

# FY 2011-12 SUPPLEMENTAL APPROPRIATIONS

## Summary: As Passed by the House

### House Bill 4289 (H-1) as Amended



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	(103,510,800)		
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	200,000		
Treasury	14,937,500	11,226,000	14,937,500	11,226,000		
Treasury: MSF	680,100	680,100	680,100	680,100		
<b>TOTAL</b>	<b>\$58,174,600</b>	<b>\$24,100,300</b>	<b>\$72,623,600</b>	<b>(\$73,160,700)</b>		

\*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.

The House-passed version of House Bill 4289 (H-1) contains the majority of the requested items, with exceptions noted below, along with the following additional items:

- \$8.9 million Gross (\$3.0 million GF/GP) for Graduate Medical Education in the Community Health budget.
- A fund shift of \$106.9 million in the Community Health budget, replacing GF/GP funding with Medicaid Benefits Trust Fund revenue, in order to allow for a transfer of the same amount from the General Fund to the Budget Stabilization fund.
- \$6.8 million GF/GP for trooper school-related costs in the State Police budget. (The item was included in SBO request 2012-11.)
- \$200,000 GF/GP for Welcome Center operations in the Transportation budget. (Executive requested funded this item with State Trunkline Fund revenue.)

Excluding the impact of the \$106.9 million fund shift in the Community Health budget, appropriations in the bill total \$72.6 million Gross (\$33.7 million GF/GP). Boilerplate language addresses the transfer from the General 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, funding for Centers for Independent Living in the Licensing and Regulatory Affairs budget, a lease cancellation for the Department of State Police, and Welcome Center operations in the Transportation budget.

**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)

<b>Gross</b>	<b>\$900,000</b>	<b>\$900,000</b>
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.

<b>Gross</b>	<b>\$100,000</b>	--
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.

<b>Gross</b>	<b>\$350,000</b>	--
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)

<b>Gross</b>	<b>\$330,200</b>	<b>\$330,200</b>
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)

<b>Gross</b>	<b>\$200,000</b>	<b>\$200,000</b>
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)

<b>Gross</b>	<b>\$25,000</b>	<b>\$25,000</b>
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)

<b>Gross</b>	<b>\$7,220,400</b>	<b>\$7,220,400</b>
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)

<b>Gross</b>	<b>\$450,000</b>	<b>\$450,000</b>
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>
<b>9. Hospital Assessment DSH Payments</b>			
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)	<b>Gross</b>	<b>\$9,640,500</b>	<b>\$9,640,500</b>
	Federal	6,376,200	6,376,200
	Restricted	3,264,300	3,264,300
<b>10. Wayne State Psychiatric Residency Program</b>			
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)	<b>Gross</b>	<b>\$8,520,900</b>	<b>\$8,520,900</b>
	Federal	5,635,700	5,635,700
	Restricted	2,885,200	2,885,200
<b>11. Graduate Medical Education</b>			
<u>House</u> 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.	<b>Gross</b>	--	<b>\$8,860,000</b>
	Federal	--	5,860,000
	GF/GP	--	\$3,000,000
<b>12. Medicaid Fund Shift</b>			
<u>House</u> replaces \$106.9 million in GF/GP funds appropriated for Medicaid within the Health Plan Services line with an equal amount of Medicaid Benefits Trust Fund (MBTF) revenue, in order to then transfer \$106.9 million from General Fund to the Budget Stabilization Fund (see boilerplate section 203). This amount is equal 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.	<b>Gross</b>	--	<b>\$0</b>
	Restricted	--	106,900,000
	GF/GP	--	(\$106,900,000)

**CORRECTIONS**

<b>13. Public Safety Initiative</b>			
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)	<b>Gross</b>	<b>\$3,000,000</b>	<b>\$3,000,000</b>
	GF/GP	\$3,000,000	\$3,000,000
<b>14. Camp Brighton Site Redevelopment</b>			
Supports the cleanup of the site of the former Camp Brighton correctional camp in Livingston County. (SBO request 2012-8)	<b>Gross</b>	<b>\$400,000</b>	<b>\$400,000</b>
	GF/GP	\$400,000	\$400,000

**EDUCATION**

<b>15. Charter Schools Regulation</b>			
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
	<b>Gross</b>	<b>\$125,000</b>	<b>\$125,000</b>
	GF/GP	\$125,000	\$125,000

**FY 2011-12 Supplemental Appropriations****Executive****House****Senate****LICENSING AND REGULATORY AFFAIRS****16. 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
<b>Gross</b>	<b>\$470,000</b>	<b>\$470,000</b>
Restricted	470,000	470,000

