



House Bill 4526: FY 2011-12 General State Government Omnibus Bill

- Article I – Department of Agriculture and Rural Development (S.B. 169)
- Article IV – Department of Community Health (S.B. 172)
- Article V – Department of Corrections (S.B. 173)
- Article VI – Department of Education (S.B. 174)
- Article VII – Department of Environmental Quality (S.B. 176)
- Article VIII – General Government (S.B. 177)
- Article X – Department of Human Services (S.B. 179)
- Article XI – Judiciary (S.B.180)
- Article XII – Department of Licensing and Regulatory Affairs (S.B. 175)
- Article XIII – Department of Military and Veterans Affairs (S.B. 181)
- Article XIV – Department of Natural Resources (S.B. 182)
- Article XVI – Department of State Police (S.B. 184)
- Article XVII – Department of Transportation (S.B. 185)

**FY 2011-12 Initial Ongoing and One-Time Gross Appropriations
Compared to FY 2010-11 Year-to-Date Gross Appropriations**

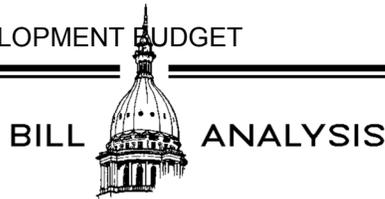
Department/Budget Area	FY 2010-11 Gross Approps. Year-To-Date¹⁾	FY 2011-12 Initial Gross Appropriations	Initial Dollar Change to FY 2010-11	Initial Percent Change to FY 2010-11
Agriculture and Rural Development	\$75,133,600	\$72,219,300	(\$2,914,300)	-3.9%
Attorney General	71,747,900	74,590,900	2,843,000	4.0%
Civil Rights	11,981,200	13,730,200	1,749,000	14.6%
Community Health	14,154,762,000	14,241,316,400	86,554,400	0.6%
Corrections	1,990,313,500	1,936,573,800	(53,739,700)	-2.7%
Education	126,415,700	117,313,000	(9,102,700)	-7.2%
Environmental Quality	464,689,700	414,520,000	(50,169,700)	-10.8%
Executive	4,630,800	4,399,200	(231,600)	-5.0%
Human Services	7,057,265,100	6,827,429,900	(229,835,200)	-3.3%
Judiciary	259,174,900	256,973,200	(2,201,700)	-0.8%
Legislative Auditor General	14,996,400	15,638,400	642,000	4.3%
Legislature	102,334,100	100,333,200	(2,000,900)	-2.0%
Licensing and Regulatory Affairs	1,300,501,300	811,490,400	(489,010,900)	-37.6%
Military and Veterans Affairs	152,403,700	152,483,500	79,800	0.1%
Natural Resources	323,926,900	330,195,800	6,268,900	1.9%
State	212,906,200	211,885,000	(1,021,200)	-0.5%
State Police	534,242,400	524,282,700	(9,959,700)	-1.9%
Technology, Management and Budget	966,505,800	1,017,184,300	50,678,500	5.2%
Transportation	3,235,819,300	3,327,770,700	91,951,400	2.8%
Treasury-Debt Service	57,632,800	140,928,000	83,295,200	144.5%
Treasury-Operations	667,122,300	450,074,600	(217,047,700)	-32.5%
Treasury-Revenue Sharing	1,059,391,500	958,979,300	(100,412,200)	-9.5%
Treasury-Strategic Fund Agency	165,196,900	908,818,900	743,622,000	450.1%
Subtotal State Departments	\$33,009,094,000	\$32,909,130,700	(\$99,963,300)	-0.3%
Community Colleges	295,880,500	283,880,500	(12,000,000)	-4.1%
Higher Education	1,578,278,500	1,362,278,400	(216,000,100)	-13.7%
School Aid	12,954,236,200	12,203,572,900	(750,663,300)	-5.8%
Subtotal Education	\$14,828,395,200	\$13,849,731,800	(\$978,663,400)	-6.6%
Total State Departs. & Education	\$47,837,489,200	\$46,758,862,500	(\$1,078,626,700)	-2.3%
Other Post-Employ. Benefits Payment	0	140,000,000	140,000,000	NA
Employee Concessions	0	(145,000,000)	(145,000,000)	NA
Capital Outlay/Nat. Res. Trust Fund	102,100,900	0	(102,100,900)	-100.0%
Total Ongoing Gross Appropriations	\$47,939,590,100	\$46,753,862,500	(\$1,185,727,600)	-2.5%
Total One-Time Gross Appropriations²⁾		\$687,912,800		
Total Ongoing/One-Time Gross Appropriations		\$47,441,775,300		

1) As of June 29, 2011.

2) Excludes \$255.8 million appropriation to the BSF.



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FY 2010-11 Year-to-Date Gross Appropriation \$76,448,300

Changes from FY 2010-11 Year-to-Date:

Items Included by the Senate and House

- 1. **Elimination of Animal Feed Nutritional Analysis.** The Governor, Senate, and House recommended that the department no longer monitor feed nutrition, but would continue all other feed safety activities. This would save \$250,000 GF/GP annually. (250,000)
- 2. **Animal Shelter Inspection Program Shift to Outreach.** The Governor, Senate, and House reduced funding for the inspection program, and required a focus on education and outreach, saving \$100,000 GF/GP. (100,000)
- 3. **Adjustments for Actual Revenue Received.** The Governor, Senate, and House reduced fund sources to reflect the expected receipt of revenues from private (\$86,400), Federal (\$898,500), and restricted (\$1,403,100) funds. (2,388,000)
- 4. **Administrative Reductions and Other Adjustments.** The Governor, Senate, and House reduced funding for the lab (\$427,000 GF/GP), other units (\$104,700 GF/GP), and Capital Outlay (\$1.0 million restricted) and shifted \$53,400 from restricted to GF/GP. (1,531,700)
- 5. **Elimination of Mackinac Bridge Bovine TB Inspections.** The Governor, Senate, and House reduced bovine TB inspections, saving \$332,000 GF/GP. (332,000)
- 6. **Early Retirement GF/GP Savings from FY11.** (1,006,200)
- 7. **Economic Adjustments.** The Governor, Senate, and House included \$1,590,600 Gross and \$786,100 GF/GP. For DIT, a total of \$20,600 Gross and \$18,300 GF/GP. 1,611,200

Conference Agreement on Items of Difference

- 8. **Dairy Farm Inspection Shift to Industry.** The Governor and House provided for the transfer of on-site dairy farm inspection to industry, saving 6.0 FTEs and \$600,000 GF/GP. Conference rejected the plan. 0
- 9. **Nursery Stock Inspection Shift to Industry.** The Governor and House transferred intrastate nursery stock inspection to industry, saving 6.0 FTEs and \$500,000 GF/GP. Conference restored \$300,000. (200,000)
- 10. **Intercounty Drain District Assessment.** The Governor recommended a new assessment on intercounty drain districts to pay for department's assistance. New revenue would add \$117,700 to the program and supplant \$432,300 in GF/GP (a total of \$550,000 restricted). (7,300)
- 11. **Grain Inspection Program Fee Increase.** The Governor and Senate provided for increased fees charged for grain dealer regulation to offset a total of \$300,000 GF/GP. Conference rejected plan. 0
- 12. **Rural Development.** The Conference added \$125,000 to support rural development. 125,000
- 13. **Animal Industry.** The Conference included \$150,000 in savings. (150,000)

Total Changes..... (\$4,229,000)

FY 2011-12 Enacted Gross Appropriation..... \$72,219,300

Changes from FY 2010-11 Year to Date:Conference Agreement on Items of Difference

1. **Hiring Freeze** - House. Not Included
2. **Use of Internet Reports** - House. (Sec. 208)
3. **Deprived and Depressed Business Outreach** - House. Not included.
4. **IT User Charges** - House. (Sec. 214)
5. **Out-of-state Travel Guidelines** - House. Not included.
6. **Prohibits Department Disciplinary Action Against Staff for Legislative Communication** - House. (Sec. 215)
7. **Requires Retention of Records** - House. (Sec. 212)
8. **Attorney General Responsibilities** - House. Not included.
9. **Requires Year-end GF/GP Lapse Report** - House. (Sec. 228)
10. **Requires Restricted Fund Report** - House. (Sec. 229)
11. **Requires Monitoring of Restaurant Licensing Standards** - Senate. Not included.
12. **Requires Minimum Expenditure of \$150,000 on Food Safety Education** - House. Not included.
13. **Provides for Reimbursement to Department of Natural Resources for TB Monitoring** - Senate. (Sec. 450)
14. **Applications for TB Funding** - Senate. Not included.
15. **Requires Grant Notification to Legislature** - House. (Sec. 302)
16. **Exempts TB Staff from Hiring Freeze** - Senate. Not included.
17. **Application for Migrant Housing Funds** - Senate. Not included.
18. **Environmental Stewardship**. Requires support for agriculture pollution prevention - House. (Sec. 601)
19. **Requires Collaboration between Agriculture Development and Strategic Fund** - Senate. Not included.
20. **Specifies Funds to be used for Purchase of Development Rights** - House. Not included.
21. **Appropriations for FY 2012-13 Guidelines** - Senate. (Sec. 1201)

Date Completed: 6-27-11

Fiscal Analyst: Bruce Baker



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FY 2010-11 Year-to-Date Gross Appropriation \$14,143,367,100

Changes from FY 2010-11 Year-to-Date:

Items Included by the Senate and House

- 1. **Federal Medical Assistance Percentage (FMAP) Change.** Due to the expiration of the Federal stimulus FMAP provisions, a change in the base FMAP rate from 65.79% to 66.14%, and the expiration of a one-time retroactive FMAP adjustment, the budget reflected an increase of \$715.3 million GF/GP. 0
- 2. **Transfer of Responsibility for Forensic Mental Health Services to Corrections.** The funding and staff for forensic mental health services would be transferred to the Department of Corrections, which previously paid for these services via an IDG. (50,527,800)
- 3. **Replacement of Managed Care Use Tax with a 1.0% Tax on Paid Health Claims.** The budget reflected a Gross and GF/GP savings due to the proposed elimination of the 6.0% Use Tax on Medicaid mental and physical health managed care. Gross and GF/GP savings would occur as the State would remove actuarial soundness payments covering the tax cost. A 1.0% tax on all paid health claims would be instituted, which would raise an estimated \$396.9 million in Restricted dollars that would offset GF/GP. (388,352,900)
- 4. **Economic Adjustments.** Total GF/GP costs of these adjustments were \$10,293,500 22,464,200

Conference Agreement on Items of Difference

- 5. **Medicaid Base Funding.** The Conference reflected the consensus estimate, with a GF/GP cost increase of \$215.2 million. 672,004,000
- 6. **Actuarial Soundness.** The Conference included \$25.4 million GF/GP to reflect the cost of actuarially sound Medicaid managed care capitation rates. 75,020,500
- 7. **Executive Order 2011-4.** The Conference reflected this Executive Order (and the resulting revisions to the Executive Recommendation), which transferred most health regulatory functions to the new Department of Licensing and Regulatory Affairs. (56,734,100)
- 8. **Program Enhancements.** The Conference expanded the Healthy Kids Dental program and reinstated the Nurse Family Partnership program, costing \$3.0 million GF/GP. 7,430,000
- 9. **Cost Reduction Measures.** The Conference included numerous cost reduction measures, including expansion of Medicaid managed care, a \$5.9 million cut to Healthy Michigan Fund programs, a 19% cut to graduate medical education, a 3.0% cut to non-Medicaid mental health, a 5.0% cut to local public health, reductions to substance abuse, and reductions to earmarked programs and Adult Home Help. Savings were also assumed from new legislation on third party liability, mental health medications, and Medicaid estate recovery. Total GF/GP savings from these measures were \$76.2 million. (201,759,600)
- 10. **Other Changes.** Other changes resulted in a small increase in funding. 18,405,000
- 11. **FY 2011-12 One-Time Appropriations.** The Conference included \$22.1 million GF/GP for one-time appropriations, including \$10.0 million for rural hospitals, \$5.8 million for graduate medical education, \$300,000 for island clinics, \$3.0 million for mental health services to special populations, and \$3.0 million for Healthy Michigan Fund programs.

