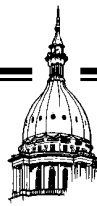




Senate Fiscal Agency  
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BILL



ANALYSIS

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**House Bill 5365 (CR-1):  
FY 2012-13 General Omnibus Appropriation Bill**

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\* General Government includes FY 2012-13 appropriations for the following budget areas: Attorney General; Civil Rights; Executive; Legislature; Legislative Auditor General; State; Technology, Management, and Budget; and Treasury.

**General Omnibus Appropriation Bill  
House Bill 5365 (CR-1)**

<b>Department/Budget Area</b>	<b>FY 2012-13 Adjusted Gross Appropriation</b>	<b>FY 2012-13 GF/GP Appropriation</b>
Agriculture and Rural Development.....	\$76,433,700	\$36,098,900
Attorney General.....	61,000,400	33,825,800
Civil Rights.....	14,765,500	11,953,600
Community Health .....	15,024,033,900	2,817,437,800
Corrections .....	1,999,923,800	1,941,485,600
Education.....	328,909,900	68,093,200
Environmental Quality .....	422,408,700	29,812,400
Executive .....	4,887,900	4,887,900
Human Services.....	6,523,250,900	1,011,143,900
Judiciary.....	271,121,900	170,751,500
Legislative Auditor General .....	14,895,600	13,004,900
Legislature .....	110,922,500	109,412,700
Licensing and Regulatory Affairs.....	778,446,400	50,570,900
Military and Veterans Affairs .....	170,907,100	38,233,400
Natural Resources .....	335,855,600	19,737,900
State .....	200,669,300	14,888,100
State Police.....	552,744,200	317,513,800
Technology, Management, and Budget.....	507,408,700	405,916,200
Transportation.....	3,462,655,600	23,000,000
Treasury-Debt Service .....	140,554,900	135,040,400
Treasury-Operations .....	481,427,300	88,347,100
Treasury-Revenue Sharing .....	1,096,096,300	0
Treasury-Strategic Fund Agency.....	984,396,800	173,701,600
<b>Total Appropriations.....</b>	<b>\$33,563,716,900</b>	<b>\$7,514,857,600</b>



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**FY 2011-12 Year-to-Date Gross Appropriation ..... \$76,578,000**

**Changes from FY 2011-12 Year-to-Date:**

Items Included by the Senate and House

- |   |             |
|---|-------------|
| 1. <b>Michigan Agricultural Environmental Assurance Program (MAEAP).</b> The Governor, Senate, and Conference included an additional \$1.0 million GF/GP for the program.   | 1,000,000   |
| 2. <b>Migrant Labor Housing Inspections.</b> The Governor, Senate, and Conference included an increase of \$400,000 GF/GP to allow for greater in-season inspection of housing at Michigan's 850 migrant labor camps to ensure compliance with housing standards. | 400,000     |
| 3. <b>New Food Safety Requirements.</b> The Governor, Senate, and Conference included a one-time increase of \$500,000 GF/GP to implement food safety initiatives associated with new FDA Food Safety Modernization Act requirements.                             | 500,000     |
| 4. <b>Grain Dealer Regulation.</b> The Senate, House, and Conference provided for GF/GP savings for the program of \$300,000, to be supplanted by restricted revenue produced by an increase in fees.   | 0           |
| 5. <b>Economic Adjustments.</b> Includes \$6,603,400 (\$3,265,200 GF/GP) for OPEB and a negative \$2,836,900 (\$1,314,300 GF/GP) for other economic adjustments.  | 3,766,500   |
| 6. <b>Other Changes/Adjustments for Revenue Received.</b>   | (8,999,500) |

Conference Agreement on Items of Difference

- |  |           |
|--|-----------|
| 7. <b>County Fairs Capital Improvements.</b> The House added \$299,900 GF/GP for grants to county fairs and the Senate provided \$181,600 GF/GP. Conference included \$281,600 GF/GP.  | 281,600   |
| 8. <b>Regional Food Hub Support/Value Added Grants.</b> The House concurred with the Governor in appropriating \$1.0 million GF/GP for grants to food hubs in the State, but did not include the extra \$1.1 million GF/GP on top of that which the Senate added, which also broadened the scope of the grant. Conference provided \$1,950,000 GF/GP | 1,950,000 |
| 9. <b>Milk Safety Inspections.</b> The House did not include additional GF/GP support, as the Senate did, for the Department's milk inspection program over the Governor's recommendation. Conference concurred with the Senate.   | 300,000   |
| 10. <b>Nursery Stock Inspections.</b> The House did not include additional GF/GP support, as the Senate did, for the Department's nursery inspection program over the Governor's recommendation. Conference concurred with the Senate.   | 70,000    |
| 11. <b>Private Forestry Initiative.</b> The House concurred with the Governor to appropriate \$500,000 GF/GP for a plan to provide forestry advice to private landowners and the Senate added another \$100,000 GF/GP to that amount. Conference concurred with the Senate.  | 600,000   |
| 12. <b>Light Horse Racing-Breeder's Awards.</b> The House provided an additional \$20,000 for this grant, which was provided by taking an equal amount from Agricultural Equine Industry Development Fund Revenue support for Information Technology. Conference concurred with the House.   | 20,000    |
| 13. <b>Antrim County Water Project.</b> The Senate, but not the House, added a \$100 GF/GP placeholder appropriation for this project, with funds shifted from Environmental Stewardship. Not included by Conference.  | 0         |
| 14. <b>Unclassified Positions.</b> Provides additional GF/GP funds to fully fund allotted number of positions. Added by Conference.  | 486,700   |
| 15. <b>FY 2012-13 One-Time Appropriations.</b> Included \$470,300 for lump sum employee payments, \$600,000 for a private forestry program, \$900,000 for rural development grants, and \$500,000 for new food safety for a total of \$2,470,300.  |           |

Total Changes ..... **\$375,300**

**FY 2012-13 Conference Report Ongoing/One-Time Gross Appropriation ..... \$76,953,300**

**Amount Over/(Under) GF/GP Target: \$0**

**Changes from FY 2011-12 Year-to-Date:**Conference Agreement on Items of Difference

1. **Civil Service.** The House included language which the Senate did not, which provides for billing of Department for commission services. Included by Conference. (Sec.204)
2. **Expenditure Website.** The House included language which the Senate did not, which requires that a searchable website be maintained by the Department on data pertaining to expenditures, personnel, wages, purchases, and vendors. Included by Conference. (Sec. 207)
3. **Information Technology User Fees.** The House included language which the Senate did not, which requires payment of user fees to the DTMB for tech services. Included by Conference. (Sec. 214)
4. **Out-of-State Travel Report.** The House included language which the Senate did not, which requires an out-of-state travel report. Included by Conference. (Sec. 218)
5. **State Consolidations.** The House included language which the Senate did not, which requires the MDARD to cooperate with DTMB on Statewide office consolidation efforts. Included by Conference. (Sec. 219)
6. **Outcomes.** The House included language which the Senate did not, which requires MDARD to identify 10 principal measurable outcomes from Sec. 1 and to report the results to the legislature. Included by Conference. (Sec. 231)
7. **Attorney General.** The Senate included language which the House did not, which requires MDARD to only utilize the attorney general for legal services. Included by Conference. (Sec. 230)
8. **Bovine Testing Costs.** The Senate included language which the House did not, which requires the MDARD to reimburse the DNR for costs associated with monitoring and testing wildlife. Not included by Conference. (Sec. 450)
9. **Modified Zone Bovine Testing Costs.** The Senate included language which the House did not, which requires the MDARD to pay for all herd testing in the modified accredited zone. Included by Conference. (Sec. 451)
10. **Indemnity Payments.** The Senate included language which the House did not, which provides for indemnity for animals under the Animal Industry Act. Conference included, changing payment responsibilities from the DNR to the DARD. (Sec. 453)
11. **Disposal of Hazardous Materials.** The House included language which the Senate did not, which encourages MDARD to work with public health departments and the USDA for safe disposal of household chemicals and prescription drugs. Included by Conference. (Sec. 552)
12. **Match Funds.** The House included language which the Senate did not, which requires MDARD to pursue fund sources to be used to match Federal dollars in the USDA Environmental Quality Incentives Program. Included by Conference. (Sec. 606)
13. **Lake St. Clair.** The House included language which the Senate did not, which requires MDARD to work to address water quality issues affecting Lake St. Clair. Included by Conference. (Sec. 608)
14. **Welcome Centers.** The House included language which the Senate did not, which requires MDARD to work with MDOT to facilitate the use of welcome centers for farmer's markets. Not included by Conference. (Sec. 710)
15. **Thoroughbred Racing Funds.** The House included language which the Senate did not, which provides for distribution of purse and program money in the event no races are held. Included by Conference. (Sec. 803)
16. **Racing Regulatory Costs.** The House included language which the Senate did not, which requires the Gaming Board to use actual expenditure data in determining regulatory costs of racing. Included by Conference. (Sec. 804)
17. **County Fair Grants.** The House included language which the Senate did not, which provides guidelines for a grant program for building and track improvements at county fairs. Not included by Conference. (Sec. 805)
18. **Regional Food Hub/Rural Development Value Added Grants.** The House included guidelines for food hub grants and the Senate version of this section expanded the guideline language to address rural development value-added projects. Conference included Senate version. (Sec. 1101)
19. **County Fairs Capital Improvements.** The Senate included language which the House did not, which provides guidelines for capital improvement grant program. Included by Conference as Sec. 805. (Sec. 1102)
20. **Private Forestry Program.** The Senate included language which the House did not, which provides guidelines for a private forestland advisory program. Included by Conference. (Sec. 1103)



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**FY 2011-12 Year-to-Date Gross Appropriation ..... \$14,675,817,000**

**Changes from FY 2011-12 Year-to-Date:**

Items Included by the Senate and House

- |   |               |
|---|---------------|
| 1. <b>Increase in Base FMAP Rate.</b> The base Medicaid FMAP rate will increase from 66.14% in FY 2011-12 to 66.39% in FY 2012-13, leading to a savings of \$25.7 million GF/GP.  | 0             |
| 2. <b>Actuarial Soundness Adjustments.</b> Conference reflected agreed-upon actuarial soundness adjustments for physical and mental health managed care entities, at a cost of \$25.3 million GF/GP.                      | 75,148,000    |
| 3. <b>Expiration of Managed Care Use Tax.</b> The Managed Care Use Tax expired April 1, 2012, so the funding necessary to reimburse such entities for Use Tax costs was removed, with a GF/GP savings of \$167.3 million. | (201,057,300) |
| 4. <b>Medicaid Primary Care Rates.</b> Conference reflected the Federal requirement that states reimburse Medicaid primary care providers at Medicare rates in 2013 and 2014.   | 281,800,000   |
| 5. <b>Economic Adjustments.</b> Includes net of \$4,328,800 for OPEB.   | 18,595,400    |
| 6. <b>Other Changes.</b> Other changes, including adjustments to available Federal funds, led to a slight increase in spending.   | 5,762,200     |

Conference Agreement on Items of Difference

- |   |              |
|---|--------------|
| 7. <b>Medicaid Base.</b> Conference reflected the consensus Medicaid expenditure consensus, with a small GF/GP savings of \$7.8 million.  | 8,711,600    |
| 8. <b>Savings Initiatives.</b> Conference assumed savings from various Executive Initiatives, but rejected assumed savings from adding behavioral health drugs to the preferred drug list and expanding estate recovery efforts.  | (15,866,900) |
| 9. <b>Program Enhancements.</b> Conference included increases for Healthy Michigan Fund programs, Healthy Kids Dental, rural and sole community hospital funding, lead abatement, graduate medical education, aging services, and the Home- and Community Based Waiver. Conference restored funding for Medicaid chiropractic and vision, covered autism services, and increased Medicaid obstetrical payment rates by 20%. | 191,186,000  |
| 10. <b>FY 2012-13 One-Time Appropriations.</b> Conference removed \$52.9 million in one-time appropriated from FY 2011-12 and included \$46,924,500 Gross and \$15,346,000 GF/GP in new one-time funding, including information technology, special populations, island clinics, and lump sum payments.   | (6,038,300)  |

Total Changes .....	<b>\$358,240,700</b>
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**FY 2012-13 Conference Report Ongoing/One-Time Gross Appropriation ..... \$15,034,057,700**

**Amount Over/(Under) GF/GP Target: \$0**

**Changes from FY 2011-12 Year-to-Date:**Items Included by the Senate and House

1. **Community Mental Health (CMH) and Substance Abuse Coordinating Agency (CA) Reporting.** The Conference retained long-standing language requiring CMHs and CAs to report data to the Department and the Legislature (Secs. 404 and 408).

Conference Agreement on Items of Difference

2. **Smoking Ban Exception.** The Conference did not include Senate language that would bar the Department from using money to enforce the public smoking ban for certain charitable organizations.
3. **Use of e-Verify System.** The Conference did not include House language that would have required the Department to use the e-Verify system to verify the immigration status of all Department, contractor, and subcontractor employees.
4. **CMH Contractual Requirements.** The Conference retained long-standing language on CMH contracts (Secs. 401 and 402).
5. **CMH Funding Formula.** The Conference did not include new Senate language directing that the new CMH funding formula continue to be implemented, with a 2% cap on increases or reductions to any individual CMH.
6. **Evaluation of Substance Use Disorder Programs.** The Conference included a revised version of House language requiring the Department to assess the effectiveness of heroin and other opiate treatment programs (Sec. 498).
7. **Michigan Essential Health Provider Program.** Conference included Senate language directing that additional funding for the program be used to reduce the Local and Private share of loan repayment costs for obstetricians and gynecologists working in underserved areas (Sec. 709(2)).
8. **Reporting on Maternal and Pregnancy Services.** Conference included revised Senate language requiring reporting of actual or estimated expenditures on family planning, sexually transmitted diseases, pregnancies, and births by marital status. Reporting of data by individuals to the Department would be voluntary (Sec. 1103).
9. **Pharmacy Dispensing Fee.** The Conference retained long-standing language setting the Medicaid pharmacy dispensing fee (Sec. 1620).
10. **Medicaid Emergency Room and Physician Services Copayments.** The Conference retained current year language and did not include House language that would have eliminated physician office visit copayments and doubled emergency department visit copayments (Sec. 1631).
11. **MiChild Benefits.** The Conference included House language directing that the MiChild program provide all benefits available under the State employee insurance plan (Sec. 1677).
12. **Graduate Medical Education (GME) Reimbursement.** The Conference included new language directing the Department to do research on the effectiveness of GME funding and report the results to the Legislature (Sec. 1846).
13. **Autism Coverage.** The Conference included language reflecting the dollar decision to provide Medicaid and MiChild coverage for autism related services for children through the age of 18 (Secs. 1670(10) and 1858).
14. **Nursing Facility Reimbursement.** The Conference included language authorizing the Department to receive reports from nursing facility trade organizations on proposed changes to nursing facility reimbursement (Sec. 1860).

