



Senate Fiscal Agency  
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# BILL ANALYSIS



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Senate Bill 1089 (S-1 as passed by the Senate)

Committee: Appropriations

<b>FY 2005-06 Year-to-Date Gross Appropriation .....</b>	<b>\$53,219,100</b>
<b>Changes from FY 2005-06 Year-to-Date:</b>	
1. <b>Arts and Cultural Grants.</b> The Governor recommended increasing arts grants by \$315,900 or 3.2%. The Senate reduced by \$192,700 GF/GP.	(192,700)
2. <b>State Aid to Public Libraries.</b> The Governor recommended increasing State Aid to Public Libraries by \$315,900 or 4.4%. State Aid to Cooperative Libraries would remain unchanged. The Senate consolidated the two line items and reduced by \$192,800.	(192,800)
3. <b>Historical Grants.</b> The Senate added \$100,000 to the Historical Administration and Services line item for a historical grant program.	100,000
4. <b>Film Office.</b> The Governor recommended eliminating HAL funding for the Film Office and funding film industry initiatives and administration from the \$2,000,000 appropriated from the 21 <sup>st</sup> Century Jobs Trust Fund in FY 2005-06. The Senate restored the FTE and GF/GP funding and increased by \$300.	300
5. <b>Mackinac Island State Park Fund Shift.</b> The Governor recommended replacing \$200,000 GF/GP with \$200,000 from the unreserved balance of the Mackinac Island State Park Operation Fund. The Senate did not include fund shift.	0
6. <b>Federal Funds.</b> The Governor recommended including \$200,000 in anticipation of additional Federal funds for historical programs. The Senate concurred.	200,000
7. <b>Michigan History Day.</b> The Senate added \$5,000 to the Historical Administration and Services line item to support this grant.	5,000
8. <b>Book Distribution Centers.</b> The Senate reduced this line by \$20,000.	(20,000)
9. <b>Economic Adjustments.</b> The Governor recommended economic increases of \$982,600. The Senate concurred.	982,600
10. <b>Other Changes.</b> The Governor recommendation included removing an unfunded IDG (\$500,000), reducing human resources optimization charges (\$13,400), a base adjustment for building occupancy charges of \$180,900, additional funding for Department of Information Technology (DIT) projects of \$120,100 and DIT economics of \$42,300. The Senate concurred.	(170,100)
11. <b>Comparison to Governor's Recommendation.</b> The Senate recommendation is \$757,300 Gross and \$557,300 under the Governor.	
<b>Total Changes.....</b>	<b>\$712,300</b>
<b>FY 2006-07 Senate Gross Appropriation .....</b>	<b>\$53,931,400</b>

**Changes from FY 2005-06 Year to Date:**

1. **Contingency Fund Appropriations.** The Governor recommended including contingency language that would allow expenditure of additional Federal, State restricted, local, and private revenue that are received during the year after legislative transfer to a budgetary line item. (Sec. 218). The Senate did not include.
2. **History, Arts, and Libraries Fund.** The Governor added application fees and grants, gifts and bequests (including those for capital projects) to the funds the Department is permitted to receive and expend from the History, Arts, and Libraries Fund, a restricted fund for the Department's operational revenue. (Sec. 215 and 502). The Senate concurred.
3. **Arts and Cultural Grants.** The Governor deleted language that states legislative intent to reduce the share of arts grants that can go to any one organization from 17.0% in FY 2005-06 to 16.0% in FY 2006-07 and 15.0% in FY 2007-08. The maximum would remain at 17.0% in FY 2006-07 under the Governor's proposal. (Sec. 403(1)). The Senate restored current year language to 16% in 2006-07 and intent language to reduce to 15% in 07-08. The Senate added language to prohibit the use of grant funds to create or promote works for which funding is prohibited and established a penalty for violations of withholding grant payments for three years.
4. **Notification of Sales.** The Governor deleted the requirement that the appropriation subcommittees be notified one week prior to any sale of artifacts. (Sec. 506). The Senate maintained current year language.
5. **Historical Grants.** The Senate added current year language, vetoed by the Governor, providing \$100,000 for competitive grants to local historical societies and the State Historic Preservation Network. (Sec. 508)
6. **Reimbursement for Services.** The Senate added language to require HAL to reimburse the Michigan Strategic Fund (MSF) for services provided by the MSF. This mirrors language the Senate included in the MSF budget to require the MSF to reimburse HAL for services provided by HAL at the request of the MSF. (Sec. 510)
7. **Deleted Sections.** The Governor recommended deletion of the following sections (section numbers refer to P.A. 157 of 2005): privatization review (Sec. 207), affirmative action (Sec. 211), intent language on exploring supplemental funding sources (Sec. 218), prohibition of disciplinary action against an employee for communication with a member of the Legislature or his or her staff member (Sec. 219), publication of the draft minutes of the Michigan Film Advisory Commission (Sec. 220), intent language on creation of an income tax check-off to support the Michigan Council for Arts and Cultural Affairs grant program (Sec. 407), availability of the subscriber list of the Michigan History magazine for use by the Historical Society of Michigan (Sec. 507), acquisition of databases by the Library of Michigan for use by eligible local libraries (Sec. 603), distribution rate for calculating payments of state aid to cooperative libraries (Sec. 610), and intent language stating that if additional General Fund/General Purpose revenue is appropriated to the Mackinac Island State Park Commission, that the Mackinac Island park operations line should be transferred from park operations and divided equally between State aid to libraries and arts and cultural grants (Sec. 700). The Senate reinstated all sections except 603, 610, and 700.
8. **K-16 Ballot Initiative.** The Senate included new language requiring a report by October 15, 2006, listing all GF/GP cuts that would be required to reduce the budget by 7.93% if the initiative is adopted by the voters. (Sec. 222)
9. **Michigan History Day.** The Senate added current year language, vetoed by the Governor, providing \$5,000 for this grant. (Sec. 509)
10. **Book Distribution Centers.** The Senate added intent language allocating \$20,000 from the General Fund balance at the end of FY 2005-06 to the book distribution centers. This would restore them to the level of the Governor's recommendation and current year funding. (Sec. 608)

Date Completed: 5-25-06

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