

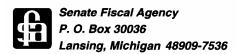


Senate Bill 177 (as introduced) Committee: Appropriations Vehicle for Governor's Recommendation line items is S.B. 199

	Gross	GF/GP
FY 2010-11 Year-to-Date Appropriation	\$3,337,367,400	\$590,492,600
FY 2011-12 Governor's Recommendation	\$3,400,771,400	\$734,559,900
Difference	\$63,404,000	\$144,067,300
Percent Change	1.9%	24.4%

See Individual Highlight Sheet for Department Detail

- 1. **Deleted General Sections.** The Governor deleted the following general sections: Authorization for civil service billing (Sec. 204), hiring freeze (Sec. 205), purchasing requirements regarding consideration for buying from American, Michigan, and veteran-owned firms (Sec. 209), purchasing requirement regarding deprived and depressed areas (Sec. 210); retention of reports by departments (Sec. 212), prohibit casino ownership (Sec. 213), Department of Technology, Management, and Budget user fees (Sec. 214), prohibit employee discipline for speaking with a legislator or legislative staff (Sec. 215), limitations on out-of-State travel (Sec. 216), prohibit use of General Fund money when Federal funds are available (Sec. 217), policy change report (Sec. 221), prohibit use of funds for legal services that should be provided by the Attorney General (Sec. 228), lapse estimate report (Sec. 228), require departments to follow-up on savings proposals from the Legislative Auditor General (Sec. 229), quarterly report on full-time equivalent (FTE) employees (Sec. 230(1)), expenditure reporting on the internet (Sec. 230(2)), limit spending on expenditure report to \$10,000 (Sec. 230(2)).
- 2. **Relocated Sections.** The schedule of payments to locals and list of definitions were moved to sections in the articles for the individual departments. (Sec. 201 and 203).





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Senate Bill 177 (as introduced) Committee: Appropriations Vehicle for Governor's Recommendation line items is S.B. 199

FY 2010-11 Year-to-Date Gross Appropriation	\$73,413,100
Changes from FY 2010-11 Year-to-Date:	
<ol> <li>Attorney General Operations. The Governor recognized early retirement savings of (\$1,151,200) GF/GP and made an additional reduction of (\$142,400) GF/GP. Together these reduce GF/GP appropriations for operations by 5%.</li> </ol>	(1,293,600)
<ol> <li>Attorney General Salary. The Governor reduced the salary for the Attorney General by (\$3,300) GF/GP to \$112,500, following the recommendation of the State Officers Compensation Commission.</li> </ol>	(3,300)
<ol> <li>Prosecuting Attorneys Coordination Council. The Governor reduced funding to reflect retirement savings of (\$35,600) GF/GP and a reduction of (\$186,000) in restricted grant funds for training.</li> </ol>	(221,600)
<ol> <li>Information Technology. The Governor recommended a reduction of (\$98,800) GF/GP in the information technology appropriation.</li> </ol>	(98,800)
<ol> <li>Economic Adjustments. The Governor recommended economic adjustments of \$2,603,300 of which \$985,200 are funded by GF/GP revenue.</li> </ol>	2,603,300
<ol> <li>Other Changes. The Governor proposed information technology economics of \$4,300 and a reduction of (\$62,500) in restricted fund authority for the State Claims Unit to reflect the level of billings.</li> </ol>	(58,200)
Total Changes	\$927,800
FY 2011-12 Governor's Recommendation	\$74,340,900

- 1. **Boilerplate Changes.** The Governor moved the statement of total State spending and definitions for the Attorney General to the Article for the Attorney General. (Sec. 2-201 and 2-202)
- 2. **Boilerplate Sections.** The Governor retained and renumbered all Attorney General boilerplate sections enacted for FY 2010-11. (Sec. 2-203 to 2-213)





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FY 2010-11 Year-to-Date Gross Appropriation	\$12,778,700
Changes from FY 2010-11 Year-to-Date:	
<ol> <li>Operations Reduction and Fund Shift. The Governor proposed a reduction to operational funding of (\$1,020,400) consisting of retirement savings of (\$600,400) GF/GP and a reduction of (\$420,000) GF/GP.</li> </ol>	(1,020,400)
2. Operations Fund Shift, GF/GP to Federal. The Governor recommended a reduction of (\$463,200) GF/GP that would be replaced by \$463,200 of increased Federal funds by completing additional cases pursuant to a contract with the U.S. Department of Housing and Urban Development. These cases are dually filed at the State and Federal levels.	0
<ol> <li>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.</li> </ol>	(150,000)
<ol> <li>Economic Adjustments. The Governor recommended economic adjustments of \$451,900.</li> </ol>	451,900
5. <b>Other Changes.</b> The Governor also recommended a building occupancy charge increase of \$25,000, workers' compensation increase of \$8,600, information technology economics of \$10,600, IT retirement savings of (\$7,600), and IT building occupancy charges of \$2,100.	38,700
Total Changes	(\$679,800)
FY 2011-12 Governor's Recommendation	\$12,098,900