Total Changes **\$97,949,300**

FY 2011-12 Enacted Gross Appropriation \$14,241,316,400

Changes from FY 2010-11 Year to Date:Items Included by the Senate and House

1. **Community Mental Health (CMH) and Substance Abuse Data Reporting.** Long-standing boilerplate language requiring data reporting on mental health and substance abuse services, which was deleted by the Governor, was retained. (Sec. 404 and 408)

Conference Agreement on Items of Difference

2. **Competitive Distribution of Certain Appropriations.** New Senate language stating legislative intent that funding for certain legislatively-initiated appropriations be allocated on a competitive basis in FY 2012-13 was not included. (Senate Sec. 295)
3. **CMH Contractual Language.** Long-standing boilerplate governing CMH contracts, which was deleted by the Governor, was retained. (Sec. 401 and 402)
4. **Mental Health and Substance Abuse Integration.** Language that would effectively restrict the ability of the Department to force integration of substance abuse coordinating agencies with mental health entities was retained. (Sec. 407, 468, and 470)
5. **Further Implementation of CMH Funding Formula.** Revision of current language on CMH funding reductions was included. The language would direct that the FY 2011-12 CMH funding reductions be allocated pursuant to the CMH funding formula first implemented in FY 2009-10, with no CMH seeing more than a 4.0% reduction in funding. A new subsection that directed that any revision of the Prepaid Inpatient Health Plan (PIHP) capitation rates reduce the use of geographic factors in rate determination was not included. (Sec. 462)
6. **Children's Special Health Care Services (CSHCS) and Medicare/Medicaid Dual Eligible Managed Care.** The Conference concurred with the Governor in assuming savings from implementation of managed care for CSHCS Medicaid clients and dual eligibles. Two sections of boilerplate from the Senate bill, requiring reports to the Legislature on the development of these new managed care programs, were included. (Sec. 1204 and 1775)
7. **Disproportionate Share Hospital (DSH) Funding.** The Conference amended long-standing language on DSH funding. The \$45.0 million "large" DSH pool would be retained for FY 2011-12, with the "small" DSH pool eliminated. There would be a workgroup on DSH funding that would report to the Legislature by March 1, 2012. (Sec. 1699)
8. **Graduate Medical Education (GME) Data Collection and Future Intent.** The Conference included boilerplate setting up a workgroup on GME funding. The workgroup would identify physician specialties with shortages of practitioners and geographic areas with shortages, research other states' efforts to address practitioner shortages through GME payments, and recommend policy changes. The bill also included intent language that GME funding in FY 2012-13 potentially be based on the report. (Sec. 1846)
9. **Intent Language on FY 2012-13 Appropriations.** The Conference included standard leadership boilerplate stating legislative intent that FY 2012-13 appropriations are anticipated to be the same as FY 2011-12 appropriations adjusted for caseloads, expenditure changes, Federal match rates, and available revenues. (Sec. 2001)

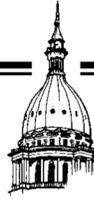
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FY 2010-11 Year-to-Date Gross Appropriation \$2,007,433,600

Changes from FY 2010-11 Year-to-Date:

Items Included by the Senate and House

- 1. **Privatization of Food Service and Prison Stores.** Both Senate and House concurred with the Governor in anticipating a competitive bidding process for prison food service operations and prison store operations. (13,252,500)
- 2. **Early Retirement Savings.** Both Senate and House included full-year savings of \$8.8 million related to early retirements finalized during the first quarter of FY 2010-11. (8,821,900)
- 3. **Consolidation of Lieutenant Positions.** Both Senate and House called for the consolidation of lieutenant positions at corrections facilities, thus reducing one position from each shift at each facility location. (8,491,000)
- 4. **Economic Adjustments.** The Senate included standard economic adjustments to account for increases in insurance and retirement economics and other related costs. 58,312,200

Conference Agreement on Items of Difference

- 5. **Span-of-Control Reductions.** Conference reduced funding to the MDOC central office and the two regional administration offices in anticipation of efforts to reduce the number of supervisory staff employed by the Department. (6,000,000)
- 6. **Closure of Facilities.** Conference included \$26.0 million GF in savings as a result of the closure of the Florence Crane correctional facility in Coldwater. Conference also reflected the pending closure of the Muskegon correctional facility – a reduction of \$30.8 million in restricted funds. (56,834,300)
- 7. **Inmate Housing Fund.** Conference included a negative appropriation of \$79.2 million to allow the Department flexibility in determining the appropriate manner in which to reduce the costs of incarceration. (79,232,700)
- 8. **Reduction to Prisoner Education.** Conference reduced funding for prisoner education by \$3.6 million. (3,589,800)
- 9. **Cost-Effective Housing Initiative.** Conference set aside \$47.9 million for the housing of prisoners in the most cost-effective manner possible. This funding is intended to be expended through the establishment of a public-private partnership for the housing of approximately 1750 inmates. 47,906,300
- 10. **New Custody Staff Training.** Conference included \$0.5 million in additional funding for new custody staff training. 470,300
- 11. **Public Works Programming.** Conference anticipated \$10.0 million in funding for public works; this restricted revenue is expected to be realized through payments provided by the recipients of MDOC public works services. 10,000,000
- 12. **Other Changes.** Miscellaneous other changes resulted in a net reduction to current-year appropriations. (11,326,400)

Total Changes (\$70,859,800)

FY 2011-12 Enacted Gross Appropriation \$1,936,573,800

Changes from FY 2010-11 Year to Date:Items Included by the Senate and House

1. **Use of Closed Facilities.** New Senate and House language encourages the Department to sell, rent, or otherwise repurpose closed correctional facilities. (Senate Sec. 237, House Sec. 238)

Conference Agreement on Items of Difference

2. **Full-Time Equated Positions.** Conference amended an existing language section to require the Department to submit a quarterly report on the number of "long-term" vacancies within the Department. (Sec. 212)
3. **Span of Control.** Conference included language encouraging the Department to establish and maintain a management-to-staff ratio of 1 supervisor for each 5 employees at the Department's central office in Lansing and at both the northern and southern regional offices. (Sec. 239)
4. **Prisoner Re-Entry Pilot with Faith-Based Organization.** Conference included new language conditioning the expenditure of funds reinvested from the Crane facility closure on the establishment of a pilot program with faith-based non-profit agencies that have established prisoner re-entry programs. (House Sec. 406)
5. **County Jail Reimbursement Program (CJRP).** The Conference retained current year language setting the reimbursement parameters for CJRP. In addition, Conference added a new subsection that sets aside \$500,000 in CJRP funding for a "swift-and-sure" pilot program. (Sec. 414)
6. **IDG to Corrections Ombudsman.** Conference language dictates that a \$250,000 IDG go to the Legislative Corrections Ombudsman for oversight activities. (Sec. 506)
7. **Swift-and-Sure Sanctions.** Conference included language detailing an interdepartmental grant to the Judiciary for the establishment of a "swift-and-sure" sanctions pilot program to be administered by the drug courts. (Sec. 507)
8. **DNA Samples.** New Conference language requires that each state prisoner and each probationer housed at SAI provide a DNA sample in accordance with the requirements of Senate Bill 346 of 2011. (Sec. 810)
9. **Pharmaceutical Expenditures.** Conference included new language requiring the Department to report expenditures on psychotropic medications. Further, this report must also include details on any changes to the Department's drug formularies and a progress report from the Department on efforts to comply with a recent Auditor General report on pharmaceutical policies in the MDOC. (Sec. 816)
10. **Public Works Programs.** Conference revises existing language to encourage the Department to contract with local governments for the continuation of public works projects to the extent possible. (Sec. 906)
11. **Assaultive Offender Programs.** Conference included new subsection requiring quarterly reports on assaultive offender and sex offender program enrollment and waiting lists.
12. **Cost-Effective Housing Initiative.** Conference included language indicating that funds appropriated for cost-effective housing must be used for housing prisoners in the most cost-effective manner possible; including by exploring the use of public-private partnerships, the use of privately-owned facilities, and the use of recently closed correctional facilities. (Sec. 937)
13. **Drug Testing Services.** Conference included new language directing the Department to contract with a Michigan-based company that provides laboratory oral fluid drug testing services for the procurement of drug testing services in correctional facilities. (Sec. 940)

Date Completed: 6-22-11

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FY 2010-11 Year-to-Date Gross Appropriation \$126,959,900

Changes from FY 2010-11 Year-to-Date:

Items Included by the Senate and House

- 1. **Eliminate Certain State Education Reform Activities.** Governor proposed to eliminate certain activities that are part of the Race to the Top education reforms, enacted in early 2010. Specifically, the Governor eliminated the \$1.4 million GF/GP State Reform/Redesign Office; proposed to rent an online testing platform rather than developing one (savings of \$500,000 GF/GP), and eliminated the basic instructional supplies hotline and appeals process (savings of \$76,000 GF/GP). Senate and House concurred only with the elimination of the \$500,000 for development of an online testing platform and basic instructional supplies hotlines (savings of \$576,000 GF/GP), and restored \$1.3 million of the proposed \$1.4 million reduction. (691,000)
- 2. **Early Retirement GF/GP Savings.** Governor and Senate reduced \$370,900 GF/GP in the budget attributable to employees who retired under the retirement incentive of 2010. (370,900)
- 3. **Removal of Excess Authorization.** Governor and Senate eliminated excess funding authorization of more than \$6.0 million, most of which was excess Federal authorization. (6,012,500)
- 4. **Removal of One-Time Cost for Database Rewrite.** Governor and Senate eliminated \$5.0 million in Federal funding used to establish a database that can link teachers with student achievement data. This database was one of the required education reforms. (5,000,000)
- 5. **Scholarships for the Blind.** Private donations were increased \$110,000. 110,000
- 6. **Economic Adjustments.** Economics totaling \$1,556,800 Gross, \$401,000 GF/GP were included in the recommendation. 1,556,800

Conference Agreement on Items of Difference

- 7. **State Aid to Library Payments.** Conference decreased State Aid to Library payments \$304,300 GF/GP to \$5,445,700. The School Aid budget will include \$1,304,300 for this purpose, meaning a total of \$6,750,000 will be appropriated for State Aid to Library payments. The total payment to libraries (when compared to FY 2010-11) will be \$6,750,000, or \$500,000 less than in FY 2010-11. Governor had proposed a reduction of \$3.8 million total for these payments. (304,300)
- 8. **Michigan eLibrary (MeL).** Conference concurred with House and Governor to include a new \$950,000 GF/GP appropriation for MeL to hold libraries harmless from declines in anticipated Federal support of the Michigan eLibrary. 950,000
- 9. **Book Distribution Centers.** Senate funded Book Distribution Centers at \$50,000 GF/GP, but Conference did not include this funding. 0
- 10. **Operational Cuts throughout Budget.** Conference did not include Senate's \$816,700 in operational cuts throughout various lines in the budget. 0
- 11. **Revised Executive Recommendation.** Conference included \$115,000 GF/GP transfer from LARA for Career and Technical Operations (Youth Employment Act), due to Executive Order 2011-4. 115,000

Total Changes..... (\$9,646,900)

FY 2011-12 Enacted Gross Appropriation..... \$117,313,000

Changes from FY 2010-11 Year to Date:Items Included by the Senate and House

1. **"Standard Boilerplate"**. Governor proposed to eliminate several sections of "standard" boilerplate that were consistent among departmental budgets. These include: 204 (civil service commission billing); 209 (DIT user charges); 212 (Buy American/Buy Michigan); 213 (hiring freeze); 214 (out-of-state travel); 215 (out-of-state travel limitations); 216 (employees who communicate with Legislature); 217 (depressed and deprived communities); 220 (providing data in a timely manner); 221 (hiring of legal services); and, 226 (reporting on GF/GP lapse). Senate and House retained all sections. Conference did not include Section 213 (hiring freeze).
2. **Other Sections**. Governor proposed to eliminate the following sections specific to the Department of Education budget: 206 (providing State Board of Education agendas and supporting documents to budget office and fiscal agencies); 208 (requiring districts to maintain complete personnel records); 211 (appeal of AYP status); 225 (investigation and report of pupil membership fraud); 301(3) (report on State Board of Education board member expenses); 405 (Department of Education may work with Department of Community Health to secure Medicaid reimbursement); 501 (maintain professional personnel register and certificate revocation/felony conviction files); 803 (intent for Library of Michigan to keep its component programs together); 804 (requiring Library of Michigan to maintain its non-Michigan genealogy and Michigan-specific collections); 901 (notification of Federal and private grants received); 903 (report on cyber schools), and, 904 (\$1.9 million appropriation for Federal Education Jobs Fund grant). Senate and House retained all sections with the exception of Section 904, which was only necessary for FY 2010-11.

