

FY 2011-12 SUPPLEMENTAL APPROPRIATIONS
Summary: As Reported by the House Appropriations Committee
House Bill 4289 (H-1)



HFA Director: Mary Ann Cleary
 Deputy Director: Kyle I. Jen

Budget Area	Executive*		House		Senate	
	Gross	GF/GP	Gross	GF/GP	Gross	GF/GP
Attorney General	\$1,350,000	\$1,250,000	\$900,000	\$900,000		
Community Health	26,387,000	389,200	35,247,000	3,389,200		
Corrections	3,400,000	3,400,000	3,400,000	3,400,000		
Education	125,000	125,000	125,000	125,000		
Licensing & Reg Affairs	3,470,000	1,500,000	3,470,000	1,500,000		
Military & Veteran Affairs	300,000	300,000	300,000	300,000		
State (Department of)	1,000,000	1,000,000	1,000,000	1,000,000		
State Police	4,245,000	4,150,000	11,034,000	10,939,000		
Tech, Mgmt & Budget	80,000	80,000	80,000	80,000		
Transportation	2,200,000	0	1,450,000	0		
Treasury	14,937,500	11,226,000	14,937,500	11,226,000		
Treasury: MSF	680,100	680,100	680,100	680,100		
TOTAL	\$58,174,600	\$24,100,300	\$72,623,600	\$33,539,300		

*Reflects State Budget Office (SBO) supplemental requests 2012-5 (partial), 2012-8, and 2012-10. Except as noted below, this document does not reflect SBO requests 2012-11 and 2012-12, which were received on March 13.

OVERVIEW

In a letter dated February 9, the State Budget Office (SBO) submitted FY 2011-12 supplemental requests totaling \$56.4 million in Gross appropriations (\$23.8 million GF/GP). In a number of cases, these supplemental requests reflect advanced expenditures related to proposed funding adjustments in the Executive Budget for FY 2012-13. Additionally, a supplemental request of \$1.5 million (Restricted) for a Tax Tribunal backlog in the Licensing and Regulatory Affairs budget is pending from last October, and a request of \$300,000 GF/GP was submitted on February 16 for water system repairs in the Military and Veterans Affairs budget.

House Bill 4289 (H-1) contains the majority of the requested items, with exceptions noted below, along with additional items totaling \$15.7 million Gross (\$9.8 million GF/GP) in the Community Health budget (Graduate Medical Education) and State Police budget (trooper school). (The State Police portion is included in SBO request 2012-11.)

Appropriations in the bill total \$72.6 million Gross (\$33.5 million GF/GP). Boilerplate language addresses a transfer of \$106.9 million from the Medicaid Benefits Trust Fund to the Budget Stabilization Fund, a contingent appropriation of \$10.0 million (\$3.4 million GF/GP) for hospital uncompensated care disproportionate share hospital payments in the Community Health budget, an adjustment to foster care payment rate provisions in the Human Services budget, and a lease cancellation for the Department of State Police.

FY 2011-12 Supplemental Appropriations**Executive****House****Senate****ATTORNEY GENERAL****1. Public Safety Initiative - Cities in Distress**

Includes funding for additional prosecutorial services to reduce the backlog of outstanding warrants in high crime areas of the state and to increase prosecutions and incarceration of offenders. The FY 2012-13 Executive budget recommendation includes an additional \$900,000 GF/GP for the public safety initiative. (SBO request 2012-8)

Gross	\$900,000	\$900,000
GF/GP	\$900,000	\$900,000

2. Health Insurance Claims Assessment

Includes funding for legal activities associated with defending the state in a federal lawsuit which claims the state's Health Insurance Claims Act is preempted by the federal Employee Retirement Income Security Act. (SBO request 2012-8) House does not include this item.

Gross	\$100,000	--
Restricted	100,000	--

3. Redistricting

Includes funding for legal activities associated with defending Michigan's redistricting plan. (SBO request 2012-8) House does not include this item.