- 1. **Statement of Total State Spending.** The Governor moved the statement of total State spending for Civil Rights to the Article for Civil Rights. (Sec. 3-201)
- 2. **Contingency Funds.** The Governor added authority for appropriating up to \$500,000 in private contingency funds through the legislative transfer process. The Department has applied for private grant funding to support initiatives related to hate crime response and prevention. (Sec. 3-301(b))
- 3. **Spending from Local and Private Sources.** The Governor added authority to spend local or private funds for staffing costs related to services currently supported by these revenues including training, mediation, and publication costs. The Governor also deleted a report on the amount and uses of local and private funds received and spent by the Department. (Sec. 3-302(g))





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Senate Bill 177 (as introduced) Committee: Appropriations

Vehicle for Governor's Recommendation line items is S.B. 199

FY 2010-11 Year-to-Date Gross Appropriation	\$4,630,800
Changes from FY 2010-11 Year-to-Date:	
<ol> <li>State Officers Compensation Commission (SOCC) Adjustment. The salaries and expense allowances for the Governor and the Lt. Governor were further reduced to comply with the March 2009 SOCC decision.</li> </ol>	(19,400)
<ol> <li>Non-SOCC Reduction. The Governor reduced the appropriation for the Executive Office by 5%to to save additional GF/GP dollars.</li> </ol>	(212,200)
Total Changes	(\$231,600)
FY 2011-12 Governor's Recommendation	\$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. (Sec. 9-201)



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Senate Bill 177 (as introduced)

Committee: Appropriations

Vehicle for Governor's Recommendation line items is S.B. 199

FY 2010-11 Year-to-Date Gross Appropriation	\$102,334,100
Changes from FY 2010-11 Year-to-Date:	
1. <b>Senate Reductions.</b> The Governor 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%).	(1,046,000)
2. <b>House Reductions.</b> The Governor 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%).	(1,284,900)
3. <b>Other Legislative Changes.</b> The Governor 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 \$871,000 to realize lease-cost savings.	330,000
Total Changes	(\$2,000,900)
FY 2011-12 Governor's Recommendation	\$100,333,200

- 1. **Total State Spending.** The Governor added one general section listing the total State spending from State resources and the payments to local units of government. (Sec. 12-201)
- 2. **Re-numbering of Sections.** Sections of boilerplate that have been retained in the Governor's budget are renumbered accordingly for Article 12.





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Senate Bill 177 (as introduced)

Committee: Appropriations

Vehicle for Governor's Recommendation line items is S.B. 199

FY 2010-11 Year-to-Date Gross Appropriation	\$14,996,400
Changes from FY 2010-11 Year-to-Date:	
<ol> <li>Interdepartmental Grant (IDG) Credits. The Governor increased funding to address spending in excess of appropriations due to higher than estimated number of audits completed.</li> </ol>	1,700,000
<ol> <li>Unfunded IDG. The Governor removed funding for an unfunded IDG from the Michigan Department of Corrections due to a Governor's veto for the FY 2010-11 enacted budget.</li> </ol>	(500,000)
<ol><li>Target Reduction. The Governor reduced funding by 5% in the Field Operations line item.</li></ol>	(558,000)
Total Changes	\$642,000
FY 2011-12 Governor's Recommendation	\$15,638,400

- 1. **Total State Spending.** The Governor added one general section listing the total State spending from State resources and the payments to local units of government. (Sec. 12-201)
- 2. **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)
- 3. **Re-numbering of Sections.** Sections of boilerplate that have been retained in the Governor's budget are renumbered accordingly for Article 12.





