

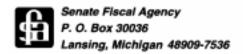


OVERVIEW

The General Government Appropriations Bill contains appropriations for Attorney General, Civil Rights, Executive, Information Technology, Legislature, Legislative Auditor General, Management and Budget, State, and Treasury. The following pages provide a summary of the changes for FY 2008-09.

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

- 1. **Retention of Reports.** Requires departments and agencies receiving appropriations under this Act to receive and retain copies of all reports funded in the Act. Federal and State guidelines for retention of records shall be followed. The Governor and House eliminated this section. (Sec. 212)
- 2. **Communications with Legislators.** Prohibits disciplinary action against department employees for communicating with Legislators or their staff. The Governor eliminated this section. The House restored it. (Sec. 215)
- 3. **General Fund Restrictions.** Prohibits use of general fund appropriations in this Act where Federal funds are available for the same expenditures. The Governor eliminated this section, the House restored it. (Sec. 217)
- 4. Specific Policy Changes. Requires each department to report on each specific policy change made to implement enacted legislation. The section also prohibits the use of funds in Part 1 to prepare regulatory plans or promulgate rules that fail to reduce the disproportionate economic impact on small businesses pursuant to MCL 24.240. The Governor removed this section. The House restored it. (Sec. 221)
- 5. **Efficiency Mechanisms.** Requires departments to implement continuous improvements efficiency mechanisms. The Governor removed this section, the House restored it. (Sec. 225)
- 6. **Information Technology Work Projects.** The Governor included new language providing that information technology funding in Part 1 may be designated as work projects. Funds are not available for expenditure until approved as work projects pursuant to Section 451a of the Management and Budget Act. The House did not include this section. (Sec. 215)





FY 2007-08 Year-to-Date Gross Appropriation	\$73,124,200
Changes from FY 2007-08 Year-to-Date:	
 Revenue Adjustments. The Governor adjusted IDG, Federal, and Restricted revenues to reflect agreements in memorandums of understanding. Federal funding for Medicaid Fraud investigations was increased by \$200,000. The House concurred with the Governor. 	3,005,000
 Department of Information Technology (DIT) Reduction. This represents the Department's share of a DIT administrative reduction. 	(1,400)
 Economic Adjustments. The Department's economic adjustments totaled \$411,300 while the economic adjustment for DIT totaled \$5,500. 	416,800
 Comparison to Governor's Recommendation. The House is \$0 Gross and \$0 GF/GP over the Governor. 	
Total Changes	\$3,420,400
FY 2008-09 House-Passed Gross Appropriation	\$76,544,600

- 1. Settlement Funds. The Governor added a new section requiring the Department of Attorney General to deposit any funds received from debts due or forfeited penalties, or from lawsuit settlements. Funds could not be used until deposited and appropriated. Would disallow the Department to accept the payment of money, goods, services, or benefits to a third party in lieu of a debt or obligation due to the State. Requires the Department to report to the House and Senate Appropriations Subcommittees on General Government on a quarterly basis the case names, file numbers, court docket numbers, and presiding courts for every matter the Attorney General settled during the preceding quarter. Additionally, the Attorney General shall itemize each settlement. The House concurred with the Governor. (Sec. 307)
- 2. Child Support Funding. Requires the Department of Human Services to maintain a cooperative agreement with the Attorney General for Federal IV-D funding to support the child support enforcement activities of the Attorney General. The section also provides that the Attorney General shall, to the extent allowable under Federal law, have access to any information used by the State to locate parents who fail to pay child support. The Governor removed this section. The House concurred with the Governor.
- 3. **Settlement Proceeds Advertising Prohibition.** The Governor and House included new language that prohibits the Department of Attorney General from using the proceeds of any settlement for advertising or public service messages that refer to or use the image or voice of the Attorney General or any elected State officer or candidate for elective office. (Sec. 312)