Gross	\$350,000	--
GF/GP	\$350,000	--

COMMUNITY HEALTH**4. Primary Care Services**

Restores primary care disproportionate share (DSH) funding of \$330,200 Gross (\$111,800 GF/GP) for Bronson Methodist Hospital in Kalamazoo supporting primary care services, increasing the hospital's primary care DSH payment to FY 2010-11 funded level. This funding adjustment is also included in the FY 2012-13 Executive Recommendation. (SBO request 2012-8)

Gross	\$330,200	\$330,200
Federal	218,400	218,400
GF/GP	\$111,800	\$111,800

5. Traumatic Brain Injury Treatment Project

Restores \$200,000 Gross (\$100,000 GF/GP) funding for pilot programs to encourage trauma hospital use of traumatic brain injury (TBI) treatment models. Program was last supported in FY 2010-11 but funds were not expended. This funding adjustment is also included in the FY 2012-13 Executive Recommendation. (SBO request 2012-8)

Gross	\$200,000	\$200,000
Federal	100,000	100,000
GF/GP	\$100,000	\$100,000

6. Donated Dental Program Coordination

Provides additional \$25,000 GF/GP for contractual services to coordinate Donated Dental Program services for uninsured persons who have difficulty accessing dental services due to mental or physical handicap, visual impairment, chronic illness or age. Increases program funding from \$125,000 to \$150,000, restoring it to FY 2008-09 funding level. This funding adjustment is also included in the FY 2012-13 Executive Recommendation. (SBO request 2012-8)

Gross	\$25,000	\$25,000
GF/GP	\$25,000	\$25,000

7. Indigent Care Agreements

Increases the Special Indigent Care Payments line by \$7.2 million Gross (\$2.4 million state restricted) to support additional indigent care agreement (ICA) services through the disproportionate hospital (DSH) pool. This action would bring the FY 2011-12 level of ICA support up to that of FY 2010-11. The FY 2012-13 Executive recommendation includes the increased FY 2011-12 amount. (SBO request 2012-8)

Gross	\$7,220,400	\$7,220,400
Federal	4,775,600	4,775,600
Local	2,444,800	2,444,800

8. Chiropractic Services

Increases the Auxiliary Medical Services line by \$450,000 (\$152,400 GF/GP) restoring Medicaid chiropractic services beginning April 1, 2012. This amount is annualized in the FY 2012-13 Executive budget recommendation. (SBO request 2012-8)

Gross	\$450,000	\$450,000
Federal	297,600	297,600
GF/GP	\$152,400	\$152,400

FY 2011-12 Supplemental Appropriations

	<u>Executive</u>	<u>House</u>	<u>Senate</u>
9. Hospital Assessment DSH Payments			
Increases the Special Medicaid Reimbursement line by \$9.6 million Gross (\$3.3 million state restricted) to support additional hospital assessment financed disproportionate hospital (DSH) pool payments. This action would bring the FY 2011-12 level of hospital assessment financed DSH payments up to that of FY 2010-11 and equals the amount included in the FY 2012-13 Executive recommendation. (SBO request 2012-8)	Gross	\$9,640,500	\$9,640,500
	Federal	6,376,200	6,376,200
	Restricted	3,264,300	3,264,300
10. Wayne State Psychiatric Residency Program			
Increases the Special Medicaid Reimbursement line by \$8.5 million Gross (\$2.9 million state restricted) to reinstate DSH funding for the psychiatric residency program at Wayne State University. The FY 2012-13 Executive recommendation includes funding of \$8.4 million for the Wayne State program through the DSH pool. (SBO request 2012-8)	Gross	\$8,520,900	\$8,520,900
	Federal	5,635,700	5,635,700
	Restricted	2,885,200	2,885,200
11. Graduate Medical Education			
House increases the Hospital Services and Therapy line by \$8.9 million Gross (\$3.0 million GF/GP) to reinstate a portion of the FY 2011-12 graduate medical education (GME) program reduction. The restoration of \$8.9 million would reduce the \$14.7 million FY 2011-12 reduction to \$5.8 million, resulting in funding available for the GME program of \$162.4 million.	Gross	--	\$8,860,000
	Federal	--	5,860,000
	GF/GP	--	\$3,000,000

CORRECTIONS

12. Public Safety Initiative			
Provides supplemental funding for FY 2011-12 to expand a current pilot program to assist the City of Flint in securing jail space from other counties to address a current shortage of jail beds. The funding was part of the Governor's special message on public safety delivered earlier this month. FY 2012-13 Executive Budget also includes \$4.5 million GF/GP for this purpose. (SBO request 2012-8)	Gross	\$3,000,000	\$3,000,000
	GF/GP	\$3,000,000	\$3,000,000
13. Camp Brighton Site Redevelopment			
Supports the cleanup of the site of the former Camp Brighton correctional camp in Livingston County. (SBO request 2012-8)	Gross	\$400,000	\$400,000
	GF/GP	\$400,000	\$400,000

