</b>	FTEs	6.0	(6.0)
Eliminates funding for LBFTA, reflecting the authority's transfer to the Department of Treasury with Executive Order 2010-2.	<b>Gross</b>	<b>\$1,991,900</b>	<b>(\$1,991,900)</b>
	Restricted	1,991,900	(1,991,900)
<b>8. Additional Federal Grant Revenue</b>	FTEs	N/A	6.0
Increasing funding to the Bureau of Energy Systems by \$5.0 million to reflect the recent receipt of a federal competitive State Energy Efficiency Project grant program, which the bureau will use to create a self-sustaining financing program to provide energy efficiency retrofits in smaller retail stores. Also increasing funding for the Office of Financial and Insurance Regulation by \$2.0 million (6.0 FTEs) for health insurance premium reviews and enhanced consumer assistance programs.	<b>Gross</b>	<b>N/A</b>	<b>\$7,000,000</b>
	Federal	N/A	7,000,000
<b>9. No Worker Left Behind - GF/GP Appropriation</b>	<b>Gross</b>	<b>\$4,500,000</b>	<b>(\$4,500,000)</b>
Eliminates the remaining GF/GP appropriation for the program. The program is funded predominantly with federal funds (primarily Workforce Investment Act), which have totaled about \$120 million for each of the past three fiscal years (not including ARRA funds).	GF/GP	\$4,500,000	(\$4,500,000)
<b>10. Office of Financial and Insurance Regulation</b>	FTEs	349.0	15.0
Adds the Securities Investor Education and Training Fund (\$1.0 million) established under the Uniform Securities Act (2002), 2008 PA 551 (HB 5008). The fund receives all civil fines, costs of investigations and other administrative assessments, and is to be expended on investor education. Adds 10.0 FTE positions (\$646,500) to establish a regular examination cycle (2-3 years) for securities broker-dealers and investment advisors. Increases FTE authorization (5.0 positions, no increased spending authorization) to reflect additional staff needed to conduct insurance rate reviews and form reviews.	<b>Gross</b>	<b>\$53,703,400</b>	<b>\$1,646,500</b>
	Federal	50,400	0
	Restricted	53,653,000	1,646,500
<b>11. Michigan Rehabilitation Service - JET Program</b>	FTEs	57.0	(57.0)
Eliminates the staffing and funding (IDG-DHS) for the Jobs, Education and Training (JET) program. Within the DELEG budget, the JET line item refers to JET program participants referred to the Michigan Rehabilitation Service (MRS) for appropriation vocational rehabilitation assistance to individuals with disabilities.	<b>Gross</b>	<b>\$15,445,000</b>	<b>(\$15,445,000)</b>
	IDG	15,445,000	(15,445,000)
<b>12. Homeowner Construction Lien Recovery Fund</b>	<b>Gross</b>	<b>\$1,846,500</b>	<b>(\$1,846,500)</b>
Eliminates the Homeowner Construction Lien Recovery Fund, established in the Construction Lien Act, which was funded by a small fee on building trades licensees, and used to pay subcontractors, suppliers, and laborers for the work they performed and for which they were not compensated. Payments from the fund were made in lieu of placing a construction lien on the property of the homeowner. Since 2006, the number and value of claims against the fund and payments from the fund increased significantly, depleting the resources of the fund and its ability to meet the demand of claims. The fund was eliminated with the enactment of Public Acts 147-152 of 2010.	Restricted	1,846,500	(1,846,500)
<b>13. Low-Income Energy Efficiency Fund</b>	<b>Gross</b>	<b>\$90,000,000</b>	<b>\$5,000,000</b>
Increases spending authority by \$5.0 million, reflecting additional revenue provided to the fund from Michigan Consolidated Gas Company (MichCon), as part of its rate schedule per its general rate case, Public Service Commission Case No. U-15985 (order of June 3, 2010).	Restricted	90,000,000	5,000,000

**ENERGY, LABOR AND ECONOMIC GROWTH**

<b><u>Major Budget Changes From FY 2009-10 YTD Appropriations</u></b>	<b>FY 2009-10 YTD (as of 2/11/10)</b>	<b>Enacted Change From YTD</b>
<b>14. Unemployment Insurance Agency</b>	FTEs 1,302.7	0.0
Increases federal spending authorization from the Department of Labor for the administration of the state unemployment insurance program. Boilerplate authorizes the expenditure of funds received in excess of the amount appropriated in Part 1. The additional authorization here is intended to "true-up" the Part 1 appropriation with actual resources available. Also, reduces appropriation from Contingent Fund increased from a few years ago to support interest payments on Title 12 advances.	<b>Gross \$137,651,500</b>	<b>\$342,300</b>
	Restricted 123,093,800	13,400,000
	Federal 14,557,700	(13,057,700)
<b>15. Trade Adjustment Assistance</b>	<b>Gross \$30,000,000</b>	<b>\$57,000,000</b>
Increases federal spending authorization in Trade Adjustment Assistance funds, available from the U.S. Department of Labor (Employment and Training Administration).	Federal 30,000,000	57,000,000
<b>16. Commission for the Blind - Kalamazoo Training Center</b>	<b>Gross N/A</b>	<b>\$770,000</b>
Adds \$770,000 in private grant funds received by the Michigan Commission for the Blind (MCB) from the Kalamazoo Community Foundation for renovations at the MCB's Kalamazoo Training Center (MCB-KTC). The funds are to be used to renovate existing multi-person dorm rooms into single-person rooms in order to better meet the needs of the diverse clientele at the MCB-KTC, and make other necessary upgrades at the center.	Private N/A	770,000
<b>17. Economic Adjustments</b>	<b>Gross N/A</b>	<b>\$17,716,700</b>
Includes funding increase related to employee salaries and wages (3% increase for classified employees); changes in FICA, retirement, and insurance; adjustments for expected workers' compensation claims; and changes in costs of rental payments for state-leased properties and building occupancy charges for state-owned properties. This accounts for the action by the Civil Service Commission rejecting the pay increase for Non-exclusively Represented Employees (NEREs).	IDG N/A	414,400
	Federal N/A	10,631,000
	Local N/A	700
	Private N/A	99,400
	Restricted N/A	6,066,100
	GF/GP N/A	\$505,100
<b>18. Vetoed Boilerplate Sections</b>	<b>Gross N/A</b>	<b>(\$355,000)</b>
The Governor vetoed four boilerplate sections which, per Article V, Section 19 of the State Constitution, have the affect of reducing funding for the department. Vetoed sections include <b>Sec. 342</b> (CET earmark, \$80,000 Safety Education Training Fund), <b>Sec. 704</b> (After-School Partnership, \$25,000 Workforce Investment Act), <b>Sec. 719</b> (Jobs Bank Career Center, \$100,000 DOL Wagner-Peyser funds), and <b>Sec. 818</b> (Workforce Program earmark, \$150,000 Workforce Investment Act).	Federal N/A	(275,000)
	Restricted N/A	(80,000)

**Major Boilerplate Changes From FY 2009-10**

**Sec. 205. Hiring Freeze – DELETED**

Prohibits DELEG from hiring new full-time classified civil service employees and from filling vacant state classified civil service positions unless exceptions to the freeze are granted by the state budget director for certain specific reasons.

**Sec. 215. Policy Changes – DELETED**

Requires DELEG to report on policy changes made to implement public acts; prohibits adoption of rules that have a disproportionate impact on small businesses.