FY 2007-08 Year-to-Date Gross Appropriation	\$14,491,300
Changes from FY 2007-08 Year-to-Date:	
 Computer Upgrades. The Governor increased funding to purchase new computers for the Department. The House concurred with the Governor. 	75,000
 Department of Information Technology (DIT) Reduction. This represents the Department's share of a DIT administrative reduction. 	(600)
 Human Resource Optimization. The HR optimization costs previously contained in the Department's budget were transferred to the Civil Service Commission within the Department of Management and Budget. 	(8,700)
 Human Resource Consolidation. The Department's HR responsibilities, including 2.0 FTEs, were transferred to the Civil Service Commission within the Department of Management and Budget per Executive Order 2007-30. 	(201,200)
 Economic Adjustments. The Department's economic adjustments totaled \$169,800 while the economic adjustment for DIT totaled \$2,800. 	172,600
 Comparison to Governor's Recommendation. The House is \$0 Gross and \$0 GF/GP over the Governor. 	
Total Changes	\$37,100
FY 2008-09 House-Passed Gross Appropriation	\$14,528,400

1. The Governor and House recommended no changes to the boilerplate sections for the Department of Civil Rights.



H.B. 5816 (H-3): SUMMARY AS PASSED BY THE HOUSE

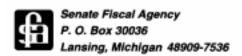
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Senate Fiscal Agency
P. O. Box 30036
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BILL ANALYSIS

1. There are no boilerplate sections for the Executive Office.



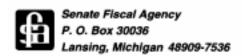


FY 2007-08 Year-to-Date Gross Appropriation	\$428,868,100
Changes from FY 2007-08 Year-to-Date:	
 Department of Civil Rights. The Governor and House included funding to replace certain agency computers. 	75,000
 Department of Community Health. The Governor and House included funding for the Certificate of Need application processing system, Vital Records and disaster recovery for Public Health Systems. 	497,700
 Department of Corrections. The Governor and House included funding for PC and server replacement, desktop maintenance, and removed one-time funding for IT equipment. 	1,577,600
 Department of History, Arts and Libraries. The Governor and House included funding for PC and server replacement, software support licenses and upgrading networks systems. 	179,500
 Department of Human Services. The Governor and House transferred in IT costs from the Jobs, Education and Training program, added IT costs for new staff, and included a \$5.3 million reduction, which was part of a broader departmental reduction plan. 	(5,035,300)
 Department of Management and Budget. The Governor and House recommended the removal of one-time funding related to retirement, as well as increases for telephone equipment for the retirement call center and IT costs for new retirement employees. 	(128,300)
Department of Natural Resources. The Governor and House recommended a decrease to reflect anticipated revenues in the department.	(25,000)
8. Department of State. The Governor and House included funding for server replacement.	90,000
9. Department of State Police. The Governor and House included funding to reflect additional revenues related to the Automated Fingerprint Identification System and the Traffic Crash Reporting System, added funding for the Criminal Justice Information Center, transferred in MCOLES IT costs, and included funding to cover a structural deficit in the Michigan Public Safety Communications System	3,382,400
 Department of Treasury. The Governor and House included funding for server replacement, maintenance for the Tobacco System and the Taxpayer Contact Center. 	790,000
 Administrative Reduction. The Governor and House included an overall administrative reduction for the department. 	(233,400)
12. Economic Adjustments.	932,800
 Other Changes. The Governor and House included several technical adjustments to align agency appropriations with DIT appropriations. 	3,021,800
14. Comparison to Governor's Recommendation. The House is \$0 Gross and \$0 GF/GP over the Governor.	
Total Changes	\$5,124,800
FY 2008-09 House-Passed Gross Appropriation	\$433,992,900