Conference Agreement on Items of Difference

3. **Compliance with Race to the Top**. Conference concurred with Senate language to require the Department to use Part 1 funds to comply with all State reforms that were part of the RTTT legislation, in the timelines required under statute. (Sec. 229)
4. **New Reports**. Conference did not include three new reports added by the Senate: two that required the Department to study and report on consolidation of non-instructional services (at the local and State level), and one that required the Department to study the fiscal implications of a State-run health savings account for school employees. (Sections 230, 231, and 232)
5. **Posting Expenditures to Web**. Conference concurred with House to include a section requiring the posting of departmental expenditures to the web, in a user-friendly format, with slight modifications. (Sec. 207)
6. **CEPI and Charter School Office**. Conference included two sections of current-year language that were retained by the Senate but deleted by the House. The first section allocates at least 3.5 FTEs and \$350,000 to operate a Charter Schools Office and the second requires the Department to work with CEPI on data collection efforts. (Sections 601 and 701)
7. **Waiver for Library Operation Hours**. Conference did not include House language allowing local libraries to seek a waiver from mandatory hours of operation. (House Sec. 805)
8. **FY 2012-13 Appropriations**. Conference concurred with Senate to include boilerplate with intent to appropriate the same funding levels of FY 2011-12 into FY 2012-13. (Sec. 1201)

Date Completed: 6-22-11

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FY 2010-11 Year-to-Date Gross Appropriation \$395,665,700

Changes from FY 2010-11 Year-to-Date:

Items Included by the Senate and House

- 1. **Office of Pollution Prevention and Compliance Assistance (OPPCA).** The House and Senate reduced funding for this office, including 9.0 FTEs. Pollution prevention and compliance activities would be reduced as a result of this GF/GP reduction. (1,200,000)
- 2. **Administrative Reductions.** The House and Senate made various administrative reductions. Savings would primarily be achieved by holding positions vacant. 9.0 FTEs were also eliminated; \$1,012,000 of gross savings would be GF/GP. (1,268,500)
- 3. **Air Emissions Fees Increase.** The House and Senate included an unspecified increase in air emissions fees which are expected to raise an additional \$1.0 million for the program. Additional spending authorization of \$840,000 was also included. 840,000
- 4. **Solid Waste Management Fee Increase.** The House and Senate report is predicated on raising these fees from 7 cents to 12 cents per cubic yard. This increase is expected to raise \$1.9 million. 0
- 5. **Wastewater Operator Certification Exam Fee.** The House and Senate included funding from a new fee structure for certification exams. It is estimated that the fee would raise \$356,000 and would offset \$200,000 in GF/GP currently used for the program. 156,000
- 6. **Fee Sunsets.** House and Senate budgets predicated on extending fees which sunset this year. 0
- 7. **Strategic Water Quality Initiatives Fund.** The House and Senate included funding for nonpoint source environmental cleanups per PA 232 of 2010. It is estimated that \$900,000 in annual debt service would be incurred as a result. 30,000,000
- 8. **Economic Adjustments.** DTMB Economics: \$137,600 Gross, \$7,100 GF/GP. 6,697,200
- 9. **Other Changes.** Includes a reduction in excess Federal and restricted fund deducts, money for State site cleanups, and funding for an upgrade of permitting systems. (25,183,100)

Conference Agreement on Items of Difference

- 10. **FTE Reductions.** The Senate reduced FTEs by 100.6 department-wide. The Conference increased this number to 115.6. 0
- 11. **GF/GP Reductions.** The House included an additional GF/GP reduction of \$355,700 to various lines. The Conference did not include this reduction. 0
- 12. **Aquatic Invasive Species Advisory Council.** The Senate included a \$100 placeholder for this item. The Conference did not include this item. 0
- 13. **Executive Revisions 2012-1 and 2012-3.** The Governor released two revisions to the budget; \$6.95 million for Brownfields and site reclamation, and \$1.8 million for Bureau of Energy systems. The House included the \$6.95 million item. The Senate included neither. The Conference included both items. 8,812,700
- 14. **FY 2011-12 One-Time Appropriations.** The Conference included \$6.0 million GF/GP for an environmental cleanup site in Muskegon. 0

Total Changes..... \$18,854,300

FY 2011-12 Enacted Gross Appropriation..... \$414,520,000

Changes from FY 2010-11 Year to Date:Items Included by the Senate and House

1. **Aquatic Nuisance Control Program.** The House and Senate retained this section which allocates \$100,000 for this program. (Sec. 401)

Conference Agreement on Items of Difference

2. **Standard Boilerplate Sections.** The Conference included several sections that were included in most budgets as part of the target agreement. (Sec. 201, 202, 203, 215, 225, 205, 210, 206, 207, 208, 212, 221, 222, 1001, and 1201)
3. **Travel Restrictions.** The House retained two current-year sections restricting out-of-State travel (Sec. 209 & 223 of the House bill). The Senate and Conference deleted them.
4. **Administrative Rules – Small Businesses.** The House retained a section prohibiting the Department from promulgating rules that would have a disproportionate impact on small businesses. The Conference included this item. (Sec. 213)
5. **Pending Permits.** The House retained a section which considered any permit pending for more than two years to be administratively complete (Sec. 218 of the House bill). The Conference did not include this section.
6. **Refined Petroleum Fund – Usage.** The Senate retained a section stating legislative intent for RPF usage (Sec. 221 of the Senate bill). The Conference did not include this item.
7. **Refined Petroleum Fund – Intent to Repay.** The House retained a section stating the Legislature's intent to repay the \$70.0M borrowed from the RPF during the FY 06-07 budget resolution. The Conference retained this item. (Sec. 305)
8. **Permit Application Status Tracking Tool.** The House included a new section requiring the Department to implement a permit tracking tool on the internet. The Conference included this item. (Sec. 227)
9. **Customer Satisfaction Evaluation Program.** The House included this new section; the Conference retained it. (Sec. 228)
10. **Expedited Permitting Program.** The House included a new section requiring a report on the specific programs where the expedited permit program could be expanded. The Conference retained this item. (Sec. 229)
11. **Tax Exemption Certificates.** The Senate included a new section requiring the Department to enter into an MOU with Treasury on tax exemption certificates for air and water pollution control equipment. The Conference included this section. (Sec. 311)
12. **Groundwater Dispute Resolution Process.** The Senate and Conference retained this section. (Sec. 402)
13. **Solid Waste Program Report.** The House included this new section which requires a report including long-term funding options, the impact of recycling, and the feasibility of contracting out landfill inspections. The Conference included this item. (Sec. 601)
14. **Aquatic Invasive Species Council.** The Senate included language requiring the Department to provide funding for this council, provided one is created in statute. The Conference included this item. (Sec. 403)
15. **Detailed FTE Report.** The House and Conference retained a section requiring this report. (Sec. 223)

Date Completed: 6-24-11

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APPROPRIATIONS IN PART 1 OF ARTICLE VIII

	<u>Gross</u>	<u>GF/GP</u>
FY 2010-11 Year-To-Date	\$3,347,567,400	\$600,492,600
FY 2010-11 Revised Governor's Recommendation	\$3,920,964,500	\$751,458,700
Change from Year-To-Date.....	\$573,397,100	\$150,966,100
Percentage Change from Year-To-Date	17.1%	25.1%
FY 2011-12 Senate Passed Recommendation*	\$3,355,221,100	\$674,509,500
Change from Year-To-Date	\$7,653,700	\$74,016,900
Percent Change from Year-To-Date.....	0.2%	12.3%
FY 2011-12 House Passed Recommendation*	\$3,338,777,400	\$672,565,900
Change from Year-To-Date	(\$8,790,000)	\$72,023,300
Percent Change from Year-To-Date.....	(0.3%)	12.0%
FY 2011-12 Conference Recommendation	\$3,897,242,100	\$724,736,300
Change from Year-To-Date	\$549,674,700	\$124,243,700
Percent Change from Year-To-Date.....	16.4%	20.7%
FY 2011-12 Enacted**	\$3,896,562,000	\$724,056,200
Change from Year-To-Date	\$548,994,600	\$123,563,600
Percent Change from Year-To-Date.....	16.4%	20.6%

ONE-TIME APPROPRIATIONS

FY 2011-12 Conference/Enacted Recommendation	\$166,250,000	\$136,250,000
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See Individual Highlight Sheet for Department Detail

*Passed prior to the revised Governor's recommendation which transferred many programs to General Government budgets.

**Assumes the veto of Michigan Strategic Fund Sec. 1053 reduced appropriations by \$680,100 Gross and GF/GP.

Changes from FY 2010-11 Year to Date:Conference Agreement on Items of Difference

1. **Line Item Roll-ups.** The Governor rolled up many line items. The Senate maintained the current unrolled bill structure. The House rolled-up about half of the lines. Conference concurred with the Senate.
2. **Civil Service - 1% Charges.** The Senate deleted and the House retained language that authorized the 1% charges permitted under the Constitution. The Conference deleted. (Sec. 204)
3. **Information Technology (IT) Work Projects.** The House added language to permit IT projects to be designated as work projects by the Department of Technology, Management, and Budget, subject to the work project approval process under Section 451 of the Management and Budget Act. The Conference concurred with the House. (Sec. 207)
4. **Casino Investment.** The Senate retained the prohibition on the use of funds appropriated in Part 1 to purchase ownership interest in a casino. The House deleted. The Conference retained. (Sec. 213)
5. **Travel Restrictions.** The House deleted the annual report on travel and replaced it with a monthly report on travel exceptions. The Conference required quarterly reports. (Sec. 216)
6. **General Fund Restrictions.** The Senate retained a prohibition on using GF appropriations where Federal funds are available. The House deleted. The Conference retained. (Sec. 217)
7. **Limitation on Administering a Committee.** The Senate added a prohibition against using appropriated funds to administer a committee or solicit funds for a committee, as defined by the Michigan Campaign Finance Act, MCL 169.203. The Conference concurred with the Senate. (Sec. 220)
8. **Policy Change Report.** The Senate retained and the House deleted the annual policy change report. The Conference retained. (Sec. 221)
9. **FTE Report.** The Senate retained and the House deleted a quarterly report of State full-time equivalent employees. The Conference deleted the section. (Sec. 230)
10. **Cost of Transparency Requirements.** The Senate retained and the House deleted a \$10,000 limit on the cost of implementing a transparency Internet site. The Conference concurred with the House. (Sec. 231)
11. **FY 2012-13.** The Senate included boilerplate on anticipated appropriations in FY 2012-13 based on FY 2011-12 appropriations adjusted for changes in caseload, Federal fund match rates, economic factors, and available revenue. The House included a listing of anticipated line item appropriations for FY 2012-12. The Conference included boilerplate. (Senate Sec.1201/House Part 1A/Conference Part 2A, Sec 1301)
12. **Hiring Freeze.** The Conference deleted hiring freeze limits and exceptions. (Sec. 205)
13. **Transparency Website.** The Conference added standard language on posting expenditure and vendor data. (Sec. 206)
14. **Budget Stabilization Fund (BSF).** The Conference specified a pay-in to the BSF of \$255.8 million. (Sec. 211)