**Sec. 217. Out-of-State Travel Restrictions – MODIFIED**

Imposes restrictions on out-of-state travel by DELEG employees, except in certain instances. Revision: deletes a provision allowing the state budget director to grant exceptions to the limitations on the out-of-state travel band, and incorporates Section 224's restrictions on out-of-state travel for professional development purposes.

**Sec. 219. Executive Branch Employee Communications with Legislature – DELETED**

Prohibits disciplinary action against DELEG employees that communicate with legislator or legislative staff.

**Major Boilerplate Changes From FY 2009-10**

**Sec. 220. Appropriation of Federal Pass-Through Funds – NEW**

Allows DELEG to carry forward unexpended federal pass-through funds to local institutions that do not require additional state matching funds, and appropriated federal pass-through funds that do not require a state match. Also imposes a reporting requirement on DELEG.

**Sec. 222. Government Efficiency Commission Recommendations – DELETED**

Requires DELEG to review recommendations of the Commission on Governmental Efficiency.

**Sec. 225. Report on Grants Received – MODIFIED**

Requires DELEG to notify the Legislature of any private grant funds received within 10 days after receiving such funds. Also requires a report on State Energy Program funds received by the Bureau of Energy Systems.

**Sec. 228. Increased Payment Options – NEW**

Allows DELEG to receive payment for licenses, fees, and permits via credit card and other electronic means of payment.

**Sec. 231. Transparency Website/Employee Pay Report – MODIFIED**

Requires DELEG to post on a publicly accessible website listing all expenditures made in the fiscal year and the purpose of each expenditure. Also requires report on expenditures from ARRA funds by Recovery Office. Revisions: (1) requires quarterly report on number of FTEs by pay status and civil service classification, and (2) limits costs for website to \$10,000 (previously included in Sec. 232).

**Sec. 301a. Fire Protection Grant Report – MODIFIED**

Requires local units of government receiving fire protection grant assistance to report to DELEG detailing expenditures from grant funds and fire-related activities on state property. Revision: adds requirement that DELEG provide local governments with a template to use when responding and requires DELEG report to legislature on responses.

**Sec. 302a. Fire Safe Cigarette Fine Revenue – MODIFIED**

New language appropriates revenue received for the Cigarette Fire Safety Standard and Firefighter Protection Act Fund, created by 2009 PA 56. The fund receives civil fine revenue and is to be expended for fire safety and fire prevention programs.

**Sec. 322. Real Estate Education Fund – DELETED**

Allows real estate pre- and post-licensure education to be delivered through online courses by a community college, university, or private school; allows Real Estate Education Fund to be used for grants to educational providers to establish online courses available to students.

**Sec. 332. Unemployment Insurance Computer System – MODIFIED**

New language requires DELEG to have a contract in place by April 11, 2011 to improve the Unemployment Insurance Agency's computer system. Previous language required the completion of the Request for Proposal process.

**Sec. 332. Unemployment Insurance Internet Claims – MODIFIED**

Requires DELEG to increase the number of Internet-filed unemployment benefit claims and requires quarterly report on the number of claims filed via the Internet. Revision: eliminates specific goal of having 50% of claims filed via Internet.

**Sec. 342. Consultation Education Training (CET) Grant Earmark – VETOED**

Requires the allocation of at least \$80,000 for workplace safety and health grants to non-profit organizations representing the aggregates industry in the state.

**Sec. 361. Low-Income Energy Efficiency Fund – MODIFIED**

Establishes deadlines for application and award announcements; requires MPSC to report on the distribution of funds. Revision: specifies that funds from unexpended grants may be carried forward in subsequent fiscal years.

**Sec. 370. Liquor Law Enforcement Grant Report – MODIFIED**

Requires local units of government receiving liquor law enforcement grant funds to provide a report to the Liquor Control Commission on how those funds are spent, and also a report showing the liquor-related fees imposed by the local unit. Revision: adds requirement that DELEG provide local governments with a template to use when responding and requires DELEG to report to legislature on responses.

**Sec. 371. LCC Bootlegging Enforcement – NEW**

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

## **ENERGY, LABOR AND ECONOMIC GROWTH**

### **Major Boilerplate Changes From FY 2009-10**

#### **Sec. 405. Office of Financial and Insurance Regulation (OFIR) Expenditures – DELETED**

Requires report of actual expenditures for the last complete fiscal year for each division within OFIR.

#### **Sec. 407. Health Maintenance Organization Financial Filings – DELETED**

Requires that OFIR provide copies of HMO quarterly and annual filings on its website.

#### **Sec. 604. Independent Living Funds – MODIFIED**

Existing language directs the use of GF/GP funding for the Centers for Independent Living. New language provides that funds appropriated for independent living shall be used to support CILs in compliance with federal law and regulations, to support existing centers to serve underserved areas, and to increase capacity of existing centers.

#### **Sec. 615. Library Services for the Blind and Physically Handicapped – NEW**

Allows DELEG to enter into agreements to provide services to other agencies and charge fees for such services.

#### **Sec. 704. After-School Partnership – VETOED**

Allows \$25,000 to be expended to implement the recommendations of the Michigan After-School Initiative.

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

Allows DELEG to provide grants to non-profit organizations that offer programs to WIA-eligible youth focusing on entrepreneurship, work-readiness skills, job shadowing, and financial literacy.

#### **Sec. 719. Jobs Bank Career Center – VETOED**

Allows DELEG to provide grant, of up to \$100,000, to support the creation of a career center, enhancing on-line job search services for displaced workers and employers.

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

From the Community College budget. Requires DELEG to publish the Activities Classification Structure (ACS) data book on or before March 1, 2011. The ACS provides data on tuition, enrollment, revenue, expenditures and other program data at each of the 28 community colleges.

#### **Sec. 734. North American Indian Tuition Waiver – NEW**

From the Community College budget. Requires DELEG to compile a report on the NAITW program, which waives the tuition at community colleges for eligible North American Indians.

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

From the Community College budget. Requires DELEG to compile information on the types and number of associates degrees and other certificates granted by the colleges in the prior fiscal year.

#### **Sec. 802. Longitudinal Study of Former Work First and JET Participants – MODIFIED**

Requires a 3-year longitudinal study of former Work First and JET participants, and requires DELEG to submit information on certain data required to be collected. Revision: deletes a requirement that information be collected on (1) the current hourly wage of those employed; (2) the number of individuals that earned certain wages; (3) the number of individuals receiving tuition reimbursement from employers; (4) the number of individuals receiving other training benefits from employers; (5) whether the individuals have any children; and (6) whether the individuals feel that they are "better off" now that they are no longer receiving public assistance.

#### **Sec. 803. Report on JET Program Participants Referred to the MRS – DELETED**

Requires report on JET participants referred by the Department of Human Services to Michigan Rehabilitation Service.

#### **Sec. 804. Non-Custodial Parent Program – DELETED**

Permits DELEG to utilize TANF funds for a program providing services to the non-custodial parents who are unemployed or underemployed and have (or may soon have) child support arrearages.

#### **Sec. 813. Workforce Program Funding Earmark – NEW**

Allocates \$200,000 from funding for the workforce training programs subgrantees line item to two grantees providing certain workforce development services.

#### **Sec. 814. Focus: HOPE Career Prep Pilot Program – DELETE**

Legislative intent that DELEG work with Career Alliance (Genesee-Shiawassee Michigan Works! Agency) and other interested MWAs in implementing the career prep pilot program developed by Focus: HOPE.