- 1. Advertising on State Websites. The Governor removed language limiting funds that can be received under this section to \$250,000. The House retained current-year language. (Sec. 573 (1))
- 2. **Gifts, Donation for State Websites.** The Governor modified this subsection so that gifts, donations, contributions, etc. received under Sec. 573(2) are appropriated and allotted when received and may be expended upon the approval of the State Budget Director. (Sec. 573 (3))
- 3. Carryforward of Advertising Revenue. The Governor added language authorizing the carryforward of funds received under this section. The House did not include this subsection. (Sec. 573 (5))
- 4. Reporting Requirement for Expenditures for Spatial Information and Technical Services. The Governor eliminated a reporting requirement for funds received under this section. The House retained current-year language. (Sec. 574)
- 5. **Annual Report.** The Governor removed a section that requires an annual report from the Department that lists the total amount of funding appropriated and corresponding expenditures for information technology services and projects by funding source for all departments and agencies. The House retained this section. (Sec. 578)
- 6. **Life-Cycle of Hardware and Software.** The Governor removed a section that requires the Department to provide a report by March 1 that analyzes and makes recommendations on the life-cycle of information technology hardware and software. The House retained current-year language. (Sec. 579)
- 7. **Information Technology Study.** The Governor removed a section that requires the Department to assess the State's IT assets and potential benefits and economies. The House retained current-year language. (Sec. 581)
- 8. **Website Improvements.** The House added language requiring a report on improvement to the Michigan.gov website. (Sec. 582)
- 9. **2-1-1 Study.** The Governor and House removed a section requiring the Department to coordinate a study of information and referral services, identifying costs savings for certain departments that would result from 2-1-1 service. (Sec. 584)
- 10. **MiCSES.** The Governor removed a section that requires a report that calculates the total amount of funds expended for MiCSES since the inception of the program. The House retained current-year language. (Sec. 585)
- 11. **Spending Authorization and User Fees.** The Governor and House added a subsection allowing the state budget director to adjust spending authorization and user fees to ensure that the appropriations in the Department's budget equal the appropriations for IT in the budget for other agencies. (Secs. 579 (1), 586)

Date Completed: 4-21-08 Fiscal Analyst: Stephanie Yu

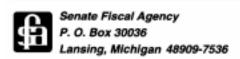






FY 2007-08 Year-to-Date Gross Appropriation	\$114,504,000
Changes from FY 2007-08 Year-to-Date:	
 Economic Adjustments. The Governor did not include any funding adjustments for the Legislature. The House added \$330,800 in economic increases. 	330,800
 Legislative Corrections Ombudsman. The House added funding for a Legislative Corrections Ombudsman Office within the Legislative Council. 	1,250,000
 Sentencing Guidelines Commission. The House added funding for the Commission within the Legislative Council. 	500,000
 Property Management. The House made adjustments to the funding for Legislative Property Management; \$189,100 increase for the Capitol Building and a \$1,500,000 reduction for the Anderson House Office Building. 	(1,310,900)
National Association Dues. The House added funding to pay the annual dues to the National Conference of Commissioners on Uniform State Laws (NCCUSL).	51,000
 Comparison to Governor's Recommendation. The House is \$820,900 Gross and \$320,900 GF/GP over the Governor. 	
Total Changes	\$820,900
FY 2008-09 House-Passed Gross Appropriation	\$115,324,900

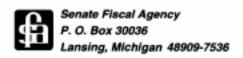
- 1. The Governor recommended no changes to the boilerplate sections for the Legislature.
- 2. **National Association Dues.** The House added language to require that \$51,000 is paid for annual dues to the NCCUSL. (Sec. 603)





House Bill 5816 (H-3 as passed by the House) Committee: Appropriations	
FY 2007-08 Year-to-Date Gross Appropriation	\$15,828,200
Changes from FY 2007-08 Year-to-Date:	
 Economic Adjustments. The Governor recommended no changes to appropriations for the Legislative Auditor General. The House added \$25,000. 	25,000
 Comparison to Governor's Recommendation. The House is \$25,000 Gross and \$25,000 GF/GP over the Governor. 	
Total Changes	\$25,000
FY 2008-09 House-Passed Gross Appropriation	\$15,853,200