Date Completed: 5-31-12

Fiscal Analyst: Steve Angelotti



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**FY 2011-12 Year-to-Date Gross Appropriation ..... \$2,014,499,400**

**Changes from FY 2011-12 Year-to-Date:**

Items Included by the Senate and House

- 1. **Full Year on FY 2011-12 Contingency Plans.** Governor included \$32.5 million in savings associated with the Mound Facility closure, \$10.0 million in savings by eliminating 115 vacant field operations positions, and \$11.1 million in savings from competitive bidding of health care, mental health, and the Woodland Facility; Senate and House concurred. (55,280,400)
- 2. **FY 2011-12 Unrealized Savings from Cost Effective Housing Initiative (CEHI).** FY 2011-12 CEHI called for \$31.3 million in savings, yet only \$20.9 million was achieved, resulting in a net increase. Savings resulted from reducing alert response vehicles and other facility administration changes. This item also accounts for six non-CEHI adjustments, which cause a net increase of \$500,000. 10,926,500
- 3. **Anticipated Increases.** Neal, et al. settlement payment increased from \$15.0 million to \$20.0 million, \$3.5 million was added to allow for training of 210 additional corrections officers to replace retirees, \$5.4 million was added to adjust for facilities that had added additional beds, and \$2.4 million was added to support IT systems. 16,377,000
- 4. **Technical Adjustments and Transfers.** Governor transferred \$1.0 million for swift-and-sure sanctions to Judiciary and \$250,000 for Legislative Ombudsman to the Legislature. Parole/probation fee shortfall was offset using \$0 Gross (but \$800,000 GF/GP), and \$500,000 was included to pay local agencies to temporarily hold parole violators. State restricted and Federal funding was adjusted down by a net of \$5.2 million. Restored \$3.8 million for prison storekeepers and \$175,000 to unclassified. (1,975,800)
- 5. **Public Safety Initiative - Cities in Distress.** Governor proposed additional public safety funding for projects such as providing additional jail space in in high crime areas of need. Conference concurred with Governor and added an additional \$250,000. 4,750,000
- 6. **Economic Adjustments.** Included \$121,618,700 for OPEB, a negative \$84,204,900 for economics and \$13,225,900 for one-time lump sum payments (1% union, 2% nonunion). 50,639,700
- 7. **One-Time: Technology.** Purchases five digital x-ray machines and file digitization software. 1,129,500

Conference Agreement on Items of Difference

- 8. **Align Items with Current Year Spending.** Conference reduced several items in which current year has had unspent funds: \$2.0 million from County Jail Reimbursement, \$1.4 million from Prisoner Re-Entry, \$2.9 million from clinical complexes, and \$9.0 million in restrict revenue from Public Works. (15,318,800)
- 9. **Staffing Efficiencies and Contract Savings.** Conference cut \$80,400 from each individual facility line item, and recognized efficiencies at Marquette, Newberry, Alger, and Southern Regional Office; other state-wide efficiencies were recognized due to contract savings and perimeter vehicles. Initiative to use retired officers on a part-time basis is planned to reduce overtime and save \$10.0 million. (25,051,200)
- 10. **Other Savings Initiatives.** Various items such and electronic law libraries and linens. (3,250,000)
- 11. **Special Equipment Fund (SEF).** Governor proposed spending \$19.2 million out of the SEF for various items. Conference rejected \$13.9 million in capital outlay projects, but accepted the remaining \$5.3 million for items such as TASERS and cell phone jammers. 5,300,000
- 12. **Position Reclassification.** Resident Unit Officers converting to Corrections Officers, Assistant Resident Unit Supervisor converting to Prison Counselors, and Field Service Agents converting to Parole Supervision Assistants, all resulting in savings and aligning chain-of-command. (12,630,000)
- 13. **Detroit Re-Entry Center.** Repurposing Ryan Correctional Facility, closing Tuscola Parole Violator Facility, and Reopening Muskegon Correctional Facility to meet bed space needs. 10,800,000

Total Changes ..... (\$13,583,500)

**FY 2012-13 Conference Report Ongoing/One-Time Gross Appropriation..... \$2,000,915,900**

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**Amount Over/(Under) GF/GP Target: \$0**



**Changes from FY 2011-12 Year-to-Date:**Items Included by the Senate and House

1. **Employee Cost-Saving Suggestion Bonus.** Senate and House revised language for the employee cost-savings suggestions program to allow for a \$1,000 one-time bonus payment to an employee who suggests something that saves at least \$10,000. Conference dropped the revision and retained current year language due to feasibility concerns. (Sec. 304)

Conference Agreement on Items of Difference

2. **Deletions.** Conference agreed to delete the following sections: 213, 218, 221(2), 225, 235, 240, 301(2), 302, 404(2), 409, 416(all except subsection 4), 418(2&4), 426, 434, 602, 609, 801, 803, 805, 806(2&3), 808, 810, 813, 902, 903, 904, 920, 922, 927, 928, 932, 938.
3. **Intent to Use Third-Party Software.** House removed intent language instructing the Department to consider third-party software instead of Department of Technology, Management, and Budget software; Conference concurred. (Sec. 214)
4. **Out-of-State Travel.** House eliminated the restriction and instead required only a report. Senate retained current law; Conference adopted House version. (Sec. 216)
5. **Office Space Consolidation.** House states intent that MDOC participate in statewide reduction being implemented by Department of Technology, Management, and Budget. Senate did not include; Conference included. (Sec. 217)
6. **MPRI Reporting.** Senate bill reduces requirement for an amended report from each reallocation to quarterly; House dropped the amended report requirement entirely. Conference included Senate version. (Sec. 402)
7. **Parole Eligible Lifer Report.** Conference revised language to require report to list the reason for denial of parole for "each individual" inmate who had "high probability of release" but was denied. (Sec. 615)
8. **Mental Health Drugs.** Conference revised language to change "be provided with" to "have access to" in referring to the Department ensuring that parolees with mental illness are able to continue their medication regimen. (Sec. 807)
9. **Evaluation of Mentally Ill Prisoners.** Senate amendment adds the words "at least" to the following clause: "a [mentally ill] prisoner in therapeutic seclusion shall be evaluated *at least* every 12 hours by a mental health professional in order to remain in seclusion." House concurred with Governor's recommendation, which states "at a frequency defined in the mental health code." Conference version contains both requirements. (Sec. 924)
10. **Facility Evaluation and Economic Impact.** House adds language calling for evaluation of facilities for cost-effectiveness. If the evaluation shows a facility should be closed, the Department is tasked with encouraging private sector investment in that community. Senate did not include; Conference included. (Sec. 935)
11. **Competitive Bidding and Report.** Senate amends section to instruct Department to release requests for proposal for prison stores, food service, and 1,750 custody beds, in addition to the special alternative incarceration facility. Also requires a quarterly report on the status of competitive bids. Conference includes Senate revisions. (Sec. 939)
12. **Special Equipment Fund (SEF).** Senate added post-closure security and demolition to the list of acceptable SEF uses. House made uses of fund more restrictive by striking "including by not limited to" language; SEF would be exclusively for protection devices and contraband detection tools. In Sec. 219, House also added a reporting requirement that the Senate did not include. Conference utilized the House version. (Sec. 1001)
13. **Capital Outlay.** Consistent with the funding decision to remove Capital Outlay projects funded out of the Special Equipment Fund, the associated boilerplate sections were also removed. (Secs. 1003 and 1005)
14. **Information for Families of Prisoners.** Senate language requires the Department to produce and make available on their website a packet of information for families of prisoners on topics such as how to make phone calls and how to put money in prisoner accounts. House did not include; Conference included. (Sec. 1009)
15. **Religious Television Programming Donation.** Senate language instructs the Department to accept in-kind donations of services and equipment to provide for additional religious television programming; must be at no additional cost to the State; House did not include; Conference included. (Sec. 1011)

Date Completed: 5-31-12

Fiscal Analyst: Dan O'Connor



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**FY 2011-12 Year-to-Date Gross Appropriation ..... \$323,598,800**

**Changes from FY 2011-12 Year-to-Date:**

Items Included by the Senate and House

- 1. **Center for Educational Performance and Information (CEPI) Federal Funds Shift.** \$1,849,000 shift of CEPI Federal funding from the K-12 budget to the Dept. of Education to help with low-performing districts. 1,849,000
- 2. **Michigan eLibrary Database (MeL).** \$800,000 GF/GP increase for the MeL for the purchase of business research databases for small businesses and entrepreneurs. This is a proposed 84% increase to the MeL funding. 800,000
- 3. **State Aid Management System.** \$125,000 GF/GP and 1.0 FTE in the Dept. of Technology, Management, and Budget (DTMB) to support the new State Aid Management System. 125,000
- 4. **Childcare Caseload.** \$3.0 million GF/GP reduction for projected child development care public assistance caseload decrease. (3,000,000)
- 5. **Economic Adjustments.** \$7,159,200 for OPEB and a negative \$444,900 for other economic adjustments. 6,714,300
- 6. **Other Changes.** \$2,349,000 reduction for Schools for the Deaf and Blind property sale; \$89,000 reduction for Early Childhood Investment Corporation (ECIC) private foundation expiration; and \$655,300 reduction as a result of econ. adjustments for child development IDG with DHS. (3,093,300)

Conference Agreement on Items of Difference

- 7. **Early Childhood Programs.** Conference included \$655,300 increase in Federal funds and \$172,400 GF/GP for Office of Great Start operations / ECIC. Also included is a \$310,000 increase (\$250,000 private funds and \$60,000 GF/GP) for early childhood report outlined in Sec. 1002. 1,137,700
- 8. **Support for Additional Public School Academies (PSAs).** Conference included \$250,000 GF/GP & 2.0 FTE increase for the Office of Education Improvement & Innovation for support for additional PSAs. 250,000
- 9. **State Aid and School Finance Operations.** Conference included \$250,000 GF/GP and 2.0 FTE increase to the Office of State Aid and School Finance to assist with deficit districts. 250,000
- 10. **State Aid to Libraries.** Conference included \$762,300 increase in State aid to libraries (\$291,600 GF/GP increase from House recommendation). 762,300
- 11. **Persistently Low Achieving (PLA) Schools Support.** Conference included \$885,000 GF/GP and 1.0 FTE increase for assistance for new PLA schools, providing support similar to that received by federally supported School Improvement Grant schools. 885,000
- 12. **Performance Funding Administration.** Conference included \$125,000 and 1.0 FTE to help analyze district performance on the MEAP and MME. 125,000
- 13. **Technology Infrastructure Improvement Grants.** Conference included \$125,000 GF/GP for staff support to the Office of Grants Coordination and School Support Services to help administer new technology improvement grants. 125,000
- 14. **College Access Network Grant.** Conference included \$2.0 million for the Michigan College Access Network (MCAN) to replace \$4.3 million in expiring Federal funds. (2,293,200)
- 15. **FY 2012-13 One-Time Appropriations.** \$624,300 Gross, \$114,100 GF/GP for one-time lump sum payments for State employees. Also included was \$50,000 GF/GP for Central Michigan's central assessment lending library. 674,300

Total Changes ..... **\$5,311,100**

**FY 2012-13 Conference Report Ongoing/One-Time Gross Appropriation ..... \$328,909,900**

**Amount Over/(Under) GF/GP Target: \$0**

**Changes from FY 2011-12 Year to Date:**Items Included by the Senate and House

1. **Schools for the Deaf and Blind.** Allows for the rental or leasing of excess property at the Michigan Schools for the Deaf and Blind campus. Both Senate and House deleted. Section is no longer relevant as a result of the Flint campus sale. (Sec. 404)
2. **One-Time Basis Only.** Designates \$624,300 Gross (\$114,100 GF/GP) as one-time State employee lump sum payments. New section proposed by Governor. Both Senate and House deleted and include as line-item. (Sec. 6-801)
3. **College Access Grant Program.** Allows the funds appropriated in Part 1 for the College Access Grant Program to be set aside as a work project, and identifies the purpose as training community leaders to assist low-income students in attaining Federal loans or other student aid. Both Senate and House deleted. (Sec. 902)

Conference Agreement on Items of Difference

4. **Out-of-State Travel.** Restricts out-of-state travel by Dept. of Education employees, except in specified circumstances, and requiring the Department to prepare a travel report listing the travel by Department employees in the preceding fiscal year. Conference included language making explicit that the annual travel report by the Department is required to include travel outside the State for professional development conferences and training seminars. (Sec. 214)
5. **Economically Distressed Communities.** Encourages the Department to contract with businesses located in economically distressed communities. Conference deleted. (Sec. 217)
6. **Data Requests.** Requires the Department to provide data requested by a member of the Legislature, his or her staff, or the House and Senate Fiscal Agencies in a timely manner. Conference modified to include reports required by statute, in addition to data requests. Conference also modified to require 1% of the Superintendent/State Board office's appropriation of State funds withheld if that office fails to provide data within 30 days. (Sec. 220)
7. **Office Space Consolidation Plan.** Conference included a new section with legislative intent language that all principal executive departments and agencies cooperate with the development and implementation of the DMTB's office space consolidation plan. (Sec. 228)
8. **Charter School Office.** Directs funds and FTEs within the Office of Education Improvement and Innovation to operate a Public School Academy Unit. Conference modified section to reflect the allocated \$600,000 and 5.5 FTEs. (Sec. 601)
9. **Collaboration with CEPI.** Requires Department to work in collaboration with the CEPI to support the comprehensive educational information system and all data collection efforts of the Department. Conference deleted. (Sec. 701)
10. **Library and its Components Kept Together.** Expresses legislative intent that the Library of Michigan and its component programs be kept together in a State department. Conference included section with an exception for the genealogical collections. This allows for the upcoming move of the Family Heritage Collections from the Library of Michigan to the Archives of Michigan. (Sec. 803)
11. **Genealogy Collections.** Requires the Library to maintain the non-Michigan genealogy and Michigan-specific collections, and make those collections available to the public. Conference deleted to allow for the upcoming move of the Family Heritage Collections from the Library of Michigan to the Archives of Michigan. (Sec. 804)
12. **Child Care Providers Report.** Conference included new section requiring a report on the number of childcare providers by type receiving payment for childcare services on October 1, 2012. This was language previously included in the DHS budget prior to the Office of Great Start transfer to the Department of Education. (Sec. 1001)
13. **Early Childhood Report.** Conference included new section requiring the Office of Great Start to prepare a comprehensive State plan for early childhood learning and development. Included in this report is the identification of areas in which administrative duplication exists in early childhood programs in the State, and how to eliminate that duplication. (Sec. 1002)
14. **Early Childhood Investment Corporation Report.** Conference included new section requiring the Department to provide an annual report on the activities of the ECIC, including information about the various grants awarded each year. This was language previously included in the DHS budget prior to the Office of Great Start transfer to the Dept. of Education. The section also modifies previous language to require 1% of ECIC funding to be withheld for each month or partial month the report is late.

Date Completed: 5-31-12

Fiscal Analyst: Cameron S. Mock



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**FY 2011-12 Year-to-Date Gross Appropriation ..... \$429,012,100**

**Changes from FY 2011-12 Year-to-Date:**

Items Included by the Senate and House

- |  |              |
|--|--------------|
| 1. <b>LUST Cleanups.</b> The Governor, House and Senate included additional funding from the Refined Petroleum Fund for the cleanup of leaking underground storage tanks (LUSTs).  | 10,000,000   |
| 2. <b>MiWaters IT Project.</b> The Governor, House and Senate included restricted funding to add the NPDES Maintenance system to the rewrite of the Coastal Inland Waters Permit Information System rewrite. The combined system would be called MiWaters, and would serve residents seeking permits under either system.  | 2,000,000    |
| 3. <b>Drinking Water Revolving Loan Program.</b> The Governor, House and Senate included \$2.5 million in ongoing funding to be used as State match for available Federal grant money. The funds would be used for loans to municipalities for upgrades to their drinking water systems.   | 2,500,000    |
| 4. <b>State Revolving Fund Staffing.</b> The Governor, House and Senate included 5.0 FTEs and funding for the recommendations of the Water Pollution Control Revolving Fund Advisory Committee.  | 725,000      |
| 5. <b>Nonferrous Metallic Mining Program.</b> The Governor, House and Senate restored funding to this program, as it was removed in the FY 2011-12 budget by mistake.  | 100,000      |
| 6. <b>Great Lakes Compact Council.</b> The Governor, House and Senate included \$50,000 in GF/GP to fund Michigan's share of the costs of the Great Lakes Compact Council.   | 50,000       |
| 7. <b>Economic Adjustments.</b> Includes \$22,074,100 for OPEB and a negative \$11,623,600 for other economic adjustments.   | 10,450,500   |
| 8. <b>Other Changes.</b> The Governor, House and Senate made other changes including a reduction in excess restricted fund appropriations, a removal of one-time funding from the FY 2011-12 budget and supplemental appropriations, the removal of 1.0 FTE and related funding for the FY 2011-12 employee concession contingency plan, and a technical adjustment related to available funding for the wetlands program. | (28,962,500) |

Conference Agreement on Items of Difference

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|--|-----------|
| 9. <b>Water Withdrawal Assessment Program.</b> The Governor recommended a fee increase expected to raise \$648,300. The Conference did not include anticipated revenue from a fee increase, but did include an additional \$350,000 GF/GP for the program. | (194,400) |
| 10. <b>GF/GP Reduction.</b> The House included a \$333,000 GF/GP reduction to a number of programs. The Conference did not include this reduction.   | 0         |
| 11. <b>Unclassified Employees Increase.</b> The Conference included additional funding for DEQ unclassified employees.   | 200,000   |
| 12. <b>FY 2012-13 One-Time Appropriations.</b> The Conference included \$1,549,200 in State employee lump-sum payments, \$2.5 million in Drinking Water Revolving Fund State match, and \$1.5 million to fund the wetlands regulation program.             | 5,549,200 |

**Total Changes ..... \$2,417,800**

**FY 2012-13 Conference Report Ongoing/One-Time Gross Appropriation ..... \$431,429,900**

**Amount Over/(Under) GF/GP Target: \$0**

**Changes from FY 2011-12 Year-to-Date:**Items Included by the Senate and House

1. **RPF Cleanup Sites.** The House and Senate included language listing the sites that Refined Petroleum Fund revenue would be used for in the bill. (Sec. 306)
2. **FTE Reports.** The House and Senate included two reports on FTEs funded by the Department. (Secs. 223 and 224)