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

Legislative intent to set aside WIA Statewide Activities funding to support gang diversion activities and support services of local law enforcement and Michigan Works! Agencies in Wyoming, Detroit, Benton Harbor, and Saginaw. Revision: also adds Mt. Morris Charter Township.

**Major Boilerplate Changes From FY 2009-10**

**Sec. 818. Workforce Program Funding Earmark – VETOED**

Allocates \$150,000 from the Workforce Training Programs Subgrantees line item to an organization that (1) involves prospective employers as community partners, (2) trains displaced workers in health care jobs, (3) provides training at no cost or low cost to students, and (4) demonstrates a job placement rate of at least 80%.

**Sec. 821. Michigan Nursing Corps – MODIFIED**

Directs the operation of the Michigan Nursing Corps program, allowing funds to be used to provide financial assistance to train additional nursing academic and clinical faculty and provide accelerated nursing education programs. Revision: allows funds to be awarded for programs in educational technologies, including simulation and other virtual educational methods in order to expand capacity of nursing education programs.

**Sec. 831. No Worker Left Behind (NWLB) GF/GP Funding – DELETED**

Directs the GF/GP appropriation for NWLB to adult education, community colleges, and worker training.

**Sec. 901. Capital Outlay Lump-Sum Appropriation – NEW**

Directs the allocation of lump-sum appropriations and provides for the availability of lump-sum appropriations of no more than three years.

**Sec. 902. Capital Outlay Carryforward Appropriation – NEW**

Provides for the carryforward of capital outlay funds.

**JUDICIARY**  
**Summary of FY 2010-11 Enacted Appropriations**  
**2010 Public Act 167 (House Bill 5883)**

Analyst: Ben Gielczyk

	FY 2009-10 YTD	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	Difference: Enacted	
		Executive Revised	House	Senate	Enacted	From FY 2009-10 YTD	
						Amount	%
<b>IDG/IDT</b>	\$3,553,500	\$3,553,500	\$3,553,500	\$3,573,500	\$3,573,500	\$20,000	0.6
<b>Federal</b>	5,126,500	5,376,500	5,376,500	5,539,500	5,539,500	413,000	8.1
<b>Local</b>	6,149,300	6,340,400	6,340,400	6,252,200	6,252,200	102,900	1.7
<b>Private</b>	842,500	842,500	842,500	842,500	842,500	0	0.0
<b>Restricted</b>	89,957,700	89,979,800	89,979,800	92,558,000	92,078,000	2,120,300	2.4
<b>GF/GP</b>	153,132,800	152,731,100	154,180,600	151,573,100	152,073,100	(1,059,700)	(0.7)
<b>Gross</b>	<b>\$258,762,300</b>	<b>\$258,823,800</b>	<b>\$260,273,300</b>	<b>\$260,338,800</b>	<b>\$260,358,800</b>	<b>\$1,596,500</b>	<b>0.6</b>
<b>FTEs</b>	491.0	491.0	491.0	491.0	491.0	0.0	0.0

Note: FY 2009-10 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2010-11 Executive Budget on February 11.

**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.

<b>Major Budget Changes From FY 2009-10 YTD Appropriations</b>		<b>FY 2009-10 YTD</b>	<b>Enacted Change</b>
		<b>(as of 2/11/10)</b>	<b>From YTD</b>
<b>1. Juror Compensation Reimbursement Fund Transfer</b>	<b>Gross</b>	<b>N/A</b>	<b>\$0</b>
Maintains FY 2009-10 funding levels by assuming a transfer of \$2.6 million of the Juror Compensation Reimbursement Fund (JCRF) unrestricted fund balance to the Court Equity Fund (CEF). The transfer to the CEF reduces the general fund portion of the CEF. The general fund savings in the CEF are then spread to various line items to offset FY 2010-11 Executive Recommendation reductions. Supreme Court Administration (\$485,000), Judicial Institute (\$96,500), Supreme Court Administrative Office (\$266,200), Judicial Information Systems (\$113,700), Foster Care Review Board (\$33,900), Drug Treatment Courts (\$29,900), Court of Appeals (\$795,300), Judicial Tenure Commission (\$38,700), Appellate Public Defender (\$176,500), Appellate Assigned Counsel (\$31,800), and Court Equity Reimbursements (\$520,000).	Restricted	N/A	2,587,500
	GF/GP	N/A	(\$2,587,500)
<b>2. Community Court Pilot Program</b>	<b>Gross</b>	<b>N/A</b>	<b>\$20,000</b>
Appropriates \$20,000 GF/GP for a neighborhood-centered community court pilot project. This funding is made available through a \$20,000 Juror Compensation Reimbursement Fund transfer to the Court Equity Fund.	Restricted	N/A	\$20,000
<b>3. Court of Appeals</b>	<b>Gross</b>	<b>\$18,414,300</b>	<b>\$0</b>
Reduces authorization for Court Filing/Motion fees by \$500,000 and increases General Fund by \$500,000 to offset some of the shortage in filing fee revenue for the Court of Appeals.	Restricted	2,036,300	(500,000)
	GF/GP	\$16,378,000	\$500,000

<u>Major Budget Changes From FY 2009-10 YTD Appropriations</u>		<u>FY 2009-10 YTD (as of 2/11/10)</u>	<u>Enacted Change From YTD</u>
<b>4. High-Risk Offender Assessment and Treatment Pilot Program</b>	<b>Gross</b>	<b>\$980,000</b>	<b>(\$980,000)</b>
Removes \$980,000 IDG from the Department of Corrections for the pilot program targeting the assessment and treatment of high-risk offenders. IDG was in the State Court Administrative Office line item.	IDG	\$980,000	(\$980,000)
<b>5. Drug Court Mental Health Services</b>	<b>Gross</b>	<b>N/A</b>	<b>\$1,000,000</b>
Appropriates \$1.0 million IDG from the Department of Corrections to support mental health services for Drug Court participants.	IDG	N/A	\$1,000,000
<b>6. State Court Administrative Office Federal Grants</b>	<b>Gross</b>	<b>\$387,000</b>	<b>\$163,000</b>
Increases Health and Human Services Access and Visitation Grant by \$163,000 to reflect available federal revenue.	Federal	\$387,000	\$163,000
<b>7. Circuit Court Judgeships</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$240,700)</b>
Under Public Act 228 of 2009, two circuit court judgeships were temporarily eliminated (Oakland County eliminated from January 1, 2011 to January 1, 2015 and Macomb County eliminated from January 1, 2011 to January 1, 2017). Budget adjusts for savings over 9-month period due to judgeships being eliminated starting January 1, 2011.	GF/GP	N/A	(\$240,700)
<b>8. State Appellate Defender Office (SADO) Federal Grants</b>	<b>Gross</b>	<b>N/A</b>	<b>\$250,000</b>
Increases appropriation by \$250,000 due to a continuation of federal grant awards received by SADO.	Federal	N/A	250,000
	GF/GP	N/A	\$0
<b>9. Economics</b>	<b>Gross</b>	<b>N/A</b>	<b>\$1,384,200</b>
Funds economic adjustments as follows:	Federal	N/A	0
▪ Defined Contribution (new judges): \$71,300 Gross and GF/GP	Local	N/A	102,900
▪ OASI, social security (judges): (\$76,400) Gross and GF/GP	Private	N/A	0
▪ Insurance: \$537,300 Gross, \$488,900 GF/GP	Restricted	N/A	12,800
▪ Retirement increase: \$762,700 Gross, \$695,400 GF/GP	GF/GP	N/A	\$1,268,500
▪ Rent increase: \$7,500 Gross and GF/GP			
▪ Workers' compensation decrease: (\$26,900) Gross and GF/GP			
▪ Building occupancy increase: \$108,700 Gross and GF/GP			

**Major Boilerplate Changes From FY 2009-10**

**Sec. 216. Policy Change Report Requirement – DELETED**

Requires judicial branch to report by April 1, 2011, on each policy change made to implement enacted legislation; prohibits funding for regulatory plans or for rules that fail to reduce economic impact on small businesses.