1. The Governor and House recommended no changes to the boilerplate sections for the Legislative Auditor General.





FY 2007-08 Year-to-Date Gross Appropriation	\$504,891,400
Changes from FY 2007-08 Year-to-Date:	
 State Building Authority Rent Adjustments. The Governor and House made adjustments to "rent" the State pays for State financed building projects based on projected payments. 	5,000,000
Building Occupancy Charges. The Governor provided for increased rent adjustments for leased buildings. The House concurred with the Governor.	446,100
 Internal Audit Functions Transferred In. Various State Departments transferred their internal audit functions, including 51.0 FTEs, to DMB per Executive Order 2007-31. 	5,870,400
 Administrative Efficiencies. Several line items were reduced due to administrative efficiencies, including: Parking Enforcement (\$300,000 and 5.0 FTEs); DMB Admin. Services (\$274,000 and 3.0 FTEs); and Civil Service Commission (\$300,800). 	(874,800)
 Department of Information Technology (DIT) Reduction. This represents the Department's share of a DIT administrative reduction. 	(40,000)
6. Retirement Services. The Governor eliminated prior-year one-time funding of \$798,000 but increased funding for upgrading interactive voice response hardware and software (\$357,700) and the hiring of 6.0 additional FTEs to maintain current customer service response time (\$440,000). The House concurred with the Governor.	(300)
7. Property Utilization. The Governor included \$150,000 for a one-time property utilization study and \$400,000 for internal relocation expenses for State departments and agencies to better utilize State-owned office space. The House concurred with the Governor.	550,000
 Human Resource Optimization. The HR optimization costs previously contained in the Department's budget were transferred to the Civil Service Commission within the Department. 	(66,000)
 Human Resource Consolidation. The Department's HR responsibilities, including 14.0 FTEs, were transferred to the Civil Service Commission within the Department per Executive Order 2007-30. 	(831,700)
 Human Resource Functions Transferred In. Various State Departments transferred their human resource functions, including 358.0 FTEs, to DMB per Executive Order 2007-30. 	33,433,200
11. Supplier Diversity Program. The House added 8.0 FTEs and funding for new program to increase the number and types of vendors competing for State contracts.	1,000,000
12. Economic Adjustments. The Department's economic adjustments totaled a negative \$78,100 while the economic adjustment for DIT totaled a positive \$108,100.	30,000
13. Other Changes. Other adjustments included increases for: professional development funds based on collective bargaining (\$71,000); transfer of DMB's internal audit functions from the management side to the budget side (\$31,600); and fully funding the Children's Ombudsman supervisor (\$80,000).	182,600
14. Comparison to Governor's Recommendation. The House is \$1,000,000 Gross and \$1,000,000 GF/GP over the Governor.	
Total Changes	\$44,699,500
FY 2008-09 House-Passed Gross Appropriation	\$549,590,900

1. **Computer Contract Adjustments.** Requires 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 while the House retained the language. (Sec. 710)

2. Motor Vehicle Fleet

- a. Provides that funds appropriated in Part 1 for the Motor Vehicle Fleet are for the 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. States legislative intent that the Department of Management has the authority to determine the appropriateness of vehicle assignments.
- d. Requires the Department of Management and Budget 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. The plan shall also include a calculation of the amount of State fuel taxes that would have been incurred by fleet vehicles, description of fleet garage operations, goods and services by the garage, cost to operate the fleet garage, number of fleet garage locations, and number of employees assigned to the fleet garage. Provides that the plan may be adjusted during the fiscal year based on needs and cost savings. Requires report within 60 days after the close of the fiscal year detailing the current plan and changes to the plan.
- e. 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.