Senate Bill 177 (as introduced) Committee: Appropriations Vehicle for Governor's Recommendation line items is S.B. 199

FY 2010-11 Year-to-Date Gross Appropriation	\$213,520,400
Changes from FY 2010-11 Year-to-Date:	
<ol> <li>State Officers Compensation Commission (SOCC) Adjustment. The salaries and expense allowances for the Secretary of State were reduced to comply with the March 2009 SOCC decision.</li> </ol>	(3,300)
2. Early Retirement Savings. Administrative savings were realized due to early retirements.	(621,300)
<ol> <li>Governor's Target Reduction. Several line items in the budget were reduced to achieve an overall GF/GP savings. Savings realized from efficiencies in operations in several line items, including: Regulatory Services (\$494,000); Branch Operations (\$484,200); Central Operations (\$558,800); Dept. Services (\$460,000); and Election Administration (\$103,000).</li> </ol>	(2,100,000)
<ol> <li>Economic Adjustments. The Department's economic adjustments totaled \$980,600 while the economic adjustment for Information Technology totaled \$108,600.</li> </ol>	1,089,200
Total Changes	(\$1,635,400)
FY 2011-12 Governor's Recommendation	\$211,885,000

- 1. **Re-numbering of Sections.** Sections of boilerplate that have been retained in the Governor's budget are renumbered accordingly for Article 15.
- 2. **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. (Sec. 714)
- 3. **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. (Sec. 716)
- 4. **Buena Vista Branch Office.** Requires the Department to maintain a full service branch office in Buena Vista Township. The Governor removed this section. (Sec. 718)
- 5. **General Fund Expenditures.** Requires the Department to use Restricted Funds before using General Fund dollars. The Governor removed this section. (Sec. 719)
- 6. **Guidelines for Branch Office Placement**. Provides guidelines for the placement of future branch offices. The Governor removed this section. (Sec. 720)
- 7. **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 majority of these sections required the Department to provide either reports or notifications to the Legislature.



Senate Bill 177 (as introduced)



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\$1,012,141,700

Vehicle for Governor's Recommendation line items is S.B. 199

Committee: Appropriations	
FY 2010-11 Year-to-Date Gross Appropriation	\$974,362,200
Changes from FY 2010-11 Year-to-Date:	
<ol> <li>Technology Innovations Fund. Governor provided new GF/GP funding for competitive grants for innovations in technology.</li> </ol>	5,000,000
<ol> <li>State Building Authority Rent Adjustments. Governor made adjustments to the "rent" the State pays for State financed building projects based on projected payments.</li> </ol>	15,000,000
<ol> <li>Accounting Consolidation. Governor increased funding 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.</li> </ol>	1,593,200
<ol> <li>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.</li> </ol>	7,907,900
<ol><li>Gubernatorial Transition. One-time funding provided in FY 2011 for transition costs associated with the election of a new Governor was eliminated.</li></ol>	(1,500,000)
<ol> <li>Building Operations. Consolidation of functions and reduction in funded FTE positions resulted in savings for FY 2011-12.</li> </ol>	(1,250,000)
<ol> <li>Early Retirement Savings. Administrative savings were realized due to early retirements.         Management and Budget saved \$1.5 million, Civil Service Commission saved \$1.6 million,         and IT saved \$2.8 million.</li> </ol>	(5,941,200)
<ol> <li>Professional Development. Governor eliminated all remaining funding for professional development activities for State classified employees.</li> </ol>	(225,000)
<ol> <li>Civil Service Commission Adjustment. Governor adjusted funding for the Civil Service Commission for accounting costs saved as a result of a Department of Corrections facility closure in 2010.</li> </ol>	277,800
10. Governor's Target Reduction. Several line items in the budget were reduced 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.	(6,394,300)
11. <b>IT Miscellaneous Adjustments.</b> Several items related to IT for several departments were adjusted. 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).	12,079,400
12. <b>Economic Adjustments.</b> Management and Budget's economic adjustments totaled \$10,917,100 while the economic adjustment for IT totaled \$314,600.	11,231,700
Total Changes	\$37,779,500

The changes show the differences between the schedule of programs proposed by the Governor and the prior-year line items.

FY 2011-12 Governor's Recommendation.....

- 1. **Re-numbering of Sections.** Sections of boilerplate that have been retained in the Governor's budget are renumbered accordingly for Article 17.
- 2. **Computer Contract Adjustments.** Required notification to the House and Senate Appropriation Committee Chairs and General Government Subcommittee Committee Chairs on computer contract revisions that increase or decrease current contracts by more than \$500,000. The Governor removed this section. (Sec. 809)
- 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). (Sec. 813)

- 4. 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); language requiring determination of the best interests of State when dealing with vendors outside of Michigan; language requiring obtaining certain information from vendors; and language requiring disclosure of location of call/contact centers.
- 5. **Unclassified Salaries.** Language required the Department to compile a report by January 1 pertaining to the salaries of unclassified employees and gubernatorial appointees. The Governor removed this section. (Sec. 822)
- 6. **Office of Great Workplace Development.** Language prohibits use of any other funds for this office. The Governor removed section. (Sec. 853)
- **7. 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.