EDUCATION

14. Charter Schools Regulation			
Provides additional staffing (2.0 FTE positions) for the MDE Office of Educational Improvement and Innovation (OEII), Public School Academy Unit to assist the unit in reviewing applications for new charter schools and carrying out other oversight responsibilities following the enactment of 2011 PA 277 (SB 618), which lifted the cap on university-authorized charter schools. Annualized funding for this purposes included in FY 2012-13 Executive Budget. (SBO request 2012-8)	FTE	2.0	2.0
	Gross	\$125,000	\$125,000
	GF/GP	\$125,000	\$125,000

LICENSING AND REGULATORY AFFAIRS

15. Bureau of Fire Services - Fireworks Regulation			
Increases spending authority for the Bureau of Fire Services (BFS) to administer new consumer fireworks regulations pursuant to 2011 PA 256 funded with revenue from the new Fireworks Safety Fund supported by certification fees and a retail sales tax on the purchase of fireworks. (SBO request 2012-8)	FTE	6.0	6.0
	Gross	\$470,000	\$470,000
	Restricted	470,000	470,000
16. Centers for Independent Living			
Increases GF/GP appropriation to Centers for Independent Living (CILs) to offset the reduction in federal Social Security Administration (SSA) reimbursements provided to CILs through the Michigan Rehabilitative Services (MRS). Funding is continued in FY 2012-13 under Executive Budget. (SBO request 2012-8)	Gross	\$1,500,000	\$1,500,000
	GF/GP	\$1,500,000	\$1,500,000

FY 2011-12 Supplemental Appropriations

Executive

House

Senate

17. Tax Tribunal Backlog

Authorizes expenditure of \$1.5 million of Tax Tribunal restricted funds toward further reducing the existing backlog of small claims cases pending before the Tax Tribunal. Funds will be expended to contract with approximately 16 adjudicators (paid after the completion of each case) and hire 6 limited term clerical staff, 2 limited term schedules, 2 administrative law specialists, and 2 student assistants. With this additional staff, LARA estimates that the Tribunal will eliminate the current backlog by September 30, 2012. The Tribunal is supported by claimants filing fees deposited into a state restricted fund and this supplemental would be supported with revenue collected from those filling fees. Previous appropriation adjustments have enabled the Tribunal to contract with 22 adjudicators, 6 seasonal staff, and 3 student assistants. The Tribunal is currently scheduling 1,200 cases per month and since March 2011 has reduced that small claims backlog by 39%. (SBO request 2012-5)

Gross	\$1,500,000	\$1,500,000
Restricted	1,500,000	1,500,000

MILITARY AND VETERANS AFFAIRS

18. Capital Outlay - Water System Repairs

Includes additional funding to cover costs of installing a new hot water heating tank, a redundant tank, asbestos abatement, and demolition of the current tank and associated piping at the Grand Rapids Veterans' Home. A mechanical failure has been identified in the current water system, which is estimated to be at least 30 years old and in need of replacement. (SBO request 2012-10)

Gross	\$300,000	\$300,000
GF/GP	\$300,000	\$300,000

STATE (DEPARTMENT OF)

19. Commercial Driver License Medical Certificate Program

Appropriates \$1.0 million GF/GP to implement the Commercial Driver License Medical Certificate Program that began on January 1, 2012. The program is a federal mandate, requiring commercial drivers to provide certain medical documents required by law. Medical information would be integrated within commercial driver license. States that do not meet the federal mandate may lose up to five percent of their U.S. Department of Transportation funding. FY 2012-13 Executive Recommendation includes \$1.0 million in restricted funds (assumes statutory change allowing for \$10 fee increase to support program). (SBO request 2012-8)

Gross	\$1,000,000	\$1,000,000
GF/GP	\$1,000,000	\$1,000,000

STATE POLICE

20. Fleet Leasing

Includes additional funding to cover the unanticipated costs of an increase in rates which are set for vehicles by DTMB. The rate is a blended rate which covers the costs of vehicle acquisition, insurance, gasoline, and maintenance. The rate increase is due primarily to the increase in fuel costs. The FY 2012-13 Executive budget recommendation includes an additional \$2.7 million GF/GP for fleet leasing. (SBO request 2012-8)