Conference Agreement on Items of Difference

3. **Civil Service Payments.** The Conference retained a section requiring the DEQ to make 1% payments for civil service charges. (Sec. 204)
4. **Information Technology Work Projects.** The Conference retained a section designating appropriations for IT projects as work projects. (Sec. 206)
5. **Information Technology User Fees.** The Conference retained a section requiring the DEQ to pay user fees to the Department of Technology, Management, and Budget (DTMB) for IT services. (Sec. 208)
6. **Out-of-State Travel Report.** The House added a new section requiring the DEQ to produce a report on all out-of-state travel. The Conference retained it. (Sec. 209)
7. **Office Consolidation Plan.** The House added a new section requiring the DEQ to work with DTMB on a statewide office consolidation plan. The Conference retained it. (Sec. 218)
8. **Expenditure Website.** The Conference retained a section requiring the DEQ to post all of its expenditures on a searchable website. (Sec. 225)
9. **Expedited Permit Program.** The House and Senate retained a section requiring a report on the expedited permit program; however the House modified the reporting requirements to include implementation actions and program changes rather than a list of potential programs to be included in the program. The Conference used the House language. (Sec. 229)
10. **Clean Michigan Initiative Earmark.** The House added a new section requiring \$300,000 from CMI – Response Activities Revenue be spent on an engineering study for the Wickes Manufacturing TCE plume site. The Conference retained it. (Sec. 307)
11. **Brownfield Grants and Loans Work Project Status.** The Conference retained a section designating Brownfield grants and loans as work projects. (Sec. 309)
12. **Aquatic Nuisance Control Program.** The House and Senate retained a section allocating resources to the Aquatic Nuisance Control Program. The Senate modified the section to allocate \$700,000 and 5.0 FTEs for the program. The Conference included the Senate's language. (Sec. 401)
13. **Groundwater Dispute Resolution Program.** The Conference retained a section requiring the DEQ to conduct a groundwater dispute resolution program. (Sec. 402)
14. **Water Withdrawal Assessment Program Funding.** The Senate added a new section requiring the DEQ to work with a statewide agricultural industry group on a long-term funding solution for this program. The Conference did not include this section. (Sec. 404 of SB 953)
15. **Department Metrics.** The House added a new report on ten metrics chosen by the DEQ. The Conference retained it. (Sec. 230)
16. **Clean Sweep Program.** The House added a new section requiring the DEQ to work with other State and Federal agencies to maintain and expand the Clean Sweep program for the disposal of hazardous household chemicals and prescription drugs. The Conference retained it. (Sec. 602)

Date Completed: 5-31-12

Fiscal Analyst: Josh Sefton



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	<u>Gross</u>	<u>GF/GP</u>
<b>FY 2012-13 Governor's Revised Recommendation .....</b>	\$4,226,272,700	\$938,748,000
<b>FY 2012-13 Senate-Passed Recommendation.....</b>	\$4,236,501,900	\$938,678,400
Change from Revised Governor.....	\$10,229,200	(\$69,600)
Percentage Change from Revised Governor .....	0.2%	(0.0)%
<b>FY 2012-13 House-Passed Recommendation.....</b>	\$4,200,278,800	\$888,754,100
Change from Revised Governor.....	(\$25,993,900)	(\$49,993,900)
Percentage Change from Revised Governor .....	(0.6)%	(5.3)%
<b>FY 2012-13 Conference Recommendation.....</b>		
Change from Revised Governor.....	\$4,309,363,700	\$990,978,300
Percentage Change from Revised Governor .....	\$84,091,000	\$52,230,300
	2.0%	5.6%

**See Individual Highlight Sheet for Department Detail**

Throughout this document:

- "FTE" means Full Time Equivalent
- "GF/GP" means General Fund/General Purpose
- "OPEB" means Other Post-Employment Benefits

**Changes from FY 2011-12 Year to Date:**Items Included by the Senate and House

1. **Relocated Sections.** Governor moved the schedule of payments to locals by department and list of definitions to sections in the articles for the individual departments. Senate and House retained the current bill structure.

Conference Agreement on Items of Difference

2. **Deleted General Sections.** Governor deleted the following general sections: information technology (IT) work project authorization (Sec. 207), purchasing requirements regarding consideration for buying from American, Michigan, and veteran-owned firms (Sec. 209), purchasing requirement regarding deprived and depressed areas (Sec. 210); retention of reports by departments (Sec. 212), prohibit casino ownership (Sec. 213), Department of Technology, Management, and Budget (DTMB) user fees (Sec. 214), prohibit employee discipline for speaking with a legislator or legislative staff (Sec. 215), limitations on out-of-State travel (Sec. 216), prohibit use of General Fund money when Federal funds are available (Sec. 217), prohibition on using appropriations to administer a committee or obtain contributions for a committee as defined in the Michigan Campaign Finance Act, MCL 169.203 (sec. 220), policy change report (Sec. 221), and require departments to follow-up on savings proposals from the Legislative Auditor General (Sec. 229). The Senate retained all except IT work projects (Sec. 207), DTMB user fees (Sec. 214), and language regarding rules that impact small business which has been replaced by statute. (Sec. 221(2) and (3)) House retained all sections. Conference also retained IT work projects language. (Sec. 207)
3. **Appropriation to the Budget Stabilization Fund.** Governor recommended an appropriation from the General Fund to the Countercyclical Budget and Economic Stabilization Fund of \$130,000,000. The section reports the statutory calculation to determine the amount of any required payment to the Fund. According to this calculation, no pay-in is required in FY 2012-13. Senate and House concurred. Conference increased to \$140,000,000. (Sec. 20-207/Sec. 211)
4. **Lapse Report.** Governor recommended that report of lapse estimates be submitted by Nov. 30 instead of Nov. 15, and that the report be prepared by the State Budget Office instead of individual departments and agencies. Senate concurred; House retained the current language. Conference concurred with House. (Sec. 20-204/Sec. 228)
5. **Transparency Reporting.** Governor changed the language on internet expenditure and vendor reporting for the public to require that it be maintained by the DTMB, instead of giving departments and agencies the option to do this separately. Senate concurred. House maintained current language. Conference concurred with Senate and added quarterly updates. (Sec. 206)
6. **Customer Service.** House added language to require departments to work together to implement and maintain courteous and efficient customer service to all customers including the public and all the branches of government. Conference did not include. (Sec. 230)
7. **Spending Limits on Positions and Quarterly Reports.** House added legislative intent language that departments should not spend funding associated with vacant full-time equated (FTE) positions until the position is occupied. House also required quarterly reports on FTE positions by position title, compensation, and filled and unfilled positions, both full-time and part-time. Conference included an intent statement that FTE positions not be used as placeholders for other spending. FTE reporting was reduced to an annual report due February 1. (Sec. 231)
8. **Outcomes Identification and Reporting.** House added language that requires each department and agency to identify ten principal outcomes (five for Civil Rights, Attorney General, Lottery, and Gaming Control Board) affected by the appropriations, rank those indicators, and submit a report by October 31, 2012 that includes the outcomes and current date related to those outcomes. Requires the reports be updated biannually beginning April 1, 2013 on those outcomes and efforts to improve them. Conference concurred with House. (Sec. 232)
9. **FY 2013-14.** Senate included intent language that states the FY 2013-14 appropriations are expected to be the same as the FY 2012-13 appropriations adjusted for caseload, Federal funds, economic factors, and available revenue. House language notes that FY 2013-14 appropriations would exclude one-time appropriations. House included a schedule of anticipated incremental budget adjustments in FY 2013-14. Conference concurred with Senate. (Sec. 1201)



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**FY 2011-12 Year-to-Date Gross Appropriation ..... \$74,590,900**

**Changes from FY 2011-12 Year-to-Date:**

Items Included by the Senate and House

- |   |             |
|---|-------------|
| 1. <b>Implement Contingency Plan Savings.</b> Governor continued the savings from the FY 2011-12 contingency plan reductions, eliminating 12.0 FTE positions. Senate and House concurred.                                     | (1,298,000) |
| 2. <b>Tobacco Tax Enforcement.</b> Governor recommended \$500,000 GF/GP and 5.0 FTE positions for the cost of enhanced tobacco tax enforcement in conjunction with the State Police and Treasury. Senate and House concurred. | 500,000     |
| 3. <b>Gaming Attorney.</b> Governor added State restricted funds for an attorney position to support illegal gambling enforcement for the Michigan Gaming Control Board. Senate and House concurred.                          | 164,800     |
| 4. <b>State Employee Lump-Sum Payments.</b> Governor added \$1,025,900 for one-time payments that are required by contract. Senate and House concurred.   | 1,025,900   |
| 5. <b>Economic Adjustments.</b> Includes \$10,073,100 for OPEB and savings of \$1,259,500 for other economic adjustments. Senate and House concurred.   | 8,813,600   |
| 6. <b>Other Changes.</b> Governor recommended removing \$250,000 in one-time funding for redistricting lawsuit and a transfer of \$88,400 from the operations line to the unclassified line. Senate and House concurred.      | (338,400)   |

Conference Agreement on Items of Difference

- |  |         |
|--|---------|
| 7. <b>Public Safety Initiative.</b> Governor recommended \$900,000 GF/GP to contract for special attorneys general to assist in reducing the backlog of outstanding warrants in distressed cities. Senate concurred. House reduced by \$9,200. Conference concurred with Senate. | 900,000 |
| 8. <b>Information Technology (IT).</b> Governor increased the IT line by \$500,000 GF/GP. Excess IT costs have been supported from the operations line. Senate concurred. House reduced by \$14,000. Conference concurred with Senate.   | 500,000 |
| 9. <b>Operations Reductions.</b> House reduced the operations line by \$287,400. Conference did not include.   | 0       |
| 10. <b>Other Administrative Reductions.</b> House reduced Child Support Enforcement by \$8,400 and the Prosecuting Attorneys Coordinating Council by \$14,000. Conference did not include.   | 0       |
| 11. <b>Unclassified Salaries.</b> Governor increased unclassified salaries by \$88,400 GF/GP. Senate and House concurred. Conference added \$135,300 to increase the line from \$476,300 in FY 2011-12 to \$700,000 in FY 2012-13.   | 223,700 |

Total Changes ..... \$10,491,600

**FY 2012-13 Conference Report Ongoing/One-Time Gross Appropriation ..... \$85,082,500**

**Amount Over/(Under) GF/GP Target: \$0**



**Changes from FY 2011-12 Year-to-Date:**Items Included by the Senate and House

1. **One-Time Basis Appropriations.** Governor added boilerplate for a one-time appropriation for State Employee Lump Sum Payments which total \$1,025,900, including \$393,300 GF/GP. Senate and House added an appropriation unit for one-time items in Part 1.

Conference Agreement on Items of Difference

2. **Appropriation of Foreclosure Lawsuit Proceeds.** House added language to require that all proceeds from a lawsuit or settlement related to mortgage foreclosure fraud are state funds and are subject to appropriation. Conference did not include. (Sec. 313)
3. **Report on Proceeds of Lawsuits.** House added language that states that proceeds of lawsuits are State funds subject to appropriation. The language would require a report by November 1 of all proceeds from lawsuits and settlement agreements obtained by the Attorney General and how the funding was or will be spent. Conference did not include. (Sec. 314)
4. **Report on Impact of Prohibition on Actions Against Drug Manufacturers.** House required a report by April 1 of the funds that could be recovered by the Attorney General but for the prohibition on actions against a drug manufacturer in MCL 600.2946. Conference did not include. (Sec. 315)

Date Completed: 5-31-12

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**FY 2011-12 Year-to-Date Gross Appropriation ..... \$13,730,200**

**Changes from FY 2011-12 Year-to-Date:**

Items Included by the Senate and House

- 1. **Contingency Plan Reductions.** Governor recommended continuing FY 2011-12 contingency plan reductions. This would decrease operations funding by \$260,900 and eliminate 4.0 full-time equivalent (FTE) positions. Senate and House concurred. (260,900)
- 2. **Investigations.** Governor increased funding for civil rights complaint investigations by \$287,800, with a combination of additional Federal funding and \$115,000 GF/GP. Senate and House concurred. 287,800
- 3. **Commission on Disability Concerns Fund Shift.** Governor removed \$667,400 in uncollectible Federal funds and 2.0 FTEs from the budget and added \$120,000 GF/GP. Senate and House concurred. (547,400)
- 4. **State Employee Lump-Sum Payments.** Governor added \$128,900 for one-time payments that are required by contract. Senate and House concurred. 128,900
- 5. **Economic Adjustments.** Includes \$1,578,400 for OPEB and savings of \$684,400 for other economic adjustments. Senate and House concurred. 894,000

Conference Agreement on Items of Difference

- 6. **Asian Pacific American Affairs Commission.** Governor recommended first-time State funding of \$100,000 GF/GP and 1.0 FTE to support this existing commission. Senate concurred. House funded at \$99,000. Conference concurred with Senate. 100,000
- 7. **Operational Reductions.** House made reductions in operations lines throughout the budget to reduce GF/GP spending when compared to the Senate and Governor. These reductions consisted of a reduction of \$99,100 to the Operations line, a reduction of \$5,500 to the Commission on Disability Concerns, a reduction of \$2,000 to the Hispanic/Latino Commission of Michigan, and a \$6,600 reduction to the information technology line item. Conference did not include. 0
- 8. **Unclassified Salaries.** Conference increased the unclassified line by \$432,900 and 1.0 FTE to increase the unclassified positions authorized in the budget from 5.0 to 6.0 FTE positions and increase the line item from \$267,100 in FY 2011-12 to \$700,000 in FY 2012-13. 432,900

Total Changes ..... \$1,035,300

**FY 2012-13 Conference Report Ongoing/One-Time Gross Appropriation ..... \$14,765,500**

**Amount Over/(Under) GF/GP Target: \$0**

**Changes from FY 2011-12 Year-to-Date:**Items Included by the Senate and House

1. **Contingency Fund Spending Authority.** Governor increased the contingency fund authorization for potential additional private funds from \$500,000 to \$750,000. The funding would only become available if the Department received a private grant and it was approved by both the House and the Senate in a legislative transfer. Senate and House concurred. (Sec. 3-204/Sec. 401)
2. **Prohibition on Outside Legal Services.** Governor included language that prohibits a department from hiring legal services that are the responsibility of the Attorney General, with limited exceptions. Currently the language is in Sec. 226 of the General Sections for the General Government departments.) Senate and House retained the current bill structure. (Sec. 2-204/Sec. 226)
3. **One-Time Basis Appropriations.** Governor added boilerplate for a one-time appropriation for State employee lump sum payments which total \$128,900, including \$104,300 GF/GP. Senate and House included the one-time items in an appropriation unit in Part 1.

