

FY 2008-09 SUPPLEMENTAL APPROPRIATIONS

Summary: Enrolled Bill

Senate Bill 334



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Budget Area	Executive*		Senate		House/Enrolled	
	Gross	GF/GP	Gross	GF/GP	Gross	GF/GP
Civil Rights	\$285,000	\$285,000	\$0	\$0	\$285,000	\$285,000
Community Health	394,228,200	317,843,700	9,152,200	0	394,228,200	317,843,700
Corrections	20,000,000	20,000,000	0	0	20,000,000	20,000,000
Environmental Quality	0	0	0	0	0	0
History, Arts & Libraries	643,800	643,800	0	0	643,800	643,800
Human Services	26,470,800	(9,708,000)	16,700,000	0	26,491,800	(9,687,000)
State Police	3,811,000	0	3,811,000	0	3,811,000	0
Transportation	0	0	400,000	0	0	0
Treasury	4,523,300	(2,000,000)	1,339,800	0	5,462,200	(2,000,000)
TOTAL	\$449,962,100	\$327,064,500	\$31,403,000	\$0	\$450,922,000	\$327,085,500

*Reflects only Executive requests included in House (H-1) floor substitute.

OVERVIEW

The Senate-passed version of Senate Bill 334 contained supplemental appropriations totaling \$31.0 million, along with various proposed boilerplate sections and repealers of existing boilerplate language, as recommended in State Budget Office (SBO) letters of May 5 and May 7. These requests relate to Executive Order (EO) 2009-22. The Senate-passed bill also contained a \$400,000 item in the Transportation budget that has subsequently been signed into law.

The House-passed version of the bill concurs with all the items in the Senate-passed bill, other than (1) the Transportation item, (2) a county revenue sharing-related adjustment, and (3) two repealers of boilerplate language in the Community Health budget. Additionally, the bill contains various other pending SBO supplemental requests totaling \$419.9 million Gross and \$327.1 million GF/GP. The largest appropriation changes in the bill are funding adjustments in the Community Health budget for higher projected caseload, utilization and inflation costs and conversion of QAAP revenue to use tax revenue (items 4 and 5 below). In addition to SBO requests, boilerplate language changes are made for the Community Health and Corrections budgets.

The Senate has concurred with the House-passed version of the bill, so the House-passed columns in the tables below are reflective of the Enrolled version of the bill.

<u>FY 2008-09 Appropriation Items:</u>	<u>Executive</u>	<u>Senate</u>	<u>House/Enrolled</u>
CIVIL RIGHTS			
1. Offset Loss of Federal Revenue			
Provides additional GF/GP to offset the loss of federal revenue. The Department was notified on July 1 that federal funding from the EEOC and HUD would be reduced substantially. As a result of Executive Order reductions, the Department has laid off 23 positions. Without this general fund increase, the Department will need to layoff an additional 19 positions, which would equate to a 44% reduction in staff. (7/15/09 SBO letter)	Gross GF/GP	\$285,000 \$285,000	-- --
			\$285,000 \$285,000