Date Completed: 6-30-11

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FY 2010-11 Year-to-Date Gross Appropriation \$73,413,100

Changes from FY 2010-11 Year-to-Date:

Items Included by the House and Senate

- 1. **Attorney General Salary.** The Governor reduced the salary for the Attorney General by (\$3,300) GF/GP to \$112,500, following the recommendation of the State Officers Compensation Commission. The Senate and House concurred. (3,300)
- 2. **Prosecuting Attorneys Coordination Council.** The Governor reduced funding to reflect retirement savings of (\$35,600) GF/GP and a reduction of (\$186,000) in restricted grant funds for training. The Senate and House concurred. (221,600)
- 3. **Information Technology.** The Governor recommended a reduction of (\$98,800) GF/GP in the information technology appropriation. The Senate and House concurred. (98,800)
- 4. **Economic Adjustments.** The Governor recommended economic adjustments of \$2,603,300 of which \$985,200 are funded by GF/GP revenue. The Senate and House concurred. 2,603,300
- 5. **Other Changes.** The Governor proposed information technology economics of \$4,300 and a reduction of (\$62,500) in restricted fund authority for the State Claims Unit to reflect the level of billings. The Senate concurred and made offsetting restricted fund adjustments to increase spending authority for the Self-insurer's Security Fund. The House concurred. (58,200)

Conference Agreement on Items of Difference

- 6. **Attorney General Operations.** The Governor recognized early retirement savings of (\$1,151,200) GF/GP and made an additional reduction of (\$142,400) GF/GP. Together these reduce GF/GP appropriations for operations by 5%. The Senate and House concurred. The Conference included an additional \$250,000 GF/GP. (1,043,600)

Total Changes..... \$1,177,800

FY 2011-12 Enacted Gross Appropriation..... \$74,590,900

Changes from FY 2010-11 Year to Date:Items Included by the House and Senate

1. **Attorney General Responsibilities and Requirements.** The House and Senate concurred on retaining current year language regarding contingency funds (Sec. 301), Attorney General responsibilities (Sec. 302), biennial reports (Sec. 303), representation for State workers' disability cases (Sec. 304), food stamp fraud case reimbursement (Sec. 305), tobacco litigation proceeds (Sec. 306), enforcement revenue carry-forward (Sec. 307), litigation expense reimbursement (Sec. 308), use of prisoner reimbursement funds (Sec. 309), and child support funding (Sec. 310).

Conference Agreement on Items of Difference

2. **Limit Spending for Legal Services.** The Senate deleted and the House retained a prohibition on the Department of Attorney General (AG) from receiving and expending funds in addition to appropriations in Part 1 for legal services provided to State departments, except for specific costs for expert witnesses, court costs, or non-salary litigation expenses. The Conference concurred with the House. (Sec. 312)
3. **Representation of Legislature.** The House added language that requires that upon the request of either the Senate Majority Leader or the Speaker of the House, the AG shall represent either house of the Legislature in any civil action and shall defend Legislators in any legal action arising out of the member's official duties and within the scope of his or her authority. The Conference did not include. (Sec. 313)
4. **Collections under Medicaid False Claims Act.** The Senate appropriated funds collected under the Medicaid False Claims Act for the purposes they were received and permitted the funds to carry forward and be retained up to the amount of the State match for the program. The Conference did not include.(Sec. 314)

Date Completed: 6-30-11

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FY 2010-11 Year-to-Date Gross Appropriation \$12,778,700

Changes from FY 2010-11 Year-to-Date:

Items Included by the House and Senate

- 1. **Operations Fund Shift, GF/GP to Federal.** The Governor recommended a reduction of (\$463,200) GF/GP that would be replaced by \$463,200 of increased Federal funds by completing additional cases pursuant to a contract with the U.S. Department of Housing and Urban Development. These cases are dually filed at the State and Federal levels. The Senate and House concurred. 0
- 2. **Economic Adjustments.** The Governor recommended economic adjustments of \$451,900. The Senate and House concurred. 451,900
- 3. **Other Changes.** The Governor also recommended a building occupancy charge increase of \$25,000, workers' compensation increase of \$8,600, information technology economics of \$10,600, IT retirement savings of (\$7,600), and IT building occupancy charges of \$2,100. The Senate and House concurred. 38,700

Conference Agreement on Items of Difference

- 4. **Operations Reduction and Fund Shift.** The Governor proposed a reduction to operational funding of (\$1,020,400) consisting of retirement savings of (\$600,400) GF/GP and a reduction of (\$420,000) GF/GP. The Senate concurred. The House included additional reductions of (\$151,700). The Conference added \$200,000 GF/GP to the Governor's recommendation (820,400)
- 5. **Information Technology (IT).** The Governor reduced funding for information technology by (\$150,000) GF/GP. Due to fewer staff, the Department expects to realize savings by reducing the number of computers. The Senate concurred. The House reduced by an additional (\$9,500) GF/GP. The Conference concurred with the Senate. (150,000)
- 6. **Pacific American Affairs Commission/ Office of Asian Pacific Affairs.** The Senate added a \$100 GF/GP placeholder to provide support for this Commission which was transferred from the Department of Energy, Labor, and Economic Growth (DELEG) to Civil Rights by E.O. 2011-4. The House and Conference did not include. 0
- 7. **Transferred Programs.** The Conference included the Governor's revised recommendation which transferred in programs from the Department of Licensing and Regulatory Affairs pursuant to E.O. 2011-4. The new programs are the Hispanic/Latino Commission of Michigan with 1.0 FTE and \$206,700, and the Commission on Disability Concerns with 7.0 appropriated FTEs and \$1,186,100 of spending authority, and \$38,500 for IT. 1,431,300

Total Changes..... \$951,500

FY 2011-12 Enacted Gross Appropriation..... \$13,730,200

Changes from FY 2010-11 Year to Date:Items Included by the House and Senate

1. **Contingency Funds.** The Governor added authority for appropriating up to \$500,000 in private contingency funds through the legislative transfer process. The Department has applied for private grant funding to support initiatives related to hate crime response and prevention. The Senate and House concurred. (Sec. 401)

Conference Agreement on Items of Difference

2. **Spending from Local and Private Sources.** The Governor added authority to spend local or private funds for staffing costs related to services currently supported by these revenues including training, mediation, and publication costs. The Governor also deleted a report on the amount and uses of local and private funds received and spent by the Department. The Senate retained the report. The House concurred with the Governor. The Conference concurred with the Senate. (Sec. 402)

Date Completed: 6-30-11

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FY 2010-11 Year-to-Date Gross Appropriation \$4,630,800

Changes from FY 2010-11 Year-to-Date:

Items Included by the House and Senate

1. **State Officers Compensation Commission (SOCC) Adjustment.** The salaries and expense allowances for the Governor and the Lt. Governor were further reduced to comply with the March 2009 SOCC decision. The Senate and House concurred with the Governor. (19,400)
2. **Non-SOCC Reduction.** The Governor, Senate and House reduced the appropriation for the Executive Office by \$212,200 (or 5%) to save additional GF/GP dollars. (212,200)

Total Changes..... (\$231,600)

FY 2011-12 Enacted Gross Appropriation..... \$4,399,200

Changes from FY 2010-11 Year to Date:Items Included by the Senate and House

1. There previously were no boilerplate sections for the Executive Office. The Governor added one general section listing the total State spending from State resources and the payments to local units of government. Senate did not include this section. (Sec. 9-201)

Date Completed: 6-30-11

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FY 2010-11 Year-to-Date Gross Appropriation \$117,330,500

Changes from FY 2010-11 Year-to-Date:

Items Included by the House and Senate

- 1. **Senate Reductions.** The Governor, Senate and House reduced the following Senate appropriations: Senate (\$905,500 or 3.5%); Senate IT (\$46,400 or 2.0%); and Senate Fiscal Agency (\$94,100 or 3.5%). (1,046,000)

- 2. **House Reductions.** The Governor, Senate and House reduced the following House appropriations: House (\$1,153,300 or 2.9%); House IT (\$37,500 or 2.1%); and House Fiscal Agency (\$94,100 or 3.5%). (1,284,900)

- 3. **Other Legislative Changes.** The Governor, Senate and House reduced two other legislative line items: Legislative Council (\$396,600 or 4.7%); and Legislative Retirement (\$164,400). The Cora Anderson House Office Building line was increased by \$871,000 to realize lease-cost savings. 330,000

- 4. **Interdepartmental Grant (IDG) Credits.** The Governor, Senate and House moved boilerplate language (amounting to \$1.7 million) for the Legislative Auditor General to a line item that allows spending in excess of appropriations due to higher than estimated number of audits completed. 1,700,000

- 5. **Unfunded IDG.** The Governor, Senate and House removed funding totaling \$500,000 from the Legislative Auditor General for an unfunded IDG from the Michigan Department of Corrections due to a Governor's veto for the FY 2010-11 enacted budget. (500,000)

- 6. **Target Reduction.** The Governor, Senate and House reduced funding by \$558,000 (or 5%) in the Field Operations line item for the Legislative Auditor General. (558,000)

Total Changes (\$1,358,900)

FY 2011-12 Enacted Gross Appropriation \$115,971,600

Changes from FY 2010-11 Year to Date:Items Included by the House and Senate

1. **Statewide Single Audit.** The Governor added new language requiring a report, by December 31, 2011, regarding the feasibility of converting to a statewide single audit. (Sec. 12-405) The Senate and House retained a revised version of this language. (Sec. 624)

Conference Agreement on Items of Difference

2. **Legislative Auditor General Economics.** The Senate and House added new language allowing the Legislative Auditor General's Office to use up to \$905,000 in unexpended and unencumbered funds that may lapse at the end of FY 2010-11 to pay for economic cost increases. The Senate included language stating that any unexpended funds shall lapse to the General Fund and that all mandated audits must still be completed. The House did not include this language. The ENACTED concurred with the Senate. (Sec. 625)

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FY 2010-11 Year-to-Date Gross Appropriation \$213,520,400

Changes from FY 2010-11 Year-to-Date:

Items Included by the House and Senate

- 1. **State Officers Compensation Commission (SOCC) Adjustment.** The salaries and expense allowances for the Secretary of State were reduced by \$3,300 to comply with the March 2009 SOCC decision. Senate and House concurred with Governor. (3,300)

- 2. **Early Retirement Savings.** The Governor, Senate, and House realized administrative savings totaling \$621,300 due to early retirements. (621,300)

- 3. **Governor's Target Reduction.** Several line items in the budget were reduced to achieve an overall GF/GP savings of \$2.1 million. Savings realized from efficiencies in operations in several line items include: Regulatory Services (\$494,000); Branch Operations (\$484,200); Central Operations (\$558,800); Dept. Services (\$460,000); and Election Administration (\$103,000). The Senate and House concurred with the Governor. (2,100,000)

- 4. **Economic Adjustments.** The Department's economic adjustments totaled \$980,600 while the economic adjustment for Information Technology totaled \$108,600. The Senate and House concurred with the Governor. 1,089,200

Total Changes..... (\$1,635,400)

FY 2011-12 Enacted Gross Appropriation..... \$211,885,000

Changes from FY 2010-11 Year to Date:Items Included by the House and Senate

1. **Branch Office Closings.** At least 180 days prior to the announcement of Secretary of State branch office closings or consolidations, or 60 days prior to relocating a branch office, the Department of State shall inform members of the Senate and House of Representatives Standing Committees on Appropriations and Legislators who represent affected areas regarding the details of the proposal. The Governor eliminated this section. The Senate and House retained this section. (Sec. 714)
2. **Guidelines for Branch Office Placement.** Provides guidelines for the placement of branch offices. The Department of State shall: avoid leasing space on greenfield sites; locate branch offices in urban areas to encourage public investment in urban areas; locate offices at locations consistent with local planning and zoning laws; and whenever possible locate branch offices in urban areas. Governor: removed language. Senate and House: Concurred with Governor.