Conference Agreement on Items of Difference

4. There were no boilerplate differences between the House and Senate on the Department of Civil Rights.

Date Completed: 5-31-12

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**FY 2011-12 Year-to-Date Gross Appropriation ..... \$4,599,200**

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**Changes from FY 2011-12 Year-to-Date:**

Items Included by the Senate and House

- 1. **State Employee Lump-Sum Payments.** Governor added \$58,700 for one-time payments that are required by contract. Senate and House concurred with the Governor but moved funding to Part 1. 58,700
- 2. **Executive Office.** Governor included an adjustment in funding to reflect actual costs of operation. Senate and House concurred with the Governor. 164,000
- 3. **Economic Adjustments.** Includes \$0 for OPEB and \$66,000 for other economic adjustments. 66,000

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Total Changes ..... **\$288,700**

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**FY 2012-13 Conference Report Ongoing/One-Time Gross Appropriation ..... \$4,887,900**

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**Amount Over/(Under) GF/GP Target: \$0**

**Changes from FY 2011-12 Year-to-Date:**Items Included by the Senate and House

1. There previously were no boilerplate sections for the Executive Office. Governor added one general section listing the total State spending from State resources and the payments to local units of government. Senate and House did not include this section. (Sec. 8-201)
2. **One-Time Appropriations.** Governor provided for one-time appropriations totaling \$58,700 for State employee lump sum payments. Senate and House moved funding to a new unit in Part 1. (Sec. 8-301)

Date Completed: 5-31-12

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**FY 2011-12 Year-to-Date Gross Appropriation ..... \$100,803,200**

**Changes from FY 2011-12 Year-to-Date:**

Items Included by the Senate and House

- 1. **Legislative Retirement Changes.** Governor increased funding by a total of \$176,700. Funding includes \$157,200 for non-retirement expenses and \$19,500 for OPEB. Senate and House concurred with Governor. 176,700
- 2. **Building Operations Changes.** Governor increased funding by a total of \$634,200. Funding includes: \$127,600 for the Capitol building; \$415,800 for the Cora Anderson House building; and \$90,800 for the Farnum building. Senate and House concurred with Governor. 634,200
- 3. **Other Changes.** Governor included additional funding for several line items. These include: \$6,300 for worker's compensation; \$283,500 for National Association Dues; and \$18,300 for the Legislative Corrections Ombudsman. Additionally, included is a funding shift to replace IDG funding with GF/GP funding for the Corrections Ombudsman which results in a zero gross change but increases GF/GP expenditures by \$250,000. Senate and House concurred with Governor. 308,100

Conference Agreement on Items of Difference

- 4. **Senate Changes.** Governor increased funding by a total of \$2.9 million. Funding includes: \$2.3 million for Senate Operations including \$1.3 million for OPEB; \$107,800 for IT; and \$417,400 for the Senate Fiscal Agency, including \$126,500 for OPEB. Senate concurred with Governor but increased the Senate line by \$677,500. House did not include the Senate increase. Conference concurred with Governor and increased funding by \$700,000 for Senate operations. 3,572,800
- 5. **House Changes.** Governor increased funding by a total of \$3.6 million. Funding includes: \$3.1 million for House Operations including \$1.7 million for OPEB; \$85,600 for IT; and \$417,400 for the House Fiscal Agency, including \$141,000 for OPEB. Senate concurred with the Governor and increased the House line by \$577,500. House did not include the Senate increase. Conference included \$700,000 for House operations. 4,310,800
- 6. **Legislative Council Changes.** Governor increased funding by a total of \$1.1 million. Funding includes: \$456,000 for Council Operations; \$602,500 for OPEB; and \$58,200 for IT. Senate concurred with Governor. House included \$200,000 for the Michigan Veterans' Facility Ombudsman. Conference concurred with Senate. 1,116,700
- 7. **Capitol Renovation and Maintenance.** Senate added \$3.1 million in GF/GP funding for completion of renovation and maintenance project on the Capitol building. House did not include the Senate increase. Conference concurred with House. 0

Total Changes ..... **\$10,119,300**

**FY 2012-13 Conference Report Ongoing/One-Time Gross Appropriation ..... \$110,922,500**

**Amount Over/(Under) GF/GP Target: \$0**

**Changes from FY 2011-12 Year-to-Date:**Items Included by the Senate and House

1. **Total State Spending.** Governor added one general section listing the total State spending from State resources and the payments to local units of government. Senate and House did not include. (Sec. 11-201)
2. **Re-numbering of Sections.** Sections of boilerplate that have been retained in the Governor's budget are re-numbered accordingly for Article 11. Senate and House did not make this change.
3. **Date Changes.** Governor extended the work project dates to September 30, 2017, for Property Management and Legislative Automated Processing. Senate and House concurred with Governor. (Secs. 606 and 607)

Conference Agreement on Items of Difference

4. **National Association Dues.** Governor deleted the words "if funds are available" from the language. Senate concurred with the Governor and increased amount to \$53,000. House concurred only with the Governor. Conference removed language appropriating \$53,000 to NCCUSL. (Sec. 603)
5. **Capitol Renovation and Maintenance.** Senate added new language allocating \$1.5 million to each the House and Senate and \$100,000 to Capital Facilities for Capitol building renovation and maintenance projects. House did not include this language. Conference concurred with House. (Sec. 609)
6. **Michigan Veterans' Facility Ombudsman.** House added new language directing that the new funding for the Legislative Council must be used to establish the Office of the Michigan Veterans' Ombudsman. Conference concurred with House but changed language to make it legislative intent only. (Sec. 609)

Date Completed: 5-31-12

Fiscal Analyst: Joe Carrasco



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**FY 2011-12 Year-to-Date Gross Appropriation ..... \$16,032,300**

**Changes from FY 2011-12 Year-to-Date:**

Items Included by the Senate and House

- |   |   |
|---|---|
| <p>1. <b>State Employee Lump-Sum Payments.</b> Governor added \$270,900 one-time payments that are required by contract. Senate and House concurred with Governor but moved funding to Part 1.</p> <p>2. <b>Field Operations.</b> Governor increased funding to fully fund economic increases budgeted in FY 2011-12. Funding from lapsed funds fell short of projections. Senate and House concurred with Governor.</p> <p>3. <b>Fund Shift.</b> Governor replaced IDG funding related to the Statewide Single Audit with GF/GP. The shift increases GF/GP expenditures by \$340,000 while having a zero effect on the Gross appropriation. Senate and House concurred with Governor.</p> <p>4. <b>Economic Adjustments.</b> Includes \$2.5 million for OPEB and a negative \$647,700 for Department economic adjustments.</p> | <p>270,900</p> <p>511,000</p> <p>0</p> <p>1,873,500</p> |
|---|---|

Total Changes .....	\$2,655,400
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**FY 2012-13 Conference Report Ongoing/One-Time Gross Appropriation ..... \$18,687,700**

**Amount Over/(Under) GF/GP Target: \$0**



**Changes from FY 2011-12 Year-to-Date:**Items Included by the Senate and House

1. **Total State Spending.** Governor added one general section listing the total State spending from State resources and the payments to local units of government. Senate and House deleted this section. (Sec. 11-201)
2. **Re-numbering of Sections.** Sections of boilerplate that have been retained in the Governor's budget are re-numbered accordingly for Article 11. Senate and House retained current numbering.
3. **Statewide Single Audit.** Governor removed language requiring a report, by December 31, 2011, regarding the feasibility of converting to a Statewide single audit. Senate and House concurred with the Governor. (Sec. 624)
4. **Lapsed Funds for Economics.** Governor removed language allowing the Auditor General to use up to \$905,000 of lapsed funds to pay for economic cost increases. Senate and House concurred with the Governor. (Sec. 625)
5. **One-Time Appropriations.** Governor provided for one-time appropriations totaling \$270,900 for State employee lump sum payments. Senate and House moved funding to a new unit in Part 1. (Sec. 11-501)

Date Completed: 5-31-12

Fiscal Analyst: Joe Carrasco



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**FY 2011-12 Year-to-Date Gross Appropriation ..... \$211,885,000**

**Changes from FY 2011-12 Year-to-Date:**

Items Included by the Senate and House

- 1. **One-Time Boilerplate Appropriations.** Governor included \$150,000 in one-time GF/GP funding for marketing of the Department's newly implemented Express Services. Senate and House moved funding to a new unit in Part 1. 150,000
- 2. **Credit and Debit Card Assessment Fees.** Due to the number of increased transactions via credit and debit cards, the funding source from this fee was increased by the Governor to realize the additional revenue. The revenue is used to pay for the fees charged by the credit and debit card companies. Senate and House concurred with the Governor. 4,000,000
- 3. **Contingency Plan Adjustment.** Governor included a reduction for the savings realized by the Department for employee-related costs. Senate and House concurred with Governor. (965,800)
- 4. **Transportation Administration Collection Fund (TACF).** Governor adjusted the source of funding from this fund to reflect actual revenue. Senate and House concurred with Governor. (8,000,000)
- 5. **Fund Shift.** Governor replaced Michigan Transportation Fund (MTF) funding with GF/GP due to the capped amount of MTF funds that can be transferred to the Department. The shift increases GF/GP expenditures while having a zero effect on the gross appropriation. Senate and House concurred with the Governor. 0
- 6. **State Employee Lump-Sum Payments.** Governor added \$1,544,400 for one-time payments that are required by contract. Senate and House moved funding to a new unit in Part 1. 1,544,400
- 7. **Economic Adjustments.** Includes \$19.1 million for OPEB and a negative \$7.9 million for Department economic adjustments. 11,208,900

Conference Agreement on Items of Difference

- 8. **Commercial Driver License.** Governor included \$1.0 million additional restricted funding that is anticipated due to the \$10 increase in the fee for a Commercial Driver license. Senate concurred with the Governor. House did not include the additional restricted funds but instead included \$600,000 in one-time GF/GP funding for costs associated with the new medical certificate program. Conference concurred with House. 600,000
- 9. **Unclassified Salaries.** Conference included \$246,800 for unclassified salaries per target agreement. 246,800

Total Changes ..... \$8,784,300

**FY 2012-13 Conference Report Ongoing/One-Time Gross Appropriation ..... \$220,669,300**

**Amount Over/(Under) GF/GP Target: \$0**

**Changes from FY 2011-12 Year-to-Date:**Items Included by the Senate and House

1. **Re-numbering of Sections.** Sections of boilerplate that have been retained in the Governor's budget are re-numbered accordingly for Article 15. Senate and House did not concur with the Governor.
2. **Total State Spending.** Governor provided a new section stating the amount of total State spending from State resources and the amount of payments to local units of government. Senate and House deleted this section. (Sec. 15-201)
3. **Automatic Teller Machine (ATM).** Governor included definition for ATM. Senate and House moved definition to Section 203. (Sec. 15-202)
4. **Legal Services.** Governor included language prohibiting the Department from using funds to hire legal services that are the responsibility of the Attorney General. Senate and House moved this to Section 226. (Sec. 15-203)
5. **Branch Office Closings.** 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 Governor eliminated the written notice requirement in this section. Senate and House retained written notice requirement. (Sec. 714)
6. **Buena Vista Branch Office.** Requires the Department to maintain a full service branch office in Buena Vista Township. Governor removed this section. Senate and House retained this section. (Sec. 718)
7. **General Fund Expenditures.** Requires the Department to use State restricted funds before using General Fund dollars. Governor removed this section. Senate and House retained this section. (Sec. 719)
8. **One-Time Appropriations.** Governor provided for one-time appropriations totaling \$1.5 million for State employee lump sum payments. Senate and House moved funding to new unit in Part 1. (Sec. 15-401)
9. **Deletions.** In keeping with the condensed structure of the Governor's budget, the following current-year language sections and/or subsections were not included: 705(5), 711(2), and 716b. The majority of these sections required the Department to provide either reports or notifications to the Legislature. Senate and House retained sections 705(5) and 716(b).

Conference Agreement on Items of Difference

10. **Business Application Modernization (BAM) Project Report.** Senate retained the required report regarding the BAM project. House deleted this section. Conference concurred with Senate. (Sec. 716b)

Date Completed: 5-31-12

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**FY 2011-12 Year-to-Date Gross Appropriation ..... \$1,080,334,300**

**Changes from FY 2011-12 Year-to-Date:**

Items Included by the Senate and House

- 1. **Statewide Single Audit.** Gov. included funding for the Office of Financial Management to establish and fill a new position related to the Statewide single audit. Conference concurred with Gov. 90,000
- 2. **Professional Development Funds.** Gov. included funding to provide professional development and training for State classified employees per contract requirements. Conference concurred. 175,000
- 3. **Military Retirement Program.** Governor transferred the military retirement program to DTMB from the Dept. of Military and Veterans Affairs. Conference concurred with Governor. 3,981,700
- 4. **Revenue Adjustments.** Two items were reduced to reflect actual revenue: \$1.7 million for Civil Service Commission and \$2.3 million for the Bureau of Labor Market Information Strategies. (3,975,000)
- 5. **Information Technology (IT) - Alignment of IDG Funding.** The IT portion of the budget aligned its IDG funding with enacted FY 2011-12 appropriations for all departments. (274,500)
- 6. **Departmental IT Changes.** Various adjustments were made to Departmental IT appropriations to adjust for changes in IT needs and programs. 16,226,500
- 7. **Economic Adjustments.** Includes \$35.1 million for Department OPEB and \$1.4 million for IT OPEB. Other economic adjustments total a negative \$13.5 million for the Department and a negative \$215,000 for IT economics. 22,828,000

Conference Agreement on Items of Difference

- 8. **Capital Outlay.** Governor and Senate included \$15.0 million for maintenance and remodeling costs for various State-owned buildings and \$1,800 for University & Community College construction authorizations. House did not include Community College funding and reduced the \$15.0 million by \$185,100. Conference maintained remodeling funding at \$15.0 million and did not include University and Community College funding. 15,000,000
- 9. **One-Time Boilerplate Appropriations.** Sen. included the following one-time funding: \$10.0 million for special maintenance for State-owned facilities; \$7.0 million for space consolidation; and \$4.7 million for lump-sum payments for State employees. Senate moved funding to a new unit in Part 1. House reduced the \$7.0 million for space consolidation by \$600,000. Conf. concurred with Senate. 21,680,200
- 10. **Enterprisewide Information Technology (IT) Investment Project.** Governor proposed \$50.0 million for a new program to prioritize and manage IT projects across all State departments & agencies. Senate reduced funding by \$2.0 million. House reduced funding by an additional \$18,370,200. Conference reduced funding by \$3.0 million to \$47.0 million. 47,000,000
- 11. **Enterprisewide Special Maintenance.** Senate added \$3.0 million in GF/GP funding in the Legislature budget for completion of renovation and maintenance projects on the Capitol building. House did not include the Senate increase. Conference included the funding in the Capital Outlay unit. 3,000,000
- 12. **Teacher Evaluation Pilot Program.** Conference included one-time GF/GP funding for a Pilot Program to evaluate teacher performance. 4,000,000
- 13. **Other Changes.** Miscellaneous adjustments were made by Governor and Senate to various line items, including: (\$638,100) for statewide cost allocation plan; (\$806,300) for contingency plan; (\$63.2 million) for removal of FY 2012 one-time funding; (\$2.5 million) for adjustments for reduction of 225.5 FTEs; and an \$1,800 increase for administration. (67,092,600)

Total Changes ..... \$62,639,300

**FY 2012-13 Conference Report Ongoing/One-Time Gross Appropriation ..... \$1,142,973,600**

**Amount Over/(Under) GF/GP Target: \$0**

**Changes from FY 2011-12 Year-to-Date:**Items Included by the Senate and House**1. Motor Vehicle Fleet.**

- a) Provides that funds appropriated in Part 1 for the Motor Vehicle Fleet are for 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) Requires DTMB 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.
  - d) 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.
  - e) Requires Department to use remanufactured parts, whenever economically feasible, when repairing fleet vehicles. Governor removed Subsections 3 and 5 (items c and e above). Governor also changed rate to \$3.04 in Subsection 4 (item d above). Senate and House concurred with rate change but retained Subsections 3 and 5. (Sec. 813)
- 2. Unclassified Salaries.** Language required the Dept. to compile a report by January 1 pertaining to the salaries of unclassified employees and gubernatorial appointees. Gov. removed this section. Senate and House retained. (Sec. 822)
- 3. Deletions.** In keeping with the condensed structure of the Governor's budget, the following current-year language sections and/or subsections were not included: 803(5), 823(4), 824 (required report only), 827(4) however, carryforward language was retained, 828, 829, 830, 832, 840(4), 843, 860 (only deletes "JCOS" from definitions), and 862. The majority of these sections required the Department to provide either reports or notifications to the Legislature. Senate and House retained: 823(4), 824, 827(4), 829, 830, 840(4), 843, 860, and 862.
- 4. One-Time Appropriations.** Governor provided for one-time appropriations totaling \$21.7 million for State facility special maintenance, \$10.0 million; space consolidation, \$7.0 million; and \$4.7 million for State employee lump sum payments. (Sec. 17-801) Senate and House moved funding to a new unit in Part 1.
- 5. Special Maintenance and Remodeling.** Governor included language stating that in addition to the GF/GP appropriation in Part 1 and Sec. 17-801 for special maintenance and remodeling, related Federal and State restricted funds will be appropriated up to the amounts that will be earned based upon the initiatives undertaken with the funds in Part 1. Senate and House concurred but removed reference to Sec. 17-801 and moved to general section. (Sec. 233)
- 6. Enterprisewide IT Investments.** Gov. included language stating that in addition to the GF/GP appropriation in Part 1 and Sec. 17-802 and for enterprisewide information technology investments, related Federal and State restricted funds will be appropriated up to the amounts that will be earned based upon the initiatives undertaken with the funds in Part 1. Senate and House concurred but removed reference to Sec. 17-802 and moved to general section. (Sec. 234)

Conference Agreement on Items of Difference

- 7. Remanufactured Furniture.** Senate excluded the requirement that the Dept. use, whenever possible, refurbished or remanufactured furniture. House included this requirement. Conf. includes revised language that requires Department to develop a plan for using remanufactured furniture and report to Legislature by Feb. 1. (Sec. 803(5))
- 8. Report on Enterprisewide IT Investments.** House added language requiring the Dept. to develop plan regarding use of funds appropriated in Part 1 for the Enterprisewide IT Investments program. Conference concurred. (Sec. 814)
- 9. Contracts Exceeding \$250,000.** House added new language (Sec. 816) stating that contracts exceeding \$250,000 for goods or services must be competitively bid. Also, any savings resulting from any renegotiated contract must be posted on the Department's Dashboard. Conference did not include.
- 10. Space Consolidation.** Conference added new section requiring Department to develop a plan regarding the use of space consolidation funds and report to Legislature by Feb. 1. (Sec. 821)
- 11. Annual Report.** Requires annual report from Dept. of Information Technology that lists total amount of funding appropriated and corresponding expenditures for information technology services and projects by funding source for all departments & agencies. Senate removed language. House retains current year language. Conf. concurred with House. (Sec. 828)
- 12. Life-Cycle of Hardware and Software.** Requires Dept. to provide report by March 1 that analyzes and makes recommendations on the life-cycle of information technology hardware and software. Senate retains current language. House removed language. Conference concurred with Senate. (Sec. 829)
- 13. Child Support Enforcement System Report.** Requires the Department to provide a report to the government operations committees, general government subcommittees, and fiscal agencies by January 1 that calculates the total cost of the Child Support Enforcement System from the inception of the program. The report shall include the total amount of penalties paid to the Federal government. Senate removed language. House retains current year language. Conference concurred with House. (Sec. 832)
- 14. University and Community College Construction Authorizations.** Governor provided construction authorizations for 18 of the 20 projects that received planning authorizations in Public Act 329 of 2010 (Sec. 876). Senate concurred with Governor. House did not include new section. Conference concurred with House.