<u>FY 2008-09 Appropriation Items:</u>		<u>Executive</u>	<u>Senate</u>	<u>House/ Enrolled</u>
COMMUNITY HEALTH				
2. Healthy Michigan Fund for Medicaid Services	Gross	\$3,839,700	\$3,839,700	\$3,839,700
Increases Healthy Michigan Fund revenue authorization within the Hospital Services and Therapy line with funds available through various HMF program reductions as identified in EO 2009-22. These funds replace GF/GP which was removed pursuant to EO 2009-22 from the Hospital Services and Therapy appropriation line. (5/5/09 SBO letter)	Restricted	3,839,700	3,839,700	3,839,700
3. Merit Award Trust Fund for Medicaid Services	Gross	\$5,312,500	\$5,312,500	\$5,312,500
Increases Merit Award Trust Fund authorization within the Long-Term Care Services line with funds available from the respite care for seniors program and from reductions in Treasury and Higher Education. These funds offset GF/GP in the Medicaid Long-Term Care Services line as identified in EO 2009-22. (5/5/09 SBO letter)	Restricted	5,312,500	5,312,500	5,312,500
4. Caseload, Utilization and Inflation Adjustment	Gross	\$325,188,300	--	\$325,188,300
Increases funding by \$325.2 million Gross (\$140.4 million GF/GP) for Medicaid, MICHild, Adult Benefits Waiver and Federal Medicare Pharmacy program expenditures due to higher projected caseload, utilization and inflation costs as determined at the May 2009 consensus meeting between the House and Senate Fiscal Agencies and the State Budget Office. (2/12/09 & 5/29/09 SBO letter)	Federal	195,769,800	--	195,769,800
	Restricted	(10,965,000)	--	(10,965,000)
	GF/GP	\$140,383,500	--	\$140,383,500
5. Conversion of QAAP Revenue to Use Tax Revenue	Gross	\$14,144,000	--	\$14,144,000
State law change converting the Medicaid managed care provider assessment to a use tax was enacted in December 2008 and took effect April 1, 2009. An additional \$14.1 million Gross (\$5.6 million GF/GP) is proposed to reflect the higher rate of the new tax from 5.5% to 6.0%. Also \$147.3 million of the state's share of financing for the program shifts from state restricted provider assessment revenue to GF/GP revenue from the use tax. (2/12/09 SBO letter)	Federal	8,524,500	--	8,524,500
	Restricted	(147,342,800)	--	(147,342,800)
	GF/GP	\$152,962,300	--	\$152,962,300
6. Closure Costs for Mt. Pleasant Center	Gross	\$7,997,700	--	\$7,997,700
Due to the proposed closure of Mt. Pleasant Center for Persons with Developmental Disabilities, funding for the Closed Site, Transition, and Related Costs line item is increased by almost \$8.0 million GF/GP. These funds will finance one-time costs such as leave payouts, unemployment costs, and severance pay. (2/12/09 SBO letter)	GF/GP	\$7,997,700	--	\$7,997,700
7. FY 2008-09 Actuarial Soundness Adjustment	Gross	\$0	--	\$0
The FY 2008-09 actuarial soundness adjustments for PIHPs are corrected. Funding for Medicaid Mental Health Services is reduced by \$48,300 Gross (\$16,700 GF/GP) and Medicaid Substance Abuse Services is increased by the same amount of funding. A similar adjustment is included in the FY 2009-10 Executive Budget Recommendation for FY 2009-10. (2/12/09 SBO letter)	Federal	0	--	0
	Restricted	0	--	0
8. Managed Care Adjustments and Related QAAP Increases	Gross	\$56,377,300	--	\$56,377,300
Provides an increase of \$53.0 million to Medicaid managed care for the hospital rate adjustor payment, special network access fee, and school health payments to the anticipated expenditure level in FY 2008-09. Also recognizes \$3.4 million of QAAP related increases as well as GF/GP savings taken in EO 2008-21. (2/12/09 SBO letter)	Federal	31,939,400	--	31,939,400
	Local	2,123,500	--	2,123,500
	Restricted	22,314,400	--	22,314,400
9. State Psychiatric Hospital Adjustment and Correction	Gross	\$6,119,100	--	\$6,119,100
Increases the disproportionate share hospital allotment (DSH) for the state psychiatric hospital by \$6.1 million Gross to correct for an error in the amount of state restricted authorization and an increase to the anticipated FY 2008-09 allotment level. (2/12/09 SBO letter)	Federal	1,400,000	--	1,400,000
	Restricted	4,719,100	--	4,719,100
10. School-Based Services Adjustment	Gross	(\$24,750,400)	--	(\$24,750,400)
An increase of \$16.5 million GF/GP is required to offset the loss of State earnings in the school-based services program due to a change in reimbursement policy. (2/12/09 SBO letter)	Federal	(41,250,600)	--	(41,250,600)
	GF/GP	\$16,500,200	--	\$16,500,200