**Sec. 218. Out-of-State Professional Development Conference Travel – DELETED**

Limits travel to out-of-state professional development conferences to one judicial employee unless conference is funded by federal or private funding source and requires more than one person to attend.

**Sec. 220. Supreme Court Satellite Offices – DELETED**

Indicates legislative intent that the Supreme Court retain its satellite offices.

**Sec. 223. Juror Compensation Reimbursement Fund Transfer – NEW**

New language stating that \$2.6 million of the Juror Compensation Reimbursement Fund balance at the close of FY 2009-10 be transferred to the general fund.

**Sec. 304. Auditor General – DELETED**

Requires judicial branch to cooperate with the auditor general in audits of judicial branch.

**Sec. 305. Expenditure and Revenue Reports – DELETED**

Requires quarterly financial reports on judiciary budget revenue and expenditure.

**Sec. 314. Standardized Risk Assessment – DELETED**

Requests the State Court Administrative Office to conduct a survey of trial courts to determine best practices for standardized risk assessment.

**JUDICIARY**

**Major Boilerplate Changes From FY 2009-10**

**Sec. 318. *Intensive Probation Pilot Program* – DELETED**

Establishes an intensive probation pilot program with an IDG from the Department of Corrections.

**Sec. 318. *Community Court Pilot Project* – NEW**

Establishes a community court pilot project and states that funds appropriated in part 1 shall be used for administration of the pilot program.

**Sec. 319. *Juvenile Training Pilot Project* – DELETED**

Establishes a pilot project to train criminal defense attorneys who accept court-appointed cases concerning juvenile delinquency, abuse, neglect, and protective services.

**Sec. 320. *Mental Health Services* – NEW**

Provides that \$1.0 million of the IDG from the Department of Corrections be allocated for Drug Court mental health treatment services.

# TRANSPORTATION

## Summary of FY 2010-11 Enacted Appropriations

### 2010 Public Act 192 (House Bill 5889)

Analyst: William E. Hamilton

IDG/IDT	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive Revised	FY 2010-11 House	FY 2010-11 Senate	FY 2010-11 Enacted	<i>Difference: Enacted From FY 2009-10 YTD</i>	
						<i>Amount</i>	<i>%</i>
<b>Federal</b>	\$0	\$878,300	\$878,300	\$878,300	\$878,300	\$878,300	100.0
ARRA	2,590,000	0	0	0	0	(2,590,000)	(100.0)
Non-ARRA	1,226,804,500	752,480,600	1,227,480,600	1,227,480,600	1,227,470,600	666,100	0.1
Local	56,073,400	56,496,000	56,496,000	56,496,000	56,496,000	422,600	0.8
Private	0	0	0	0	0	0	--
Restricted	1,974,170,100	1,951,074,400	1,949,604,500	1,959,290,800	1,950,974,400	(23,195,700)	(1.2)
GF/GP	0	0	84,000,000	0	0	0	--
<b>Gross</b>	<b>\$3,259,638,000</b>	<b>\$2,760,929,300</b>	<b>\$3,318,459,400</b>	<b>\$3,244,145,700</b>	<b>\$3,235,819,300</b>	<b>(23,818,700)</b>	<b>(0.7)</b>
FTEs	3,014.3	3,022.3	3,022.3	3,022.3	3,022.3	8.0	03

*Note: FY 2009-10 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2010-11 Executive Budget on February 11.*

#### 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 budget is from constitutionally-restricted state revenue sources, primarily motor fuel taxes and vehicle registration taxes. These state revenues are first credited to the Michigan Transportation Fund (MTF) and then distributed in accordance with 1951 PA 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. Approximately one-third of the budget is federal revenue. There is no state GF/GP revenue in this budget.

#### Major Budget Changes From FY 2009-10 YTD Appropriations

	<u>FY 2009-10 YTD (as of 2/11/10)</u>	<u>Enacted Change From YTD</u>
<b>1. Debt Service</b>	<b>Gross \$251,637,300</b>	<b>(\$4,824,300)</b>
Appropriates \$246.8 million, reflecting anticipated debt service schedules. Includes debt service associated with Build America Bonds issued in 2009.	Federal 58,163,500	(12,331,400)
	Restricted 193,473,800	7,507,100
<b>2. Services Provided by Other State Departments – PARTIAL VETO</b>	<b>Gross \$49,702,300</b>	<b>\$1,409,900</b>
Authorization for interdepartmental grants (IDGs) for services provided by eight other state departments; includes \$20 million MTF to the Department of State and \$8.3 million MTF to the Department of Treasury for the costs of collecting transportation revenue. Increases from prior year include \$721,500 in economic increases, \$747,500 for Treasury collection costs, and \$41,000 in cost allocation adjustments.	Restricted 49,702,300	1,409,900
<b>3. Transportation Planning – PARTIAL VETO</b>	FTEs 176.0	0.0
Reflects economic increases of \$1.7 million and baseline reductions of \$363,700 and \$92,100 made to free up STF matching funds for the federal aid road and bridge program. Also reflects the Governor's veto of boilerplate Sec. 394 which required a study of state transportation funding; the cost of the study was estimated to be \$10,000.	<b>Gross \$36,616,600</b>	<b>\$1,248,600</b>
	Federal 22,000,000	(10,000)
	Restricted 14,616,600	1,258,600

**TRANSPORTATION**

<b><u>Major Budget Changes From FY 2009-10 YTD Appropriations</u></b>	<b>FY 2009-10 YTD (as of 2/11/10)</b>	<b>Enacted Change From YTD</b>
<b>4. State Trunkline Maintenance</b>		
	FTEs 834.7	2.0
Reflects economic increases of \$4.1 million less \$294,000 related to rejection of non-represented employee pay increase, and baseline reductions of \$12.8 million and \$3.2 million to help free up STF matching funds for federal aid road and bridge program. Rolls up two line items into a single state trunkline operations line.	<b>Gross \$286,528,100</b>	<b>(\$11,864,200)</b>
	Restricted 286,528,100	(11,864,200)
<b>5. State Trunkline Road and Bridge Construction</b>		
Recognizes approximately the same level of federal funding as FY 2009-10 based on a department proposal for securing \$84 million in state funds needed to match all federal funds. Elements of the proposal are: issuing \$40 million in short-term notes; use of \$11 million in soft-match toll credits; redirection of \$12 million in drivers license fees from the Transportation Economic Development Fund (TEDF); recognition of \$2.1 million in STF savings from the Civil Service Commission's rejection of a proposed 3% pay increase for non-represented employees (NEREs); \$6 million in other program reductions, including a \$1 million reduction in Welcome Center operations; deferral of \$11.3 million in capital outlay facility projects, including \$1 million related to salt sheds at contract maintenance agencies; and the deferral of \$1.6 million in capital funding for a proposed Welcome Center in Port Huron. These items represent internal fund shifts, or, in the cases of the proposed note issue and the use of toll credits, are "off-budget."	<b>Gross \$793,918,800</b>	<b>\$2,307,400</b>
	Federal 706,812,600	6,206,900
	Local 30,000,000	0
	Restricted 57,106,200	(3,899,500)
<i>Note: FY 2009-10 YTD figure does not include \$30 million in federal stimulus (ARRA) funds appropriated in 2010 PA 92 (Senate Bill 928).</i>		
<b>6. Local Federal Aid Road and Bridge Construction</b>		
Appropriates \$248.8 million, the same as FY 2009-10, based on estimated available federal revenue and the Act 51 directive that 25% of most federal aid program funds be made available to local road agencies. While the appropriation of federal funds for local road agency programs is the same as the prior year, it is not clear to what extent some local road agencies will have trouble matching federal funds.	<b>Gross \$248,751,000</b>	<b>\$0</b>
	Federal 248,751,000	0
<b>7. Local Bridge Fund</b>		
Act 51 earmark reflects anticipated reduction in gasoline tax revenue.	<b>Gross \$26,905,000</b>	<b>(\$105,200)</b>
	Restricted 26,905,000	(105,200)
<b>8. MTF Distribution to Local Road Agencies</b>		
Recognizes \$858.8 million MTF (\$551.4 million to county road commissions, \$307.4 million to cities/villages) based on February 2010 revenue estimates and Act 51 formula; actual distribution will be based on actual MTF revenue, which may differ from estimates.	<b>Gross \$886,145,400</b>	<b>(\$27,388,900)</b>
	Restricted 886,145,400	(27,388,900)

