



House Bill is H.B. 4526

	<u>Gross</u>	GF/GP
FY 2011-12 Senate Passed Recommendation	\$3,355,221,100	\$674,509,500
FY 2011-12 House Passed Recommendation	\$3,338,777,400	\$672,565,900
House Change from Senate	(\$16,443,700)	(\$1,943,600)
House Percent Change from Senate	(0.5%)	(0.3%)

See Individual Highlight Sheet for Department Detail

- 1. Civil Service 1% Charges. The Senate deleted and the House retained language that authorizes the 1% charges permitted under the Constitution. (House Sec. 204)
- 2. **Information Technology (IT) Work Projects.** The House added language to permit IT projects to be designated as work projects by the Department of Technology, Management, and Budget, subject to the work project approval process under Section 451 of the Management and Budget Act. (House Sec. 207)
- 3. **Casino Investment**. The Senate retained the prohibition on the use of funds appropriated in Part 1 to purchase ownership interest in a casino (Senate Sec. 213). The House deleted.
- 4. **Travel Restrictions.** The House deleted the annual report on travel and replaced it with a monthly report on travel exceptions. (Senate Sec. 216/House Sec. 216)
- 5. **General Fund Restrictions.** The Senate retained a prohibition on using GF appropriations where Federal funds are available. (Senate Sec. 217) The House deleted.
- 6. **Limitation on Administering a Committee.** The Senate added a prohibition against using appropriated funds to administer a committee or solicit funds for a committee, as defined by the Michigan Campaign Finance Act, MCL 169.203. (Senate Sec. 220)
- 7. **Policy Change Report.** The Senate retained and the House deleted the annual policy change report. (Senate Sec. 221)
- 8. **FTE Report.** The Senate retained and the House deleted a quarterly report of State full-time equivalent employees. (Senate Sec. 230)
- 9. **Cost of Transparency Requirements.** The Senate retained and the House deleted a \$10,000 limit on the cost of implementing a transparency Internet site. (Senate Sec. 231)
- 10. **FY 2012-13.** The Senate included boilerplate on anticipated appropriations in FY 2012-13 based on FY 2011-12 appropriations adjusted for changes in caseload, Federal fund match rates, economic factors, and available revenue. The House included a listing of anticipated line item appropriations for FY 2012-12. (Senate Sec.1201/House Part 1A)



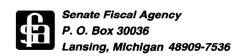


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FY 2011-12 Senate-Passed Gross Appropriation	\$74,340,900
House Changes to Senate-Passed:	
 Attorney General Line Item Roll Up. The Senate continued the current year bill structure with separate line items for Attorney General Operations and Child Support Enforcement. The House combined funding into the Operations line. 	0
 Fund Source Adjustments. The Senate made offsetting restricted fund adjustments to increase spending authority for the Self-insurer's Security Fund to reflect the recent level of billings for this program. The House did not include. 	0
Total Changes	0
FY 2011-12 House-Passed Gross Appropriation	\$74,340,900

- 1. **Limit Spending for Legal Services.** The Senate deleted and the House retained a prohibition on the Department of Attorney General (AG) from receiving and expending funds in addition to appropriations in Part 1 for legal services provided to State departments, except for specific costs for expert witnesses, court costs, or non-salary litigation expenses. (House Sec. 312)
- 2. **Representation of Legislature.** The House added language that requires that upon the request of either the Senate Majority Leader or the Speaker of the House, the AG shall represent either house of the Legislature in any civil action and shall defend Legislators in any legal action arising out of the member's official duties and within the scope of his or her authority. (House Sec. 313)
- 3. Collections under Medicaid False Claims Act. The Senate appropriated funds collected under the Medicaid False Claims Act for the purposes they were received and permitted the funds to carry forward and be retained up to the amount of the State match for the program. (Senate Sec. 314)





