



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL



ANALYSIS

Telephone: (517) 373-2768**Fax: (517) 373-1986****TDD: (517) 373-0543**

Throughout this document Senate means Appropriations Committee

	<u>Gross</u>	<u>GF/GP</u>
FY 2011-12 Year-To-Date	\$4,106,297,100	\$864,050,200
FY 2012-13 Governor's Revised Recommendation	\$4,226,272,700	\$938,748,000
Change from Year-To-Date	\$119,975,600	\$76,697,800
Percentage Change from Year-To-Date	2.9%	8.6%
FY 2012-13 Senate Appropriations Recommendation.....	\$4,236,501,900	\$938,678,400
Change from Year-To-Date	\$130,204,800	\$74,628,200
Percent Change from Year-To-Date	3.2%	8.6%
Change from Revised Governor.....	\$10,229,200	(\$69,600)
Percentage Change from Revised Governor	0.2%	(0.0)%

See Individual Highlight Sheet for Department Detail

Throughout this document:

"FTE" means Full Time Equivalent

"GF/GP" means General Fund/General Purpose

"OPEB" means Other Post-Employment Benefits

Changes from FY 2011-12 Year to Date:

1. **Bill Structure.** The Governor recommended an omnibus bill for government operations with a separate article for each department. The General Government budgets were not aggregated in the Governor's recommendation. Some of the General Government boilerplate is included in Article 20 of the Governor's recommendation which would apply to all of the appropriations in the omnibus bill. Article 20 also includes required reports of the estimated statewide totals for total State spending and payments to locals and projected and operating fund revenues and balances. The Senate retained the current bill structure.
2. **Deleted General Sections.** The Governor deleted the following general sections: information technology (IT) work project authorization (Sec. 207), 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 (DTMB) 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), prohibition on using appropriations to administer a committee or obtain contributions for a committee as defined in the Michigan Campaign Finance Act, MCL 169.203 (sec. 220), policy change report (Sec. 221), and require departments to follow-up on savings proposals from the Legislative Auditor General (Sec. 229). The Senate retained all except IT work projects (Sec. 207), DTMB user fees (Sec. 214), and language regarding rules that impact small business which has been replaced by statute. (Sec. 221(2) and (3))
3. **Relocated Sections.** The Governor moved the schedule of payments to locals by department and list of definitions to sections in the articles for the individual departments. The Senate retained the current bill structure.
4. **Lapse Report.** The Governor recommended that report of lapse estimates be submitted by November 30 instead of November 15, and that the report be prepared by the State Budget Office instead of individual departments and agencies. The Senate concurred. (Sec. 20-204/Sec. 228)
5. **Transparency Reporting.** The Governor changed the language on internet expenditure and vendor reporting for the public to require that it be maintained by the Department of Technology, Management, and Budget, instead of giving departments and agencies the option to do this separately. The Senate concurred. (Sec. 206)
6. **Appropriation to the Budget Stabilization Fund.** The Governor recommended an appropriation from the General Fund to the Countercyclical Budget and Economic Stabilization Fund of \$130,000,000. The section reports the statutory calculation to determine the amount of any required payment to the Fund. According to this calculation, no pay-in is required in FY 2012-13. The Senate concurred. (Sec. 20-207/Sec. 211)

Date Completed: 4-20-12

Fiscal Analyst: Elizabeth Pratt



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Senate Bill 954 (S-1 as reported)
 Committee: Appropriations

Throughout this document Senate means Appropriations Committee

FY 2011-12 Year-to-Date Gross Appropriation	\$74,590,900
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Changes from FY 2011-12 Year-to-Date:

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|--|-------------|
| 1. Public Safety Initiative. The Governor recommended \$900,000 GF/GP to contract for special attorneys general to assist in reducing the backlog of outstanding warrants in distressed cities. The Senate concurred. | 900,000 |
| 2. Information Technology (IT). The Governor increased the IT line by \$500,000 GF/GP. Excess IT costs have been supported from the operations line. The Senate concurred. | 500,000 |
| 3. Implement Contingency Plan Savings. The Governor continued the savings from the FY 2011-12 contingency plan reductions, eliminating 12.0 FTE positions. The Senate concurred. | (1,298,000) |
| 4. Tobacco Tax Enforcement. The Governor recommended \$500,000 GF/GP and 5.0 FTE positions for the cost of enhanced tobacco tax enforcement in conjunction with the State Police and Treasury. The Senate concurred. | 500,000 |
| 5. Unclassified Salaries. The Governor increased unclassified salaries by \$88,400 GF/GP. The Senate concurred. | 88,400 |
| 6. Gaming Attorney. The Governor added State restricted funds for an attorney position to support illegal gambling enforcement for the Michigan Gaming Control Board. The Senate concurred. | 164,800 |
| 7. State Employee Lump-Sum Payments. The Governor added \$1,025,900 for one-time payments that are required by contract. The Senate concurred. | 1,025,900 |
| 8. Economic Adjustments. Includes \$10,073,100 for OPEB and savings of \$1,259,500 for other economic adjustments. The Senate concurred. | 8,813,600 |
| 9. Other Changes. The Governor recommended removing \$250,000 in one-time funding for redistricting lawsuit and a transfer of \$88,400 from the operations line to the unclassified line. The Senate concurred. | (338,400) |
| 10. Comparison to Governor's Recommendation. The Senate is \$0 Gross over/under and \$0 GF/GP over/under the Governor. | |

Total Changes	\$10,356,300
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FY 2012-13 Senate Appropriations Committee Gross Appropriation	\$84,947,200
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Changes from FY 2011-12 Year to Date:

1. **Bill Structure.** The Governor separated the General Government departments into articles within his proposed budget. The Attorney General budget is in Article 2. The Governor combined the existing 6 line items into 2 rolled up lines, one for Attorney General operations and one for Prosecuting Attorneys Coordinating Council. Fund source details would not be included. (Article 2) The Senate retained the current bill structure.
2. **Report of Total State Spending.** The Governor moved the report of total State spending to each department, as opposed to the single total included currently for the General Government budgets as a whole. (Sec. 2-201) The Senate retained the current bill structure. (Sec. 201)
3. **Definitions.** The Governor rolled up fund source detail and deleted many definitions of acronyms that currently are included in the appropriated fund source detail. The Senate retained the current bill structure. (Sec. 2-202/Sec. 202)
4. **Prohibition on Outside Legal Services.** The Governor included language that prohibits a department from hiring legal services that are the responsibility of the Attorney General, with limited exceptions. Currently the language is in Sec. 226 of the General Sections for the General Government departments. The Senate retained the current bill structure. (Sec. 2-204/Sec. 226)
5. **One-Time Basis Appropriations.** The Governor added boilerplate for a one-time appropriation for State Employee Lump Sum Payments which total \$1,025,900, including \$393,300 GF/GP. The Senate added an appropriation unit for one-time items in Part 1.

Date Completed: 4-20-11

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Senate Bill 954 (S-1 as reported)
 Committee: Appropriations

Throughout this document Senate means Appropriations Committee

FY 2011-12 Year-to-Date Gross Appropriation	\$13,730,200
Changes from FY 2011-12 Year-to-Date:	
1. Contingency Plan Reductions. The Governor recommended continuing FY 2011-12 contingency plan reductions. This would decrease operations funding by \$260,900 and eliminate 4.0 full-time equivalent (FTE) positions. The Senate concurred.	(260,900)
2. Investigations. The Governor increased funding for civil rights complaint investigations by \$287,800, with a combination of additional Federal funding and \$115,000 GF/GP. The Senate concurred.	287,800
3. Commission on Disability Concerns Fund Shift. The Governor removed \$667,400 in uncollectible Federal funds and 2.0 FTEs from the budget and added \$120,000 GF/GP. The Senate concurred.	(547,400)
4. Asian Pacific American Affairs Commission. The Governor recommended first-time State funding of \$100,000 GF/GP and 1.0 FTE to support this existing commission. The Senate concurred.	100,000
5. State Employee Lump-Sum Payments. The Governor added \$128,900 for one-time payments that are required by contract. The Senate concurred.	128,900
6. Economic Adjustments. Includes \$1,578,400 for OPEB and savings of \$684,400 for other economic adjustments. The Senate concurred.	894,000
7. Comparison to Governor's Recommendation. The Senate is \$0 Gross over/under and \$0 GF/GP over/under the Governor.	
Total Changes	\$602,400
FY 2012-13 Senate Appropriations Committee Gross Appropriation	\$14,332,600

Changes from FY 2011-12 Year to Date:

1. **Bill Structure.** The Governor separated the General Government departments into separate articles within his proposed budget. The Civil Rights budget is in Article 3. The Governor combined the existing 5 line items into 1 line for civil rights operations. Fund source details would not be included. (Article 3) The Senate retained the current bill structure.
2. **Report of Total State Spending.** The Governor moved the report of total State spending to each department, as opposed to the total included currently for the General Government budgets as a whole.) The Senate retained the current bill structure. (Sec. 3-201 /Sec. 201)
3. **Definitions.** The Governor rolled up fund source detail and deleted many definitions of acronyms that currently are included in the appropriated fund source detail.) The Senate retained the current bill structure. (Sec. 3-202/Sec. 202)
4. **Contingency Fund Spending Authority.** The Governor increased the contingency fund authorization for potential additional private funds from \$500,000 to \$750,000. The funding would only become available if the Department received a private grant and it was approved by both the House and the Senate in a legislative transfer. The Senate concurred. (Sec. 3-204/Sec. 401)
5. **Prohibition on Outside Legal Services.** The Governor included language that prohibits a department from hiring legal services that are the responsibility of the Attorney General, with limited exceptions. Currently the language is in Sec. 226 of the General Sections for the General Government departments.) The Senate retained the current bill structure. (Sec. 2-204/Sec. 226)
6. **One-Time Basis Appropriations.** The Governor added boilerplate for a one-time appropriation for State employee lump sum payments which total \$128,900, including \$104,300 GF/GP. The Senate included the one-time items in an appropriation unit in Part 1.

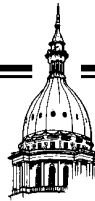
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Senate Bill 954 (S-1 as reported)
 Committee: Appropriations

Throughout this document Senate means Appropriations Committee

FY 2011-12 Year-to-Date Gross Appropriation	\$4,599,200
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Changes from FY 2011-12 Year-to-Date:

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|---|---------|
| <p>1. State Employee Lump-Sum Payments. The Governor added \$58,700 for one-time payments that are required by contract. The Senate concurred with the Governor but moved funding to Part 1.</p> | 58,700 |
| <p>2. Executive Office. The Governor included an adjustment in funding to reflect actual costs of operation. The Senate concurred with the Governor.</p> | 164,000 |
| <p>3. Economic Adjustments. Includes \$0 for OPEB and \$66,000 for other economic adjustments.</p> | 66,000 |
| <p>4. Comparison to Governor's Recommendation. The Senate is \$0 Gross over/under and \$0 GF/GP over/under the Governor.</p> | |

Total Changes	\$288,700
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FY 2012-13 Senate Appropriations Committee Gross Appropriation	\$4,887,900
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Changes from FY 2011-12 Year to Date:

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. The Senate did not include this section. (Sec. 8-201)
2. **One-Time Appropriations.** The Governor provided for one-time appropriations totaling \$58,700 for State employee lump sum payments. The Senate moved funding to a new unit in Part 1. (Sec. 8-301)

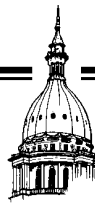
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Senate Bill 954 (S-1 as reported)
 Committee: Appropriations