FY 2008-09 Appropriation Items:

	<u>Executive</u>	<u>Senate</u>	<u>House/ Enrolled</u>
CORRECTIONS			
11. Support Increased Paroles			
FTEs	198.0	--	198.0
Gross	\$20,000,000	--	\$20,000,000
GF/GP	\$20,000,000	--	\$20,000,000
<p>Supports parole caseload increases by providing additional \$11.2 million for services and programs under the Michigan Prisoner ReEntry Initiative (MPRI), \$902,600 for transitional housing through the Residential Services line item, and \$7.9 million for phased-in costs of an additional 500 GPS tether units and associated field supervision staffing. The number of parolees increased from 19,690 in October 2008 to 21,234 in June 2009. The increase in paroles has been a major factor in enabling the department to close three prisons and five camps for full-year savings of \$116.9 million GF/GP in FY 2009-10. (2/12/09 SBO letter)</p>			
HISTORY, ARTS AND LIBRARIES			
12. HAL Records Center Rent			
Gross	\$643,800	--	\$643,800
GF/GP	\$643,800	--	\$643,800
<p>The Department moved the State Records Center to the warehouse on N. Grand River where a portion of museum collections and artifacts were already housed. The Department was leasing the property until sale of the property was finalized (sale authorized pursuant to 2008 PA 278 and HCR 102). It was anticipated the sale would take three months to complete, but it actually took five months. As a result, the Department is requesting funding to cover costs of the additional lease payments and a one-time tax obligation due on the property. (8/18/08 and 3/23/09 SBO letters)</p>			
HUMAN SERVICES			
13. Child Support Incentive Payments			
Gross	\$9,570,000	\$9,570,000	\$9,570,000
Federal	9,570,000	9,570,000	9,570,000
<p>Increases Federal appropriations by \$9.6 million for child support incentive payments, which offsets GF/GP removed from this line item as a result of EO 2009-22. Federal funding is available as a result of the federal stimulus package reversing an earlier federal law change which prohibited the use of federal incentive dollars as match. (5/5/09 SBO letter)</p>			
14. Legal Support Contracts			
Gross	\$600,000	\$600,000	\$600,000
Federal	600,000	600,000	600,000
<p>Increases Federal appropriations by \$600,000 for legal support contracts, which offsets GF/GP removed from this line item as a result of EO 2009-22. Federal funding is available as a result of the federal stimulus package reversing an earlier federal law change which prohibited the use of federal incentive dollars as match. (5/5/09 SBO letter)</p>			
15. Child Support Automation			
Gross	\$6,530,000	\$6,530,000	\$6,530,000
Federal	6,530,000	6,530,000	6,530,000
<p>Increases Federal appropriations by \$6.5 million for child support automation, which offsets GF/GP removed from this line item as a result of EO 2009-22. Federal funding is available as a result of the federal stimulus package reversing an earlier federal law change which prohibited the use of federal incentive dollars as match. (5/5/09 SBO letter)</p>			
16. Family Independence Program			
Gross	\$30,913,200	--	\$30,934,200
Federal	20,000,000	--	20,000,000
GF/GP	\$10,913,200	--	\$10,934,200
<p>Increases appropriation for the Family Independence Program (FIP) to reflect the caseload consensus agreement between SBO, HFA, and SFA. The FY 2008-09 budget was originally based on a projected FIP caseload of 70,542 at an average monthly cost of \$423. On December 10, 2008, Executive Order 2008-21 reduced the caseload projection by 4,617 cases to 65,925 (a GF/GP savings of \$23.3 million). The consensus agreement increases the caseload projection by 4,645 to 70,600 at an average monthly cost of \$430. (5/22/09 SBO letter) Note: <u>House</u> makes technical correction, increasing GF/GP funds by \$21,000.</p>			