FY 2011-12 Senate-Passed Gross Appropriation	\$12,099,000
House Changes to Senate-Passed:	
 Operations Reduction. The Senate funded operations at the Governor's recommendation. The House included additional administrative reductions of (\$151,700) GF/GP. 	(151,700)
 Information Technology (IT). The Governor reduced funding for information technology by (\$150,000) GF/GP. Due to fewer staff, the Department expects to realize savings by reducing the number of computers. The Senate concurred. The House made an additional reduction of (\$9,500) GF/GP. 	(9,500)
3. Pacific American Affairs Commission/ Office of Asian Pacific Affairs. The Senate added a \$100 GF/GP placeholder to provide support for this Commission which was transferred from the Department of Energy, Labor, and Economic Growth (DELEG) to Civil Rights by E.O. 2011-4. The House did not include the line.	(100)
Total Changes	(\$161,300)
FY 2011-12 House-Passed Gross Appropriation	11,937,700

1. **Report on Receipt and Expenditure of Additional Fund.** The Senate retained a report on funds earned and spent in providing services such as training, publications, and documents. (Senate and House Sec. 402)





FY 2011-12 Senate-Passed Gross Appropriation	\$4,399,200
House Changes to Senate-Passed:	
 State Officers Compensation Commission (SOCC) Adjustment. The salaries and expense allowances for the Governor and the Lt. Governor were further reduced by \$19,400 to comply with the March 2009 SOCC decision. The Senate and House concurred with the Governor. 	0
 Non-SOCC Reduction. The Governor, Senate and House reduced the appropriation for the Executive Office by \$212,200 (or 5%) to save additional GF/GP dollars. 	0
Total Changes	0
FY 2011-12 House-Passed Gross Appropriation	\$4,399,200

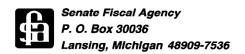
1. There previously were no boilerplate sections for the Executive Office. The Governor added one general section listing the total State spending from State resources and the payments to local units of government. Senate and House did not include this section. (Sec. 9-201)





FY 2011-12 Senate-Passed Gross Appropriation	\$115,971,600
House Changes to Senate-Passed:	
 Senate Reductions. The Governor, Senate, and House reduced the following Senate appropriations: Senate (\$905,500 or 3.5%); Senate IT (\$46,400 or 2.0%); and Senate Fiscal Agency (\$94,100 or 3.5%). 	0
 House Reductions. The Governor, Senate, and House reduced the following House appropriations: House (\$1,153,300 or 2.9%); House IT (\$37,500 or 2.1%); and House Fiscal Agency (\$94,100 or 3.5%). 	0
3. Other Legislative Changes. The Governor, Senate, and House reduced two other legislative line items: Legislative Council (\$396,600 or 4.7%); and Legislative Retirement (\$164,400). The Cora Anderson House Office Building line was increased by \$891,000 to realize lease-cost savings.	0
4. Interdepartmental Grant (IDG) Credits. The Governor, Senate, and House moved boilerplate language (amounting to \$1.7 million) for the Legislative Auditor General to a line item that allows spending in excess of appropriations due to higher than estimated number of audits completed.	0
 Unfunded IDG. The Governor, Senate, and House removed funding totaling \$500,000 from the Legislative Auditor General for an unfunded IDG from the Michigan Department of Corrections due to a Governor's veto for the FY 2010-11 enacted budget. 	0
6. Target Reduction. The Governor, Senate, and House reduced funding by\$558,000 (or 5%) in the Field Operations line item for the Legislative Auditor General.	0
Total Changes	0
FY 2011-12 House-Passed Gross Appropriation	\$115,971,600

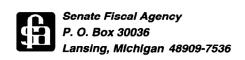
- 1. **Statewide Single Audit.** The Governor added new language requiring a report, by December 31, 2011, regarding the feasibility of converting to a statewide single audit. (Sec. 12-405) The Senate and House retained a revised version of this language. (Sec. 624)
- 2. **Legislative Auditor General Economics.** The Senate and House added new language allowing the Legislative Auditor General's Office to use up to \$905,000 in unexpended and unencumbered funds that may lapse at the end of FY 2010-11 to pay for economic cost increases. (Sec. 625)