Conference Agreement on Items of Difference

3. **Motorcycle Safety Education Program.** Language continuing the Motorcycle Safety Education Program in the same manner as was provided by the Department of Education and the listing of revenue sources for the program were removed by the Governor and House. The Senate retained this section. The Conference Report concurred with the House. (Sec. 716)
4. **Buena Vista Branch Office.** Requires the Department to maintain a full service branch office in Buena Vista Township. The Governor and House removed this section. The Senate retained this section. The Conference Report concurred with the House. (Sec. 718)
5. **General Fund Expenditures.** Requires the Department to use Restricted Funds before using General Fund dollars. The Governor and House removed this section. The Senate retained this section. The Conference Report concurred with the Senate. (Sec. 719)
6. **Deletions.** In keeping with the condensed structure of the Governor's budget, the following current-year language sections and/or subsections were not included: 705(5), 706, 716b, 716c, and 717(3). The House concurred with the Governor. The majority of these sections required the Department to provide either reports or notifications to the Legislature. The Senate retained Sections 705(5), 716b, and 717(3). The Conference Report concurred with the Senate.

Date Completed: 6-30-11

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FY 2010-11 Year-to-Date Gross Appropriation \$974,362,200

Changes from FY 2010-11 Year-to-Date:

Items Included by the House and Senate

- | | |
|---|-------------|
| 1. State Building Authority Rent Adjustments. Governor, Senate, and House made adjustments of \$15.0 million for State financed building projects. | 15,000,000 |
| 2. Accounting Consolidation. Governor, Senate, and House increased funding and 14.0 FTEs to finalize the consolidation of accounting services resulting from the previous merger of Civil Service and DMB. | 1,593,200 |
| 3. Information Technology (IT) - Alignment of IDG Funding. The IT portion of the budget aligned its IDG funding with enacted FY 2011 appropriations for all departments. | 7,907,900 |
| 4. Gubernatorial Transition. One-time funding provided in FY 2011 for Governor transition costs was eliminated by the Governor, Senate, and House. | (1,500,000) |
| 5. Building Operations. Consolidation of functions and reduction in funded FTE positions resulted in savings of \$1.3 million for FY 2011-12. Senate and House concurred with Governor. | (1,250,000) |
| 6. Early Retirement Savings. Administrative savings due to early retirements: Management and Budget saved \$1.5 million, Civil Service Commission saved \$1.6 million, and IT saved \$2.8 million. | (5,941,200) |
| 7. Professional Development. Governor, Senate, and House eliminated all remaining funding of \$225,000 for professional development activities for State employees. | (225,000) |
| 8. Civil Service Commission Adjustment. Civil Service Commission accounting costs saved as a result of a Department of Corrections facility closure in 2010. | 277,800 |
| 9. Governor's Target Reduction. Several line items were reduced to achieve an overall GF/GP savings. Management and Budget reduced costs by \$3.1 million, Civil Service Commission reduced costs by \$2.0 million, and IT reduced costs by \$1.3 million. | (6,394,300) |
| 10. IT Miscellaneous Adjustments. Items related to IT for several departments were adjusted. Positive adjustments totaled \$13.6 million (the largest being \$8.9 million for DCH's HIPPA project) while negative adjustments totaled \$1.5 million. | 12,079,400 |
| 11. Gov. Revised Rec. Senate and House included additional funding from a revised Governor's Rec. for funds transferred to the Dept. due to E.O. 2011-4, the restructuring of MDLARA. | 7,542,600 |
| 12. Economic Adjustments. Management and Budget's economic adjustments totaled \$10,917,100 while the economic adjustment for IT totaled \$314,600. | 11,231,700 |

Conference Agreement on Items of Difference

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|--|-----------|
| 13. Technology Innovations Fund. Governor provided new GF/GP funding of \$5.0 million for competitive grants for innovations in technology. Senate and House did not include. Conference included \$2.5 million. | 2,500,000 |
| 14. House GF/GP Reductions. The House included reductions in GF/GP funding to several line items. Management and Budget line items were reduced by a total of \$512,200 while Civil Service Commission line items were reduced by \$332,200. Conference did not include these reductions. | 0 |
| 15. FY 2011-12 One-Time Appropriations. The Conference provided \$1.25 million in funding for asbestos removal from the former State Police Headquarters at MSU and \$60.0 million for other post-employment benefits. | |

Total Changes.....	\$42,822,100
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FY 2011-12 Enacted Gross Appropriation.....	\$1,017,184,300
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Changes from FY 2010-11 Year to Date:Items Included by the House and Senate

1. **Computer Contract Adjustments.** Requires notification to the House and Senate Appropriation Committee Chairs and General Government Subcommittee Committee Chairs on computer contract revisions that increase or decrease current contracts by more than \$500,000. Governor: Removed language. Senate and House: Retained current language. (Sec. 809)
2. **Unclassified Salaries.** Requires the Department to compile a report by January 1 pertaining to the salaries of unclassified employees and gubernatorial appointees. Governor: Removed language. Senate and House: Retained current language. (Sec. 822)

Conference Agreement on Items of Difference

3. **Consolidated Internet Auction Services.** The Senate added new language requiring DTMB to provide consolidated internet auction services through the State's contractors for all local units of government. The House did not include this change. Conference concurred with Senate. (Sec. 802)
4. **Remanufactured Furniture.** The Senate added new language requiring the Department to spend no more than \$1.0 million annually on the purchase of new furniture and required the Department to purchase remanufactured or refurbished furniture according to the Department's statewide contract. The House did not include this change. Conference concurred with Senate but removed the \$1.0 million limitation. (Sec. 803(5))
5. **Motor Vehicle Fleet.**
(3) States legislative intent that the DMB has the authority to determine the appropriateness of vehicle assignments. The Governor removed subsection 3. The Senate concurred with the Governor. The House retained all subsections and added subsection (6) regarding the use of remanufactured parts for repairs. Conference deleted subsection 3 and added subsection 5 regarding remanufactured parts. (Sec. 813(5))
6. **Remanufactured Auto Parts.** The Senate added new language requiring the Department to use remanufactured parts whenever possible for the repair and maintenance of the State's fleet of motor vehicles, excluding the fleet for State Police. The House includes similar language in Sec 813(6) but does not exempt State Police. Conference concurs with Senate but moves language to Sec. 813(5).
7. **Contracting.** The Governor removed current year language (Secs. 814, 815, 816, & 817) regarding adoption of policies and procedures necessary for compliance with Section 261 of the Management and Budget Act (1984 PA 431). The Senate removed Sections 814 and 816 and revised Section 815 to a more condensed version. The House retained Sections 814, 816, and 817. Conference removed Sections 814, 815, and 816 and retained Section 817.
8. **Privatization of State Lottery Administration.** The Senate added new language requiring the Department to submit a report to the Legislature regarding the feasibility of privatizing the administration of the State Lottery. The House did not include this change. Conference concurred with Senate. (Sec. 822a)
9. **Contract Reporting Requirement.** The Governor removed the reporting requirement for any follow-on contracts or change orders entered into by the Department greater than \$25,000. Senate retained the report. House retained the report and changed the amount to \$50,000. Conference concurred with House. (Sec. 830)
10. **Asbestos Removal.** The Senate added new language providing up to \$1.5 million for the costs associated with the removal of asbestos from the former State Police Headquarters. The House did not include this change. Conference did not include this language but did include one-time funding in Section 1201.
11. **Health Savings Accounts.** The Senate added new language requiring the Civil Service Commission to submit a report by March 31, 2012, regarding the cost savings or increase of requiring all public employees and elected officials in the State to enroll in a health savings account benefit plan. The House did not include this change. Conference concurred with House.
12. **Office of Great Workplace Development.** Language prohibits use of any other funds for this office. The Governor and Senate removed section. The House retained the section. Conference concurred with Senate.
13. **Deletions.** In keeping with the condensed structure of the Governor's budget, the following current-year language sections and/or subsections were not included: 823(4), 827(4) however, carryforward language was retained, 828, 829, 830, 832, 840(4), 843, 850(1), 860, 861, 862, 865, 870, 871, 872, 873, 874, 875, and 876. The majority of these sections required the Department to provide either reports or notifications to the Legislature. The Senate concurred with the Governor in removing Sections 860, 861, 862, 865, 870, 871, 872, 873, 874, 875, and 876. The House retained the majority of these sections but concurred with the Governor in removing Sections 823(4), 827(4), 829, and 876. The Conference concurred with the House and included the retention of Sections 823(4), 827(4), and 829.



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FY 2010-11 Year-to-Date Gross Appropriation \$1,951,331,700

Changes from FY 2010-11 Year-to-Date:

Items Included by the House and Senate

- 1. **Debt Service.** The Governor increased debt service appropriations for general obligation environmental bond issues by \$83,295,200 GF/GP. The increase reflects the current payment structure including the impact of prior year debt restructuring. The Senate and House concurred. 83,295,200
- 2. **Presidential Primary.** The Governor provided \$10.0 million GF/GP for the 2012 presidential primary. The Senate and House concurred. 10,000,000
- 3. **Business Property Tax Appeal.** The Governor reduced the program from \$900,000 GF/GP to \$300,000 GF/GP. The Senate and House concurred. (600,000)
- 4. **Unclaimed Property.** The Governor increased funding by \$700,000 and 5.0 FTEs for on-going administrative costs. The Senate and House concurred. 700,000
- 5. **Senior Citizens Cooperative Housing Tax Exemption.** The Governor adjusted funding based on the projected cost of the program, realizing savings of (\$2,500,000) GF/GP. The Senate and House concurred. (2,500,000)
- 6. **Economic Adjustments.** Treasury economics (excluding MSF) total \$9,168,600. 9,168,600

