



Senate Fiscal Agency  
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# BILL ANALYSIS

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House Bill 5809 (as introduced)

Committee: Appropriations

<b>FY 2007-08 Year-to-Date Gross Appropriation .....</b>	<b>1,301,230,700</b>
<b>Changes from FY 2007-08 Year-to-Date:</b>	
1. <b>No Worker Left Behind.</b> The Governor recommended an increase of \$40.0 million GF/GP in the line for Workforce Training Programs Subgrantees to provide free tuition for job retraining. The program currently uses Federal Workforce Investment Act funds.	40,000,000
2. <b>Michigan Nursing Corps.</b> The Governor recommended increasing the funding for preparing nurse faculty from \$1.5 million in FY 2007-08 to \$10.0 million in FY 2008-09.	8,500,000
3. <b>Office of Financial and Insurance Services (OFIS).</b> The Governor recommended expanded regulatory efforts, including regular examinations of licensees and rigorous pre-licensure checks. An additional 53.0 FTEs would be supported by restricted funds and assigned as follows: Mortgage regulation and anti-predatory lending, \$2,859,200 and 34.0 FTEs; payday lending and money transmission services, \$955,300 and 8.0 FTEs; securities division, \$534,800 and 7.0 FTEs; banking and credit unions, \$327,600 and 4.0 FTEs; database improvements, \$1,377,000; and Attorney General services, \$327,600.	6,403,900
4. <b>Payments on Behalf of Tenants.</b> The Governor recommended increasing Federal spending authority to \$145.0 million for this rental assistance program.	5,000,000
5. <b>Trade Adjustment Assistance.</b> The Governor recommended Federal expenditure authority of \$25.0 million for retraining workers displaced due to trade.	6,604,300
6. <b>Jobs, Education and Training (JET).</b> The Governor recommended reducing the IDG from Department of Human Services (DHS) by (\$4,467,600) and (36.0) FTEs to reflect the actual level of client referrals from Welfare-to-Work to Michigan Rehabilitation Services.	(4,467,600)
7. <b>Liquor Law Enforcement Grants.</b> The Governor recommended adding \$500,000 from development district license revenue, increasing grants to \$6.6 million.	500,000
8. <b>State Office of Administrative Hearings and Rules.</b> The Governor recommended \$640,700 and 7.0 FTEs to accommodate caseload increases for DHS and \$382,500 for a data system rewrite.	1,023,200
9. <b>Commercial Services.</b> The Governor recommended adding \$1,050,000 in restricted funds and 11.0 FTES for enforcement against unlicensed activities and an increase of \$300,000 for payments from the Homeowner Construction Lien Recovery Fund.	1,350,000
10. <b>Michigan Housing and Community Development Fund.</b> The Governor continued funding at \$2,163,400, the same level as in FY 2007-08.	0
11. <b>Economic Adjustments.</b> The Governor recommended economic adjustments.	1,875,900
12. <b>Other Changes.</b> The Governor recommended changes including human resources (HR) consolidation, (\$2,360,100) and (22.0) FTEs; HR optimization charges, (\$259,700); reduction in Remonumentation Grants to reflect actual revenue, (\$3,000,000); elimination of Focus: HOPE pilot project, (\$140,000); Postsecondary Education database, \$200,000; use Direct Shipper Enforcement Revolving Fund for liquor enforcement, \$120,000; Employment Relations, \$150,000; DIT economics, \$119,000; DIT administrative reduction, (\$43,000); and other adjustments.	(5,167,700)
<b>Total Changes.....</b>	<b>61,622,000</b>
<b>FY 2008-09 Governor's Recommendation.....</b>	<b>1,362,852,700</b>

**Changes from FY 2007-08 Year to Date:****1. Deleted Sections.** The Governor recommended deleting the following sections:

- Section 215 - Requires a report on policy changes made to implement any public act affecting the Department and prohibits the use of funds to adopt any rule unless it reduces the disproportionate economic impact of rules on small businesses.
- Section 216 – States legislative intent that fund sources should be specifically identified in the bill.
- Section 219 – Prohibits disciplinary actions against State employees for communicating with the Legislature.
- Section 222 – Requires the Department to implement continuous improvement efficiency mechanisms and report twice a year on the program review, improvements made, and estimated savings.
- Section 337 – Prohibits use of funds to disallow credit scoring in the establishment of insurance premiums.
- Section 355 – Prohibits use of funds for ergonomics standards more stringent than Federal voluntary guidelines and requires two reports on staff time applied to development of ergonomics standards.
- Section 365 – Requires an allocation of \$40,000 from Michigan occupational safety and health consultation education and training grants to nonprofit organizations representing the aggregate industry.
- Section 370(2) – States legislative intent that the MSHDA Blight Elimination Program allocates at least \$750,000 each to the cities of Flint and Saginaw.
- Section 375 – Sets application and award schedule for Low Income Energy Efficiency Fund (LIEEF) grants.
- Section 403 – Sets the match rate for local vocational rehabilitation facilities at no more than 21.3%.
- Section 430 – Requires a finding that JET saved money in FY 2006-07 prior to using funds to expand JET statewide in FY 2007-08.
- Section 437 – Allocates \$140,000 to Focus: HOPE to design a pilot program to improve the job placement and retention of welfare recipients by addressing barriers to employment.
- Section 439 – Allocates \$400,000 from the appropriation for the Land Bank Fast Track Authority for maintenance or demolition of tax reverted properties.
- Reporting Requirements – The Governor recommended deleting the following reports: Policy changes made to implement public acts (Sec. 215), MSHDA housing production goals (Sec. 306), LIEEF (Sec. 335), OFIS expenditure report (Sec. 336), providing copies of HMO filings to the fiscal agencies (Sec. 340), Liquor Control Commission report on illegal imports (Sec. 376), Workforce Investment Act funds carried forward from prior years (Sec. 377(2)), and a report on enhancing local access to baccalaureate degree opportunities in applied sciences and applied technologies (Sec. 408).

**2. Commission for the Blind.** The Governor recommended restoring carry-forward authority for local and private funds received by the Commission. (Sec. 326)**3. Michigan Housing and Community Development Fund.** The Governor recommended language that specifies that State contributions to the fund are appropriated to MSHDA. (Sec. 438)

Date Completed: 2-19-08

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