FY 2011-12 Senate-Passed Gross Appropriation	\$211,885,000
House Changes to Senate-Passed:	
 State Officers Compensation Commission (SOCC) Adjustment. The salaries and expense allowances for the Secretary of State were reduced by \$3,300 to comply with the March 2009 SOCC decision. Senate and House concurred with Governor. 	0
Early Retirement Savings. The Governor, Senate, and House realized administrative savings totaling \$621,300 due to early retirements.	0
3. Governor's Target Reduction. Several line items in the budget were reduced to achieve an overall GF/GP savings of \$2.1 million. Savings realized from efficiencies in operations in several line items include: Regulatory Services (\$494,000); Branch Operations (\$484,200); Central Operations (\$558,800); Dept. Services (\$460,000); and Election Administration (\$103,000). The Senate and House concurred with the Governor.	0
 Economic Adjustments. The Department's economic adjustments totaled \$980,600 while the economic adjustment for Information Technology totaled \$108,600. The Senate and House concurred with the Governor. 	0
Total Changes	0
FY 2011-12 House-Passed Gross Appropriation	\$211,885,000

- 1. **Branch Office Closings.** At least 180 days prior to the announcement of Secretary of State branch office closings or consolidations, or 60 days prior to relocating a branch office, the Department of State shall inform members of the Senate and House of Representatives Standing Committees on Appropriations and Legislators who represent affected areas regarding the details of the proposal. The Governor eliminated this section. The Senate and House retained this section. (Sec. 714)
- 2. **Motorcycle Safety Education Program.** Language continuing the Motorcycle Safety Education Program in the same manner as was provided by the Department of Education and the listing of revenue sources for the program were removed by the Governor and House. The Senate retained this section. (Senate Sec. 716)
- 3. **Buena Vista Branch Office.** Requires the Department to maintain a full service branch office in Buena Vista Township. The Governor and House removed this section. The Senate retained this section. (Senate Sec. 718)
- 4. **General Fund Expenditures.** Requires the Department to use Restricted Funds before using General Fund dollars. The Governor and House removed this section. The Senate retained this section. (Senate Sec. 719)
- 5. **Deletions.** In keeping with the condensed structure of the Governor's budget, the following current-year language sections and/or subsections were not included: 705(5), 706, 716b, 716c, and 717(3). The House concurred with the Governor. The majority of these sections required the Department to provide either reports or notifications to the Legislature. The Senate retained Sections 705(5), 716(b), and 717(3).





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FY 2011-12 Senate-Passed Gross Appropriation	\$1,007,141,700
House Changes to Senate-Passed:	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
 Technology Innovations Fund. Governor provided new GF/GP funding of \$5.0 million for competitive grants for innovations in technology. Senate and House did not include. 	0
 State Building Authority Rent Adjustments. Governor, Senate, and House made adjustments of \$15.0 million for State financed building projects. 	0
 Accounting Consolidation. Governor, Senate, and House increased funding by \$1.6 million to finalize the consolidation of accounting services resulting from the previous merger of Civil Service and DMB resulting in the addition of 14.0 FTEs. 	0
 Information Technology (IT) - Alignment of IDG Funding. The IT portion of the budget aligned its IDG funding with enacted FY 2011 appropriations for all departments. Senate and House concurred with Governor on this increase of \$7.9 million. 	0
Gubernatorial Transition. One-time funding of \$1.5 million provided in FY 2011 for Governor transition costs was eliminated by the Governor, Senate, and House.	0
 Building Operations. Consolidation of functions and reduction in funded FTE positions resulted in savings of \$1.3 million for FY 2011-12. Senate and House concurred with Governor. 	0
 Early Retirement Savings. The Governor, Senate, and House realized administrative savings of \$5.9 million due to early retirements. Management and Budget saved \$1.5 million, Civil Service Commission saved \$1.6 million, and IT saved \$2.8 million. 	0
 Professional Development. Governor, Senate, and House eliminated all remaining funding of \$225,000 for professional development activities for State employees. 	0
 Civil Service Commission Adjustment. Governor, Senate, and House adjusted funding by \$227,800 for the Civil Service Commission for accounting costs saved as a result of a Department of Corrections facility closure in 2010. 	0
10. Governor's Target Reduction. Several line items in the budget were reduced by the Governor, Senate, and House to achieve an overall GF/GP savings. Management and Budget reduced costs by \$3.1 million, Civil Service Commission reduced costs by \$2.0 million, and IT reduced costs by \$1.3 million.	0
11. House GF/GP Reductions. The House included reductions in GF/GP funding to several line items. Management and Budget line items were reduced by a total of \$512,200 while Civil Service Commission line items were reduced by \$332,200.	(844,400)
12. IT Miscellaneous Adjustments. Items related to IT for several departments were adjusted by the Governor, Senate, and House. Positive adjustments totaled \$13.6 million (the largest being \$8.9 million for DCH's HIPPA project) while negative adjustments totaled \$1.5 million (the largest being \$700,000 for the Dept. of State Police).	0
13. Economic Adjustments. Management and Budget's economic adjustments totaled \$10,917,100 while the economic adjustment for IT totaled \$314,600. The Senate and House concurred with the Governor.	0
Total Changes	(\$844,400)
FY 2011-12 House-Passed Gross Appropriation	\$1,006,297,300