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FY 2010-11 Year-to-Date Gross Appropriation	\$1,951,331,700
Changes from FY 2010-11 Year-to-Date:	
<ol> <li>Debt Service. The Governor increased debt service appropriations for general obligation environmental bond issues by \$83,295,200 GF/GP. The increase reflects the current payment structure including the impact of prior year debt restructuring.</li> </ol>	83,295,200
<ol><li>Presidential Primary. The Governor provided \$10.0 million GF/GP for the 2012 presidential primary.</li></ol>	10,000,000
<ol> <li>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.</li> </ol>	(1,866,400)
<ol> <li>Administrative Reductions. The Governor reduced all GF/GP-funded administrative lines by 3%. Savings totaled (\$905,500) GF/GP.</li> </ol>	(905,500)
<ol> <li>Retirement Savings. The Governor recognized (\$1,022,400) of savings from retirements.</li> </ol>	(1,022,400)
<ol><li>Business Property Tax Appeal. The Governor reduced funding for this program from \$900,000 GF/GP to \$300,000 GF/GP.</li></ol>	(600,000)
<ol> <li>Unclaimed Property. The Governor increased funding by \$700,000 and 5.0 FTEs for on- going administrative costs.</li> </ol>	700,000
<ol> <li>Senior Citizens' Cooperative Housing Tax Exemption. The Governor adjusted funding based on the projected cost of the program, realizing savings of (\$2,500,000) GF/GP.</li> </ol>	(2,500,000)
<ol> <li>Michigan Gaming Control Board. The Governor increased funding by \$90,200 and 1.0 FTE for an additional Indian gaming auditor.</li> </ol>	90,200
<ol> <li>Remove Supplemental Funding. The Governor eliminated FY 2009-10 supplemental funding of \$4.8 million for unclaimed property and \$6.8 million for tax amnesty programs.</li> </ol>	(11,600,000)
<ol> <li>Revenue Sharing. Changes total (\$100,412,200). Revenue sharing highlight sheet is attached.</li> </ol>	(100,412,200)
<ol> <li>Michigan Strategic Fund (MSF). Changes total \$33,479,500. MSF highlight sheet is attached.</li> </ol>	33,479,500
13. Economic Adjustments. Treasury economics (excluding MSF) total \$9,168,600.	9,168,600
14. <b>Other Changes.</b> Information technology economics, \$363,400; reduction in excess restricted fund authority in PILT, (\$513,000); workers' compensation, building occupancy charges, and rent adjustments, (\$75,000); Land Bank federal grants, \$1,000,000.	775,400
Total Changes	\$28,602,400
FY 2011-12 Governor's Recommendation	\$1,969,934,100

- 1. Deleted Sections. The Governor deleted the following sections in their entirety: tax manual publication (Sec. 905), authority to charge local governments for costs of audits (Sec. 906), audit and report on senior citizens' cooperative housing tax exemption program (Sec. 913(2)), prohibition on use of any appropriations for the Detroit River International Crossing (Sec. 925a), intent language on improving PILT purchased lands administration (Sec. 938), intent language on pension fund investments in early stage companies (Sec. 939), permissive language on local assessment practices review (Sec. 945), reverse vending distributions (Sec. 949), Lottery prohibition of lottery advertising to persons under 18 (Sec. 961), Lottery requirement to inform retailers that bridge cards cannot be used for lottery purchases (Sec. 963), Gaming contingent language in case no thoroughbred race meet was held in 2010 or 2011 (Sec. 979), Michigan State Housing Development Authority (MSHDA) permissive language on allocation to Housing and Community Development Fund and report (Sec. 985).
- 2. Deleted Reports. The Governor deleted the following reports: cost of private collections agencies (Sec. 903(3)), revenue received from sale of information (Sec. 916), write-offs and advances (Sec. 917(2)), audits and collection of unclaimed property (Sec. 919(2)), cost of collection of Michigan Transportation Fund revenue (Sec. 922), principal residence exemption audit results (Sec. 924(2)), personal property tax audits (Sec. 927), cost of collections for other departments (Sec. 930(2)), investment fees assessed by restricted fund (Sec. 931(1)), Michigan Finance Authority spending from revenue not appropriated in a line item (Sec. 934(2)), efficiency of field collection personnel (Sec. 942), pension plan consultants (Sec. 944), online tax filing (Sec. 948), MSHDA housing production report (Sec. 980), MSHDA Broadband development authority (Sec. 981), MSHDA Blight Elimination (Sec. 982).
- 3. **Public Private Partnership Investment Fund.** The Governor deleted provisions that prohibited the fund from supporting any work related to the Detroit River International Crossing and deleted the annual report requirements. (Sec. 925)
- 4. Michigan Strategic Fund Boilerplate. See separate highlight sheet.
- 5. Revenue Sharing Boilerplate. See separate highlight sheet.