Gross	\$1,900,000	\$1,900,000
GF/GP	\$1,900,000	\$1,900,000

21. Public Safety Initiative - Cities in Distress

Includes additional funding to provide more investigative and patrol assistance in high crime areas of the state. Specifically, this funding will be used to cover overtime, training, aviation, and fleet costs associated with assisting cities in distress. The FY 2012-13 Executive budget recommendation includes an additional \$2.8 million GF/GP for the public safety initiative. (SBO request 2012-8)

Gross	\$1,500,000	\$1,500,000
GF/GP	\$1,500,000	\$1,500,000

FY 2011-12 Supplemental Appropriations

		<u>Executive</u>	<u>House</u>	<u>Senate</u>
22. Collins Road Lease	Gross	\$750,000	\$750,000	
Includes additional funding to cover full-year lease costs at the Collins Road facility. A savings was taken in the FY 2011-12 budget because it was anticipated that the Emergency Management Division (State Emergency Operations Center) would be moving out of the facility. However, for security reasons, it is not feasible for that division to move to the headquarters building in downtown Lansing. The division remains in the Collins Road facility and full-year lease costs need to be paid. The FY 2012-13 Executive budget recommendation includes \$750,000 GF/GP in a one-time only boilerplate appropriation. (SBO request 2012-8)	GF/GP	\$750,000	\$750,000	
23. Internet Crimes Against Children (ARRA)	Gross	\$95,000	\$95,000	
Includes authorization for the department to receive and expend the remainder of federal ARRA grant revenues made available. These funds are used to pay for investigators of Internet crimes against children (i.e., sexual predators). (SBO request 2012-8)	Federal	95,000	95,000	
24. At-Post Troopers	FTE	[Included in	110.0	
<u>House</u> includes authorization for an additional 110.0 FTE positions and funding to cover costs associated with operating a trooper recruit school. Anticipated costs include recruiting, selection screenings and examinations, trooper recruit compensation, classroom training, course materials, meals, lodging, supplies, and uniforms for recruits, training staff per diem costs, warehouse supplies, weapons, payroll, and administrative activities. The school is scheduled to begin in June and end in October.	Gross	SBO request	\$6,789,000	
	GF/GP	2012-11]	\$6,789,000	

TECHNOLOGY, MANAGEMENT, AND BUDGET

25. State Emergency Operations Center Planning Grant	Gross	\$80,000	\$80,000	
Provides \$80,000 GF/GP for a planning grant that would allow the department to contract for professional design services to plan for a facility that ensures the state of Michigan has the necessary capabilities to prevent, respond to, and recover from any type of emergency or disaster. The planning would also explore the consolidation of the State Emergency Operations Center, impending Michigan Cyber Command Center, and the Network Communications Center component of the Michigan Public Safety Communications System in a new facility along with associated support space at the state's Secondary Complex site. (SBO request 2012-8)	GF/GP	\$80,000	\$80,000	

TRANSPORTATION

26. Welcome Center Operations	Gross	\$200,000	\$200,000	
Recommends \$200,000 from State Trunkline Fund to extend hours of service at state Welcome Centers. (SBO request 2012-8)	Restricted	200,000	200,000	
27. Freight Preservation and Development	Gross	\$1,000,000	\$1,000,000	
Recommends \$1.0 million from Comprehensive Transportation Fund (CTF) for rural rail infrastructure improvements. (SBO request 2012-8)	Restricted	1,000,000	1,000,000	
28. Public Transportation Development – Woodward Corridor	Gross	\$750,000	--	
Provides funding of \$750,000 from CTF to match federal funds for study of transit options along Woodward corridor from Detroit to Birmingham and Pontiac. (SBO request 2012-8) <u>House</u> does not include this item.	Restricted	750,000	--	
29. Public Transportation Development – Regional Transit	Gross	\$250,000	\$250,000	
Provides funding of \$250,000 from CTF to support the establishment of a Regional Transit Authority in Southeast Michigan. (SBO request 2012-8)	Restricted	250,000	250,000	