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FY 2011-12 Year-to-Date Gross Appropriation	\$100,803,200
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Changes from FY 2011-12 Year-to-Date:

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| <p>1. Senate Changes. The Governor increased funding by a total of \$2.9 million. Funding includes: \$2.3 million for Senate Operations including \$1.3 million for OPEB; \$107,800 for IT; and \$417,400 for the Senate Fiscal Agency, including \$126,500 for OPEB. The Senate concurred with the Governor but increased the Senate line by \$677,500.</p> | 3,550,300 |
| <p>2. House Changes. The Governor increased funding by a total of \$3.6 million. Funding includes: \$3.1 million for House Operations including \$1.7 million for OPEB; \$85,600 for IT; and \$417,400 for the House Fiscal Agency, including \$141,000 for OPEB. The Senate concurred with the Governor and increased the House line by \$577,500.</p> | 4,188,300 |
| <p>3. Legislative Council Changes. The Governor increased funding by a total of \$1.1 million. Funding includes: \$456,000 for Council Operations; \$602,500 for OPEB; and \$58,200 for IT. The Senate concurred with the Governor.</p> | 1,116,700 |
| <p>4. Legislative Retirement Changes. The Governor increased funding by a total of \$176,700. Funding includes \$157,200 for non-retirement expenses and \$19,500 for OPEB. The Senate concurred with the Governor.</p> | 176,700 |
| <p>5. Building Operations Changes. The Governor increased funding by a total of \$634,200. Funding includes: \$127,600 for the Capitol building; \$415,800 for the Cora Anderson House building; and \$90,800 for the Farnum building. The Senate concurred with the Governor.</p> | 634,200 |
| <p>6. Capitol Renovation and Maintenance. The Senate added \$3.1 million in GF/GP funding for completion of renovation and maintenance projects on the Capitol building.</p> | 3,100,000 |
| <p>7. Other Changes. The Governor and Senate included additional funding for several line items. These include: \$6,300 for worker's compensation; \$283,500 for National Association Dues; and \$18,300 for the Legislative Corrections Ombudsman. Additionally, included is a funding shift to replace IDG funding with GF/GP funding for the Corrections Ombudsman which results in a zero gross change but increases GF/GP expenditures by \$250,000.</p> | 308,100 |
| <p>8. Comparison to Governor's Recommendation. The Senate is \$4,355,000 Gross over and \$4,355,000 GF/GP over the Governor.</p> | |

Total Changes	\$13,074,300
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FY 2012-13 Senate Appropriations Committee Gross Appropriation	\$113,877,500
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Changes from FY 2011-12 Year to Date:

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. The Senate did not include. (Sec. 11-201)
2. **Re-numbering of Sections.** Sections of boilerplate that have been retained in the Governor's budget are re-numbered accordingly for Article 11. The Senate did not make this change.
3. **National Association Dues.** The Governor deleted the words "if funds are available" from the language. The Senate concurred with the Governor. (Sec. 603)
4. **Date Changes.** The Governor extended the work project dates to September 30, 2017, for Property Management and Legislative Automated Processing. (Secs. 606 and 607)
5. **Capitol Renovation and Maintenance.** The Senate added new language allocating \$1.5 million to each the House and Senate and \$100,000 to Capital Facilities for Capitol building renovation and maintenance projects. (Sec. 609)

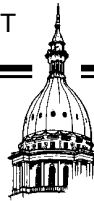
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Senate Bill 954 (S-1 as reported)
 Committee: Appropriations

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FY 2011-12 Year-to-Date Gross Appropriation	\$16,032,300
Changes from FY 2011-12 Year-to-Date:	
1. State Employee Lump-Sum Payments. The Governor added \$270,900 one-time payments that are required by contract. The Senate concurred with the Governor but moved funding to Part 1.	270,900
2. Field Operations. The Governor increased funding to fully fund economic increases budgeted in FY 2011-12. Funding from lapsed funds fell short of projections. The Senate concurred with the Governor.	511,000
3. Fund Shift. The Governor replaced IDG funding related to the Statewide Single Audit with GF/GP. The shift increases GF/GP expenditures by \$340,000 while having a zero effect on the Gross appropriation. The Senate concurred with the Governor.	0
4. Economic Adjustments. Includes \$2.5 million for OPEB and a negative \$647,700 for Department economic adjustments.	1,873,500
5. Comparison to Governor's Recommendation. The Senate is \$0 Gross over/under and \$0 GF/GP over/under the Governor.	
Total Changes	\$2,655,400
FY 2012-13 Senate Appropriations Committee Gross Appropriation	\$18,687,700

Changes from FY 2011-12 Year to Date:

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. The Senate deleted this section. (Sec. 11-201)
2. **Re-numbering of Sections.** Sections of boilerplate that have been retained in the Governor's budget are re-numbered accordingly for Article 11. The Senate retained current numbering.
3. **Statewide Single Audit.** The Governor removed language requiring a report, by December 31, 2011, regarding the feasibility of converting to a Statewide single audit. The Senate concurred with the Governor. (Sec. 624)
4. **Lapsed Funds for Economics.** The Governor removed language allowing the Auditor General to use up to \$905,000 of lapsed funds to pay for economic cost increases. The Senate concurred with the Governor. (Sec. 625)
5. **One-Time Appropriations.** The Governor provided for one-time appropriations totaling \$270,900 for State employee lump sum payments. The Senate moved funding to a new unit in Part 1. (Sec. 11-501)

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FY 2011-12 Year-to-Date Gross Appropriation	\$211,885,000
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Changes from FY 2011-12 Year-to-Date:

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| 1. One-Time Boilerplate Appropriations. The Governor included \$150,000 in one-time GF/GP funding for marketing of the Department's newly implemented Express Services. The Senate moved funding to a new unit in Part 1. | 150,000 |
| 2. Credit and Debit Card Assessment Fees. Due to the number of increased transactions via credit and debit cards, the funding source from this fee was increased by the Governor to realize the additional revenue. The revenue is used to pay for the fees charged by the credit and debit card companies. The Senate concurred with the Governor. | 4,000,000 |
| 3. Contingency Plan Adjustment. The Governor included a reduction for the savings realized by the Department for employee-related costs. The Senate concurred with the Governor. | (965,800) |
| 4. Transportation Administration Collection Fund (TACF). The Governor adjusted the source of funding from this fund to reflect actual revenue. The Senate concurred with the Governor. | (8,000,000) |
| 5. Fund Shift. The Governor replaced Michigan Transportation Fund (MTF) funding with GF/GP due to the capped amount of MTF funds that can be transferred to the Department. The shift increases GF/GP expenditures while having a zero effect on the gross appropriation. The Senate concurred with the Governor. | 0 |
| 6. Commercial Driver License. The Governor included additional funding that is anticipated due to the \$10 increase in the fee for a Commercial Driver license. The Senate concurred with the Governor. | 1,000,000 |
| 7. State Employee Lump-Sum Payments. The Governor added \$1,544,400 for one-time payments that are required by contract. The Senate moved funding to a new unit in Part 1. | 1,544,400 |
| 8. Economic Adjustments. Includes \$19.1 million for OPEB and a negative \$7.9 million for Department economic adjustments. | 11,208,900 |
| 9. Comparison to Governor's Recommendation. The Senate is \$0 Gross over/under and \$0 GF/GP over/under the Governor. | |

Total Changes	\$8,937,500
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FY 2012-13 Senate Appropriations Committee Gross Appropriation	\$220,822,500
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Changes from FY 2011-12 Year to Date:

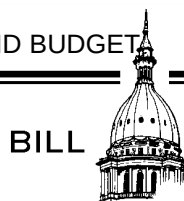
1. **Re-numbering of Sections.** Sections of boilerplate that have been retained in the Governor's budget are re-numbered accordingly for Article 15. The Senate did not concur with the Governor.
2. **Total State Spending.** The Governor provided a new section stating the amount of total State spending from State resources and the amount of payments to local units of government. The Senate deleted this section. (Sec. 15-201)
3. **Automatic Teller Machine (ATM).** The Governor included definition for ATM. The Senate moved definition to Section 203. (Sec. 15-202)
4. **Legal Services.** Governor included language prohibiting the Department from using funds to hire legal services that are the responsibility of the Attorney General. The Senate moved this to Section 226. (Sec. 15-203)
5. **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 the written notice requirement in this section. The Senate retained written notice requirement. (Sec. 714)
6. **Buena Vista Branch Office.** Requires the Department to maintain a full service branch office in Buena Vista Township. The Governor removed this section. The Senate retained this section. (Sec. 718)
7. **General Fund Expenditures.** Requires the Department to use State restricted funds before using General Fund dollars. The Governor removed this section. The Senate retained this section. (Sec. 719)
8. **One-Time Appropriations.** The Governor provided for one-time appropriations totaling \$1.5 million for State employee lump sum payments. The Senate moved funding to new unit in Part 1. (Sec. 15-401)
9. **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), 711(2), and 716b. The majority of these sections required the Department to provide either reports or notifications to the Legislature. The Senate retained sections 705(5) and 716(b).

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Senate Bill 954 (S-1 as reported)
 Committee: Appropriations

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FY 2011-12 Year-to-Date Gross Appropriation	\$1,080,334,300
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Changes from FY 2011-12 Year-to-Date:

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|---|--------------|
| 1. FY 2011-12 Adjustment. The Governor removed one-time funding of \$1.9 million that was added by P.A. 264 of 2011 to fund additional costs associated with administering newly enacted retirement reforms. The Senate concurred with the Governor. | (1,900,000) |
| 2. Removal of One-Time Funding. Governor excluded FY 2011-12 one-time funding of \$61.3 million: \$60.0 million for OPEB and \$1.3 million for asbestos removal at former State Police Headquarters. The Senate concurred with the Governor. | (61,250,000) |
| 3. Capital Outlay. Governor included \$15.0 million for maintenance and remodeling costs for various State-owned buildings and \$1,800 for University and Community College construction authorizations. The Senate concurred with the Governor. | 15,001,800 |
| 4. Statewide Single Audit. Gov. included funding for the Office of Financial Management to establish and fill a new position related to the Statewide single audit. Senate concurred with Gov. | 90,000 |
| 5. Professional Development Funds. The Governor and Senate included funding to provide professional development and training for State classified employees per contract requirements. | 175,000 |
| 6. One-Time Boilerplate Appropriations. The Governor included the following one-time funding: \$10.0 million for special maintenance for State-owned facilities; \$7.0 million for space consolidation; and \$4.7 million for lump-sum payments for State employees. The Senate moved funding to a new unit in Part 1. | 21,680,200 |
| 7. Military Retirement Program. The Governor transferred the military retirement program to DTMB from the Department of Military and Veterans Affairs. Senate concurred with Governor. | 3,981,700 |
| 8. Revenue Adjustments. Two items were reduced to reflect actual revenue: \$1.7 million for Civil Service Commission and \$2.3 million for the Bureau of Labor Market Information Strategies. | (3,975,000) |
| 9. Information Technology (IT) - Alignment of IDG Funding. The IT portion of the budget aligned its IDG funding with enacted FY 2011-12 appropriations for all departments. | (274,500) |
| 10. Enterprise-wide IT Investment Project. Governor proposed \$50.0 million for a new program to prioritize and manage IT projects across all State departments & agencies. Senate reduced funding by \$2.0 million. | 48,000,000 |
| 11. Departmental IT Changes. Various adjustments were made to Departmental IT appropriations to adjust for changes in IT needs and programs. Major increases include \$5.5 million for Dept. of Community Health and \$3.7 million for Public Protection programs. Decreases include \$2.2 million for Dept. of Human Services, \$400,000 for Dept. of Natural Resources, and \$700,000 for DTMB. Also included were baseline adjustments for FY 2011-12 costs related to OPEB totaling \$9.7 million. | 16,226,500 |
| 12. Economic Adjustments. Includes \$35.1 million for Department OPEB and \$1.4 million for IT OPEB. Other economic adjustments total a negative \$13.5 million for the Department and a negative \$215,000 for IT economics. | 22,828,000 |
| 13. Other Changes. Miscellaneous negative adjustments were made by the Governor and Senate to various line items, including: \$638,100 for statewide cost allocation plan; \$806,300 for contingency plan; and \$2.5 million for adjustments for the reduction of 225.5 FTEs. | (3,944,400) |
| 14. Comparison to Governor's Recommendation. The Senate is \$2,000,000 Gross under and \$2,000,000 GF/GP under the Governor. | |

