

FY 2012-13 GENERAL OMNIBUS BUDGET
Summary: As Passed by the House
House Bill 5365 (H-2) as Amended



Mary Ann Cleary, Director

TOTAL APPROPRIATIONS BY BUDGET AREA

Budget Area (Bill Page) [Summary Page]	FY 2012-13	
	Gross	GF/GP
Agriculture & Rural Dev. (1) [2]	\$74,814,600	\$34,160,500
Community Health (26) [8]	15,018,797,100	2,825,781,700
Corrections (101) [17]	2,025,246,200	1,945,453,900
Education (167) [23]	327,930,600	67,363,900
Environmental Quality (190) [28]	430,766,300	29,072,000
General Government (228) [32]		
<i>Attorney General</i> (229) [34]	84,614,200	33,357,500
<i>Civil Rights</i> (233) [36]	14,218,400	11,406,500
<i>Executive Office</i> (235) [38]	4,887,900	4,887,900
<i>Legislature</i> (236) [39]	109,722,500	108,212,700
<i>Auditor General</i> (238) [40]	18,687,700	13,004,900
<i>State</i> (239) [42]	220,286,400	14,505,200
<i>Tech, Mgmt., Budget</i> (246) [44]	1,117,099,300	380,041,900
<i>Treasury</i> (252) [47]	2,630,762,400	323,337,500
Subtotal: General Government	4,200,278,800	888,754,100
Human Services (376) [51]	6,700,860,600	1,015,889,600
Judiciary (431) [58]	268,064,800	162,856,200
Licensing & Reg. Affairs (447) [60]	601,096,200	10,957,600
Military & Vets Affairs (475) [66]	177,517,400	34,411,600
Natural Resources (508) [71]	334,140,700	16,442,500
State Police (542) [76]	570,019,500	313,767,100
Transportation (576) [80]	3,466,090,300	23,000,000
TOTAL	\$34,195,623,100	\$7,367,910,700

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683.

(2) Appropriation figures include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

FY 2012-13: AGRICULTURE AND RURAL DEVELOPMENT
Summary: As Passed by the House
Article I, House Bill 5365 (H-2) as Amended



Analyst: William E. Hamilton

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: House From FY 2011-12 YTD	
						Amount	%
IDG/IDT	\$437,700	\$319,300	\$319,300			(\$118,400)	(27.1)
Federal	14,587,700	11,199,600	11,199,600			(3,388,100)	(23.2)
Local	0	0	0			0	--
Private	178,400	175,800	175,800			(\$2,600)	(1.5)
Restricted	29,600,500	28,659,400	28,959,400			(641,100)	(2.2)
GF/GP	29,878,700	34,160,500	34,160,500			4,281,800	14.3
Gross	\$74,683,000	\$74,514,600	\$74,814,600			\$131,600	0.2
FTEs	443.0	424.0	424.0			(19.0)	(4.3)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683.

(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

Overview

The Department's key programs and priorities include ensuring food safety and security, protecting animal health and welfare, managing invasive exotic species, regulating pesticide use, certifying agricultural commodities, ensuring environmental stewardship, protecting consumers, and promoting the state's agricultural economy.

Major Budget Changes From FY 2011-12 YTD Appropriations

1. Emergency Management

House concurs with Executive and recognizes \$500,000 federal US Food and Drug Administration Rapid Response Team grant. Grant is also available in the current year; the State Budget Office has asked for a \$500,000 transfer to increase current year spending authority. Budget also recognizes \$12,600 in economic adjustments.

	FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
FTEs	2.0	0.0
Gross	\$257,900	\$512,600
Federal	0	508,300
GF/GP	\$257,900	\$4,300

2. Information Technology

Executive had recommended economic adjustments.

House reduces AEIDF support by \$20,000 to allow for Light horse breeders' awards, Item # 21, below.

	FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
Gross	\$1,356,300	\$28,600
IDG	2,900	100
Restricted	156,100	(14,600)
GF/GP	\$1,197,300	\$43,100

3. Food and Dairy – Food Safety and Quality Assurance

House concurs with Executive and reflects economic adjustments.

	FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
FTEs	81.0	(6.0)
Gross	\$10,433,100	(\$265,600)
Federal	684,500	2,900
Restricted	3,292,800	3,600
GF/GP	\$6,455,800	(\$272,100)

4. Food and Dairy – Milk Safety and Quality Assurance

House concurs with Executive and reflects economic adjustments.

	FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
FTEs	23.0	0.0
Gross	\$3,103,200	\$71,600
Federal	35,700	800
Restricted	165,800	3,800
GF/GP	\$2,901,700	\$67,000

5. Animal Industry – Animal Health and Disease Response

House concurs with Executive and recognizes \$153,100 Gross (\$96,100 GF/GP) in economic increases; \$483,500 decrease in federal revenue to reflect actual anticipated federal grants; \$50,000 increase in Animal Welfare Fund revenue (a fund established in 2007 PA 132).

	FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
FTEs	64.0	(4.0)
Gross	\$9,237,100	(\$280,400)
Federal	1,323,900	(443,500)
Restricted	267,700	65,000
GF/GP	\$7,645,500	\$98,100

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
6. Pesticide and Plant Pest Management – PPPM			
<u>House</u> concurs with <u>Executive</u> and recognizes \$86,300 Gross (\$103,500 GF/GP) in economic cost reductions; budget also reduces restricted fund sources by \$400,000 to reflect actual anticipated revenue.			
	FTEs	88.0	(11.0)
	Gross	\$11,025,400	(\$485,300)
	Federal	2,043,900	5,100
	Private	86,500	300
	Restricted	5,224,900	(387,200)
	GF/GP	\$3,670,100	(\$103,500)
7. Emerald Ash Borer Program			
<u>House</u> concurs with <u>Executive</u> and reflects elimination of targeted federal support for this program; appropriation had been as much as \$25.0 million in FYs 2003-04 and 2004-05.			
	FTEs	7.0	(7.0)
	Gross	\$1,910,200	(\$1,910,200)
	Federal	1,910,200	(1,910,200)
8. Producer Security/Grain Dealer Licensing			
<u>Executive</u> recognizes \$8,200 in economic increases; does not reflect any proposed changes in grain dealer licensing fees.			
	FTEs	4.0	0.0
	Gross	\$566,000	\$8,200
	Restricted	253,600	303,800
	GF/GP	\$312,400	(\$295,600)
<u>House</u> recognizes \$300,000 in additional restricted revenue anticipated from the passage of Senate Bill 887 and Senate Bill 888, bills that would amend Grain Dealers Act (licensing program) the Farm Produce Insurance Act. The bill reduces GF/GP support by a like amount.			
9. Environmental Stewardship			
Among other things, this line provides technical assistance grants, through local conservation districts, to implement conservation programs.			
<u>House</u> concurs with <u>Executive</u> and recognizes \$94,100 in economic increases; reduces restricted fund sources by \$200,100 to reflect actual anticipated revenue.			
	FTEs	18.0	0.0
	Gross	\$6,252,500	(\$106,000)
	Federal	1,387,600	21,400
	Restricted	4,864,900	(127,400)
	GF/GP	\$0	\$0
10. Michigan Agriculture Environmental Assurance Program (MAEAP)			
<u>House</u> concurs with <u>Executive</u> and provides \$1.0 million GF/GP increase to baseline funding with the aim of achieving goal of 5,000 MAEAP verifications by 2015. Also recognizes \$46,100 in economic increases.			
	FTEs	3.0	4.0
	Gross	\$575,400	\$1,046,100
	Restricted	299,900	23,900
	GF/GP	\$275,500	\$1,022,200
MAEAP is a voluntary program for designed to promote natural resources conservation through education, technical assistance, and verification of agri-systems. Program first established in FY 2000-01 budget, established in statute through 2011 PA 1, and 2011 PA 2.			
11. Farmland/Open Space Preservation			
<u>House</u> concurs with <u>Executive</u> and reflects economic adjustment of \$29,100; reduces restricted fund source by \$160,800 to reflect actual anticipated revenue.			
	FTEs	9.0	0.0
	Gross	\$1,003,700	(\$131,700)
	Restricted	1,003,700	(131,700)
12. Local Conservation Districts			
<u>House</u> retains \$100 placeholder which had been eliminated in the <u>Executive</u> budget. General Fund support for the <i>Local conservation districts</i> line had been \$2.8 million in FY 2000-01.			
	Gross	\$100	\$0
	GF/GP	\$100	\$0
13. Migrant Labor Housing			
<u>House</u> concurs with <u>Executive</u> and includes \$400,000 additional GF/GP funding for program which helps ensure safe housing for seasonal farm workers. Department currently conducts pre-season inspections at 850 licensed migrant labor camps in Michigan. Increased funding would support 3.0 additional FTE positions in order to also provide in-season inspections.			
Budget also reflects economic adjustments of \$42,500, and elimination of federal fund source. The source of restricted Migrant Labor Housing funds in this line is the migrant labor housing inspection fee of \$5 per allowable occupant established in 2010 PA 13 and 2010 PA 14.			
	FTEs	6.0	3.0
	Gross	\$1,202,600	(\$45,700)
	Federal	488,200	(488,200)
	Restricted	148,200	8,800
	GF/GP	\$566,200	\$433,700
14. Right to Farm			
<u>House</u> concurs with <u>Executive</u> and reflects economic adjustments.			
	FTEs	3.0	0.0
	Gross	\$541,400	\$13,700
	IDG	104,300	2,700
	GF/GP	\$437,100	\$11,000

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
15. Intercounty Drains			
<u>House</u> concurs with <u>Executive</u> and reflects economic adjustments.			
	FTEs	3.0	0.0
	Gross	\$446,200	\$6,900
	Restricted	0	0
	GF/GP	\$446,200	\$6,900
16. Laboratory Services			
<u>House</u> concurs with <u>Executive</u> and recognizes \$99,400 Gross (\$4,300 GF/GP) in economic increases; \$22,700 reduction in anticipated federal USDA grants; \$150,000 reduction in restricted gasoline inspection and testing fees to reflect actual anticipated revenue.			
	FTEs	42.0	(4.0)
	Gross	\$5,759,700	(\$73,300)
	IDG	215,800	(8,900)
	Federal	976,600	2,200
	Restricted	2,612,800	(70,900)
	GF/GP	\$1,954,500	\$4,300
17. USDA Monitoring			
<u>House</u> concurs with <u>Executive</u> and reflects economic increase of \$66,400, partially offset by \$30,000 reduction in federal fund source. Department's Geagley Laboratory is one of eight state laboratories in the United States which performs analytic testing services for the USDA Microbiological Data Program, a program which collects data on pathogens in fresh produce. Although federal funding may be eliminated for this program, the potential loss of federal funds has not been reflected in the Executive or House budgets.			
	FTEs	13.0	0.0
	Gross	\$2,512,300	\$36,400
	Federal	2,512,300	36,400
18. Consumer Protection Program			
Line supports motor fuel quality program, weights and measures, and metrology laboratory. Restricted revenue includes \$3.3 million from the Refined petroleum fund. <u>House</u> concurs with <u>Executive</u> and reflects net \$1,500 decrease related to economic adjustments; \$150,000 reduction in restricted gasoline inspection and testing fees to reflect actual anticipated revenue; and \$50,000 in funding from new Renewable Fuels Fund.			
	FTEs	39.0	0.0
	Gross	\$5,768,800	(\$101,500)
	IDG	111,700	(111,700)
	Restricted	5,656,500	10,200
	GF/GP	\$600	\$0
19. Agriculture Development			
<u>House</u> concurs with <u>Executive</u> and proposes \$600,000 GF/GP baseline increase to support 5.0 FTE positions to assist with local and regional economic development activities, including promotion of agricultural exports. Also reflects \$45,700 in economic adjustments.			
	FTEs	5.0	5.0
	Gross	\$2,066,300	\$645,700
	Federal	1,532,800	34,000
	Restricted	102,200	2,300
	GF/GP	\$431,300	\$609,400
20. Building and Track Improvement – County Fairs			
<u>House</u> includes a new matching grant program for capital improvements at county fairs. Program defined in boilerplate Sec. 805.			
	Gross	\$0	\$299,900
	GF/GP	\$0	\$299,900

Major Budget Changes From FY 2011-12 YTD Appropriations

21. Horse Racing Programs

The fund source for this line item is the Agriculture Equine Industry Development Fund (AEIDF). Budget recognizes economic increase for grant administration function, and rolls up some horse racing grant lines.

	FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
FTEs	3.0	0.0
Gross	\$3,139,200	\$22,500
Restricted	3,139,200	22,500

House includes line item for Light horse breeders' awards.

	FY 2011-12 YTD	FY 2012-13 House	Difference
Horse racing administration	\$348,600	\$351,100	\$2,500
Purses & supplements- fairs/licensed tracks	611,400	708,300	96,900
Licensed tracks - light horse racing	34,100	40,300	6,200
Light horse breeder's awards	0	20,000	20,000
Standardbred (SB) breeders' awards	250,000	285,900	35,900
SB purses/supplements- licensed tracks	461,600	527,800	66,200
SB sire stakes	209,000	239,000	30,000
SB training and stabling	9,300	0	(9,300)
Thoroughbred owners' awards	31,900	0	(31,900)
Thoroughbred supplements- licensed tracks	309,600	385,900	76,300
Thoroughbred breeders awards	309,600	358,600	49,000
Thoroughbred sire stakes	214,100	244,800	30,700
Distribution of outstanding winning tickets	350,000	0	(350,000)
Total	\$3,139,200	\$3,161,700	\$22,500

22. Capital Outlay - Farmland/Open Space Acquisition

House concurs with Executive and recommends appropriation of \$500,000 from state restricted Agriculture Preservation Fund; adjusts appropriation to reflect actual anticipated revenue.

Gross	\$2,300,000	(\$1,800,000)
Federal	1,250,000	(1,250,000)
Restricted	1,050,000	(550,000)

23. One-Time -State Employee One-Time Lump-Sum Payment

House includes \$470,300 Gross (\$235,300 GF/GP) appropriation for negotiated one-time lump sum payments to state employees. Executive had shown this as a boilerplate appropriation.

Gross	\$0	\$470,300
IDG	0	2,400
Federal	0	85,000
Restricted	0	146,100
GF/GP	\$0	\$235,300

24. One-Time -Private Forest Development Program

House includes \$500,000 GF/GP for Private Forestry Initiative program, to provide assistance to private landowners in managing forest land. This program will be carried out through grants to local conservation districts. Appropriation is identified as one-time. Executive had shown this as a boilerplate appropriation.

FTEs	0.0	0.0
Gross	\$0	\$500,000
GF/GP	\$0	\$500,000

		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
<u>Major Budget Changes From FY 2011-12 YTD Appropriations</u>			
25. One-Time – Healthy Food Program	FTEs	0.0	5.0
House includes appropriation for a new Healthy Food Program to "improve farm food safety and provide access to affordable, fresh, and healthy food. Funding will assist in meeting and implementing new food safety requirements." Executive had shown this as a boilerplate appropriation.	Gross	\$0	\$1,500,000
	GF/GP	\$0	\$1,500,000

\$500,000 would be used to support additional staffing in needed to develop and implement preventative food safety measures associated with the FDA Food Safety Modernization Act. Department indicates that of the \$500,000, \$93,200 would be used in the Food and Dairy, \$270,000 in Laboratory, and \$136,800 for Animal Health.

\$1.0 million would be used for grants (five grants up to \$200,000 each) to support regional food hubs. See boilerplate Sec. 1101.

26. Economics

Net economic increase of \$1.2 million Gross (\$716,400 GF/GP), reflects \$408,300 increase for negotiated employee salary and wages; \$2.9 million decrease for actuarially-required retirement contributions; \$270,600 decrease for employee insurances; \$54,600 reduction in worker's compensation costs; \$16,800 increase in building occupancy. Economic increase also reflects \$4.0 million Gross (\$2.0 million GF/GP) for Other Post Retirement Benefit contribution. Economic increase of \$1.4 million Gross (\$682,600 GF/GP) projected for FY 2013-14. Economic changes are included in the above line item change descriptions.

27. New Fees/Fee Extensions

Budget assumes the extension of certain fees currently scheduled to sunset. Those fees and related estimated revenue are: Nursery and Plant Grower's license fees, \$250,000; Pesticide applicator registration fees, \$100,000; and Livestock dealer's fees, \$21,000.

Budget includes \$4.0 million in appropriations from the Refined Petroleum Fund, a fund administered by the Department of Environmental Quality; budget assumes that the December 2012 sunset of the refined petroleum regulatory fee will be extended.

Major Boilerplate Changes From FY 2011-12

Sec. 218. Out-of-State Travel – NEW

Provides for out-of-state travel report.

Sec. 219. DTMB Office Space Plan – NEW

Directs state executive branch agencies to cooperate with DTMB office space consolidation plan.

Sec. 450. Bovine Tuberculosis – Reimburse DNR for Monitoring/Testing – DELETED

Requires department to reimburse DNR for monitoring and testing for Bovine TB.

Sec. 451 Bovine Tuberculosis Split State Status – DELETED

Requires department to pay for all whole-herd and individual-animal testing costs to maintain split-state status, including indemnity.

Sec. 453. Indemnification Payments – DELETED

Authorizes department to provide for indemnity pursuant to Animal Industry Act; limits indemnification orders to \$100,000 per order; provides for report. Subsection (2) authorizes department to indemnify for livestock killed by wolves, coyotes, or cougars.

Sec. 456. Electronic Animal Identification (EID) – RETAINED

Prohibits use of funds to enforce EID program for domestic animals other than cattle without specific authorization in statute.

Sec. 457. Bovine TB Report – RETAINED

Requires quarterly report on Bovine TB program.

Sec. 552. Clean Sweep Program – NEW

Encourages department to work with local public health departments and the USDA to maintain and expand Clean Sweep program, including disposal of prescription drugs. Provides reporting requirement.

Major Boilerplate Changes From FY 2011-12

Sec. 608. MAEAP and Lake St. Clair Water Quality – NEW

Directs the department to address water quality issues affecting Lake St. Clair, including non-point source pollution.

Sec. 706. Agricultural Development – RETAINED

Requires department to report on agricultural development and export market development activities.

Sec. 801. Ag Equine Industry Development Fund – RETAINED

Requires that all appropriations in part 1 from the AEIDF be spent for equine-related purposes.

Sec. 802. Agriculture Equine Fund Reduction – RETAINED

Requires that department make proportionate reductions in AEIDF appropriations, except for the racing commission and laboratory analysis, if AEIDF revenue falls below original appropriation amounts.

Sec. 803. Thoroughbred Program Escrow – RETAINED

Provides for "escrowing" of funds for thoroughbred program.

Sec. 804. Michigan Gaming Control Board – RETAINED

Requires MGCB to use actual expenditure data in determining regulatory costs.

Sec. 805. County Fair Capital Grant Program – NEW

Provides for matching program for county fair capital grants appropriated in part 1.

Sec. 1101. Provisions Regarding Healthy Food Grant Program – NEW

Provides criteria for the one-time Health Food (food hubs) grant program: grants not to exceed \$200,000. Provides for report.

Sec. 1201. Provisions FY 2012-13 Appropriations – MODIFIED

Indicates legislative intent with regard to FY 2013-14 appropriations.

FY 2012-13: DEPARTMENT OF COMMUNITY HEALTH
Summary: As Passed by the House
Article IV, HB 5365 (H-2) as Amended



Analysts: Margaret Alston, Susan Frey, Steve Stauff

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: House From FY 2011-12 YTD	
						Amount	%
IDG/IDT	\$7,241,200	\$10,023,800	\$10,023,800			\$2,782,600	38.4
Federal	9,274,293,000	9,740,485,300	9,686,137,800			411,844,800	4.4
Local	257,851,000	257,280,100	256,951,300			(899,700)	(0.4)
Private	96,499,200	93,264,000	93,364,000			(3,135,200)	(3.3)
Restricted	2,031,475,500	2,146,562,200	2,146,538,500			115,063,000	5.7
GF/GP	2,975,227,400	2,847,864,700	2,825,781,700			(149,445,700)	(5.0)
Gross	\$14,642,587,300	\$15,095,480,100	\$15,018,797,100			\$376,209,800	2.6
FTEs	3,640.2	3,613.9	3,535.6			(104.6)	(2.9)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Enrolled Senate Bill 683 (Public Act 64 of 2012).

(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time. (3) FTE positions for the Executive Budget Bill were overstated by 63.3.

Overview

The Department of Community Health budget provides funding for a wide range of mental health, substance abuse, public health, and medical services programs, including Medicaid. Established in 1996, the Department also includes the Office of Services to the Aging, the Crime Victim Services Commission, and health policy.

Executive Part 1 Appropriations: The Executive proposes to roll-up the budget into 8 appropriation line items, a reduction from 131 line items in the current year budget. The House does not concur with the rollups.

		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
Major Budget Changes From FY 2011-12 YTD Appropriations			
1. Economic Adjustments	Gross	N/A	\$18,595,400
The <u>House</u> concurs with the <u>Executive</u> to include a net increase of \$18.6 million Gross (\$7.2 million GF/GP) to finance negotiated salary and wage increases, actuarially-required retirement rate increases, reduced employer health insurance costs due to 20% employee contribution, and economic adjustments for worker's compensation, building occupancy and rent, food, and gas, fuel, and utility costs for FY 2012-13.	IDG	N/A	(54,500)
	Federal	N/A	3,933,200
	Restricted	N/A	325,500
	Local	N/A	7,183,800
	Private	N/A	(600)
	GF/GP	N/A	\$7,208,000
2. FY 2011-12 Contingency Plan Savings	FTE	N/A	(88.3)
The <u>House</u> concurs with the <u>Executive</u> to recognize FY 2011-12 contingency plan savings of \$12.2 million Gross (\$6.1 million GF/GP) which is achieved by eliminating 88.3 funded and vacant FTE positions throughout the Department, reducing travel costs, and eliminating contracts.	Gross	N/A	(\$12,176,400)
	Federal	N/A	(3,034,400)
	Restricted	N/A	(304,600)
	Local	N/A	(2,776,500)
	GF/G	N/A	(\$6,060,900)
3. FY 2012-13 State Employees One-Time Lump Sum Payments	Gross	N/A	\$4,285,300
The <u>House</u> concurs with the <u>Executive</u> to authorize one-time only allocation of \$4.3 million Gross (\$2.6 million GF/GP) for negotiated one-time lump sum payments to state employees. However, the authorization for the lump sum payments is included in a new appropriation unit entitled "Sec. 121. ONE-TIME BASIS ONLY" rather than boilerplate language (Section 1901).	IDG	N/A	19,700
	Federal	N/A	1,279,400
	Restricted	N/A	263,500
	Local	N/A	150,400
	Private	N/A	800
	GF/GP	N/A	\$2,571,500

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change	
4. Community Health Automated Medicaid Processing System (CHAMPS) Funding		Gross	\$25,723,700	(\$8,922,600)
<p>The <u>House</u> does not concur with the <u>Executive</u> to add full-year funding of \$13.4 million Gross (\$5.9 million GF/GP) for CHAMPS. The <u>House</u> concurs with the <u>Executive</u> to include savings of \$8.9 million Gross (\$1.2 million GF/GP) due to the completion of the federal Health Insurance Portability and Affordability Act (HIPAA) 5010 project which required enhancements related to the Medicaid claims processing system. Also, the <u>House</u> does not concur with the <u>Executive</u> to authorize FY 2012-13 one-time allocation of \$40.0 million Gross (\$4.0 million GF/GP) through boilerplate language (Section 4-1901) for CHAMPS to implement medical codes for diagnosis and inpatient procedures (ICD 10) as required by federal law.</p>		Federal	22,889,000	(7,768,000)
		GF/GP	\$2,834,700	(\$1,154,600)
5. Family Support Subsidy Program		Gross	\$19,470,500	(\$309,500)
<p>The <u>House</u> concurs with the <u>Executive</u> to remove excess FY 2011-12 TANF revenue authorization of \$500,000 from the Family Support Subsidy Program which provides \$222.11 monthly payment to an average of 7,159 income-eligible families with a child under age 18 living at home who is severely mentally impaired, severely multiply impaired, or autistic. The reduction for this program is offset with an increase of \$190,500 in TANF revenue anticipating a 1.0% caseload increase in FY 2012-13.</p>		Federal	19,470,500	(309,500)
		GF/GP	\$0	\$0
6. Actuarially Sound Capitation Payment Rates Adjustment		Gross	\$6,490,537,900	\$75,148,000
<p>The <u>House</u> concurs with the <u>Executive</u> to include a capitation rate increase of 1.5% for Health Plans and 1.25% for Prepaid Inpatient Health Plans (PIHPs) to ensure that payment rates for these managed care entities are actuarially sound in FY 2012-13. This adjustment results in an additional \$75.1 million Gross (\$25.3 million GF/GP) for the Medicaid Mental Health Services, Medicaid Substance Abuse Services, and Health Plan Services line items.</p>		Federal	4,293,335,900	49,890,800
		Restricted	1,159,708,900	0
		Local	38,931,800	0
		GF/GP	\$998,561,300	\$25,257,200
7. Mental Health Services for Special Populations		Gross	\$8,842,800	\$0
<p>The <u>House</u> does not concur with the <u>Executive</u> to eliminate the FY 2011-12 one-time only allocation of \$3.0 million GF/GP provided for in Section 1901 of PA 63 of 2011, Article IV for mental health services for special populations. The one-time funding is included in a new appropriation unit entitled "Sec. 121. ONE-TIME BASIS ONLY". The funding would be allocated as follows: \$250,000 for Hispanic/Latino Commission within the Department of Civil Rights; \$700,000 for ACCESS; \$700,000 for Arab/Chaldean; \$650,000 for Chaldean Chamber Foundation; and \$700,000 for Michigan Jewish Federation.</p>		GF/GP	\$8,842,800	\$0
8. Children with Serious Emotional Disturbance Waiver		Gross	\$8,188,000	\$4,463,000
<p>The <u>House</u> concurs with the <u>Executive</u> to increase funding for the Children with Serious Emotional Disturbance Program by \$4.5 million Gross (\$0 GF/GP), enabling the Department to serve additional children eligible for the federal waiver program in which community mental health services programs (CMHSPs) provide home and community-based mental health services. Currently, 12 CMHSPs in eighteen counties provide services for up to 357 children.</p>		IDG	2,769,000	500,000
		Federal	5,419,000	3,963,000
		GF/GP	\$0	\$0
9. Pharmacy Inflationary Adjustment for State Psychiatric Hospitals and Center for Forensic Psychiatry		Gross	\$257,696,200	\$0
<p>The <u>House</u> does not concur with the <u>Executive</u> to include 5.0% inflationary adjustment for pharmacy costs at state-operated psychiatric hospitals and the Center for Forensic Psychiatry which equates to an increase of \$793,300 Gross (\$401,300 GF/GP) in funding for these facilities.</p>		Federal	29,426,200	0
		Restricted	15,240,900	0
		Local	17,494,500	0
		GF/GP	\$195,534,600	\$0

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change	
10. Healthy Michigan Fund Programs		Gross	\$37,175,900	(\$2,853,400)
<i>Healthy Michigan Fund (HMF) changes - <u>House</u> concurs with the <u>Executive</u> on all HMF changes including reduce Medicaid appropriation of HMF by \$2.5 million to \$26.7 million and replace with \$2.5 million GF/GP to reflect decline in HMF revenue, and rename HMF Program line item to Health and Wellness Initiatives.</i>		Restricted	34,175,900	(2,355,900)
<i>HMF Programs One-Time Basis Only Funding - <u>Executive</u> continues \$3.0 million one-time basis only funding for HMF Program line item public health prevention projects under the new line item name. <u>House</u> does not concur.</i>		GF/GP	\$3,000,000	(\$497,500)
11. New Wellness 4x4 Initiative		Gross	\$0	\$0
<i><u>House</u> does not concur with the <u>Executive</u> on new funding of \$2.25 million GF/GP for a new community-based collaborative public health program to address obesity, focusing on 4 healthy behaviors and 4 key health measures (\$1.0 million ongoing, \$1.25 million one-time basis only).</i>		GF/GP	\$0	\$0
12. New Children's Physical Health Initiative		Gross	\$0	\$1,000,000
<i><u>House</u> provides \$1.0 million GF/GP for a new initiative to address childhood obesity with a before- and after-school physical health pilot program that incorporates evidence-based best practices. Related boilerplate Sec. 654.</i>		GF/GP	\$0	\$1,000,000
13. Primary Care Services		Gross	\$3,195,900	(\$300,000)
<i>Island Health Clinics - <u>Executive</u> does not continue one-time basis only funding of \$300,000 GF/GP for island health clinics. <u>House</u> concurs.</i>		Federal	1,870,300	0
<i>Primary Care DSH - <u>Executive</u> restores primary care disproportionate share (DSH) funding of \$330,200 Gross (\$111,000 GF/GP) for Bronson Methodist Hospital. <u>House</u> does not concur. This funding is included in FY 201-12 supplemental Enrolled HB 4289.</i>		GF/GP	\$1,325,600	(\$300,000)
14. Laboratory Services One-Time Equipment Funding		Gross	\$0	\$0
<i><u>House</u> does not concur with the <u>Executive</u> to provide new one-time basis only appropriation of \$200,000 for replacement of outdated laboratory equipment and supplies in FY 2012-13.</i>		GF/GP	\$0	\$0
15. Bioterrorism Preparedness		Gross	\$49,286,900	(\$14,519,100)
<i><u>Executive</u> reflects decline in federal grant funding for public health and hospital preparedness and response for bioterrorism, and completion of grants for H1N1 pandemic flu, a reduction of \$14.5 million. <u>House</u> concurs.</i>		Federal	49,286,900	(14,519,100)
		GF/GP	\$0	\$0
16. Traumatic Brain Injury Treatment Model Project		Gross	\$0	\$0
<i><u>House</u> does not concur with the <u>Executive</u> to restore \$200,000 gross (\$100,000 GF/GP) funding for use of EBM Care, Inc. traumatic brain injury treatment interactive software at 4 trauma hospitals. Program was last funded in FY 2010-11 but funds were not expended. This funding is included in FY 2011-12 supplemental Enrolled HB 4289.</i>		Federal	0	0
		GF/GP	\$0	\$0
17. Maternal and Infant Home Visiting Program		Gross	\$2,200,000	\$2,107,200
<i><u>Executive</u> recognizes \$2.1 million increased funds from the Maternal, Infant and Early Childhood Home Visiting federal program grant authorized under the Patient Protection and Affordable Care Act. <u>House</u> concurs.</i>		Federal	2,200,000	2,107,200
		GF/GP	\$0	\$0
18. One-Time Funding for Infant Mortality		Gross	\$0	\$0
<i><u>House</u> does not concur with the <u>Executive</u> on new one-time funding of \$750,000 GF/GP for maternal and child health and infant mortality programming.</i>		GF/GP	\$0	\$0
19. New 2-Year Alternative Home Visit Support Program		Gross	\$0	\$2,000,000
<i><u>House</u> provides \$2.0 million federal TANF funding for a new initiative planned for 2 years for a real alternatives pregnancy and parenting support services program as a pilot project to provide enhanced counseling and support for women during pregnancy through 12 months after birth. Related boilerplate Sec. 1136.</i>		Federal	0	2,000,000
		GF/GP	\$0	\$0

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
20. New 2-Year Enhanced Support for Nurse Family Partnership	Gross	\$0	\$1,000,000
<u>House</u> provides \$1.0 million federal TANF funding for a new initiative planned for 2 years to enhance support and education for the nurse family partnership (NFP) program including strategic planning and awareness for a Detroit-based NFP. Related boilerplate Sec. 1137.	Federal	0	1,000,000
	GF/GP	\$0	\$0
21. Aging Services to Support Community Living	Gross	\$35,314,400	\$0
<u>House</u> does not concur with the <u>Executive</u> on the following GF/GP increases for senior programs: \$500,000 to expand community living options counseling, \$250,000 for community services for persons caring for family members with Alzheimer's Disease or dementia, and \$350,000 to expand elder abuse prevention programs (\$100,000 ongoing and \$250,000 one-time basis only). (Community Services line item funding shown).	Federal	22,880,900	0
	Private	200,000	0
	GF/GP	\$12,233,500	\$0
22. Cochlear Implant Policy Change	Gross	\$0	\$0
The <u>House</u> does not concur with the <u>Executive's</u> plan to increase the Department's budget by \$560,000 Gross (\$188,900 GF/GP) reflecting annualized FY 2011-12 costs due to a change in State Medicaid policy to cover cochlear implants for both ears rather than just one ear. The appropriation lines affected are Medical Care and Treatment, Physician Services and Auxiliary Medical Services.	Federal	0	0
	GF/GP	\$0	\$0
23. Electronic Health Records Incentive Program	FTEs	0.0	24.0
The <u>House</u> concurs with the <u>Executive</u> to increase the Electronic Health Records Incentive Program line by \$24.7 million Gross (reduces GF/GP \$60,800) and makes a technical adjustment by incorporating 24.0 FTEs. The FY 2011-12 base authorization of \$119.4 million Gross included funding for administration of the program, but no FTEs. All of the FY 2012-13 authorization is for electronic health record (EHR) incentive payments. The Department of Community Health will provide incentive payments to eligible professionals, hospitals and critical access hospitals as they adopt, implement, upgrade or demonstrate meaningful use of certified EHR technology. An EHR is an electronic record of patient health information generated by one or more encounters in any care delivery setting.	Gross	\$119,388,800	\$24,692,600
	Federal	117,989,900	24,753,400
	GF/GP	\$1,398,900	(\$60,800)
24. Medicaid Cost Increases	Gross	\$11,763,656,400	\$115,299,300
The <u>House</u> concurs with the <u>Executive</u> to include an increase for FY 2012-13 of \$263.3 million Gross (\$93.2 million GF/GP) to cover Medicaid caseload, utilization and inflation changes within Medical Services, Mental Health/Substance Abuse, Children's Special Health Care Services and Federal Medicare Prescription programs. Also recognizes an anticipated FY 2011-12 Medicaid caseload, utilization and inflation adjustment, which is included as a FY 2012-13 base reduction, reducing various Medicaid appropriation lines by \$148.0 million Gross (\$47.5 million GF/GP). The increase for FY 2013-14 Medicaid caseload, utilization and inflation is projected to be \$379.4 million Gross (\$128.3 million GF/GP).	Federal	7,832,698,100	69,490,500
	Local	52,469,400	0
	Private	2,100,000	0
	Merit Awd	82,275,800	0
	Restricted	1,865,496,800	0
	GF/GP	\$1,928,616,300	\$45,808,800
25. Dual Eligibles to Managed Care	Gross	N/A	(\$10,000,000)
The <u>House</u> increases expected savings by \$10.0 million Gross (\$3.4 GF/GP) from shifting individuals who are eligible for both Medicare and Medicaid (dual eligibles) from fee-for-service to an integrated managed care system. The FY 2011-12 anticipated savings in the amount of \$29.8 million Gross (\$10.0 million GF/GP) given a start date of April 1, 2012. The FY 2011-12 savings apparently will not be realized and are again included by the <u>Executive</u> in the FY 2012-13 Recommendation with a program start date of April 1, 2013. There was no net change from FY 2011-12 to FY 2012-13 in the Executive Recommendation.	Federal	N/A	(6,639,000)
	GF/GP	N/A	(\$3,361,000)
26. Graduate Medical Education	Gross	\$153,465,900	\$859,000
The <u>House</u> concurs with <u>Executive's</u> continuation of the reduction of \$31.8 million Gross made to the Graduate Medical Education (GME) program in FY 2011-12. The <u>Executive</u> does not continue the FY 2011-12 Sec. 1901 "one-time basis only" funding for GME of \$17.1 million Gross, but the <u>House</u> does fund the one-time unit at \$18.0 million Gross (\$6.1 million GF/GP).	Federal	101,502,300	600,000
	GF/GP	\$51,963,600	\$289,000