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**FY 2011-12 Year-to-Date Gross Appropriation ..... \$452,074,600**

**Changes from FY 2011-12 Year-to-Date:**

Items Included by the Senate and House

- 1. **Office of Fiscal Responsibility.** Governor added \$4,500,000 GF/GP for a new office to assist financially distressed local governments avoid insolvency. Senate & House concurred. 4,500,000
- 2. **Lottery Promotion.** Governor increased State restricted funds for lottery promotion by \$931,100 to \$18,622,000. Senate and House concurred. 931,100
- 3. **State Employee Lump-Sum Payments.** Governor added \$2,742,700 for one-time payments that are required by contract. Senate and House concurred. 2,742,700
- 4. **Economic Adjustments.** Includes \$28,720,100 for OPEB and a negative \$7,192,100 for other economic adjustments. Senate and House concurred. 21,528,000
- 5. **Other Changes.** Governor recommended removing \$15,000,000 in one-time and supplemental funding; a reduction of \$3,088,300 for contingency plan savings; an increase of \$1,948,400 for health insurance claims assessment administration; a \$431,800 increase in gaming enforcement; a \$200,000 increase in revenue sharing administration, and a \$1,000 technical increase to the unclassified line. Senate and House concurred. (15,507,100)

Conference Agreement on Items of Difference

- 6. **Tobacco Tax Enforcement.** Governor recommended \$1,500,000 GF/GP for additional tobacco tax enforcement. Senate concurred. House reduced by \$23,200 to \$1,476,800. Conference concurred with Senate. 1,500,000
- 7. **Payments in Lieu of Taxes.** Governor increased payments by \$1,805,700 due to the shift to increased funding from the Natural Resources Trust Fund pursuant to 2011 PA 118. Senate included the fund shift and increased to \$14,256,900 as in H.B. 4289. House funded at \$12,382,700 same as Governor. Conference concurred with Senate. 3,679,900
- 8. **Administrative Reductions.** House made reductions in operations lines throughout the budget to reduce GF/GP spending when compared to the Senate and Governor. These reductions (excluding the tobacco tax reduction shown above) totaled \$653,000. Conference did not include. 0
- 9. **Dual Enrollment.** Conference added \$10.0 million GF/GP for tuition payments for eligible nonpublic students dually enrolled in post-secondary institutions pursuant to Public Acts 131 to 134 of 2012. 10,000,000
- 10. **Facility for Rare Isotope Beams.** Senate included funding for the debt service on the community share portion of this project in the budget for Higher Education. House included the funding within the Department of Treasury. Conference concurred with House. 2,339,900
- 11. **Community College Renaissance Zone Grants.** House added \$4.0 million GF/GP in one-time funding for renaissance zone reimbursement to community colleges. Senate did not include. Conference included at \$3.5 million in ongoing funding. 3,500,000
- 12. **Legal Service.** Conference added \$3.0 million GF/GP in one-time funding for legal services. 3,000,000

Total Changes ..... \$38,214,500

**FY 2012-13 Conference Report Ongoing/One-Time Gross Appropriation ..... \$490,289,100**

**Amount Over/(Under) GF/GP Target: \$0**

**Changes from FY 2011-12 Year-to-Date:**Items Included by the Senate and House

1. **Deleted Reports.** Governor recommended deleting the following reports: bond restructuring (Sec. 902a), cost of collections of unpaid taxes and loans (Sec. 903(3)), senior citizens' cooperative housing tax exemption audit report (Sec. 913(2)), sale of customized listings (Sec. 916), appropriations for write-offs and advances (Sec. 917(2)), unclaimed property audits (Sec. 919(2)), principle residence exemption audits (Sec. 924(2)), personal property tax audits (Sec. 927), costs of collections for State departments (Sec. 930(2)), restricted fund management fees (Sec. 931), Municipal Finance Authority unappropriated revenue and spending (Sec. 934(3)), and pension consultant report (Sec. 944). Senate and House retained these reports.
2. **Public Private Partnership.** Governor deleted the current prohibition against support for the Detroit River International Crossing or any successor project by the Department or the Public Private Partnership Fund. Senate and House retained. (Secs. 925 and 925a)
3. **Gaming Control Board Rewards for Crime Information.** Governor increased the largest reward that the Gaming Commission is allowed to provide for information related to crimes involving the horse racing industry from \$5,000 to \$5,800. Senate and House retained at \$5,000. (Sec. 19-604/Sec. 976)
4. **One-Time Basis Appropriations.** Governor added boilerplate for a one-time appropriation for State employee lump sum payments which total \$2,742,700, including \$311,500 GF/GP. (Sec. 2-301) Senate and House included these items in an appropriation unit.

Conference Agreement on Items of Difference

5. **Tobacco Tax Enforcement.** Governor deleted boilerplate related to use of funds for tobacco tax enforcement. The Governor declared this section unenforceable in his signing message. Senate concurred. House retained instructions related to cooperation between the Department, the Attorney General, and the Michigan State Police and a report on the proposed use of funds. Conference did not include. ( Sec 943)
6. **Private Auditing of Unclaimed Property.** Senate deleted authority for contingent fee contracts for unclaimed property audits and a reporting requirement. House retained the language. Conference concurred with House. (Sec. 919)
7. **Report of Charges to the Michigan Transportation Fund.** Governor and Senate deleted this report on how Treasury computes administrative costs charged to the fund. House retained and changed the due date to April 1, 2013. Conference did not include. (Sec. 922)
8. **Public Private Investment Fund Report.** Governor deleted this report. Senate retained the current language. House deleted the annual report. Conference concurred with Senate. (Sec. 925)
9. **Lottery Operations.** Governor's revised recommendation included statutory references to relate lottery spending to the purposes authorized in statute. Conference concurred. (Sec. 960)
10. **Millionaire Party Oversight.** Governor's revised recommendation authorized Michigan Gaming Control Board spending for licensing and regulatory activities for charitable gaming millionaire parties transferred from the Lottery to Gaming by Executive Order 2012-4. Conference included the Governor's language and added a spending cap of \$4.0 million and a report. (Sec. 979)

Date Completed: 5-31-12

Fiscal Analyst: Elizabeth Pratt



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**FY 2011-12 Year-to-Date Gross Appropriation ..... \$140,928,000**

**Changes from FY 2011-12 Year-to-Date:**

Items Included by the Senate and House

- 1. **Debt Service Scheduled Payments.** Governor recommended a reduction of \$373,100 in the cost of State debt service payments on general obligation bonds issued for voter-approved environmental programs. This reflects the net change in the cost of payments of principal and interest on four programs: These programs are Water Pollution Control Bonds, Quality of Life Bonds, Clean Michigan Initiative, and Great Lakes Water Quality Bonds. The Governor projected that additional bonds will be issued for the Clean Michigan Initiative and Great Lakes Water Quality Bond Program in FY 2012-13. Senate and House concurred. (373,100)
  
- 2. **Debt Service Fund Shift.** Governor recommended a fund shift to reduce use of revenue from the Refined Petroleum Fund for payment of debt service on Quality of Life bonds. The appropriations from the Refined Petroleum Fund would decrease by \$10,000,000 which would be replaced by \$10,000,000 GF/GP. Senate and House concurred. 0

Total Changes ..... (\$373,100)

**FY 2012-13 Conference Report Ongoing/One-Time Gross Appropriation ..... \$140,554,900**

**Amount Over/(Under) GF/GP Target: \$0**



**Changes from FY 2011-12 Year-to-Date:**

1. No boilerplate changes were recommended

Date Completed: 5-31-12

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**FY 2011-12 Year-to-Date Gross Appropriation ..... \$1,027,500,500**

**Changes from FY 2011-12 Year-to-Date:**

Items Included by the Senate and House

1. **Constitutional Revenue Sharing.** Governor recommended constitutional revenue sharing to cities, villages, and townships at \$711,119,700 based on January 2012 consensus revenue estimates. This required program distributes 15.0% of the State sales tax revenue received at a rate of 4.0% on a per capita basis to cities, villages, and townships (CVTs). Senate and House concurred. Conference included a revised total of \$725,496,300 based on the May 2012 consensus estimates. 27,995,800

Conference Agreement on Items of Difference

- 2. **Economic Vitality Incentive Program (EVIP).** Governor continued this program for eligible cities, villages, and townships at the current level of \$210,000,000, however, \$15,000,000 in one-time funding in FY 2011-12 was made ongoing. Senate concurred. House increased funding to \$220,000,000. Conference funded at \$225,000,000 which includes \$7,500,000 in one-time funds. 15,000,000
- 3. **County Statutory Revenue Sharing.** Governor eliminated statutory revenue sharing for counties. This program provided State payments to counties that had depleted their revenue sharing reserve accounts which were created by the acceleration of property tax collections in FY 2003-04. Senate funded county revenue sharing at \$101,658,700 which is 80.0% of the total \$127,073,300 recommended for counties by the Senate. House included \$91,420,000 which is 70.0% of the \$130,600,000 recommended revenue sharing recommended for counties by the House. Conference funded at \$104,480,000 which is 80.0% of the total county funding of \$130,600,000. (10,520,000)
- 4. **County Incentive Program.** Governor created an incentive program for counties similar to EVIP. Senate funded the county incentive program at \$25,414,600 or 20.0% of total county funding. House included \$39,180,000 or 30.0% of total funding. Conference included at \$26,120,000 or 20.0% of total funding. This includes \$2.5 million in one-time funding. 26,120,000
- 5. **Competitive Grant Assistance Program.** The revised Governor's recommendation provided for \$5,000,000 in ongoing funding and \$10,000,000 in one-time funding to bring this program to \$15,000,000 in FY 2012-13. Senate added \$20,000,000 as in the original Governor's recommendation, for total funding of \$25,000,000 in FY 2012-13. House also provided a total of \$25,000,000 consisting of \$5,000,000 in ongoing funds and \$20,000,000 in one-time funding. Conference funded at revised Governor. 10,000,000

Total Changes ..... \$68,595,800

**FY 2012-13 Conference Report Ongoing/One-Time Gross Appropriation ..... \$1,096,096,300**

**Amount Over/(Under) GF/GP Target: \$0**

**Changes from FY 2011-12 Year-to-Date:**Items Included by the Senate and House

1. **Competitive Grant Assistance Program.** Governor eliminated the requirement that grants be awarded only to projects that occurred on or after October 1, 2012. Senate and House concurred. (Sec. 19-402/Sec. 951)
2. **Compensation Plan Implementation Date.** Governor required participants to comply with compensation plan requirements for employee contracts or agreements entered into after Sept. 30, 2012. Senate & House did not include.
3. **Health Care Benefits.** Governor required all incentive program participants to certify by April 1, 2013 either compliance with Secs. 3, 4, and 5 of the Publicly Funded Health Insurance Contribution Act, 2011 PA 152 (cost sharing requirements) or that health benefits are not offered to local employees or elected officials. Failure to comply would result in a 10% reduction in all incentive program payments. Senate and House did not include the penalty and included compliance with 2011 PA 152 as part of the compensation plan. (Sec. 19-404)

Conference Agreement on Items of Difference

4. **Eligibility for Competitive Grant Assistance.** House added school districts to eligibility for the consolidation program if they are in cooperative projects with a CVT or county. Conference concurred with House and prohibited receipt of consolidation grants under both School Aid and this budget. (Sec. 951)
5. **EVIP Payment formula for CVTs.** Senate maintained the current payment calculation at 67.837363% of the FY 2009-10 statutory payments. House increased to 71.0677%. Conference set at 72.68289%. (Sec. 952)
6. **Accountability and Transparency.** Governor added a 3-year budget projection and debt service detail to accountability and transparency requirements. Senate required a two-year budget projection. House required the current year and one projected year. Conference concurred with House. (Sec. 951)
7. **Consolidation Plan.** Governor required an update of the prior plan and at least one new proposal. Senate required first-time filers to either list previous consolidations or cooperative projects or provide a new proposal. Second-time filers were required to update their previous plan. House required all filers to include a new proposal. Conference concurred with House. (Sec. 952)
8. **Compensation Plan.** Senate provide an option to comply in this category by either submitting a modified compensation plan or certifying either compliance with the Publicly Funded Health Insurance contribution Act, 2011 PA 152, or that the local government does not offer health care benefits to employees or elected officials. The compensation plan requirement would be modified to specify that retirement changes would apply to new hires and benefits awarded going forward based on service credits earned under new or extended contracts or employment agreements. Senate included the Governor's recommendation that locals submit a list of employee contracts and their expiration dates. Second-year participants were required to update their previous plan, report on barriers to implementation, and submit an implementation timeline. House made certification of compliance with 2011 PA 152 the sole eligibility criteria for the employee compensation category. Conference included the language of 2012 PA 107 updated to include counties, to provide the option of submitting a qualifying compensation plan, certifying compliance with 2011 PA 152, or certifying that no medical benefits are offered. (Sec. 952)
9. **Payment Schedule.** Senate retained the current payment schedule for CVTs with payments in October, December, February, April, June, and August and included the Governor's recommended payment schedule for counties with payments in November, January, March, May, July, and September. House kept all payments on the current payment schedule. The House changed payments for CVTs to have two payment dates for each of the three categories, as opposed to paying a portion of the payment for each category on each of the six payment dates. Conference concurred with House. (Sec. 952)
10. **Guidance from Treasury.** House added language to require the Department of Treasury by October 1, 2012 to develop and post on the Internet and distribute to eligible locals detailed guidance on how to qualify for incentive payments. Conference concurred with House. (Sec. 952)

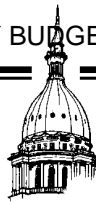
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**FY 2011-12 Year-to-Date Gross Appropriation ..... \$983,818,900**

**Changes from FY 2011-12 Year-to-Date:**

Items Included by the Senate and House

- 1. **Arts and Cultural Grants.** Governor increased funding by \$3,582,600 GF/GP to a total of \$6,150,000. Senate and House concurred. 3,582,600
- 2. **Workforce Training Program.** Governor reduced the line to \$250,798,500 due to a \$50,000,000 reduction in Federal Workforce Investment Act funding and the potential receipt of up to \$5,000,000 in private grants for workforce development. Senate and House concurred. (45,000,000)
- 3. **State Employee Lump-Sum Payments.** Governor added \$1,135,700 for one-time payments that are required by contract. Senate and House concurred. 1,135,700
- 4. **Economic Adjustments.** Includes \$11,036,800 for OPEB and a negative \$2,074,800 for other economic adjustments. Senate and House concurred. 8,962,000
- 5. **Other Changes.** Governor recommended continuation of contingency plan reductions of \$250,100. Senate and House concurred. (250,100)