- 1. **Consolidated Internet Auction Services.** The Senate added new language requiring DTMB to provide consolidated internet auction services through the State's contractors for all local units of government. The House did not include this change. (Sec. 802)
- 2. **Remanufactured Furniture.** The Senate added new language requiring the Department to spend no more than \$1.0 million annually on the purchase of new furniture and required the Department to purchase remanufactured or refurbished furniture according the Department's statewide contract. The House did not include this change. (Senate Sec. 803(5))

3. Motor Vehicle Fleet.

- a) Provides that funds appropriated in Part 1 for the Motor Vehicle Fleet are for the administration and for acquisition, lease, operation, maintenance, repair, replacement, and disposal of State motor vehicles.
- b) Appropriations in Part 1 shall be funded from rates charged to State departments and agencies for utilizing vehicle travel services. Provides that revenue may be carried forward to the next fiscal year.
- c) States legislative intent that the DMB has the authority to determine the appropriateness of vehicle assignments.
- d) Requires Dept. of Management and Budget to develop a plan that includes the number of vehicles assigned to departments and agencies, efforts to reduce vehicle expenditures, the number of cars in the motor vehicle fleet, the number of miles driven by fleet vehicles, and the number of gallons of fuel consumed by fleet vehicles.
- e) Allows the Department to charge State agencies for fuel cost increases that exceed the average retail price of \$2.27 per gallon and requires the Department to give a 30-day notice before a fuel surcharge is implemented.
- The Governor removed Subsections 3 and 4 (items c and d above). The Senate only removed subsection 3 while the House retained all subsections and added subsection (6) regarding the use of remanufactured parts for repairs. (Sec. 813)
- 4. **Remanufactured Auto Parts.** The Senate added new language requiring the Department to use remanufactured parts whenever possible for the repair and maintenance of the State's fleet of motor vehicles, excluding the fleet for State Police. The House includes similar language in Sec 813(6) but does not exempt State Police. (Senate Sec. 813a)
- 5. Contracting. The Governor removed current year language (Secs. 814, 815, 816, & 817) regarding adoption of policies and procedures necessary for compliance with Section 261 of the Management and Budget Act (1984 PA 431). The Senate removed Sections 814 and 816 and revised Section 815 to a more condensed version and requires the Department to notify the Legislature if the State purchases any goods that are produced outside of the State or the United States. The House retained Sections 814, 816, and 817.
- 6. **Privatization of State Lottery Administration.** The Senate added new language requiring the Department to submit a report to the Legislature regarding the feasibility of privatizing the administration of the State Lottery. The House did not include this change. (Senate Sec. 822a)
- 7. **Contract Reporting Requirement.** The Governor removed the reporting requirement for any follow-on contracts or change orders entered into by the Department greater than \$25,000. Senate retained the report. House retained the report and changed the amount to \$50,000. (Sec. 830)
- 8. **Asbestos Removal.** The Senate added new language providing up to \$1.5 million for the costs associated with the removal of asbestos from the former State Police Headquarters. The House did not include this change. (Sec. 844)
- 9. **Health Savings Accounts.** The Senate added new language requiring the Civil Service Commission to submit a report by March 31, 2012, regarding the cost savings or increase of requiring all public employees and elected officials in the State to enroll in a health savings account benefit plan. The House did not include this change. (Senate Sec. 852a)
- 10. **Office of Great Workplace Development.** Language prohibits use of any other funds for this office. The Governor and Senate removed section. The House retained the section. (Sec. 853)
- 11. **Deletions.** In keeping with the condensed structure of the Governor's budget, the following current-year language sections and/or subsections were not included: 823(4), 827(4) however, carryforward language was retained, 828, 829, 830, 832, 840(4), 843, 850(1), 860, 861, 862, 865, 870, 871, 872, 873, 874, 875, and 876. The majority of these sections required the Department to provide either reports or notifications to the Legislature. The Senate concurred with the Governor in removing Sections 860, 861, 862, 865, 870, 871, 872, 873, 874, 875, and 876. The House retained the majority of these sections but concurred with the Governor in removing Sections 823(4), 827(4), 829, and 876.