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
27. Primary Care Physician Rate Increase		Gross	N/A
The <u>House</u> concurs with the <u>Executive</u> in recognizing an increase of \$281.8 million of federal funds that will be available to provide an increase in the reimbursement rates for primary care doctors, family doctors and pediatricians up to 100% of Medicare rates. Not included in the rate increase are nurse practitioners, physician assistants and OB/GYNs. This reimbursement level change is a requirement of the Affordable Care Act of 2010 and is entirely federally funded.		Federal	\$281,800,000
		GF/GP	\$0
28. Include Behavioral Health Drugs On Preferred Drug List		Gross	\$338,717,500
Savings of \$18.7 million gross (\$6.3 million GF/GP) were removed from the Pharmaceutical Services line in FY 2011-12 as a result of including behavioral health drugs on the preferred drug list. The FY 2011-12 savings apparently will not be realized and are once again included by the <u>Executive</u> in the FY 2012-13 Recommendation. There is no net change from FY 2011-12 to FY 2012-13. The <u>House</u> restores \$7.9 million (\$2.7 million GF/GP) of the anticipated savings. A statutory change would be required to realize these savings.		Federal	\$7,910,400
		GF/GP	\$2,658,700
29. Healthy Kids Dental Expansion		Gross	N/A
The <u>Executive</u> included the first one-quarter of a 4 year plan to phase-in statewide coverage for the Healthy Kids Dental program by increasing the budget \$25.0 million Gross (\$8.4 million GF/GP). The expansion would include, but is not limited to, parts of several large urban counties including Kent, Oakland, Macomb and Wayne. Areas with the greatest dental service need would be the highest priority for program expansion. The <u>House</u> includes \$7.9 million Gross (\$2.7 million GF/GP) for an expansion.		Federal	\$7,910,400
		GF/GP	\$2,658,700
30. Airport Parking Tax Deposit to MBTF		Gross	\$105,877,700
The <u>House</u> concurs with the <u>Executive's</u> replacement of \$6.7 million of funding received from Wayne County for support of the Medicaid Adult Benefits Waiver program with a like amount of revenue from the Medicaid Benefits Trust Fund (MBTF). For many years Wayne County has provided the Department Wayne's portion of the Airport Parking Tax which the Department uses for support of the Medicaid Adult Benefits Waiver program. This change would simply direct Wayne County's portion of the Airport Parking Tax to the Medicaid Benefits Trust Fund. Legislation would be necessary to make this adjustment and is an anticipated supplemental request in FY 2011-12.		Federal	\$0
		Local	0
		Restricted	(6,653,800)
		GF/GP	6,653,800
			\$0
31. Medicaid Estate Recovery Program		Gross	\$1,686,454,600
Savings of \$16.6 million Gross (\$5.6 million GF/GP) were removed from the Long-Term Care Services line in FY 2011-12 representing savings generated by strengthening statutory changes to the existing Medicaid long-term care estate recovery law. The FY 2011-12 savings apparently will not be realized and are once again included by the <u>Executive</u> in the FY 2012-13 Recommendation and the <u>House</u> concurs. There is no net change from FY 2011-12 to FY 2012-13.		Federal	\$0
		Merit Awd	0
		Restricted	0
		Local	0
		GF/GP	\$0
32. MIChoice Program Adjustments		Gross	\$229,921,000
The <u>Executive</u> increases the Medicaid Home- and Community-Based Services Waiver line by \$14.1 million Gross (\$4.8 million GF/GP) to recognize additional transitions from nursing homes and the reduction in the waiting list for the MIChoice program, \$3.1 million Gross and \$11.0 million Gross respectively. The Long-Term Care Services line is reduced \$6.6 million Gross (\$1.5 million GF/GP) recognizing transition savings and funds transferred to the MIChoice program. The <u>House</u> concurs, with the exception that funding to reduce the MIChoice waiting list is \$8.0 million Gross rather than \$11.0 million Gross.		Federal	\$11,094,7000
		Local	7,252,500
		Private	0
		GF/GP	\$3,842,200

		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change	
Major Budget Changes From FY 2011-12 YTD Appropriations				
33. PACE Program Adjustments		Gross	\$30,707,800	\$0
The <u>House</u> concurs with the <u>Executive</u> proposed increase of the Program for All-Inclusive Care for the Elderly (PACE) line item by \$4.1 million Gross (\$1.4 million GF/GP) bringing the existing PACE programs up to capacity(\$2.5 million) and adding a Berrien County PACE program (\$1.6 million). Both actions are funded by a reduction to the Long-Term Care Services line in the amount of the PACE increases.		Federal	20,310,200	0
		GF/GP	\$10,397,600	\$0
34. Autism Spectrum Disorder Coverage		Gross	\$0	\$34,061,200
The <u>House</u> includes the <u>Executive's</u> increase of \$34.1 million Gross (\$10.1 million GF/GP) to fund autism spectrum disorder treatment for Medicaid and MICHild eligible children. Original <u>Executive</u> boilerplate language had indicated that services would be provided to children up to the age of six and later the language was informally modified up to the age of 18 years of age. The <u>House</u> stipulates coverage for those aged 2 through 5. The <u>Executive</u> created a new line "Autism Services" authorized at \$20.5 million Gross (\$6.9 million GF/GP), with the <u>House</u> renaming the line "Essential services to children age 2-5". The <u>House</u> and <u>Executive</u> agree to add funding to the MICHild line of \$13.5 Gross (\$3.2 million GF/GP).		Federal	0	23,978,200
		GF/GP	\$0	\$10,083,000
35. Use Tax Adjustment		Gross	\$201,057,300	(\$201,057,300)
The <u>House</u> concurs with the <u>Executive</u> reversing the FY 2011-12 supplemental PA 278 of 2011 that provided use tax (GF/GP) funding, which corrected authorization necessary to implement the State's final Health Insurance Claim Assessment (HICA) legislation. The Department budget is reduced \$201.1 million Gross (\$167.3 million GF/GP).		Federal	132,979,300	(132,979,300)
		Restricted	(99,214,200)	99,214,200
		GF/GP	\$167,292,200	(\$167,292,200)
36. School-Based Services		Gross	\$91,296,500	\$40,206,200
The <u>House</u> concurs with the <u>Executive</u> increase of the School-Based Services line by \$40.2 million federal funding representing Michigan school district's 60% portion of the federal Medicaid funds earned by the school district match. The other 40% of federal funding (\$26.8 million) is retained by the State and is used to offset GF/GP in the Medicare Premium Payments line.		Federal	152,160,800	67,010,300
		GF/GP	(\$60,864,300)	(\$26,804,100)
37. Hospital Uncompensated Care Payments - One-Time		Gross	\$29,533,400	(\$19,533,400)
The <u>House</u> concurs with the <u>Executive</u> in the discontinuation of a rural and sole community hospitals payment pool of \$29.5 million Gross (\$10.0 million GF/GP). However, the <u>House</u> includes a new appropriation line within the new One-Time Basis Only unit entitled "Outstate Hospital Uncompensated Care - Disproportionate Share Hospital Payment" funded at \$10.0 million Gross (\$3,361,000 GF/GP). Boilerplate Sec. 1904 provides the parameters of the funding distribution.		Federal	19,533,400	(12,894,400)
		GF/GP	\$6,639,000	(\$6,639,000)
38. One-Time Appropriations		Gross	N/A	N/A
<u>House</u> does not concur with the <u>Executive</u> on most one-time basis only appropriations. <u>House</u> moves all one-time basis only appropriations from Sec. 1901 boilerplate to Part 1, Sec. 121 that is also included in the Part 1 appropriation totals. <u>House</u> proposes \$35.3 million Gross (\$15.0 million GF/GP) of one-time basis only appropriations in four areas: mental health services for special populations, graduate medical education, hospital uncompensated care payments, and state employee lump sum payments. All Executive and House one-time appropriations are discussed above throughout the Major Budget Changes section.		GF/GP	N/A	N/A
39. Anticipated FY 2013-14 Budget Changes				
Reflects FY 2013-14 anticipated increase from FY 2012-13 budget of \$391.6 million Gross (\$147.2 million GF/GP):				
• \$379.4 Gross (\$128.3 million GF/GP) for Medicaid caseload/utilization/inflation costs				
• \$0 Gross (\$15.1 million GF/GP) for the replacement of state restricted revenue shortfalls with general fund/general purpose				
• \$7.9 million Gross (\$2.7 million GF/GP) for phase-in of Healthy Kids dental expansion				
• \$4.3 million Gross (\$1.1 million GF/GP) for active and early retiree insurance and pension costs				
(Boilerplate intent language only; would not be binding appropriation.)				

Major Boilerplate Changes From FY 2011-12

Executive Boilerplate Deletions

In general, the Executive Budget deletes a large majority of boilerplate language included in the FY 2011-12 budget. This includes many legislative reporting requirements, sections providing guidance and placing conditions on appropriations, and earmarks of funding for specific purposes. The list below includes major changes to boilerplate, but is not a comprehensive list of all sections deleted. For the Department of Community Health, the Executive deletes 95 of 146 boilerplate sections. The House deletes 30 of 146 boilerplate sections.

GENERAL SECTIONS

Sec. 213. Report on Tobacco and Healthy Michigan Funds – RETAINED

Requires state departments, agencies, and commissions receiving tobacco tax and Healthy Michigan funds to report on programs utilizing these funds by April 1, to the House and Senate Appropriations Committees, House and Senate Fiscal Agencies, and State Budget Director. House retains current law. Executive deletes.

Sec. 207. Principal Measurable Outcomes - NEW

Requires the Department to identify 10 principal measurable outcomes to be affected by the expenditure of appropriated funds and submit a report to the House and Senate Appropriations Committees, House and Senate Fiscal Agencies, and State Budget Director that ranks the outcomes by level of importance and contains current data on those outcomes. House adds new section.

Sec. 287. General Fund/General Purpose Lapses – REVISED

Requires DCH to report on the estimated general fund/general purpose appropriations lapses at the close of the previous fiscal year by no later than November 15, 2011. House removes calendar year. Executive changes date from November 15 to November 30.

Sec. 297. Statewide Office Space Consolidation Plan – NEW

Expresses Legislature's intent that all principal executive departments and agencies cooperate with the development and implementation of the department of technology, management, and budget statewide office space consolidation. House adds new section.

Sec. 298. E-Verify System - NEW

Requires DCH to verify, using the e-verify system, that all new department employees and new hire employees of contractors and subcontractors paid from appropriated funds, are legally present in the United States. Also, requires DCH to submit a report certifying that it has verified, or has required contractors and subcontractors to verify, using the e-verify system, that all new department and hire employees are legally present in the United States. House adds new section.

~~COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS~~ BEHAVIORAL HEALTH SERVICES

Sec. 401. Comprehensive System of CMH Services – DELETED

Requires that Part 1 appropriated funds are to support a comprehensive system of CMH services under the full authority and responsibility of local CMHSPs or PIHPs. Requires that DCH ensure each CMHSP or PIHP provides a complete array of mental health services, coordination of inpatient and outpatient hospital services, individualized plans of services, a case or care management system, and a system that serves at-risk and delinquent youth pursuant to provisions of the Mental Health Code, 1974 PA 258, MCL 330.1001 to 330.2106. House and Executive delete.

Sec. 404. Report on CMHSPs – RETAINED

Requires DCH to report by May 31, on the following for CMHSPs or PIHPs: expenditures and services data, information about access to CMHSPs, lapses and carry-forwards during the immediate preceding fiscal year, information on the CMH Medicaid managed care program, performance indicator information required to be submitted to DCH in contracts with CMHSPs or PIHPs, and an estimate of the number of mental health direct care workers. House retains current law. Executive deletes.

Sec. 406. Appropriation for State Disability Assistance Substance Abuse Services Program – RETAINED

Requires funds appropriated for the state disability assistance substance abuse services program be used to support per diem and board payments in substance abuse residential facilities. Requires DCH to reimburse all eligible licensed substance abuse programs at a rate equivalent to that paid by DHS to adult foster care providers. House retains current law. Executive deletes.

Sec. 408. Report on Substance Abuse Prevention, Education, and Treatment Programs – RETAINED

Requires DCH to report by April 1, on expenditures and services data on substance abuse prevention, education, and treatment programs from the prior fiscal year. House retains current law. Executive deletes.

Sec. 418. Monthly Report on Medicaid Managed Mental Health Program – RETAINED

Requires DCH to report on the amount of funding paid to PIHPs to support the Medicaid managed mental health program in the preceding month including total paid to each PIHP, per capita rate paid for each eligibility group for each PIHP, number of cases in each eligibility group, and year-to-date summary of eligibles and expenditures. House retains current law. Executive deletes.

Sec. 492. Mental Health Services to County Jail Inmates – RETAINED

Does not allow the Department to prohibit the use of GF/GP dollars by CMHSPs to provide mental health services to inmates of a county jail if a CMHSP has entered into an agreement with a county or county sheriff. House retains current law. Executive deletes.

Major Boilerplate Changes From FY 2011-12

Sec. 498. Effectiveness of Substance Use Disorders Treatment Programs – NEW

Requires DCH to use standard program evaluation measures to assess the effectiveness of treatment programs for substance use disorders provided through coordinating agencies and service providers in reducing and preventing the incidence of substance use disorders which include abuse of alcohol, marihuana, heroin, opiates, illicit methadone, cocaine, crack, and methamphetamine. House adds new section.

STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES

Sec. 608. Privatization of Food and Custodial Services – RETAINED

Allows DCH, in consultation with the Department of Technology, Management and Budget, to maintain a bid process to identify 1 or more private contractors to provide food and custodial services for the administrative areas at any state hospital identified by DCH as capable of generating savings through the outsourcing of those services. House retains current law. Executive deletes.

HEALTH POLICY

Sec. 704. Emergency Medical Services (EMS) Grantees and Contractors – RETAINED

Requires DCH to continue to work with EMS grantees funded from Part 1 appropriations to ensure that a sufficient number of qualified EMS personnel exist to serve rural areas of the state. Executive deletes. House current law.

Sec. 715. Options for Incentivizing Primary Care Medical School Students to Stay in Michigan – NEW

House includes new language to require DCH to evaluate options for incentivizing students attending medical schools in Michigan to meet their primary care residency requirements in Michigan and to practice in Michigan.

CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION

Sec. 1004. Cancer Rate Investigations – RETAINED

Establishes legislative intent that DCH continue to collaborate with St. Clair County and the City of Detroit's southwest community to investigate and evaluate cancer rates. Executive deletes. House current law.

FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES

Sec. 1103. Sexual and Maternal Health Expenditure and Demographics Report – REVISED

Establishes continuance of reporting for language that requires DCH to annually report an estimate of public funds administered by the department for family planning, sexually transmitted infection prevention and treatment, pregnancies, and births, and to report demographics collected by DCH that are self-reported by individuals utilizing those services. Executive deletes. House current law with fiscal year update.

Sec. 1104. Department Report Regarding Certain Pregnancy Planning and Prenatal Programs – RETAINED

Requires DCH to report by April 1 on funding allocations, breakdown of expenditures by urban and rural, and prior fiscal year service and expenditure data for the local maternal and child health, prenatal care, family planning, and pregnancy prevention programs. DCH must ensure that needs of rural communities are considered in distribution of funds for these programs. Defines "rural" entity as having a population of 30,000 or less. Executive deletes. House current law.

Sec. 1108. Restrictions on Use of Pregnancy Prevention Funding – CURRENT LAW

Executive revises language to also prohibit family planning local agreements line item funds from being used for abortion counseling, referrals, or services; current language includes pregnancy prevention program appropriation line item funds. House current law.

Sec. 1138. Maternal and Child Health Contractual Services Preference – NEW

House includes new language to establish that preference for contractual services for family, maternal, and children's health services be given to organizations that do not provide abortion services.

CRIME VICTIM SERVICES COMMISSION

Sec. 1302. Allocation of Funds for Forensic Nurse Examiner Programs – RETAINED

Allocates up to \$200,000 of justice assistance grants line item funds for expansion of forensic nurse examiner programs to facilitate training for improved evidence collection for prosecution of sexual assault. Funds to be used for program coordination and training. Executive deletes. House current law.

OFFICE OF SERVICES TO THE AGING

Sec. 1401. Eligibility for Senior Community Services and Nutrition Services Programs – RETAINED

Eligibility for services funded by community services and nutrition services appropriation line items shall be restricted to individuals at least 60 years of age who fail to qualify for home care services under Titles XVIII, XIX, or XX of the Social Security Act. Executive deletes. House current law.

Sec. 1403. Home-Delivered Meals Waiting Lists – REVISED

Requires area agency on aging regions to report home-delivered meals waiting lists to the Office of Services to the Aging and the Legislature; establishes standard criteria for persons included on the waiting list, including an initial determination of likely eligibility. Executive deletes. House current law and adds report due date.

Major Boilerplate Changes From FY 2011-12

MEDICAL SERVICES ADMINISTRATION – NEW

Sec. 1501. Electronic Health Records Incentive Program Work Project – NEW

House concurs with language originated by the Executive which establishes unexpended funds for the Electronic Health Records Incentive program as a work project appropriation with the completion date estimated to be September 30, 2017.

MEDICAL SERVICES

Sec. 1684. Home- and Community-Based Services (HCBS) Waiver Costs – DELETED

Requires report that identifies by waiver agent Medicaid HCBS waiver costs by administration, case management, and direct services. The Executive and House delete current law.

Sec. 1846. Graduate Medical Education Funding Workgroup – DELETED

Requires the Department to establish a workgroup on graduate medical education funding, identifies workgroup representation, goals of the workgroup and must issue a report. The Executive deleted current law, the House retains current law.

Sec. 1853. Medicaid HMO Enrollee Automatic Assignment Workgroup – DELETED

Requires the Department to form a workgroup to develop revisions to the process of automatic assignment of new Medicaid recipients to HMOs if the recipient has not chosen an HMO upon enrollment. The Executive and House delete current law.

Sec. 1859. Medicaid Eligibility Privatization Pilot projects – NEW

House includes language that requires the Department to work with the Department of Human Services to conduct pilot projects in 3 counties to determine whether there are costs savings from the privatization of Medicaid eligibility determination.

PART 2A

Sec. 2001. Anticipated FY 2013-14 Appropriations – REVISED

States legislative intent to provide appropriations for FY 2012-13, adjusting FY 2011-12 amounts based on changes in caseload and related costs, federal fund match rates, economic factors, and available revenues. House updates fiscal year references and excludes FY 2012-13 1-time designated appropriations from FY 2013-14 appropriations (See item 39 under Major Budget Changes for specific anticipated appropriation adjustments.) House revises current law. Executive deletes.

FY 2012-13: DEPARTMENT OF CORRECTIONS
Summary: As Passed by the House
Article V, House Bill 5365 (H-2) as Amended



Analyst: Bob Schneider

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: House From FY 2011-12 YTD	
						Amount	%
IDG/IDT	\$974,700	\$992,100	\$992,100			\$17,400	1.7
Federal	8,259,500	8,784,400	8,784,400			524,900	6.3
Local	455,800	264,300	264,300			(191,500)	(42.0)
Private	0	0	0			0	--
Restricted	53,870,300	72,271,500	69,751,500			15,881,200	29.5
GF/GP	1,950,939,100	1,982,185,600	1,945,453,900			(5,485,200)	(0.3)
Gross	\$2,014,499,400	\$2,064,497,900	\$2,025,246,200			\$10,746,800	0.5
FTEs	15,568.8	14,879.2	14,437.3			(1,131.5)	(7.3)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683.

(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

Overview

The Michigan Department of Corrections (MDOC) is responsible for the operation and maintenance of the state's 31 correctional facilities that house felony offenders sentenced to prison. This includes the provision of physical and mental health care, education and other prisoner programs, and reintegration programs. The Department is also responsible for the supervision of all parolees and probationers under Department jurisdiction and has oversight over community corrections programs and other programs designed to encourage alternatives to prison placement for appropriate offenders. As of December 31, 2011, the Department was responsible for 115,926 Michigan offenders: 52,893 probationers, 42,904 prisoners, and 20,129 parolees.

Major Budget Changes From FY 2011-12 YTD Appropriations

1. Closure of Michigan Reformatory

House reduces funding by \$42.3 million to reflect the closure of the Michigan Reformatory in Ionia. The reduction includes the elimination of the Michigan Reformatory line item along with related funding in the food service, transportation, prisoner education, and health care clinical complexes line items. As of March 9, 2012, the facility housed 1,284 prisoners classified at security levels IV and II. Under the proposal, these beds would be transferred to a facility operated under a third-party contract as part of the Cost-Effective Housing Initiative (see item 2 below).

	FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
FTE	339.9	(339.9)
Beds	1,338	(1,338)
Gross	\$42,256,900	(\$42,256,900)
GF/GP	\$42,256,900	(\$42,256,900)

2. Cost Effective Housing Initiative

House includes \$35.1 million for a continued Cost-Effective Housing Initiative aimed at exploring more cost-effective housing for state prisoners. House also retains related boilerplate that requires housing of prisoners in the most cost-effective manner possible, including the use of public-private partnerships, privately-owned facilities, and the use of existing state facilities under third-party contracts. Initiative is reduced by \$12.8 million for current year levels, which reflects a drop in beds from 1,750 beds to 1,284. Net budgeted savings from the closure of Michigan Reformatory and shift to alternative housing equates to \$7.1 million. Executive had proposed eliminating this line item.

Beds	1,750	(466)
Gross	\$47,906,300	(\$12,756,800)
GF/GP	\$47,906,300	(\$12,756,800)

3. Prison Operations Savings

House reduces GF/GP authorization to each correctional facility line item by 2.0% from Executive-recommended levels, which equates to total savings of \$20.1 million. Department would need to identify additional staffing reductions or operating efficiencies to achieve these savings.

FTE	10,240.9	0.0
Gross	\$1,097,527,600	(\$20,142,800)
Federal	1,615,900	0
Restricted	377,000	0
GF/GP	\$1,095,534,700	(\$20,142,800)

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
4. Reverse Budgeted Prison Savings - Inmate Housing Fund	Gross	(\$79,232,700)	\$79,232,700
<u>Executive</u> and <u>House</u> remove \$79.2 million in GF/GP savings included in FY 2011-12 budget to be achieved through contracting for cost-effective housing of prisoners and through other prison operations savings and efficiencies. <u>Executive</u> proposes and <u>House</u> concurs with alternative prison operation savings to partially offset this adjustment (see items 8 through 11 below). <u>House</u> also proposes alternative Cost-Effective Housing Initiative savings through the closure of the Michigan Reformatory and other prison operation savings (items 1 through 3).	GF/GP	(\$79,232,700)	\$79,232,700
5. County Jail Reimbursement Program	Gross	\$17,072,100	(\$2,000,000)
<u>House</u> reduces program funding by \$2.0 million to bring appropriations down closer to recent spending levels. Total reimbursement payments to counties for FY 2010-11 were just under \$13.0 million. No changes are proposed to eligibility and per diem reimbursement provisions in boilerplate.	Restricted	5,900,000	0
	GF/GP	\$11,172,100	(\$2,000,000)
6. Community Corrections Planning and Services	Gross	\$13,958,000	(\$1,200,000)
<u>House</u> eliminates \$1.2 million GF/GP funding increase provided in FY 2010-11 for local community corrections boards to administer community corrections programs aimed at providing alternative options to prison and jail. While appropriations were increased, total spending remained just below \$12.5 million for FY 2010-11.	GF/GP	\$13,958,000	(\$1,200,000)
7. Clinical Complexes - Prisoner Health Care Savings	Gross	\$159,582,100	(\$5,000,000)
<u>House</u> reduces appropriations for MDOC clinical complexes by \$5.0 million GF/GP. Action reflects that total spending for FY 2010-11 was \$140.5 million gross, which fell significantly below appropriated levels.	Restricted	354,900	0
	GF/GP	\$159,227,200	(\$5,000,000)
8. Prison Savings - Alert Response Vehicle Assignments	FTE	10,240.9	(114.4)
<u>Executive</u> and <u>House</u> reduce funding by \$13.2 million GF/GP across prison facilities to reflect the elimination of 114.4 FTE custody positions currently assigned to operate alert response vehicles (ARVs) to monitor the perimeter of various prison facilities. Represents 5.2 FTE positions at 22 different facilities that utilize an ARV for security purposes.	Gross	\$1,097,527,600	(\$13,200,000)
	Federal	1,615,900	0
	Restricted	377,000	0
	GF/GP	\$1,095,534,700	(\$13,200,000)
9. Prison Savings - Direct Prisoner Observation Duties	Gross	\$1,097,527,600	(\$2,200,000)
<u>Executive</u> and <u>House</u> reflect savings of \$2.2 million GF/GP attributable to use of trained prisoners, rather than custody staff, for direct and continuous observation duties for prisoners who display a self-injury or suicide risk. The policy change would reduce personnel costs, particularly overtime costs, that are often incurred when custody staff is used for direct observation.	Federal	1,615,900	0
	Restricted	377,000	0
	GF/GP	\$1,095,534,700	(\$2,200,000)
10. Prison Savings - Staffing Reductions	FTE	10,240.9	(32.8)
Both <u>Executive</u> and <u>House</u> eliminate a net 32.8 miscellaneous FTE positions across the state's prison facilities and within both regional administrative offices. Position adjustments are based on need, with some facilities gaining positions and others losing positions. Proposal results in total savings of \$2.4 million GF/GP.	Gross	\$1,097,527,600	(\$2,400,000)
	Federal	1,615,900	0
	Restricted	377,000	0
	GF/GP	\$1,095,534,700	(\$2,400,000)
11. Prison Savings - Issuance of Prisoner Clothing	Gross	\$1,097,527,600	(\$1,100,000)
<u>House</u> concurs with <u>Executive</u> in reducing funding by \$1.1 million GF/GP tied to reductions in the provision of state-issued clothing to prisoners. The Department will seek savings from both reductions in the standard set of clothing items issued to prisoners and from exploring the purchase of clothing from outside vendors rather than manufacturing clothing internally.	Federal	1,615,900	0
	Restricted	377,000	0
	GF/GP	\$1,095,534,700	(\$1,100,000)
12. Closure of Mound Correctional Facility	FTE	324.4	(324.4)
The Mound Correctional Facility in Detroit was closed in December 2011, and partial-year savings from the closure were included as part of the MDOC's FY 2011-12 contingency savings plan to achieve GF/GP savings in lieu of employee concessions. <u>Executive</u> and <u>House</u> include \$34.1 million GF/GP in full-year savings from the closure, including \$27.3 million in direct savings from the facility line item, \$1.6 million from food service, \$845,200 in education savings, and \$4.3 million from health care.	Beds	1,062	(1,062)
	Gross	\$34,106,300	(\$34,106,300)
	GF/GP	\$34,106,300	(\$34,106,300)

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
13. Increased Bed and Staffing Costs from Recent Closures	Beds	44,167	558
<u>Executive</u> and <u>House</u> include \$7.0 million GF/GP in additional funding to cover the need for increased bed space and personnel costs related to recent prison closures. Increases are proposed for Central Michigan (\$1.7 million, 154 beds), Brooks (\$1.3 million, 72 beds), Pugsley (\$1.3 million, 184 beds), and Macomb (\$1.1 million, 148 beds) to cover the costs of operating additional housing units to accommodate prisoners from Mound and other recently closed facilities. In addition, \$1.6 million GF/GP is requested for the Ryan Correctional Facility to cover increased personnel costs anticipated due to the Mound closure and resulting staffing shifts that will result in higher average seniority and thus compensation among staff.	Gross	\$1,097,527,600	\$6,976,000
	Federal	1,615,900	0
	Restricted	377,000	0
	GF/GP	\$1,095,534,700	\$6,976,000
14. Prisoner Phone Revenue – Special Equipment & Maintenance	Gross	\$0	\$4,300,000
<u>Executive</u> and <u>House</u> appropriate \$5.8 million in new restricted revenue from prisoner phone charges in the Special Equipment and Maintenance line item. New prisoner telephone contract will assess additional charges on prisoner calls with a portion of the revenue deposited into a Special Equipment Fund (SEF). Restricted revenue would be used for special security equipment such as tasers, ballistic vests, and contraband detection equipment. Combination of SEF revenue and reductions to normal equipment and maintenance spending result in \$1.5 million GF/GP savings.	Restricted	0	5,800,000
	GF/GP	\$0	(\$1,500,000)
15. Prisoner Phone Revenue – Capital Outlay	Gross	\$0	\$11,362,000
<u>Executive</u> provides \$13.9 million in Special Equipment Fund revenue from prisoner phone charges to finance security-related capital outlay purchases. \$11.4 million will be used to begin financing the replacement of personal protection equipment across the prison system. Another \$2.5 million would support the installation of new security cameras within two cell blocks at the Michigan Reformatory. <u>House</u> concurs with personal protection equipment proposal, but removes \$2.5 million allocation for security cameras.	Restricted	0	11,362,000
	GF/GP	\$0	\$0
16. Contingency Plan – Field Operations Staff Reduction	FTE	2,173.9	(115.0)
<u>Executive</u> and <u>House</u> include \$10.0 million in full-year GF/GP savings for field operations staff and services related to supervision of parolees and probationers. Savings were initially included in MDOC's FY 2011-12 contingency plan issued in September 2011 by the State Budget Office to achieve GF/GP savings in lieu of employee concessions that did not materialize. Reductions reflect recent declines in parolee and probationer caseloads.	Gross	\$257,063,200	(\$10,000,000)
	Restricted	11,585,100	0
	Federal	144,200	0
	Local	455,800	0
	GF/GP	\$244,878,100	(\$10,000,000)
17. Contingency Plan – Competitive Bidding of Health Care Services	FTE	1,130.0	0.0
<u>Executive</u> and <u>House</u> reduce funding to the Clinical Complexes line items by \$7.3 million GF/GP in anticipation of savings to be achieved through competitive bidding of prisoner health care services currently delivered by state employees. While no specific FTE reduction is proposed, the plan could impact around 1,100 positions currently funded in the budget, including nurses, dentists, dental aides and hygienists, and psychologists. Proposal was also included as part of MDOC's FY 2011-12 contingency savings plan (see item 16 above).	Gross	\$166,067,300	(\$7,328,900)
	Restricted	369,300	0
	GF/GP	\$165,698,000	(\$7,328,900)
18. Contingency Plan – Competitive Bidding of Mental Health Services	FTE	546.0	0.0
<u>Executive</u> and <u>House</u> reduce funding for Mental Health Services and Support by \$1.5 million GF/GP in anticipation of savings to be achieved through competitive bidding of prisoner mental health services currently delivered by state employees. While no specific FTE reduction is proposed, the plan could impact over 500 positions currently funded in the budget, including social workers, nurses, therapists, psychologists, and psychiatrists. Proposal was also included as part of MDOC's FY 2011-12 contingency savings plan (see item 16 above).	Gross	\$57,821,200	(\$2,500,000)
	GF/GP	\$57,821,200	(\$2,500,000)

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
19. Contingency Plan – Competitive Bidding of Woodland Center Correctional Facility			
	FTE	272.2	0.0
<u>Executive</u> and <u>House</u> reduce funding by \$1.3 million GF/GP to reflect anticipated savings from competitively bidding out the operations of the Woodland Center Correctional Facility, which houses MDOC prisoners with serious mental illness. Proposal was also included as part of MDOC's FY 2011-12 contingency savings plan (see item 16 above).	Gross	\$27,348,800	(\$1,304,200)
	Restricted	377,000	0
	GF/GP	\$26,971,800	(\$1,304,200)
20. Public Safety Initiative			
<u>Executive</u> adds \$4.5 million GF/GP to implement the Governor's announced public safety initiative related to local corrections. Funding would assist distressed communities, particularly the City of Flint, in purchasing jail bed space in neighboring counties to address backlogs of active warrants. <u>House</u> provides an additional \$250,000 to the appropriation.	Gross	\$0	\$4,750,000
	GF/GP	\$0	\$4,750,000
21. New Custody Staff Training			
<u>Executive</u> increases funding for new custody staff training costs by \$4.5 million GF/GP to support completion of training for 400 new corrections officers to meet expected attrition. <u>House</u> provides \$3.0 million GF/GP for this purpose. Base training budget for FY 2011-12 provides funding for around 200 trained officers. Funding primarily supports salary and payroll costs of new officers while they participate in training.	Gross	\$4,304,200	\$3,000,000
	GF/GP	\$4,304,200	\$3,000,000
22. Post-Closure Maintenance Costs			
<u>Executive</u> and <u>House</u> add \$3.5 million to Equipment and Special Maintenance line item to support post-closure maintenance costs related to closed correctional facilities and camps. This would include security, utilities, and other costs related to closed facilities. To the extent that sufficient funding is available, the appropriation could also support demolition costs of some of these facilities.	Gross	\$0	\$3,500,000
	GF/GP	\$0	\$3,500,000
23. Neal Settlement Agreement			
<u>Executive</u> and <u>House</u> agree to add \$5.0 million to cover an increase in the required settlement payment arising from a lawsuit brought by female inmates alleging sexual harassment within MDOC facilities during the 1990s. Total payment will be \$20.0 million for both FY 2012-13 and FY 2013-14 before increasing to \$25.0 million for final payment in FY 2014-15.	Gross	\$15,000,000	\$5,000,000
	GF/GP	\$15,000,000	\$5,000,000
24. Information Technology Maintenance and Development			
<u>Executive</u> and <u>House</u> add \$2.4 million GF/GP to cover the costs of information technology system development and maintenance. Around \$1.8 million will support additional contractual programming services related to MDOC offender assessment tools and interstate compact development. The remaining \$615,700 will support 6 additional programmer/analysts within the Department of Technology, Management and Budget (DTMB) to work on support and maintenance of existing MDOC systems.	Gross	\$22,382,800	\$2,445,500
	Restricted	805,900	0
	GF/GP	\$21,576,900	\$2,445,500
25. Other Budget Reductions			
<u>Executive</u> and <u>House</u> reduce funding for Residential Services by \$2.0 million GF/GP to reflect reduced need for residential beds for parolees; reduces funding for prisoner re-entry projects by \$2.0 million; recognizes \$815,800 in additional savings through the elimination of assistant deputy warden positions and a reduction in the use of resident unit managers within prison facilities.	Gross	N/A	(\$4,815,800)
	GF/GP	N/A	(\$4,815,800)
26. FTE Position Authorization Adjustments			
<u>House</u> reduces FTE authorization by 128.0 positions in order to better align FTEs with actual staffing levels across several budget line items. In addition, <u>House</u> adds 21.0 FTE positions to Ryan Correctional Facility line item and 5.0 FTE positions to Public Works Program line item to correct budget adjustments from last year.	FTE	N/A	(102.0)

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
27. Revisions of FY 2011-12 Budgeted Savings		Gross	N/A
The FY 2011-12 enacted budget assumed savings to be achieved through central office staffing reductions, the competitive bidding of operations at the Special Alternative Incarceration (SAI) facility at Camp Cassidy Lake, and savings in the delivery of prisoner mental health services. <u>Executive</u> and <u>House</u> revise these savings assumptions, adding back \$5.5 million GF/GP to the budget.		GF/GP	\$5,500,000
			\$5,500,000
	GF/GP Savings Assumptions		
<u>Program</u>	<u>FY12 Enacted</u>	<u>FY13 Executive</u>	
Central office staffing	\$6,000,000	\$2,500,000	
SAI competitive bidding	\$1,000,000	\$0	
Mental health services	\$5,000,000	\$4,000,000	
28. Economic Adjustments		Gross	N/A
Includes \$37.3 million Gross (\$36.3 million GF/GP) to account for various economic adjustments related to personnel (salaries, insurance, retirement), building occupancy, worker's compensation, food and fuel costs.			\$37,267,800
		IDG	13,500
		Federal	36,900
		Local	4,500
		Restricted	863,800
		GF/GP	\$36,349,100
29. One-Time Appropriations		Gross	\$0
<u>Executive</u> proposes one-time funding of \$1.1 million GF/GP for computerized document imaging equipment and the utilization of DTMB's File Net system for the digitization of prisoner files and \$13.2 million gross (\$12.9 million GF/GP) to cover lump-sum payments to state employees (in boilerplate section 1001). <u>House</u> concurs but appropriates in separate line item unit.			\$14,355,400
		IDG	3,900
		Federal	83,400
		Local	1,300
		Restricted	263,500
		GF/GP	\$14,003,300

30. Anticipated FY 2013-14 Budget Changes

Reflects anticipated increase from FY 2012-13 budget of \$37.6 million Gross (\$43.0 million GF/GP) for economic and facility utility cost adjustments net of reductions in capital outlay needs in FY 2013-14. (Boilerplate intent language only; would not be binding appropriation.)