<u>FY 2008-09 Appropriation Items:</u>		<u>Executive</u>	<u>Senate</u>	<u>House/ Enrolled</u>
17. State Disability Assistance		Gross (\$331,600)	--	(\$331,600)
Reduces appropriation for State Disability Assistance (SDA) to reflect the caseload consensus agreement between SBO, HFA, and SFA. The FY 2008-09 budget was originally based on a projected SDA caseload of 10,500 at an average monthly cost of \$280. The consensus agreement maintains the caseload projection of 10,500 but decreases the average monthly cost to \$277. (5/22/09 SBO letter)	GF/GP	(\$331,600)	--	(\$331,600)
18. SSI State Supplementation		Gross (\$852,500)	--	(\$852,500)
Reduces appropriation for SSI State Supplementation (SSI) to reflect the caseload consensus agreement between SBO, HFA, and SFA. The FY 2008-09 budget was originally based on a projected SSI expenditure of \$59.5 million. On May 5, 2009. Executive Order 2009-22 eliminated monthly SSI supplements to recipients who live independently resulting in a reduction of \$9.9 million. The consensus agreement further reduces the line item by \$852,500 to reflect caseload projections. (5/22/09 SBO letter)	GF/GP	(\$852,500)	--	(\$852,500)
19. Day Care Services		Gross (\$27,528,900)	--	(\$27,528,900)
Reduces appropriation for Day Care Services to reflect the caseload consensus agreement between SBO, HFA, and SFA. The FY 2008-09 budget was originally based on a projected Day Care caseload of 49,440 at an average monthly cost of \$601. The consensus agreement reduces the caseload projection by 4,340 cases to 45,100 at an average monthly cost of \$605. (5/22/09 SBO letter)	GF/GP	(\$27,528,900)	--	(\$27,528,900)
20. Child Care Fund		Gross (\$1,218,800)	--	(\$1,218,800)
Reduces appropriation for Child Care Fund (CCF) to reflect the caseload consensus agreement between SBO, HFA, and SFA. The FY 2008-09 budget was originally based on a projected CCF expenditure of \$212,418,800. The consensus agreement reduces the caseload projection by \$1.2 million to \$211,200,000. (5/22/09 SBO letter)	GF/GP	(\$1,218,800)	--	(\$1,218,800)
21. Adoption Subsidies		Gross (\$1,136,200)	--	(\$1,136,200)
Reduces appropriation for Adoption Subsidies to reflect the caseload consensus agreement between SBO, HFA, and SFA. The FY 2008-09 budget was originally based on a projected Adoption Subsidy caseload of 27,606 at an average monthly cost of \$661. The consensus agreement reduces the caseload projection by 56 cases to 27,550 at an average monthly cost of \$660. (5/22/09 SBO letter)	Federal	(521,200)	--	(521,200)
	GF/GP	(\$615,000)	--	(\$615,000)
22. SSI State Supplementation		Gross \$9,925,600	--	\$9,925,600
Increases GF/GP funding by \$9.9 million to restore funding for monthly state supplements for persons who live independently. There are an estimated 281,000 recipients of this supplement at an average monthly benefit of \$14. Executive Order 2009-22 eliminated \$9.9 million in GF/GP funding for state supplementation in anticipation of receiving a federal waiver to allow the state to suspend their \$14 monthly state supplement. The federal government did not approve this benefit change. (7/30/09 SBO letter)	GF/GP	\$9,925,600	--	\$9,925,600
STATE POLICE				
23. Forensic Sciences		Gross \$3,811,000	\$3,811,000	\$3,811,000
Provides restricted funding from the State Services Fee Fund for laboratory operational costs which were funded previously with GF/GP. This supplemental adjustment is in conjunction with EO 2009-22 to transfer restricted fund authority. (5/5/09 SBO letter)	Restricted	3,811,000	3,811,000	3,811,000

FY 2008-09 Appropriation Items:

	<u>Executive</u>	<u>Senate</u>	<u>House/ Enrolled</u>
TRANSPORTATION			
24. Rail Passenger Service			
The state of Michigan contracts with AMTRAK to provide daily rail passenger service along two lines: the <i>Blue Water</i> (Port Huron to Chicago), and the <i>Pere Marquette</i> (Grand Rapids to Chicago). Service is currently provided under a 9-month (October 1, 2008 through June 30, 2009) \$6.4 million contract. The State Budget Office indicates that a supplemental appropriation of \$400,000 (Comprehensive Transportation Fund) is needed to provide service through September 30, 2009. The State Budget Office has also requested the repeal of related boilerplate spending restriction – see below. (3/12/09 SBO letter) This request was enacted through Public Act 64 of 2009.			
Gross	--	\$400,000	--
Restricted	--	400,000	--
TREASURY			
25. Constitutional Revenue Sharing Grants			
Adjusts line item appropriation to reflect the Department of Treasury April 2009 sales tax revenue estimates. Constitutional revenue sharing grants are constitutionally required to be funded by 15% of gross sales tax collections at a 4.0% rate and are distributed to cities, villages, and townships on a per capita basis. (5/7/09 SBO letter)			
Gross	(\$21,130,000)	(\$21,130,000)	(\$21,130,000)
Restricted	(21,130,000)	(21,130,000)	(21,130,000)
26. Statutory Revenue Sharing Grants			
Adjusts line item appropriation to reflect adjustments from the Department of Treasury April 2009 sales tax revenue estimates. EO 2009-22 reduced Statutory grants by \$41.4 million. With the reduction in constitutional grants listed above and the elimination of boilerplate section 950(2) in 261 PA 2008 (see below), the statutory grant savings that will be realized is \$22.5 million lower than this estimate; thus appropriation is increased by \$22.5 million. (5/7/09 SBO letter)			
Gross	\$22,469,800	\$22,469,800	\$22,469,800
Restricted	22,469,800	22,469,800	22,469,800
27. County Revenue Sharing			
Reduces county revenue sharing payments appropriation by \$316,500 to reflect two separate adjustments: (1) Increases funding by \$622,400 to reflect 2008 PA 498 changes which revised the amount each county must deposit into its revenue sharing reserve fund (RSRF) account by the amount captured and used under a tax increment financing plan (TIFA); (2) Reduces funding by \$938,900 to reflect the proposed elimination of the annual inflation adjustment given to counties from their RSRF and the savings from restoring county revenue sharing payments at the FY 2004 amount to counties once they qualify for state revenue sharing payments - the second adjustment requires a statutory change. (6/18/09 SBO letter) <u>House</u> includes positive adjustment of \$622,400, but not negative adjustment of \$938,900.			
Gross	(\$316,500)	--	\$622,400
Restricted	(316,500)	--	622,400
28. Blackstone Settlement			
Appropriates the remaining \$5.5 million needed for settlement payments and interest to Blackstone Minerals Company for a class action judgment against the state. The judgment was for \$7.0 million and this funding will pay the remaining obligations which were due for FY 2008-09 through FY 2010-11. The lawsuit concerned the oil and gas rights on hundreds of acres and various lots that the State owned through foreclosure and has since sold. In the past, the State did not always identify or notify the severed mineral owners' redemption rights. Restricted funding comes from the Land Reutilization Fund; reimburses Treasury for FY 2008-09 \$2.0 million GF/GP payment. (2/12/09 SBO letter)			
Gross	\$3,500,000	--	\$3,500,000
Restricted	5,500,000	--	5,500,000
GF/GP	(\$2,000,000)	--	(\$2,000,000)