**17. 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)

<b>Gross</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>
GF/GP	\$1,500,000	\$1,500,000

**18. 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 filing 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)

<b>Gross</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>
Restricted	1,500,000	1,500,000

**MILITARY AND VETERANS AFFAIRS****19. 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)

<b>Gross</b>	<b>\$300,000</b>	<b>\$300,000</b>
GF/GP	\$300,000	\$300,000

**STATE (DEPARTMENT OF)****20. 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)

<b>Gross</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>
GF/GP	\$1,000,000	\$1,000,000

**FY 2011-12 Supplemental Appropriations**

**Executive**

**House**

**Senate**

**STATE POLICE**

**21. 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)

<b>Gross</b>	<b>\$1,900,000</b>	<b>\$1,900,000</b>
GF/GP	\$1,900,000	\$1,900,000

**22. 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)

<b>Gross</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>
GF/GP	\$1,500,000	\$1,500,000

**23. Collins Road Lease**

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)

<b>Gross</b>	<b>\$750,000</b>	<b>\$750,000</b>
GF/GP	\$750,000	\$750,000

**24. Internet Crimes Against Children (ARRA)**

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)

<b>Gross</b>	<b>\$95,000</b>	<b>\$95,000</b>
Federal	95,000	95,000

**25. At-Post Troopers**

House 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.

FTE	[Included in	110.0
<b>Gross</b>	SBO request	<b>\$6,789,000</b>
GF/GP	2012-11]	\$6,789,000

**TECHNOLOGY, MANAGEMENT, AND BUDGET**

**26. State Emergency Operations Center Planning Grant**

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)

<b>Gross</b>	<b>\$80,000</b>	<b>\$80,000</b>
GF/GP	\$80,000	\$80,000

**FY 2011-12 Supplemental Appropriations**

**Executive**

**House**

**Senate**

**TRANSPORTATION**

**27. Welcome Center Operations**

Recommends \$200,000 from State Trunkline Fund (STF) to extend hours of service at state Welcome Centers. (SBO request 2012-8) House funds with GF/GP revenue rather than STF revenue and adds boilerplate language designated funds for Welcome Centers in Mackinaw City, St. Ignace, and Sault Ste. Marie (Sec. 601).

<b>Gross</b>	<b>\$200,000</b>	<b>\$200,000</b>
Restricted	200,000	0
GF/GP	\$0	\$200,000

**28. Freight Preservation and Development**

Recommends \$1.0 million from Comprehensive Transportation Fund (CTF) for rural rail infrastructure improvements. (SBO request 2012-8)

<b>Gross</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>
Restricted	1,000,000	1,000,000

**29. Public Transportation Development – Woodward Corridor**

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) House does not include this item.

<b>Gross</b>	<b>\$750,000</b>	--
Restricted	750,000	--

**30. Public Transportation Development – Regional Transit**

Provides funding of \$250,000 from CTF to support the establishment of a Regional Transit Authority in Southeast Michigan. (SBO request 2012-8)

<b>Gross</b>	<b>\$250,000</b>	<b>\$250,000</b>
Restricted	250,000	250,000

**TREASURY**

**31. 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
<b>Gross</b>	<b>\$10,000,000</b>	<b>\$10,000,000</b>
GF/GP	\$10,000,000	\$10,000,000

**32. 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
<b>Gross</b>	<b>\$1,257,600</b>	<b>\$1,257,600</b>
Restricted	1,257,600	1,257,600

**33. 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)

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

**TREASURY: MICHIGAN STRATEGIC FUND**

**34. 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)

<b>Gross</b>	<b>\$680,100</b>	<b>\$680,100</b>
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 General Fund to the Budget Stabilization Fund. (See item 12 above for related appropriation change.)

-- 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

**HUMAN SERVICES**

**3. *Foster Care Agency Administrative Rates***

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.

-- Sec. 401

**4. *Repealer - Foster Care Agency Administrative Rates***

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.

-- Enacting  
Sec. 1

**LICENSING AND REGULATORY AFFAIRS**

**5. *Centers for Independent Living (CILs)***

House adds language providing for CIL funding to be used in compliance with federal rules and regulations, departmental procedures, and formula established through the Disability Network Michigan Association. Language also requires quarterly report on funding outcomes.

-- Sec. 451

**STATE POLICE**

**6. *Lease Cancellation***

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)

Included Sec. 501

**TRANSPORTATION**

**7. *Welcome Centers***

House adds language designating funding to maintain operations at Mackinac City, St. Ignace, and Sault Ste. Marie Welcome Centers. Any remaining would funds be distributed equally across remaining Welcome Centers in state.

-- Sec. 601