Total Changes	\$56,639,300
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FY 2012-13 Senate Appropriations Committee Gross Appropriation	\$1,136,973,600
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Changes from FY 2011-12 Year to Date:

1. **Re-numbering of Sections.** Sections of boilerplate that have been retained in the Governor's budget are re-numbered accordingly for Article 17. The Senate did not concur with the Governor.
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. The Senate retained. (Sec. 809)
3. **Motor Vehicle Fleet.**
 - a) Provides that funds appropriated in Part 1 for the Motor Vehicle Fleet are for 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) Requires DTMB 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.
 - d) 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.
 - e) Requires Department to use remanufactured parts, whenever economically feasible, when repairing fleet vehicles.

The Governor removed Subsections 3 and 5 (items c and e above). Governor also changed rate to \$3.04 in Subsection 4 (item d above). The Senate concurred with rate change but retained Subsections 3 and 5. (Sec. 813)
4. **Vendor Call or Contact Centers.** The Governor removed current year language requiring disclosure of location of call/contact centers. The Senate retained. (Sec. 817)
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. The Senate retained. (Sec. 822)
6. **Privatization of State Lottery Administration.** Requires Department to submit a report to the Legislature regarding the feasibility of privatizing the administration of the State Lottery. The Governor and Senate removed this section. (Sec. 822a)
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: 803(5), 823(4), 824 (required report only), 827(4) however, carryforward language was retained, 828, 829, 830, 832, 840(4), 843, 860 (only deletes "JCOS" from definitions), and 862. The majority of these sections required the Department to provide either reports or notifications to the Legislature. The Senate retained: 823(4), 824, 827(4), 829, 830, 840(4), 843, 860, and 862.
8. **University and Community College Capital Outlay Projects.** The Governor added new language providing authorization for university and community college projects appropriated from State Building Authority funding to proceed. The Senate concurred with the Governor. (Sec. 876)
9. **One-Time Appropriations.** The Governor provided for one-time appropriations totaling \$21.7 million for State facility special maintenance, \$10.0 million; space consolidation, \$7.0 million; and \$4.7 million for State employee lump sum payments. (Sec. 17-801) The Senate moved funding to a new unit in Part 1.
10. **Special Maintenance and Remodeling.** The Governor included language stating that in addition to the GF/GP appropriation in Part 1 and Sec. 17-801 for special maintenance and remodeling, related Federal and State restricted funds will be appropriated up to the amounts that will be earned based upon the initiatives undertaken with the funds in Part 1. The Senate concurred but removed reference to Sec. 17-801. (Sec. 866)
11. **Enterprisewide IT Investments.** The Governor included language stating that in addition to the GF/GP appropriation in Part 1 for enterprisewide information technology investments, related Federal and State restricted funds will be appropriated up to the amounts that will be earned based upon the initiatives undertaken with the funds in Part 1. The Senate concurred. (Sec. 836)

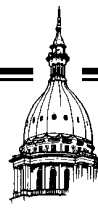
Date Completed: 4-20-12

Fiscal Analyst: Joe Carrasco, Jr.



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Senate Bill 954 (S-1 as reported)
 Committee: Appropriations

Throughout this document Senate means Appropriations Committee

FY 2011-12 Year-to-Date Gross Appropriation	\$452,074,600
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Changes from FY 2011-12 Year-to-Date:

- | | |
|---|--------------|
| 1. Office of Fiscal Responsibility. The Governor added \$4,500,000 GF/GP for a new office to assist financially distressed local governments avoid insolvency. The Senate concurred. | 4,500,000 |
| 2. Tobacco Tax Enforcement. The Governor recommended \$1,500,000 GF/GP for additional tobacco tax enforcement. The Senate concurred. | 1,500,000 |
| 3. Payments in Lieu of Taxes. The Governor increased payments by \$1,805,700 due to the shift to increased funding from the Natural Resources Trust Fund pursuant to 2011 PA 118. The Senate included the fund shift and increased to \$14,256,900 as in H.B. 4289. | 3,679,900 |
| 4. Health Insurance Claims Assessment Administration. The Governor recommended \$1,948,400 for administration of this new assessment. The Senate concurred. | 1,948,400 |
| 5. Lottery Promotion. The Governor increased State restricted funds for lottery promotion by \$931,100 to \$18,622,000. The Senate concurred. | 931,100 |
| 6. Gaming Enforcement. The Governor recommended additional State restricted funding for the Michigan Gaming Control Board to reduce illegal gaming. The Senate concurred. | 431,800 |
| 7. Charges to the Michigan Transportation Fund. The Governor recommended a fund shift to reduce tax collection and administrative charges to the Michigan Transportation Fund by \$6,421,600 and increase General Fund support for those functions by the same amount. The Senate concurred. | 0 |
| 8. Presidential Primary. The Governor removed \$10,000,000 GF/GP for the 2012 presidential primary. The Senate concurred. | (10,000,000) |
| 9. Contingency Plan Savings. The Governor continued FY 2011-12 contingency plan savings of \$3,088,300 and eliminated 43.0 FTE funded positions. The Senate concurred. | (3,088,300) |
| 10. Revenue Sharing Administration. The Governor increased funding by \$200,000 GF/GP for the increased cost of administering the incentive and competitive grant programs for cities, villages, townships, and counties. The Senate concurred. | 200,000 |
| 11. State Employee Lump-Sum Payments. The Governor added \$2,742,700 for one-time payments that are required by contract. The Senate concurred. | 2,742,700 |
| 12. Economic Adjustments. Includes \$28,720,100 for OPEB and a negative \$7,192,100 for other economic adjustments. The Senate concurred. | 21,528,000 |
| 13. Other Changes. The Governor recommended removing \$3,000,000 in tobacco tax enforcement State restricted revenue; removing the remaining \$1,000,000 in supplemental funding for tax plan implementation; removing \$1,000,000 in one-time funding for the issuance costs of unemployment fund deficit reduction bonds; and a \$1,000 technical increase to the unclassified line. The Senate concurred. | (4,999,000) |
| 14. Comparison to Governor's Recommendation. The Senate is \$1,874,200 Gross over and \$1,575,400 GF/GP over the Governor. | |