Major Boilerplate Changes From FY 2011-12

Sec. 217. Statewide Office Consolidation Plan – NEW

Establishes legislative intent that departments and agencies cooperate with the development and implementation of a statewide office space consolidation plan.

Sec. 219. Special Equipment Fund – REVISED

Executive adds new guidelines for Special Equipment Fund revenue derived from prisoner telephone charges. Provides that revenues be used for special equipment and security projects which include, but are not limited to, replacement of personal protection systems, acquisition of contraband detection systems, and critical facility repairs to protect the safety of the public, staff, and prisoners. Provides that unexpended funds be carried forward and be available for appropriation in subsequent fiscal years. House modifies language to eliminate critical facility repairs from the list of allowable uses and adds reporting requirement on revenues and spending from Special Equipment Fund.

Sec. 235. Corrections Expenditure Reductions – DELETED

Expresses intent that MDOC reduce expenditures by following specified Auditor General recommendations and by continuing the supply chain transformation process.

Sec. 239. Management-to-Staff Ratio – DELETED

Expresses legislative intent that Department maintain management-to-staff ratio of 1 supervisor to for each 5 employees at Lansing central office and regional administration offices.

Sec. 304. Staff Savings Initiative Program – REVISED

Directs MDOC to implement a program that invites employee cost savings suggestions and requires report on responses. House and Senate add new language to provide bonus payments to employees if suggested initiatives save at least \$10,000.

Sec. 416. Felony Drunk Driver Jail Reduction and Community Treatment Program – REVISED

Establishes purposes of the felony drunk driver jail reduction and community treatment program, outlines process for development of program standards, and lists allowable program expenditures. House retains guidelines related to allowable expenditures, but eliminates other program guidelines.

Major Boilerplate Changes From FY 2011-12

Sec. 418. State Identification and Birth Certificates for Returning Prisoners – REVISED

Requires MDOC to collaborate with other state entities to develop processes to assist prisoners in obtaining state identification and their birth certificates and report on a plan to implement necessary process and policy changes. House eliminates provisions related to state identification that have been addressed through recent statutory changes.

Sec. 426. Prisoner Reintegration, Training, and Employment Programs – DELETED

Allocates \$600,000 to Michigan-chartered non-profit agencies to operate and expand public utility asset recovery recycling programs with at least 45% of employees returning to the community from incarceration.

Sec. 506. Interdepartmental Grant for the Legislative Corrections Ombudsman – DELETED

Appropriates \$250,000 to the Legislative Corrections Ombudsman for MDOC oversight activities. Funding is transferred to the Legislature budget.

Sec. 507. Interdepartmental Grant to Judiciary – DELETED

Appropriates \$1.0 million to the Judiciary for establishment of "swift-and-sure" jail sanctions pilot program aimed at probation violators. Funding is transferred to the Judiciary budget.

Sec. 814. Psychotropic Medications – NEW

Requires Department to assure that psychotropic medications are available, when deemed medically necessary by a physician, to prisoners with mental illness diagnoses but not enrolled in Corrections Mental Health Program.

Sec. 908. Incentives in Segregation Program – NEW

Requires report on the continued expansion of MDOC's "Incentives in Segregation" program including a list of all correctional facilities utilizing the program.

Sec. 924. Evaluation and Placement of Prisoners With Mental Illness – REVISED

Provides guidelines for treatment of prisoners with mental illness. Executive and House revise language to require evaluation of prisoners in therapeutic seclusion "at a frequency defined in the Mental Health Code" rather than "every 12 hours" as under current law.

Sec. 930. Therapeutic Programming for Prisoners – NEW

Requires MDOC to expand therapeutic programming, such as the prisoner canine program, that aims to reduce future criminal risk in state prisoners; requires report on use and expansion of such programs.

Sec. 935. Facility Closure Guidelines – DELETED

Establishes legislative intent that MDOC fully consider local economic impact when making determinations on facility closures and makes it a high priority to close a facility for which the local economic impact is minimized.

Sec. 935. Cost Effectiveness of Correctional Facilities – NEW

Requires MDOC to evaluate facilities in terms of cost effectiveness and to make determinations as to how long each facility should remain open; requires analysis of economic impact of closing obsolete facilities and provides that Department shall work with Michigan Economic Development Corporation and other entities to encourage private sector investment in affected communities.

Sec. 939. Competitive Bidding Provisions – REVISED

Requires competitive bidding for the privatization of the special alternative incarceration (SAI) facility at Camp Cassidy Lake. House modifies language to require bidding of prison stores, food service, and 1,750 custody beds by October 1, 2012. Eliminates requirement for SAI facility. Senate retains SAI requirement. Executive deletes the section.

Sec. 940. Perimeter Security Measures – NEW

Establishes intent that the MDOC maintain sufficient perimeter security measures at prison facilities to ensure the safety of surrounding communities.

Sec. 940. Report on Perimeter Cameras and Escapes – NEW

Requires quarterly report on the number of perimeter cameras installed and functioning at prison facilities, the number of escapes prevented by cameras, and the total number of attempted and successful escapes along with comparison data from fiscal year 2010-11, the last fiscal year during which continuous alert response vehicle patrols were utilized.

Sec. 1001. Capital Outlay Appropriations – NEW

Executive adds language providing guidance for the Capital Outlay appropriations discussed above in Major Budget Changes, item 13. Allocates funding for priority programs and facility needs and allows authorizations to remain available for 3 fiscal years following the original appropriation year. House modifies to require spending to be consistent with provisions of section 219 regarding Special Equipment Fund.

Sec. 1201. Anticipated FY 2013-14 Appropriations

States legislative intent to provide appropriations for FY 2013-14, adjusting FY 2012-13 amounts based on economic and other factors.

FY 2012-13: DEPARTMENT OF EDUCATION
Summary: As Passed by the House
Article VI, House Bill 5365 (H-2) as Amended



Analysts: Bethany Wicksall and Mark Wolf

IDG/IDT	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: House From FY 2011-12 YTD	
						Amount	%
	\$0	\$0	\$0			\$0	--
Federal	244,074,400	246,894,300	244,551,300			476,900	0.2
Local	7,269,200	5,560,400	5,560,400			(1,708,800)	(23.5)
Private	3,133,400	2,828,700	2,828,700			(304,700)	(9.7)
Restricted	7,438,900	7,626,300	7,626,300			187,400	2.5
GF/GP	64,643,900	68,043,200	67,363,900			2,720,000	4.2
Gross	\$326,559,800	\$330,952,900	\$327,930,600			\$1,370,800	0.4
FTEs	596.0	594.5	586.5			(9.5)	(1.6)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683. (2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

Overview

The State Board of Education is an eight-member elected board constitutionally mandated to provide leadership and supervision for public education in Michigan. The Michigan Department of Education (MDE) is the administrative arm of the Board charged with implementing state and federal educational mandates and administering programs. Major responsibilities of the MDE include developing and overseeing the K-12 school system, certifying teachers, disbursing funds to educational organizations and libraries, and providing technical assistance to school districts and libraries.

Major Budget Changes From FY 2011-12 YTD Appropriations

1. Persistently Lowest Achieving (PLA) Schools

Executive provides \$760,000 GF/GP to the Office of Assessment and Accountability, School Reform Office (SRO) to support reform/redesign activities of PLA schools not receiving federal School Improvement Grants (SIG), allowing the SRO to provide services commensurate with SIG-funded activities, including weekly monitoring, on-going learning, and technical assistance to PLA schools. Additionally, the funds would enable the SRO and the Office of Education Innovation and Improvement (OEII) to assist schools in closing the achievement gap between highest and lowest achieving districts (i.e. so-called "focus schools"), as provided for in the MDE's federal Elementary and Secondary Education Act (ESEA) flexibility waiver request.

House concurs with Executive.

	FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
FTE	64.1	1.0
Gross	\$11,635,000	\$760,000
Federal	9,992,200	0
GF/GP	\$1,642,800	\$760,000

2. Michigan Schools for the Deaf and Blind (MSDB)

Executive reduces funding and staffing for the MSDB, following the recent sale of the MSDB's Flint campus to a private developer. The sale of the property has reduced the MSDB's property maintenance costs necessitating fewer capital expenses and maintenance staff. Enrollment declines in recent years have also necessitated fewer staff.

House concurs with Executive.

FTE	103.0	(27.0)
Gross	\$14,624,600	(\$2,088,000)
Federal	6,464,200	(45,000)
Local	7,181,000	(1,827,300)
Private	760,800	(215,700)
Restricted	218,600	0

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
3. Performance-Based Funding Initiative			
<u>Executive</u> provides \$125,000 GF/GP and 1.0 FTE position in staff support to the Bureau of Assessments and Accountability (BAA) to implement the performance funding program proposed in the School Aid Budget (Sec. 22f). The program would provide districts with incentive funds, totaling an estimated \$70.0 million, based on students' proficiency growth in grades 3-8 mathematics, grades 3-8 reading, and all subject areas for high school students. <u>House</u> does not concur with Executive.	FTE	64.1	0.0
	Gross	\$11,635,000	\$0
	Federal	9,992,200	0
	GF/GP	\$1,642,800	\$0
4. Technology Infrastructure Grant Program			
<u>House</u> provides \$125,000 GF/GP and 1.0 FTE position in staff support to the Office of Grants Administration and School Support Services to implement the technology infrastructure improvement grant program proposed in the House Subcommittee Chair's recommendation for the School Aid budget (Sec. 22i). The program would provide districts (and ISDs on behalf of constituent districts) with funds, totaling \$75.0 million, for the development or improvement of a district's technology infrastructure in preparation for the planned implementation in 2014-15 of online student achievement growth assessments based on common core curriculum standards. Grants would be capped at \$2.0 million per district, with grants awarded to ISDs on behalf of their constituent districts, if the ISD-wide grant provides savings over individual district grants.	FTE	67.6	1.0
	Gross	\$11,311,400	\$125,000
	Federal	10,715,700	0
	Local	11,700	0
	Restricted	71,700	0
	GF/GP	\$512,300	\$125,000
5. Charter School Oversight – Office of Education Innovation and Improvement			
<u>Executive</u> provides \$250,000 GF/GP and 2.0 FTE positions to the Office of Education Innovation and Improvement and the provide for administration of charter planning grants and continued levels of oversight and support of charter schools following enactment of 2011 PA 270 (SB 618), which lifted the cap on charter schools. [These positions are added in FY 2012 with 2012 PA 89.] <u>House</u> concurs with Executive.	FTE	55.7	2.0
	Gross	\$10,931,900	\$250,000
	Federal	8,883,300	0
	Private	573,300	0
	Restricted	510,900	0
	GF/GP	\$964,400	\$250,000
6. Charter School Oversight – Office of Field Services			
<u>Executive</u> provides \$250,000 GF/GP and 2.0 FTE positions to the Office of Field Services to provided continued levels of oversight and support of school districts and charter schools following the enactment of 2011 PA 270 (SB 618), which lifted the cap on university-authorized charter schools. <u>House</u> does not concur with Executive.	FTE	44.0	0.0
	Gross	\$9,519,200	\$0
	Federal	8,748,300	0
	Private	572,100	0
	Restricted	53,000	0
	GF/GP	\$145,800	\$0
7. Michigan Electronic Library (MeL) Database			
<u>Executive</u> provides \$800,000 GF/GP for the Library of Michigan, to support the library's acquisition of business databases and other online resource programs for small businesses and entrepreneurs. <u>House</u> concurs with Executive.	Gross	\$950,000	\$800,000
	GF/GP	\$950,000	\$800,000
8. State Aid to Libraries			
<u>House</u> increases funding for State Aid to Libraries - distributed under 1977 PA 89 generally on a per-capita basis - by \$0.5 million.	Gross	\$5,445,700	\$470,700
	GF/GP	\$5,445,700	\$470,700
9. Michigan College Access Network			
<u>Executive</u> provides \$2.0 million GF/GP to the College Access and Outreach Unit (CAO), partially replacing lost federal funds, to enable the CAO, the Michigan College Access Network and its partners to continue to provide support to families preparing for college and to enable the continued placement of college advisors in urban and rural schools in the state. <u>House</u> concurs with the Executive on the GF/GP funding, but removes unfunded FTE positions and excess federal funding authorization.	FTE	6.0	(6.0)
	Gross	\$4,322,400	(\$2,322,400)
	Federal	4,322,400	(4,322,400)
	GF/GP	\$0	\$2,000,000

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
10. Early Childhood Investment Corporation		Gross	\$12,723,000
<u>Executive</u> provides \$1.9 million federal funding to the Office of Great Start for funding for the Early Childhood Investment Corporation (ECIC) to support early childhood education program improvements through the 54 Great Start Collaboratives, to provide planning grants for the Children's Healthcare Access Program (CHAP), and to support the state's Tiered Quality Rating Improvement System (TQRIS), which provides assessments and professional development training for child care providers in the state.		Federal	12,723,000
<u>House</u> provides only \$1.0 million Gross (\$344,700 GF/GP).		GF/GP	\$0
			\$1,000,000
			655,300
			\$344,700
11. Child Development and Care (CDC) Caseloads		Gross	\$159,155,700
<u>Executive</u> reduces funding for the child care assistance payments by \$3.0 million due to continued reductions in the CDC program's caseload, down to an estimated 26,600 per month. CDC program caseloads for FY 2013 are determined at the May Consensus Revenue Estimating Conference.		Federal	117,166,900
<u>House</u> concurs with Executive.		GF/GP	\$41,988,800
			(\$3,000,000)
			0
			(\$3,000,000)
12. CDC Program External Support		Gross	\$30,613,800
<u>Executive</u> provides for an economics adjustment, reducing funding support for an interdepartmental grant to the Department of Human Services for DHS responsibilities in CDC program administration. Also, offsets \$1.2 million federal with GF/GP.		Federal	30,613,800
<u>House</u> concurs with the funding reduction, but not the GF/GP fund shift.			(\$655,300)
			(655,300)
13. Federal Fund Shift		Gross	N/A
<u>Executive</u> includes an additional \$1.8 million from several federal fund sources previously appropriated in the budget of the Center for Education Performance and Information (CEPI) within the School Aid Budget. These federal funds are offset with GF/GP funds in the CEPI budget.		Federal	N/A
<u>House</u> concurs with Executive.			\$1,849,000
			1,849,000
14. State Aid Management System (SAMS)		Gross	\$3,511,000
<u>Executive</u> provides an additional \$125,000 for IT costs to support the maintenance of the State Aid Management System (SAMS), the department's new IT system used to disburse school aid payments to districts. The MDE fully migrated to the new system in July 2011. The additional funds support 1.0 FTE position included in the budget for the Department of Technology, Management, and Budget.		Federal	2,062,400
<u>House</u> concurs with Executive.		Local	76,500
		Restricted	325,500
		GF/GP	\$1,046,600
			\$125,000
			0
			0
			0
			\$125,000
15. Economic Adjustments		Gross	N/A
<u>Executive</u> reflects increased costs of \$3.8 million Gross (\$730,500 GF/GP) for negotiated salary and wage increases, actuarially-required retirement rate increases and other economic adjustments for FY 2012-13, and provide \$1.5 million Gross (\$253,300 GF/GP) for FY 2013-14.		Federal	N/A
<u>House</u> concurs with Executive.		Local	N/A
		Restricted	N/A
		GF/GP	N/A
			\$3,782,500
			2,566,200
			102,000
			383,800
			\$730,500
16. One-Time Boilerplate Appropriations		Gross	N/A
<u>Executive</u> includes FY 2012-13 appropriation designated as "one-time" of \$624,300 Gross (\$114,100 GF/GP) for negotiated one-time lump sum payments to state employees. As part of their contract, unionized employees will receive a 1% lump sum payment, and Non-Exclusively Represented Employees (NEREs) will receive a 2% lump sum payment in October 2012.		Federal	N/A
<u>House</u> concurs with Executive.		Local	N/A
		Restricted	N/A
		GF/GP	N/A
			\$624,300
			429,100
			16,500
			64,600
			\$114,100
17. Full-Time Equivalent (FTE) Positions Authorization		FTE	N/A
<u>Executive</u> adjusts FTE authorization for the Office of Assessment and Accountability (2.5 FTEs), the Office of Grants Coordination and School Support Services (14.0 FTEs), Office of Audits (1.0 FTE), and central support services (2.0 FTEs) to reflect the actual number of FTE positions within those line items. There is no associated funding change.		Gross	N/A
<u>House</u> concurs with Executive.		GF/GP	N/A
			\$0
			\$0
			19.5
			\$0
			\$0

Major Budget Changes From FY 2011-12 YTD Appropriations

**FY 2011-12
Year-to-Date
(as of 2/9/12)**

**FY 2012-13
House
Change**

18. Anticipated FY 2013-14 Budget Changes

Executive provides \$1.5 million Gross (\$0.3 million GF/GP) for actuarially-required retirement rate increases and other economic adjustments for FY 2013-14. (Boilerplate intent language only; would not be binding appropriation.)

House concurs with Executive.

Major Boilerplate Changes From FY 2011-12

Sec. 207. Department Financial information – RETAINED

Requires MDE to maintain a searchable website accessible to the public which includes expenditures by category and appropriation unit, payments to vendors, the number of active employees by classification, and job specifications and wage rates. Executive (Sec. 20-205) places this requirement on the Department of Technology, Management, and Budget (rather than individual departments), and deletes language allowing MDE to develop its own website or to refer to a central website. House maintains current law.

Sec. 208. Personnel Records – REVISED

Directs that MDE require districts to retain teacher personnel records regarding sexual misconduct. Executive deletes this section. House maintains current law.

Sec. 211. Adequate Yearly Progress (AYP) – RETAINED

Requires that MDE allow districts to appeal a determination of failure to meet AYP prior to MDE reporting those results. Executive deletes this section. House maintains current law.

Sec. 214. Out-of-State Travel – REVISED

Restricts out-of-state travel by MDE employees to certain circumstances. Executive deletes this section. House deletes the restrictions on out-of-state travel, and revises the report, requiring the date and costs of each trip by an MDE employee.

Sec. 220. Timely Data – REVISED

Requires MDE to provide data requested by legislators, legislative staff, and the fiscal agencies in a timely manner. Executive deletes this provision. House retains this provision and adds that a departmental office that fails to provide reasonably requested data within 30 days shall have 1% of its appropriation withheld.

Sec. 225. Pupil Membership Fraud – RETAINED

Requires the State Superintendent of Public Instruction to investigate and report on issues of pupil membership fraud, and report on the scope of, and proposed solutions to, the problem. Executive deletes this section. House maintains current law.

Sec. 226. Lapse Report – RETAINED

Requires MDE to report on the projected year-end General Fund lapse amounts for the prior fiscal year by November 15. Executive (Sec. 20-204) requires the report to be provided by report by November 30. House maintains current law.

Sec. 227. Restricted Funds Report – RETAINED

Requires MDE to provide a report to the Legislature on restricted fund revenues, expenditures, and balances for FY 2011-12 and FY 2012-13 within 14 days of the issuance of the FY 2013-14 Executive Recommendation. Executive (Sec. 20-206) requires the report be provided by the State Budget Office, rather than MDE. House maintains current law.

Sec. 228. Office Space Consolidation – NEW

House adds legislative intent language that the MDE comply with the office space consolidation plan by DTMB.

Sec. 229. State Education Reforms – RETAINED

Requires MDE and the superintendent to use funds appropriated in part 1 to ensure that its responsibilities under the school reform and redesign law (MCL 380.1280c) are carried out within the time required. Executive deletes this section. House maintains current law.

Sec. 230. Performance Metrics – NEW

Requires the department to identify performance outcomes impacted by the expenditure of funds appropriated in part 1 and to provide data on those outcomes to the Legislature on a biannual basis.

Sec. 501. Felony Conviction Files – RETAINED

Requires that MDE maintain professional personnel registry and certificate revocations/felony conviction files. Executive deletes this section. House maintains current law.

Sec. 601. Charter School Office – DELETED

Earmarks \$350,000 and 3.5 FTE positions to operate the charter schools office. Executive and House delete this section.

Major Boilerplate Changes From FY 2011-12

Sec. 902. College Access Program – REVISED

Current law designates college access program funds as a work project. Executive provides that funds appropriated for the college access program may be used to support (1) Michigan College Access Network operations, programming, and services to local college access networks; (2) local college access networks, which are community-based organizations that work to improve college participation and completion rates; (3) the Michigan College Access Portal, an online portal to help students and families plan and apply for college; (4) public awareness campaigns to encourage low-income and first-generation students to attend college; and (5) subgrants to post-secondary institutions to provide student mentors and college advisors to assist high school students in navigating the postsecondary planning and enrollment process. House concurs with Executive.

Sec. 701. Collaboration with the Center for Educational Performance and Information (CEPI) – DELETED

Directs MDE to work collaboratively with CEPI to support data collection. Executive and House delete this section.

Sec. 803. Keep Library Functions Together – RETAINED

Legislative intent that the State maintain the Library of Michigan and its component programs together in a state department. Executive deletes this section. House retains it.

Sec. 804. Library Collections – RETAINED

Requires the MDE and the Library of Michigan to maintain custody of the non-Michigan genealogy and all Michigan-specific collections and continue to make these collections available to the public. Executive deletes this section. House retains it.

Sec. 903. Online Education – RETAINED

Directs MDE to work with districts that operate a cyber school or an alternative education program with a seat-time waiver to provide a report by March 1 detailing enrollments, resident districts, per pupil operating costs, and online education providers. Executive deletes this section. House retains it.

Sec. 1001. Number of Child Care Providers Report – RETAINED

Requires report on the number of childcare providers by type receiving payment for childcare services on October 1. (Previously included in the DHS budget this language applies now to the MDE with the transfer of the Child Development and Care Program from DHS to MDE.) Executive deletes this section. House maintains current law.

Sec. 1003. Child Development and Care Program Report – RETAINED

Requires a report on the amount of child care payments paid by parents in addition to the child care subsidy and the number of enrolled child care providers by reported annual household income. (Previously included in the DHS budget this language applies now to the MDE with the transfer of the Child Development and Care Program from DHS to MDE.) Executive deletes this section. House maintains current law.

Sec. 1005. Notification of CDC Eligibility Reduction or Elimination – RETAINED

Requires DHS/MDE to immediately notify the client and child care provider when the client's eligibility is reduced or eliminated; requires continued payment to providers until provider receives notice; requires annual report on additional payments. (Previously included in the DHS budget this language applies now the MDE with the transfer of the Child Development and Care Program from DHS to MDE.) Executive deletes this section. House maintains current law.

Sec. 1201. Anticipated FY 2013-14 Appropriations – NEW

States legislative intent to provide appropriations for FY 2013-14, adjusting FY 2012-13 amounts based on economic and other factors. (See item 17 under Major Budget Changes for specific anticipated appropriation adjustments.)

FY 2012-13: DEPARTMENT OF ENVIRONMENTAL QUALITY
Summary: As Passed by the House
Article VII, House Bill 5365 (H-2) as Amended



Analyst: Viola Bay Wild

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: House From FY 2011-12 YTD	
						Amount	%
IDG/IDT	\$12,615,200	\$9,021,200	\$9,021,200			(\$3,594,000)	(28.5)
Federal	160,757,400	161,687,500	161,687,500			930,100	0.6
Local	0	0	0			0	--
Private	725,800	533,200	533,200			(192,600)	(26.5)
Restricted	226,510,400	230,881,300	230,452,400			3,942,000	1.7
GF/GP	28,378,300	29,405,000	29,072,000			693,700	2.4
Gross	\$428,987,100	\$431,528,200	\$430,766,300			\$1,779,200	0.4
FTEs	1,340.5	1,347.8	1,327.5			(13.0)	(1.0)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683.

(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

(3) House appropriation figures do not include \$300,000 restricted funding appropriated by boilerplate in Section 307.

Overview

The Department of Environmental Quality (DEQ) supports environmental protection, conservation, and cleanup and redevelopment programs and regulatory efforts established to protect, restore, and reuse Michigan's air, water, and land resources.

Major Budget Changes From FY 2011-12 YTD Appropriations

1. Funding Authorization Reductions

Executive reduces funding authorization by \$5.3 million to align with anticipated revenues. Federal funding reduced by \$1.6 million, restricted by \$3.2 million, private by \$200,000, and IDG by \$380,000. Restricted funds reduced include Water Analysis Fees, Great Lakes Protection Fund, Stormwater Permit Fees, and Environmental Protection Bond Fund, and Environmental Response Fund, among others. House concurs.

	FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
Gross	N/A	(\$5,288,800)
IDG	N/A	(380,000)
Federal	N/A	(1,561,600)
Private	N/A	(200,000)
Restricted	N/A	(3,147,200)

2. GF/GP Reduction

House includes \$333,000 GF/GP reduction throughout various line items for a net GF/GP reduction of 1.32% from the Executive recommendation.

Gross	N/A	(\$333,000)
GF/GP	N/A	(\$333,000)

3. FTE Reduction

House includes a reduction of 19.0 FTE authorizations from various line items; these FTEs no longer had funding associated with the positions.

FTE	N/A	(19.0)
Gross	N/A	\$0
Restricted	N/A	0

4. State-Owned Sites Cleanup Program

Executive eliminates one-time \$4.4 million restricted funding of the State Site Cleanup Fund from previous year for cleanups of high risk sites where the State is responsible for the contamination. House concurs.

Gross	\$4,400,000	(\$4,400,000)
Restricted	4,400,000	(4,400,000)

5. Wetlands Funding

Executive eliminates Environmental Protection Fund funding of \$2.0 million because funds are no longer available and replaces funding with \$500,000 federal support and a one-time \$1.5 million GF/GP boilerplate appropriation. House concurs, but appropriates the \$1.5 million one-time GF/GP funding in new line item (the \$1.5 million GF/GP is shown in item #17 below).

Gross	\$2,000,000	(\$1,500,000)
Federal	0	500,000
Restricted	2,000,000	(2,000,000)
GF/GP	\$0	\$0

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
6. Cost Allocation Adjustment	Gross	N/A	\$0
<u>Executive</u> adjusts funding to reflect cost allocation changes from FY 2011-12. <u>House</u> concurs.	IDG	N/A	(52,000)
	Federal	N/A	(367,100)
	Restricted	N/A	419,100
7. Leaking Underground Storage Tanks (LUST) Cleanups	Gross	\$20,000,000	\$10,000,000
<u>Executive</u> includes additional \$10.0 million Refined Petroleum Fund (RPF) revenue for cleanup work at LUST sites. Funding is available by replacing \$10.0 million of RPF revenues currently used for debt service in Treasury with GF/GP funding. <u>House</u> concurs.	Restricted	20,000,000	10,000,000
8. MiWaters Data System Project	Gross	\$3,200,000	(\$1,200,000)
<u>Executive</u> provides \$2.0 million funding from Land and Water Permit Fees Fund to upgrade the National Pollutant Discharge Elimination Management System and combine it with Coastal and Inland Waters Permit Information System (CIWPIS) to form new MiWaters data system. Eliminates \$3.2 million funding for CIWPIS in FY 2011-12. <u>House</u> concurs.	Restricted	3,200,000	(1,200,000)
9. Drinking Water Revolving Fund (DWRP) Program	Gross	N/A	\$2,500,000
<u>Executive</u> includes \$2.5 million GF/GP for DWRP program to provide state match to secure federal funding for infrastructure loans for public water facilities. An additional one-time GF/GP appropriation of \$2.5 million is provided through boilerplate. <u>House</u> concurs, but appropriates \$2.5 million one-time GF/GP funding in new line item (additional \$2.5 million shown in item #17 below).	GF/GP	N/A	\$2,500,000
10. State Revolving Fund Program Staff	FTE	N/A	5.0
<u>Executive</u> includes \$725,000 funding from the Strategic Water Quality Initiative Fund and 5.0 FTE positions for new cleanup program for sewer improvement projects. <u>House</u> concurs.	Gross	N/A	\$725,000
	Restricted	N/A	725,000
11. Great Lakes Compact Council	Gross	N/A	\$50,000
<u>Executive</u> provides \$50,000 GF/GP to help fund administrative costs of the Great Lakes Compact Council. <u>House</u> concurs.	GF/GP	N/A	\$50,000
12. Nonferrous Metallic Mining Funding	FTE	N/A	1.0
<u>Executive</u> provides \$100,000 funding from the Nonferrous Metallic Mineral Surveillance Fund and 1.0 FTE position for the nonferrous metallic mining program. <u>House</u> concurs.	Gross	N/A	\$100,000
	Restricted	N/A	100,000
13. Large Quantity Water Withdrawal Fee Increase	FTE	N/A	0.0
<u>Executive</u> includes additional 1.25 FTE positions and \$103,900 restricted funding authorization. \$648,300 estimated to be realized through a 25% increase in the large quantity water withdrawal annual fee (from \$200 to \$250) and extension of the fee to agricultural sector. New revenue would replace \$325,000 CMI funding and fund the current year unfunded authorization of \$205,200. <u>House</u> does not include fee increase revenues or the additional 1.25 FTE authorization and eliminates the \$325,000 CMI funding that is no longer available.	Gross	N/A	(\$325,000)
	Restricted	N/A	(325,000)
14. FY 2011-12 Contingency Plans Funding	Gross	N/A	(\$81,600)
<u>Executive</u> includes reduction of \$81,600 GF/GP funding as part of an employee concessions contingency plan for FY 2011-12. <u>House</u> concurs.	GF/GP	N/A	(\$81,600)
15. Muskegon Cleanup Site One-Time Appropriation	Gross	\$6,000,000	(\$6,000,000)
<u>Executive</u> eliminates one-time funding of \$6.0 million GF/GP for Muskegon cleanup site appropriated through boilerplate in FY 2011-12. <u>House</u> concurs.	GF/GP	\$6,000,000	(\$6,000,000)
16. Other Post-Employment Benefits (OPEB) FY 2011-12 GF/GP Relief Adjustment	Gross	N/A	\$0
<u>Executive</u> includes adjustments to replace the one-time IDG funding relief of \$3.5 million for OPEB costs in FY 2011-12. <u>House</u> concurs.	IDG	N/A	(3,293,400)
	Federal	N/A	1,393,800
	Restricted	N/A	1,899,600
	GF/GP	N/A	\$0

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
17. One-Time Appropriations		Gross	N/A
<u>Executive</u> includes the following one-time appropriations in boilerplate for FY 2012-13:		IDG	\$5,549,200
<ul style="list-style-type: none"> \$1.5 million Gross (\$160,100 GF/GP) for negotiated one-time lump sum payments to state employees. \$2.5 million Gross and GF/GP for Drinking Water Revolving Fund state match program. \$1.5 million Gross and GF/GP for Wetlands Program. 		Federal	48,800
		Private	415,700
		Restricted	4,200
		GF/GP	920,400
<u>House</u> concurs, but appropriates funding in a separate line item unit.			\$4,160,100
18. Economic Adjustments		Gross	N/A
<u>Executive</u> reflects increased costs of \$2.0 million Gross (\$398,200 GF/GP) for negotiated salary and wage increases, actuarially-required retirement rate increase, reduced employer health insurance costs due to 20% employee contribution, and other economic adjustments. Additional increase of \$4.5 million Gross (\$490,400 GF/GP) projected for FY 2013-14.		IDG	\$1,983,400
<u>House</u> concurs.		Federal	82,600
		Private	549,300
		Restricted	3,200
		GF/GP	950,100
			\$398,200
19. Anticipated FY 2013-14 Budget Changes			
Reflects anticipated increase from FY 2012-13 budget of \$4.5 million Gross (\$490,400 GF/GP) for economic adjustments in FY 2013-14 and a decrease of \$2.0 million restricted funding for MiWaters data system (Boilerplate intent language only; would not be binding appropriation.)			

Major Boilerplate Changes From FY 2011-12

Sec. 209. Out-of-State Travel Report – NEW

House includes language that requires Department to report out-of-state travel expenses annually.

Sec. 212. Disciplinary Action Against State Employees – RETAINED

Prohibits Department from disciplining state employees for communicating with members of the Legislature and their staffs. Executive deletes language; House retains language.

Sec. 213. Administrative Rule Promulgation – RETAINED

Prohibits DEQ to adopt a rule that will apply to a small business if it has a disproportionate economic impact. Executive deletes language; House retains language.

Sec. 218. Office Space Consolidation Plan – NEW

House includes legislative intent language that the Department work with DTMB to develop and implement a statewide office space consolidation plan.

Sec. 223. FTE Report by Line Item – RETAINED

Requires DEQ to report on the number of funded FTEs and number of FTEs funded by line item. Executive deletes language; House retains language.

Sec. 224. Quarterly FTE Report – RETAINED

Requires DEQ to report on the number of FTEs in pay status; report required quarterly. Executive deletes language; House retains language.

Sec. 227. Permit Application Status Tracking Tool – REVISED

Requires report on implementation of a permit application tracking tool on DEQ website. Executive deletes language; House revises language to require report listing actions and program changes taken to implement the tracking tool, plan and timeline for implementation, and any estimated costs.

Sec. 228. Customer Satisfaction Evaluation Program – REVISED

Requires DEQ to develop a customer satisfaction evaluation program; requires report. Executive deletes language; House revises language to require report on program and feedback the Department received.