FY 2011-12 Senate-Passed Gross Appropriation	\$1,929,383,700
House Changes to Senate-Passed:	
 Structure of Bill. The Senate retained the current 66 line items and added 2 new lines for FY 2011-12. The House rolled up several units resulting in 38 line items proposed for FY 2011-12. 	0
2. Payments in Lieu of Taxes (PILT). The Governor proposed a 15% reduction consisting of (\$351,500) from Commercial Forest Reserve, (\$580,800) from Purchased Lands, and (\$934,100) from Swamp and Tax Reverted Lands. This would save (\$1,576,000) GF/GP and (\$290,400) State Restricted funds. The Senate concurred. The House made further reductions resulting in a 17.3% decrease.	(239,000)
 Administrative Reductions. The Governor reduced all GF/GP-funded administrative lines. Savings totaled (\$905,500) GF/GP. The Senate concurred. The House reduced by an additional (\$749,400). 	(749,400)
 Tobacco Tax Enforcement. The Senate added \$4,500,000 in restricted revenue for additional tobacco tax enforcement. The House did not include. 	(4,500,000)
 Michigan Strategic Fund (MSF). The House recommendation for MSF is (\$10,000,000) under the Senate because the House did not include the Film Incentive. The MSF highlight sheet is attached. 	(10,000,000)
6. Other Changes. The Senate adjusted Business Property Tax Appeal economics, (\$50,400) based on reduced staff in the program in FY 2011-12. House did not include.	50,400
Total Changes	(\$15,438,000)
FY 2011-12 House-Passed Gross Appropriation	1,913,945,700

- 1. **Notification of Bond Refinancing or Restructuring.** The Senate required that Treasury notify the appropriations committees 15 days prior to any refinancing or restructuring and provide information on changes in debt service schedules and the present value costs or savings. The House did not include. (Senate Sec. 902a)
- 2. **Tax Collection Contracts.** The Senate retained a report on the cost of contracts with private collection agencies. The Senate increased the maximum charge for collection of contracts on defaulted student loans from 23% to 24.36%. The House deleted the report and maintained the fee cap at 23%. (Senate and House Sec. 903)
- 3. **Senior Citizen Cooperative Housing.** The Senate permitted appropriations to be used for program audits (which if completed would be reported to the Legislature) and allowed up to 1% of funds to be used for program administrations. The House eliminated audits, reports, and administrative cap. (Senate and House Sec. 913(2))
- 4. **Michigan Transportation Fund Costs of Collection.** The Senate added requirements that these costs be determined by proration for FY 2011-12 only and required the Department to provide an analyses by April 1, 2012 of the actual costs of tax administration in order to justify continuation of the proration approach. The House deleted the report on costs of collections. (Senate Sec. 922)
- 5. **Public Private Partnership Investment Fund.** The Governor deleted provisions that prohibited the fund and appropriations in Part 1 from supporting any work related to the Detroit River International Crossing and deleted the annual report requirements. The Senate retained and modified to apply to DRIC or any successor project unless it is approved by the Legislature and signed into law, and required Treasury to fund the line by legislative transfer from an existing line, if necessary. The House retained current year prohibitions. (House and Senate Sec. 925 and 925a)
- 6. **Michigan Finance Authority.** The Senate changed the report date for revenue and spending related to the Michigan Finance Authority from June 30 to January 31, 2012. The House updated the report date to June 30, 2012. (Senate and House Sec. 934)
- 7. **Tobacco Tax Enforcement.** The Senate directed the use of the tobacco tax enforcement appropriation for a new stamp indicia and reimbursement of licensed tax stamp agents for costs associated with the new stamp, including machines and scanners approved by Treasury. The House did not include. (Senate Sec. 943)
- 8. **Assessment Administration.** The Senate deleted and the House retained permissive language on the review of local assessment practices. (House Sec. 945)
- 9. **Beverage Container Redemption Antifraud Program.** The Senate directed the use of remaining funds to counties north of the border counties. The House deleted. (Senate Sec. 949)
- 10. **Lottery Promotion Limitation.** The Senate deleted the prohibition against marketing the lottery to persons under 18. The House retained. (House Sec. 961)
- 11. **Lottery Privatization Report.** The House added a requirement for the Bureau of Lottery to report by July 1, 2012 on costs and savings from privatizing lottery administration. The Senate required a similar report from the Department of Technology, Management and Budget by April 1, 2012. (Senate Sec. 822a, House Sec. 964)
- 12. **Gaming Horse Racing.** The Senate reduced the reward limit for information helping obtain convictions for crimes involving the racing industry from \$5,800 to \$5,000 and updated for 2012 requirements on the contingent distribution of the purse pool if no race meets are held. The House maintained the current reward amount and deleted the section on distribution of the purse pool. (Senate and House Sec. 977 and Senate Sec. 979)
- 13. **Reports.** The Senate retained and the House deleted the following reports: Amount of write-offs and advances (Senate Sec. 917(2)), unclaimed property revenue and cost of collections (Senate Sec. 919), accounts receivable collection fee report (Senate Sec. 930(2)), Treasury investment fees (Senate Sec. 931), evaluation of effectiveness of increased field collection personnel (Senate Sec. 942), Michigan State Housing Development Authority (MSHDA) production goals (Senate Sec. 980), and MSHDA status of Broadband Authority (Senate Sec. 981).
- Michigan Strategic Fund Boilerplate. See separate highlight sheet.
- 15. Revenue Sharing Boilerplate. See separate highlight sheet.





