

Summary of FY 2004-05 Supplemental Items HB 4436 (H-1)

DEPARTMENT/BUDGET	Executive Recommendations (6/1/ & 6/8/05 letters)		House Substitute	
	GF/GP	GROSS	GF/GP	GROSS
Agriculture	\$0	\$500,000	\$0	\$500,000
Community Health	0	18,615,700	0	18,615,700
Education	0	1,000,000	0	1,000,000
Environmental Quality	(4,800)	9,124,700	(4,800)	9,124,700
Human Services	0	32,368,600	0	32,368,600
Information Technology	0	2,692,500	0	2,692,500
DMB	0	587,400	0	587,400
DNR	0	850,000	0	850,000
State	0	0	1,891,000	35,552,000
State Police	0	2,545,300	0	2,545,300
TOTAL	(\$4,800)	\$68,284,200	\$1,886,200	\$103,836,200

2004-05 Budgetary Issues:

AGRICULTURE

1. Emerald Ash Borer Program

Provides spending authority for additional state-restricted licensing and inspection fee revenue to cover costs associated with management of the Emerald Ash Borer program.

	<u>Executive</u>	<u>House</u>
Gross	\$500,000	\$500,000
Restr.	500,000	500,000

2004-05 Budgetary Issues:**Executive****House****COMMUNITY HEALTH****1. State Psychiatric Hospitals**

Increases federal, local, and restricted revenue authorizations by \$1.4 million at Caro Regional Mental Health Center and Kalamazoo Psychiatric Hospital to recognize increased patient reimbursement revenue and cover projected costs at these facilities. Increases private revenue authorization for Gifts and Bequests for Patient Living and Treatment Environment by \$400,000 to recognize the carry forward of this revenue. The increased revenue will be expended at various state operated facilities for recreational, educational, and therapeutic purchases.

Gross	\$1,800,000	\$1,800,000
Federal	100,000	100,000
Local	400,000	400,000
Private	400,000	400,000
Restr.	900,000	900,000

2. HIV/AIDS Treatment Services

Recognizes private funds revenue \$4.2 million over the original budget from pharmaceutical manufacturers for voluntary rebates on AIDS and HIV medications used in the AIDS Drug Assistance Program (ADAP). The proposed FY 2005-06 budget includes a similar adjustment.

Gross	\$4,200,000	\$4,200,000
Private	4,200,000	4,200,000

3. Laboratory Services Increases

Recognizes \$705,900 additional laboratory services revenue from newborn screening test fees. The funds are used for the Lab Information System for Newborn Screening that tracks testing and results for all newborns. A \$142,100 increase is recognized for ongoing analyses of fish tissue for chemical contaminants from the interdepartmental agreement with the Department of Environmental Quality. This information is used in developing fish consumption advisories.

Gross	\$848,000	\$848,000
IDG	142,100	142,100
Restr.	705,900	705,900

4. Local Fish Consumption Survey

Increases appropriation for Epidemiology Administration to recognize a private funds grant from the Saginaw Bay Watershed Initiative Network for surveys of local persons who fish and their levels of local fish consumption, and to promote healthy choices of fish and wildlife consumption.

Gross	\$76,200	\$76,200
Private	76,200	76,200

5. Smoking Cessation Projects

Establishes \$114,000 of private funding authorization for a new 3-year grant award from the American Legacy Foundation to support a statewide smoking cessation hotline. The proposed FY 2005-06 budget includes a similar adjustment.

Gross	\$114,000	\$114,000
Private	114,000	114,000

6. WIC Program

Recommends an increase in private funding authorization to reflect \$457,500 of infant formula manufacturer rebates received for infant formula used for the Women, Infants, and Children Supplemental Food and Nutrition Program over the budgeted amount. The proposed FY 2005-06 budget includes a similar adjustment.

Gross	\$457,500	\$457,500
Private	457,500	457,500

7. Project FRESH for Seniors

Increases private funds authorization for the Office of Services to Aging Administration to recognize private contributions for administering the Farmers' Market Nutrition Program for Seniors, or Project FRESH for Seniors. Federal funds support the food costs and the administrative costs must be supported by the state and other contributions.

Gross	\$75,000	\$75,000
Private	75,000	75,000

8. Maternal and Child Health Federal Funds Increase

Increases federal Title XIX (Medicaid) funding available for maternal and child health services provided by local health departments. These funds support reimbursements to the LHDs for the difference between their actual costs and the Medicaid payment rate for maternal and child health services. This adjustment reflecting known service level increases is also supported in the FY 2005-06 Executive budget as well as the House and Senate passed budget bills.

Gross	\$11,045,000	\$11,045,000
Federal	11,045,000	11,045,000

2004-05 Budgetary Issues:**EDUCATION****1. School Improvement Operations**

Authorizes the Department to receive and expend National Governors Association grant funding on the development and implementation of rigorous high school course content standards and increasing dual enrollment opportunities for high school students.