Conference Agreement on Items of Difference

- 7. **Tax Plan Implementation.** Conference renamed the Michigan Business Tax line item as Tax Plan Implementation and added \$5,327,600 GF/GP. 5,327,600
- 8. **Payments in Lieu of Taxes (PILT).** The Governor proposed a 15% reduction consisting of (\$351,500) from Commercial Forest Reserve, (\$580,800) from Purchased Lands, and (\$934,100) from Swamp and Tax Reverted Lands. This would save (\$1,576,000) GF/GP and (\$290,400) State Restricted funds. The Senate concurred. The House made further reductions of (\$239,000) resulting in a 17.3% decrease. Conference concurred with the Senate (1,866,400)
- 9. **Administrative Reductions.** The Governor reduced all GF/GP-funded administrative lines. Savings totaled (\$905,500) GF/GP. The Senate concurred. The House made additional reductions of (\$749,400). Conference concurred with the Senate. (905,500)
- 10. **Tobacco Tax Enforcement.** The Senate added \$4,500,000 in restricted revenue for additional tobacco tax enforcement. The House did not include. Conference funded at \$3,000,000 from tobacco tax revenue. The Governor stated that the related boilerplate in Sec. 943 is unenforceable. 3,000,000
- 11. **Transferred Programs.** The Conference included the Governor's revised recommendation to implement E.O. 2011-4 by transferring the Michigan State Housing Development Authority and the Land Bank Fast Track Authority from Treasury to MSF. (228,954,100)
- 12. **Revenue Sharing.** Changes total (\$100,412,200). Revenue sharing highlight sheet is attached. (100,412,200)
- 13. **Michigan Strategic Fund (MSF).** Programs transferred in. MSF highlight sheet is attached. 742,972,700
- 14. **Other Changes.** Information technology economics, \$363,400; early retirement savings, (\$1,022,400); reduction in excess restricted fund authority in PILT, (\$513,000); workers' compensation, building occupancy charges, and rent adjustments, (\$75,000); Land Bank federal grants, \$1,000,000; removed one-time supplemental funding, (\$11,600,000), added 1.0 FTE Indian gaming auditor, \$90,200; and made fund source adjustments. Senate adjusted Business Property Tax Appeal economics, (\$50,400). The House included all except Business Property Tax Appeal economics. Conference concurred with House. (11,756,800)

Total Changes..... \$507,469,100

FY 2011-12 Enacted Gross Appropriation..... \$2,458,800,800

Changes from FY 2010-11 Year to Date:Conference Agreement on Items of Difference

1. **Notification of Bond Refinancing or Restructuring.** The Senate required that Treasury notify the appropriations committees 15 days prior to any refinancing or restructuring and provide information on changes in debt service schedules and the present value costs or savings. The House did not include. Conference required notification within 30 days after refinancing or restructuring. (Sec. 902a)
2. **Tax Collection Contracts.** The Senate retained a report on the cost of contracts with private collection agencies. The Senate increased the maximum charge for collection of contracts on defaulted student loans from 23% to 24.36%. The House deleted the report and maintained the fee cap at 23%. Conference concurred with the Senate. (Sec. 903)
3. **Michigan Transportation Fund Costs of Collection.** The Senate added requirements that these costs be determined by proration for FY 2011-12 only and required the Department to provide an analyses by April 1, 2012 of the actual costs of tax administration in order to justify continuation of the proration approach. The House deleted the report on costs of collections. The Conference concurred with the Senate. (Sec. 922)
4. **Public Private Partnership Investment Fund.** The Governor deleted provisions that prohibited the fund and appropriations in Part 1 from supporting any work related to the Detroit River International Crossing and deleted the annual report requirements. The Senate retained and modified to apply to DRIC or any successor project unless it is approved by the Legislature and signed into law, and required Treasury to fund the line by legislative transfer from an existing line, if necessary. The House retained current year prohibitions. The Conference concurred with the Senate. (Sec. 925 and 925a)
5. **Tobacco Tax Enforcement.** The Senate directed the use of the tobacco tax enforcement appropriation for a new stamp indicia and reimbursement of licensed tax stamp agents for costs associated with the new stamp, including machines and scanners approved by Treasury. The House did not include. The Conference concurred with the Senate. In his signing message, the Governor stated that this section is unenforceable. (Sec. 943)
6. **Assessment Administration.** The Senate deleted and the House retained permissive language on the review of local assessment practices. The Conference concurred with the House. (Sec. 945)
7. **Beverage Container Redemption Antifraud Program.** The Senate directed the use of remaining funds to counties north of the border counties. The House deleted. The Conference concurred with the House. (Sec. 949)
8. **Lottery Promotion Limitation.** The Senate deleted the prohibition against marketing the lottery to persons under 18. The House retained. The Conference concurred with the Senate. (Sec. 961)
9. **Lottery Privatization Report.** The House added a requirement for the Bureau of Lottery to report by July 1, 2012 on costs and savings from privatizing lottery administration. The Senate required a similar report from the Department of Technology, Management and Budget by April 1, 2012. Conference concurred with the Senate. (Sec. 822a)
10. **Gaming - Horse Racing.** The Senate reduced the reward limit for information helping obtain convictions for crimes involving the racing industry from \$5,800 to \$5,000 and updated for 2012 requirements on the contingent distribution of the purse pool if no race meets are held. The House maintained the current reward amount and deleted the section on distribution of the purse pool. The Conference concurred with the Senate on reward amount and deleted contingent distribution of the purse pool which duplicates language in the Agriculture budget. (Sec. 977)
11. **Michigan Strategic Fund Boilerplate.** See separate highlight sheet.
12. **Revenue Sharing Boilerplate.** See separate highlight sheet.

Date Completed: 6-30-11

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FY 2010-11 Year-to-Date Gross Appropriation \$1,059,391,500

Changes from FY 2010-11 Year-to-Date:

Items Included by the House and Senate

1. **Constitutional Revenue Sharing.** The Governor estimated that revenue sharing payments to cities, villages, and townships (CVTs) pursuant to the Constitution will total \$658,979,300 in FY 2011-12, an increase of \$15,232,400 from the January consensus estimate for FY 2010-11 payments. Constitutional revenue sharing totals 15% of sales tax collections at a 4% rate. These funds are distributed to CVTs in an equal amount per capita, adjusted so that institutional populations are counted at 50%. FY 2010-11 payments will be adjusted based on the new population data from the 2010 census, causing changes in local unit payments. The Senate and House concurred. 15,232,400

2. **Statutory Revenue Sharing for CVTs.** The Governor eliminated this program for CVTs. Prior year appropriation reductions eliminated statutory revenue sharing payments to 1,240 CVTs for FY 2010-11. The year-to-date estimate for the cost of this program is \$300,903,900. Since FY 2007-08, boilerplate formulas have determined payments. The Senate and House concurred. (300,903,900)

3. **County Revenue Sharing.** The Governor proposed funding revenue sharing payments to counties at \$100,000,000 in FY 2011-12, an amount that is (\$51,800,000) or (34.1%) under the amount required by the statutory formula. Under current law, total payments to counties would increase in FY 2011-12 due to additional counties exhausting their revenue sharing reserve funds and re-entering the county revenue sharing program and other counties receiving full year funding under the program. When compared to FY 2010-11, the Governor's proposal is (\$14,740,700) under the year-to-date appropriation. The Senate and House concurred on the amount of funding. The Conference added one-time funding which is listed below. (14,740,700)

4. **Economic Vitality Incentive Program (EVIP).** The Governor recommended \$195.0 million for a revenue sharing program for CVTs with eligibility based on adoption of best practices. The remaining \$5.0 million would be for grants to CVTs and counties for consolidation of services. The Senate and House concurred on the funding amount. The Conference added one-time funding which is listed below. 200,000,000

Conference Agreement on Items of Difference

5. **FY 2011-12 One-Time Appropriations.** The Conference provided additional one-time funding of \$30.0 million consisting of \$15.0 million for the EVIP and \$15.00 million for county revenue sharing.

Total Changes..... (\$100,412,200)

FY 2011-12 Enacted Gross Appropriation..... \$958,979,300

Changes from FY 2010-11 Year to Date:Conference Agreement on Items of Difference

1. **Economic Vitality Incentive Program.** The Senate's maximum distribution under this program to CVTs shall not exceed the lesser of 81.88% of the combined statutory and constitutional revenue sharing received in FY 2010-11 or the amount determined by applying a percentage determined by dividing the sum of all payments under constitutional revenue sharing in FY 2011-12 and statutory revenue sharing by \$853,979,300 and then subtracting 0.1812. A CVT with a calculated amount less than \$6,000 would not be eligible. An eligible CVT could receive one-third of their total payment for meeting each of the following criteria: Creating a performance dashboard and citizen's guide to its finances. Creating a cooperation, collaboration, and consolidation plan. Developing a compensation plan that the CVT intends to implement with any new, modified, or extended contract. The compensation plan would be required to indicate intent to:

- Limit retirement plan costs to 10% of wages and salaries of employees in the plan.
- Require that any pensions be paid based on a final average compensation calculated using at least 3 consecutive years of salary; that limited the amount of paid leave time, vacation time, and overtime hours used to calculated final average compensation to no more than 240 hours; and included other measures determined by the CVT.
- If a health care plan is offered, state intent that employees pay at least 20% of the cost.

Undistributed funds would be deposited in the Budget Stabilization Fund.

Under the House proposal, each CVT would be eligible to receive up to 62.96% of its statutory revenue sharing payment in FY 2009-10. The distribution would be in three parts: one-third based on publication of a guide to local finances and dashboard similar to the Senate proposal and one-third for a consolidation plan similar to the Senate proposal, however, a one-sixth payment would be available in each category for later completion of the projects. The House required that if a retirement plan is offered, the compensation plan should indicate intent to place new employees in a plan that is, at a minimum, cost competitive with the retirement plan offered to new State classified employees. Employees on a defined benefit plan would have a limited multiplier of up to 1.5 for those eligible for social security benefits and up to 2.0 for those ineligible for social security. CVTs would be required to indicate intent to use a multiyear income average in the calculation of pensions, and to limit the inclusion of paid leave, vacation time or overtime hours used to determine final average compensation. Health care costs must be cost competitive with the new State preferred provider organization health plan and HMO plan for new State classified hires after April 1, 2010. Undistributed funds would be prorated and paid to recipient CVTs.

Conference based maximum payments to CVTs on FY 2009-10 statutory revenue sharing amounts. Eligible CVTs must have a FY 2009-10 statutory payment over \$4,500. FY 2011-12 maximum payments would be 67.837363% of the FY 2009-10 statutory payment. CVTs would receive 1/3 of the total payment for complying with each of the three categories: citizen's guide & dashboard; cooperation & consolidation plan; and compensation plan. The compensation plan would require intent to implement a plan that caps employer contributions for retirement at 10% of salary (or 16.2% if not eligible for social security); limits healthcare costs for new employees by requiring a 20% employee contribution toward the premium or a plan that is cost-competitive with the State preferred provider plan; sets parameters on the calculation of final average compensation; and limits retirement plan multipliers for defined benefit plans for employees eligible for social security to 1.5% (or 2.25% if no retirement health care is provided). Limits the multiple for employees not eligible for social security to 2.25% (or 3.0% if no retiree health care is provided). CVTs would have to certify compliance and submit copies of plans to Treasury. Any unused balances would go into a work project to be used (in addition to the \$5.0 million appropriated) for consolidation grants to CVTs and counties based on a grant process determined by the Department of Treasury. Including one-time funds, appropriations for this incentive program total \$210.0 million in FY 2011-12. (Sec. 951)

2. **County Revenue Sharing.** Conference specified that the one-time funding shall be spent in accordance with the Glenn Steil Revenue Sharing Act. Including one-time funds, appropriations for county revenue sharing total \$115.0 million in FY 2011-12. (Sec. 955)

Date Completed: 6-30-11

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FY 2010-11 Year-to-Date Gross Appropriation \$165,846,200

Changes from FY 2010-11 Year-to-Date:

Items Included by the House and Senate

1. **Innovation and Entrepreneurship.** The Governor proposed using \$25.0 million from the 21st Century Jobs Trust Fund for this new program. The Senate and House concurred. 25,000,000
2. **Pure Michigan.** The Governor recommended funding tourism promotion at \$25.0 million solely from the 21st Century Jobs Trust Fund. The Senate and House concurred. 25,000,000
3. **Quality of Place and Talent Enhancement.** The Governor proposed using \$5.0 million GF/GP for a program to retain young adults in Michigan. The Senate and House did not include. 0
4. **Jobs for Michigan Investment Program: 21st Century Jobs Fund.** The Governor eliminated this line item for 21st Century programs and redirected the funds to Pure Michigan and to fund proposed new programs for Business Attraction and Economic Gardening and Innovation and Entrepreneurship. The Senate and House concurred. (75,000,000)
5. **Economic Adjustments.** The Governor recommended economics of \$968,900 Gross including \$881,000 GF/GP. 968,900
6. **Other Changes.** The Governor, Senate and House adjusted revenue estimates for private revenue and an IDG, removed one-time funding for the Detroit Institute for the Arts of (\$10,000,000), recognized early retirement savings of (\$543,000), reduced spending authority for Federal funds by (\$6,000,000), and eliminated (\$5,402,800) GF/GP for promotion. (22,489,400)