FY 2011-12 Supplemental Appropriations

Executive

House

Senate

TREASURY

30. Office of Fiscal Responsibility

Appropriates \$10.0 million GF/GP and 10.0 FTE positions for assistance to local units of government facing financial emergencies. Appropriation will support oversight and guidance through contracted services related to legal, accounting, and auditing services that will be available to local units of government. FY 2012-13 Executive Recommendation includes \$4.5 million for Office of Fiscal Responsibility. (SBO request 2012-8)

FTE	10.0	10.0
Gross	\$10,000,000	\$10,000,000
GF/GP	\$10,000,000	\$10,000,000

31. Health Insurance Claims Assessment Program

Includes \$1.3 million Gross and 15.0 FTE positions for the administration of the Health Insurance Claims Assessment (HICA) Program. Administration includes collection, auditing, and other tax administration responsibilities. Funding supports partial-year operation of program. FY 2012-13 Executive Recommendation includes \$1.9 million (full-year funding) for administration of HICA program. (SBO request 2012-8)

FTE	15.0	15.0
Gross	\$1,257,600	\$1,257,600
Restricted	1,257,600	1,257,600

32. Payments in Lieu of Taxes

Increases payments in lieu of taxes (PILT) by \$3.7 million Gross (\$1.2 million GF/GP) to restore payments in lieu of taxes (PILT) funding to FY 2010-11 levels and reflect legislative change requiring the Michigan Natural Resource Trust Fund (MNRTF) to make MNRTF Purchased Land PILT payments in full. Funding would also cover the school millage payments previously paid from an appropriation in the School Aid Act. FY 2012-13 Executive Recommendation includes funding to reflect legislative change requiring MNRTF to make MNRTF Purchased Land PILT payments in full, but does not restore all PILT to FY 2010-11 levels. (SBO request 2012-8)

Gross	\$3,679,900	\$3,679,900
Restricted	2,453,900	2,453,900
GF/GP	\$1,226,000	\$1,226,000

TREASURY: MICHIGAN STRATEGIC FUND

33. Pre-College Engineering

Includes \$680,100 GF/GP to support the Detroit and Grand Rapids Pre-College Engineering programs. The programs help under-represented high school students prepare for careers in engineering, science, and technology related fields. FY 2012-13 Executive Recommendation includes \$680,100 to support Pre-College Engineering programs. (SBO request 2012-8)

Gross	\$680,100	\$680,100
GF/GP	\$680,100	\$680,100

FY 2011-12 Boilerplate Items:

Executive

House

Senate

GENERAL

1. Transfer to Budget Stabilization Fund

House adds transfer of \$106.9 million from the Medicaid Benefits Trust Fund (MBTF) to the Budget Stabilization Fund. This amounts equates to one-half of the amount (\$213.8 million) previously deposited in the MBTF for use in the event of a federal Medicaid disallowance and/or settlement.

-- Sec. 203

COMMUNITY HEALTH

2. Hospital Uncompensated Care Contingent DSH Funding

House includes language that would appropriate \$10,000,000 Gross (\$3,386,000 GF/GP) in the Special Medicaid Reimbursement line to hospitals that meet certain criteria only if there is room in the current year disproportionate share hospital (DSH) pool and if the Centers for Medicare and Medicaid Services approves the distribution methodology. The department projects that potentially 23 hospitals would benefit from this distribution.

-- Sec. 301

FY 2011-12 Boilerplate Items:

Executive

House

Senate

HUMAN SERVICES

3. *Foster Care Agency Administrative Rates*

-- Sec. 401

House adds language establishing foster care administrative rate of \$37 for private child placing agencies under contract with DHS; establishes general independent living administrative rate of \$28. New section does not include language establishing special independent living administrative rates.

4. *Repealer - Foster Care Agency Administrative Rates*

-- Enacting
Sec. 1

House adds repealer for section 546 of Article X of Public Act 63 of 2011 (House Bill 4526). Section establishes foster care administrative rate of \$37 for private child placing agencies under contract with DHS; establishes general independent living administrative rate of \$28; establishes specialized independent living administrative rates less than rates provided in FY 2008-09 but more than the general independent living rate.

STATE POLICE

5. *Lease Cancellation*

Included Sec. 501

Boilerplate would cancel the lease for the Richmond State Police post. The lease agreement requires legislation in order for the lease to be cancelled. The lease is being cancelled as part of the Regional Policing Model (closure/consolidation of posts and moving to a more mobile police force). (SBO request 2012-8)