



Senate Fiscal Agency  
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BILL ANALYSIS



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Senate Bill 1093 (S-1 as passed by the Senate)  
Committee: Appropriations

**FY 2005-06 Year-to-Date Gross Appropriation ..... \$120,175,000**

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

- 1. **Challenge Program.** 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. 500,000
- 2. **Military Retirement.** GF/GP funds are added to pay for anticipated payments to retired Michigan Army and Air National Guard per P.A. 150 of 1967. 166,800
- 3. **Grand Rapids Veterans Home.** A shift from restricted revenue (\$1,200,000) to GF/GP due to depletion of Home's Income and Assessments reserve funds. 0
- 4. **Human Resources Service Center Charges.** An adjustment to reflect projected FY 2006-07 Department of Management and Budget Human Resources Service Center charges. 31,400
- 5. **Veterans Grants.** Includes a 3% GF/GP increase to grants to veterans service organizations. 117,300
- 6. **Human Resources Optimization.** A reduction to reflect projected Departmental human resources cost efficiencies. (72,400)
- 7. **Additional Restricted and Private Revenue.** Included is \$75,000 in private and \$250,000 in restricted revenue for the State veteran homes to reflect expected receipt of funds. 325,000
- 8. **Additional Federal Revenue.** Included is \$260,000 in additional Federal funds for the Starbase Educational Program. 260,000
- 9. **Supplemental Adjustment.** A reduction to reflect FY 2005-06 supplemental appropriations from P.A. 153 of 2006. (2,475,600)
- 10. **Economic Adjustments.** Adjustments include a GF/GP total of \$2,278,400. 3,992,400
- 11. **Comparison to Governor's Recommendation.** The bill is \$702,300 over the Governor (\$260,000 Federal, \$250,000 Restricted and \$117,300 GF/GP).

Total Changes..... \$2,844,900

**FY 2006-07 Senate 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 Initiative 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: 6-1-06

Fiscal Analyst: Bruce Baker