The Governor removed Subsections 3 and 4 (items c and d above). The House retained Subsections 3 and 4. (Sec. 715)

- 3. **Contracting.** The Governor removed current year language (Sec. 716, Sec. 717, Sec. 718, Sec. 719) regarding adoption of policies and procedures necessary for compliance with Section 261 of the Management and Budget Act (1984 PA 431); language requiring determination of best interests of the State when dealing with vendors outside of Michigan; language requiring obtaining certain information from vendors; and language requiring disclosure of the location of call/contact centers. The House retained these sections.
- 4. **Supplier Diversity Program.** The House added new language allowing DMB to implement a new program to increase the number and types of vendors competing for State contracts.
- 5. **State Property.** Requires DMB to make available to the public on the Internet, a list of all parcels of real estate that are available for purchase from the State. The Governor removed this section while the House retained the language. (Sec. 723)
- 6. **Retirement Services.** Authorizes \$300,000 of the Retirement appropriation as a work project to implement the amendatory legislation allowing the addition of a new spouse as a pension beneficiary for the Public School Employees Retirement System. The Governor removed this section. The House concurred.
- 7. **2-1-1 Capacities.** Requires the Department to assist DIT in determining how existing 2-1-1 capacities are utilized by each State department. The Governor removed this section. The House concurred.
- 8. **Internal Audits.** The Governor added new language that allows internal audit charges to be funded by assessments against State agencies in a manner prescribed by the Department. The House concurred. (Sec. 723 in Govs. Rec., 720 in House)
- 9. **Reference Changes**. The Governor changed all references to the former Department of Civil Service to the current Civil Service Commission. The House concurred. (Secs. 750, 751, 752, 753)





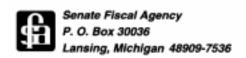
H.B. 5816 (H-3): SUMMARY AS PASSED BY THE HOUSE

House Bill 5816 (H-3 as passed by the House)

Committee: Appropriations

FY 2007-08 Year-to-Date Gross Appropriation	\$207,681,400
Changes from FY 2007-08 Year-to-Date:	
 Computer Server Replacement. The Governor added one-time funding for the replacement of an outdated computer server in the contact center that provides automated information regarding branch office services. The House concurred. 	90,000
Assigned Claims. The Governor increased funding to cover increased attorney costs for claims filed against uninsured drivers. The House concurred.	120,000
 Federal Funding Reductions. The Governor eliminated two Federal funds: one-time funding of \$350,000 for compliance with the Help America Vote Act and \$101,200 for social security number verifications. The House concurred. 	(451,200)
 Administrative Reductions. The Governor and House reduced funding for several line items: \$237,000 for Department Services Operations; \$222,000 for Regulatory Services Operations; \$76,800 for Central Operations; and \$68,600 for Branch Operations. 	(604,400)
 Department of Information Technology (DIT) Reduction. This represents the Department's share of a DIT administrative reduction. 	(17,100)
 Economic Adjustments. The Department's economic adjustments totaled \$700 while the economic adjustment for DIT totaled a positive \$52,500. 	53,200
 Comparison to Governor's Recommendation. The House is \$0 Gross and \$0 GF/GP over the Governor. 	
Total Changes	(\$809,500)
FY 2008-09 House-Passed Gross Appropriation	\$206,871,900

- 1. **Contingency Funds.** The Governor and House increased limit for Federal contingency funds to \$2.0 million. (Sec. 801)
- 2. **Branch Office Closings.** (1) 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 information provided shall be in written form and include all analysis done regarding criteria for changes in the location of branch offices, including but not limited to branch transactions, revenue, and the impact on citizens of the affected area. The notice shall also include detailed estimates of costs and savings that will result from the overall changes made to the branch office structure. The Governor eliminated this section while the House retained current law. (Sec. 815).
- 3. **Transaction Report.** Requires the Department to report to the House and Senate General Government Subcommittees and the respective fiscal agencies, by December 15th, the number of branch office transactions completed online. The Governor removed this section. The House retained current law. (Sec. 815a)
- 4. Motorcycle Safety Program. Language continues the Motorcycle Safety Program in the same manner as was provided by the Department of Education. Lists revenue sources for the program, criteria for grants, and details appropriate charges for Department of State administrative costs. The Governor removed this section. The House retained current law. (Sec. 818)
- 5. **Department of State Business Application Modernization Project.** Provides criteria for expenditure of funds and designates as a work project. The Governor removed this section. The House retained current law. (Sec. 819)
- 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 House concurred.
- 7. **Milan Branch Office.** Requires the Department to maintain a full service branch office in Milan. The Governor removed this section. The House concurred.
- 8. **Branch Offices.** Requires the Department to maintain branch offices in each location that existed on August 1, 2007. The Governor removed this section. The House concurred.
- 9. **Guidelines for Branch Office Placement**. Provides guidelines for the placement of future branch offices. The Governor removed this section. The House retained current law. (Sec. 827)