Conference Agreement on Items of Difference

- 6. **Film Incentive Program.** Governor funded the program at \$25,000,000 GF/GP in one-time funding in FY 2012-13, the same level of one-time funding as in FY 2011-12. Senate increased to \$50,000,000 GF/GP in one-time funding. House included \$11,000,000 GF/GP. Conference concurred with Senate. 25,000,000
- 7. **Business Development and Economic Gardening.** Governor continued funding for the program at \$100,000,000 in FY 2012-13. The budget converted \$50,000,000 GF/GP in one-time funding in FY 2011-12 to an ongoing General Fund appropriation in FY 2012-13. Senate funded at \$66,000,000 in ongoing funding, consisting of \$41,000,000 GF/GP and \$25,000,000 from the 21<sup>st</sup> Century Jobs Trust Fund. House funded at \$90,000,000 GF/GP. Conference concurred with Governor. 0
- 8. **Community Ventures (Talent Fund for Jobs Training and Skills Development).** Governor's revised recommendation added \$10,000,000 GF/GP in FY 2012-13 for a new program to provide job training for the unemployed in distressed cities. Senate included \$13,186,700 GF/GP. House did not include. Conference concurred with revised Governor. 10,000,000
- 9. **Precollege Programs in Engineering and Sciences.** Senate added \$340,000 GF/GP in one-time funding for the final year of support for programs in Detroit and Grand Rapids. House did not include. Conference provided final year funding of \$340,000 through a boilerplate allocation from Community Ventures. 0
- 10. **Restricted Fund Adjustments.** Conference reduced State restricted funds by \$2,814,700 and reduced 21.0 FTE unfunded positions in technical changes related to implementation of E.O. 2011-4 which transferred the Workforce Development Agency to MSF. (2,814,700)

Total Changes ..... \$615,500

**FY 2012-13 Conference Report Ongoing/One-Time Gross Appropriation ..... \$984,434,400**

**Amount Over/(Under) GF/GP Target: \$0**

**Changes from FY 2011-12 Year-to-Date:**Items Included by the Senate and House

1. **Arts and Cultural Grants.** Governor removed the limit on the use of appropriations for administration and the report to the Legislature on grant awards. Senate and House retained current year language. (Sec. 19-803/Sec.1035)

Conference Agreement on Items of Difference

2. **Michigan Housing and Community Development Fund.** Senate appropriated 10% of the funds the State receives from the Joint Federal-State Foreclosure Settlement to the Michigan Housing and Community Development Fund in FY 2012-13. House did not include. Conference concurred with House. (Sec. 985)
3. **Contingency Fund.** Governor increased the contingency fund authorizations from \$10.0 million to \$50.0 million Federal, from \$1.0 million to \$5.0 million State restricted, from \$700,000 to \$5.0 million private, and added \$100,000 local. Senate increased to \$20.0 million Federal, \$2.0 million State Restricted, \$2.0 million private, and \$100,000 local. House increased the amounts to \$50,000,000 Federal and \$5,000,000 State Restricted, but did not include and authority for Local funds. Conference concurred with Senate. (Sec. 19-701/Sec.1001)
4. **Business Incubators.** Governor deleted this program which provided grants to business incubators in Detroit and the following counties: Houghton, Kent, Macomb, Oakland, Washtenaw, and a Midland County site of an Isabella County incubator. Senate retained and added a business opportunity center/incubator in Mason County that serves entrepreneurs in Lake, Mason, Manistee, and Oceana Counties and is operational by October 1, 2012. House did not include. Conference limited total allocations to \$8.5 million and specified an award of at least \$2.0 million to a regional accelerator (Automation Alley); awards of at least \$750,000 to an incubator in Detroit; awards of at least \$500,000 to incubators in each of the following counties: Houghton, Isabella, Kent, Macomb, Oakland, Washtenaw, Midland, and Mason; and an award of at least \$275,000 to an incubator in Ingham County. Required incubators to be operational by October 1, 2012. Stated intent that all future funding will be based on performance indicators. (Sec. 1034)
5. **Van Andel Institute.** Conference allocated \$500,000 from the line item for Innovation and Entrepreneurship to the Van Andel Institute to match Federal funding for advanced medical research. (Sec. 1034b)
6. **Business Attraction and Economic Gardening.** Gov. & Senate deleted a requirement that at least \$20.0 million be granted for brownfield and historic preservation incentives. House and Conference retained the language. (Sec. 1024)
7. **Spending Plan Report.** Senate required an update to the spending plan for Business Attraction and Economic Gardening and Innovation and Entrepreneurship if the plans for the program funds are revised after the April 15 report due date. House retained the current language. Conference concurred with Senate. (Sec. 1031)
8. **Film Incentive Report.** Governor deleted this report. Senate added report elements to the required information for each category of the film incentive program. House included references to the new film incentive grants. Conference concurred with Senate and added economic impact reporting. (Secs. 1032 and 1033)
9. **Film Incentive Intent Language.** Conference stated intent that the incentive percentages in MCL 125.2029h(3)(d) be determined based on date of agreement. (Sec. 1033b)
10. **Workforce Development Allocation.** Conference allocated \$200,000 from the appropriation for Community Ventures to a nonprofit community development foundation that assists refugees from the Iraq war in preparing for and obtaining employment (the Refugee Acculturation and Sustainability Training program). (Sec. 1052)
11. **Precollege Engineering Program.** Senate included boilerplate that specifies that of the \$340,000 in funding, half is for the Detroit Precollege Engineering Program and half is for the Grand Rapids Area Precollege Engineering Program. House did not include. Conference made this an allocation from the line item for Community Ventures for the final year of funding. (Sec. 1053)
12. **Workforce Training Earmarks.** Governor and House deleted and Senate retained allocations of up to \$100,000 each for two programs. One is for a non-profits multi-county program that reduces barriers to employment and the other is for a non-profit that assists unemployed or low wage workers in development career pathways and entrepreneurial skills and provides job placement assistance. Conference did not include. (Sec. 1064)
13. **No Worker Left Behind Report.** Governor and Senate deleted the report on this program. House retained the current report. Conference modified the report to apply to workforce training programs. (Sec. 1068)



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**FY 2011-12 Year-to-Date Gross Appropriation ..... \$6,686,846,900**

**Changes from FY 2011-12 Year-to-Date:**

Items Included by the House and Senate

- 1. **Administration and Operations.** The budget included updates for Information Technology and other financial adjustments. (25,021,800)
- 2. **Public Assistance and Adult Services.** The budget included increased LIHEAP funding and eliminated placeholders for Disability Determination staff and funding. (18,852,600)
- 3. **Child Welfare.** The budget included parent support programs, Serious Emotional Disturbance programs, and a single contract for drug testing foster care parents. 2,731,800
- 4. **Caseload and Economic Adjustments.** Total GF/GP savings for caseload adjustments were \$39,865,300 and GF/GP costs for economic adjustments were \$28,202,100. (101,249,500)
- 5. **One-Time Appropriations.** The budget included lump-sum employee payouts. 10,541,900

Conference Agreement on Items of Difference

- 6. **Child Welfare Per Diem Rates.** Conference funded the Governor's \$3 per diem increase for foster care parents, and included a 7.5% per diem increase for residential facilities, and reimbursements for aftercare services and training for private facilities. Conference also restored the per diem for specialized independent living services to FY 2010-11 levels. 23,539,900
- 7. **Other Child Welfare Adjustments.** Conference increased funding for Psychotropic Oversight Contracts and rejected the program to establish paternity at birth, Summer Youth Employment, one-time funding for child welfare, and funding for Families First. 559,100
- 8. **Public Assistance and Adult Services.** Conference increased funding for volunteer mileage reimbursements, food banks, and elder abuse prosecuting attorneys. Reductions for Michigan 2-1-1 and the SSI State Supplement were included. Conference reduced by half the Governor's Adult Services staff and rejected increased security at local offices and 1.0 FTEs for an SSI advocate. Several private fund sources were eliminated. 1,377,500
- 9. **Juvenile Justice Facilities.** Conference reduced authorization at the three facilities by \$2.0 million Gross/\$1.0 million GF/GP. (2,000,000)
- 10. **Vulnerable Heat and Warmth Fund.** Conference eliminated the fund. Funding for heating assistance was provided under the FY 2012-13 One-Time Appropriations section. (35,000,000)
- 11. **FY 2012-13 One-Time Appropriations.** One-time funding was approved for Inspector General IT projects (\$2.5 million), Before and After School Programs (\$1.0 million), the Seita Scholarship (\$750,000), a juvenile justice study (\$500,000), and a Medicaid eligibility review (\$250,000). Total GF/GP costs of these programs were \$31.7 million. As part of the target agreement, energy assistance received \$59.9 million (\$27.7 million GF/GP). 64,900,000
- 12. **Other Targets.** The target agreement funded 577.0 child welfare FTEs (\$23.3 million), Chaldean Community Foundation (\$900,000), and Unclassified S&W (\$52,100). 24,272,400
- 13. **Reduced Authorization.** Conference rebased multiple line items due to transfers, actual spending, and lapsed GF/GP in prior years. GF/GP savings totaled \$26,609,800. (78,813,400)
- 14. **Other Changes.** Conference created separate fund sources for Federal TANF funding, swapped \$10.9 million TANF for GF/GP savings, and reduced GF/GP in Multicultural Integration line item. 0

**Total Changes ..... (\$133,014,700)**

**FY 2012-13 Conference Report Ongoing/One-Time Gross Appropriation ..... \$6,553,832,200**

**Amount Over/(Under) GF/GP Target: \$0**

**Changes from FY 2011-12 Year-to-Date:**Items Included by the House and Senate

1. **Conditions for Private Service Providers.** Language requiring the same penalties for private child welfare service providers as the public, which was deleted by the Governor, was retained by the Senate and House. (Sec. 207)
2. **Per Diem Rates for Child Welfare Services.** Conference retained current law on administrative per diems for child welfare providers and added Senate language to reinstate SIL per diems at the FY 2010-11 levels. (Sec. 546)
3. **Title IV-E Waiver.** Conference included new language from the Department that would permit the State to submit a waiver request to the Federal government to use Title IV-E funding for a demonstration project. (Sec. 526)

Conference Agreement on Items of Difference

4. **Medicaid Eligibility Determination.** New Conference language required the Department to implement a "lean process" to increase efficiency at two offices with \$250,000 in one-time funding, and would allow the temporary hire of physicians to reduce the backlog. Senate language requiring continued Medicaid coverage for children was included. (Secs. 225, 506, and 1207)
5. **Vehicle Purchase and Repair.** Conference revised House language that allowed the Department to contract with a nonprofit entity for vehicle repairs and capped repairs at \$500 with exceptions up to \$900. (Secs. 424 and 425)
6. **Actuarially Sound Rates.** Senate language requiring the Department to set actuarially sound rates for public, child welfare and juvenile justice services was revised and funding was removed. (Sec. 503)
7. **Psychotropic Medication.** Senate language requiring a standard of promptness for determining changes in psychotropic medication was revised for Conference. (Sec. 540)
8. **Juvenile Justice Behavioral Study.** House language allocating \$500,000 to the study was included. (Sec. 1205)
9. **Juvenile Justice RFP.** House language requiring the Department to post a request for proposals for a private residential facility to be a provider of last resort if demand exceeds capacity in the public facilities. (Sec. 721)
10. **Other Juvenile Justice Language.** Senate and House language including the closure of the public facilities, a work group on privatizing Maxey Training School, and a revised cost-share for the counties were not included. Senate language permitting the rewrite of the MOU with Wayne County was included. (Secs. 705, 710, 720, and 724)
11. **Other One-Time Appropriations.** House language funding the Inspector General and Before-and-After School Programs was revised and included. Other language was not included. (Secs. 1201, 1202, 1203, 1204 and 1206)
12. **Child Protective Services Work Group.** Senate language requiring a work group to consider a dual-tract CPS intake system and new definition of child abuse was included. (Sec. 517)
13. **Child Welfare and Juvenile Justice Assessments.** Senate language requiring a work group to determine statewide child welfare and juvenile justice assessment tools and tracking was included. (Secs. 511)
14. **Contracts and TANF Fund.** New Conference language requiring the Department to notify the Legislature of contract changes that increase rates and language creating a fund for TANF dollars was included. (Secs. 240 and 287).
15. **Child Welfare Staffing.** New Conference language created a contingency fund for 577.0 FTEs. (Sec. 527)
16. **Fraud Prevention.** Senate language requiring a report on the number of cases removed from assistance due to the LEIN interface was included. House language requiring the Department to inform the public of the welfare fraud hotline in any public advertisement for state assistance was included. (Secs. 290, 617, and 672)
17. **E-Verify System.** House language requiring the Department to use the E-Verify system when hiring new employees and new employees of contractors and sub-contractors was included. (Sec. 291)
18. **Kent County Child Welfare Privatization.** Conference revised Senate language requiring the privatization of most child welfare services in Kent County in order to require a work group and pilot program. (Sec. 515)
19. **FY 2013-14 Appropriations.** The Conference included Senate boilerplate stating legislative intent that FY 2013-14 appropriations are anticipated to be the same as FY 2012-13 appropriations with needed adjustments. (Sec. 1301)



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**FY 2011-12 Year-to-Date Gross Appropriation ..... \$259,787,200**

**Changes from FY 2011-12 Year-to-Date:**

Items Included by the Senate and House

- 1. **Reduce Funding for Elimination of Judgeships.** Public Act 300 of 2011 eliminated by attrition nine trial court judgeships; however, the FY 2011-12 Judiciary Budget had already assumed savings of \$942,100 based on eliminating six judgeships. Senate and House concurred. (199,600)
- 2. **Technical Adjustments.** Governor reduced FTEs by 25.0 and aligned restricted funds with estimated revenue. Senate and House concurred. (5,100)
- 3. **Continue and Expand Mental Health Courts.** Governor, Senate, and House included \$550,000 to maintain services at eight sites previously funded by American Recovery and Reinvestment Act revenue and \$450,000 to expand operations and hire 1.0 FTE for evaluation purposes. 1,000,000
- 4. **Staff Increase in Administrative and SADO.** Governor, Senate, and House provided \$160,000 to hire 2.0 FTEs to assist with court consolidation and \$225,000 to hire 3.0 FTEs at the State Appellate Defender Office (SADO) to assist them in meeting statutory requirement of handling 25% of indigent appellate defense cases. 385,000
- 5. **Public Safety Initiative.** Governor proposed \$1.1 million for mental health courts and \$1.25 million for drug courts in a revised recommendation associated with the Public Safety Initiative. Senate and House adopted these revisions. 2,350,000
- 6. **Court Fee Fund Shortfall.** Governor proposed filling a \$2.2 million shortfall in the Court Fee Fund for Judicial compensation using additional GF/GP funding. Senate and House concurred. 0
- 7. **Funding Court of Appeals Judges.** Two additional judges were appointed to fill vacancies on the Court of Appeals; Governor proposed this increase in a second revised recommendation; Senate concurred. 342,600
- 8. **One-Time Lump Sum Economics.** Staff received a 2% lump sum, retirement costs included. 827,200
- 9. **Economic Adjustments.** Governor and Senate included \$4,579,500 for OPEB and a negative \$306,700 for other economic adjustments. 4,272,800

Conference Agreement on Items of Difference

- 10. **Swift-and-Sure Sanctions Fund Increase.** Senate included an increase of \$5.0 million in funding for the Swift-and-Sure Sanctions program, House did not. Conference included. 5,000,000
- 11. **Fund Shift for Court of Appeals.** Senate moved approximately \$1.7 million in restricted fund revenues from Court of Appeals to Swift and Sure Sanctions, and shifted an equivalent amount of GF/GP funds from Swift-and-Sure Sanctions to Court of Appeals. House did not include, but Conference did. 0

Total Changes ..... \$13,972,900

**FY 2012-13 Conference Report Ongoing/One-Time Gross Appropriation ..... \$273,760,100**

**Amount Over/(Under) GF/GP Target: \$0**



**Changes from FY 2011-12 Year-to-Date:**Items Included by the Senate and House

1. **Remove Language Regarding NHSA Grant.** Governor eliminated language that provided a funding plan that would apply if Judiciary was awarded a United States Department of Transportation - National Highway Safety Administration (U.S. DOT - NHSA) grant to support drug treatment courts. Both Senate and House concurred with the Governor. (Sec. 311)
2. **Reduce Contingent Byrne Grant-Related IDG from State Police.** Current law authorizes two interdepartmental grants (IDGs) from State Police to Judiciary for \$525,000 and \$225,000 contingent on various aspects of Federal Byrne formula grant funding. The revised language includes only the \$250,000 and also removes the more specific language. Both Senate and House concurred with the Governor. (Sec. 322)