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FY 2010-11 Year-to-Date Gross Appropriation	\$1,059,391,500
Changes from FY 2010-11 Year-to-Date:	
1. Constitutional Revenue Sharing. The Governor estimated that revenue sharing payments to cities, villages, and townships (CVTs) pursuant to the Constitution will total \$658,979,300 in FY 2011-12, an increase of \$15,232,400 from the January consensus estimate for FY 2010-11 payments. Constitutional revenue sharing totals 15% of sales tax collections at a 4% rate. These funds are distributed to CVTs in an equal amount per capita, adjusted so that institutional populations are counted at 50%. When 2010 census figures become available in April 2011, FY 2010-11 payments will be adjusted based on the new population data, causing changes in local unit payments.	15,232,400
<ol> <li>Statutory Revenue Sharing for CVTs. The Governor eliminated of this program for CVTs. Prior year appropriation reductions have eliminated statutory revenue sharing payments to 1,240 CVTs for FY 2010-11. The year-to-date estimate for the cost of this program is \$300,903,900. Since FY 2007-08, boilerplate formulas have determined payments.</li> </ol>	(300,903,900)
3. <b>County Revenue Sharing.</b> The Governor proposed funding revenue sharing payments to counties at \$100,000,000 in FY 2011-12, an amount that is (\$51,800,000) or (34.1%) under the amount required by the statutory formula. Under current law, total payments to counties would increase in FY 2011-12 due to additional counties exhausting their revenue sharing reserve funds and re-entering the county revenue sharing program and other counties receiving full year funding under the program. When compared to FY 2010-11, the Governor's proposal is (\$14,740,700) under the year-to-date appropriation.	(14,740,700)
<ol> <li>Incentive-Based Revenue Sharing Program. The Governor recommended a new revenue sharing program for CVTs with eligibility based on adoption of best practices. Details of this program are expected in March 2011.</li> </ol>	200,000,000
Total Changes	(\$100,412,200)
FY 2011-12 Governor's Recommendation	\$958,979,300

- 1. Renumbered Sections for Constitutional and County Revenue Sharing. The Governor maintained current boilerplate for constitutional and county revenue sharing and renumbered those sections. (Sec. 950(1)/19-401 and 955/19-402)
- 2. **Statutory Revenue Sharing.** The Governor deleted boilerplate authorizing statutory revenue sharing payments to eligible CVTs. The current year language authorizes payments to each CVT such that the total of the FY 2010-11 constitutional and statutory payment to each CVT is 100% of the total of those payments in FY 2009-10. Of the 1,801 CVTS, 1,240 local units no longer receive statutory payments because they have received increases in constitutional revenue sharing that decreased the statutory amount to zero. The language also provides a calculation for determining reduced statutory revenue payments in the event that sales tax revenue falls below the amount estimated at the time the bill was enacted. (Sec. 950(2))