**TRANSPORTATION**

<b><u>Major Budget Changes From FY 2009-10 YTD Appropriations</u></b>		<b><u>FY 2009-10 YTD (as of 2/11/10)</u></b>	<b><u>Enacted Change From YTD</u></b>
<b>9. Transportation Economic Development Fund (TEDF) – PARTIAL VETO</b>	<b>Gross</b>	<b>\$33,767,000</b>	<b>(\$1,341,500)</b>
Reflects anticipated \$1.3 million reduction in interest earnings on the TEDF fund balance; that reduction is partially offset by \$54,800 reduction in TEDF-related debt service. Also reflects the Governor's veto of a \$40,000 Forest Roads earmark for truck inspection turn-offs (and related boilerplate Section 608).	Restricted	33,767,000	(1,341,500)
<p>TEDF revenue reflects the shift of \$12 million in driver's license fee revenue to the state trunkline road and bridge program to help provide matching funds for federal aid. (In FY 2009-10 \$12 million in TEDF driver's license fee revenue was redirected to the state General Fund.)</p> <p>Includes a new TEDF line item for "Non-profit street railways" with an initial appropriation of \$1.0 million, and related boilerplate in Sec. 398. This appropriation will require an amendment to the TEDF authorizing legislation.</p> <p><i>Note: FY 2009-10 YTD figure does not include \$25 million in federal stimulus (ARRA) funds appropriated in 2010 PA 92 (Senate Bill 928) for a non-profit street railway.</i></p>			
<b>10. Bus Transit - Local Bus Operating Assistance</b>	<b>Gross</b>	<b>\$166,624,000</b>	<b>\$0</b>
Appropriates \$166.6 million CTF for state operating assistance to local public transit agencies, unchanged since FY 2006-07.	Restricted	166,624,000	0
<b>11. Bus Transit - Non-Urban Operating/Capital</b>	<b>Gross</b>	<b>\$21,800,000</b>	<b>\$987,900</b>
Recognizes anticipated increase in federal non-urban transit grants.	Federal	21,000,000	987,900
	Local	800,000	0
<p><i>Note: FY 2009-10 YTD figures do not include \$524,100 in federal stimulus (ARRA) funds appropriated in 2010 PA 92 (Senate Bill 928).</i></p>			
<b>12. Rail Passenger Service</b>	<b>Gross</b>	<b>\$8,667,000</b>	<b>\$3,000,000</b>
Provides state restricted CTF funds for Port Huron/Chicago and Grand Rapids/Chicago rail service under contract with AMTRAK; federal funds support capital projects. Appropriation of \$11.7 million includes \$8.7 million CTF for the AMTRAK operating contract.	Federal	3,000,000	0
	Restricted	5,667,000	3,000,000
<p><i>Note: FY 2009-10 YTD figure does not reflect legislative transfers made after the release of the Executive budget which increased YTD authorization by \$3.7 million including \$2.5 million CTF, or \$40.3 million in federal stimulus (ARRA) funds appropriated in 2010 PA 92 (Senate Bill 928) for high-speed rail projects.</i></p>			
<b>13. Bus Capital</b>	<b>Gross</b>	<b>\$38,178,200</b>	<b>\$3,121,800</b>
Provides matching funds for federal transit grants to local transit agencies; Gross appropriation of \$41.3 million includes \$8.0 million CTF funds to match federal grants.	Federal	28,000,000	300,000
	Local	5,000,000	0
	Restricted	5,178,200	2,821,800
<p><i>Note: FY 2009-10 YTD figure does not reflect a legislative transfer made after the release of the Executive budget which increased YTD authorization by \$3.3 million CTF, or \$2.6 million in federal stimulus (ARRA) funds appropriated in 2010 PA 1 (House Bill 5404) for various local bus capital projects.</i></p>			
<b>14. Transit-Oriented Development – VETOED</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
Governor vetoed this \$100 placeholder (TEDF) and related boilerplate Section 399.	Restricted	0	0

**TRANSPORTATION**

**Major Budget Changes From FY 2009-10 YTD Appropriations**

	<b>FY 2009-10 YTD (as of 2/11/10)</b>	<b>Enacted Change From YTD</b>
--	---	------------------------------------

<b>15. State/Local Capital Facilities Projects</b>	<b>Gross</b>	<b>\$2,288,000</b>	<b>\$10,603,100</b>
Appropriates \$12.9 million which includes \$9.9 million for Port Huron Welcome Center replacement, Blue Water Bridge inspection station, administration, and maintenance facilities. Budget does not include \$1.6 million STF for the Port Huron Welcome Center or \$1.0 million proposed for salt shed buildings and containment facilities; those funds were redirected to the road and bridge program to match federal funds.	Federal	0	6,514,800
	Restricted	2,288,000	4,088,300

Part of the department's plan to match all federal funds includes the lapse of \$10.3 million in STF spending authority related to capital outlay projects approved in prior fiscal year budgets and carried forward.

<b>16. AERO Capital Projects</b>	<b>Gross</b>	<b>\$123,425,700</b>	<b>(\$179,300)</b>
Provides funding for FY 2010-11 Aeronautics Capital program; reflects anticipated federal program funding.	Federal	104,874,700	(1,946,800)
	Local	16,023,400	422,600
	Restricted	2,527,600	1,344,900

<b>17. Economics</b>	<b>Gross</b>	<b>N/A</b>	<b>\$16,256,600</b>
Estimated additional funding needed to maintain baseline service levels: \$5.7 million for salaries/wages, \$3.6 million for health insurance, \$7.8 million for retirement contributions, and \$57,900 for workers' compensation. Building occupancy costs decrease by \$887,500.	Restricted	N/A	16,256,600

Note that the \$16.3 million in economic increases originally computed by the State Budget Office will be partially offset by the \$2.7 million in savings from the Civil Service Commission's rejection of a proposed 3% pay increase for non-represented employees. Of this savings, \$2.0 million STF is recognized in the enacted budget as part of the state funds used to match federal aid highway funds.