<u>FY 2008-09 Boilerplate Items:</u>	<u>Executive</u>	<u>Senate</u>	<u>House/ Enrolled</u>
COMMUNITY HEALTH			
1. Pharmacy Dispensing Fee and Prescription Drug Copayments EO 2009-22 included savings resulting from the elimination of a Medicaid pharmacy dispensing fee increase. The <u>Senate/House</u> include a repeal of Sec. 1620 in its entirety, concurring with the Executive, but reinstate in Sec. 301 portions of the language not related to the dispensing fee increase.	--	Sec. 301	Sec. 301
2. Review of WIC Contract Policies Provides for department to review contract policies for the women, infants, and children program in an effort to maximize vendor participation while not undermining the amount of program resources available to individuals. <u>House</u> adds new section.	--	--	Sec. 302
COMMUNITY HEALTH (REPEALERS)			
3. Reimbursement of Mental Health Medications EO 2009-22 recognizes savings generated by including behavioral health drugs on the preferred drug list. Proposed is the repeal of Sec. 269 which specifies that the funds appropriated for pharmaceutical services include funds for the reimbursement of mental health medications under the Medicaid program. (5/5/09 SBO letter) <u>House</u> excludes this repealer.	Included	Sec. 1001	--
4. Pharmacy Dispensing Fee and Prescription Drug Copayments EO 2009-22 included savings resulting from the elimination of a Medicaid pharmacy dispensing fee increase. The <u>Senate/House</u> concur with the Executive, repealing Sec. 1620 in its entirety. The <u>Senate/House</u> reinstate in Sec. 301 the portions of Sec. 1620 not related to the dispensing fee increase. (5/5/09 SBO letter)	Included	Sec. 1001	Sec. 1001
5. Atypical Antipsychotic Medications EO 2009-22 recognized savings generated by including behavioral health drugs on the preferred drug list. Proposed is the repeal of Sec. 1625 which directs the Department to continue placing all atypical antipsychotic medications on the Medicaid preferred drug list. (5/5/09 SBO letter) <u>House</u> excludes this repealer.	Included	Sec. 1001	--
6. Medicaid Podiatric, Dental and Chiropractic Services EO 2009-22 included savings due to the elimination of certain optional Medicaid services. Proposed is the repeal of Sec. 1630 which continues podiatric, adult dental and chiropractic services at not less than the level in effect on October 1, 2002. Prohibits restrictions on chiropractic services unless the recipient exceeds 18 visits within a year. Authorizes Department to implement bulk order purchasing of hearing aids, imposes limits on binaural hearing aid benefits and limits replacement of hearing aids to once every three years. (5/5/09 SBO letter)	Included	Sec. 1001	Sec. 1001
7. Continuation of Ambulance Services Rate Increases EO 2009-22 included savings due to the elimination of an ambulance Medicaid provider rate increase granted beginning FY 2005-06. Proposed is the repeal of Sec. 1634 which requires continuation of FY 2000-01 5% increase in ambulance service payment rates and continuation of the FY 2005-06 ambulance mileage reimbursement rate increase of \$4.25 per mile. (5/5/09 SBO letter)	Included	Sec. 1001	Sec. 1001
8. Continuation of Medicaid Obstetrical Rate Increase EO 2009-22 included savings as a result of a 4% provider rate decrease. Proposed is the repeal of Sec. 1635 which requires continuation of FY 2005-06 allocation of \$6,910,800 between Physician Services and Health Plan Services appropriation lines for the increase of Medicaid reimbursement rates for obstetrical services. (5/5/09 SBO letter)	Included	Sec. 1001	Sec. 1001
9. Continuation of Medicaid Physician Well Child and Primary Care Procedures Rate Increase EO 2009-22 included savings as a result of a 4% provider rate decrease. Proposed is the repeal of Sec. 1636 which requires continuation of FY 2006-07 allocation of \$23,874,800 between Physician Services and Health Plan Services appropriation lines for an increase in Medicaid reimbursement rates for physician well child procedure codes and primary care procedure codes. (5/5/09 SBO letter)	Included	Sec. 1001	Sec. 1001
CORRECTIONS			
10. Preprivatization Project Plans Reinstates language (see repealers, below) that requires preprivatization project plans to be submitted to the legislature at least 90 days prior to beginning any effort to privatize, but adds an exception for prisoner mental health services due to "the critical need for prisoner mental health treatment staff." A plan for privatization of prisoner mental health services would have to be submitted ten days prior to beginning the effort.	--	--	Sec. 351