FY 2011-12 Senate-Passed Gross Appropriation	\$958,979,300
House Changes to Senate-Passed:	
1. Constitutional Revenue Sharing. The Senate and House concurred.	0
2. Statutory Revenue Sharing for CVTs. The Senate and House concurred.	0
3. County Revenue Sharing. The Senate and House concurred.	0
4. Economic Vitality Incentive Program. The Senate and House concurred in the funding level recommended by the Governor and differed on the boilerplate requirements for the program which are described on the following page.	0
Total Changes	\$0
FY 2011-12 House-Passed Gross Appropriation	\$958,979,300

- 1. **Economic Vitality Incentive Program.** The Senate program would pay up to \$195.0 million to eligible cities, villages, and townships (CVTs). The maximum distribution under this program to CVTs shall not exceed the lesser of 81.88% of the combined statutory and constitutional revenue sharing received in FY 2010-11 or the amount determined by applying a percentage determined by dividing the sum of all payments under constitutional revenue sharing in FY 2011-12 and statutory revenue sharing by \$853,979,300 and then subtracting 0.1812. A CVT with a calculated amount less than \$6,000 would not be eligible. An eligible CVT could receive one-third of their total payment for meeting each of the following criteria:
 - a) Creating a performance dashboard and citizen's guide to its finances and submitting a copy to Treasury by October 1, 2011.
 - b) Creating a cooperation, collaboration, and consolidation plan by January 1, 2012 and submitting a copy to Treasury by January 15, 2012.
 - c) Developing a compensation plan that the CVT intends to implement with any new, modified, or extended contract. The plan must be developed by May 1, 2012 and submitted to Treasury by May 15, 2012. The plan would be required to indicate intent to:
 - -- Limit retirement plan costs to 10% of wages and salaries of employees in the plan.
 - -- Require that any pensions be paid based on a final average compensation calculated based on at least 3 consecutive years of salary; that limited the amount of paid leave time, vacation time, and overtime hours used to calculated final average compensation to no more than 240 hours; and included other measures determined by the CVT.
 - -- If a health care plan is offered, state intent that employees pay at least 20% of the cost.

Payments would be distributed on the same schedule as constitutional revenue sharing. Payments would be calculated assuming that the CVTs qualified, and then recalculated and adjusted based on actual compliance. \$5,000,000 of the appropriation would be for consolidation incentive grants to eligible CVTs and counties. Undistributed funds would be deposited in the Budget Stabilization Fund.