Sec. 229. Expedited Permitting Program – REVISED

Requires report identifying specific permit programs for which an expedited permitting option could be developed. Executive deletes language; House revises language to require report listing actions and program changes taken to implement the program, plan and timeline for implementation, and any estimated costs.

Sec. 230. Measurable Outcomes Report – NEW

House includes language that requires a report identifying 10 principal measurable outcomes of Department's budget expenditures; requires biannual updates.

Major Boilerplate Changes From FY 2011-12

Sec. 305. Refined Petroleum Fund – RETAINED

States legislative intent to restore \$70.0 million Refined Petroleum Fund transferred to General Fund in FY 2006-07. Executive deletes language; House retains language.

Sec. 306. Refined Petroleum Fund Cleanup Site List – REVISED

Lists cleanup projects funded through the Refined Petroleum Product Cleanup Program. Executive deletes language; House revises language to include new list of authorized cleanup sites.

Sec. 307. Engineering Study Appropriation – NEW

House includes language that appropriates \$300,000 CMI funding for an engineering study concerning the Wickes Manufacturing TCE plume site.

Sec. 311. Tax Exemption Certificates – DELETED

Requires DEQ to enter into an MOU with Treasury on tax exemption certificates concerning air and water pollution equipment. Executive and House delete language.

Sec. 401. Aquatic Nuisance Control (ANC) – RETAINED

Requires \$100,000 be allocated to fund the one additional FTE position for ANC program added in FY 2011; requires report. Executive deletes language; House retains language.

Sec. 402. Groundwater Dispute Resolution Process – DELETED

Directs Department to fund an aquifer dispute resolution process if funds are available. Executive and House delete language.

Sec. 601. Solid Waste Program Report – REVISED

Requires report on the Department's Solid Waste Management Program and policies. Report shall include options for long-term funding, the impact of recycling, composting, and beneficial reuse, as well as the feasibility of contracting out landfill inspections. Executive deletes language; House revises language to require report that includes plan for long-term funding and all actions and program changes taken to implement recommendation of 2012 report.

Sec. 602. Clean Sweep Program – NEW

House includes new language encouraging the Department to work with local public health departments, the Department of Agriculture and Rural Development, and the USDA to maintain and expand the clean sweep program for safe disposal of hazardous household chemicals and drugs; requires report.

Sec. 1001. One-Time Basis Appropriation – NOT INCLUDED

Executive includes language that appropriates \$1.5 million Gross (160,100 GF/GP) for state employee lump sum payments, \$2.5 million GF/GP for Drinking Water Revolving Fund state match, and \$1.5 million GF/GP for wetlands program; funding is on a one-time basis only. House does not include boilerplate language, but appropriates the funding in a separate line item unit.

Sec. 1201. Anticipated FY 2013-14 Appropriations – NEW

House includes language that states legislative intent to provide appropriations for FY 2013-14, adjusting FY 2012-13 amounts based on economic and other factors. (See item 19 under Major Budget Changes for specific anticipated appropriation adjustments.)

**FY 2012-13: TOTAL GENERAL GOVERNMENT
Summary: As Passed by the House
Article VIII, House Bill 5365 (H-2) as Amended**



Analyst: Robin R. Risko and Ben Gielczyk

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: House From FY 2011-12 YTD	
						Amount	%
IDG/IDT	\$689,218,400	\$692,338,500	\$692,338,500			\$3,120,100	0.5
Federal	769,753,400	722,234,100	722,234,100			(47,519,300)	(6.2)
Local	8,109,500	8,007,000	8,007,000			(102,500)	(1.3)
Private	985,600	5,989,000	5,989,000			5,003,400	507.7
Restricted	1,773,984,000	1,868,956,100	1,882,956,100			108,972,100	6.1
GF/GP	875,464,100	943,746,200	888,754,100			13,290,000	1.5
Gross	\$4,117,515,000	\$4,241,270,900	\$4,200,278,800			\$82,763,800	2.0
FTEs	8,159.2	7,783.7	7,785.7			(373.5)	(4.6)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683.

(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

Overview

Currently, the following departmental and agency budgets are included in the General Government appropriations bill: Executive Office, Legislature, Legislative Auditor General, and the Departments of Attorney General, Civil Rights, State, Technology, Management, and Budget (including the former Departments of Civil Service and Information Technology, and State Building Authority rent costs), and Treasury (including the Bureau of State Lottery, Michigan Gaming Control Board, Michigan Strategic Fund - Michigan State Housing Development Authority, Revenue Sharing, and Debt Service). **Budget issues are listed by department on the following pages.**

Major Boilerplate Changes From FY 2011-12

GENERAL SECTIONS OF BOILERPLATE

Sec. 216. Out-of-State Travel Restrictions – DELETED

Limits out-of-state travel; authorizes the State Budget Director to grant exceptions to allow travel; requires a monthly report on the number of exceptions granted. Executive deletes. House deletes this section, but includes a different section on out-of-state travel (see new Sec. 216 below).

Sec. 216. Out-of-State Travel – NEW

Requires departments and agencies to report on out-of-state travel expenses, listing all travel by all employees outside of this state that is funded in whole or in part with funds appropriated to the departments/agencies. Executive does not include. House includes.

Sec. 219. DTMB Space Consolidation Plan – NEW

Specifies intent of the Legislature that departments and agencies cooperate with the development and implementation of the DTMB statewide office space consolidation plan. Executive does not include. House includes.

Sec. 230. Provision of Quality Customer Service – NEW

Requires departments and agencies to work together to implement and maintain courteous, efficient, and quality services to all customers of the state and to all departments, the legislative branch, and the judicial branch. Executive does not include. House includes.

Sec. 231. Full-Time Equated Position Report – NEW

Requires departments and agencies to provide a detailed report on the number of actual full-time equated and part-time positions within each department; requires the report to include total compensation appropriated for each position. Executive does not include. House includes.

Sec. 232. Metrics – NEW

Requires departments and agencies to identify and rank by importance 10 measurable outcomes to be affected by expenditure of appropriations; requires biannual updates on the measurable outcomes; requires 5 measurable outcomes, rather than 10, for smaller departments/agencies. Executive does not include. House includes.

Major Boilerplate Changes From FY 2011-12

FY 2011-12 ONE-TIME ONLY APPROPRIATIONS

Sec. 1201. One-time Basis Only Appropriations – DELETED

Appropriates \$136.3 million in GF/GP revenue and \$30.0 million in sales tax revenue on a one-time basis only in FY 2011-12. Executive deletes. House deletes.

FY 2013-2014 ANTICIPATED APPROPRIATIONS

Sec. 1201. Anticipated Appropriations – NEW

States legislative intent to provide appropriations for FY 2013-14, adjusting FY 2012-13 amounts based on economic and other factors. Appropriation amounts are listed for each applicable department/agency.

FY 2012-13: DEPARTMENT OF ATTORNEY GENERAL
Summary: As Passed by the House
Article VIII, House Bill 5365 (H-2) as Amended



Analyst: Robin R. Risko

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: House From FY 2011-12 YTD Amount	%
IDG/IDT	\$23,007,400	\$24,082,100	\$24,082,100			\$1,074,700	4.7
Federal	9,299,900	9,932,600	9,932,600			632,700	6.8
Local	0	0	0			0	--
Private	0	0	0			0	--
Restricted	16,282,700	17,242,000	17,242,000			959,300	5.9
GF/GP	29,836,300	33,690,500	33,357,500			3,521,200	11.8
Gross	\$78,426,300	\$84,947,200	\$84,614,200			\$6,187,900	7.9
FTEs	520.0	513.0	513.0			(7.0)	(1.3)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683.

(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

Overview

The Attorney General serves as legal counsel for state departments, agencies, boards, and commissions, and their officers, brings actions and intervenes in cases on the state's behalf, and represents legislators and judges who may be sued while acting in their official capacities. The Attorney General issues opinions on questions of law submitted by members of the Legislature and others, serves as chief law enforcement officer of the state, and has supervisory powers over all local prosecuting attorneys. The department's mission is to protect the common legal rights of citizens, defend the Constitution and the laws of the state, and represent the legal interests of government. Its goals include making the state a safe place for its citizens, offering justice to victims of crime, defending common natural resources and monetary assets of the state, and delivering excellent legal services at a minimum cost to taxpayers.

Major Budget Changes From FY 2011-12 YTD Appropriations

1. Public Safety Initiative - Cities in Distress

Executive includes an additional \$900,000 GF/GP for prosecutorial services to reduce the backlog of outstanding warrants in high crime areas of the state and to increase prosecutions and incarceration of offenders. House includes an additional \$890,800 GF/GP. The difference between the Executive and House is \$9,200, which is reduced from the Executive recommendation in order to meet House GF/GP targets.

Gross	FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
GF/GP	N/A	\$890,800
	N/A	\$890,800

2. Tobacco Tax Enforcement

Executive includes additional FTE positions and funding to support enforcement of tobacco tax laws and enforcement of the multi-state tobacco settlement agreement. House concurs.

FTE	N/A	5.0
Gross	N/A	\$500,000
GF/GP	N/A	\$500,000

3. Information Technology

Executive includes an additional \$500,000 GF/GP to cover deficits in information technology appropriations which have existed for the past six fiscal years. House includes an additional \$486,000 GF/GP. The difference between the Executive and House is \$14,000, which is reduced from the Executive recommendation in order to meet House GF/GP targets.

Gross	\$781,600	\$486,000
GF/GP	\$781,600	\$486,000

4. Full-Year Savings from Announced Contingency Plan

Executive reflects full-year savings anticipated from the contingency plan issued in September 2011. The plan was introduced to achieve savings in lieu of state employee concessions that did not materialize. Funded vacant FTE positions are eliminated as part of the plan. House concurs.

FTE	N/A	(12.0)
Gross	N/A	(\$1,298,000)
IDG	N/A	(729,000)
Federal	N/A	(120,000)
Restricted	N/A	(409,000)
GF/GP	N/A	(\$40,000)

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
5. Additional Attorney for Casino Regulation <u>Executive</u> includes additional State Casino Gaming Fund revenue to support an attorney position which will assist the illegal gambling task force with legal matters relating to the identification and investigation of illegal gambling operations. <u>House</u> concurs.	Gross	N/A	\$164,800
	Restricted	N/A	164,800
6. Eliminate Funding for Redistricting <u>Executive</u> eliminates one-time funding included in the FY 2011-12 budget for legal activities associated with defending Michigan's redistricting plan. <u>House</u> concurs.	Gross	\$250,000	(\$250,000)
	GF/GP	\$250,000	(\$250,000)
7. Transfer Funding to Unclassified Positions <u>Executive</u> transfers \$88,400 from the Attorney General Operations line item to the Unclassified Positions line item to cover costs of salary increases (\$68,400 for Solicitor General and \$20,000 for the other four unclassified positions). <u>House</u> concurs.	Gross	N/A	\$0
	GF/GP	N/A	\$0
8. Economic Adjustments <u>Executive</u> includes \$5.0 million Gross (\$1.9 million GF/GP) for negotiated salary and wage increases, the actuarially-required retirement rate increase, reduced employer health insurance costs due to the 20% employee contribution, increased building occupancy and rent charges, and reduced workers' compensation costs. <u>House</u> concurs.	Gross	N/A	\$4,978,200
	IDG	N/A	1,457,300
	Federal	N/A	632,300
	Restricted	N/A	1,037,700
9. GF/GP Reductions <u>House</u> reduces \$287,400 GF/GP from Attorney General Operations, \$8,400 GF/GP from Child Support Enforcement, and \$14,000 GF/GP from PACC in order to meet House GF/GP targets.	Gross	N/A	(\$309,800)
	GF/GP	N/A	(\$309,800)
10. One-Time Appropriations - Employee Lump Sum Payments <u>Executive</u> includes a one-time appropriation, in boilerplate section 2-301, of \$1.0 million Gross (\$393,300 GF/GP) for the negotiated one-time lump sum payments to state employees. <u>House</u> concurs, but appropriates the funding in a line item.	Gross	N/A	\$1,025,900
	IDG	N/A	297,300
	Federal	N/A	122,600
	Restricted	N/A	212,700
11. Anticipated FY 2013-14 Budget Changes <u>House</u> includes an anticipated increase in funding from the FY 2012-13 levels of \$2.0 million Gross (\$745,300 GF/GP) for economic adjustments in FY 2013-14. (Boilerplate intent language only; would not be binding appropriations.)	GF/GP	N/A	\$393,300

Major Boilerplate Changes From FY 2011-12

Sec. 313. Appropriation of Proceeds From Mortgage Foreclosure Fraud Litigation – NEW

Subjects proceeds received by the Attorney General from a lawsuit initiated by the state, or settlement agreement entered into on behalf of the state, relative to mortgage foreclosure fraud, to the legislative appropriations process. Executive does not include. House includes.

Sec. 314. Appropriation of Proceeds From All Litigation – NEW

Subjects proceeds received by the Attorney General from any lawsuit initiated by the state, or settlement agreement entered into on behalf of the state, to the legislative appropriations process; requires a report on proceeds obtained by the Attorney General in the prior fiscal year; requires quarterly reports, after the initial report. Executive does not include. House includes.

Sec. 315. Drug Immunity Law – NEW

Requires the department to report on the amount of revenue the state could recover if the drug immunity law was not in place. Executive does not include. House includes.

Sec. 1201. Anticipated FY 2013-14 Appropriations – NEW

States legislative intent to provide appropriations for FY 2013-14, adjusting FY 2012-13 amounts based on economic and other factors. (See item #11 under Major Budget Changes for specific anticipated appropriation adjustments.)

FY 2012-13: DEPARTMENT OF CIVIL RIGHTS
Summary: As Passed by the House
Article VIII, House Bill 5365 (H-2) as Amended



Analyst: Robin R. Risko

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: House From FY 2011-12 YTD	
						Amount	%
IDG/IDT	\$144,500	\$0	\$0			(\$144,500)	(100.0)
Federal	2,880,600	2,641,300	2,641,300			(239,300)	(8.3)
Local	0	0	0			0	--
Private	18,700	18,700	18,700			0	0.0
Restricted	151,900	151,900	151,900			0	0.0
GF/GP	11,187,100	11,520,700	11,406,500			219,400	2.0
Gross	\$14,382,800	\$14,332,600	\$14,218,400			(\$164,400)	(1.1)
FTEs	126.0	121.0	126.0			0.0	0.0

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683.

(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

Overview

The Michigan Civil Rights Commission is charged with investigating alleged discrimination against any person because of religion, race, color, national origin, sex, age, marital status, height, weight, arrest record, or physical and mental disabilities. The Commission is directed to "secure the equal protection of such civil rights without such discrimination." The Department of Civil Rights serves as the administrative arm charged with implementing policies of the Commission. The department works to prevent discrimination through educational programs that promote voluntary compliance with civil rights laws, investigates and resolves discrimination complaints, disseminates information on the rights and responsibilities of Michigan citizens as provided by law, and provides information and services to businesses on diversity initiatives, equal employment law, procurement opportunities, feasibility studies, and joint venture/strategic alliance matchmaking.

Major Budget Changes From FY 2011-12 YTD Appropriations

1. Reduce Federal Funding/Offset with GF/GP

Executive reduces federal funding authorization for the Division on Deaf and Hard of Hearing by \$667,400 in order to reflect the amount of federal funding actually available, and increases GF/GP by \$120,000 to partially offset the loss of federal revenue. This funding will be used to meet the statutory obligation of testing and certifying sign language interpreters. House concurs.

	FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
Gross	\$1,186,100	(\$547,400)
Federal	667,400	(667,400)
Private	18,700	0
Restricted	93,400	0
GF/GP	\$406,600	\$120,000

2. Full-Year Savings from Announced Contingency Plan

Executive reflects full-year savings anticipated from the contingency plan issued in September 2011. The plan was introduced to achieve savings in lieu of state employee concessions that did not materialize. Funded vacant FTE positions are eliminated as part of the plan. House concurs.

FTE	N/A	(6.0)
Gross	N/A	(\$260,900)
GF/GP	N/A	(\$260,900)

3. Asian Pacific American Affairs Commission

Executive includes an FTE position and funding for the Asian Pacific American Affairs Commission which was transferred in the FY 2011-12 budget from DLARA, but without FTE authorization or funding. The Commission's objectives are to study the status of, serve the needs of, recognize the accomplishments of, devise methods to overcome discrimination against, ensure equal access to state services for, initiate programs for the betterment of, and promote public awareness of Asian Pacific Americans. House includes an additional \$99,000 GF/GP. The difference between the Executive and House is \$1,000, which is reduced from the Executive recommendation in order to meet House GF/GP targets.

FTE	0.0	1.0
Gross	\$0	\$99,000
GF/GP	\$0	\$99,000

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
4. Increased Enforcement	FTE	N/A	5.0
<u>Executive</u> includes additional FTE positions and funding for increased enforcement activities which will help to reduce the average processing time for discrimination complaints. <u>House</u> concurs.	Gross	N/A	\$287,800
	Federal	N/A	172,800
	GF/GP	N/A	\$115,000
5. Economic Adjustments	Gross	N/A	\$241,400
<u>Executive</u> includes \$241,400 Gross (\$155,200 GF/GP) for negotiated salary and wage increases, the actuarially-required retirement rate increase, reduced employer health insurance costs due to the 20% employee contribution, reduced building occupancy and rent charges, and workers' compensation costs. <u>House</u> concurs.	Federal	N/A	86,200
	GF/GP	N/A	\$155,200
6. GF/GP Reductions	Gross	N/A	(\$113,200)
<u>House</u> reduces \$99,100 GF/GP from Civil Rights Operations, \$5,500 GF/GP from Commission on Disability Concerns, \$2,000 GF/GP from Hispanic/Latino Commission of Michigan, and \$6,600 GF/GP from Information Technology in order to meet House GF/GP targets.	GF/GP	N/A	(\$113,200)
7. One-Time Appropriations - Employee Lump Sum Payments	Gross	N/A	\$128,900
<u>Executive</u> includes a one-time appropriation, in boilerplate section 3-401, of \$128,900 Gross (\$104,300 GF/GP) for the negotiated one-time lump sum payments to state employees. <u>House</u> concurs, but appropriates the funding in a line item.	Federal	N/A	24,600
	GF/GP	N/A	\$104,300
8. Anticipated FY 2013-14 Budget Changes			
<u>House</u> includes an anticipated increase in funding from the FY 2012-13 levels of \$320,300 Gross (\$258,600 GF/GP) for economic adjustments in FY 2013-14. (Boilerplate intent language only; would not be binding appropriations.)			

Major Boilerplate Changes From FY 2011-12

Sec. 401. (2) Private Contingency Funds – REVISED

Appropriates up to \$500,000 in private contingency funds. Executive revises amount to \$750,000. House concurs.

Sec. 1201. Anticipated FY 2013-14 Appropriations – NEW

States legislative intent to provide appropriations for FY 2013-14, adjusting FY 2012-13 amounts based on economic and other factors. (See item #8 under Major Budget Changes for specific anticipated appropriation adjustments.)

FY 2012-13: EXECUTIVE OFFICE
Summary: As Passed by the House
Article VIII, House Bill 5365 (H-2) as Amended



Analyst: Robin R. Risko

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: House From FY 2011-12 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0			\$0	--
Federal	0	0	0			0	--
Local	0	0	0			0	--
Private	0	0	0			0	--
Restricted	0	0	0			0	--
GF/GP	4,599,200	4,887,900	4,887,900			288,700	6.3
Gross	\$4,599,200	\$4,887,900	\$4,887,900			\$288,700	6.3
FTEs	84.2	84.2	84.2			0.0	0.0

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683.
(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

Overview

The Executive Office budget provides funding for the Governor, the Lieutenant Governor, and their staffs. Major constitutionally-specified responsibilities include organization and supervision of the Executive branch and annual preparation and submission of the Executive budget.

Major Budget Changes From FY 2011-12 YTD Appropriations

		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
1. Economic Adjustments	Gross	N/A	\$230,000
<u>Executive</u> includes \$230,000 GF/GP for negotiated salary and wage increases. <u>House</u> concurs.	GF/GP	N/A	\$230,000
2. One-Time Appropriations - Employee Lump Sum Payments	Gross	N/A	\$58,700
<u>Executive</u> includes a one-time appropriation, in boilerplate section 8-301, of \$58,700 GF/GP for the negotiated one-time lump sum payments to state employees. <u>House</u> concurs, but appropriates the funding in a line item.	GF/GP	N/A	\$58,700

Major Boilerplate Changes From FY 2011-12

None

FY 2012-13: LEGISLATURE
Summary: As Passed by the House
Article VIII, House Bill 5365 (H-2) as Amended



Analyst: Robin R. Risko

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: House From FY 2011-12 YTD	
						Amount	%
IDG/IDT	\$250,000	\$0	\$0			(\$250,000)	(100.0)
Federal	0	0	0			0	--
Local	0	0	0			0	--
Private	400,000	400,000	400,000			0	0.0
Restricted	1,109,800	1,109,800	1,109,800			0	0.0
GF/GP	102,884,800	108,012,700	108,212,700			5,327,900	5.2
Gross	\$104,644,600	\$109,522,500	\$109,722,500			\$5,077,900	4.9
FTEs	0.0	0.0	0.0			0.0	--

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683.

(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

Overview

This budget provides funding for the Legislative branch of state government, including the Legislative Council and agencies it governs, the Legislative Retirement System, and Property Management. The Legislature enacts the laws of Michigan, levies taxes, and appropriates funding from revenue collected for the support of public institutions and the administration of the affairs of state government. The Legislative Council provides a wide variety of essential services to members and staff of the Legislature. The Michigan Legislative Retirement System provides retirement allowances, survivors' allowances, and other benefits for members of the Legislature and their spouses, dependents, survivors, and beneficiaries. Property Management employees maintain, operate, and repair the Capitol Building, House of Representatives Office Building, and Farnum Building.

		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
Major Budget Changes From FY 2011-12 YTD Appropriations			
1. Economic Adjustments	Gross	N/A	\$4,877,900
<u>Executive</u> includes additional funding to cover costs of economic adjustments. <u>House</u> concurs.	GF/GP	N/A	\$4,877,900
2. Legislative Corrections Ombudsman	Gross	\$606,200	\$0
<u>Executive</u> includes additional GF/GP for the Legislative Corrections Ombudsman. The general fund will replace IDG funding which previously came from the Department of Corrections. <u>House</u> concurs.	IDG	250,000	(250,000)
	GF/GP	\$356,200	\$250,000
3. Michigan Veterans' Facility Ombudsman	Gross	\$0	\$200,000
<u>House</u> appropriates additional funding to the Legislative Council to be used for establishing a Michigan Veterans' Facility Ombudsman. The purpose of the Ombudsman will be to conduct investigations concerning actions or omission of actions or conditions at the veterans' homes which are alleged to be contrary to law or policy or that pose a significant health or safety issue.	GF/GP	\$0	\$200,000

***Please note: The Legislative Auditor General budget is rolled in with the Legislature budget in the Executive budget recommendation, but appears separate in this document.**

Major Boilerplate Changes From FY 2011-12

Sec. 609. Michigan Veterans' Facility Ombudsman – NEW

Establishes a Michigan Veterans' Facility Ombudsman; specifies duties and responsibilities of the Ombudsman. Executive does not include. House includes.

FY 2012-13: LEGISLATIVE AUDITOR GENERAL
Summary: As Passed by the House
Article VIII, House Bill 5365 (H-2) as Amended



Analyst: Robin R. Risko

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: House From FY 2011-12 YTD	
						Amount	%
IDG/IDT	\$3,767,500	\$3,792,100	\$3,792,100			\$24,600	0.7
Federal	0	0	0			0	--
Local	0	0	0			0	--
Private	0	0	0			0	--
Restricted	1,574,800	1,890,700	1,890,700			315,900	20.1
GF/GP	11,624,100	13,004,900	13,004,900			1,380,800	11.9
Gross	\$16,966,400	\$18,687,700	\$18,687,700			\$1,721,300	10.1
FTEs	0.0	0.0	0.0			0.0	--

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683.

(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

Overview

The Legislative Auditor General is responsible for conducting post financial and performance audits of state government operations. Audit reports provide a continuing flow of information to assist the Legislature in its oversight of approximately 100 individual state funds. Audit reports provide citizens with a measure of accountability and assist state departments and agencies in improving financial management of their operations. The goal of the Legislative Auditor General is to improve accounting and financial reporting practices and promote effectiveness, efficiency, and economy in state government. The mission is to improve the accountability of public funds and to improve the operations of state government for the benefit of the citizens of the state.

		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change	
<u>Major Budget Changes From FY 2011-12 YTD Appropriations</u>				
1. FY 2011-12 Base Adjustment		Gross	N/A	\$511,000
<u>Executive</u> includes additional funding to correct understated appropriations in the FY 2011-12 budget for employee-related economics. <u>House</u> concurs.	IDG	N/A		202,400
	Restricted	N/A		89,200
	GF/GP	N/A		\$219,400
2. Fund Source Shifts as a Result of the Statewide Single Audit		Gross	N/A	\$0
<u>Executive</u> reduces IDG revenue and increases state restricted and GF/GP in order to accurately reflect where expenditures will occur as a result of converting to a statewide single audit. <u>House</u> concurs.	IDG	N/A		(500,000)
	Restricted	N/A		160,000
	GF/GP	N/A		\$340,000
3. Economic Adjustments		Gross	N/A	\$939,400
<u>Executive</u> includes \$939,400 Gross (\$636,600 GF/GP) for negotiated salary and wage increases, the actuarially-required retirement rate increase, and reduced employer health insurance costs due to the 20% employee contribution. <u>House</u> concurs.	IDG	N/A		210,100
	Restricted	N/A		92,700
	GF/GP	N/A		\$636,600
4. One-Time Appropriations - Employee Lump Sum Payments		Gross	N/A	\$270,900
<u>Executive</u> includes a one-time appropriation, in boilerplate section 11-501, of \$270,900 Gross (\$184,800 GF/GP) for the negotiated one-time lump sum payments to state employees. <u>House</u> concurs, but appropriates the funding in a line item.	IDG	N/A		59,000
	Federal	N/A		27,100
	GF/GP	N/A		\$184,800

5. Anticipated FY 2013-14 Budget Changes

House includes an anticipated increase in funding from the FY 2012-13 levels of \$501,100 Gross (\$337,000 GF/GP) for economic adjustments in FY 2013-14. (Boilerplate intent language only; would not be binding appropriations.)

***Please note: The Legislative Auditor General budget is rolled in with the Legislature budget in the Executive budget recommendation, but appears separate in this document.**

Major Boilerplate Changes From FY 2011-12

Sec. 624. Statewide Single Audit – DELETED

Requires a report regarding the feasibility of converting to a statewide single audit. Executive deletes. House deletes.

Sec. 625. Appropriation of Unexpended FY 2010-11 GF/GP – DELETED

Appropriates up to \$905,000 of unexpended FY 2010-11 GF/GP funding to be used to pay costs of economic increases; of the \$905,000, requires funding that is not used to pay costs of economic increases to lapse to the general fund. Executive deletes. House deletes.

Sec. 1201. Anticipated FY 2013-14 Appropriations – NEW

States legislative intent to provide appropriations for FY 2013-14, adjusting FY 2012-13 amounts based on economic and other factors. (See item #5 under Major Budget Changes for specific anticipated appropriation adjustments.)

FY 2012-13: DEPARTMENT OF STATE
Summary: As Passed by the House
Article VIII, House Bill 5365 (H-2) as Amended



Analyst: Ben Gielczyk

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: House From FY 2011-12 YTD	
						Amount	%
IDG/IDT	\$26,312,700	\$20,000,000	\$20,000,000			(\$6,312,700)	(24.0)
Federal	1,810,000	1,810,000	1,810,000			0	0.0
Local	0	0	0			0	--
Private	100	100	100			0	0.0
Restricted	179,884,700	184,971,100	183,971,100			4,086,400	2.3
GF/GP	11,750,600	14,041,300	14,505,200			2,754,600	23.4
Gross	\$219,758,100	\$220,822,500	\$220,286,400			\$528,300	0.2
FTEs	1,815.0	1,698.0	1,695.0			(120.0)	(6.6)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683.

(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

Overview

The Department of State administers programs in eight areas: Driver Licensing and Vehicle Registration, which includes titling and registering vehicles; Elections and Campaign Finance Administration, which includes training local election officials and monitoring campaign finance; Regulatory and Consumer Protection, which includes inspecting and licensing automotive repair facilities; Traffic Safety, which includes driver testing; Office of the Great Seal; Assigned Claims Facility; Uniform Commercial Code; and Executive Direction and Central Support.

		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
Major Budget Changes From FY 2011-12 YTD Appropriations			
1. Credit and Debit Card Assessment Fees	Gross	\$1,000,000	\$4,000,000
<u>Executive</u> increases appropriation authorization by \$4.0 million Gross to accommodate the increase in credit and debit card fee collections due to the increase in online transactions associated with ExpressSOS. <u>House</u> concurs.	Restricted	1,000,000	4,000,000
2. Contingency Plan Adjustment	FTE	N/A	(11.0)
<u>Executive</u> recommends reduction of \$965,800 Gross (\$103,900 GF/GP) due to the elimination of 11.0 FTE positions (funded, vacant) provided as part of the FY 2011-12 employee concession contingency plan. <u>House</u> concurs.	Gross	N/A	(\$965,800)
	Restricted	N/A	(861,900)
	GF/GP	N/A	(\$103,900)
3. Transportation Administration Collection (TAC) Fund Adjustments	FTE	N/A	(113.0)
<u>Executive</u> recommends reduction of \$8.0 million Gross to adjust TAC Fund appropriation authorization to actual revenues. Eliminates 113.0 FTE positions (unfilled and unfunded) associated with TAC Fund appropriation. <u>House</u> concurs.	Gross	N/A	(\$8,000,000)
	Restricted	N/A	(8,000,000)
4. Target Reductions	Gross	N/A	(\$136,100)
<u>House</u> reduces GF/GP appropriations by 1.0% to meet target figures. Reductions are spread to various line items.	GF/GP	N/A	(\$136,100)
5. Commercial Driver License Medical Certificate	FTE	N/A	4.0
<u>Executive</u> included \$1.0 million Gross and 7.0 FTEs for new Commercial Driver License Medical Certificate program. <u>House</u> did not include \$1.0 million restricted fund but did include 4.0 FTEs. Funding for program is located in item #7.	Gross	N/A	\$0
	Restricted	N/A	0

<u>Major Budget Changes From FY 2011-12 YTD Appropriations</u>		<u>FY 2011-12 Year-to-Date (as of 2/9/12)</u>	<u>FY 2012-13 House Change</u>
6. General Fund Fund Shift		Gross	N/A
<u>Executive</u> includes \$1.7 million GF/GP as replacement revenue for Michigan Transportation Fund applied economics that must remain at \$20.0 million as statute requires. <u>House</u> concurs.		IDG	N/A
		GF/GP	N/A
			\$0
7. Economic Adjustments		Gross	N/A
<u>Executive</u> includes funding for increased costs of \$3.3 million Gross (\$291,200 GF/GP) for negotiated salary and wage increases, actuarially-required retirement rate increase, reduced employer health insurance costs, and other economic adjustments. <u>House</u> concurs.		IDG	N/A
		Restricted	N/A
		GF/GP	N/A
			\$3,335,900
8. One-Time Appropriations		Gross	N/A
<u>Executive</u> proposes \$1.7 million Gross, \$434,900 GF/GP, designated as a one-time appropriation (in boilerplate section 15-401) for state employee lump sum payments and ExpressSOS marketing. <u>House</u> concurs and adds \$600,000 GF/GP for the Commercial Driver License Medical Certificate Program. House appropriates in separate line item unit.		Restricted	N/A
		GF/GP	N/A
			\$2,294,400
9. Anticipated FY 2013-14 Budget Changes			
Reflects anticipated increase from FY 2012-13 budget of \$4.0 million Gross (\$234,800 million GF/GP) for economic adjustments in FY 2013-14. (Boilerplate intent language only; would not be binding appropriation.)			

Major Boilerplate Changes From FY 2011-12

Sec. 711 (2). Olympic Education Training Plates Revenue – DELETED

Appropriates funds in the Olympic Education Training Center Fund to the Olympic Education Training Center at Northern Michigan University. House deletes subsection; authorization exists in preceding language.

Sec. 716b. Business Application Modernization Project Report – DELETED

Requires the DOS to report on funding expended for the BAM project since its inception. House deletes section.

Sec. 1201. Anticipated FY 2013-14 Appropriations

States legislative intent to provide appropriations for FY 2013-14, adjusting FY 2012-13 amounts based on economic and other factors. (See item #7 under Major Budget Changes for specific anticipated appropriation adjustments.)

**FY 2012-13: DEPARTMENT OF TECHNOLOGY,
MANAGEMENT, AND BUDGET**
Summary: As Passed by the House
Article VIII, House Bill 5365 (H-2) as Amended



Analyst: Ben Gielczyk

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: House From FY 2011-12 YTD	
						Amount	%
IDG/IDT	\$620,917,600	\$635,564,900	\$635,564,900			\$14,647,300	2.4
Federal	10,653,700	9,464,300	9,464,300			(1,189,400)	(11.2)
Local	1,520,800	1,320,800	1,320,800			(200,000)	(13.2)
Private	186,800	190,200	190,200			3,400	1.8
Restricted	89,828,500	90,517,200	90,517,200			688,700	0.8
GF/GP	374,553,100	401,914,400	380,041,900			5,488,800	1.5
Gross	\$1,097,660,500	\$1,138,971,800	\$1,117,099,300			\$19,438,800	1.8
FTEs	3,038.5	2,814.0	2,814.0			(224.5)	(7.4)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683.

(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

Overview

The Department of Technology, Management, and Budget is an interdepartmental service and management agency responsible for ensuring proper financial record keeping for state agencies; managing capital outlay projects, state property, state buildings, state purchasing programs, and the state's retirement systems; supervising the state's motor vehicle fleet; providing office and building support services to state agencies; and acting as a general contractor between the state's information technology users and private sector providers of information technology products and services. The Department houses the Office of the State Budget, which prepares, presents, and executes the state budget on behalf of the Governor, and several other autonomous units: Office of the State Employer, Office of the Children's Ombudsman, Office of Regulatory Reform, State Building Authority, and Civil Service Commission.