**Major Boilerplate Changes From FY 2009-10**

**Sec. 306. Use of Transportation Funds by Other State Agencies/Biennial Audit – PARTIAL VETO**  
Sets guidelines for use of transportation funds (IDGs) by other state agencies; requires report. Provides for biennial audit of use of transportation funds by other state departments, due 9 months after state CAFR is issued. The Governor vetoed subsection 3 which required the State Treasurer to identify actual cost of work performed by Michigan Department of Treasury for state-restricted transportation funds.

**Secs. 321 and 322 Complete Streets – NEW**  
Sec. 321 directs the department to give preference in awarding Enhancement grants to applicants which have adopted Complete Streets policies. Sec. 322 directs the department to work with requesting universities on Complete Streets policies. Previous sections dealing with Complete Streets policies were are not included since they were superseded by newly enacted Complete Streets bills, HB 6151 and HB 6152.

**Sec. 384. Detroit River International Crossing (DRIC) – MODIFIED**  
Limits spending for 3-month period ending 12/31/2010 to \$250,000 under any contract entered into prior to 9/1/2010. Limits spending for 5-month period ending 5/31/2011 to \$500,000 under any contract entered into prior to 9/1/2010. Prohibits the department from entering into any new contract after 9/1/2010 unless specific legislation authorizing DRIC has been enacted. Requires legislative report by 3/31/2011. Indicates that spending restrictions will not apply if DRIC enabling legislation is enacted.

**Sec. 385. Private Facility Toll Credits – NEW**  
Restricts use of toll credits earned from private toll facilities.

**Sec. 394. Revisit Act 51 Distribution Formula – VETOED**  
Directs department to study formula for distribution of transportation revenue. The Governor vetoed the section indicating that the department had already completed and published a similar study.

**Sec. 399. Transit-Oriented Development – VETOED**  
Governor vetoed this new section which explained the \$100 placeholder for transit-oriented development in Part 1.

**Major Boilerplate Changes From FY 2009-10**

***Sec. 604. Work Zone Safety – NEW***

Includes intent language regarding signs in work zones notifying of increased fines and penalties for violations of the Michigan Vehicle Code.

***Sec. 662. Improved Emergency Response Access Point – NEW***

Includes intent language that Department work with Graafschap Fire Department and Laketown Township.

***Sec. 664. Use of Additional MTF Revenue – NEW***

Intent that if MTF revenue exceeds revenue estimates, additional funds be used to reinstate delayed projects.

***Sec. 665. Prohibition on Land Purchase for Watervliet I-94 Rest Area – NEW***

Includes intent language that no funds be used for specific rest area land purchase.



**FY 2010-11  
CONSENSUS REVENUE  
ESTIMATES**

---

## **Consensus Revenue Estimates FY 2010-11**

**Senior Economist: Rebecca Ross**

This section explains May 2010 Consensus Revenue Estimating Conference estimates and tax changes enacted for GF/GP and School Aid Fund (SAF) revenue for FY 2009-10 and FY 2010-11 by major revenue sources.

For Michigan:

- ▶▶ Wage and salary employment is expected to decrease 1.2% in 2010 and then remain flat in 2011.
- ▶▶ The unemployment rate is expected to be 14.1% in 2010, then decrease to 13.7% in 2011.

### **General Fund/General Purpose Revenue by Source**

#### ***Personal Income Tax***

- ▶▶ Michigan personal income tax revenue is forecast to decrease 8.1% in FY 2009-10, and then increase 3.4% in FY 2010-11.
- ▶▶ GF/GP income tax revenue is expected to decrease 10.0% in FY 2009-10, and then increase 3.8% to \$3,700.0 million in FY 2010-11.

#### ***Sales and Use Taxes***

- ▶▶ Improving wage and salary income will increase GF/GP sales and use tax revenue from \$748.2 million in FY 2008-09 to \$853.4 million in FY 2009-10. In FY 2010-11, sales and use tax revenue is estimated to be \$878.3 million.

#### ***Michigan Business, Single Business and Insurance Taxes***

- ▶▶ Most of the MBT is General Fund/General Purpose revenue. SBT plus insurance taxes all accrue to the GF/GP.
- ▶▶ Net business taxes were \$1,815.7 million in FY 2008-09, and will decrease to \$1,407.7 million in FY 2009-10, then increase 24.6% to \$1,754.1 million in FY 2010-11.

#### ***GF/GP Tax Revenue***

- ▶▶ Final GF/GP tax revenue totaled \$6,979.1 million in FY 2008-09.
- ▶▶ GF/GP tax revenue is expected to decrease 10.4% to \$6,251.6 million in FY 2009-10 and increase 8.3% to \$6,773.4 million in FY 2010-11.

#### ***Net GF/GP Revenue***

- ▶▶ Total net GF/GP revenue includes tax revenue and non-tax revenue.
- ▶▶ Non-tax revenue includes revenue from the liquor purchase revolving fund, federal aid, licenses and permits, and investment income and borrowing costs.
- ▶▶ Total GF/GP revenue was \$7,365.6 million in FY 2008-09.
- ▶▶ Net GF/GP revenue is expected to decrease 9.7% to \$6,654.9 million in FY 2009-10 and to increase 10.2% to \$7,333.6 million in FY 2010-11.

**GF/GP REVENUE ESTIMATES  
(Millions of Dollars)**

	Final			FY 2010-11 Over FY 2009-10	
	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>Change</u>	
Personal Income Tax	\$3,959.2	\$3,564.4	\$3,700.0	\$135.6	3.8%
Sales and Use Taxes	748.2	853.4	878.3	24.9	2.9%
MBT/SBT and Insurance Taxes	1,815.7	1,407.7	1,754.1	346.4	24.6%
Other Taxes	456.0	426.1	441.0	14.9	3.4%
<b>GF/GP Tax Revenue</b>	<b>\$6,979.1</b>	<b>\$6,251.6</b>	<b>\$6,773.4</b>	<b>\$521.8</b>	<b>8.3%</b>
Non-Tax Revenue	386.5	403.3	560.2	156.9	38.9%
<b>Net GF/GP Revenue</b>	<b>\$7,365.6</b>	<b>\$6,654.9</b>	<b>\$7,333.6</b>	<b>\$678.7</b>	<b>10.2%</b>

**SCHOOL AID FUND REVENUE ESTIMATES  
(Millions of Dollars)**

<u>Revenue</u>	Final			FY 2010-11 Over FY 2009-10	
	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>Change</u>	
Sales and Use Tax	\$4,793.2	\$4,865.7	\$4,959.8	\$94.1	1.9%
Income Tax Earmark	1,895.3	1,815.3	1,863.4	48.1	2.6%
Lottery and Casinos	832.6	832.6	852.0	19.4	2.3%
MBT	729.0	726.7	742.0	15.3	2.1%
Tobacco Taxes	410.4	387.3	371.1	(16.2)	(4.2%)
State Education Tax	2,040.6	1,893.0	1,833.0	(60.0)	(3.2%)
Real Estate Transfer Tax	125.3	127.0	140.0	13.0	10.2%
Liquor Excise and Specific Taxes	95.7	102.2	98.5	(3.7)	(3.6%)
<b>Net SAF Revenue</b>	<b>\$10,922.2</b>	<b>\$10,749.9</b>	<b>\$10,859.9</b>	<b>\$110.0</b>	<b>1.0%</b>

**School Aid Fund Revenue by Source**

***Sales and Use Taxes***

- ▶▶ Combined sales and use tax revenue dedicated to the SAF equaled \$4,793.2 million in FY 2008-09; it is forecast to increase to \$4,865.7 million in FY 2009-10 and to increase 1.9% to \$4,959.8 million in FY 2010-11.