Conference Agreement on Items of Difference

3. **Swift-and-Sure Sanctions Funding and Shift.** Senate language was revised to be consistent with the \$5.0 million increase in funding for the Swift-and-Sure Sanctions program, and the fund shift between Swift-and-Sure and the Court of Appeals. House retained current language, except for an added definition described below. Conference funding decisions included the \$5.0 million for the program, and therefore the Senate language was used. (Sec. 320)
4. **Swift-and-Sure Sanctions Qualifying County.** House maintains current year criteria which require a qualifying county to both have a drug treatment court and be a unified trial court. House also added a specific definition of "unified trial court." Senate revised current year language by striking the part about unified trial court, allowing any court with a drug treatment/DWI sobriety court to qualify to apply for grant funds. This would broaden the number of qualifying counties, which is consistent with the Senate's proposed funding increase for this program. Conference language requires a court to be part of a unified system or have a drug court, but not necessarily both. The language also allows up to \$100,000 of the funds to be used by state court administrative office to administer the grants. In distributing funds, state court administrative office will give preference to courts that have participated previously and also to courts in areas from which higher numbers of residents or former residents are under supervision of the Department of Corrections. (Sec. 320)
5. **Out-of-State Travel.** Senate retained current language limiting out-of-state travel, but House revised to strike the limitation and instead requires only a report of the dates and costs for each travel occurrence. Conference used House revised language. (Sec. 215)

Date Completed: 5-31-12

Fiscal Analyst: Dan O'Connor



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**FY 2011-12 Year-to-Date Gross Appropriation ..... \$862,388,000**

**Changes from FY 2011-12 Year-to-Date:**

Items Included by the Senate and House

- 1. **Defunct Home Heating Programs.** The Governor, House and Senate removed funding for the Low Income Energy Efficiency Fund and the Vulnerable Warmth Assistance Fund as neither program have the statutory authority to operate in FY 2012-13. (118,000,000)
- 2. **Additional Health Systems Inspections.** The Governor, House and Senate included an additional \$740,000 Federal and \$840,000 State restricted funds for the Bureau of Health Systems for the inspection of regulated facilities. 1,580,000
- 3. **Economic Adjustments.** Includes \$61,178,800 for OPEB and a negative \$12,521,000 for other economic adjustments. 48,657,800
- 4. **Other Changes.** The Governor, House and Senate included various technical adjustments to properly reflect the allocation of costs, adjust for the FY 2011-12 State employee concessions contingency plan, \$600,000 for firework regulation, and remove \$50,897,600 in one-time appropriations from FY 2011-12. (27,148,700)

Conference Agreement on Items of Difference

- 5. **Freestanding Outpatient Facility (FSOF) Inspections.** The Conference included GF/GP funding for the inspection of FSOFs as required under the Public Health Code. 530,000
- 6. **Liquor Control Commission IT Upgrades.** The House included \$5.0 million to replace the LCC's COBOL-based IT system. The Conference included \$2.0 million to begin the project which will need future appropriations. 2,000,000
- 7. **Home Heating Assistance.** The Conference did not include funding for home heating assistance as was included by the Governor and Senate. A similar program was included in the DHS budget instead. 0
- 8. **Autism Coverage.** The Conference included \$15.0 million in GF/GP to fund reimbursements to insurance carriers for the diagnosis and treatment of autism. 15,000,000
- 9. **Fire Service Fees.** The Conference did not include an increase of fees paid by hospitals and schools for inspections and plan review. Additional GF/GP funding was included to replace that additional revenue. 585,000
- 10. **\$100 Placeholders.** The Conference did not include \$100 placeholders for Michigan Rehabilitation Services, Worker's Compensation Agency IT upgrades, or an executive director position for the Unarmed Combat Commission. (300)
- 11. **Transfer Employment Services Program from Michigan Strategic Fund (MSF).** The Conference included funding for the transfer of the Employment Services Program to the Unemployment Insurance Agency, where it was before LARA was reorganized in 2011. 2,814,700
- 12. **Private Grant Authorization.** The Conference reduced this line to \$1.5 million. (1,500,000)
- 13. **FY 2012-13 One-Time Appropriations.** The Conference included one-time appropriations for State employee lump-sum payments. 5,036,800

Total Changes ..... (\$70,444,700)

**FY 2012-13 Conference Report Ongoing/One-Time Gross Appropriation ..... \$791,943,300**

**Amount Over/(Under) GF/GP Target: \$0**

**Changes from FY 2011-12 Year-to-Date:**Conference Agreement on Items of Difference

1. **Buy American.** The Conference retained a section requiring LARA to purchase American- and Michigan-made goods and services. (Sec. 209)
2. **Office Consolidation Plan.** The House included a new section requiring LARA to cooperate with the Department of Technology, Management, and Budget (DTMB) on a statewide office consolidation plan. The Conference included it. (Sec. 219)
3. **State Employee Lump-Sum Payment Information.** The Senate included a new section requiring LARA to provide certain information on the employees receiving lump-sum payments over \$1,000. The Conference included it. (Sec. 236)
4. **Department Metrics.** The House included a new section requiring LARA to find ten metrics affected by the appropriations in part 1 and report on them. The Conference included it. (Sec. 230)
5. **Fire Services Fees.** The Conference did not include a fee increase for the Bureau of Fire Services as recommended by the Governor. GF/GP was used to provide the anticipated revenue from the fee. (Sec. 302)
6. **Cigarette Fire Safety Standard and Firefighter Protection Fund Appropriation.** The Conference removed a section appropriating revenue from this fund as it is received. (Sec. 302a of HB 5365)
7. **MARVIN Usage Report.** The Conference retained a report on the usage of the MARVIN internet unemployment insurance reporting system. (Sec. 333)
8. **Rule Stringency.** The Conference retained a section requiring that rules be no more stringent than the applicable Federal standard. (Sec. 341)
9. **Consultation Education and Training (CET) Grant Earmark.** The Conference retained an \$80,000 earmark for these grants for the aggregate industry. (Sec. 342)
10. **Bureau of Commercial Services and Bureau of Construction Codes Statistics.** The Conference retained a report on various statistics for these bureaus. (Sec. 368)
11. **Homeowner Construction Lien Recover Fund Appropriation.** The Conference retained a section appropriating the remaining balance of this fund. (Sec. 380)
12. **Michigan Rehabilitation Services Sections.** The Senate retained six sections which provided direction and reporting requirements to Michigan Rehabilitation Services. The House removed all six to reflect the transfer of MRS to the Department of Human Services. The Conference retained all of these sections. (Secs. 603, 604, 610, 611, 613, and 615)
13. **Nursing Facilities Staffing Report.** The Conference removed a quarterly report on the staffing of nursing facilities. (Sec. 708 of SB 958)
14. **Nursing Facility Complaint Report.** The Conference removed a report on the most commonly cited complaint deficiencies for the prior three years. (Sec. 718 of SB 958)
15. **Health Systems Facility Regulation Report.** The Conference retained a report on various statistics regarding the facilities licensed by the Bureau of Health Systems. (Sec. 731)
16. **Regulation of Freestanding Surgical Outpatient Facilities.** The House included a new section requiring \$530,000 of the appropriation for the Bureau of Health Systems be spent on the licensing and regulation of FSOs. The Conference included this section. (Sec. 732)
17. **Autism Coverage.** The Conference included a reporting requirement on the payments made under the new Autism Coverage Reimbursement Program. (Sec. 802)



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**FY 2011-12 Year-to-Date Gross Appropriation ..... \$156,844,900**

**Changes from FY 2011-12 Year-to-Date:**

Items Included by the Senate and House

- 1. **Flint Armory.** The Governor, Senate, and Conference included construction of a new Flint National Guard Armory for \$9.0 million Federal and \$3,250,000 State restricted for land acquisition and appraisals. 12,250,000
- 2. **Military Retirement.** The Governor, Senate, and Conference included an increase of \$150,000 GF/GP to reflect higher costs and transferred the program to the DTMB. (3,831,700)
- 3. **Veterans Affairs Directorate.** The Governor, Senate, and Conference included the addition of 1.0 FTE for a VA certification officer (\$125,000 GF/GP) and \$125,000 GF/GP to fill a funding shortfall. 250,000
- 4. **Unclassified Salaries.** The Governor, Senate, and Conference included filling three positions, one for strategic planning, an assistant for the Governor's Public Safety Project, and a deputy for installations. 500,000
- 5. **Economic Adjustments.** Includes \$10,521,800 (\$2,561,200 GF/GP) for OPEB and a negative \$4,896,000 (\$1,075,600 GF/GP) for other economic adjustments. 5,625,800
- 6. **Other Changes/Adjustments to Revenue.** (8,474,800)

Conference Agreement on Items of Difference

- 7. **Armory Maintenance.** The Governor and Senate included an additional \$4.8 million GF/GP to repair and maintain State-owned National Guard armories. The House included \$122,000 less. Conference concurred with the Senate. 4,800,000
- 8. **Youth Challenge Program.** The House did not include an additional \$734,400 in school aid revenue and 15.0 FTEs to provide for full classes for the program as the Senate did. Conference concurred with the Senate. 734,400
- 9. **Veterans Advice Advocacy and Assistance Grants.** The House provided for no change from current year in the amount appropriated for grants, while the Senate followed the Governor's recommendation and reduced by \$125,000 GF/GP. Conference concurred with the Senate. (125,000)
- 10. **Special Maintenance—Grand Rapids Veterans Home.** The House included new IDG funds from the Department of Human Services for maintenance and repair projects at the home. Conference provided GF/GP. 1,600,000
- 11. **Special Maintenance—D.J. Jacobetti Veterans Home.** The House included new IDG funds from the Department of Human Services for maintenance and repair projects at the home. Conference provided GF/GP. 516,000
- 12. **Veterans Service Initiatives.** The House and Senate included various Veteran's service initiatives. The Conference included \$434,000 GF/GP for a campus initiative and an internet data-based system, \$200,000 GF/GP for county counselor accreditation, and \$750,000 for data upgrades and record digitization. 1,384,000
- 13. **FY 2012-13 One-Time Appropriations.** Includes \$707,900 for lump sum employee payments, \$2,400,000 for special maintenance - State, \$1.6 million for special maintenance - Grand Rapids Veterans Home, \$516,000 for special maintenance - D.J. Jacobetti Home, \$434,000 for veterans service enhancements, \$200,000 for county counselor accreditation, and \$750,000 for Department data upgrade and digitization of records.

Total Changes ..... \$15,228,700

**FY 2012-13 Conference Report Ongoing/One-Time Gross Appropriation ..... \$172,073,600**

**Amount Over/(Under) GF/GP Target: \$0**

**Changes from FY 2011-12 Year-to-Date:**Conference Agreement on Items of Difference

1. **Expenditure Website.** The House retained language which the Senate deleted which requires that a searchable website be maintained by the Department on data pertaining to expenditures, personnel, wages, purchases, and vendors. Conference included, referencing the DTMB. (Sec. 207)
2. **Internet Availability of Required Reports.** The House retained language which the Senate deleted which requires that the Internet be used to fulfill reporting requirements. Included by Conference. (Sec. 208)
3. **Information Technology Work Projects.** The House retained language which the Senate deleted which designates appropriations for Information Technology as a work project account. Not included by Conference. (Sec. 211)
4. **Information Technology User Fees.** The House retained language which the Senate deleted which requires payment of user fees to the DTMB for tech services. Not included by Conference. (Sec. 214)
5. **Out-of-State Travel Report.** The House included language which the Senate did not, which requires an out-of-state travel report. Included by Conference. (Sec. 218)
6. **State Consolidations.** The House included language which the Senate did not, which requires the DMVA to cooperate with the DTMB on Statewide office consolidation efforts. Included by Conference. (Sec. 219)
7. **National Guard Armories.** The House did not include Senate-added language which requires the Department to establish a system which measures condition and usefulness of facilities and upgrades 15 armories marked "red" for severe repair needs to "yellow" or "green" labeled facilities. Included by Conference. (Sec. 302)
8. **Veterans Advice, Advocacy and Assistance Grants.** The House did not include Senate-added language which requires the Department to increase the percent of veterans who become aware of benefits for education, job training, and employment placement services. Included by Conference. (Sec. 401)
9. **State Veterans' Homes.** The House deleted language which referred to the number of potential beds available and the Senate revised the language referring to the number of potential beds by changing that number to that which is the minimum capacity. Conference included Senate version. (Sec. 501)
10. **Anticipated Appropriations for FY 2013-14.** The House and Senate both included language to address appropriations for FY 2013-14, but the House did not include Senate language requiring the Department to identify and upgrade 15 red armories to yellow or green condition status. Conference concurred with the Senate. (Sec. 1201)
11. **Unclassified Positions.** Lists DMVA unclassified positions. Added by Conference. (Sec. 300)
12. **Veterans Homes Maintenance.** The House included language providing guidelines for maintenance appropriation. Conference included. (Sec. 703)
13. **Veterans Service Enhancements.** The House included language providing guidelines for campus initiatives and data upgrades. Conference included, with changes. (Sec. 703)
14. **County Counselor Accreditation.** Provides guidelines for program. Added by Conference. (Sec. 705)
15. **Digitization.** Requires funds to be spent for digitizing Veterans' medical and military discharge documents. Added by Conference. (Sec. 706)

Date Completed: 5-31-12

Fiscal Analyst: Bruce Baker



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**FY 2011-12 Year-to-Date Gross Appropriation ..... \$344,141,100**

**Changes from FY 2011-12 Year-to-Date:**

Items Included by the Senate and House

- 1. **Dam Management Grant Program.** The Governor, Senate and House included \$500,000 in recurring appropriations for a program that would give grants to State, local, and private dam owners whose dams needed repair or demolition. 500,000
- 2. **Reduce Excess Appropriation Authority.** The Governor and Senate reduced appropriations to a variety of line items to reflect the actual availability of State restricted revenue. (8,628,900)
- 3. **Economic Adjustments.** Includes \$25,778,200 for OPEB and a negative \$10,462,300 in other adjustments. 15,315,900
- 4. **Other Changes.** The Governor, Senate and House included various technical adjustments, a reduction in funding for 3.9 FTEs as part of the FY 2011-12 employee concessions contingency plan, adjustments for FY 2011-12 supplemental appropriations, and an adjustment for a one-time appropriation in the FY 2011-12 budget. (21,009,700)

Conference Agreement on Items of Difference

- 5. **GF/GP Reduction.** The Conference did not include an overall GF/GP reduction of \$145,400 that was included by the House. 0
- 6. **Fee Increases.** The Conference did not include three fee increases for shooting ranges, duplicate recreation certificates, and ORV licenses that were recommended by the Governor. 0
- 7. **State Park Funding Increase.** The House included \$225,000 in additional State restricted funding for State parks. The Conference increased this to \$275,000. 275,000
- 8. **Cormorant Population Control.** The Conference included \$100,000 in GF/GP for cormorant population control that was included by the Senate but removed by the House. This funding exists in FY 2011-12, but is Game and Fish Fund revenue, not GF/GP. 0
- 9. **Best Practices Management Audit – Forestry.** The Conference did not include a \$100 placeholder for this program originally included by the House. 0
- 10. **Summer Youth Initiative.** The Conference included \$3.0 million for the Summer Youth initiative program as recommended by the Governor, but not included in either the House or Senate bills. 3,000,000
- 11. **Unclassified Salary Increase.** The Conference included additional funding for unclassified employees in the DNR. 396,800
- 12. **FY 2012-13 One-Time Appropriations.** The Conference included \$1,892,600 for State employee one-time payments and \$2.0 million for the Dam Management Grant program. 3,892,600

Total Changes ..... (\$6,258,300)

**FY 2012-13 Conference Report Ongoing/One-Time Gross Appropriation ..... \$337,882,800**

**Amount Over/(Under) GF/GP Target: \$0**

**Changes from FY 2011-12 Year-to-Date:**Items Included by the Senate and House

1. **ORV Trail Improvement Grants.** The House and Senate retained a section requiring that \$980,000 from the appropriations for these grants be spent on developing new trails pursuant to an off-road vehicle trail expansion plan. (Sec. 1002)
2. **Timber Harvesting.** The House and Senate retained sections requiring the DNR to meet various timber preparation and marking quota, and to hire a sufficient number of contract foresters to meet those quotas. (Secs. 802 and 805)