Major Budget Changes From FY 2011-12 YTD Appropriations

		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
1. Information Technology Development Projects	Gross	N/A	\$29,629,800
<u>Executive</u> includes \$50.0 million GF/GP for statewide IT initiatives targeting technology upgrades and automation opportunities. <u>House</u> includes \$29.6 million. The difference (\$20.4 million) is a reduction to meet House targets.	GF/GP	N/A	29,629,800
2. Building Maintenance Fund	Gross	N/A	\$14,814,900
<u>Executive</u> includes \$15.0 million GF/GP to address deterioration and maintenance issues at state-owned buildings. <u>House</u> includes \$14.8 million. The difference (\$185,100) is a reduction to meet House targets.	GF/GP	N/A	\$14,814,900
3. Contingency Plan Adjustment	FTE	N/A	(9.0)
<u>Executive</u> includes reduction of \$806,300 Gross (\$567,100 GF/GP) due to the elimination of 9.0 FTE positions (funded, vacant positions). These positions were offered as part of the FY 2011-12 employee concession contingency plan. <u>House</u> concurs.	Gross	N/A	(\$806,300)
	IDG	N/A	(9,400)
	Restricted	N/A	(229,800)
	GF/GP	N/A	(\$567,100)
4. Military Retirement Program Transfer	Gross	N/A	\$3,981,700
<u>Executive</u> transfers \$4.0 million GF/GP from the Department of Military of Veterans Affairs (DMVA) to the Office of Retirement Services for the costs associated with the Military Retirement Program. <u>House</u> concurs.	GF/GP	N/A	\$3,981,700
5. Information Technology Adjustments	FTE	1,559.5	(100.0)
<u>Executive</u> includes \$4.3 million Gross for various department and agency technology services adjustments. Eliminates 100.0 FTE positions to accurately reflect funded positions. <u>House</u> concurs.	Gross	\$444,146,200	\$4,270,800
	IDG	444,146,200	4,270,800

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
6. Statewide Single Audit Implementation	FTE	N/A	1.0
<u>Executive</u> includes \$90,000 Gross and 1.0 FTE to allow the Office of Financial Management to establish and fill a new position to assume the additional workload that will result from the implementation of a statewide single audit. <u>House</u> concurs.	Gross	N/A	\$90,000
	Restricted	N/A	90,000
7. Other Target Reductions	Gross	N/A	(\$717,200)
<u>House</u> reduces GF/GP appropriations by \$717,200 to meet targets. Reductions are spread to various line items.	GF/GP	N/A	(\$717,200)
8. Economic Adjustments	Gross	N/A	\$15,048,500
Reflects increased costs of \$15.0 million Gross (\$2.4 million GF/GP) for negotiated salary and wage increases, actuarially-required retirement rate increase, reduced employer health insurance costs due to 20% employee contribution, and other economic adjustments. <u>House</u> concurs.	IDG	N/A	10,381,800
	Federal	N/A	658,900
	Private	N/A	3,400
	Restricted	N/A	1,590,300
	GF/GP	N/A	\$2,414,100
9. One-Time Appropriations	Gross	N/A	\$21,080,200
<u>Executive</u> proposes \$21.7 million Gross, \$17.8 million GF/GP, designated as a one-time appropriation (in boilerplate section 17-801). <u>House</u> proposes \$21.1 million, \$17.2 million GF/GP, in new line item section for:	IDG	N/A	3,104,100
<ul style="list-style-type: none"> State employee lump sum payments: \$4.7 million Special maintenance, remodeling, and addition - state facilities: \$10.0 million Space consolidation fund: \$6.4 million 	Federal	N/A	426,700
	Restricted	N/A	357,200
	GF/GP	N/A	\$17,192,200
10. Anticipated FY 2013-14 Budget Changes			
Reflects anticipated increase from FY 2012-13 budget of \$9.4 million Gross (\$3.4 million GF/GP) for economic adjustments in FY 2013-14. (Boilerplate intent language only; would not be binding appropriation.)			

Major Boilerplate Changes From FY 2011-12

Sec. 803 (5). Statewide Administrative and Support Services – REVISED

Prohibits DTMB from expending funds for the purchase of new office furniture without first examining the possibility of using existing inventory that can be reused or refurbished. Executive deletes subsection. House revises language to include a report to the legislature on why new office furniture purchases was necessary.

Sec. 813 (4). Motor Vehicle Fleet (MVF) – REVISED

Executive and House revise subsection (4) by changing when the department may charge for fuel costs increases. Changes amount from \$2.27 per gallon to "\$3.04 net of tax."

Sec. 814. Report on Enterprisewide Information Technology Investments – NEW

Requires department to provide a detailed plan for the funding appropriated for Enterprisewide Information Technology Investments. Executive does not include. House includes as new language.

Sec. 815. Contracting with Vendor Employing Former Procurement Employee – NEW

Specifies that the department may not contract with a vendor for goods or services unless that vendor has certified with the department that they do not employ a former employee of the department purchasing operations who has been severed from state employment with the department purchasing operations for less than one year. House includes as new language.

Sec. 816. Department Contracting Competitive Bidding and Transparency – NEW

Requires the department to institute competitive bidding for any contract for goods and services exceeding \$250,000. The department shall also post any savings realized from a renegotiated contract on the department dashboard. House includes as new.

Sec. 822a. Report on Privatizing State Lottery – DELETED

Requires DTMB to submit a report by April 1 regarding the feasibility of privatizing the state lottery. Executive and House delete.

TECHNOLOGY SERVICES

Sec. 829. Life-Cycle of Hardware and Software – DELETED

Requires report which analyzes and makes recommendations on life-cycle of IT hardware and software. Executive and House delete.

Major Boilerplate Changes From FY 2011-12

Sec. 880. Special Maintenance Federal and State Restricted Fund Spending Authorization – NEW

Authorizes appropriation of related federal and state restricted funds up to the amounts that will be earned based upon the initiatives undertaken with funds appropriated in part 1 for Special maintenance, Remodeling and Addition - State Facilities. Executive includes as new section 17-802. House concurs.

Sec. 881. Enterprisewide Information Technology Investments Federal and State Restricted Fund Spending Authorization – NEW

Authorizes appropriation of related federal and state restricted funds up to the amounts that will be earned based upon the initiatives undertaken with funds appropriated in part 1 for Enterprisewide Information Technology Investments. Executive includes as new section 17-803. House concurs.

Sec. 1201. Anticipated FY 2013-14 Appropriations

States legislative intent to provide appropriations for FY 2013-14, adjusting FY 2012-13 amounts based on economic and other factors. (See item #10 under Major Budget Changes for specific anticipated appropriation adjustments.)

FY 2012-13: DEPARTMENT OF TREASURY
Summary: As Passed by the House
Article VIII, House Bill 5365 (H-2) as Amended



Analyst: Ben Gielczyk

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: House From FY 2011-12 YTD Amount	%
IDG/IDT	\$14,818,700	\$8,899,400	\$8,899,400			(\$5,919,300)	(39.9)
Federal	745,109,200	698,385,900	698,385,900			(46,723,300)	(6.3)
Local	6,588,700	6,686,200	6,686,200			97,500	1.5
Private	380,000	5,380,000	5,380,000			5,000,000	1,315.8
Restricted	1,485,151,600	1,563,073,400	1,588,073,400			102,921,800	6.9
GF/GP	329,028,900	351,673,800	323,337,500			(5,691,400)	(1.7)
Gross	\$2,581,077,100	\$2,634,098,700	\$2,630,762,400			\$49,685,300	1.9
FTEs	2,575.5	2,553.5	2,553.5			(22.0)	(0.9)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683.

(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

Overview

The Department of Treasury is the chief fiscal agency of the state and the primary source of advice to the Governor on tax and fiscal policy issues. The Department's mission is to collect state taxes, to invest, control, and disburse state monies, and to protect the state's credit rating and that of its cities. The Department manages one of the nation's largest pension funds, administers revenue sharing, and administers the student financial aid programs. It also investigates fraudulent financial activity, provides assistance on all property tax-related issues and advises issuers of municipal obligations. The Bureau of State Lottery, the Michigan Gaming Control Board (MGCB), Michigan State Housing and Development Authority (MSHDA), and the Michigan Strategic Fund (MSF) are autonomous agencies housed within the Department of Treasury. Funds and programs of the MSF are administered by the Michigan Economic Development Corporation (MEDC), which also administers the 21st Century Jobs Fund.

		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
<u>Major Budget Changes From FY 2011-12 YTD Appropriations</u>			
1. Presidential Primary	Gross	\$10,000,000	(\$10,000,000)
<u>Executive</u> removes \$10.0 million GF/GP appropriated in FY 2011-12 for costs associated with the Presidential Primary. <u>House</u> concurs.		GF/GP \$10,000,000	(\$10,000,000)
2. Constitutional Revenue Sharing	Gross	\$697,500,500	\$13,619,200
<u>Executive</u> increases constitutional revenue sharing payments by \$13.6 million Gross to adjust for January Consensus Revenue Estimating Conference (CREC). <u>House</u> concurs.		Restricted 697,500,500	13,619,200
3. Economic Vitality Incentive Program	Gross	\$210,000,000	\$10,000,000
<u>Executive</u> includes FY 2011-12 one-time boilerplate appropriations (\$15.0 million Gross) in line-item as ongoing appropriations. Amounts to no gross funding change in FY 2012-13. <u>House</u> includes additional \$10.0 million for program.		Restricted 210,000,000	10,000,000
4. County Incentive Program	Gross	\$115,000,000	\$15,600,000
<u>Executive</u> includes \$125.6 million and restructures county revenue sharing as an incentive program. Increases county payments by \$10.6 million Gross (75.0% of full funding). Projected increase of \$9.5 million Gross for FY 2013-14. FY 2011-12 one-time boilerplate funding (\$15.0 million Gross) is shifted to line-item as ongoing appropriations (no Gross funding change). <u>House</u> includes \$130.6 million for county payments. Approximately \$39.2 million (30% of total funding) will be used for a county incentive program detailed in section 952 and \$91.4 million will be used for county revenue sharing payments.		Restricted 115,000,000	15,600,000

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
5. Payments in Lieu of Taxes	Gross	\$10,577,000	\$1,805,700
<u>Executive</u> increases payments in lieu of taxes (PILT) by \$1.8 million Gross (reduction of \$349,400 GF/GP) to reflect legislative change requiring the Michigan Natural Resource Trust Fund (MNRTF) to make MNRTF Purchased Land PILT payments in full. <u>House</u> concurs.	Restricted	1,646,600	2,155,100
	GF/GP	\$8,930,400	(\$349,400)
6. Contingency Plan Adjustment	FTE	N/A	(43.0)
<u>Executive</u> includes reduction of \$3.1 million Gross (\$993,700 GF/GP) due to the elimination of 43.0 FTEs (funded, vacant positions). These positions were offered as part of the FY 2011-12 employee concession contingency plan. Includes fund shift to replace restricted funds associated with contingency plan. <u>House</u> concurs.	Gross	N/A	(\$3,088,300)
	Restricted	N/A	(2,094,600)
	GF/GP		(\$993,700)
7. FY 2011-12 Supplemental Appropriations Removal	Gross	N/A	(\$2,000,000)
<u>Executive</u> removes \$2.0 million GF/GP in FY 2011-12 one-time supplemental appropriations for Michigan Finance Authority (\$1.0 million) and Tax Plan Implementation. <u>House</u> concurs.	GF/GP	N/A	(\$2,000,000)
8. Tobacco Tax Enforcement	FTE	0.0	13.0
<u>Executive</u> includes \$1.5 million GF/GP and 13.0 FTE positions to support tobacco tax enforcement. Replaces \$3.0 million Gross authorization included in FY 2011-12. <u>House</u> concurs.	Gross	\$3,000,000	(\$1,500,000)
	Restricted	3,000,000	(3,000,000)
	GF/GP	\$0	\$1,500,000
9. General Fund Replacement Revenue	Gross	\$23,893,500	\$0
<u>Executive</u> includes \$16.4 million GF/GP as replacement revenue for restricted and IDG funds. Replaces \$10.0 million Refined Petroleum Fund that supports debt service payments. Replaces \$6.4 million of IDG from Michigan Transportation Fund. <u>House</u> concurs.	IDG	8,379,000	(6,421,600)
	Restricted	15,514,500	(10,000,000)
	GF/GP	\$0	\$16,421,600
10. Office of Fiscal Responsibility	FTE	N/A	10.0
<u>Executive</u> includes \$4.5 million GF/GP and 10.0 FTE positions for assistance to local units of government facing financial emergencies. <u>House</u> concurs.	Gross	N/A	\$4,500,000
	GF/GP	N/A	\$4,500,500
11. Facility for Rare Isotope Beams	Gross	N/A	\$2,339,900
<u>Executive</u> includes in Higher Education budget recommendation. <u>House</u> includes \$2.3 million for debt service associated with the Facility for Rare Isotope Beams project at Michigan State University.	GF/GP	N/A	\$2,339,900
12. Health Insurance Claims Assessment Program	FTE	N/A	15.0
<u>Executive</u> includes \$1.9 million Gross and 15.0 FTE positions for the administration of the Health Insurance Claims Assessment Program. <u>House</u> concurs.	Gross	N/A	\$1,948,400
	Restricted	N/A	1,948,400
13. One-Time Appropriations (Treasury)	Gross	N/A	\$26,742,700
<u>Executive</u> proposes \$12.7 million Gross, \$311,500 GF/GP, (revised exec rec) designated as a one-time appropriation (in boilerplate section 19-1001). <u>House</u> includes \$26.7 million Gross, \$4.3 million GF/GP, in new line item section:	IDG	N/A	112,800
• State employee lump sum payments: \$2.7 million Gross	Federal	N/A	171,700
• Competitive Assistance Grant Program: \$20.0 million (Revised Executive Recommendation included \$10.0 million)	Restricted	N/A	22,146,700
• Community College Renaissance Zone Grants: \$4.0 million	GF/GP	N/A	\$4,311,500
14. Target Reductions	Gross	N/A	(\$676,200)
<u>House</u> includes reductions to various Treasury Operations lines to meet House targets. Reductions total \$676,200 GF/GP (1.0% of Operations GF/GP funding).	GF/GP	N/A	(\$676,200)
MICHIGAN STRATEGIC FUND			
15. Business Attraction and Economic Gardening	Gross	\$100,000,000	(\$10,000,000)
<u>Executive</u> includes FY 2011-12 one-time boilerplate appropriations (\$50.0 million GF/GP) in line-item as ongoing appropriations. Amounts to no gross funding change. <u>House</u> concurs with shift of one-time appropriations into line-item but reduces by \$10.0 million.	Restricted	25,000,000	0
	GF/GP	\$75,000,000	(\$10,000,000)

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change	
16. Arts and Cultural Grants		Gross	\$2,567,400	\$3,582,600
Includes \$3.6 million GF/GP to support arts and cultural programs and events. No changes recommended for FY 2013-14.		Federal	1,050,000	0
		Private	100,000	0
		GF/GP	\$1,417,400	\$3,582,600
17. Workforce Development Private Fund Authorization		Gross	N/A	\$5,000,000
Executive includes \$5.0 million Gross private fund appropriation authorization in anticipation of foundation grants awarded to the Workforce Development Agency. House concurs.		Private	N/A	5,000,000
18. Federal Fund Authorization Adjustment		Gross	\$233,328,300	(\$50,000,000)
Executive reduces federal fund authorization for Workforce Investment Act by \$50.0 million to reflect available federal funds. House concurs.		Federal	233,328,300	(50,000,000)
19. One-Time Appropriations (MSF/MSHDA)		Gross	N/A	\$1,135,700
Executive includes FY 2012-13 boilerplate appropriations of \$1.1 million Gross (\$140,900 GF/GP) designated as one-time for negotiated one-time lump sum payments to state employees. House concurs but places in a new line item section.		Federal	N/A	408,500
		Restricted	N/A	586,300
		GF/GP	N/A	\$140,900
20. Talent Fund for Job Training and Skills Development		Gross	N/A	\$0
Executive (revised) included \$10.0 million GF/GP for a new talent fund that would target structurally unemployed in distressed cities. House did not include.		GF/GP	N/A	\$0
21. One-Time Film Incentive Funding		Gross	\$25,000,000	(\$14,000,000)
Executive retains \$25.0 million one-time boilerplate funding from FY 2011-12 in boilerplate section. House reduces one-time funding by \$14.0 million and places in a new line item section.		GF/GP	\$25,000,000	(\$14,000,000)
22. Economic Adjustments (Treasury Operations and MSF)		Gross	N/A	\$15,048,500
Executive includes funding for increased costs of \$15.2 million Gross (\$2.0 million GF/GP) for negotiated salary and wage increases, actuarially-required retirement rate increase, reduced employer health insurance costs due to 20% employee contribution, and other economic adjustments. House concurs.		IDG	N/A	10,381,800
		Federal	N/A	658,900
		Private	N/A	3,400
		Restricted	N/A	1,590,300
		GF/GP	N/A	\$2,414,100
23. Anticipated FY 2013-14 Budget Changes				
Reflects anticipated increase from FY 2012-13 budget of \$56.6 million Gross (\$20.6 million GF/GP) for economic adjustments - \$8.2 million, County Incentive Program payments - \$9.5 million, constitutional revenue sharing payments - \$19.5 million, and debt service payments - \$19.4 million in FY 2013-14. (Boilerplate intent language only; would not be binding appropriation.)				

Major Boilerplate Changes From FY 2011-12

Sec. 906. Charge For Audits Conducted – REVISED

Authorizes Department of Treasury to charge for audits as permitted by state or federal law under contractual arrangements with local units of government, other principal executive departments, or state agencies. Executive deletes (2) which requires appropriation for state compliance audits to be used to cover costs of audits performed by independent CPAs or Department of Treasury auditors. Deletes (3) which requires audit to be performed for the most current county fiscal year in conjunction with the financial single audit. Includes new (2) which creates a revolving fund known as the Audit Charges Fund to collect contractual charges and carry forward for future appropriation. House concurs.

Sec. 907a. Municipal Finance Fee Fund Carry Forward – NEW

Executive includes the Municipal Finance Fee Fund in the Department of Treasury. Fees are established under the Municipal Finance Act, PA 34 of 2001. The section would allow the Department of Treasury to carry forward the municipal finance fees for future appropriation rather than have the fees lapse to the General Fund. House concurs.

Sec. 925. Public Private Partnerships – REVISED

Creates Public Private Partnership Investment Fund to fund investments such as capital asset improvements, energy resource exploration, financial and investment incentives, infrastructure construction, and public-private sector joint ventures. Executive eliminates subsection (2) and (5). House concurs in eliminating subsection (5) but retains subsection (2).

Major Boilerplate Changes From FY 2011-12

Sec. 943. Tobacco Tax Enforcement – REVISED

Authorizes the department to use tobacco tax enforcement funding for certain costs associated with tobacco tax enforcement; requires a report. Executive deletes section. House retains but eliminates subsection (1). House also revises subsection (2) to include Attorney General and subsection (3) to change the reporting date to February 1.

REVENUE SHARING

Sec. 951. Competitive Grant Assistance Program – NEW

Executive includes new section to provide \$15.0 million (revised Exec Rec) (\$5.0 million in FY 2011-12) for assistance grants to cities, villages, townships, and counties that elect to merge government services via a Competitive Grant Assistance Program; \$10.0 million (revised Exec Rec) of total available funding considered one-time boilerplate appropriation (19-1001). House concurs with new section and revises amount to \$25.0 million.

Sec. 952. Economic Vitality Incentive Program and County Incentive Program – REVISED

Executive revises language to specify the distribution of \$210.0 million under economic vitality incentive program (revises program from FY 2011-12). Cities, villages, and townships that received a statutory revenue sharing payment in FY 2009-10 greater than \$4,500 will be eligible for 67.837363% of their FY 2009-10 statutory revenue sharing payment if certain criteria are met. Provides for redistribution of funds not distributed due to a failure to qualify. Adds County Incentive Program and specifies distribution of \$125.6 million for counties eligible to receive county revenue sharing payments. House includes section but revises language. Category 3 is revised to require compliance with 2011 PA 152 only. County Incentive Program revised to specify distribution of \$31.2 million (30% of overall FY 2012-13 county payments).

MICHIGAN STRATEGIC FUND

Sec. 1001. Contingency Funds – REVISED

Appropriates federal, state, and private contingency funds. Executive revised contingency fund amount by increasing federal contingency funds (\$50.0 million); state restricted contingency funds (\$5.0 million); and private contingency funds (\$5.0 million). House concurs.

Sec. 1021. 21st Century Jobs Funds Spending Reauthorization – DELETED

Provides for a continuation of authorization for 21st Century Jobs Trust funds authorized by PA 127 of 2007. Funds are made available until September 30, 2016 and work project will not exceed \$5.5 million. Executive and House delete.

Sec. 1032. Film Tax Credit Program – REVISED

Requires film office to report on film tax credit program. Executive deleted. House revised to include reference to new grant film incentive grant program.

Sec. 1034. Business Incubator Program – DELETED

Stipulates funding be awarded competitively to business incubators in ten counties or cities. Requires that \$1.3 million in 21st Century Jobs Trust Fund funding be used to fund business incubators. Executive and House delete.

Sec. 1064. Workforce Training Funds Allocation – DELETED

Allocates \$100,000 to an existing employee-led public/private workforce development program meeting certain criteria and \$100,000 to an existing workforce development program operated collaboratively with local businesses and educational institutions meeting certain criteria. Executive and House delete.

Sec. 1066. Gang Diversion Program – DELETED

Indicates intent that a portion of the WIA, statewide activities funds be allocated to support coordinated efforts between local Michigan Works! agencies and police and sheriff departments to create programs that offer gang diversion activities. Executive and House delete.

Sec. 1201. Anticipated FY 2013-14 Appropriations

States legislative intent to provide appropriations for FY 2013-14, adjusting FY 2012-13 amounts based on economic and other factors. (See item #21 under Major Budget Changes for specific anticipated appropriation adjustments.)

FY 2012-13: DEPARTMENT OF HUMAN SERVICES
Summary: As Passed by the House
Article X, House Bill 5365 (H-2) as Amended



Analyst: Kevin Koorstra

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: House From FY 2011-12 YTD	
						Amount	%
IDG/IDT	\$35,821,900	\$31,241,700	\$30,581,300			(\$5,240,600)	(14.6)
Federal	5,496,420,500	5,394,076,700	5,530,111,200			33,690,700	0.6
Local	28,679,500	33,549,200	31,182,400			2,502,900	8.7
Private	16,136,400	16,375,800	10,619,700			(5,516,700)	(34.2)
Restricted	123,701,000	88,847,000	82,476,400			(41,224,600)	(33.3)
GF/GP	1,047,330,500	1,028,796,400	1,015,889,600			(31,440,900)	(3.0)
Gross	\$6,748,089,800	\$6,592,886,800	\$6,700,860,600			(47,229,200)	(0.7)
FTEs	11,546.5	11,208.5	11,544.2			(2.3)	(0.0)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683. (2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

Overview

The Department of Human Services (DHS) administers a wide range of programs and services to assist Michigan's most vulnerable families, including public assistance programs that provide direct cash support as well as assistance with food and emergency needs. The DHS is also charged with protecting children and assisting families by administering foster care, adoption and family preservation programs, and by enforcing child support laws. The DHS is also responsible for delivering juvenile justice services and for licensing day care, adult foster care, and child welfare agencies in the state.

Major Budget Changes From FY 2011-12 YTD Appropriations

1. House Adjustment to Current Services Baseline

House reduces funding \$126.5 million Gross (\$32.2 million GF/GP) from adjustments made to the estimated cost to provide current services (Current Services Baseline). House reviewed historic and current expenditure, fund sourcing, and FTE trends for each line item and increased or decreased the line item appropriations based on those data. The line items with the largest reductions are Payroll Taxes and Fringe Benefits (\$24.5 million Gross, \$14.3 million GF/GP), Information Technology Services and Projects (\$12.7 million Gross, \$6.9 million GF/GP), and Adoption Support Services (\$8.9 million Gross, \$6.7 million GF/GP). These adjustments account for and are in addition to the Executive adjustments made to the Current Services Baseline in items 25, 26, and 27. As background, DHS lapsed \$43.5 million in GF/GP authorization and \$75.1 million in federal TANF funds in FY 2010-11.

	FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
FTE	N/A	11.7
Gross	N/A	(\$126,489,500)
IDG	N/A	(660,400)
Federal	N/A	(82,097,000)
Local	N/A	(754,800)
Private	N/A	(8,333,200)
Restricted	N/A	(2,395,000)
GF/GP	N/A	(\$32,249,100)

2. Temporary Assistance for Needy Families (TANF) Fund Source Deduct

House unrolls the federal Temporary Assistance for Needy Families (TANF) block grant from the general "total federal revenues" fund source deduct into its own appropriations fund source deduct.

Gross	N/A	\$0
Federal	N/A	(619,690,700)
TANF	N/A	619,690,700
GF/GP	N/A	\$0

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
3. Child Welfare Caseload Adjustments		Gross	\$615,071,400 (\$40,316,100)
Reduces funding for child welfare programs \$40.3 million Gross (\$27.0 million GF/GP) as follows:		Federal	337,939,800 (16,849,000)
<ul style="list-style-type: none"> Foster care payments are reduced \$8.6 million Gross (\$8.1 million GF/GP) from 7,200 cases at \$24,378 per year to 7,150 cases at \$23,340 per year. Adoption subsidies are reduced \$2.0 million Gross (\$1.0 million GF/GP) from 27,450 cases at \$652.50 per month to 27,249 cases at \$651.00 per month. <u>House</u> reduces \$9.8 million Gross (\$9.4 million GF/GP) to 26,250 cases at \$651 per month. The County Child Care Fund is reduced \$23.9 million Gross (\$11.3 million GF/GP). Guardianship assistance payments are increased \$2.0 million Gross (\$1.8 million GF/GP). 		Local	13,388,800 3,341,000
		Private	1,400,000 200,000
		GF/GP	\$262,342,800 (\$27,008,100)
4. Foster Family Rate Increase		Gross	N/A \$11,291,300
Increases \$11.3 million Gross (\$6.3 million GF/GP) to increase foster family rates \$3.00 per child per day. New rate would be implemented for current foster care cases, new guardianship assistance cases, and new adoption subsidy cases. The last increase for family rates was implemented in 2004.		Federal	N/A 4,167,200
		Local	N/A 809,700
		GF/GP	N/A \$6,314,400
5. Private Child Placing Agency Administrative Rate Increase		Gross	N/A \$9,657,900
<u>House</u> increases \$9.7 million Gross (\$6.8 million GF/GP) to increase private child placing agency administrative rates by \$5.00 per child per day. Boilerplate includes provision that increase will only be provided if state law is amended to eliminate the county match rate for the rate increase.		Federal	N/A 2,897,400
		GF/GP	N/A \$6,760,500
6. Child Welfare Staff Reduction		FTE	N/A (64.0)
<u>Executive</u> recommendation includes enough direct foster care case managers and foster care purchase of service monitors to supervise 15,100 child welfare cases. <u>House</u> reduces direct case workers and purchase of service monitors to supervise 14,000 child welfare cases. Latest caseload data show there are 13,700 child welfare cases.		Gross	N/A (\$4,331,800)
		Federal	N/A (2,599,100)
		GF/GP	N/A (\$1,732,700)
7. In-Home Care Incentive Grant Program		Gross	N/A \$5,000,000
<u>House</u> increases funding for in-home care incentive grant program \$15.0 million Gross. Program would provide counties with an additional grant amount for new or enhanced in-home programs. Assumes program would reduce out-of-home costs by \$10.0 million GF/GP.		Federal	N/A 0
		GF/GP	N/A \$5,000,000
8. Michigan Youth Opportunity Initiative		FTE	N/A 18.0
Increases \$1.9 million Gross (\$878,900 GF/GP) to support 18.0 new FTEs to provide assistance to foster youth aging out of foster care. GF/GP would leverage federal funds to help support these new staff. The GF/GP contribution is redirected from other areas of the budget as a result of increasing federal Temporary Assistance for Needy Families (TANF) block grant funding.		Gross	N/A \$1,901,800
		Federal	N/A 1,022,900
		GF/GP	N/A \$878,900
9. Family Preservation Programs		Gross	\$53,264,200 \$261,600
Increases funding for family reunification \$2.5 million Gross. Funding would support a new Supported Visitation contract and a new Parent Partners contract. Increases Families First \$500,000 Gross. Reduces Strong Families/Safe Children funding \$2.7 million Gross. The new programs emphasize mentoring and enhanced support to parents with a child removed from their home.		Federal	52,385,300 261,600
		GF/GP	\$878,900 \$0
10. One-Time Funding: Child Welfare Improvements		Gross	N/A \$4,500,000
<u>Executive</u> increases funding designated as one-time in boilerplate for child welfare improvements by \$5.7 million Gross (\$4.0 million GF/GP). The activities needing additional funding from the boilerplate authorization would be determined through the next Federal Monitor's report. <u>House</u> does not concur with Executive; instead increases funding by \$4.5 million Gross (\$2.5 million GF/GP) for child welfare assessment centers (\$2.0 million GF/GP), youth in transition homeless programs (\$2.0 million federal), and \$500,000 GF/GP for a juvenile justice behavioral health study.		Federal	N/A 2,000,000
		GF/GP	N/A \$2,500,000

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
11. Other Child Welfare Adjustments		Gross	N/A
Includes child welfare adjustments as reviewed below:		Federal	(280,900)
<ul style="list-style-type: none"> Increases funding for out-patient mental health services \$4.4 million GF/GP. Increases funding for new psychotropic oversight contracts \$1.1 million Gross (\$559,100 GF/GP). Increases Youth in Transition \$15,000 GF/GP. Eliminates \$4.0 million GF/GP for a one-time Needs Assessment. Reduces medical psychiatric evaluations \$1.4 million Gross (\$600,000 GF/GP) by implementing a statewide drug testing contract. Reduces medical subsidies for adoptive youth \$1.0 million GF/GP. 		GF/GP	(\$600,000)
12. State Juvenile Justice Facility Closures		FTE	191.7
<u>House</u> reduces funding \$21.3 million Gross (\$9.2 million GF/GP) by closing all 3 DHS juvenile justice facilities and reducing administrative staff; maintains \$2.4 million GF/GP for closed site costs. Increases foster care payments line \$9.9 million Gross (\$4.9 million GF/GP) to move 90 youth in the 3 DHS facilities to private residential facilities.		Gross	\$25,221,700
		Federal	465,600
		Local	11,059,000
		GF/GP	\$13,697,100
			(166.0)
			(\$11,403,000)
			1,193,200
			(8,340,800)
			(\$4,255,400)
13. Public Assistance Caseload Adjustments		Gross	\$4,015,400,000
Reduces funding for public assistance programs \$120.9 million Gross (\$11.3 GF/GP) as follows:		Federal	3,707,089,500
<ul style="list-style-type: none"> Food Assistance Program (FAP) is reduced \$68.4 million Gross from 1,103,042 cases at \$271 per month to 996,958 cases at \$271 per month. Family Independence Program (FIP) is reduced \$22.6 million Gross from 69,363 cases at \$407 per month to 61,462 cases at \$427 per month. <u>House</u> reduces \$51.7 million Gross (\$10.5 million GF/GP) to 59,000 cases at \$406.50 per month. State Disability Assistance (SDA) program is reduced \$2.4 million GF/GP from 10,250 cases at \$227 per month to 9,350 cases at \$207 per month. State Supplementation program is increased \$1.6 million GF/GP from 258,500 cases at \$19.50 per month to 268,600 cases at \$19.50 per month. 		Restricted	81,211,700
		GF/GP	\$227,098,800
			(102,520,300)
			(7,084,100)
			(\$11,290,400)
14. Energy Services Adjustments		FTE	N/A
<u>Executive</u> increases federal Low-income Home Energy Assistance Program (LIHEAP) based on anticipated federal grant authorization by \$58.5 million. Transfers out \$35.0 million in restricted fee revenue targeted for energy assistance to the Department of Licensing and Regulatory Affairs (LARA). A total of \$60.0 million in restricted fee revenue is appropriated in LARA for energy services. <u>House</u> concurs with federal grant authorization increase, but does not concur with appropriating \$60.0 million in fee revenue in the LARA budget; instead reduces LIHEAP administrative allocation from 10% to 5% reducing 88.0 local office FTEs and redirects \$8.0 million in federal LIHEAP for energy assistance and appropriates \$52.0 million in federal Temporary Assistance for Needy Families (TANF) designated as one-time funding.		Gross	\$151,451,600
		Federal	116,451,600
		Restricted	35,000,000
		GF/GP	\$0
			(88.0)
			\$75,500,000
			110,500,000
			(35,000,000)
			\$0
			\$0
15. Program Increases		Gross	N/A
<u>House</u> increases \$10.0 million GF/GP for veteran advocacy and special maintenance of state administered veteran homes, \$450,000 GF/GP for food bank funding, and \$300,000 GF/GP for the Prosecuting Attorneys Association of Michigan to assist state prosecutors, adult protective services, and criminal justice on matters relating to elder abuse and financial exploitation.		GF/GP	N/A
			\$10,750,000
			\$10,750,000
16. State Supplementation Administration		Gross	\$2,681,100
Reduces \$300,000 GF/GP to recognize savings from distributing State SSI Supplementation payments through Electronic Funds Transfer rather than through paper checks.		GF/GP	\$2,681,100
			(\$300,000)
			(\$300,000)

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
17. Local Office Adult Services Increase			
Increases local office Adult Services staff by 41.0 FTEs and \$2.9 million Gross (\$924,700 GF/GP). New staff will reduce caseloads per worker from 237:1 to 200:1. Adult Services staff work on both Adult Protective Services and Adult Community Placements.		FTE N/A	41.0
		Gross N/A	\$2,935,700
		Federal N/A	2,011,000
		GF/GP N/A	\$924,700
18. Mobile Worker Initiative			
Increases funding \$2.4 million Gross (\$935,400 GF/GP) to purchase smart phones and apps to make direct care staff, licensing staff, and inspector general staff more mobile. With more staff in the field, the Executive Recommendation projects savings from rent and leases to offset the costs.		Gross N/A	\$0
		Federal N/A	0
		GF/GP N/A	\$0
19. Stratified Case Management			
Increases funding \$1.2 million Gross to launch an initiative to help DHS identify client cases with the most barriers, that use the most services (state, local, or community-based services), and to coordinate services to help persons reach self-sufficiency.		Gross N/A	\$1,195,000
		Federal N/A	1,145,000
		Private N/A	50,000
		GF/GP N/A	\$0
20. Other Local Office Increases			
Increases security costs \$495,000 Gross (\$352,700 GF/GP) in both ongoing and one-time costs to improve the security and safety at DHS local offices. Increases mileage reimbursement for volunteer services \$225,700 Gross (\$58,700 GF/GP) and adds \$74,800 Gross and 1.0 FTE for SSI advocacy.		FTE N/A	1.0
		Gross N/A	\$795,500
		Federal N/A	309,300
		Restricted N/A	74,800
		GF/GP N/A	\$411,4000
21. Transfer in Michigan Rehabilitation Services and Commission for the Blind - E.O. 2012-2			
House transfers in 657.0 FTEs and \$174.7 million Gross (\$22.1 million GF/GP) from Licensing and Regulatory Affairs (LARA) in anticipation of the formal Executive budget revision transferring in the Michigan Rehabilitation Services and Commission for the Blind into DHS. House also includes the current year boilerplate sections for this transfer. The House budget proposal for the LARA budget also makes this funding adjustment.		FTE 0.0	657.0
		Gross \$0	\$174,673,500
		Federal 0	140,305,700
		Local 0	7,159,900
		Private 0	2,027,800
		Restricted 0	3,108,500
		GF/GP \$0	\$22,071,600
22. Child Support Enforcement - Paternity Testing			
Increases funding \$1.8 million Gross (\$612,000 GF/GP) to provide unwed mothers the option to have a paternity test at the hospital to legally identify the father as alternative to the current requirement to sign an affidavit of parentage. Program seeks to avoid future costs of paternity establishment and would be voluntary and not mandated.		Gross N/A	\$1,800,000
		Federal N/A	1,188,000
		GF/GP N/A	\$612,000
23. Background Check Program			
Transfers out \$1.0 million GF/GP from the DHS budget to the LARA budget.		Gross \$1,000,000	(\$1,000,000)
		GF/GP \$1,000,000	(\$1,000,000)
24. Other Program Reductions			
House removes FTEs and replaces GF/GP with private funding for the Michigan Community Service Commission, reduces 2-1-1 \$150,000 GF/GP, and eliminates private allocations for the Children's Benefit Fund donations, W.J. Maxey Memorial Fund, and Wayne County gifts and bequests.		FTEs N/A	(15.0)
		Gross N/A	(\$313,800)
		Private N/A	549,300
		GF/GP N/A	(\$865,300)
25. Bridges Maintenance and Support			
Increases funding for maintenance and support for the Bridges information technology eligibility program by \$2.2 million Gross (\$856,300 GF/GP). Funding will be used for regular Bridges updates and revisions that have had to be delayed due to the number of recent public assistance policy revisions, in addition to IT activities related to transferring out the Child Development and Care (CDC) program to the Office of Great Start within the Department of Education.		Gross N/A	\$2,218,600
		Federal N/A	1,353,300
		GF/GP N/A	\$856,300
26. Disability Determination Services			
Eliminates funding and FTEs added during FY 2009-10 to again perform eligibility reconsiderations for persons applying for federal SSI and SSDI. The intent was that the reconsideration process would reduce the number of individuals requesting a federal appeal. The FTEs were never hired because the federal government suspended the reconsideration process.		FTEs 721.9	(175.0)
		Gross \$114,949,500	(\$20,904,600)
		IDG 299,900	0
		Federal 113,651,200	(20,904,600)
		GF/GP \$998,400	\$0

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
27. FTE and Federal Authorization Adjustments	FTEs	N/A	(43.0)
Reduces FTE authorizations by 43.0 positions within child welfare, children services, and juvenile justice. Reduces federal authorization by \$47.4 million within child support enforcement, child support information technology, and payroll taxes and fringe benefits. These are adjustments to align spending with appropriations rather than program reductions or cuts.	Gross	N/A	(\$47,423,900)
	Federal	N/A	(47,423,900)
	GF/GP	N/A	\$0
28. FY 2011-12 Employee Contingency Plan	FTEs	N/A	(182.0)
Reduces budgeted salaries and wages to reflect actual realized salaries and wages by \$21.0 million Gross (\$5.8 million GF/GP). Eliminates funded staff vacancies saving \$6.0 million Gross (\$2.3 million GF/GP). Implements a targeted hiring freeze saving \$7.2 million Gross (\$2.8 million GF/GP) and offsets \$7.8 million GF/GP with TANF savings from the employee contingency plan.	Gross	N/A	(\$34,241,100)
	Federal	N/A	(15,470,100)
	GF/GP	N/A	(\$18,771,000)
29. Employee Economics	Gross	N/A	\$21,471,600
Increases employee economic costs related to salary and wages, retirement, insurances, and building occupancy changes by \$10.9 million Gross (\$5.5 million GF/GP). Replaces \$3.9 million in IDG funds from DTMB with federal funds. Increases funding designated as one-time in boilerplate for state employee lump sum payments by \$10.5 million Gross (\$3.9 million GF/GP).	IDG	N/A	(4,580,200)
	Federal	N/A	15,922,000
	Local	N/A	391,400
	Private	N/A	219,400
	Restricted	N/A	71,200
	GF/GP	N/A	\$9,447,800
30. Federal Medical Assistance Percentage (FMAP) Adjustments	Gross	N/A	\$0
Reduces GF/GP by \$529,900 from the FMAP federal match rate adjustment from 66.14% to 66.39%. This rate is used to determine federal cost sharing for foster care payments and adoption subsidies.	Federal	N/A	529,900
	GF/GP	N/A	(\$529,900)
31. Other One-Time Appropriations	Gross	N/A	\$36,500,000
<u>House</u> increases federal TANF funds \$34.0 million and GF/GP \$1.5 million, on a one-time basis, in a separate line item unit as follows:	Federal	N/A	35,000,000
<ul style="list-style-type: none"> \$20.0 million TANF to nonprofits for capital projects that will improve the delivery of services to needy families. \$5.0 million TANF for before- or after-school programs. \$3.0 million TANF to Tuition Incentive Program Phase II. \$3.0 million TANF to Focus: HOPE to help move families toward self-sufficiency. \$2.5 million Gross (\$1.5 million GF/GP) for Inspector General information technology upgrades. \$2.0 million TANF to Homeless programs. \$1.0 million TANF to Food Bank. 	GF/GP	N/A	\$1,500,000
32. Anticipated FY 2013-14 Budget Changes			
Reflects anticipated increase from FY 2012-13 budget of \$17.2 million Gross (\$12.8 million GF/GP) for caseload and economic adjustments in FY 2013-14. (Boilerplate intent language only; would not be binding appropriation.)			