	<u>Executive</u>	<u>House</u>
Gross	\$1,000,000	\$1,000,000
Private	1,000,000	1,000,000

ENVIRONMENTAL QUALITY**1. Environmental Bond Site Reclamation**

Brownfield grants and loans would be provided for community redevelopment projects (site assessments).

Gross	\$715,600	\$715,600
Restr.	715,600	715,600

2. Federal EPA Grant

A three-year grant would provide support for 3 compliance and enforcement positions for water management permitting programs.

Gross	\$75,000	\$75,000
Federal	75,000	75,000

3. Office of the Great Lakes

Federal grant and great lakes protection funding (\$6,400) would replace and supplement general funds (\$4,800). Funds would be used for invasive specie reduction efforts, focusing on the management and treatment of ship ballast water.

Gross	\$1,600	\$1,600
Federal	3,200	3,200
Restr.	3,200	3,200
GF/GP	(\$4,800)	(\$4,800)

4. Federal Homeland Security Grant

Federal Homeland Security grant funding is provided to purchase specialized equipment and monitor the security of drinking water wells.

Gross	\$760,000	\$760,000
Federal	760,000	760,000

5. Laboratory Services

Federal requirements for drinking water supply wells and storage facilities require new equipment and instrumentation in the Laboratory budget. Funding is provided from Water Analysis Fees, collected for laboratory services.

Gross	\$200,000	\$200,000
Restr.	200,000	200,000

6. CMI Local Grants

Clean Michigan Initiative funding would be authorized for watershed ground and surface water protection programs. Funding would support soil stabilization projects and the construction of storm water basins.

Gross	\$7,000,000	\$7,000,000
Restr.	7,000,000	7,000,000

7. Water Quality

Federal grant funding, \$200,000, would be authorized for the Great Lakes Areas of Concern program. These are areas where significant water and sediment contamination problems are documented in the Great Lakes Water Quality Agreement with Canada. Additional EPA funding, \$172,500, is available for surface water quality monitoring. Funds would cover laboratory sample analyses.

Gross	\$372,500	\$372,500
Federal	372,500	372,500

HUMAN SERVICES**1. Nutrition Education**

Increases federal appropriations in response to higher than anticipated federal revenue for the program from the level projected in the FY 2005 budget. Funds are paid under contract to the Michigan State University Extension to administer a Family Nutrition Program aimed at Food Stamp recipients.

Gross	\$1,120,300	\$1,120,300
Federal	1,120,300	1,120,300

2. Field Staff, Salaries and Wages

Increases federal appropriations to cover additional increased salary and wage costs for staff in the Department's county offices. The increase will cover the additional costs that can be met through federal revenues based on Department cost allocation projections.

Gross	\$5,500,000	\$5,500,000
Federal	5,500,000	5,500,000

2004-05 Budgetary Issues:**3. Family Independence Program (FIP)**

The increased appropriation adjusts for higher caseload in the FIP program, which provides cash assistance for low-income families with children. The current FY 2005 budget contains appropriations to cover 77,000 recipients at an average monthly cost per case of \$418.44. At the time the supplemental recommended was released, the State Budget Office (SBO) requested this increase based on their projection that caseloads would rise to 78,500 at an average monthly cost \$418.55 for FY 2005. Since that time, the SBO, House Fiscal Agency, and Senate Fiscal Agency have arrived at a new caseload consensus estimate of 78,700 at a monthly cost per case of \$419.00.

Gross
Federal

Executive

\$7,635,500
7,635,500

House

\$7,635,500
7,635,500

4. Weatherization Assistance

Increases the federal appropriation for weatherization assistance for eligible low-income households. The increase is needed to allow for expenditures from the current federal grant award plus \$2.3 million in available carryforward authority for FY 2005.

Gross
Federal

\$1,598,100
1,598,100

\$1,598,100
1,598,100

5. Food Assistance Program

Increases appropriations to cover higher monthly benefit costs for the program, which provides food assistance benefits to eligible low-income households. Program benefits are funded with 100% federal funds. The current budget supports a caseload of 513,100 with average monthly costs of \$178.56. The State Budget Office currently estimates FY 2005 caseload at 471,000, with average monthly benefit costs increasing to \$197.00.

Gross
Federal

\$14,014,700
14,014,700

\$14,014,700
14,014,700

6. Payroll Taxes and Fringe Benefits

Increases federal appropriations to cover additional payroll tax and fringe benefit cost for staff across various department programs. The increase will cover the additional costs that can be met through federal revenues based on Department cost allocation projections.

Gross
Federal

\$2,500,000
2,500,000

\$2,500,000
2,500,000

INFORMATION TECHNOLOGY**1. Child Support Automation – Human Services**

Authorizes the Department of Information Technology to receive additional funding from the Department of Human Services to be used for the Child Support Enforcement System. The additional funding was appropriated to the Department of Human Services pursuant to Public Act 11 of 2005. A corresponding increase in authorization is necessary in order for the Department of Information Technology to receive the money.