Conference Agreement on Items of Difference

7. **Business Attraction and Economic Gardening.** The Governor proposed replacing business tax credits with this new incentive program funded by \$25.0 million GF/GP and \$25.0 million from the 21st Century Jobs Trust Fund. The Senate and House funded at \$25.0 million from 21st Century Jobs Trust Fund. Conference added \$25.0 million GF/GP and one-time funding described below. 50,000,000
8. **Film Incentive Program.** The Governor recommended using \$25.0 million GF/GP to provide incentives for the film industry and replace the existing Michigan Film Tax Credit. Currently the cost of the Michigan Film Tax Credit is not appropriated. The Senate funded at \$10.0 million from proposed Tobacco Tax Enhanced Enforcement Revenue. The House did not include. The Conference funded as a one-time item described below. 0
9. **Michigan State Housing Development Authority (MSHDA).** Conference transferred MSHDA funding and 289.0 FTEs from Treasury to MSF (within Treasury) pursuant to E.O. 2011-4. MSHDA remains in a separate unit in the bill. 225,973,100
10. **Workforce Development Agency.** Conference transferred to MSF funding and 358.0 FTEs for programs including Welfare-to-Work, Workforce Investment Act, post-secondary education, adult education, and GEAR-UP pursuant to E.O. 2011-4. 505,765,800
11. **Other Transferred Programs.** Conference included funding and 18.0 FTEs for Land Bank Fast Track Authority and Bureau of Energy Assistance pursuant to E.O. 2011-4. 8,434,400
12. **Pre-college Engineering Programs.** Conference made a boilerplate allocation of \$680,100 from an unspecified appropriation to these programs in Detroit and Grand Rapids to increase student involvement in Science, Math, and Engineering. **The Governor vetoed this item. The veto reduced the line item for Workforce Training Programs by (\$680,100) Federal.** (680,100)
13. **FY 2011-12 One-Time Appropriations.** Conference included \$50.00 million GF/GP for Business Attraction and Economic Gardening and \$25.0 million GF/GP for a Film Incentive Program.

Total Changes..... \$742,972,700

FY 2011-12 Enacted Gross Appropriation..... \$908,818,900

Changes from FY 2010-11 Year to Date:Conference Agreement on Items of Difference

1. **21st Century Jobs Trust Fund Reappropriation of Work Project.** The House included the Governor's proposed reappropriation of up to \$75.0 million remaining from the \$75.0 million appropriated in FY 2007-08 for the Jobs for Michigan Investment Program: 21st Century Jobs Fund. The funds would be used for the original purposes and remain available until September 30, 2016. The Senate did not include. Conference limited work project to \$5.5 million, the estimated amount of funds remaining from the FY 2007-08 appropriation. (Sec. 1021)
2. **Small Business Innovation Research/Small Business Technology Transfer Program.** The Senate allocated not less than \$1.0 million from the Innovation and Entrepreneurship line to support this matching grant program. The House did not include. Conference concurred with the House. (Sec. 1024)
3. **Business Attraction and Economic Gardening.** The House required that the MSF Board grant 85% of the \$25.0 million appropriated for Business Attraction and Economic Gardening for brownfield redevelopment incentives and historic preservation incentives. The Senate did not include. The Conference required at least \$20.0 million of the \$100.0 million appropriated to be used for brownfields and historic preservation. (Sec. 1024)
4. **Spending Plan Report.** The Senate required the MSF to report by January 15, 2012 on the spending plan for the new line items for innovation and entrepreneurship and business attraction and economic gardening. The House did not include. The Conference required the report by April 15, 2012. (Sec. 1031)
5. **Business Incubators.** The Senate funded six incubators or accelerators in the following localities: Houghton, Kent, Macomb, Oakland, and Washtenaw counties and Detroit. Recipients would receive at least \$500,000 and no more than \$2.0 million. The program would be allocated from the line item for Innovation and Entrepreneurship. The House did not include. The Conference added to the Senate plan an incubator in Midland County that is a satellite site of an incubator in Isabella County.(Sec. 1034)
6. **Pre-College Engineering Program.** The Conference directed MSF to allocate an amount not to exceed \$680,100 from appropriations in Part 1 for the Detroit and Grand Rapids Pre-College Engineering Program. (Sec. 1053) ***The Governor vetoed this section.***
7. **Transferred Boilerplate.** The Conference included boilerplate related to Career Development, Workforce Development, and MSHDA that was transferred from the budget for Licensing and Regulatory Affairs. Conference retained the No Worker Left Behind Report (Sec. 1068), the Education Advisory Committees (Sec. 1061), House language on services to veterans (Sec. 1062), report on Federal carry-forward balances (Sec. 1063), and allocations for two job training programs (Sec. 1064).
8. **Michigan Works! Agencies (MWAs) Allocations to Libraries.** Current year language allowed MWAs to allocate funds to libraries that serve as access points, service centers, or local partners. House retained. Senate included placeholder allocation of \$100. Conference required that a portion of MWA funds be utilized for services provided by libraries. (Sec. 1065)

Date Completed: 7-27-11

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FY 2010-11 Year-to-Date Gross Appropriation \$6,948,915,700

Changes from FY 2010-11 Year-to-Date:

Items Included by the Senate and House

- 1. **One-Time Revenues and Fund Shifts.** The Senate and House concurred with the Governor's proposed readjustments, including the loss of one-time Federal funding. (12,760,700)
- 2. **Increases in the Child Welfare Program.** The Senate and House concurred with the Governor's proposed spending in the Child Welfare unit for the CRI settlement. 73,996,800
- 3. **FIP 48-Month Time Limit.** The Senate and House concurred with the Governor's plans to set a maximum time limit for cash assistance. (77,400,000)
- 4. **Program Increases and Reductions.** The Senate and House concurred with several of the Governor's program cuts, including JET-Plus and Zero to Three. Both agreed to increases, including Federal grants and outstationed eligibility workers. (30,921,000)
Governor vetoed \$25,000 for Juvenile Justice System.
- 5. **Economic Adjustments.** Senate/House recognized Gov.'s recommended economic adjustments. 19,102,700
- 6. **Other Changes.** The Senate and House rejected the Governor's recommended line-item roll-ups. Both also agreed to the Governor's other proposed changes in staff reductions. (15,949,800)

Conference Agreement on Items of Difference

- 7. **Family Independence Program.** The Senate concurred with the House plans to reduce the FIP clothing allowance, to increase the Earned Income Disregard and to recognize new savings. (7,371,000)
- 8. **Disability Assistance.** The Senate and House reduced the monthly payment for State Disability Assistance from \$269 to \$200 for new applicants and rejected the Governor's 7.0 new FTEs. (5,349,900)
- 9. **Child Development and Care.** The Senate and House reduced program funding to CDC and the ECIC. The amount shown includes the Governor's adjustments. An interdepartmental grant was provided to the background check in LARA through part of the hourly cut. (27,159,200)
- 10. **Juvenile Justice Facilities.** The Senate and House agreed with an alternative proposal to keep Shawono Center open and to reduce funding for all three facilities. The funding change represents a reduction from the FY 2010-11 spending plan. (2,224,800)
- 11. **Adoption Services and Subsidies.** The Senate and House increased adoption service provider rates by an additional 21%, and provided adoption subsidies for special needs. 5,013,300
Governor vetoed \$4,250,000 for adoption subsidies.
- 12. **Other Senate Proposals.** The House agreed to changes in addition to the Governor to reduce indigent burial, to maintain Family Preservation, Michigan 2-1-1, SER, and Employment and Training, and to grant \$100,000 to the Chaldean Community Foundation. (4,809,200)
- 13. **Other House Proposals.** The Senate agreed to maintain funding for volunteer reimbursements, other staffing, MCSC, and other standard administrative functions, as well as to reject the Governor's proposed \$25 child support fee and to increase the OIG. (1,257,900)
- 14. **Caseload Consensus.** The Conference proposal includes the May caseload adjustments. (34,395,100)

Total Changes..... (\$121,485,800)

FY 2011-12 Enacted Gross Appropriation..... \$6,827,429,900

Changes from FY 2010-11 Year to Date:Items Included by the Senate and House

1. **General Sections.** Both the Senate and House included standard boilerplate language and language that leadership had requested, including language to recognize the FY 2012-2013 anticipated appropriation. (Sec. 201, 202, 203, 206, 207, 208, 209, 211, 212, 214, 228, 229, 1201)
2. **Retention of Current Law.** The Senate and House both retained multiple sections of boilerplate from the current budget, some with minor revisions. (Sec. 204, 274, 508(1 and 5), 588, 708(1), 717)
3. **Elimination of Current Law.** The Senate and House concurrently agreed to strike several sections of boilerplate from the current budget. (Sec. 295, 505, 514)

Conference Agreement on Items of Difference

4. **General Agreement.** The House concurred with Senate decisions on 99 boilerplate issues and the Senate concurred with the House on 90 items. Some outstanding differences were resolved with revised or new language.
5. **FIP Clothing Allowance.** The Senate concurred with the House allocation of \$2,880,000 and eliminated language requiring a clothing voucher program. (Sec. 669)
6. **FAP Eligibility for Felons.** The Senate agreed with House language to restrict eligibility for drug felons with multiple convictions pending Federal authorization. (Sec. 619)
7. **Indigent Burial.** The House concurred with new Senate language that limits reimbursements to cases when the deceased has not been claimed. (Sen. 613)
8. **Eligibility Privatization.** The Senate and House revised Senate language to require the Department to create a work group to review Medicaid eligibility privatization. Privatization of day care eligibility was removed. (Sec. 620 & 674)
9. **Child Support Fees.** The Senate concurred with the House to reject the Governor's \$25 child support fee increases, and eliminated language to allow employers to charge a \$2 fee processing fee (Sec. 10-304 & 912)
10. **Child Development and Care.** New. Child care payments were revised to reflect new hourly reductions and improvements in the error rate, and eliminated language on the Great Start Collaboratives. (Sec. 680)
11. **State Emergency Relief and Energy Programs.** New. Required the Department to develop a work group to identify the most efficient way to allocate state emergency relief and energy assistance. (Sec. 1103)
12. **State Disability Assistance.** The Senate concurred with the House eligibility requirements for SDA so that caregivers and those who were not SSI eligible could receive benefits. (Sec. 604)
13. **Adoption and Foster Care.** New. Allocated \$4,250,000 to allow adoptive parents to claim subsidies for special needs children up to a year after an adoption has been finalized. (Sec. 556). **Vetoed by the Governor.**
14. **FIP Income Disregard.** The Senate agreed with the House to increase the disregard. (Sec. 651)
15. **Elder Law of Michigan.** The Senate concurred with the House to reinstate program funding. (Sec. 423)
16. **Supervisor-to-Staff Ratios.** Senate language was revised to require the Department to work toward a 1:12 supervisor-to-staff ratio. (Sec. 298)
17. **SACWIS.** New. Department language to designate matching funding for IT improvements. (Sec. 294)
18. **TANF Contingency Funding.** New. Language required the Department to use TANF contingency to increase the FIP earned income disregard or to reform policies to improve the State's work participation rate. (Sec. 231)
19. **Employment Training and Services Policy.** New. Required the Department to reduce fraud in car repairs and purchases. (Sec. 425)
20. **Juvenile Justice Secure Treatment Privatization.** New. Required the Department to develop a work group to study the feasibility of contracting out secure treatment beds. (Sec. 724)
21. **Juvenile Justice Study.** A study by the Michigan Public Health Institute. (Sec. 717). **Vetoed by the Governor.**