Major Boilerplate Changes From FY 2011-12

GENERAL SECTIONS

Sec. 217. Limits on Out-of-State Travel – REVISED

Limits out-of-state travel to specific conditions; requires report on out-of-state travel exemptions. House removes out-of-state travel limitation; maintains reporting requirement.

Sec. 223. Medicaid Determination Requirements – DELETED

Requires DHS to determine Medicaid eligibility within 60 days when disability is an eligibility factor and within 45 days for all other applicants.

Sec. 224. Medicaid Determination Requirements for Nursing Home Patients – DELETED

Requires DHS to approve or deny Medicaid applications for nursing home patients within 45 days of receipt of necessary information.

Sec. 290. Welfare Fraud Hotline – NEW

House requires DHS to include the welfare fraud hotline phone number on any public advertisement.

Major Boilerplate Changes From FY 2011-12

Sec. 291. E-Verify – NEW

House requires DHS to use E-Verify to verify that new employees and new contractors are legally present in the United States; requires report on implementation.

EXECUTIVE OPERATIONS

Sec. 307. 2-1-1 Statewide Call System – REVISED

Allocates \$550,000 for Michigan 2-1-1 to coordinate and support a statewide 2-1-1 call system; provides that funding shall not exceed 50% of total operating expenses; requires annual report. House allocates \$400,000 and requires 2-1-1 to refer calls of fraud, waste, and abuse to DHS.

ADULT AND FAMILY SERVICES

Sec. 424. Employment Support Services Program – NEW

House requires DHS to enter into a contract with a statewide nonprofit to operate the vehicle purchase and vehicle repair programs.

Sec. 425. Employment Support Services Program – REVISED

Requires DHS to reduce waste, fraud, and abuse within the current policy on payments for car repairs and car purchases. House limits car repair allocation to not more than \$500 per year.

Sec. 430. Local Match Requirements for Facilities Establishment Grants – NEW

House requires that the local match for vocational rehabilitation facilities establishment grants shall not exceed 21.3%. Language transferred in from Sec. 603 in the LARA budget.

Sec. 431. Centers for Independent Living – NEW

House requires all funds appropriated to Independent Living shall be used in support of Centers for Independent Living in underserved areas and the build capacity in compliance with federal regulations and consistence with the State Plan for Independent Living. Language transferred in from Sec. 604 in the LARA budget.

Sec. 432. Commission for the Blind Case Services and Carry Forward – NEW

House allows funds appropriation for the MCB include case services and may be used for tuition payments and that DHS may carry forward revenue from local sources that is unexpended to the subsequent fiscal year. Language transferred in from Sec. 610 in the LARA budget.

Sec. 433. Vocational Rehabilitation Matching Funds – NEW

House requires the MRS and MCB work collaboratively with service organizations and governments to identify match dollars and maximize federal vocational rehabilitation funds. Language transferred in from Sec. 611 in the LARA budget.

Sec. 434. Local Support for Subregional Library Services – NEW

House requires a maintenance of effort requirement for subregional libraries to receive state grants for expenditures for library services directly serving the blind and persons with disabilities. Language transferred in from Sec. 613 in the LARA budget.

Sec. 435. Library Services for the Blind and Physically Handicapped – NEW

House permits DHS to provide support and services to organizations and agencies and charge fees for these services. Language transferred in from Sec. 615 in the LARA budget.

CHILDREN'S SERVICES

Sec. 536. Foster Care Assignment System – DELETED

Establishes criteria requiring DHS to place children within their own county or within a 75-mile radius of the home from which they entered custody except under certain listed circumstances.

Sec. 546. Foster Care Agency Administrative Rates – REVISED

Establishes foster care administrative rate of \$37 for private child placing agencies under contract with DHS; establishes general independent living administrative rate of \$28; establishes specialized independent living administrative rates less than rates provided in FY 2008-09 but more than the general independent living rate. House does not establish special independent living administrative rate and also provides a \$5 foster care administrative rate increase, provided that state law is amended to eliminate the county match rate for the rate increase.

Sec. 578. Mental Health Assessment – DELETED

Requires DHS and child placing agencies to utilize a standardized assessment tool to determine placement and mental health services of children placed with DHS.

Sec. 587. In-Home Grant Program – NEW

House requires DHS to allocate \$15 million for counties that develop new or enhanced in-home and community-based juvenile justice services; requires establishment of program requirements by January 1, 2013; requires annual report.

Sec. 589. Restrictions on Transfer of Foster Care Cases to Private Supervision – REVISED

Prohibits DHS from transferring foster care cases currently under DHS supervision to private agency supervision where the case requires a county contribution for the private agency administrative rate. House revises to require private agencies to be contacted to provide case management what a new foster case opens; requires monthly report on new foster care supervision.

Major Boilerplate Changes From FY 2011-12

PUBLIC ASSISTANCE

Sec. 604. State Disability Assistance (SDA) Program – REVISED

Establishes requirements for the SDA program. House strikes subsection allowing refugees or asylees who lose federal disability assistance to be eligible for SDA.

Sec. 611. Energy Assistance – NEW

House requires DHS to partner with community agencies and nonprofit entities to provide energy assistance to low income persons.

Sec. 620. Medicaid Eligibility Determination Work Group – REVISED

Requires DHS to convene a work group on privatizing Medicaid eligibility determination. House requires a pilot project in 3 counties to privatize Medicaid eligibility determination; requires report on implementation of pilot projects.

Sec. 655. Low Income Home Energy Assistance Program (LIHEAP) State Plan – NEW

House requires DHS to allocate not more than 5% of federal LIHEAP grant for administrative and planning costs and to not allocate any LIHEAP for weatherization assistance.

Sec. 656. Public Assistance Application Data – NEW

House requires DHS to provide quarterly information on applications received, approved, denied, or pending; requires information to be available statewide and for each county and to be available for each separate public assistance program.

Sec. 657. Extended Family Independence Program (EFIP) Notifications – NEW

House requires DHS to notify individuals eligible for EFIP that receiving EFIP will count toward the federal and state lifetime cash assistance limits.

JUVENILE JUSTICE SERVICES

Sec. 719. Legislative Notification of Juvenile Justice Changes – DELETED

Requires DHS to notify Legislature at least 30 days before closing or making any change in the status of a state juvenile justice facility, including licensed bed capacity and operating bed capacity.

FY 2012-13: JUDICIARY
Summary: As Passed by the House
Article XI, House Bill 5365 (H-2) as Amended



Analyst: Erik Jonasson

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: House From FY 2011-12 YTD	
						Amount	%
IDG/IDT	\$3,602,700	\$2,638,200	\$2,638,200			(\$964,500)	(26.8)
Federal	5,694,800	6,017,100	6,017,100			322,300	5.7
Local	6,560,700	7,049,300	7,049,300			488,600	7.4
Private	869,700	921,800	921,800			52,100	6.0
Restricted	88,319,000	88,582,200	88,582,200			263,200	0.3
GF/GP	154,740,300	163,551,500	162,856,200			8,115,900	5.3
Gross	\$259,787,200	\$268,760,100	\$268,064,800			\$8,277,600	3.2
FTEs	491.0	472.0	472.0			(19.0)	(3.9)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683.

(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

Overview

Article VI of the State Constitution of 1963 forms the basis for Michigan's judicial branch of government, which receives funds appropriated through the budget act for the Judiciary. The Judiciary budget provides operational funding for the Michigan Supreme Court, Court of Appeals, and related judicial agencies. The budget also funds the salaries of justices of the Supreme Court and judges of the appeals, circuit, probate, and district courts according to constitutional and statutory requirements. Assistance for local court operations is provided through a variety of grant programs. The largest of these, the Court Equity grant program, reimburses counties for trial court operations based on a statutory formula that recognizes circuit and probate caseloads and the numbers of judgeships.

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
1. Continuance and Expansion of Mental Health Courts <u>Executive</u> proposes \$2.1 million GF/GP for funding and expansion of mental health courts, and one FTE to conduct mental health court evaluations. <u>House</u> reduces executive recommendation by \$50,000 GF/GP.	FTE	N/A	1.0
	Gross	N/A	\$2,050,000
	GF/GP	N/A	\$2,050,000
2. Drug Court Funding Increase <u>Executive</u> proposes an additional \$1.2 million for drug court funding. <u>House</u> reduces executive recommendation by \$77,000 GF/GP.	Gross	N/A	\$1,173,000
	GF/GP	N/A	\$1,173,000
3. State Appellate Defender Office (SADO) Staff Increases <u>Executive</u> adds funding of \$225,000 GF/GP for additional staff to assist in meeting the statutory requirement that SADO handle 25% of indigent appellate defense cases. <u>House</u> concurs.	FTE	39.0	3.0
	Gross	\$5,322,800	\$225,000
	GF/GP	\$4,582,700	\$225,000
4. Additional Court Consolidation Staff <u>Executive</u> adds funding of \$160,000 GF/GP for 2.0 FTEs at the State Court Administrative Office, to facilitate ongoing consolidation efforts, performance metrics, and operating efficiencies. <u>House</u> concurs.	FTE	N/A	2.0
	Gross	N/A	\$160,000
	GF/GP	N/A	\$160,000
5. Reduced Funding for Eliminated Judgeships <u>Executive</u> adjusts budget for statutory changes in the number of judgeships resulting from PA 300 of 2011. <u>House</u> concurs.	Gross	\$94,279,400	(\$199,600)
	Restricted	7,090,200	0
	GF/GP	\$87,189,200	(\$199,600)
6. Funding for Court of Appeals Judges <u>Executive</u> adds funding for two Court of Appeals judges. <u>House</u> concurs.	Gross	N/A	\$342,600
	GF/GP	N/A	\$342,600

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
7. Across-the-Board GF/GP Reductions	Gross	N/A	(\$468,300)
<u>House</u> reduces GF/GP funding for the Supreme Court Administration, Judicial Institute, State Court Administrative Office, Judicial Information Systems, Foster Care Review Board, Community Dispute Resolution Program, and Court of Appeals Operations line items, reflecting an across-the-board reduction of 1% GF/GP from the Executive recommendation.	GF/GP	N/A	(\$468,300)
8. Court Equity Fund GF/GP Reduction	Gross	\$60,835,100	(\$100,000)
<u>House</u> reduces GF/GP funding for the Court Equity Fund by \$100,000.	Restricted	50,440,000	0
	GF/GP	\$10,395,100	(\$100,000)
9. Fund Shift for Swift-and-Sure Sanctions Program	Gross	\$1,000,000	\$0
<u>Executive</u> maintains funding at \$1.0 million, with GF/GP funds replacing an IDG from the Department of Corrections. Boilerplate adjustments expand grant eligibility criteria to courts with a concurrent jurisdiction plan. <u>House</u> concurs with funding amount, but retains boilerplate limiting eligible counties to those with unified trial courts.	IDG/IDT	1,000,000	(1,000,000)
	GF/GP	\$0	\$1,000,000
10. Economics Adjustments	Gross	N/A	\$4,272,800
<u>Executive</u> funds economics adjustments as follows for FY 2012-2013.	IDG/IDT	N/A	29,700
<u>House</u> concurs.	Federal	N/A	271,100
	Local	N/A	410,000
	Private	N/A	43,900
• Salaries, Wages, & OASI: \$949,400 Gross, \$753,500 GF/GP	Restricted	N/A	221,800
• Insurance: (\$313,500) Gross, (\$246,700) GF/GP	GF/GP	N/A	\$3,296,300
• Retirement: \$3,768,300 Gross, \$2,924,400 GF/GP			
• Worker's Compensation: (\$85,600) Gross & GF/GP			
• Rent & Building Occupancy: (\$45,800) Gross & (\$49,300) GP/GP			
11. One-Time Appropriations	Gross	N/A	\$827,200
<u>Executive</u> proposes \$827,200 Gross (\$636,900 GF/GP) designated as a one-time appropriation (in boilerplate section 401) for lump sum payments to state employees. <u>House</u> concurs but appropriates in separate line item unit.	IDG/IDT	N/A	9,100
	Federal	N/A	51,200
	Local	N/A	78,600
	Private	N/A	8,200
	Restricted	N/A	43,200
	GF/GP	N/A	\$636,900
12. Anticipated FY 2013-14 Budget Changes			
Reflects anticipated increase from FY 2012-13 budget of \$1.6 million Gross (\$1.5 million GF/GP) for economic adjustments in FY 2013-14. (Boilerplate intent language only; would not be binding appropriation.)			

Major Boilerplate Changes From FY 2011-12

Sec. 215. Out-of-State Travel – REVISED

Requires the judiciary prepare a travel report listing all travel by judicial branch employees in the preceding fiscal year. Executive strikes current law, House strikes limitations on out-of-state travel, and reduces reporting requirement to the dates and costs of transportation for each travel occurrence.

Sec. 311. Drug Courts – REVISED

Specifies criteria for drug court grants; provides \$1.8 million IDG of Byrne grant revenue for expanding drug treatment courts to assist in avoiding prison bed space growth for nonviolent offenders. Executive removes subsection authorizing judiciary to receive and expend funds from U.S. Department of Transportation in an amount not to exceed \$450,000 for drug treatment courts. House concurs.

Sec. 320. Swift-and-Sure Sanctions Pilot Program – REVISED

Authorizes \$1.0 million GF/GP appropriated in part 1 to be expended for swift-and-sure sanction program. Executive expands the definition of "qualifying county" to include counties with a drug treatment court and concurrent jurisdiction plan. House keeps current year definition of "qualifying county," adds a definition for the term "unified trial court."

Sec. 322. State Appellate Defender Office Byrne Formula Grant – REVISED

Executive provides that, if Byrne formula grant funding is awarded to the State Appellate Defender Office (SADO), SADO may receive and expend funding not exceeding \$250,000 as an IDG from the Department of State Police. House concurs.

Sec. 1201. Anticipated FY 2013-14 Appropriations

States legislative intent to provide appropriations for FY 2013-14, adjusting FY 2012-13 amounts based on economic and other factors. (See item 12 under Major Budget Changes for specific anticipated appropriation adjustments.)

FY 2012-13: LICENSING AND REGULATORY AFFAIRS
Summary: As Passed by the House
Article XII, House Bill 5365 (H-2) as Amended



Analyst: Paul Holland

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: House From FY 2011-12 YTD	
						Amount	%
IDG/IDT	\$14,870,100	\$13,496,900	\$13,496,900			(\$1,373,200)	(9.2)
Federal	377,515,600	390,840,600	250,710,900			(126,804,700)	(33.6)
Local	7,859,900	7,159,900	0			(7,859,900)	(100.0)
Private	4,727,800	5,427,800	1,900,000			(2,827,800)	(59.8)
Restricted	411,820,500	380,017,500	324,030,800			(87,789,700)	(21.3)
GF/GP	42,024,100	35,570,900	10,957,600			(31,066,500)	(73.9)
Gross	\$858,818,000	\$832,513,600	\$601,096,200			(\$257,721,800)	(30.0)
FTEs	4,378.3	4,419.8	3,638.3			(740.0)	(17.1)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683. (2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time. (3) Major reductions in LARA appropriations are the effect of the budgetary implementation of E.O. 2012-2, see item 19.

Overview

The Department of Licensing and Regulatory Affairs (LARA) administers the state's primary regulatory and employment security agencies. LARA is organized into four principal units: 1) Licensing and Regulatory, which implements and enforces Michigan laws pertaining to financial, commercial and occupational, construction and fire safety, health profession and facility, public utility, and liquor regulations; 2) the Michigan Administrative Hearing System, a quasi-judicial agency which centralizes and conducts administrative hearings for agencies throughout state government; 3) Employment Security and Workplace Safety, including the administration of unemployment insurance, workers' compensation insurance, occupational safety and health, and rehabilitation programs; and 4) the Office of Regulatory Reinvention, which oversees administrative rule-making and evaluates the state's regulatory infrastructure. The various agencies within LARA are primarily supported by several federal grants and by revenue generated through numerous fees collected from regulated entities.

		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
Major Budget Changes From FY 2011-12 YTD Appropriations			
1. Bureau of Health Systems—Facilities Inspections	FTE	199.6	0.0
<u>Executive</u> proposes increases in spending authorization for the Bureau of Health Systems (BHS), to support the inspections of health facilities, from federal Title 18 Medicare funds and Health Systems Fees paid by health facilities regulated by BHS; this is an increase of authorization to spend additional revenues, not an increase in the nominal amount of state fees. <u>House</u> concurs.	Gross	\$22,907,700	\$1,580,000
	Federal	16,036,800	740,000
	Restricted	1,915,400	840,000
	GF/GP	\$4,755,500	\$0
2. Bureau of Fire Services—Fireworks Regulation	FTE	57.5	6.0
<u>Executive</u> proposes increases in staff and spending authority for the Bureau of Fire Services (BFS) to administer new consumer fireworks regulations pursuant to 2011 PA 256 funded with revenue from the new Fireworks Safety Fund supported by certification fees and a retail sales tax on the purchase of fireworks. <u>House</u> concurs.	Gross	\$5,889,300	\$600,000
	IDG	100,000	0
	Federal	788,000	0
	Restricted	5,001,300	600,000
3. Bureau of Commercial Services—AG Expenses	FTE	175.0	0.0
<u>Executive</u> proposes increases in spending authorization for the Bureau of Commercial Services (BCS) from the Real Estate Enforcement Fund to support legal expenses of the Department of Attorney General (AG) pertaining to the investigation of mortgage fraud; these funds are currently transferred to the AG as an, off-budget, revenue reduction. <u>House</u> concurs.	Gross	\$20,520,800	\$300,000
	Restricted	20,520,800	300,000

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
4. Bureau of Fire Services—Fire Service Fees			
<u>Executive</u> assumes an increase of \$585,000 in revenue generated from Fire Service Fees for the Bureau of Fire Services (BFS) due to an assumed increase in the nominal amount of fees paid by hospitals and schools to offset the costs of inspections pursuant to the Fire Prevention Code (1941 PA 207). In recent fiscal years, Fire Service Fee revenue has not generated the amount appropriated to the BFS; the increase in fee revenue would more accurately reflect past spending authorizations. <u>House</u> concurs.			
	FTE	57.0	0.0
	Gross	\$5,889,300	\$0
	IDG	100,000	0
	Federal	788,000	0
	Restricted	5,001,300	0
5. Workers' Compensation Administration—Contingency			
<u>Executive</u> proposes the elimination of one vacant clerical support position within the Workers' Compensation Administration (WCA) at a saving in GF/GP. <u>House</u> concurs.			
	FTE	96.6	(1.0)
	Gross	\$9,218,000	(\$71,100)
	Restricted	3,310,600	0
	GF/GP	\$5,907,400	(\$71,000)
6. Michigan Rehabilitative Services—Staffing Adjustment			
<u>Executive</u> proposes increases in authorized FTEs in the Michigan Rehabilitative Services (MRS) to accurately reflect the actual number of MRS staff, this increase in FTEs reflects a reclassification of Michigan Career and Technical Institute (MCTI) staff and not an increase in actual staff employed; previously the staff at the MCTI was not considered as FTEs within MRS. <u>House</u> concurs.			
	FTE	513.5	36.5
	Gross	\$74,576,300	\$0
	Federal	64,327,300	0
	Private	816,000	0
	Restricted	1,492,200	0
	GF/GP	\$7,940,800	\$0
7. Michigan Administrative Hearing System—DEQ Costs			
<u>Executive</u> proposes reduction in the amount paid to the Michigan Administrative Hearing System (MAHS) via IDG from the Department of Environmental Quality (DEQ) to more accurately reflect the costs associated with the DEQ administrative hearing caseload. <u>House</u> concurs.			
	FTE	205.4	0
	Gross	\$74,576,300	(\$80,200)
	IDG	12,886,100	(80,200)
	Federal	7,975,900	0
	Restricted	10,985,600	0
	GF/GP	\$64,300	\$0
8. Liquor Control Commission IT Upgrades			
<u>Executive</u> proposes the elimination of the Liquor Control Commission (LCC) information technology (IT) placeholder appropriation created by 2011 PA 63 to support the modernization of the LCC with the eventual replacement of its COBOL-based IT system with packaged software IT system. <u>House</u> appropriates for the replacement of the COBOL-based IT system currently used by the Liquor Control Commission with modern software from the Liquor Purchase Revolving Fund, estimated to take three years to complete and will require further appropriation in future budget bills.			
	Gross	\$100	\$4,999,900
	Restricted	100	4,999,900
9. Independent Living—Fund Shift			
<u>Executive</u> proposes replacing \$1.5 million in federal Social Security Administration (SSA) reimbursements provided to Centers for Independent Living (CILs) through the Michigan Rehabilitative Services (MRS) with \$1.5 million in GF/GP appropriation. This fund shift reflects a decrease in the available amount of SSA funds received by MRS from the federal government. <u>House</u> concurs.			
	Gross	\$4,908,600	\$0
	Federal	4,738,600	(1,500,000)
	Private	100,000	0
	GF/GP	\$70,000	\$1,500,000
10. Eliminate Low Income Energy Efficiency Fund			
<u>Executive</u> proposes the elimination of the Low-Income Energy Efficiency Fund (LIEEF), invalidated by the Court of Appeals in July 2011. The LIEEF program was administered by the Public Service Commission (PSC) which awarded grants, supported by assessments on certain investor-owned utility companies, to the Department of Human Services and nonprofit organizations to support energy assistance for low-income residents and energy efficiency for all Michigan residents. <u>House</u> concurs.			
	Gross	\$95,000,000	(\$95,000,000)
	Restricted	95,000,000	(95,000,000)
11. Eliminate the Vulnerable Household Warmth Fund			
<u>Executive</u> proposes the elimination of the Vulnerable Household Warmth Fund (VHWF), which was established by 2011 PA 274 and appropriated for by 2011 PA 275. The VHWF provided funding, through fiscal year 2012, for nonprofit organizations that were awarded grants under the LIEEF program by the PSC in Docket No. U-13129 to support energy assistance for low-income residents. <u>House</u> concurs.			
	Gross	\$23,000,000	(\$23,000,000)
	Restricted	13,000,000	(13,000,000)
	GF/GP	\$10,000,000	(\$10,000,000)

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
12. Establish Home Heating Assistance for the Vulnerable			
<u>Executive</u> proposes the establishment of the Home Heating Assistance for the Vulnerable (HHAV), a permanent program administered by the PSC and supported by assessments on all utility companies (investor-, cooperative-, and municipal-owned, regardless of size) that would competitively award grants to organizations that provide energy assistance (but not energy efficiency) to low-income households (not exceeding 60% state median income or receives assistance from a state emergency relief program, food stamps, or Medicaid). <u>House</u> removes appropriation for the HHAV which would have been supported by assessments on all gas and electric utilities; heating assistance is to be solely administered by the Department of Human Services under the current LIHEAP programs with federal revenues (there is sufficient federal funding for at least two years).			
	Gross	N/A	N/A
	Restricted	N/A	N/A
13. Bureau of Health Professions—OPEB IDG from DTMB			
<u>Executive</u> implicitly eliminates the IDG from the Department of Technology, Management, and Budget (DTMB) to the Bureau of Health Professions (BHP) that was included in the revision of the supplemental in SB 683 (S-1) for FY 2011-12 supporting the prefunding of Other Post Retirement Benefits (OPEB). <u>House</u> concurs.			
	FTE	160.0	0.0
	Gross	\$28,648,500	(\$884,000)
	IDG	884,000	(884,000)
	Federal	3,507,000	0
	Restricted	24,257,500	0
14. Eliminate Past Fee Increase Sunsets			
<u>Executive</u> assumes the elimination of sunsets on various past fee increases, set to expire on September 30, 2012, on corporate and business filing fees collected under the Bureau of Commercial Services and numerous occupational registration and licensing fees collected under the Bureaus of Commercial Services and Construction Codes and the Office of Financial and Insurance Regulation. Based on LARA estimates, the elimination of fee sunsets will generate approximately \$16.2 million dollars in FY 2012-13. <u>House</u> assumes the extension rather than the elimination of fee sunsets.			
	Gross	N/A	\$0
	Restricted	N/A	0
15. FTE True-Up			
<u>House</u> adjusts the number of appropriated FTEs throughout agencies within LARA to more accurately reflect the actual staffing practices of LARA.			
	FTE	4,378.3	(128.4)
	Gross	N/A	N/A
16. Increase Support for FSOF Inspections			
<u>House</u> appropriates additional GF/GP and FTEs within the Bureau of Health Systems (BHS) to support the inspection and licensing of Freestanding Surgical Outpatient Facilities as required under the Public Health Code.			
	FTE	199.6	3.9
	Gross	\$22,907,700	\$530,000
	GF/GP	\$4,755,500	\$530,000
17. Remove LPRF from Fire Protection Grant			
<u>House</u> removes the Liquor Purchase Revolving Fund (which lapses into the General Fund at close of fiscal year) appropriation from fire protection grants. These grants are now solely supported by a statutorily defined amount of Driver Responsibility Fees established by 2003 PA 165.			
	Gross	\$9,273,900	(\$773,900)
	Restricted	9,273,900	(773,900)
18. Reduce Private Grant Programs			
<u>House</u> reduces spending authorization for private grants received by LARA.			
	Gross	\$3,000,000	(\$1,500,000)
	Private	3,000,000	(1,500,000)
19. Implement E.O. 2012-2 Transfers			
<u>House</u> adjusts FY 2012-13 appropriations for the transfer of the Michigan Rehabilitative Services and the Commission for the Blind, attendant grants, and administrative funds to the Department of Human Services by Executive Order 2012-2.			
	FTE	657.0	(657.0)
	Gross	\$174,673,500	(\$174,673,500)
	Federal	140,305,700	(140,305,700)
	Private	2,027,800	(2,027,800)
	Local	7,159,900	(7,159,900)
	Restricted	3,108,500	(3,108,500)
	GF/GP	\$22,071,600	(\$22,071,600)

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
20. Various Fund Shifts	Gross	\$17,527,500	\$0
Includes various technical fund shifts between and within line items and fund sources recommended by the <u>Executive</u> and others made by the <u>House</u> . These fund shifts all net out to zero gross, although some do shift between the types of fund sources. Some fund shifts reflect changes in the availability and categorization of funds, while others reflect changes to more accurately reflect program administration. The changes in GF/GP are largely the result of multiple replacements of GF/GP with appropriations from state restricted funds throughout the budget and replacing an IDG from DHS (which was supported with GF/GP) to the Bureau of Health Professions (BHP) for administering criminal background checks on potential employees of Adult Foster Care and Homes for the Aged facilities.	IDG	1,435,000	(1,435,000)
	Federal	3,984,800	(2,924,000)
	Local	700,000	(700,000)
	Private	0	700,000
	Restricted	8,336,000	6,402,600
	GF/GP	\$3,071,700	(\$2,043,600)
21. Economics Adjustments	Gross	N/A	\$25,214,200
<u>Executive</u> proposes increases for costs for negotiated salary and wage increases, actuarially-required retirement rate increase, reduced employer health insurance costs due to 20% employee contribution, and other economic adjustments within LARA. Includes \$848,000 in economics adjustments for DTMB staff providing IT services to LARA. Additional increase projected for FY 2013-14 included in the "Active and retiree Insurance and Pension Adjustment" line item. <u>House</u> concurs.	IDG	N/A	862,500
	Federal	N/A	14,369,600
	Restricted	N/A	9,069,800
	GF/GP	N/A	\$912,300
22. One-Time Appropriations	Gross	N/A	\$5,036,800
<u>Executive</u> proposes \$177,500 GF/GP designated as a one-time appropriation (in boilerplate section 501). <u>House</u> concurs but appropriates in separate line item unit (section 112).	IDG	N/A	163,500
	Federal	N/A	2,815,400
	Restricted	N/A	1,880,400
	GF/GP	N/A	\$177,500
23. Anticipated FY 2013-14 Budget Changes	Gross	N/A	\$12,529,000
<u>Executive</u> proposes anticipated increases from FY 2012-13 budget of \$12.5 million Gross (\$556,000 GF/GP) for economic adjustments in FY 2013-14. (Boilerplate intent language only; would not be binding appropriation.) <u>House</u> concurs.	IDG	N/A	440,300
	Federal	N/A	7,158,900
	Restricted	N/A	4,373,800
	GF/GP	N/A	\$556,000

Major Boilerplate Changes From FY 2011-12

Sec. 203. Definitions – REVISED

Defines various terms used in the act. Executive deleted most of the definitions. House concurs.

Sec. 210. Deprived and Depressed Communities – DELETED

Directs LARA to reasonably ensure that businesses in "deprived and depressed" communities compete for and perform contracts for service and supplies. Executive deleted. House concurs.

Sec. 211. Information Technology Work Projects – REVISED

Permits appropriations for Information Technology to be designated as work projects and carried forward. Executive deleted. House revises for LCC IT work project.

Sec. 217. Out-of-State Travel – DELETED

Provides several limitations and reporting requirements pertaining to out-of-state travel for LARA employees. Executive deleted. House concurs.

Sec. 218. Out-of-State Travel – NEW

Provides several limitations and reporting requirements pertaining to out-of-state travel for LARA employees. House creates.

Sec. 219. Office Space Consolidation Plan – NEW

States that the Legislature intends to cooperate with the office space consolidation plan implemented by DTMB. House creates.

Sec. 230. Principal Measurable Outcomes – NEW

Directs LARA to identify and rank 10 measurable outcomes by October 31, 2012 and provide biennial updates on efforts and improvements in those outcomes by April 1.

Sec. 301. Fire Protection Grants – REVISED

Directs LARA to expend funds in accordance with 1977 PA 289 and stipulates that local units of government are eligible for funds if they provide a specified report to LARA. Executive deleted. House revises by adding new reporting requirements.

Major Boilerplate Changes From FY 2011-12

Sec. 301a. Fire Protection Grant Report – DELETED

Directs local units of government receiving funds in accordance with 1977 PA 289 to submit a report on the expenditures relating to fire protection of state-owned property and directs to provide a standard template for the report and a summary of the reports and transmit to the Legislature and SBO. Executive deleted. House concurs.

Sec. 302. Fire Service Fees – REVISED

Establishes the schedule of fees for inspections of hospital and schools by the Bureau of Fire Services in accordance with Section 2c of 1914 PA 207 Executive increases the amount of the Fire Service Fees. House concurs. (See #4 in "Major Budget Changes From FY 2011-12 YTD Appropriations" above).

