



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 5809 (H-5 as passed by the House)
Committee: Appropriations

FY 2007-08 Year-to-Date Gross Appropriation 1,301,230,700

Changes from FY 2007-08 Year-to-Date:

1. **No Worker Left Behind.** The Governor increased by \$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. House concurred. 40,000,000
2. **Michigan Nursing Corps.** The Governor increased the funding for preparing nurse faculty from \$1.5 million in FY 2007-08 to \$10.0 million in FY 2008-09. House concurred. 8,500,000
3. **Office of Financial and Insurance Regulation (OFIR).** Governor proposed 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, \$350,000. House concurred. 6,403,900
4. **Payments on Behalf of Tenants.** The Governor increased Federal spending authority to \$145.0 million for this rental assistance program. House concurred. 5,000,000
5. **Trade Adjustment Assistance.** The Governor increased Federal expenditure authority of \$25.0 million for retraining workers displaced due to trade. House concurred. 6,604,300
6. **Jobs, Education and Training (JET).** The Governor reduced 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. House concurred. (4,467,600)
7. **Liquor Law Enforcement Grants.** The Governor increased by \$500,000 from development district license revenue, increasing grants to \$6.6 million. House concurred. 500,000
8. **State Office of Administrative Hearings and Rules.** Governor increased by \$640,700 and 7.0 FTEs to accommodate caseload increases for DHS and \$382,500 for a data system rewrite. House concurred. 1,023,200
9. **Commercial Services.** The Governor increased by \$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. House concurred. 1,350,000
10. **Fire Protection Grants.** The Governor maintained at current year level. The House increased these grants by \$1.0 million to \$11,910,500. 1,000,000
11. **Centers for Independent Living.** The Governor maintained at current year level. The House increased by \$500,000 GF/GP to \$3,579,700. 500,000
12. **Economic Adjustments.** The Governor and House concurred in the economic adjustments. 1,875,900
13. **Other Changes.** Governor recommended changes including human resources (HR) consolidation, (\$2,360,100) & (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. The House concurred. (5,167,700)
14. **Comparison to Governor's Recommendation.** The House is \$1,500,000 Gross and \$500,000 GF/GP over the Governor.

Total Changes..... 63,122,000

FY 2008-09 House-Passed Gross Appropriation 1,364,352,700

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. House concurred.
 - Section 216 – States legislative intent that fund sources should be specifically identified in the bill. House maintained current year.
 - Section 219 - Prohibits disciplinary actions against State employees for communicating with the Legislature. House concurred.
 - 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. House concurred.
 - Section 337 - Prohibits use of funds to disallow credit scoring in the establishment of insurance premiums. House concurred.
 - 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. House concurred.
 - 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. House concurred.
 - 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. House concurred.
 - Section 375 - Sets application and award schedule for Low Income Energy Efficiency Fund (LIEEF) grants. House maintained current year language.
 - Section 403 - Sets the match rate for local vocational rehabilitation facilities at no more than 21.3%. House maintained current year language.
 - 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. House concurred.
 - 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. House concurred.
 - Section 439 - Allocates \$400,000 from the appropriation for the Land Bank Fast Track Authority for maintenance or demolition of tax reverted properties. House maintained language but changed amount to \$100.
 - 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), OFIR 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). The House maintained current year language for sections 306, 335, 336, 340, and 377(2).
2. **Hiring Freeze.** The House added language creating an exception for the Public Service Commission if the rewrite of P.A. 141 is enacted. (Sec. 205)
3. **Commission for the Blind.** The Governor recommended restoring carry-forward authority for local and private funds received by the Commission. House Concurred. (Sec. 326)
4. **Centers for Independent Living.** The Governor changed language to allow use of funds for the development of new centers. The House permitted use of only the additional \$500,000 for the development of new centers. (Sec. 404)
5. **Michigan Housing and Community Development Fund.** The Governor recommended language that specifies that State contributions to the fund are appropriated to MSHDA. House Concurred. (Sec. 438)
6. **Local Workforce Development Boards.** The House added language allowing the Board to add representatives of organizations providing school-based curriculum and youth programs to the Education Advisory Group. (Sec. 407)
7. **No-Worker-Left-Behind.** The House added new language to distribute \$40.0 million as follows: \$30.0 million direct training to local boards with distribution to libraries as an allowable use; \$5.0 million for adult or remedial education; \$5.0 million for increased capacity at community colleges; \$100,000 data collection system on available training for top 50 occupations most in demand by Michigan employers. The language requires a report, creates a work project and includes intent language to assist the Lewis College of Business in participating in this program. (Sec. 342(a))

Date Completed: 4-15-08

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