



Senate Fiscal Agency  
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BILL ANALYSIS



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Senate Bill 1093 (S-1 as reported)  
 Committee: Appropriations

**FY 2005-06 Year-to-Date Gross Appropriation ..... \$117,699,400**

**Changes from FY 2005-06 Year-to-Date:**

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|---|--|
| <p>1. <b>Challenge Program.</b> Local school aid funds of \$1,253,100 are added to the program to supplant existing GF/GP (\$753,100) and to increase overall funding to provide for two 150 pupil classes for FY 2006-07, rather than two 100 pupil classes, as is the case in FY 2005-06.</p> <p>2. <b>Military Retirement.</b> GF/GP funds are added to pay for anticipated payments to retired Michigan Army and Air National Guard per P.A. 150 of 1967.</p> <p>3. <b>Grand Rapids Veterans Home.</b> A shift from restricted revenue (\$1,200,000) to GF/GP due to depletion of Home's Income and Assessments reserve funds.</p> <p>4. <b>Human Resources Service Center Charges.</b> An adjustment to reflect projected FY 2006-07 Department of Management and Budget Human Resources Service Center charges.</p> <p>5. <b>Veterans Grants.</b> Includes a 3% GF/GP increase to grants to veterans service organizations.</p> <p>6. <b>Human Resources Optimization.</b> A reduction to reflect projected Departmental human resources cost efficiencies.</p> <p>7. <b>Additional Restricted and Private Revenue.</b> Included is \$75,000 in private and \$250,000 in restricted revenue for the State veteran homes to reflect expected receipt of funds.</p> <p>8. <b>Additional Federal Revenue.</b> Included is \$260,000 in additional Federal funds for the Starbase Educational Program.</p> <p>9. <b>Economic Adjustments.</b> Adjustments include a GF/GP total of \$2,278,400.</p> <p>10. <b>Comparison to Governor's Recommendation.</b> The bill is \$702,300 over the Governor (\$260,000 Federal, \$250,000 Restricted and \$117,300 GF/GP).</p> | <p>500,000</p> <p>166,800</p> <p>0</p> <p>31,400</p> <p>117,300</p> <p>(72,400)</p> <p>325,000</p> <p>260,000</p> <p>3,992,400</p> |
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- Total Changes..... \$5,320,500

**FY 2006-07 Senate Appropriations Committee Gross Appropriation ..... \$123,019,900**

**Changes from FY 2005-06 Year to Date:**

1. **Budget Reduction Plan.** Requires a proposed GF/GP budget reduction (7.93%) plan by October 15, 2006, as a contingency should the K-16 Ballot Proposal be adopted. (Sec. 228)
2. **Challenge Program.** New language provides for two 150-pupil classes and utilization of funding from the School Aid Fund. (Sec. 303)
3. **Veterans Service Organizations.** Language added to existing report requirement that research into redundancy of veterans services to be studied. (Sec. 501)
4. **Michigan Veterans Trust Fund.** Language added to existing report requirement that plans for corpus repayment be included. (Sec. 703)

Date Completed: 5-23-06

Fiscal Analyst: Bruce Baker