Total Changes	\$19,374,600
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FY 2012-13 Senate Appropriations Committee Gross Appropriation	\$471,449,200
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Changes from FY 2011-12 Year to Date:

1. **Bill Structure.** The Governor separated the General Government departments into separate articles within his proposed budget. The Treasury budget is in Article 19. The Governor combined the existing 44 line items (excluding line for debt service, revenue sharing, and Michigan Strategic Fund which are considered separately) into 10 rolled up lines. (Article 19) The Senate retained the current bill structure.
2. **Report of Total State Spending.** The Governor moved the report of total State spending to each department, as opposed to the total included currently for the General Government budgets as a whole. The Senate retained the current bill structure. (Sec. 19-201/Sec. 201)
3. **Definitions.** The Governor rolled up fund source detail and deleted many definitions of acronyms that currently are included in the appropriated fund source detail. The Senate retained the current bill structure. (Sec. 19-202/Sec. 203)
4. **Deleted Reports.** The Governor recommended deleting the following reports: bond restructuring (Sec. 902a), cost of collections of unpaid taxes and loans (Sec. 903(3)), senior citizens' cooperative housing tax exemption audit report (Sec. 913(2)), sale of customized listings (Sec. 916), appropriations for write-offs and advances (Sec. 917(2)), unclaimed property audits (Sec. 919(2)), transportation fund cost of collections (Sec. 922), principle residence exemption audits (Sec. 924(2)), public private partnership (Sec. 925(5)), personal property tax audits (Sec. 927), costs of collections for State departments (Sec. 930(2)), restricted fund management fees (Sec. 931), Municipal Finance Authority unappropriated revenue and spending (Sec. 934(3)), and pension consultant report (Sec. 944). The Senate retained all reports except for the transportation fund cost of collections. (Sec. 922)
5. **Public Private Partnership.** The Governor deleted the current prohibition against support for the Detroit River International Crossing or any successor project by the Department or the Public Private Partnership Fund. The Senate retained. (Secs. 925 and 925a)
6. **Audit Charges Fund.** The Governor created a revolving fund for receiving contractual payments from audit charges. The Senate concurred. (Sec. 19-306(2)/Sec. 906).
7. **Municipal Finance Fee Fund.** The Governor created a revolving fund to receive fees collected under the Municipal Finance Act. Revenue could be carried forward for future appropriation. The Senate concurred. (Sec. 19-308/Sec. 905)
8. **Tobacco Tax Enforcement.** The Governor deleted boilerplate related to use of funds for tobacco tax enforcement. The Governor declared this section unenforceable in his signing message. The Senate concurred.
9. **Lottery Information for Retailers.** The Governor deleted a requirement for the Bureau of the State Lottery to inform retailers that cash on a Bridge Card cannot be used to purchase lottery tickets. The Senate retained. (Sec. 963)
10. **Gaming Control Board Rewards for Crime Information.** The Governor increased the largest reward that the Gaming Commission is allowed to provide for information related to crimes involving the horse racing industry from \$5,000 to \$5,800. The Senate retained at \$5,000. (Sec. 19-604/Sec. 976)
11. **One-Time Basis Appropriations.** The Governor added boilerplate for a one-time appropriation for State employee lump sum payments which total \$2,742,700, including \$311,500 GF/GP. (Sec. 2-301) The Senate included these items in an appropriation unit.

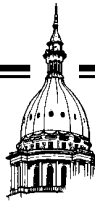
Date Completed: 4-20-12

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Senate Bill 954 (S-1 as reported)
 Committee: Appropriations

Throughout this document Senate means Appropriations Committee

FY 2011-12 Year-to-Date Gross Appropriation	\$140,928,000
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Changes from FY 2011-12 Year-to-Date:

1. **Debt Service Scheduled Payments.** The Governor recommended a reduction of (373,100)
 \$373,100 in the cost of State debt service payments on general obligation bonds issued
 for voter-approved environmental programs. This reflects the net change in the cost of
 payments of principal and interest on four programs: These programs are Water Pollution
 Control Bonds, Quality of Life Bonds, Clean Michigan Initiative, and Great Lakes Water
 Quality Bonds. The Governor projected that additional bonds will be issued for the Clean
 Michigan Initiative and Great Lakes Water Quality Bond Program in FY 2012-13. The
 Senate concurred.

2. **Debt Service Fund Shift.** The Governor recommended a fund shift to reduce use of 0
 revenue from the Refined Petroleum Fund for payment of debt service on Quality of Life
 bonds. The appropriations from the Refined Petroleum Fund would decrease by
 \$10,000,000 which would be replaced by \$10,000,000 GF/GP. The Senate concurred.

3. **Comparison to Governor's Recommendation.** The Senate is \$0 Gross over/under and
 \$0 GF/GP over/under the Governor.