Senate Bill 177 (as introduced)
Committee: Appropriations

Vehicle for Governor's Recommendation line items is S.B. 199

FY 2010-11 Year-to-Date Gross Appropriation	\$165,846,200
Changes from FY 2010-11 Year-to-Date:	
<ol> <li>Business Attraction and Economic Gardening. The Governor proposed replacing business tax credits with this new incentive program funded by \$25.0 million GF/GP and \$25.0 million from the 21<sup>st</sup> Century Jobs Trust Fund.</li> </ol>	50,000,000
<ol> <li>Innovation and Entrepreneurship. The Governor proposed using \$25.0 million from the 21<sup>st</sup> Century Jobs Trust Fund for this new program.</li> </ol>	25,000,000
3. <b>Pure Michigan.</b> The Governor recommended funding tourism promotion at \$25.0 million in FY 2011-12 from the 21 <sup>st</sup> Century Jobs Trust Fund. In FY 2010-11, the tourism funding totals \$25,402,800 consisting of \$20.0 million from the 21 <sup>st</sup> Century Jobs Trust Fund pursuant to Public Act (P.A.) 271 of 2010 and P.A. 3 of 2011, and \$5,402,800 GF/GP appropriated in P.A. 191 of 2010.	(402,800)
4. 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.	25,000,000
<ol><li>Quality of Place and Talent Enhancement. The Governor proposed using \$5.0 million GF/GP for a program to retain young adults in Michigan.</li></ol>	5,000,000
6. Jobs for Michigan Investment Program: 21 <sup>st</sup> Century Jobs Fund. The Governor eliminated this line item for 21 <sup>st</sup> Century programs and redirected the funds to increase tourism promotion and fund proposed new programs for Business Attraction and Economic Gardening and Innovation and Entrepreneurship.	(55,000,000)
<ol> <li>Community Development Block Grant. The Governor reduced the appropriation from \$53.0 million to \$47.0 million to reflect anticipated Federal funding.</li> </ol>	(6,000,000)
<ol> <li>Detroit Institute of Arts. The Governor removed a one-time \$10.0 million GF/GP grant to the Detroit Institute of Arts. This was a FY 2010-11 contingency appropriation from the unreserved FY 2009-10 GF/GP closing balance.</li> </ol>	(10,000,000)
<ol> <li>Retirement Savings. The Governor reduced Job Creation Services funding by (\$543,000) due to retirement savings.</li> </ol>	(543,000)
<ol> <li>Economic Adjustments. The Governor recommended economics of \$968,900 Gross including \$881,000 GF/GP.</li> </ol>	968,900
11. <b>Other Changes.</b> The Governor adjusted revenue estimates for private revenue and an IDG. Only economic adjustments were made to appropriations for the Michigan Film Office and Arts and Cultural Grants.	(543,600)
Total Changes	\$33,479,500
FY 2011-12 Governor's Recommendation	\$199,325,700

- 1. Deleted Sections. The Governor recommended deleting the following boilerplate sections in their entirety: Michigan Growth Capital Fund (Sec. 1003), Travel Michigan fee authority (Sec. 1004), Michigan Strategic Fund (MSF) and Michigan Economic Development Corporation (MEDC) report on grants awarded (Sec. 1006), report of MEDC grants and loans from investment and Indian gaming revenue, including details on travel promotion and business marketing, revenues, expenditures, and FTEs by program (Sec. 1007), limits on use of funds for purchase or options on land (Sec. 1009), exclusion of MEDC employees involved in fund-raising from decisions on grants or tax abatements (Sec. 1013), Core Communities Fund and report (Sec. 1014), coordination of tourism promotion with the tourism industry and report (Sec. 1023), 21<sup>st</sup> Century allocations for Small Business Innovation Research and Small Business Technology Transfer matching grants, business incubators, Lakeshore Advantage, and Michigan Aeronautics Manufacturers Association (Sec. 1024, 1025, 1027, and 1034), limit 21<sup>st</sup> Century allocations in the first quarter of FY 2010-11 to \$25.0 million (Sec. 1028), reappropriation of 21<sup>st</sup> Century work project from 2005 PA 225 (Sec. 1029), FY 2010-11 contingent funding of \$10.0 million for Detroit Institute of Arts (Sec. 1030), Film Office detailed tax credit and jobs report (Sec. 1032), and Michigan Film Office Advisory Council publication of minutes (Sec. 1033).
- 2. **Travel Michigan.** The Governor updated language on use of revenue related to Michigan's promotional materials to specify that it applies to Pure Michigan and all other copyrighted slogans and images. (Sec. 1005/Sec. 19-702)
- 3. 21<sup>st</sup> Century Jobs Trust Fund Reappropriation of Work Project. The Governor 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: 21<sup>st</sup> Century Jobs Fund. The funds would be used for the original purposes and remain available until September 30, 2016. (Sec. 19-707)
- 4. **Arts and Cultural Grants.** The Governor deleted the following: Authority to charge and use revenue from application fees, a requirement to use past arts and cultural grant programs as a guideline, deadlines for publishing application criteria and hearing public comment, the requirement to award grants to public and private arts and cultural entities, a report on grants awarded, and a limit of \$100,000 on the use of funds for administration. The language was amended to specify that the geographical distribution should be fair, in addition to equitable. (Sec. 1035/Sec. 19-707)