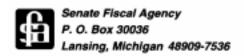




FY 2007-08 Year-to-Date Gross Appropriation	\$1,759,104,000
Changes from FY 2007-08 Year-to-Date:	
 Michigan Business Tax Implementation. The Governor and House included a scheduled increase for MBT implementation. 	3,400,000
Renaissance Zone Reimbursement. The Governor and House included an increase to reflect program requirements. The House added an additional \$100.	705,100
Pension Plan Consultant. The Governor and House included funding for a consultant to evaluate pension funds.	1,000,000
 Casino Gaming. The Governor and House included an increase of 8.0 FTEs to monitor the expanded size of the permanent casinos. 	684,000
Senior Citizen Cooperative Housing Tax Exemption. The Governor and House included a reduction to reflect actual program expenditures.	(498,400)
6. Commercial Mobile Radio Service Fees. This fee is scheduled to sunset 2/28/09.	(6,800,000)
 Michigan Transportation Fund (MTF). The Governor and House included a reduction in MTF funding, due to changes in tax law. 	(750,900)
8. Administrative Reductions. The Governor and House included reductions of: Revenue Enhancement Program (\$336,400), Neighborhood Enterprise Zone (\$150,000), Student Financial Services (\$75,200), and Supervision of the General Property Tax Law (\$50,000).	(611,600)
 Human Resources Changes. The Department's HR responsibilities, including 17.0 FTEs and HR optimization costs, were transferred to the Civil Service Commission. 	(2,057,300)
 Information Technology Adjustments. The Governor and House included increases for software, server replacement, and maintenance for the tobacco system, and an administrative reduction for DIT. 	753,100
11. Debt Service. Changes included \$15.7 million for new issues and a decrease of \$12,563,400 for current debt service. The Governor and House also included a \$40 million GF/GP reduction from the restructuring of the Quality of Life bond and the Clean Michigan Initiative.	(36,863,400)
12. Revenue Sharing. The Governor and House included funding for new county revenue sharing payments, and a 4% increase in statutory revenue sharing.	18,408,500
13. City-University Partnership Grants. The House included funding for a new collaboration effort between MSU, U of M, WSU, and urban core mayors.	300,000
 Michigan Strategic Fund (MSF). The Governor and House included several adjustments for the MSF. Please see the MSF highlight sheet for more detail. 	(4,898,900)
15. Economic Adjustments. These include \$77,400 in DIT Economics.	571,600
16. Other Changes. These included adjustments for Attorney General charges of \$700,000, an adjustment for the salary of the Lottery Commissioner of \$17,000, an increase of \$400,000 in Federal funding for home heating assistance, an increase of \$250,000 for out-of-state lien filings, and the removal of funding \$520,000 for the implementation of the repealed tax on services and the increase in the individual income tax. The House also reduced Grants to Counties-in lieu of taxes by \$100.	846,900
17. Comparison to Governor's Recommendation. The House is \$1,041,000 Gross and \$1,041,000 GF/GP over the Governor.	
Total Changes	(\$25,811,300)
FY 2008-09 House-Passed Gross Appropriation	\$1,733,292,700