Sec. 333. UI Internet Claims Report – DELETED

Requires LARA to provide a quarterly report the percentage of claimants using the internet MARVIN system to certify and receive benefits and implement improvement to the system to reach a goal of 50% of claimants certifying on the system. Executive deleted. House concurs.

Sec. 341. Administrative Rules Restriction – DELETED

Prohibits LARA from promulgating any rule more stringent than an applicable federal standard unless authorized by statute. Executive deleted. House concurs.

Sec. 342. Training Grant to Mining Industry – DELETED

Directs LARA to allocate not less than \$800,000 of MIOSHA CET grants to nonprofit organizations representing the mining industry. Executive deleted. House concurs.

Sec. 361. Low-Income Energy Efficiency Fund Program – DELETED

Requires the PSC to provide a report on the distribution of funds for the LIEEF program and permits LARA to carry forward unexpended funds collected under the LIEEF program to the subsequent fiscal year. Executive deleted. House concurs.

Sec. 390. Tax Tribunal Caseload Report – REVISED

Requires the Tax Tribunal and MAHS to provide a report containing specified information about the caseload, dispositions, and backlog of tax tribunal cases to the Legislature and SBO. Executive deleted. House revises by adding new reporting requirements.

Sec. 603. Local Match Requirements for Facilities Establishment Grants – DELETED

Stipulates that the local match for vocational rehabilitation facilities establishment grants shall not exceed 21.3%. Executive deleted. House concurs.

Sec. 604. Centers for Independent Living – DELETED

Stipulates that all funds appropriated to Independent Living shall be used in support of Centers for Independent Living in underserved areas and the build capacity in compliance with federal regulations and consistence with the State Plan for Independent Living. Executive deleted. House concurs.

Sec. 610. Commission for the Blind Case Services and Carry Forward – DELETED

Stipulates that funds appropriation for the MCB includes case services and may be used for tuition payments and that LARA may carry forward revenue from local sources that is unexpended to the subsequent fiscal year. Executive eliminated provision that funds include case services and may be used for tuition. House deletes.

Sec. 611. Vocational Rehabilitation Matching Funds – DELETED

Directs the MRS and MCB work collaboratively with service organizations and governments to identify match dollars and maximize federal vocational rehabilitation funds. Executive deleted. House concurs.

Sec. 613. Local Support for Subregional Library Services – DELETED

Stipulates a maintenance of effort requirement for subregional libraries to receive state grants for expenditures for library services directly serving the blind and persons with disabilities. Executive retained. House deletes.

Sec. 615. Library Services for the Blind and Physically Handicapped – DELETED

Permits LARA to provide support and services to organizations and agencies and charge fees for these services. Executive retained. House deletes.

Sec. 708. Quarterly Staff Reports from Nursing Facilities – DELETED

Requires that nursing facilities' quarterly reports to LARA include the specified information and requires LARA to make the quarterly staff report available to the public. Executive deleted. House concurs.

Sec. 714. Nursing Facility Complaint Investigations Report – REVISED

Requires LARA to report the timeliness of nursing facility complaint investigations and the number of allegations that are substantiated on an annual basis to the Legislature and SBO and requires LARA to make every effort to contact complainants during the investigations. Executive deleted. House revises by adding the reporting requirements from Sec. 718.

Sec. 716. Investigations of Health Care Professionals – DELETED

Requires LARA to give priority to investigations of alleged wrongdoing by licensed health care professional that are alleged to have occurred within two years of the initial complaint. Executive deleted. House concurs.

Major Boilerplate Changes From FY 2011-12

Sec. 718. Nursing Home Complaint Deficiencies – DELETED

Requires LARA to provide a report on frequently cited complaint deficiencies for nursing homes during the prior three fiscal years to the Legislature and SBO. Executive deleted. House concurs.

Sec. 726. Medical Marihuana Program Fees – REVISED

Requires LARA to provide a report of all information pertaining to the revenue and expenditures of the Medical Marihuana Program and other specified information to the Legislature and SBO and permits LARA to raise application and renewal fees if revenue is insufficient to offset expenses of the Program. Executive removed reporting requirements. House revises by removing and adding reporting requirements.

Sec. 727. Outsource Medical Marihuana Program Administration – DELETED

Requires LARA to establish and implement a bid process to identify a public or private contractor to administer the Medical Marihuana Program and requires LARA to transfer administration of the Program to the contractor by January 1st. Executive deleted. House concurs.

Sec. 729. Circulating Nurse Data – DELETED

Permits hospitals and ambulatory surgical centers to report to LARA whether registered nurses serve as circulating nurses during surgical procedures and requires LARA to report on the data it receives to the Legislature. Executive deleted. House concurs.

Sec. 731. Bureau of Health Systems Regulatory Costs and Fee Report – DELETED

Requires BHS to provide a report to the Legislature pertaining to the costs to regulate each of the several types of health facilities, a proposed fee schedule (developed in conjunction with interested stakeholders) to offset BHS' regulatory costs, and recommended statutory and rule changes. Executive deleted. House concurs.

Sec. 732. Support for BHS Inspections of FSOs – NEW

Stipulates that the Bureau of Health Systems expend at least \$530,000 on the inspections of Freestanding Surgical Outpatient facilities. House creates. (See #16 in "Major Budget Changes From FY 2011-12 YTD Appropriations" above).

Sec. 1201. Anticipated FY 2013-14 Appropriations – REVISED

States legislative intent to provide appropriations for FY 2013-14, adjusting FY 2012-13 amounts based on economic and other factors. (See item 23 under Major Budget Changes for specific anticipated appropriation adjustments.) Executive revised. House concurs.

FY 2012-13: MILITARY AND VETERANS AFFAIRS
Summary: As Passed by the House
Article XIII, House Bill 5365 (H-2) as Amended



Analyst: Robin R. Risko

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: House From FY 2011-12 YTD	
						Amount	%
IDG/IDT	\$3,963,300	\$1,166,500	\$11,166,500			\$7,203,200	181.7
Federal	87,877,900	99,239,400	99,239,400			11,361,500	12.9
Local	765,600	769,200	769,200			3,600	0.5
Private	1,448,000	1,503,700	1,503,700			55,700	3.8
Restricted	28,506,400	30,427,000	30,427,000			1,920,600	6.7
GF/GP	33,983,700	34,733,400	34,411,600			427,900	1.3
Gross	\$156,544,900	\$167,839,200	\$177,517,400			\$20,972,500	13.4
FTEs	826.0	826.0	826.0			0.0	0.0

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683.

(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

Overview

The Department of Military and Veterans Affairs has three primary missions: to execute duties as specified in various state statutes and by the Governor, to administer state regulated services, and to ensure preparedness of the Michigan National Guard to assist both state and federal authorities. The Michigan National Guard serves to protect the lives and property of Michigan citizens during times of natural disaster and civil unrest, to preserve peace, order, and public safety at the direction of the Governor, and to assist the federal government in defending sovereign interests of the United States when they are threatened or violated. The department also oversees state programs for veterans, the state's veterans' homes in Grand Rapids and Marquette, grants to veterans service organizations, and the Michigan Veterans' Trust Fund.

Major Budget Changes From FY 2011-12 YTD Appropriations

1. Capital Outlay - Replace Flint Armory

Executive includes one-time funding for construction of a new armory in Flint, to replace the existing 87-year-old facility. House concurs.

	FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
Gross	\$0	\$12,000,000
Federal	0	9,000,000
Restricted	0	3,000,000

2. Armory Maintenance

Executive includes an additional on-going appropriation of \$2.4 million GF/GP to address the backlog of special maintenance projects at the state's 43 armories. House includes an additional on-going appropriation of \$2.0 million GF/GP. The difference between the Executive and House is \$446,800. Of that, \$321,800 is reduced from the Executive recommendation in order to meet House GF/GP targets and \$125,000 is reduced in order to hold the veterans service organization grants harmless and fund the Veterans Certification Officer proposed by the Executive. (See #5 and #6 below)

Gross	\$651,200	\$1,953,200
GF/GP	\$651,200	\$1,953,200

3. Military Retirement Program

Executive includes an additional \$150,000 GF/GP to cover full-year costs of mandatory retirement payments required pursuant to 1967 PA 150, the Michigan Military Act, and then transfers all costs associated with the Military Retirement program to the Office of Retirement Services within the Department of Technology, Management, and Budget (\$3,981,700 GF/GP). House concurs.

FTE	1.0	(1.0)
Gross	\$3,831,700	(\$3,831,700)
GF/GP	\$3,831,700	(\$3,831,700)

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
4. Additional Unclassified Positions	Gross	\$665,000	\$500,000
<u>Executive</u> reflects a transfer of \$500,000 GF/GP to Unclassified Military Personnel to fully fund current unclassified positions. (\$200,000 GF/GP is transferred from Headquarters and Armories, \$150,000 GF/GP from the Grand Rapids Veterans' Home, and \$150,000 GF/GP from the D.J. Jacobetti Veterans' Home) <u>House</u> concurs.	GF/GP	\$665,000	\$500,000
5. Veterans Affairs Directorate Administration	FTE	2.0	1.0
<u>Executive</u> reflects a transfer of \$125,000 GF/GP to fund a Veterans Affairs Certification Officer and \$125,000 GF/GP to cover a funding shortfall. (\$125,000 GF/GP is transferred from veterans service organization grants, \$75,000 GF/GP from the Grand Rapids Veterans' Home, and \$50,000 GF/GP from the D.J. Jacobetti Veterans' Home) <u>House</u> concurs, but transfers the \$125,000 GF/GP for the Veterans Affairs Certification Officer from the Special Maintenance - State line item instead of from the veterans service organization grants.	Gross	\$205,300	\$250,000
	GF/GP	\$205,300	\$250,000
6. Veterans Service Organization Grants	Gross	\$3,029,600	\$0
<u>Executive</u> reduces grant funding for veterans service organizations by \$125,000 GF/GP and transfers the funding to the Veterans Affairs Directorate Administration. <u>House</u> does not reduce grant funding for veterans service organizations. (See #5 above)	GF/GP	\$3,029,600	\$0
7. Transfers to Fund Increases	Gross	N/A	(\$625,000)
<u>Executive</u> reduces funding by \$225,000 GF/GP for the Grand Rapids Veterans' Home, by \$200,000 GF/GP for the D.J. Jacobetti Veterans' Home, and by \$200,000 GF/GP for Headquarters and Armories and transfers the funding to Unclassified Military Personnel and Veterans Affairs Directorate Administration. <u>House</u> concurs. (See #4 and #5 above)	GF/GP	N/A	(\$625,000)
8. Grand Rapids Veterans' Home Restricted Funding	Gross	\$16,176,500	(\$2,000,000)
<u>Executive</u> reduces the budget to more accurately reflect the amount of Income and Assessment revenue received at the Grand Rapids Veterans' Home. <u>House</u> concurs.	Restricted	16,176,500	(2,000,000)
9. D. J. Jacobetti Veterans' Home Fund Source Shift	Gross	\$11,450,900	\$0
<u>Executive</u> increases the federal Veterans Health Administration fund source and reduces the Income and Assessments fund source at the D.J. Jacobetti Veterans' Home to more accurately reflect the amount of revenue received at the home. <u>House</u> concurs.	Federal	6,137,700	250,000
	Restricted	5,313,200	(250,000)
10. Federal Revenue Adjustment	Gross	\$24,294,100	\$425,000
<u>Executive</u> increases federal funding authorization by \$225,000 for the Grand Rapids Veterans' Home and by \$200,000 and for the D.J. Jacobetti Veterans' Home in order to reflect the amount of federal funding being made available. <u>House</u> concurs.	Federal	24,294,100	425,000
11. Savings from Privatization of Staff	Gross	N/A	(\$921,300)
<u>Executive</u> reflects a reduction of \$921,300 GF/GP in anticipation of additional savings resulting from privatizing resident care aide positions at the Grand Rapids Veterans' Home. <u>House</u> concurs.	GF/GP	N/A	(\$921,300)
12. Economic Adjustments	Gross	N/A	\$1,564,400
<u>Executive</u> includes \$1.6 million Gross (\$546,800 GF/GP) for negotiated salary and wage increases, the actuarially-required retirement rate increase, reduced employer health insurance costs due to the 20% employee contribution, workers' compensation costs, and food and fuel costs. <u>House</u> concurs.	IDG	N/A	(2,797,500)
	Federal	N/A	2,979,000
	Private	N/A	51,500
	Restricted	N/A	784,600
	GF/GP	N/A	\$546,800
13. Remove One-Time Capital Outlay Funding	Gross	\$1,700,000	(\$1,700,000)
<u>Executive</u> removes one-time Capital Outlay funding appropriated in the FY 2011-12 budget for construction of a light demolition range at Camp Grayling. <u>House</u> concurs.	Federal	1,700,000	(1,700,000)

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
14. Capital Outlay - Land Acquisitions and Appraisals <u>Executive</u> includes authorization for the department to spend up to \$250,000 on land acquisitions and appraisals should land become available. <u>House</u> concurs.	Gross	\$0	\$250,000
	Restricted	0	250,000
15. One-Time Appropriations - Employee Lump Sum Payments <u>Executive</u> includes a one-time appropriation, in boilerplate section 13-701, of \$707,900 Gross (\$155,900 GF/GP) for the negotiated one-time lump sum payments to state employees. <u>House</u> concurs, but appropriates the funding in a line item.	Gross	N/A	\$707,900
	IDG	N/A	700
	Federal	N/A	407,500
	Local	N/A	3,600
	Private	N/A	4,200
	Restricted	N/A	136,000
	GF/GP	N/A	\$155,900
16. One-Time Appropriations - Special Maintenance State <u>Executive</u> includes a one-time appropriation, in boilerplate section 13-701, of \$2.4 million GF/GP for addressing the backlog of special maintenance projects at the state's 43 armories. <u>House</u> concurs with the \$2.4 million GF/GP, includes an additional \$324,800 in IDG funding being made available from the Department of Human Services, and appropriates the funding in a line item.	Gross	\$0	\$2,724,800
	IDG	0	324,800
	GF/GP	\$0	\$2,400,000
17. One-Time Appropriations - Special Maintenance Grand Rapids Veterans' Home <u>House</u> includes a one-time line item appropriation of \$4.4 million for special maintenance projects at the Grand Rapids Veterans' Home to be funded with IDG funding being made available from the Department of Human Services.	Gross	\$0	\$4,440,000
	IDG	0	4,440,000
18. One-Time Appropriations - Special Maintenance D.J. Jacobetti Veterans' Home <u>House</u> includes a one-time line item appropriation of \$1.6 million for special maintenance projects at the D. J. Jacobetti Veterans' Home to be funded with IDG funding being made available from the Department of Human Services.	Gross	\$0	\$1,560,000
	IDG	0	1,560,000
19. One-Time Appropriations - Veterans Advice, Advocacy and Assistance Grants <u>House</u> includes a one-time line item appropriation of \$2.0 million for veterans service organization grants to be funded with IDG funding being made available from the Department of Human Services.	Gross	\$0	\$2,000,000
	IDG	0	2,000,000
20. One-Time Appropriations - Michigan Veterans Coalition Initiatives <u>House</u> includes a one-time line item appropriation of \$1.7 million for Michigan Veterans Coalition initiatives to be funded with IDG funding being made available from the Department of Human Services. Proposed initiatives include: establishing and implementing a college campus program to assist veterans on campus with enrolling in the veterans affairs health care system and with filing claims for disabilities; and implementing an Internet-based data system, in collaboration with the Michigan Association of County Veterans Counselors, to ensure that Michigan's veterans and their families receive professional assistance, advocacy, and counseling to obtain and receive benefits.	Gross	\$0	\$1,675,000
	IDG	0	1,675,000
21. One-Time Appropriations - Pilot Grant Program for Counties <u>House</u> includes a \$100 placeholder for a pilot grant program for counties to fund additional accredited veterans service officers. The intent is for grants to be made available to Kent County, Wayne County, and other underserved counties based on need of veterans services.	Gross	\$0	\$100
	IDG	0	100
22. One-Time Appropriations - Data Upgrades and Digitization <u>House</u> includes a \$100 placeholder for department data upgrades and digitization of all medical records and military discharge documents.	Gross	\$0	\$100
	IDG	0	100
23. Anticipated FY 2013-14 Budget Changes <u>House</u> includes an anticipated increase in funding from the FY 2012-13 levels of \$2.4 million Gross (\$535,600 GF/GP) for economic adjustments in FY 2013-14. (Boilerplate intent language only; would not be binding appropriations.)			

Major Boilerplate Changes From FY 2011-12

GENERAL SECTIONS OF BOILERPLATE

Sec. 213. Out-of-State Travel Restrictions – DELETED

Limits out-of-state travel; authorizes the State Budget Director to grant exceptions to allow travel; requires a monthly report on the number of exceptions granted. Executive deletes. House deletes this section, but includes a different section on out-of-state travel (see new Sec. 218.).

Sec. 216. Schedule of Programs Disclaimer – DELETED

Specifies that a schedule of programs is a list of programs which may be, but is not required to be, funded; specifies that the schedule of revenue sources may or may not be received from the entities listed; specifies that funding required by statute is not subject to funding flexibility. Executive retains. House deletes.

Sec. 218. GF/GP Savings from Department Incentive Pool – DELETED

Requires unused GF/GP obtained as a result of efficiencies to be designated as the department incentive pool balance; requires funds associated with GF/GP supplemental requests to be debited against the department incentive pool balance if supplemental requests do not meet specified criteria; specifies how the positive year-end balance of the department incentive pool balance shall be allocated. Executive deletes. House deletes.

Sec. 218. Out-of-State Travel – NEW

Requires the department to report on out-of-state travel expenses, listing all travel by all employees outside of this state that is funded in whole or in part with funds appropriated to the department. Executive does not include. House includes.

Sec. 219. DTMB Space Consolidation Plan – NEW

Specifies intent of the Legislature that the department cooperate with the development and implementation of the DTMB statewide office space consolidation plan. Executive does not include. House includes.

Sec. 220. Meetings to Report on Achieving Requirements – REVISED

Requires the department to be available to meet quarterly with the appropriate subcommittees to provide information as evidence of validating that all requirements in the bill have been achieved. Executive deletes. House retains and revises meeting requirement to biannually, by April 1 and September 30.

VETERANS AND COMMUNITY OUTREACH

Sec. 406. Michigan Veterans' Facility Ombudsman – NEW

References funding in the General Government budget to the Legislative Council for establishing a Michigan Veterans' Facility Ombudsman; specifies duties and responsibilities of the Ombudsman. The Ombudsman's purpose will be to conduct investigations concerning actions or omission of actions or conditions at the veterans' homes which are alleged to be contrary to law or policy or that pose a significant health or safety issue. Executive does not include. House includes.

HOMES

Sec. 501. (2) Veterans' Homes – REVISED

Requires the department to provide resources necessary to provide adequate nursing care services to a licensed maximum capacity of 618 skilled nursing and 140 domiciliary beds at the Grand Rapids Veterans' Home and 182 skilled nursing and 59 domiciliary beds at the D.J. Jacobetti Veterans' Home. Executive deletes. House retains and revises by deleting the specified numbers of beds.

ONE-TIME APPROPRIATIONS

Sec. 701. Special Maintenance at the Veterans' Homes – NEW

Requires appropriations to be used for maintenance and information technology needs at the homes; specifies that maintenance includes improvements to the mechanical, electrical, plumbing, and security systems, roof repairs and replacements, energy conservation measures, lighting upgrades, repair and replacement of floors, pipe insulation, windows, boilers, new and upgraded fire detection and suppression systems, and other repairs, upgrades, and renovation projects as approved by the subcommittees; requires the homes to report on their plans for expending the one-time appropriations. Executive does not include. House includes.

Sec. 702. Michigan Veterans Coalition Initiatives – NEW

Requires appropriation to be used to establish and implement a college campus program, in collaboration with the United States Department of Veterans Affairs vocational rehabilitation program, to assist veterans on campus with enrolling in the veterans affairs health care system and with filing claims for disabilities; requires appropriation to be used to implement an Internet-based data system, in collaboration with the Michigan Association of County Veterans Counselors, to ensure Michigan's veterans and their families receive professional assistance, advocacy, and counseling in obtaining and receiving benefits. Executive does not include. House includes.

Sec. 703. Pilot Grant Program for Counties – NEW

Requires the department to develop an application and grant process to fund accredited veterans service officers; requires grants to be made available to Kent County, Wayne County, and other underserved counties, based on need of veterans services.

Sec. 704. Data Upgrades and Digitization – NEW

Requires the department to digitize all medical records and military discharge documents which are currently on paper and microfilm.

	FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
<u>Major Budget Changes From FY 2011-12 YTD Appropriations</u>		
ANTICIPATED APPROPRIATIONS		
<i>Sec. 1201. Anticipated FY 2013-14 Appropriations – NEW</i>		
States legislative intent to provide appropriations for FY 2013-14, adjusting FY 2012-13 amounts based on economic and other factors. (See item #23 under Major Budget Changes for specific anticipated appropriation adjustments.)		

FY 2012-13: DEPARTMENT OF NATURAL RESOURCES
Summary: As Passed by the House
Article XIV, House Bill 5365 (H-2) as Amended



Analyst: Viola Bay Wild

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: House From FY 2011-12 YTD	
						Amount	%
IDG/IDT	\$6,587,500	\$2,027,200	\$2,027,200			(\$4,560,300)	(69.2)
Federal	69,356,200	66,603,000	66,524,800			(2,831,400)	(4.1)
Local	0	0	0			0	--
Private	2,931,600	7,239,200	7,239,200			4,307,600	146.9
Restricted	246,939,100	245,054,800	241,907,000			(5,032,100)	(2.0)
GF/GP	18,326,700	19,637,900	16,442,500			(1,884,200)	(10.3)
Gross	\$344,141,100	\$340,562,100	\$334,140,700			(\$10,000,400)	(2.9)
FTEs	2,179.4	2,152.5	2,099.8			(79.6)	(3.7)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683.

(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

Overview

The Department of Natural Resources (DNR) manages, conserves, and protects Michigan's resources. Programs include forest management, land and minerals management, wildlife and fisheries management, conservation law enforcement, state parks and forest campgrounds, and Michigan's historical programs.

Major Budget Changes From FY 2011-12 YTD Appropriations

		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
1. Funding and FTE Authorization Adjustments	FTE	N/A	(24.0)
<u>Executive</u> reduces restricted funding authorization by \$10.1 million and private funding by \$260,100 to align with anticipated revenues. Includes a net federal funding authorization increase of \$1.6 million; reduces FTE authorizations by 24.0 positions through the elimination of unfilled and unfunded positions. <u>House</u> concurs.	Gross	N/A	(\$8,728,900)
	Federal	N/A	1,648,800
	Private	N/A	(260,100)
	Restricted	N/A	(10,117,600)
2. GF/GP Reduction	Gross	N/A	(\$145,400)
<u>House</u> includes \$145,400 GF/GP reduction throughout various line items.	GF/GP	N/A	(\$145,400)
3. FTE Reduction	FTE	N/A	(52.7)
<u>House</u> includes a reduction of 52.7 FTE authorizations from various line items; these FTEs no longer had funding associated with the positions.	Gross	N/A	\$0
	Restricted	N/A	0
4. Great Lakes Restoration Initiative	Gross	10,000,000	(\$4,500,000)
<u>Executive</u> reduces federal funding by \$4.5 million to align with anticipated revenues. <u>House</u> concurs.	Federal	10,000,000	(4,500,000)
5. Gifts and Bequests Authorization	Gross	\$500,000	\$4,500,000
<u>Executive</u> includes additional \$4.5 million private funding authorization and changes name of line item to Gifts and Pass-Through Transactions. <u>House</u> concurs.	Private	500,000	4,500,000
6. Dam Management Grant Program	FTE	N/A	1.0
<u>Executive</u> includes \$500,000 GF/GP funding and 1.0 FTE position for competitive grants for removal or maintenance of failing dams from private and state-owned land; additional one-time GF/GP funding of \$2.0 million appropriated in boilerplate (additional \$2.0 million funding is shown in item #17 below). <u>House</u> includes \$450,000 GF/GP funding and 1.0 FTE position.	Gross	N/A	\$450,000
	GF/GP	N/A	\$450,000

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
7. Summer Youth Initiative	Gross	N/A	\$0
<u>Revised Executive</u> appropriates \$3.0 million GF/GP funding for a new summer employment program for youth in the following urban areas: Pontiac, Flint, Saginaw, and Detroit. <u>House</u> does not include program funding.	GF/GP	N/A	\$0
8. Off Road Vehicle (ORV) License Fee Increase	Gross	N/A	\$0
<u>Executive</u> includes \$2.5 million additional restricted funding to be realized through an increase in the ORV license from the current annual fee of \$16.25 to a \$35.00 annual fee. <u>House</u> does not include fee increase revenues.	Restricted	N/A	0
9. Duplicate Recreational Safety Certificate Fee	Gross	N/A	\$0
<u>Executive</u> includes additional \$70,400 funding to be realized through a new fee charged for duplicate safety certificates such as boating, hunter, snowmobile, or ORV safety certificates; fee for replacement certificates would be \$11.00; \$28,200 of fee increase deposited into federal Hunter Education Fund. <u>House</u> does not include new fee revenues.	Federal	N/A	0
	Restricted	N/A	0
10. Shooting Range Fees	Gross	N/A	\$0
<u>Executive</u> increases federal funding authorization by \$50,000 in anticipation of a statutory change that would allow the DNR to charge a \$5.00 daily fee at all shooting ranges on state-owned land; currently range fees can only be charged at state parks; revenue will be deposited into the federal Hunter Education Fund. <u>House</u> does not include new fee revenues.	Federal	N/A	0
11. FY 2011-12 Contingency Plans Funding	FTE	N/A	(3.9)
<u>Executive</u> includes reduction of \$364,200 GF/GP funding and elimination of authorization for 3.9 FTE positions as part of an employee concessions contingency plan for FY 2011-12. <u>House</u> concurs.	Gross	N/A	(\$364,200)
	GF/GP	N/A	(\$364,200)
12. State Park Improvement Revenue Bond Payment	Gross	N/A	\$3,300
<u>Executive</u> includes \$3,300 restricted funding for State Park Improvement Revenue Bond Payment. <u>House</u> concurs.	Restricted	N/A	3,300
13. Other Post-Employment Benefits (OPEB) FY 2011-12 GF/GP Relief Adjustment	Gross	N/A	\$0
<u>Executive</u> includes funding adjustments to replace the one-time IDG funding relief of \$4.6 million for OPEB costs in FY 2011-12. <u>House</u> concurs.	IDG	N/A	(4,590,100)
	Federal	N/A	1,300,800
	Restricted	N/A	3,289,300
14. Grand Marais Harbor One-Time Appropriation	Gross	\$4,000,000	(\$4,000,000)
<u>Executive</u> eliminates one-time funding of \$4.0 million GF/GP for Grand Marais Harbor appropriated through boilerplate in FY 2011-12. <u>House</u> concurs.	GF/GP	\$4,000,000	(\$4,000,000)
15. State Park Funding	Gross	N/A	\$225,000
<u>House</u> includes additional \$225,000 restricted funding from the Michigan State Park Endowment Fund to the state parks line item.	Restricted	N/A	225,000
16. Forestry - Best Practices Management Audit	Gross	N/A	\$100
<u>House</u> includes \$100 Forest Development Fund funding as a placeholder for a grant to the Sustainable Forestry Initiative to conduct a best management practices analysis and audit on water quality and related forestry issues.	Restricted	N/A	100
17. One-Time Appropriations	Gross	N/A	\$3,892,600
<u>Executive</u> includes the following one-time appropriations in boilerplate for FY 2012-13: <ul style="list-style-type: none"> \$1.9 million Gross (\$96,200 GF/GP) for negotiated one-time lump sum payments to state employees. \$2.0 million Gross and GF/GP for Dam Management Grant Program. <u>House</u> concurs, but appropriates funding in a separate line item unit.	IDG	N/A	11,300
	Federal	N/A	260,500
	Private	N/A	15,500
	Restricted	N/A	1,509,100
	GF/GP	N/A	\$2,096,200

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
18. Economic Adjustments			
<u>Executive</u> reflects increased costs of \$5.4 million Gross (\$79,200 GF/GP) for negotiated salary and wage increases, actuarially-required retirement rate increase, reduced employer health insurance costs due to 20% employee contribution and other economic adjustments. <u>House</u> concurs.	Gross	N/A	\$5,370,600
	IDG	N/A	18,500
	Federal	N/A	908,500
	Private	N/A	52,200
	Restricted GF/GP	N/A	4,312,200 79,200
19. Capital Outlay Projects			
<u>Revised Executive</u> decreases funding for capital outlay projects in FY 2012-13 by \$5.9 million. Restricted funding for state parks and forest area projects is changed to state parks repair and maintenance projects and decreased by \$3.3 million; restricted funding for waterways projects is reduced by \$179,400 and federal funding is reduced by \$2.5 million. For FY 2013-14, proposed funding for waterways boating projects is reduced by \$3.4 million. <u>House</u> reduces funding by \$6.7 million; does not include new project proposed in Executive Revision 2013-3.	Gross	\$25,080,000	(\$6,703,500)
	Federal	3,750,000	(2,450,000)
	Restricted	21,330,000	(4,253,500)

20. Anticipated FY 2013-14 Budget Changes

Reflects anticipated increase from FY 2012-13 budget of \$5.5 million Gross (\$79,200 GF/GP) for economic adjustments in FY 2013-14 and a decrease of \$3.4 million restricted funding for waterways boating projects. (Boilerplate intent language only; would not be binding appropriation.)

Major Boilerplate Changes From FY 2011-12

Sec. 212. Disciplinary Action Against State Employees – RETAINED

Prohibits Department from disciplining state employees for communicating with members of the Legislature and their staffs. Executive deletes language; House retains language.

Sec. 218. Out-of-State Travel Report – NEW

House includes language that requires Department to report out-of-state travel expenses annually.

Sec. 219. Office Space Consolidation Plan – NEW

House includes legislative intent language that the Department work with DTMB to develop and implement a statewide office space consolidation plan.

Sec. 223. Waterways Fund Projects – RETAINED

Requires report on activities of Waterways Commission during the previous fiscal year; list of completed waterways fund projects to be provided to Legislature and State Budget Director by January 31, 2012. Executive deletes language; House retains language.

Sec. 230. Measurable Outcomes Report – NEW

House includes language that requires a report identifying 10 principal measurable outcomes of Department's budget expenditures; requires biannual updates.

Sec. 233. FTE Report – RETAINED

Requires report on number of FTEs in pay status; report required quarterly. Executive deletes language; House retains language.

Sec. 301. Engineering Services Fees – DELETED

Allows fee charge against capital outlay or special maintenance appropriation to recover engineering service cost. Executive and House delete language.

Sec. 306. Historical Program Fees – RETAINED

Allows DNR to charge fees for historical program services and museum admissions; **Executive** eliminates language that requires children under 18 be admitted free to the Michigan Historical Museum (Renumbered to Sec. 14-403). House retains language.

Sec. 308. Land Transactions – RETAINED

Requires detailed report to Legislature on land purchases, sales and exchanges. Executive deletes language; House retains language.

Dec. 309. Oil and Gas Lease Report – DELETED

Requires DNR to report on active oil and gas leases entered into before July of 1995 on parcels larger than 160 acres where the producing unit is less than or equal to 1/4 of the total lease acreage. Executive and House delete language.

Major Boilerplate Changes From FY 2011-12

Sec. 402. Livestock Loss Indemnification – DELETED

State legislative intent that the DNR reimburse Department of Agriculture and Rural Development for livestock losses caused by wolves, coyotes, or cougars. Executive and House delete language.

Sec. 502. Water Control Structure Certification – RETAINED

Directs Fisheries Division to not interfere with the certification process for dams and other water control structures. Executive deletes language; House retains language.

Sec. 602. State Park Campground Closures – RETAINED

Requires Legislature be notified if reduced operations or recreation opportunities are planned at any state park or recreation area. Executive deletes language; House retains language.

Sec. 702. Timber Marking – RETAINED

Directs Department to mark and prescribe treatment on 79,000 acres, prepare for harvest 67,500 acres at an average rate of 12.5 to 15.0 cords per acre; requires quarterly report. Executive deletes language; House retains language.

Sec. 704. Horseback Riding Opportunities – RETAINED

Directs Department to work cooperatively with horseback riding interests to increase horseback riding opportunities. Executive deletes language; House retains language.

Sec. 705. Contract Foresters – RETAINED

Allows Department to hire sufficient contract foresters to mark timber. Executive deletes language; House retains language.

Sec. 706. State Forest Campground Closures – RETAINED

States legislative intent that the state forest campgrounds proposed by the DNR to be closed will remain open. Executive deletes language; House retains language.

Sec. 707. State Forest Campgrounds Mini-State Parks Pilot Program – REVISED

Requires a strategic plan be developed to incorporate selected state forest campgrounds into the state park system as mini-state parks; requires report. Executive deletes language; House revises language to require a report containing information on state forest campgrounds management and funding.

Sec. 710. DNR Aircraft Report – RETAINED

Requires DNR to report on the wildfire protection aircraft program. Report shall include the number of planes owned, aircraft costs, airplane usage, number of wildfires, and annual flight hours logged. Executive deletes language; House retains language.

Sec. 801. Snowmobile Law Enforcement Grants – RETAINED

Provides snowmobile law enforcement grants to county law enforcement agencies in counties with state snowmobile trails. Executive deletes language; House retains language.

Sec. 802. Marine Safety Grants – RETAINED

Requires report on the Marine Safety Grant Program. Report to include watercraft registrations revenues, revenues and expenditures of the Marine Safety Fund, grant distribution methodology, and a list of grant awards by county. Executive deletes language; House retains language.

Sec. 902. Off Road Vehicle (ORV) Trail Improvement Grants – RETAINED

Requires expenditure of not less than \$980,000 for the development of new ORV trails. Executive deletes language; House retains language.

Sec. 903. Dam Management Program – NEW

Executive includes language that provides that the unexpended funds for the Dam Management Grant Program are considered work project appropriations. House revises language to include that a long term plan be part of grant application.

Sec. 904. Sustainable Forestry Initiative: Best Management Practices Audit – NEW

House includes legislative intent language to provide grant funding to the Sustainable Forestry Initiative to work with forestland owners and prepare an analysis and audit of state-wide best management practices for water quality and related forestry issues.

Sec. 1001. Capital Outlay Appropriations for the Harbors and Docks Grants in Aid – RETAINED

Provides for disbursement of Waterways Fund appropriation to the federal government and local governmental units. Executive deletes language; House retains language.

Sec. 1004. Capital Outlay - Grand Marais Harbor Project – DELETED

Requires that DNR fund a capital outlay project to construct a breakwall at the Grand Marais Harbor once the necessary permits have been issued; project estimate cost is \$7.0 million. Executive and House delete language.

Sec. 1101. One-Time Appropriation - Grand Marais Harbor Capital Outlay Project – DELETED

Appropriates \$4.0 million GF/GP for the Grand Marais harbor capital outlay project; funding is on a one-time basis only. Executive and House delete language.