Gross
IDG

\$2,000,000
2,000,000

\$2,000,000
2,000,000

2. Information Services – Agriculture

Authorizes the Department of Information Technology to receive additional funding from the Department of Agriculture. The additional funding was appropriated to the Department of Agriculture pursuant to Public Act 11 of 2005. A corresponding increase in authorization is necessary in order for the Department of Information Technology to receive the money.

Gross
IDG

\$692,500
692,500

\$692,500
692,500

MANAGEMENT AND BUDGET**1. Michigan State Fair**

Provides additional spending authorization for operation of the State Fair. Operation activities include administration, maintenance, security, exhibits, and entertainment. A sufficient amount of restricted State Fair revenue is projected to be available to support the additional spending.

Gross
Restr.

\$587,400
587,400

\$587,400
587,400

2004-05 Budgetary Issues:**Executive****House****NATURAL RESOURCES****1. Timber Marking**

New forester positions (4.0 FTE) would be added to increase the amount of timber marked for harvest, and to identify and resolve conditions (including poor roads, wetlands, immature timber) limiting access to lands identified for harvest.

Gross
Restr.**\$350,000**
350,000**\$350,000**
350,000**2. Forest Fire Protection**

Additional Forest Development Fund support is recommended to cover expected fire suppression expenses. An unusually severe spring fire season drew down funds normally spent during the summer fire season.

Gross
Restr.**\$500,000**
500,000**\$500,000**
500,000**STATE****1. Help America Vote Act (HAVA)**

Authorizes the Department to expend federal HAVA funding and provides the required state matching funds. This funding will support replacement of outdated voting equipment and will help to improve access for voters with disabilities and for those who are living outside the country, including military personnel stationed overseas.

Gross
Federal
GF/GP**\$0**
0
\$0**\$35,552,000**
33,661,000
\$1,891,000**STATE POLICE****1. Motor Carrier Enforcement**

Provides increased federal authorization for two grant awards including the New Entrant Program, which will conduct safety audits of new motor carrier companies to ensure Federal Motor Carrier Safety Regulations compliance and awareness, and the implementation of a numbering system on intrastate motor carriers to assist in tracking accidents and other safety performance factors of motor carrier companies.

Gross
Federal**\$527,700**
527,700**\$527,700**
527,700**2. Traffic Services, Equipment Grants**

Provides \$120,000 in available restricted funds for distributing preliminary breath test equipment to law enforcement members throughout the state. Also provides federal grant funds from the Office of Highway Safety Planning to distribute radar, laser, and in-car video systems to law enforcement agencies throughout the state and for overtime expenditures for the Youth Alcohol and Safety Belt Enforcement Initiatives.

Gross
Federal
Restr.**\$1,267,600**
1,147,600
120,000**\$1,267,600**
1,147,600
120,000**3. Criminal Justice Information Center**

Provides restricted funds to cover increased Criminal Justice Information Center Division costs such as reducing backlogs in processing concealed weapon registrations and purchasing concealed weapon application kits, increased activity for the Internet Criminal History Access Tool (ICHAT), and federal grant match to update the Criminal History Record database.

Gross
Restr.**\$750,000**
750,000**\$750,000**
750,000**FY 2004-05 Boilerplate Issues:****Executive****House****GENERAL SECTIONS****1. Sec. 203. Split (year) Payroll Appropriations**

This ensures compliance with an Auditor General's recommendation to properly record actual payroll and fringe benefit costs in the fiscal year in which they occur. At the FY 2003-04 bookclosing, only estimated costs against state restricted and federal funds were available. This section authorizes these appropriations that amount to about \$9.5 million.

Included

Included

ENVIRONMENTAL QUALITY**1. Sec. 301. Work Project Status, Environmental Bond Site Reclamation Appropriations**

Ensures that part 1 appropriations will not lapse at the close of the fiscal year and will be available for expenditure for the intended purposes.

Included

Included

FY 2004-05 Boilerplate Issues:

Executive

House

2. Sec. 302. Work Project Status, CMI Local Grants Appropriations

Included

Included

Ensures that part 1 appropriations will not lapse at the close of the fiscal year and will be available for expenditure for the intended purposes.

3. Sec. 303. Appropriation to the Environmental Protection Fund

Included

Included

Makes an appropriation of \$561,500 from the Environmental Education Fund to the Environmental Protection Fund and limits the amount that can be expended for the laboratory recognition program to \$77,000.

STATE

1. Sec. 401. Work Project Status, HAVA Appropriations

Not
Included

Included

Ensures that part 1 appropriations will not lapse at the close of the fiscal year and will be available for expenditure for the intended purposes.