- 1. **Debt Service Costs.** The Governor and House modified this section to include amounts needed for mandatory and optional redemptions in what is appropriated for debt service costs. (Sec. 902(1))
- 2. **School Bond Loans.** The Governor and House added a subsection that appropriates all repayments received by the State on loans made from the school bond loan fund not required to be deposited in the school loan revolving fund for the payment of debt service costs. (Sec. 902(3))
- 3. **Tax Manuals.** The Governor and House modified this section to require the Department to provide copies of the State Tax Manual on their website, or sell copies in other electronic formats. (Sec. 905)
- 4. City-University Partnership Grants. The House included language specifying the activities to be part of the City-University partnership plan. (Sec. 923)
- 5. **Secondary Collections.** The Governor deleted language requiring a contract for secondary collection activities. The House modified the section to remove request for proposal language. (Sec. 930a)
- 6. **Treasury Fees.** The Governor and House modified this section to include other investment income in addition to common cash earnings for the assessment of treasury fees. (Sec. 931(1))
- 7. **Michigan Tobacco Settlement Finance Authority.** The Governor and House added a section that authorizes the Department to expend revenues received for this Authority for administrative costs. (Sec. 940)
- 8. **Standardized Audit Schedules.** The Governor and House removed the section appropriating funds to support standardized audit schedules. (Sec. 941)
- 9. **Social Security Numbers.** The Governor removed the section prohibiting the inclusion of SSNs on Form 1099-G mailings. The House retained current year language. (Sec. 943)
- 10. **Assessment Administration.** The Governor removed the section that provides that the Department may review local unit assessment administration. The House retained current year language. (Sec. 945)
- 11. **Regional Training.** The Governor removed the section that allows for the coordination of regional assessment, training and recertification activities. The House retained current year language. (Sec. 946)
- 12. **Revenue Enhancement Program.** The Governor removed the section specifying the use of funding for the Revenue Enhancement Program, including a reporting requirement and work project authorization. The House retained current year language. (Sec. 947)
- 13. **Online Tax Filings.** The Governor eliminated a reporting requirement for tax returns filed online in the preceding fiscal year. The House modified this section to include Michigan Business Tax returns. (Sec. 948)
- 14. **Tobacco Stamp Technology.** The Governor and House removed the section that requires the Department and DMB to conduct a competitive bid for new tobacco stamp technology and provides a tax deduction for wholesalers. (Sec. 949)
- 15. **Revenue Sharing.** The Governor and House modified this section to guarantee that each city, village and township receive a combined total payment equal to that received in 2008, as well as a 4% increase in the statutory payment. The language also automatically appropriates additional statutory revenue sharing if necessary. (Sec. 950)
- 16. **DHS Bridge Cards.** The Governor removed the section that requires the State Lottery to inform lottery retailers that the cash side of DHS bridge cards cannot be used to purchase lottery tickets. The House retained current year language. (Sec. 963)
- 17. **Michigan Strategic Fund.** See MSF highlight sheet for detailed information.

Date Completed: 4-2-08 Fiscal Analyst: Stephanie Yu





FY 2007-08 Year-to-Date Gross Appropriation	166,422,500
Changes from FY 2007-08 Year-to-Date:	
 Michigan Promotion Program. The Governor eliminated one-time funding from the Jobs for Michigan Fund/Returns to Fund, reducing funding from \$11,417,500 to \$5,717,500. The House concurred. 	(5,700,000)
6. Economic Development and Cultural Institutions Earmarks. The Governor eliminated one-time earmarks of \$100 for the following line items: Business Incubator Program; Berrien County Brownfield Redevelopment Authority; Detroit Institute of Arts; McBain Township, Missaukee County; Detroit Historical Museum; Detroit Zoological Institute; and the Michigan State University Bio-Energy Research Center. The House concurred.	(700)
 Community Development Block Grant (CDBG) Technical Assistance. The House created a new line item to provide grants to local planning agencies that received grants in 2008. 	66,000
 Energy Efficiency Grants. The House created a new line item to provide grants to pilot residential energy efficiency programs in Ann Arbor, Grand Rapids, and Lansing. 	600,000
9. Detroit Festival of Arts. The House created this new line item.	75,000
10. Economic Adjustments.	78,600
 Other Changes. The Governor eliminated the Human Resources Optimization charges. The House concurred. 	(17,800)
12. Comparison to Governor's Recommendation. The House is \$741,000 Gross and GF/GP over the Governor.	
Total Changes	(4,898,900)
FY 2008-09 House-Passed Gross Appropriation	161,523,600