Major Boilerplate Changes From FY 2011-12

Sec. 14-901. One-Time Basis Appropriation – NOT INCLUDED

Executive includes language that appropriates \$1.9 million Gross (96,200 GF/GP) for state employee lump sum payments and \$2.0 million GF/GP for a dam management grant program; funding is on a one-time basis only. House does not include boilerplate language, but appropriates the funding in a separate line item unit.

Sec. 1201. Anticipated FY 2013-14 Appropriations – NEW

House includes language that states legislative intent to provide appropriations for FY 2013-14, adjusting FY 2012-13 amounts based on economic and other factors. (See item 20 under Major Budget Changes for specific anticipated appropriation adjustments.)

FY 2012-13: DEPARTMENT OF STATE POLICE
Summary: As Passed by the House
Article XVI, House Bill 5365 (H-2) as Amended



Analyst: Robin R. Risko

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: House From FY 2011-12 YTD	
						Amount	%
IDG/IDT	\$26,111,100	\$25,235,000	\$25,235,000			(\$876,100)	(3.4)
Federal	106,072,200	104,911,000	104,911,000			(1,161,200)	(1.1)
Local	6,699,800	6,869,400	6,869,400			169,600	2.5
Private	220,900	231,300	231,300			10,400	4.7
Restricted	124,470,300	119,005,700	119,005,700			(5,464,600)	(4.4)
GF/GP	270,166,000	316,891,400	313,767,100			43,601,100	16.1
Gross	\$533,740,300	\$573,143,800	\$570,019,500			\$36,279,200	6.8
FTEs	2,753.0	2,674.0	2,674.0			(79.0)	(2.9)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683.

(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

Overview

The mission of the Department of State Police is to protect public safety while respecting the rights and dignity of all persons. In addition to the department's role of providing general law enforcement services, the department is responsible for the development and coordination of state-level programs, technologies, and specialized services that enhance enforcement and emergency response capabilities for the entire public safety community. Organizational goals of the department are to prevent and investigate crime and enforce the law, improve traffic safety, provide for homeland security and emergency prevention, response, and recovery, provide the highest quality specialized services, enhance organizational performance, and improve operational efficiencies.

Major Budget Changes From FY 2011-12 YTD Appropriations

1. Law Enforcement Enhancement

Executive includes an additional \$15.0 million GF/GP for law enforcement enhancement. The funding will be used to operate and fund on-going costs associated with two trooper recruit schools. Included are costs for classroom training, course materials, meals, lodging, supplies, and uniforms for recruits, training staff per diem costs, warehouse supplies, weapons, payroll, and administrative activities. House includes \$11.8 million. The difference between the Executive and House is \$3,151,400. Of that, \$3,124,300 is reduced from the Executive recommendation in order to meet House GF/GP targets, \$27,000 is reduced in order to fund cold case teams, and \$100 is reduced in order to establish a placeholder for training to state and local dive teams. (See #15 and #16 below)

	FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
Gross	\$0	\$11,848,600
GF/GP	\$0	\$11,848,600

2. Additional Laboratory Operations Staff

Executive includes additional FTE positions and funding for laboratory operations. Funding will be used for additional scientists, equipment, and training in an effort to achieve a case turnaround time of 30 days. House concurs.

FTE	212.0	12.0
Gross	\$28,960,100	\$1,895,600
GF/GP	\$15,753,500	\$1,895,600

3. Additional DNA Analysis Program Staff

Executive includes additional FTE positions and funding for DNA analysis. Funding will be used for additional scientists, equipment, and training in an effort to achieve a reduced case turnaround time. House concurs.

FTE	57.5	8.0
Gross	\$7,982,800	\$1,281,600
GF/GP	\$3,103,400	\$1,281,600

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
4. Public Safety Initiative - Cities in Distress <u>Executive</u> includes additional funding to provide more investigative and patrol assistance in high crime areas of the state. Specifically, this funding will be used to cover overtime, training, aviation, and fleet costs associated with assisting Flint, Detroit, Pontiac, and Saginaw. <u>House</u> concurs.	Gross	\$0	\$2,769,900
	GF/GP	\$0	\$2,769,900
5. Fleet Leasing <u>Executive</u> includes additional funding to cover the costs of an increase in rates which are set for vehicles by DTMB. The rate is a blended rate which covers the costs of vehicle acquisition, insurance, gasoline, and maintenance. The rate increase is due primarily to the increase in fuel costs. <u>House</u> concurs.	Gross	\$12,980,700	\$2,650,000
	GF/GP	\$12,980,700	\$2,650,000
6. Regional Policing Plan <u>Executive</u> includes \$674,000 GF/GP to cover costs for cell phones and blackberry devices for staff that are utilizing mobile offices, and includes \$650,000 GF/GP to cover support, server hosting, and storage costs associated with mobile computers/offices. <u>House</u> concurs.	Gross	N/A	\$1,324,000
	GF/GP	N/A	\$1,324,000
7. Replace Outdated Equipment <u>Executive</u> includes \$673,000 GF/GP to replace 180 outdated mobile radios and create a 10-year lifecycle replacement program, and includes \$433,600 GF/GP to replace 160 mobile data computers and create a 5-year lifecycle replacement program. <u>House</u> concurs.	Gross	N/A	\$1,106,600
	GF/GP	N/A	\$1,106,600
8. Additional Casino Gaming Staff <u>Executive</u> includes additional FTE positions and funding for investigation of illegal gambling operations. <u>House</u> concurs.	FTE	32.0	2.0
	Gross	\$5,028,200	\$249,000
9. Tobacco Tax Enforcement <u>Executive</u> includes additional funding for a tobacco tax enforcement analyst position and the associated training costs. <u>House</u> concurs.	IDG	5,028,200	249,000
	FTE	N/A	1.0
10. Replace Federal and State Restricted Revenues with GF/GP <u>Executive</u> includes an additional \$9.1 million in GF/GP to replace various federal and state restricted revenues which are no longer available to the department. <u>House</u> concurs.	Gross	N/A	\$318,200
	Federal	N/A	(1,757,800)
<ul style="list-style-type: none"> Replaces \$7.0 million in state restricted Commercial Mobile Radio Service Fee revenue within the Michigan Public Safety Communications System due to the fund being exhausted by the end of FY 2011-12. Replaces \$1,403,400 in federal DHS funding which is no longer available; funding is used to maintain telecommunications, licensing fees, server hosting, and maintenance costs for the Michigan Intelligence Operations Center and the Emergency Management and Homeland Security Division. Replaces \$354,400 in federal DOT grant funding which is being reduced by 75% in FY 2012-13; funding is used to maintain Toxicology staffing levels. Replaces \$318,200 in federal Byrne grant (ARRA) funding that will be exhausted by the end of FY 2011-12; funding is used for lab technicians. 	Restricted	N/A	(7,000,000)
	GF/GP	N/A	\$9,076,000
11. Full-Year Savings from Announced Contingency Plan <u>Executive</u> reflects full-year savings anticipated from the contingency plan issued in September 2011. The plan was introduced to achieve savings in lieu of state employee concessions that did not materialize. Funded vacant FTE positions are eliminated as part of the plan, as well as shifting current positions funded with GF/GP to vacant restricted funded positions. <u>House</u> concurs.	FTE	N/A	(2.0)
	Gross	N/A	(\$1,202,300)
	Restricted	N/A	(47,300)
	GF/GP	N/A	(\$1,155,000)

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
12. Economic Adjustments	Gross	N/A	\$13,754,300
<u>Executive</u> includes \$13.8 million Gross (\$8.9 million GF/GP) for negotiated salary and wage increases, the actuarially-required retirement rate increase, reduced employer health insurance costs due to the 20% employee contribution, and adjustments for building occupancy charges. <u>House</u> concurs.	IDG	N/A	638,200
	Federal	N/A	1,363,800
	Local	N/A	133,900
	Private	N/A	8,700
	Restricted	N/A	2,691,900
	GF/GP	N/A	\$8,917,800
13. Align FTE Positions and Revenues	FTE	N/A	(100.0)
<u>Executive</u> reduces FTE positions by 100.0 to reflect the actual number of funded FTE positions in the department. Reduces various IDG, federal, and state restricted funding sources and increases others in an effort to reflect actual revenues where they are received. <u>House</u> concurs.	Gross	N/A	(\$4,737,100)
	IDG	N/A	(25,800)
	Federal	N/A	(1,995,900)
	Restricted	N/A	(2,715,400)
	GF/GP	N/A	\$0
14. Eliminate Funding for Traffic Control Services	Gross	\$800,000	(\$800,000)
<u>Executive</u> eliminates one-time funding included in the FY 2011-12 budget for providing traffic control services at Michigan International Speedway. <u>House</u> concurs.	GF/GP	\$800,000	(\$800,000)
15. Cold Case Teams	Gross	\$0	\$27,000
<u>House</u> includes funding for the department to distribute to nine cold case teams in the state. These teams are comprised of volunteer, retired police officers who work with local units to help solve cold cases.	GF/GP	\$0	\$27,000
16. Training for State and Local Dive Teams	Gross	\$0	\$100
<u>House</u> includes a placeholder in anticipation of receiving grant funding that will be used for training state and local dive teams.	GF/GP	\$0	\$100
17. One-Time Appropriations - Employee Lump Sum Payments	Gross	N/A	\$3,220,000
<u>Executive</u> includes a one-time appropriation, in boilerplate section 16-601, of \$3.2 million Gross (\$2.1 million GF/GP) for the negotiated one-time lump sum payments to state employees. <u>House</u> concurs, but appropriates the funding in a line item.	IDG	N/A	168,700
	Federal	N/A	249,700
	Local	N/A	38,900
	Private	N/A	1,700
	Restricted	N/A	675,800
	GF/GP	N/A	\$2,085,200
18. One-Time Appropriations - Various	Gross	N/A	\$2,373,700
<u>Executive</u> includes the following one-time appropriations in boilerplate section 16-601:	GF/GP	N/A	\$2,373,700
<ul style="list-style-type: none"> \$1,356,800 GF/GP to replace 256 in-car cameras that are currently equipped with VHS technology. \$266,900 GF/GP to replace protective gear that currently does not meet federal standards. \$750,000 GF/GP to cover lease costs at the Collins Road facility. 			
<u>House</u> concurs, but appropriates the funding in line items.			
19. Anticipated FY 2013-14 Budget Changes			
<u>House</u> includes an anticipated increase in funding from the FY 2012-13 levels of \$11.7 million Gross (\$8.2 million GF/GP) for economic adjustments in FY 2013-14. (Boilerplate intent language only; would not be binding appropriations.)			

Major Boilerplate Changes From FY 2011-12

GENERAL SECTIONS OF BOILERPLATE

Sec. 213. Out-of-State Travel Restrictions – DELETED

Limits out-of-state travel; authorizes the State Budget Director to grant exceptions to allow travel; requires a monthly report on the number of exceptions granted. Executive deletes. House deletes this section, but includes a different section on out-of-state travel (see new Sec. 218.).

Sec. 216. Schedule of Programs Disclaimer – DELETED

Specifies that a schedule of programs is a list of programs which may be, but is not required to be, funded; specifies that the schedule of revenue sources may or may not be received from the entities listed; specifies that funding required by statute is not subject to funding flexibility. Executive retains with revisions. House deletes.

Major Boilerplate Changes From FY 2011-12

Sec. 218. GF/GP Savings from Department Incentive Pool – DELETED

Requires unused GF/GP obtained as a result of efficiencies to be designated as the department incentive pool balance; requires funds associated with GF/GP supplemental requests to be debited against the department incentive pool balance if supplemental requests do not meet specified criteria; specifies how the positive year-end balance of the department incentive pool balance shall be allocated. Executive deletes. House deletes.

Sec. 218. Out-of-State Travel – NEW

Requires the department to report on out-of-state travel expenses, listing all travel by all employees outside of this state that is funded in whole or in part with funds appropriated to the department. Executive does not include. House includes.

Sec. 219. DTMB Space Consolidation Plan – NEW

Specifies intent of the Legislature that the department cooperate with the development and implementation of the DTMB statewide office space consolidation plan. Executive does not include. House includes.

Sec. 220. Meetings to Report on Achieving Requirements – REVISED

Requires the department to be available to meet quarterly with the appropriate subcommittees to provide information as evidence of validating that all requirements in the bill have been achieved. Executive deletes. House retains and revises meeting requirement to biannually, by April 1 and September 30.

Sec. 226. Worksite Inspections – DELETED

Requires the department to strive to inspect its worksites annually to ensure internal control and quality of service. Executive deletes. House deletes.

Sec. 227. Interoperability Standards – DELETED

Requires the department to define interoperability standards to ensure effective communication between state, local, regional, and federal agencies under public safety scenarios. Executive deletes. House deletes.

SCIENCE, TECHNOLOGY, AND TRAINING BUREAU

Sec. 302. (7) Recruiting Veterans – NEW

Requires the department to place emphasis on recruiting and hiring veterans. Executive does not include. House includes.

Sec. 306. (4) Coordination of LEIN and BRIDGES Systems – DELETED

Requires the department to work with DHS to coordinate functions of the LEIN system and the BRIDGES case management system. Executive deletes. House deletes.

Sec. 306. (5) LEIN – RETAINED

Requires the department to implement procedures by which all probation information is placed on the LEIN system. Executive deletes. House retains.

FIELD SERVICES BUREAU

Sec. 409. Law Enforcement Delivery of Service Model – DELETED

Requires the department to develop a law enforcement delivery of service model and to coordinate with local and county law enforcement for efficient delivery of services without duplication. Executive deletes. House deletes.

Sec. 410. Cities in Distress Public Safety Initiative – NEW

Requires the department to report on statistics associated with the cities in distress public safety initiative (i.e., statistics regarding trooper schools, criminal activity, and local law enforcement officers). Executive does not include. House includes.

Sec. 411. Status of Regional Policing Model – NEW

Requires the department to report on transition by the department to the regional policing model (i.e., costs and savings associated with shifting personnel from traditional office assignments to road patrol assignments). Executive does not include. House includes.

SUPPORT SERVICES

Sec. 503. (3) Emergency Operations Center – REVISED

Requires the department to relocate the state's emergency operations center from its present site at Collins Road to another suitable facility. Executive deletes. House retains and revises to include September 30th as the date by which the center should be moved.

Sec. 504. Public Awareness Campaigns – REVISED

Requires the department to conduct public awareness campaigns and to train child passenger safety technicians. Executive deletes. House retains and revises to authorize the department to conduct public awareness campaigns and train child passenger safety technicians, instead of requiring them to.

ANTICIPATED APPROPRIATIONS

Sec. 1201. Anticipated FY 2013-14 Appropriations – NEW

States legislative intent to provide appropriations for FY 2013-14, adjusting FY 2012-13 amounts based on economic and other factors. (See item #19 under Major Budget Changes for specific anticipated appropriation adjustments.)

FY 2012-13: DEPARTMENT OF TRANSPORTATION
Summary: As Passed by the House
Article XVII, House Bill 5365 (H-2) as Amended



Analyst: William E. Hamilton

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: House From FY 2011-12 YTD	
						Amount	%
IDG/IDT	\$19,917,800	\$3,531,900	\$3,531,900			(\$16,385,900)	(83.3)
Federal	1,241,195,200	1,221,830,100	1,221,830,100			(19,365,100)	(1.6)
Local	53,968,500	52,080,200	52,080,200			(1,888,300)	(3.5)
Private	0	100,000	100,000			100,000	--
Restricted	2,029,355,700	2,055,548,100	2,165,548,100			136,192,400	6.7
GF/GP	500,000	119,000,000	23,000,000			22,500,000	4,500
Gross	\$3,344,937,200	\$3,452,090,300	\$3,466,090,300			\$121,153,100	3.6
FTEs	3,049,6	2,918.3	2,918.3			(131.3)	(4.3)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683.

(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

Overview

The Transportation budget supports state and local highway programs, public transportation programs, aeronautics programs, and administration of the Michigan Department of Transportation (MDOT). Approximately two-thirds of the revenue in this budget comes from state restricted revenue, with approximately one-third from federal sources. Almost all the state-restricted revenue in this budget is constitutionally-restricted – from motor fuel taxes and vehicle registration taxes. This revenue is first credited to the Michigan Transportation Fund (MTF) and then distributed in accordance with 1951 PA 51 (Act 51) to other state transportation funds and programs, including the State Trunkline Fund (STF) and the Comprehensive Transportation Fund (CTF), and to local road agencies.

Major Budget Changes From FY 2011-12 YTD Appropriations

1. Debt Service

House concurs with Executive and appropriates \$240.3 million for debt service reflecting anticipated debt service schedules.

	FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
Gross	\$287,473,400	(\$47,198,900)
Federal	53,434,300	(7,567,600)
Restricted	234,039,100	(39,631,300)

Decrease from current year *appropriation* is primarily due to the fact that the current year budget was over-appropriated by inclusion of \$40.0 million for the repayment of short-term notes which were to be issued for federal aid match in FY 2010-11. Short-term notes were not issued and the additional debt service spending authority in FY 2011-12 will lapse. Instead of short-term notes, in December 2011 the department issued \$91.0 million in long-term bonds, of which \$40.0 million is designated to match federal-aid for the capital STF road and bridge program, and \$51.0 million is designated for the Blue Water Bridge Plaza project. Repayment of long-term bonds will be made over a 20-year period.

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
2. Support Services by Other State Departments	Gross	\$51,748,900	(\$5,431,000)
Interdepartmental grants (IDGs) authorize the reimbursement of other state departments from restricted transportation funds for services provided to those transportation funds.	Restricted	51,748,900	(5,431,000)
<u>House</u> concurs with <u>Executive</u> and appropriates \$46.3 million, including \$20.0 million MTF to the Department of State for costs of registration tax collection program, and \$2.5 million MTF to the Department of Treasury for costs related to the collection of motor fuel taxes.			
Represents a \$6.7 million decrease in baseline appropriation, including \$6.2 million decrease in MTF IDG to Department of Treasury (from \$8.4 million to \$2.5 million) to reflect cost allocation study, and \$575,000 decrease in STF IDG to the Attorney General (from \$2.8 million to \$2.4 million). Baseline decreases were partially offset by economic adjustments.			
3. Executive Direction	FTEs	37.3	(2.0)
Includes <i>Unclassified salaries, Asset Management Council, and Office of Commission Audits</i> . Reflects economic adjustments. <u>House</u> concurs with <u>Executive</u> and adjusts FTE positions to current employee levels. See Boilerplate Sec. 395.	Gross	\$5,319,700	\$118,800
	IDG	118,700	(118,700)
	Restricted	5,319,700	237,500
4. Finance, Contracts, and Support Services	FTEs	277.5	(92.5)
<u>House</u> concurs with <u>Executive</u> to reflect position transfers due to department reorganization – a net reduction of \$3.3 million and 28.5 FTE positions in this unit. Also reflects transfer of Welcome Center operations to Design and Engineering Services, a reduction of \$4.3 million and 50.0 FTE positions in the unit. Also recognizes economic adjustments. Budget rolls up <i>Financial Operations</i> and <i>Contract Services</i> into single line and adjusts FTE positions to current employee levels.	Gross	\$27,373,400	(\$7,235,900)
	IDG	4,611,500	(1,094,400)
	Restricted	22,761,900	(6,141,500)
5. Transportation Planning	FTEs	176.0	(35.0)
<u>House</u> concurs with <u>Executive</u> to reflect position transfers due to department reorganization, a net reduction of \$2.7 million and 31.0 FTE positions in this unit. Also recognizes economic adjustments. Budget rolls up <i>Statewide Planning Services, Data Collection Services, and Specialized Planning Services and Local Studies</i> into single <i>Planning Services</i> line and adjusts FTE positions to current employee levels.	Gross	\$39,868,800	(\$1,118,000)
	IDG	1,453,800	(1,453,800)
	Federal	22,000,000	0
	Restricted	16,415,000	335,800
6. Design and Engineering Services	FTEs	1,491.8	(7.0)
<u>House</u> concurs with <u>Executive</u> to reflect position transfers due to department reorganization, a net increase of \$3.1 million and 37.0 FTE positions in this unit. Also reflects transfer of Welcome Center operations to this appropriations unit (from <i>Finance, contracts, and support services</i>), an increase of \$4.3 million and 50.0 FTE positions, and adjustment for economics and FTE positions to current employee levels.	Gross	\$124,905,700	\$13,766,100
	IDG	8,220,500	(8,220,500)
	Federal	23,529,800	0
	Restricted	93,155,400	21,986,600
<i>FY 2012-13 Supplemental: House Bill 4289 includes \$200,000 supplemental appropriation for Welcome Center operations.</i>			
7. State Trunkline Maintenance	FTEs	837.7	(29.0)
<u>House</u> concurs with <u>Executive</u> to reflect economic adjustments. Also reflects position transfers due to department reorganization, a net decrease of increase of \$486,900 and 4.0 FTE positions, and adjusts FTE positions to current employee levels. Retains \$5.0 million current year baseline reduction which had been described in budget development as one-time.	Gross	\$270,560,500	\$2,835,200
	IDG	3,542,800	(3,542,800)
	Restricted	267,017,700	6,378,000
8. State Trunkline Road and Bridge Construction	Gross	\$842,310,000	\$98,743,200
<u>Executive</u> had proposed \$96.0 million GF/GP boilerplate appropriation to match federal aid highway funds. <u>House Bill 5373 (H-1) Draft 1</u> did not include the \$96.0 million boilerplate appropriation but instead included \$100.0 million additional STF revenue in anticipation of passage Senate Bill 351; Senate Bill 351 would redirect part of the sales tax on gasoline from the state General Fund to the STF. Increase related to Senate Bill 351 is partially offset by anticipated \$1.3 million reduction in baseline STF revenue.	Federal	742,092,000	0
	Local	30,000,000	0
	Restricted	70,218,000	98,743,200
	GF/GP	\$0	\$0

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
9. Two Swing Bridges	Gross	\$500,000	(\$500,000)
Current year budget includes a \$500,000 GF/GP boilerplate appropriation, designated as "one-time," for "maintenance of 2 swing bridges"; not included in FY 2012-13 budget.	GF/GP	\$500,000	(\$500,000)
10. Local Federal Aid Road and Bridge Construction	Gross	\$240,443,000	\$0
Placeholder reflects estimated federal aid and the Act 51 directive that an average of 25% of most federal aid program funds be made available to local road agencies. No change from current year budget.	Federal	240,443,000	0
11. Local Bridge Program	Gross	\$27,252,500	(\$488,800)
Act 51 earmark reflects anticipated gasoline tax revenue.	Restricted	27,252,500	(488,800)
12. MTF to Local Road Agencies	Gross	\$888,732,600	\$9,752,800
Recognizes MTF distribution to county road commissions (\$576,860,100), and cities/villages, (\$321,625,300) based on February 2012 revenue estimates and Act 51 formula; actual distribution will be based on actual MTF revenue, which will differ from estimates.	Restricted	888,732,600	9,752,800
13. Transportation Economic Development Fund (TEDF)	Gross	\$32,226,200	(\$168,000)
<u>House</u> concurs with <u>Executive</u> and continues into FY 2012-13 the shift of \$12 million in driver's license fee revenue from TEDF Category "A" to STF state trunkline road and bridge program to help provide matching funds for federal aid. Also reflects minor changes in net available TEDF revenue.	Restricted	32,226,200	(168,000)
14. Aeronautics and Freight Services/Aeronautics Services	FTEs	84.0	(30.0)
<u>House</u> concurs with <u>Executive</u> and includes \$952,700 additional SAF funding reflecting use of estimated FY 2011-12 SAF fund balance. Funding would decrease in FY 2013-14 to reflect revenue estimates.	Gross	\$11,557,100	(\$3,288,600)
	IDG	387,400	(387,400)
	Restricted	11,169,700	(2,901,200)
Rolls up <i>Airport Improvement</i> and <i>Aviation Services</i> lines into a single <i>Aeronautics Services</i> line, recognizes economic adjustments, and adjusts FTE positions to current employee levels. Budget also increases <i>Air service</i> grant program from \$100,000 to \$700,000.			
Increase in SAF funding is offset by decrease for department reorganization; \$4.0 million (CTF and MTF) and 28.0 FTE positions would be transferred from this appropriations unit to new <i>Office of Rail</i> – see Item #18 below.			
15. Public Transportation Services	FTEs	46.0	(5.5)
Line item provides support for administration of passenger public transportation programs. <u>House</u> concurs with <u>Executive</u> to reflect position transfers (decrease of \$421,500 and 3.5 FTE positions), economic adjustments, and FTE positions to current employee levels. Recognizes increase in federal funding for subrecipient oversight.	Gross	\$6,381,400	(\$255,200)
	IDG	288,000	(288,000)
	Federal	862,100	110,000
	Restricted	5,231,300	(77,200)
16. Bus Transit - Local Bus Operating Assistance	Gross	\$166,624,000	\$0
<u>House</u> concurs with <u>Executive</u> and includes \$166.6 million (CTF) for state operating assistance to local public transit agencies – unchanged since FY 2006-07.	Restricted	166,624,000	0
17. Bus Transit - Non-Urban Operating/Capital	Gross	\$22,787,900	\$0
<u>House</u> concurs with <u>Executive</u> and recognizes federal non-urban transit grants.	Federal	21,987,900	0
	Local	800,000	0
18. Office of Rail	FTEs	0.0	36.5
<u>House</u> concurs with <u>Executive</u> and recognizes new <i>Office of Rail</i> reflecting department reorganization; funding and FTE positions transferred from existing programs, including freight services and rail safety programs.	Gross	\$0	\$5,768,900
	Restricted	0	5,768,900
19. Detroit-Wayne County Port Authority	Gross	\$468,200	\$0
Line item provides operating assistance to the authority. <u>House</u> concurs with <u>Executive</u> ; no change from current year.	Restricted	468,200	0

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
20. Intercity Services	Gross	\$6,100,000	\$1,590,000
Line item supports intercity bus service through operating and capital assistance. <u>House</u> concurs with <u>Executive</u> and provides \$1.65 million additional CTF support; reduces Intercity Bus Equipment Fund authorization by \$60,000 to reflect actual revenue. Additional funding to provide for replacement of buses reaching end of service life.	Federal	4,500,000	0
	Local	50,000	0
	Restricted	1,550,000	1,590,000
21. Rail Passenger Service	Gross	\$11,667,000	(\$11,667,000)
AMTRAK provides rail passenger service between Port Huron/Chicago, Grand Rapids/Chicago, and on Detroit-Chicago corridor. Line item provides both operating and capital assistance. <u>House</u> concurs with <u>Executive</u> and rolls-up this line and <i>Freight Preservation and Development</i> into a single <i>Rail Operations and Infrastructure</i> line. (See Item #23 below.)	Federal	3,000,000	(3,000,000)
	Local	0	0
	Private	0	0
	Restricted	8,667,000	(8,667,000)
22. Freight Preservation and Development	Gross	\$5,100,000	(\$5,100,000)
Line item supports capital improvements to state owned rail property as well as a rail economic development grant program. <u>House</u> concurs with <u>Executive</u> and rolls-up this line and <i>Rail Passenger Service</i> into a single <i>Rail Operations and Infrastructure</i> line. (See Item #23 below.)	Federal	100,000	(100,000)
	Restricted	5,000,000	(5,000,000)
<i>House Bill 4289 includes \$1.0 million CTF supplemental appropriation for Freight preservation and development.</i>			
23. Rail Operations and Infrastructure	Gross	\$0	\$24,592,000
<u>House</u> concurs with <u>Executive</u> to reflect roll-up of <i>Rail Passenger Service</i> and <i>Freight Preservation and Development</i> . Adds \$7.6 million CTF and \$200,000 local/private to baseline to match federal rail passenger and/or rail freight program funds.	Federal	0	3,100,000
	Local	0	100,000
	Private	0	100,000
	Restricted	0	21,292,000
	GF/GP	\$0	\$0
<i>House Bill 5373 (H-1) Draft 2 also includes a separate one-time line item appropriation of \$11.0 million GF/GP to match federal rail passenger and/or rail freight program grants. (See Item #29 below.)</i>			
24. Bus Capital/Transit Capital	Gross	\$50,048,400	\$16,894,500
<u>House</u> concurs with <u>Executive</u> and adds \$16.9 million CTF to current year baseline to match federal transit grants to local transit agencies.	Federal	28,300,000	0
	Local	5,000,000	0
	Restricted	16,748,400	16,894,500
	GF/GP	\$0	\$0
<i>House Bill 5373 (H-1) Draft 2 also includes a separate one-time line item appropriation of \$12.0 million GF/GP to match federal transit capital grants. (See Item #28 below.)</i>			
25. Service Initiatives	Gross	\$1,415,000	\$450,000
<u>House</u> concurs with <u>Executive</u> and provides increased state CTF matching funds for federal grants.	Federal	1,150,000	0
	Local	200,000	0
	Restricted	65,000	450,000
<i>FY 2011-12 Supplemental: Executive had requested \$1.0 million supplemental increase to provide funding for two projects: \$750,000 CTF to match federal funds for study of transit options along Woodward corridor from Detroit to Birmingham and Pontiac; \$250,000 CTF to support the establishment of a Regional Transit Authority in Southeast Michigan.</i>			
26. Aeronautics Capital Projects	Gross	\$109,750,600	(\$2,017,400)
Airport safety, protection, and improvement reflects anticipated federal funding, and SAF/local matching funds, for the federal Airport Improvement Program.	Federal	94,090,600	(11,907,500)
	Local	13,133,500	(1,988,300)
	Restricted	2,526,500	11,878,400
<i>House Bill 5373 (H-1) Draft 2 is \$10.0 million more than Executive due to inclusion of additional \$10.0 million SAF revenue in anticipation of passage of House Bill 4025; House Bill 4025 would redirect part of the sales tax on aviation fuel from the state General Fund to the SAF.</i>			
27. State Employee Lump-Sum Payment (One-Time)	Gross	\$0	\$3,260,800
Represents appropriation for negotiated one-time lump sum payments to state employees. <u>Executive</u> had made this a boilerplate appropriation; <u>House Bill 5373 (H-1) Draft 2</u> includes as a Part 1 line item.	IDG	0	14,800
	Restricted	0	3,246,800

		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
<u>Major Budget Changes From FY 2011-12 YTD Appropriations</u>			
28. Federal Match – Transit Capital (One-Time)	Gross	\$0	\$12,000,000
<u>Executive</u> had recommended a boilerplate appropriation;	GF/GP	\$0	\$12,000,000
<u>House Bill 5373 (H-1) Draft 1</u> includes as a Part 1 line item.			

See Item #24 above and Boilerplate Sections 1001 and 1002.

29. Federal Match – Rail Operations/Infrastructure (One-Time)	Gross	\$0	\$11,000,000
<u>Executive</u> had recommended one-time GF/GP boilerplate appropriation	GF/GP	\$0	\$11,000,000
<u>Federal aid match for rail operations and infrastructure.</u>			
<u>House Bill 5373 (H-1) Draft 1</u> includes as Part 1 line item.			

See Item #23 above and Boilerplate Sections 1001 and 1002.

30. Economics

House concurs with Executive and includes economic increases of \$14.1 million reflecting negotiated salary and wage increases of \$2.8 million, \$25.6 million to fund Other Post Retirement Benefit (OPEB) obligations, \$2.0 million decrease in insurance costs, \$13.6 million decrease for actuarially-determined retirement contributions, and \$317,600 in other economic increases. These changes are reflected in the line item changes described above.

Major Boilerplate Changes From FY 2011-12

Sec. 219. DTMB Office Space Plan – NEW

Directs state executive branch agencies to cooperate with DTMB office space consolidation plan.

Sec. 270. Remanufactured Parts – RETAINED

Requires use of remanufactured parts for repair and maintenance of state motor vehicle fleet.

Sec. 306. Use of Transportation Funds by Other State Agencies/Biennial Audit – MODIFIED

Sets guidelines for use of transportation funds (Interdepartmental grants) by other state agencies; provides reporting requirements and biennial audit; does not include subsection (3) regarding Department of Treasury.

Sec. 381. E-Verify for Legal Status of Contractor/Subcontractor New Employees – NEW

Requires the department to use the E-Verify system to verify legal status of contractor and subcontractor new hires. Provides reporting requirement.

Sec. 382. State Airfleet Study – MODIFIED

Indicates legislative intent that department and State Budget Office to provide independent study of needs of state airfleet every five years.

Sec. 383. Report on Use of State Airfleet – RETAINED

Requires quarterly report on use of MDOT-owned aircraft; recovery of department costs.

Sec. 384. New International Trade Crossing (NITC) – MODIFIED

Restricts spending on Detroit-Windsor crossing project; includes reference to completion of Gateway project.

Sec. 385. Private Facility Toll Credits – RETAINED

Requires use of toll credits earned from private toll facilities to match available federal funds; restricts use.

Sec. 395. Gateway Project Completion – NEW

"The department shall not expend any funds appropriated in part 1 for unclassified salaries until the Gateway project is completed in accordance with the 2004 Gateway project implementation agreement as amended."

Sec. 398. Street Railway Appropriation – RETAINED

Provides for \$0 appropriation to a street railway pursuant to section 10e(22) of 1951 PA 51.

Sec. 660. Use of Alternative Materials – RETAINED

Encourages the department to examine the use of alternative road surface materials; use of crumb rubber from tires.

Sec. 661. Matching Federal-Aid Highway Funds – NEW

"Of the appropriation from the state trunkline fund in part 1 of \$100,000,000.00 from the state general fund for state trunkline federal aid and road and bridge construction, \$100,000,000.00 represents estimated revenue from passage of Senate Bill 351 of the 2011-2012 legislative session and is intended to ensure that the state is able to match all available federal-aid highway funds."

Major Boilerplate Changes From FY 2011-12

Sec. 802. State Airplane Sale – NEW

"Within the fiscal year ending September 30, 2013, the department shall sell one of two Beechcraft King Air Twin Engine Turbo Prop airplanes. Proceeds from the sale shall be credited to the State aeronautics fund."

Sec. 902. Aeronautics Capital Program Status Report – MODIFIED

Reporting requirement; HFA and SFA added as report recipients.

Sec. 905. Airport Improvement Program Matching Funds – NEW

"Of the appropriation from the state aeronautics fund in part 1 of \$10,000,000.00 from the state general fund for airport safety, protection, and improvement \$10,000,000.00 represents estimated revenue from passage of House Bill 4025 of the 2011-2012 legislative session and is intended to ensure that the state is able to match all available federal airport improvement program grant funds."

Sec. 1001. One-Time GF/GP Swing Bridge Maintenance – DELETED

Current year included \$500,000 GF/GP appropriation for maintenance of two swing bridges.

Sec. 1001. One-Time Transit Capital – NEW

"In awarding grants to local public transit agencies with service populations greater than 50,000, from the one-time general fund/general purpose appropriation in part 1, federal aid match for transit capital, the department shall give priority to the following: (1) projects for bus rehabilitation, (2) project applications from agencies which recover not less than 20% of fixed route operating costs from farebox revenue."

Sec. 1002. One-Time Transit/Rail General Fund Lapse – NEW

Directs that unexpended GF/GP funds lapse to the General Fund; establishes reporting requirement.

Sec. 1201. Intent to provide FY 2012-13 Appropriations – MODIFIED

Current year included language regarding FY 2012-13 planning budget; modified to reflect FY 2013-14.