The House would allocate \$195.0 for payments to CVTs and \$5.0 million for a consolidation payments. Each CVT would be eligible to receive up to 62.96% of its statutory revenue sharing payment in FY 2009-10. The distribution would be in three parts: one-third based on publication of a quide to local finances and dashboard similar to the Senate proposal and one-third for a consolidation plan similar to the Senate proposal, however, a one-sixth payment would be available in each category for later completion of the projects. The requirements to receive the one-third payment for the compensation plan would differ from the Senate. The House required that if a retirement plan is offered, the compensation plan should indicate intent to place new employees in a plan that is, at a minimum, cost competitive with the retirement plan offered to new State classified employees. Employees on a defined benefit plan would have a limited multiplier of up to 1.5 for those eligible for social security benefits and up to 2.0 for those ineligible for social security. CVTs would be required to indicate intent to use a multiyear income average in the calculation of pensions, and to limit the inclusion of paid leave, vacation time or overtime hours used to determine final average compensation. Health care costs must be cost competitive with the new State preferred provider organization health plan and HMO plan for new State classified hires after April 1, 2010. This compensation plan would be required to be completed by May 1, 2012 to receive one-third of the distribution, however, one-sixth would be available for completion by July 1, 2012. Undistributed funds would be prorated and paid to recipient CVTs. The \$5.0 million consolidation incentive would be available to offset the costs of mergers, interlocal agreements, and cooperative efforts for CVTs and counties that combine government operations on or after October 1, 2011 as awarded by the Department of Treasury. (Sec. 951)





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FY 2011-12 Senate-Passed Gross Appropriation	\$154,325,700
House Changes to Senate-Passed:	
1. Film Incentive Program. The Governor recommended using \$25.0 million GF/GP to provide incentives for the film industry and replace the existing Michigan Film Tax Credit. Currently the cost of the Michigan Film Tax Credit is not appropriated. The Senate funded at \$10.0 million from restricted Tobacco Tax Enhanced Enforcement Revenue. A statutory change would be needed. The House did not include.	(10,000,000)
Other Changes. The Senate moved economic adjustments for Arts and Cultural Grants employees to the Job Creation Services line item.	0
Total Changes	(\$10,000,000)
FY 2011-12 House-Passed Gross Appropriation	144,325,700

- 1. **Michigan Growth Capital Fund.** The Senate deleted and the House retained the Michigan Growth Capital Fund language. (House Sec. 1003)
- 2. **Travel Michigan Fee Authority.** The Senate retained and the House deleted Travel Michigan fee authority. (Senate Sec. 1004)
- 3. Michigan Economic Development Corporation (MEDC) Grants and Loans Report. The Senate retained the current report of MEDC grants and loans from investment and Indian gaming revenue. The House deleted specific report elements for Economic Development Job Training Grants and Renaissance Zones (Sec. 1007)
- 4. **21**st **Century Jobs Trust Fund Reappropriation of Work Project.** The House included the Governor's proposed reappropriation of up to \$75.0 million remaining from the \$75.0 million appropriated in FY 2007-08 for the Jobs for Michigan Investment Program: 21st Century Jobs Fund. The funds would be used for the original purposes and remain available until September 30, 2016. The Senate did not include. (House Sec. 1021)
- 5. **Small Business Innovation Research/Small Business Technology Transfer Program.** The Senate allocated not less than \$1.0 million from the Innovation and Entrepreneurship line to support this matching grant program. The House did not include. (Senate Sec. 1024)
- 6. **Business Attraction and Economic Gardening.** The House required that the MSF Board grant 85% of the \$25.0 million appropriated for Business Attraction and Economic Gardening for brownfield redevelopment includents and historic preservation incentives. The Senate did not include. (House Sec. 1024)
- 7. **Spending Plan Report.** The Senate required the MSF to report by January 15, 2012 on the spending plan the new line items for innovation and entrepreneurship and business attraction and economic gardening. The House did not include. (Senate Sec. 1031)
- 8. **Michigan Film Office Advisory Council Minutes.** The House retained and the Senate deleted the Michigan Film Office Advisory Council publication of minutes (Sec. 1033).
- 9. **Business Incubators.** The Senate funded six incubators or accelerators in the following localities: Houghton, Kent, Macomb, Oakland, and Washtenaw counties and Detroit. Recipients would receive at least \$500,000 and no more than \$2.0 million. The program would be allocated from the line item for Innovation and Entrepreneurship. The House did not include. (Senate Sec. 1034)