Total Changes	(\$373,100)
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FY 2012-13 Senate Appropriations Committee Gross Appropriation	\$140,554,900
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Changes from FY 2011-12 Year to Date:

1. No boilerplate changes were recommended.

Date Completed: 4-20-12

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Senate Bill 954 (S-1 as reported)
 Committee: Appropriations

Throughout this document Senate means Appropriations Committee

FY 2011-12 Year-to-Date Gross Appropriation	\$1,027,500,500
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Changes from FY 2011-12 Year-to-Date:

- | | |
|--|--------------|
| <p>1. Constitutional Revenue Sharing. The Governor recommended constitutional revenue sharing to cities, villages, and townships at \$711,119,700 based on consensus revenue estimates. This is an increase of \$13,619,200 or 2.0% over the current estimates for FY 2011-12. This required program distributes 15.0% of the State sales tax revenue received at a rate of 4.0% on a per capita basis to cities, villages, and townships (CVTs). The Senate concurred.</p> | 13,619,200 |
| <p>2. Economic Vitality Incentive Program (EVIP). The Governor continued this program for eligible cities, villages, and townships at the current level of \$210,000,000, however, \$15,000,000 in one-time funding in FY 2011-12 was made ongoing. The Senate concurred.</p> | 0 |
| <p>3. County Statutory Revenue Sharing. The Governor eliminated statutory revenue sharing for counties. This program provided State payments to counties that had depleted their revenue sharing reserve accounts which were created by the acceleration of property tax collections in FY 2003-04. The cost of fully funding the statutory formula for counties is approximately \$167.6 million in FY 2012-13. Payments for this program were prorated in FY 2011-12 to the available appropriation. The Senate funded county revenue sharing at \$101,658,700.</p> | (13,341,300) |
| <p>4. County Incentive Program. The Governor created an incentive program for counties similar to the current EVIP for cities, villages, and townships. Receipt of payments would be based on satisfying incentive criteria for transparency in finances, consolidation of services, and employment compensation plans. Payment amounts would be based on the amounts due under the existing county revenue sharing formula and prorated to the total available. The Senate funded the county incentive program at \$25,414,600.</p> | 25,414,600 |
| <p>5. Competitive Grant Assistance Program. The revised Governor's recommendation provided for \$5,000,000 in ongoing funding and \$10,000,000 in one-time funding to bring this program to \$15,000,000 in FY 2012-13. The program offers competitive grants to cities, villages, townships, and counties for costs associated with mergers, inter-local agreements, and cooperative efforts for local units combining government operations. The Senate added \$20,000,000 as in the original Governor's recommendation, for total funding of \$25,000,000 in FY 2012-13.</p> | 20,000,000 |
| <p>6. Comparison to Governor's Recommendation. The Senate is \$1,473,300 Gross over and \$1,473,300 GF/GP over the Governor.</p> | |

Total Changes	\$45,692,500
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FY 2012-13 Senate Appropriations Committee Gross Appropriation	\$1,073,193,000
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Changes from FY 2011-12 Year to Date:

1. **Competitive Grant Assistance Program.** The Governor eliminated the requirement that grants be awarded only to projects that occurred on or after October 1, 2012. The Senate concurred. (Sec. 19-402/Sec. 951)
2. **Incentive Programs.** The Governor revised the EVIP requirements to include counties and required participants to comply with compensation plan requirements for employee contracts or agreements entered into after September 30, 2012. The Governor required participants to submit a list of the expiration dates of current employee contracts and agreements. The Governor added a 3-year budget projection and debt service detail to accountability and transparency requirements. Second year EVIP participants would be required to update previous consolidation and compensation plans, identify barriers to implementation of those plans, present timelines for implementation, and include at least one new consolidation proposal. The three categories would remain accountability and transparency, consolidation of services, and employee compensation, with one-third of funding dependent on completion of each category. Certification of compliance and submission of completed plans would be required for payment. Payments would be issued until the due dates. After the due date for a category, payments would be forfeited for any payment month unless the certification was made by the first day of that payment month. The Senate required a two-year budget projection. The Senate modified the consolidation plan requirements to require a first-year participant to submit either a list of previous consolidations or at least 1 new proposal. Second year participants would update their previous plan with no new proposal required. For the compensation plan, no implementation date would be set. Requirements for the compensation plan would be revised such that local governments could qualify by certifying compliance with the Publicly Funded Health Insurance Contribution Act, 2011 PA 152, certifying that no health insurance is offered, OR by revising retirement plan provisions that the local government intended to implement for benefits awarded going forward due to service credit earned under new or extended contracts. First-year participants would create a plan that satisfied the minimum requirements and that it intended to implement. Second-year participants would update the prior year plan with implementation status, identification of barriers to implementation, and a timeline. (Sec. 19-403/Sec. 952)
3. **County Incentive Program.** The Governor created an incentive-based program for counties. Payments would be calculated according to the existing revenue sharing statute but paid based on county completion of incentive requirements. The incentive requirements would be the same as those under the EVIP. The Senate also created a County Incentive Program with requirements the same as the Senate proposal for EVIP. (Sec. 19-403/Sec. 952)
4. **Health Care Benefits.** The Governor required all incentive program participants to certify by April 1, 2013 either compliance with Secs. 3, 4, and 5 of the Publicly Funded Health Insurance Contribution Act, 2011 PA 152 (cost sharing requirements) or that health benefits are not offered to local employees or elected officials. Failure to comply would result in a 10% reduction in all incentive program payments. The Senate did not include. (Sec. 19-404)

Date Completed: 4-20-12

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Senate Bill 954 (S-1 as reported)
 Committee: Appropriations

Throughout this document Senate means Appropriations Committee

FY 2011-12 Year-to-Date Gross Appropriation	\$983,818,900
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Changes from FY 2011-12 Year-to-Date:

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| <p>1. Talent Fund for Jobs Training and Skills Development. The Governor's revised recommendation added \$10,000,000 GF/GP in FY 2012-13 for a new program to provide job training for the unemployed in distressed cities. The Senate included \$13,186,700 GF/GP.</p> | 13,186,700 |
| <p>2. Arts and Cultural Grants. The Governor increased funding by \$3,582,600 GF/GP to a total of \$6,150,000. The Senate concurred.</p> | 3,582,600 |
| <p>3. Workforce Training Program. The Governor reduced the line to \$250,798,500 due to a \$50,000,000 reduction in Federal Workforce Investment Act funding and the potential receipt of up to \$5,000,000 in private grants for workforce development. The Senate concurred.</p> | (45,000,000) |
| <p>4. Business Development and Economic Gardening. The Governor continued funding for the program at \$100,000,000 in FY 2012-13. The budget converted \$50,000,000 GF/GP in one-time funding in FY 2011-12 to an ongoing General Fund appropriation in FY 2012-13. The Senate funded at \$66,000,000 in ongoing funding, consisting of \$41,000,000 GF/GP and \$25,000,000 from the 21st Century Jobs Trust Fund.</p> | (34,000,000) |
| <p>5. Film Incentive Program. The Governor funded the program at \$25,000,000 GF/GP in one-time funding in FY 2012-13, the same level of one-time funding as in FY 2011-12. The Senate increased to \$50,000,000 GF/GP in one-time funding.</p> | 25,000,000 |
| <p>6. Precollege Programs in Engineering and Sciences. The Senate added \$340,000 GF/GP in one-time funding for the final year of support for programs in Detroit and Grand Rapids.</p> | 340,000 |
| <p>7. State Employee Lump-Sum Payments. The Governor added \$1,135,700 for one-time payments that are required by contract. The Senate concurred.</p> | 1,135,700 |
| <p>8. Economic Adjustments. Includes \$11,036,800 for OPEB and a negative \$2,074,800 for other economic adjustments. The Senate concurred.</p> | 8,962,000 |
| <p>9. Other Changes. The Governor recommended continuation of contingency plan reductions of \$250,100. The Senate concurred.</p> | (250,100) |
| <p>10. Comparison to Governor's Recommendation. The Senate is \$5,473,300 Gross under and \$5,473,300 GF/GP under the revised Governor.</p> | |

Total Changes	(\$27,043,100)
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FY 2012-13 Senate Appropriations Committee Gross Appropriation	\$956,775,800
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Changes from FY 2011-12 Year to Date:

1. **Bill Structure.** The Governor separated the General Government departments into separate articles within his proposed budget. The MSF budget is part of the Treasury budget within Article 19. The Governor combined the existing 30 line items into 2 rolled up lines for Michigan Strategic Fund (MSF) and Michigan State Housing Development Authority (MSHDA). (Article 19) The Senate retained the current bill structure.
2. **Deleted Reports.** The Governor recommended deleting the following reports: MSHDA housing production goals (Sec. 980), Broadband Development Authority (Sec. 981), MSF grant report (Sec. 1006), investment program report (Sec. 1007), core communities fund (Sec. 1014), spending plan for funds for innovation and entrepreneurship and business development and economic gardening (Sec. 1031), film tax credits report (Sec. 1032), and No Worker Left Behind report. (Sec. 1068) The Senate deleted the core communities report and the No Worker Left Behind report and retained all others.
3. **Deleted Sections.** The Governor and Senate deleted the following sections: Allocation of at least \$20.0 million in economic gardening funds for brownfield and historic preservation incentives (Sec. 1024), WIA gang diversion intent language (Sec. 1066), education partnerships with local workforce boards (Sec. 1061), veterans' specialists available at Michigan Works! service centers (Sec. 1062), and Michigan Works! agencies required funding for libraries serving as access points (Sec. 1065). The Governor deleted and the Senate retained the following: Limitations on land purchases (Sec. 1009), separation of fund-raising from grant or tax abatement awards (Sec. 1013), reappropriation of 21st Century work project (Sec. 1021), tourism promotion coordination with locals (Sec. 1023), Workforce Investment Act allocations (Secs. 1054 and 1064). The Senate deleted audits of unclaimed property (Sec. 919).
4. **Michigan Housing and Community Development Fund.** The Senate appropriated 10% of the funds the State receives from the Joint Federal-State Foreclosure Settlement to the Michigan Housing and Community Development Fund in FY 2012-13. (Sec. 985)
5. **Contingency Fund.** The Governor increased the potential contingency fund authorizations from \$10.0 million to \$50.0 million for Federal revenue, from \$1.0 million to \$5.0 million for State restricted funds, from \$700,000 to \$5.0 million for private funds, and added \$100,000 in local contingency fund authorization. The funds would not be considered appropriated until they had been approved by legislative transfer. The Senate increased to \$20.0 million Federal, \$2.0 million State Restricted, \$2.0 million private, and \$100,000 local. (Sec. 19-701/Sec. 1001)
6. **Arts and Cultural Grants.** The Governor removed the limit on the use of appropriations for administration and the report to the Legislature on grant awards. The Senate retained current year language. (Sec. 19-803/Sec. 1035)
7. **Business Incubators.** The Governor deleted this program which provided grants to business incubators in Detroit and the following counties: Houghton, Kent, Macomb, Oakland, Washtenaw, and a Midland County site of an Isabella County incubator. The Senate retained and added a business opportunity center/incubator in Mason County that serves entrepreneurs in Lake, Mason, Manistee, and Oceana Counties and is operational by October 1, 2012. (Sec. 1034)
8. **One-Time Basis Appropriations.** The Governor added boilerplate for a one-time appropriation for state employee lump sum payments which total \$1,135,700, including \$140,900 GF/GP. (Sec. 2-301) The Senate included the items in an appropriation unit.

Date Completed: 4-20-12

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