<u>FY 2008-09 Boilerplate Items:</u>	<u>Executive</u>	<u>Senate</u>	<u>House/ Enrolled</u>
11. Preprivatization Cost-Benefit Analyses Reinstates language (see repealers, below) that requires preprivatization cost-benefit analyses to be submitted to the legislature, but exempts privatization of prisoner mental health services due to "the critical need for prisoner mental health treatment staff."	--	--	Sec. 352
CORRECTIONS (REPEALERS)			
12. Preprivatization Reports Repeals boilerplate sections (207 and 207a) that require reporting of project plans and cost-benefit analyses prior to commencing privatization of services provided by state employees, replacing them with revised versions (see above).	--	--	Sec. 1001
ENVIRONMENTAL QUALITY			
13. Environmental Protection Fund Transfer This section would transfer \$874,900 from the Community Pollution Prevention Fund to the Environmental Protection Fund. Funding is available through an approved contingency fund transfer to the Building Occupancy line item (SBO letter: May 5). This section would replace GF/GP deleted in EO 2009-22. (5/5/09 SBO letter)	Included	Sec. 401	Sec. 401
HUMAN SERVICES (REPEALERS)			
14. Child Welfare Service Pilot Project Repeals Section 516 of 2008 PA 248 which requires DHS to implement a child welfare service pilot in Kent County through which all child welfare services, excluding child protection and evaluation, would be purchased from child placing agencies; establishes program requirements and requires a report to subcommittee members. (5/5/09 SBO letter)	Included	Sec. 1001	Sec. 1001
15. Community Action Agency TANF Allocation Repeals Section 1104 of 2008 PA 248 which earmarks \$2.4 million TANF for Community Action Agencies and \$500,000 for Earned Income Tax Credit (EITC) education and outreach. (Informal SBO recommendation)	--	Sec. 1001	Sec. 1001
TRANSPORTATION (REPEALER)			
16. Rail Passenger Service As noted above, the State Budget Office is requesting a supplemental appropriation to extend AMTRAK rail passenger contract service through September 30, 2009. Boilerplate section 711 from 2008 PA 275 (the enacted FY 2008-09 transportation budget) limits the amount of state subsidy to \$7.1 million. The State Budget Office has also requested the repeal of boilerplate Section 711, and the inclusion of new boilerplate language without the spending restrictions. (3/12/09 SBO letter) The new language was included in Public Act 64 of 2009; the repealer was inadvertently excluded and is, therefore, included in the <u>House</u> substitute to Senate Bill 334.	Included	Secs. 501/1001	Sec. 1001
TREASURY			
17. Statutory Revenue Sharing Grant Funding Requires that the FY 2008-09 statutory revenue sharing grant appropriation to each city, village, and township is an amount equal to the amount that the city, village or township received in FY 2007-08. (5/7/09 SBO letter)	Included	Sec. 601	Sec. 601
18. Constitutional Revenue Sharing Grant Funding Republishes language related to constitutional revenue sharing currently contained in subsection (1) of section 950 (261 PA 2008). That section is repealed by the bill (see item below).	--	Sec. 602	Sec. 602
TREASURY (REPEALERS)			
19. Revenue Sharing Repeals section 950 (261 PA 2008). Subsection (2) of that section directs distribution of statutory revenue sharing payments to cities, villages, and townships so that local units receive a combined total FY 2008-09 constitutional and statutory distribution equal to total distribution the local unit received in FY 2007-08; included 2.0% additional statutory payment to local units that received statutory payments in FY 2006-07. Subsection (3) of that section provides that if appropriated amounts for statutory revenue sharing are insufficient to fund distributions under subsection 2, then additional funding shall be appropriated. EO 2009-22 contained an appropriation reduction of \$41.4 million based on the assumed repeal of this language. (5/7/09 SBO letter; SBO requested repeal of subsections (2) and (3); <u>Senate/House</u> repeal section in entirety and republish subsection (1).)	Included	Sec. 1001	Sec. 1001