Conference Agreement on Items of Difference

3. **Information Technology Payments.** The Conference retained a section requiring the DNR to make payments to the Department of Technology, Management, and Budget for information technology services. (Sec. 208)
4. **Information Technology Work Projects.** The Conference retained a section designating appropriations for information technology as work projects. (Sec. 216)
5. **Travel Expenses.** The House added a new report on travel expenses; the section was retained by the Conference. (Sec. 218)
6. **Office Space Consolidation.** The House added a new section requiring the DNR to work with DTMB on a statewide office space consolidation plan. The section was retained by the Conference. (Sec. 219)
7. **Expenditure Metrics.** The House added a new report on ten metrics chosen by the DNR. The section was retained by the Conference. (Sec. 230)
8. **Mineral Lease Report.** The Conference retained a report on mineral leases larger than 160 acres where less than a quarter of the acreage was producing oil or gas. (Sec. 409)
9. **Livestock Indemnification Payments.** The Conference removed a section requiring the DNR to reimburse the Department of Agriculture and Rural Development for payments made on livestock lost to certain types of wildlife. (Sec. 502 of SB 960)
10. **Invasive Species Order Enforcement.** The Senate included a new reporting requirement on the invasive species order on swine raised in Michigan. The Conference retained it. (Sec. 503)
11. **Cervid Fee Report.** The Senate included a new reporting requirement on the use of fees from privately-owned cervid operations. The Conference retained it. (Sec. 504)
12. **Turkey Fund Report.** The Senate included a reporting requirement on the expenditures from this fund. The Conference did not include it. (Sec. 506 of SB 960)
13. **Cormorant Population Mitigation.** The Senate included a new section directing the expenditure of funds for Cormorant Population Mitigation. The Conference retained it. (Sec. 603)
14. **Walleye Stocking Report.** The Senate added a new reporting requirement on the stocking of walleye in the Upper Peninsula. The Conference did not include it. (Sec. 604 of SB 960)
15. **State Forest Campground Report.** The House added a new reporting requirement on the State forest campgrounds in Michigan. The Conference did not include it. (Sec. 707 of HB 5365)
16. **Aircraft Report.** The House revised a section to require a report on the number of aircraft used for wildfire protection. The Conference did not include it. (Sec. 710 of HB 5365)
17. **Recreation Passport Citations.** The Senate added a new section requiring the DNR to develop a standard operating procedure for conservation officers that they not ticket vehicles parked in State forest campgrounds and at nonmotorized trailheads if the vehicles do not have recreation passport. The Conference did not include it. (Sec. 903 of SB 960)
18. **Sustainable Forestry Grant.** The House added a new section directing the expenditure of this grant. The Conference did not include it. (Sec. 904 of HB 5365)



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**FY 2011-12 Year-to-Date Gross Appropriation ..... \$544,774,300**

**Changes from FY 2011-12 Year-to-Date:**

Items Included by the Senate and House

- |   |              |
|---|--------------|
| 1. <b>Fleet Leasing.</b> The Governor, Senate, and House included an additional \$2.65 million GF/GP to account for increased fuel costs.   | 2,650,000    |
| 2. <b>Forensic Science.</b> The Governor, Senate, and House recommended an increase of \$3.2 million GF/GP to add 20.0 FTEs to reduce crime lab case backlogs.  | 3,177,200    |
| 3. <b>Stressed Cities Support.</b> The Governor, Senate, and House recommended adding \$2.8 million GF/GP to cover overtime and other costs associated with targeting resources toward stressed cities when needed. | 2,769,900    |
| 4. <b>Regional Policing.</b> The Governor, Senate, and House added GF/GP funding for IT support (\$650,000) and for cell phone communications (\$674,000) to implement regional policing.                           | 1,324,000    |
| 5. <b>Casino Gaming.</b> The Governor, Senate, and House added 2.0 FTE and \$249,000 in casino fee revenue to investigate illegal gaming.   | 249,000      |
| 6. <b>Replacement of Outdated and End-of-Lifecycle Equipment.</b> The Governor, Senate, and House added GF/GP.  | 2,730,300    |
| 7. <b>Economic Adjustments.</b> Includes \$62,417,400 (\$42,016,000 GF/GP) for OPEB and a negative \$40,005,500 (\$28,408,200 GF/GP) for other economic adjustments.  | 22,411,900   |
| 8. <b>Other Changes/Adjustments to Revenues and Mid-year Supplementals.</b>   | (21,542,800) |

Conference Agreement on Items of Difference

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|--|------------|
| 9. <b>Law Enforcement Enhancement.</b> The House provided for a lesser reduction to the \$15.0 million in new GF/GP funds proposed by the Governor to hire new troopers. The Senate provided \$10.0 million. The House \$11,848,600. Conference concurred with Governor. | 15,000,000 |
| 10. <b>Tobacco and Other Tax Enforcement.</b> The House did not include the Senate proposal for adding 29.0 FTEs and \$4.0 in tobacco tax revenue to enforce tax laws. Conference concurred with Senate.   | 4,000,000  |
| 11. <b>Cold Case Teams Support.</b> The House included GF/GP grant funds to help support nine cold case teams working in the state. Not included by Conference.  | 0          |
| 12. <b>Training for Local Dive Teams.</b> The House included a placeholder for potential training support for dive teams in the State. Not included by Conference.   | 0          |
| 13. <b>Michigan International Speedway Support (MIS).</b> The House did not include a continuation of \$800,000 in GF/GP support, as the Senate did, for the traffic control needs of the MIS. Included by Conference.   | 0          |
| 14. <b>Unclassified Positions.</b> Provides additional \$438,900 Gross (\$222,400 GF/GP) to fully fund allotted number of positions.   | 438,900    |
| 15. <b>FY 2012-13 One-Time Appropriations.</b> Includes \$800,000 for MIS traffic control, \$1,623,700 for equipment replacement, \$350,000 for rent and building occupancy, and \$3,220,000 for employee lump sum payments.   |            |

Total Changes ..... \$33,208,400

**FY 2012-13 Conference Report Ongoing/One-Time Gross Appropriation ..... \$577,982,700**

**Amount Over/(Under) GF/GP Target: \$0**



**Changes from FY 2011-12 Year-to-Date:**Conference Agreement on Items of Difference

1. **Expenditure Website.** The House retained language which the Senate deleted which requires that a searchable website be maintained by the Department on data pertaining to expenditures, personnel, wages, purchases and vendors. Included by Conference, with Dept. of Technology, Management, and Budget (DTMB) reference. (Sec. 207)
2. **Internet Availability of Required Reports.** The House retained language which the Senate deleted which requires that the Internet be used to fulfill reporting requirements. Included by Conference. (Sec. 208)
3. **Information Technology Work Projects.** The House retained language which the Senate deleted which designates appropriations for Information Technology as a work project account. Not included by Conference. (Sec. 211)
4. **Information Technology User Fees.** The House retained language which the Senate deleted which requires payment of user fees to the DTMB for tech services. Not included by Conference. (Sec. 214)
5. **Out-of-State Travel Report.** The House included language which the Senate did not, which requires an out-of-state travel report. Included by Conference. (Sec. 218)
6. **Unclassified Positions.** Lists Department unclassified positions. Added by Conference. (Sec. 250)
7. **Trooper Recruiting.** Requires efforts to recruit veterans and a report. Included by Conference. (Sec. 301(7))
8. **Criminal History and Accident Data Collection System.** The House did not include added Senate language requiring the Department to conduct 30 outreach activities for criminal justice agencies. Included by Conference. (Sec. 303)
9. **Law Enforcement Information Network (LEIN).** The House retained language which the Senate deleted which requires efforts to place probation information on the LEIN. Not included by Conference. (Sec. 306)
10. **Traffic Safety and Enforcement.** The House did not delete, as the Senate did, language requiring the Department to work with the Department of Community Health and others on the collection of sexual assault evidence. Not included by Conference. (Sec. 401)
11. **Forensic Sciences.** The House did not include language added by the Senate that would require the hiring of 20 new forensic science employees with the goal for the labs of reaching a 30-day turn around for evidence processing. Included by Conference. (Sec. 401)
12. **Regional Communication Centers.** The House retained language which the Senate deleted which requires proper levels of staffing for regional communication centers in the State. Not included by Conference. (Sec. 406)
13. **Criminal Investigations.** The House did not include added Senate language requiring the Department to dedicate a minimum of 23,374 patrol hours in distressed areas. Included by Conference. (Sec. 503)
14. **Administration of Grants.** The House retained language which the Senate deleted which requires the Department to administer public safety grants. Not included by Conference. (Sec. 505)
15. **Cities in Distress.** Requires report on cities in distress program. Added by Conference. (Sec. 506)
16. **Regional Policing.** Requires a report on the transition to regional policing. Added by Conference. (Sec. 507)
17. **Homeland Security.** The House retained language which the Senate deleted which requires Homeland Security grants to only go to first responders and that grants to the City of Detroit not be used to supplant GF/GP funds for existing services. Not included by Conference. (Sec. 703)
18. **Public Awareness Campaigns.** The House retained language which the Senate deleted which requires the conduct of public awareness campaigns including those to train child passenger safety technicians. Included by Conference. (Sec. 705)
19. **Anticipated Appropriations for FY 2013-14.** The House did not include added Senate language requiring that the Department's hiring and training of 180 troopers in FY 2012-13 shall be used to reduce crime in the State's most distressed cities and that the 20 new forensic employees hired during that same year shall be used to reach an average 30-day turn around for forensic evidence once they are fully trained. Included by Conference. (Sec. 1201)



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**FY 2011-12 Year-to-Date Gross Appropriation ..... \$3,328,270,700**

**Changes from FY 2011-12 Year-to-Date:**

Items Included by the Senate and House

- 1. **Removal of One-Time Funding.** Governor removed FY 2011-12 one-time funding of \$500,000 for maintenance of two swing bridges. Conference concurred. (500,000)
- 2. **One-Time Boilerplate Appropriations.** Governor included \$119.0 million in one-time GF/GP funding for Federal aid match requirements. Senate reduced GF/GP funding by \$96.0 million and moved remaining funds to a new unit in Part 1. House and Conference concurred with Senate. 23,000,000
- 3. **State Aeronautics Fund.** Governor restored funding for two programs: \$185,100 for aviation services and \$600,000 for air service programs. House and Senate concurred. 785,100
- 4. **Comprehensive Transportation Fund Adjustments.** Programs were adjusted by the Governor to meet Federal match requirements: \$16.9 million for transit capital; \$612,000 for van pooling; \$450,000 for service initiatives; and \$7.8 million for rail passenger services. Conference concurred with Governor. 25,781,500
- 5. **Intercity Bus Services.** Governor increased funding for replacement of old buses. Conference concurred with Governor. 1,650,000
- 6. **Debt Service.** Governor included reductions in funding for scheduled debt service payments. The primary reduction results from Department's change from short-term borrowing to long-term borrowing for the \$40.0 million bond related to the FY 2010-11 target agreement. Conference concurred with Governor. (47,198,900)
- 7. **Interdepartmental Grants (IDGs).** Governor adjusted funding for grants to several other departments. Largest adjustment is a reduction of \$6.1 million to the Dept. of Treasury to align funding with the estimated cost allocation study amount. House and Senate concurred. (6,396,600)
- 8. **Airport Safety, Protection, & Improvement Program.** Governor reduced funding by \$12.0 million to align with available revenue. Senate and House increased funding by \$10.0 million in Aeronautic Funds. (2,017,400)
- 9. **State Employee Lump-Sum Payments.** Governor added \$3,260,800 for one-time payments that are required by contract. Senate and House moved funding to a new unit in Part 1. 3,260,800
- 10. **Economic Adjustments.** Includes \$44.6 million for other post-employment benefits (OPEB) and a negative \$12.9 million for Department economic adjustments. 31,688,700
- 11. **Other Changes.** Governor recommended miscellaneous adjustments in several line items to reflect changes in State restricted & Federal revenue estimates: increase of \$110,000 for public transportation; reductions of \$122,800 for accounting service center; \$168,000 for Transportation Economic Development Fund revenue; and \$60,000 for bus equipment & facility fees. Senate and House concurred. (240,800)

Conference Agreement on Items of Difference

- 12. **Road and Bridge Funding.** STF funding includes \$6.3 million for counties and \$3.5 million for cities and villages. Reductions include \$1.3 million for Federal aid and \$488,800 for local bridge programs. Senate increased funding for Roads and Bridges by \$96.0 million by converting the Governor's one-time GF/GP funding to STF funds. House increased STF funding by \$100 million. Conference concurred with House. 108,007,200
- 13. **Unclassified Salaries.** Conference added \$97,200 to the unclassified salaries line item per target agreement. 97,200

Total Changes ..... \$137,916,800

**FY 2012-13 Conference Report Ongoing/One-Time Gross Appropriation ..... \$3,466,187,500**

**Amount Over/(Under) GF/GP Target: \$0**

**Changes from FY 2011-12 Year-to-Date:**Items Included by the Senate and House

1. **Remanufactured Parts.** Governor removed language requiring the Department to use remanufactured parts when possible for maintenance and repair of State owned vehicles. Conference retained the language. (Sec. 270)
2. **Toll Credits.** Gov. removed language requiring the Dept. to use available toll credits provided by private toll facilities to match available Federal aid highway funds. In addition, those the credits cannot be used to finance the construction of any international bridge crossing within five miles of a privately tolled bridge. Conf. retained the section. (Sec. 385)
3. **State Aeronautics Fund (SAF).** Senate and House added language stating that \$10.0 million of the SAF funding in Part 1 represents estimated revenue from the passage of House Bill 4025 and is intended to ensure that the State is able to match all available Federal airport improvement program grant funds. (Sec. 905)
4. **One-Time Appropriations.** Governor provided for one-time appropriations totaling \$122.3 million: \$119.0 million GF/GP for Federal aid match requirement and \$3.3 million in State restricted revenue for State employee lump sum payments. Senate and House reduced GF/GP funding by \$96.0 million. The remaining \$23.0 million in GF/GP and the \$3.3 million for lump sum payments were moved to a new funding unit in Part 1.

Conference Agreement on Items of Difference

5. **State Trunkline Funds (STF).** Senate added language stating that \$96.0 million of the STF funding in Part 1 represents estimated revenue from the passage of S.B. 351 and is intended to ensure that the State is able to match all available Federal-aid highway funds. Conference increased amount to \$100.0 million (Sec. 661)
6. **DTMB Office Space Plan.** House added new section directing State executive branch agencies to cooperate with DTMB office space consolidation plan. Conference concurred with House. (Sec. 219)
7. **Principal Measurable Outcomes.** House added language directing the Dept. to identify 10 principal measurable outcomes and submit a report to the Legislature, fiscal agencies, and budget director by October 31, 2012. Conf. concurred with House. (Sec. 230)
8. **E-Verify System Usage.** House added new section requiring the Dept. to verify, using the E-Verify System, that all new Dept. employees and new hire contract and subcontract employees are legally present in the United States. Requires a report by March 1, 2013, certifying that it has been verified. Conf. concurred with House but removed Department from requirement. (Sec. 381)
9. **State Aircraft Fleet.** Requires Department and State Budget Office to provide for an independent study of State's need for a State aircraft fleet. They must report their findings to the Legislature by March 30, 2012. Senate removed language. House changed language stating that it is Legislative intent that a study to be done only once every five years. Conference concurred with House. (Sec. 382)
10. **Detroit River International Crossing (DRIC).** Gov. removed language prohibiting any funds from being used for any costs related to DRIC or a renamed successor until legislation is adopted allowing for its construction. Senate retained section. House added that funds can only be spent if Gateway Project is completed. Conference concurred with House. (Sec. 384)
11. **Unclassified Salaries and Gateway Project.** House added new section stating funds appropriated in Part 1 for unclassified salaries cannot be expended until Gateway Project is completed in accordance with the 2004 Gateway Project implementation agreement, as amended. Conference removed salary restriction and changed language to make it Legislative intent only that project be completed. (Sec. 395)
12. **Expanded use of Welcome Centers and Highway Rest Areas.** House added language (Sec. 399) directing the Dept. to work with the Michigan Department of Agriculture and Rural Development to facilitate the use of welcome centers and highway rest areas for farmer's markets. Conference did not include.
13. **Bus Rollover Test Standards.** Senate added new section requiring a feasibility and cost study and report for increasing the safety standard of transit buses procured by Michigan transit agencies by requiring a federally approved rollover test standard. House did not include. Conference concurred with Senate. (Sec. 741)
14. **Sale of State-Owned Turbo Prop Airplane.** House added new section (Sec. 802) requiring Dept. to sell one of two Beechcraft King Air twin engine turbo prop airplanes by Sept. 30, 2013. Conference did not include.
15. **One-Time Transit/Rail GF/GP Lapse.** House added new section directing that unexpended GF/GP funds lapse to the General Fund and establishes reporting requirements. Conference added encumbered funds. (Sec. 1002)