- 4. **Deletions.** The Governor eliminated a number of sections including:
 - Sec. 212 Requires the Fund to receive and retain copies of reports in accordance with State and Federal retention guidelines. The House concurred.
 - Sec. 215 Prohibits disciplinary action against an employee for communicating with the Legislature. House maintained current year.
 - Sec. 217 Prohibits the expenditure of GF/GP if Federal revenue is available for the same purpose. House maintained current year.
 - Sec. 225 Requires the Fund to implement continuous improvement efficiency mechanisms and report twice a year on the program review, improvements made, and estimated savings. House maintained current year.
 - Sec. 1016 Permissive language concerning the implementation of audit procedures that allow for the auditing of job claims at companies receiving financial incentives. House revised specifying which credits and incentives may be audited.
 - Sec. 1021 Provides work project authorization for \$5.7 million appropriated for Michigan Promotion and Business Development activities. House concurred.
 - Sec. 1022 Outlines the parameters for the Business Incubator Program. House concurred.
 - Sec. 1024 Outlines the parameters for the earmark from the 21st Century Jobs Fund for the Small Business Investment Research/Small Business Technology Transfer (SBIR/STTR) program. House changed to allow any unaccepted or returned awards to be reallocated for existing business incubator programs in specific distressed areas.
 - Sec. 1025 Requires the Fund to report separately the number of actual and indirect jobs created as a result
 of financial or tax incentive packages awarded to a company in all published or marketing material. House
 concurred
 - Sec. 1027 Requires the Fund to amend a previously approved contract with Lakeshore Advantage to ensure that \$3.0 million of the \$3.4 million award be allocated by March 31. Also requires an earmark for an equal amount from the 21st Century Jobs Fund if the amended contract is not completed by above-mentioned date. House concurred.
 - Sec. 1029 Intent language regarding preference for economic development incentives to be given to Michigan businesses. House maintained current year language.
 - Sec. 1030 Outlines the parameters for the appropriation to the Berrien County Brownfield Redevelopment Authority. House concurred.
 - Sec. 1031 Outlines the parameters for the appropriation to McBain Township, Missaukee County. House concurred.
 - Reporting Requirements Report on specific policy changes made to implement a public act and prohibits the use of funds to adopt any rule unless it reduces the disproportionate economic impact on small businesses (221), and employees with an annual salary of \$80,000 or greater (1017). The House maintained 221 and concurred on deletion of 1017.
- 5. **Economic Development Job Training Grants (EDJT).** The Governor added the assistance of Michigan residents and companies as a purpose for this grant program; deleted the earmark for community colleges; added businesses with less than 50 employees and an award less than \$20,000 to the list of eligible applicants; changed the repayment provision to allow for a prorated amount based on the number of actual jobs created or trained compared with the number originally identified in the application; increased the match rate for businesses training incumbent workers from a minimum of 30.0% to a max of 50.0% of the program costs; and deleted the earmark for the aerospace certification grants. House concurred. (1002)
- 6. **CDBG Technical Assistance Grants.** The House added new language allocating these grants to local planning agencies that received grants in 2008 and required each agency to receive an amount equal to previous year. (Sec. 1015)
- 7. **Energy Efficiency Pilot.** The House added language specifying the allocation of these funds as \$200,000 each for three cities: Ann Arbor, Grand Rapids, and Lansing. (Sec. 1018)

Date Completed: 3-28-08 Fiscal Analyst: Elizabeth Pratt and Maria Tyszkiewicz