***Income Tax***

- ▶▶ Approximately 26% of gross income tax collections are dedicated to the SAF.
- ▶▶ SAF dedicated income tax revenue is forecast to decrease 4.2% to \$1,815.3 million in FY 2009-10 and increase 2.6% to \$1,863.4 million in FY 2010-11.

***Lottery/Casinos***

- ▶▶ Lottery and casino revenue contributed \$832.6 million to the SAF in FY 2008-09.
- ▶▶ Lottery and casino revenue to the SAF is projected to remain flat at \$832.6 million in FY 2009-10, and increase 2.3% to \$852.0 million in FY 2010-11.

***Tobacco Taxes***

- ▶▶ Approximately 40% of gross tobacco tax revenue is dedicated to the SAF.
- ▶▶ The SAF received \$410.4 million from tobacco taxes in FY 2008-09.

**CONSENSUS REVENUE**

- ▶ The demand for tobacco products is expected to decline over the duration of the forecast, in part due to the smoking ban; total SAF tobacco tax revenue is expected to decrease 5.6% to \$387.3 million in FY 2009-10 and decline 4.2% to \$371.1 million in FY 2010-11.

***State Education Tax/Real Estate Transfer Tax***

- ▶ All of the 6-mill state education tax (SET) and the real estate transfer tax (RET) is dedicated to the SAF.
- ▶ Revenue from the SET was \$2,040.6 million in FY 2008-09.
- ▶ SET revenue is expected to decrease 7.2% to \$1,893.0 million in FY 2009-10 and decline 3.2% to \$1,833.0 million in FY 2010-11.
- ▶ RET contributed \$125.3 million to the SAF in FY 2008-09, and is forecast to contribute \$127.0 million in FY 2009-10 and \$140.0 million in FY 2010-11.

***Net SAF Revenue***

- ▶ Net SAF revenue represents revenue available for expenditure each year; it includes tax changes but does not include any GF/GP transfers to SAF or year-end balances.
- ▶ Net SAF revenue was \$10,922.2 million in FY 2008-09; it is expected to decrease 1.6% to \$10,749.9 million in FY 2009-10, then increase 1.0% to \$10,859.9 million in FY 2010-11.

**HFA Estimates of Year-End Balances**

The following table reports House Fiscal Agency estimates of year-end balances for GF/GP, the SAF, and the Budget Stabilization Fund (BSF).

**YEAR-END BALANCE ESTIMATES  
(Millions of Dollars)**

	<b><u>FY 2009-10</u></b>	<b><u>FY 2010-11</u></b>
General Fund/General Purpose	\$0.0	\$4.2
School Aid Fund	\$163.4	\$92.4
Budget Stabilization Fund	\$2.3	\$2.4

Year-end estimates notes:

- ▶ FY 2010-11 estimates for GF/GP and the SAF are based on year-to-date appropriations, target agreements, and consensus revenue estimates.
- ▶ SAF revenue is restricted; hence, any year-end balance is carried forward to the subsequent year.
- ▶ BSF estimates are based on current balance estimates provided by the Michigan Department of Treasury and HFA estimates of future deposits and interest earned.

**Budget Stabilization Fund Year-End Balances**

The following table notes BSF deposits, withdrawals, and interest earnings from FY 1990-91 to FY 2008-09, and HFA estimates of deposits, expected interest earnings, and year-end balances for FY 2009-10 and FY 2010-11. A complete list of BSF historical data is available from the HFA upon request.

The final BSF fund balance was \$2.2 million for FY 2008-09. The fund balance is forecast to be \$2.3 million for FY 2009-10 and \$2.4 million for FY 2010-11.

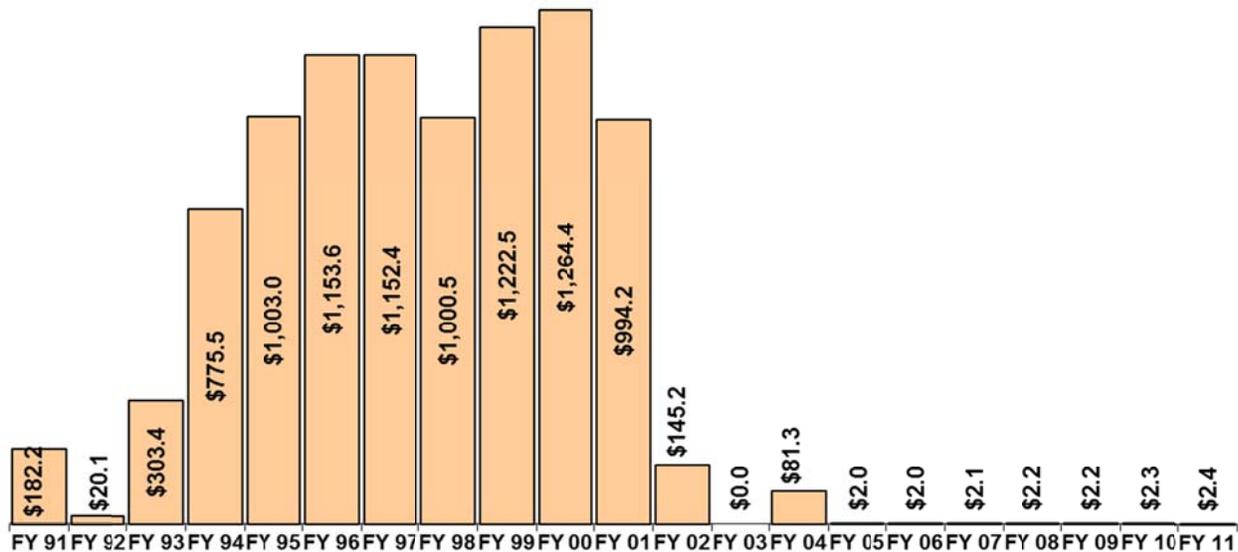
**BUDGET STABILIZATION FUND HISTORY  
(Millions of Dollars)**

<u>Fiscal Year</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Interest Earned</u>	<u>Balance</u>
1990-91	0.0	230.0	27.1	182.2
1991-92	0.0	170.1	8.1	20.1
1992-93	282.6	0.0	0.7	303.4
1993-94	460.2	0.0	11.9	775.5
1994-95	260.1	90.4	57.7	1,003.0
1995-96	91.3	0.0	59.2	1,153.6
1996-97	0.0	69.0	67.8	1,152.4
1997-98	0.0	212.0	60.1	1,000.5
1998-99	244.4	73.7	51.2	1,222.5
1999-2000	100.0	132.0	73.9	1,264.4
2000-01	0.0	337.0	66.7	994.2
2001-02	0.0	869.8	20.8	145.2
2002-03	0.0	156.1	10.9	0.0
2003-04	81.3	0.0	0.0	81.3
2004-05	0.0	81.3	2.0	2.0
2005-06	0.0	0.0	0.0	2.0
2006-07	0.0	0.0	0.1	2.1
2007-08	0.0	0.0	0.1	2.2
2008-09	0.0	0.0	0.1	2.2
2009-10*	0.0	0.0	0.1	2.3
2010-11*	0.0	0.0	0.1	2.4

\* HFA Estimate

NOTE: Numbers may not add due to rounding.

**Budget Stabilization Fund (BSF) Balance  
(Millions of Dollars)**



\*Consensus estimates for FY 10 and FY 11

**CONSENSUS REVENUE**

**Compliance With the State Revenue Limit**

HFA estimates of the state revenue limit provided for in Article IX, Section 26, *Constitution of the State of Michigan*, and estimates of total state revenue collections subject to the state revenue limit are shown in the following table. As provided for in the constitution, the revenue limit is calculated as 9.49% of total state personal income in the previous full calendar year (CY) prior to the fiscal year in which the revenue is measured, as estimated by the Bureau of Economic Analysis, United States Department of Commerce.

**COMPLIANCE WITH THE STATE REVENUE LIMIT  
(Millions of Dollars)**

<u>Revenue Limit Calculations</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>
Personal Income	CY 2007	CY 2008	CY 2009
Amount	\$345,885	\$349,612	\$339,219
X Limit Ratio	9.49%	9.49%	9.49%
<b>State Revenue Limit</b>	<b>32,824.5</b>	<b>33,178.2</b>	<b>32,191.9</b>
<b>Total Revenue Subject to Revenue Limit</b>	<b>\$24,838.5</b>	<b>\$24,333.2</b>	<b>\$25,052.3</b>
<b>Amount (Under) Over State Revenue Limit</b>	<b>(\$7,985.9)</b>	<b>(\$8,845.0)</b>	<b>(\$7,139.6)</b>

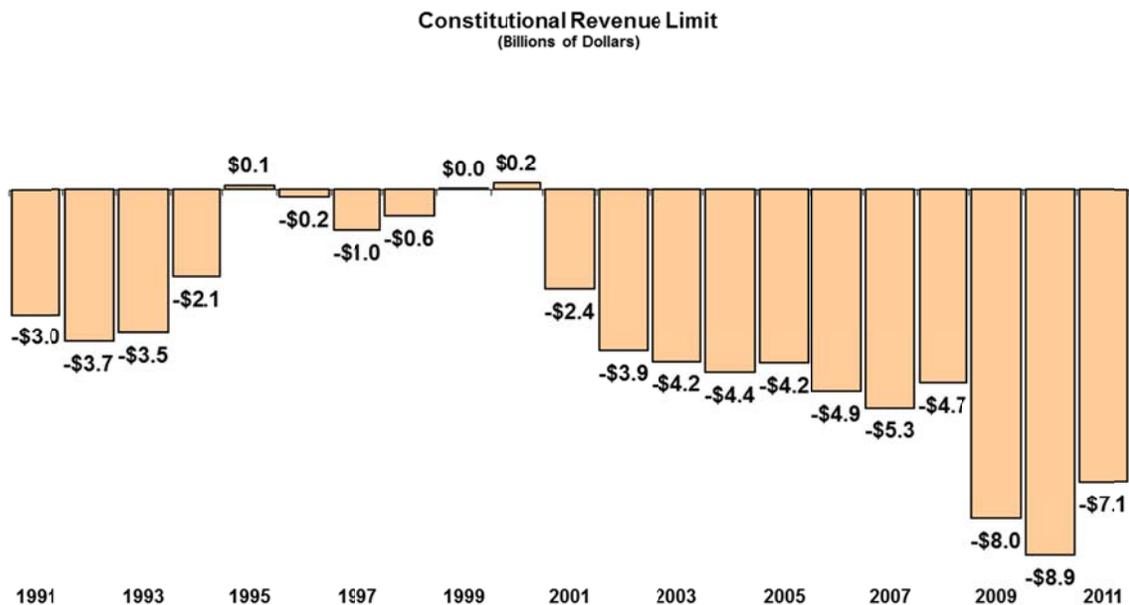
**Implications of Exceeding the State Revenue Limit**

Article IX, Section 26, Constitution of the State of Michigan, provides that:

... For any fiscal year in the event that Total State Revenue exceed the limit established in this section by 1% or more, the excess revenues shall be refunded pro rata based on the liability reported on the Michigan income tax and single business tax (or its successor tax or taxes) annual returns filed following the close of such fiscal year. If the excess is less than 1%, this excess may be transferred to the State Budget Stabilization Fund . . .

Furthermore, the state is prohibited from spending any current year revenue in excess of the limit established in Section 26 by Article IX, Section 28.

The final FY 2008-09 revenue limit calculation indicates that the state revenue collections were well under the revenue limit. For both FY 2009-10 and FY 2010-11, state revenue is estimated to be substantially below the revenue limit—by \$8.8 billion and \$7.1 billion, respectively.



\*2010 and 2011 are consensus estimates



Mitchell E. Bean, Director  
Mary Ann Cleary, Deputy Director

- Agriculture..... William E. Hamilton, Senior Fiscal Analyst
- Capital Outlay.....Robin R. Risko, Senior Fiscal Analyst
- Community Colleges..... Mark Wolf, Fiscal Analyst
- Community Health
  - Medicaid/Children’s Special Health Care Services..... Steve Stauff, Senior Fiscal Analyst
  - Mental Health/Substance Abuse ..... Margaret Alston, Senior Fiscal Analyst
  - Public Health/Aging/Medicaid ..... Susan Frey, Senior Fiscal Analyst
- Corrections.....Bob Schneider, Associate Director
- Education (Department)..... Mary Ann Cleary, Deputy Director; Bethany Wicksall, Senior Fiscal Analyst
- Energy, Labor and Economic Growth ..... Mark Wolf, Fiscal Analyst
- General Government:
  - Attorney General/Civil Rights/Civil Service/Executive Office/.....Robin R. Risko, Senior Fiscal Analyst
  - Legislature/Legislative Auditor General/  
Technology, Management and Budget
  - Lottery/Michigan Strategic Fund/State/Treasury .....Benjamin Gielczyk, Fiscal Analyst
- Higher Education ..... Kyle I. Jen, Associate Director
- Human Services (Department) ..... Kevin Koorstra, Fiscal Analyst; Robert Schneider, Associate Director
- Judiciary .....Benjamin Gielczyk, Fiscal Analyst
- Military and Veterans Affairs ..... Jan Wisniewski, Senior Fiscal Analyst
- Natural Resources and Environment ..... Viola Bay Wild, Senior Fiscal Analyst
- School Aid ..... Mary Ann Cleary, Deputy Director; Bethany Wicksall, Senior Fiscal Analyst
- State Police ..... Jan Wisniewski, Senior Fiscal Analyst
- Transportation ..... William E. Hamilton, Senior Fiscal Analyst
  
- Economic/Revenue Forecast; Tax Analysis; Revenue Sharing .....Rebecca Ross, Senior Economist;  
Jim Stansell, Economist
  
- Legislative Analysis ..... Chris Couch, Associate Director;  
Edith Best, Joan Hunault, Shannan Kane, Sue Stutzky, Legislative Analysts
  
- Legislative Transfers..... Margaret Alston, Senior Fiscal Analyst
- Oversight and Investigations ..... Mitchell E. Bean, Director
- Retirement..... Bethany Wicksall, Senior Fiscal Analyst
- Supplementals ..... Kyle I. Jen, Associate Director
  
- Administrative Assistant .....Kathryn Bateson
  
- Budget Assistant /HFA Internet ..... Tumai Burris
  
- Facilities Coordinator.....D’Andrea Long, Receptionist

**HOUSE**  
**FISCAL**  
**AGENCY**

P.O. Box 30014 ■ Lansing, MI 48909-7514  
(517) 373-8080 ■ FAX (517) 373-5874  
[www.house.mi.gov/hfa](http://www.house.mi.gov/hfa)