Date Completed: 6-30-11

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FY 2010-11 Year-to-Date Gross Appropriation \$260,358,800

Changes from FY 2010-11 Year-to-Date:

Items Included by the Senate and House

- 1. **Elimination of Judgeships.** Both Senate and House anticipated the elimination of 6 trial court judgeships around the State. The State Court Administrative Office is still in the process of identifying the judgeships targeted for elimination. In addition, the Senate and House anticipated that 2 recent vacancies on the Court of Appeals will be left vacant during FY 2011-12. (1,284,700)

- 2. **Temporary Elimination of Judgeships.** Pursuant to PA 228 of 2009, the Senate and House included savings associated with the temporary elimination of two Circuit Court Judgeships – one in Oakland County, the other in Macomb County. The Oakland County judgeship is scheduled to be reinstated on January 1, 2015; the Macomb County Judgeship is scheduled to be reinstated on January 1, 2017. (69,900)

- 3. **Early Retirement Savings.** The Senate and House recognized full-year savings related to early retirements finalized during the first quarter of FY 2010-11. (1,019,500)

- 4. **Correction of Court Equity Fund revenues.** The Senate and House adjusted the appropriation of Court Equity Fund revenues in order to more accurately reflect revenues available to the fund. (3,959,600)

- 5. **Elimination of IDG from Corrections.** The Senate and House eliminated a \$1.0 million grant from the Department of Corrections for expenses related to the operation of state drug courts. This funding was replaced with the introduction of an additional \$1.0 million in GF/GP. 0

- 6. **Economic Adjustments.** The Senate and House included standard economic adjustments to account for increases in insurance and retirement economics and other related costs. 1,948,100

Conference Agreement on Items of Difference

- 7. **New IDG from Corrections.** Conference included a new, \$1.0 million interdepartmental grant from the Department of Corrections for the administration of a 'swift-and-sure' sanctions pilot program. 1,000,000

Total Changes..... (\$3,385,600)

FY 2011-12 Enacted Gross Appropriation..... \$256,973,200

Changes from FY 2010-11 Year to Date:Items Included by the Senate and House

1. **Deletions.** The Senate and House deleted a language section requiring a transfer of funds from the Juror Compensation Reimbursement Fund to the Court Equity Fund. (Sec. 223)
2. **Legal Self-Help Resources.** New Senate and House language expresses legislative intent that the judicial branch support a statewide legal self-help web site and local nonprofit self-help centers that use the statewide website to provide assistance to persons representing themselves in civil legal proceedings. (Senate Sec. 321; House Sec. 322)

Conference Agreement on Items of Difference

3. **Judiciary Drug Court Grant.** Conference included language specifying the parameters of additional Federal funding that may be available to the Judiciary during FY 2011-12. In particular, the language references the potential availability of additional funding from the U.S. Department of Transportation – National Highway Traffic Safety Administration. (Sec. 311(5))
4. **IDG from Corrections.** Conference includes Senate language setting the parameters of a new interdepartmental grant from the Department of Corrections for a "swift-and-sure" sanctions pilot program. (Sec. 320)
5. **State Appellate Defender Office Byrne Formula Grant.** Conference adopted House language dictating that if Byrne Formula grant funding is awarded to the State Appellate Defender Office (SADO), SADO may receive and expend funding not exceeding \$750,000 as an IDG from the Department of State Police for specified projects. (Sec. 322)

Date Completed: 6-22-11

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FY 2010-11 Year-to-Date Gross Appropriation \$1,277,823,200

Changes from FY 2010-11 Year-to-Date:

Items Included by the Senate and House

- 1. **Administrative Reductions.** Governor/House/Senate included various admin. reductions. (1,129,900)
- 2. **Tax Tribunal.** The Governor, House and Senate included funding for additional contract hearing officers to help with the tax appeal backlog. 150,000
- 3. **OFIR – Credit Union Exams and Securities Program.** The Governor, House and Senate included additional funding to help meet statutory credit union exam cycle requirements as well as new Federal requirements under Dodd-Frank. 556,000
- 4. **Economic Adjustments.** 17,283,900
- 5. **Other Changes.** Includes technical adjustments, support for the Michigan Business One-stop, retirement savings, additional funding for the private occupational school licensure, and funding for real estate continuing education requirements. (20,470,800)

Conference Agreement on Items of Difference

- 6. **Office of Communications.** The House reduced this program by \$100,000 and included boilerplate prohibiting the Department from producing television shows. The money was moved to UIA administration. The Conference included this change as well as the boilerplate (item 6 on back). 0
- 7. **Bootlegging Enforcement.** The House and Conference eliminated 6.0 FTEs and \$1.0 million in Liquor Purchase Revolving Funds for enhanced bootlegging enforcement. (1,000,000)
- 8. **Fire Protection Grants.** Governor and Senate reduced grants by \$1,636,600; the House reduced them by \$2,410,500. The Conference used the Governor and Senate reduction. (1,636,600)
- 9. **Unemployment Insurance Special Fraud Control Fund.** The House and Conference included additional funding for UI fraud control per 2010 PA 14. 1,000,000
- 10. **Adult Foster Care Homes – Background Checks.** The Governor and House removed funding for these checks. The Senate retained current-year funding. The Conference included an IDG from DHS, LPRF, and GF/GP funding for this program. (174,000)
- 11. **Health Facilities Fees.** The Governor and Senate included increased fees. The House and Conference maintained current-year funding. 0
- 12. **Liquor Control Commission – IT.** The House included \$1.0 million for upgrades to LCC purchase and merchandising systems. The Conference included a \$100 placeholder. 100
- 13. **Worker's Compensation Appellate Commission.** The Governor issued Executive Order 2011-6 which abolished this commission and established the Michigan Compensation Appellate Commission. The Conference included this change. (508,500)
- 14. **Transition to DLARA.** The Governor issued Executive Revision FY 2012-3 which detailed the transition of DELEG in to DLARA. The Conference included these changes. (460,323,000)
- 15. **Mining Industry Training.** Senate & Conference included \$80,000 set aside from Consultation, Education and Training grants. ***This section was vetoed by the Governor.*** (80,000)

Total Changes..... (\$466,172,800)

FY 2011-12 Enacted Gross Appropriation..... \$811,490,400

Changes from FY 2010-11 Year to Date:Items Included by the Senate and House

1. **Out-of-State Travel.** The House and Senate retained a section restricting out-of-State travel by department employees. (Sec. 217)
2. **Construction Lien Fund.** The House and Senate included language allowing the Department to make payments for court-ordered judgments from this fund. (Sec. 380)
3. **Non-Confidential Information Listings.** The House and Senate included language allowing the Department to charge reasonable fees for creating customized listings of non-confidential information for those licensed by the Department. (Sec. 304)

Conference Agreement on Items of Difference

4. **Standard Sections.** The Conference included several sections that were included in most budget bills as part of the target agreement. (Sec. 201, 202, 203, 223, 231, 208, 209, 211, 212, 214, 215, 226, 234, and 1201)
5. **Outside Legal Counsel.** The House and Conference retained a section prohibiting the Department from obtaining legal services that are the responsibility of the Attorney General. (Sec. 221)
6. **Cable TV Productions.** The House and Conference included a new section prohibiting the Department from producing TV shows. (Sec. 232)
7. **Fire Protection Grants – Local Reports.** The Conference included new language requiring certain information from local Fire Protection Grant recipients as a condition of receipt. (Sec. 301)
8. **Rule Promulgation.** The House and Conference included a new section prohibiting new rules from being promulgated that are more stringent than Federal standards unless authorized by statute. (Sec. 341)
9. **CET Earmark.** The Senate and Conference included a section which earmarks \$80,000 in Consultation Education and Training grants for the mining industry in Michigan. (Sec. 342)
10. **Regulatory Costs Report.** The House and Conference included a section requiring a report on revenue and statistics for the Department's regulatory program. (Sec. 368)
11. **Tax Tribunal Report.** The House and Conference included a section requiring a report on cases heard, cases decided, and other information on the Tax Tribunal. (Sec. 390)
12. **Medical Marihuana Reports.** The Senate and Conference included sections requiring a report on various information and statistics regarding the Medical Marihuana program. A report on the sufficiency of program fees was also required. (Sec. 726)
13. **Outsource Medical Marihuana Administration.** The Senate and Conference included a requirement that the Department establish a bid process for the takeover of medical marihuana program administration. (Sec. 727)
14. **Nursing Home Complaint Deficiencies.** The Senate and House included a section requiring the Department to identify and offer training on its most frequent complaint deficiencies. (Sec. 718)
15. **Vocational Rehabilitation Match Requirement.** The House and Conference retained a section establishing 21.3% as the maximum local match requirement for vocational rehabilitation facilities establishment grants.
16. **Bureau of Health Systems Report.** The Conference included a new section requiring a report on various statistics of facilities licensed by the Bureau. (Sec. 731)
17. **Investigations of Health Care Professionals.** The Senate and Conference included a section requiring the Department to give priority to investigations into instances alleged to have occurred within two years of the initial complaint.

Date Completed: 6-24-11

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FY 2010-11 Year-to-Date Gross Appropriation \$150,042,900

Changes from FY 2010-11 Year-to-Date:

Items Included by the Senate and House

- | | |
|--|-------------|
| 1. Grand Rapids Home Contractual Employees. The Governor, Senate, and House recommended the contracting out of 171 resident care aides positions currently under State employee status, an action estimated to save \$4.2 million GF/GP for FY 2011-12. | (4,200,000) |
| 2. Increase Firefighting Resources at Military Training Sites. The Governor, Senate, and House included Federal funds (along with 18.0 FTEs) to increase firefighting readiness at the Alpena and Battle Creek training sites. | 2,500,000 |
| 3. Military Retirement. The Governor, Senate, and House added GF/GP funds to pay for anticipated payments to retired Michigan Army and Air National Guard per P.A. 150 of 1967. | 200,000 |
| 4. Camp Grayling Demolition Range. The Governor, Senate, and House recommended additional Federal funds to create a light demolition range at the Camp Grayling National Guard training site. | 1,700,000 |
| 5. Land Acquisition Adjustment. The Governor, Senate, and House reduced funding to reflect actual required restricted revenue. | (500,000) |
| 6. Early Retirement Savings from FY 2010-11. | (204,000) |
| 7. Economic Adjustments. The Governor, Senate, and House included \$2,824,900 Gross and \$820,400 GF/GP. For DIT, a total of \$19,700 Gross and \$3,800 GF/GP. | 2,844,600 |

Conference Agreement on Items of Difference

- | | |
|---|---------|
| 8. Challenge Program. The Conference added additional school aid revenue to the program. | 100,000 |
| 9. Section 1 Format. The House bill featured a traditional line-item format, per FY 11. The Senate used an outcome based format. The Conference provided a hybrid between the two formats. | 0 |

Total Changes..... \$2,440,600

FY 2011-12 Enacted Gross Appropriation..... \$152,483,500

Changes from FY 2010-11 Year to Date:Conference Agreement on Items of Difference

1. **Civil Service 1% Charge** (House). Not Included
2. **Hiring Freeze** (House). Not Included
3. **Internet Posting of Expenditures** (House). Sec 207
4. **Requires all Reports to be on Internet** (House). Sec. 208
5. **Requires Retention of Records** (House). Sec. 212
6. **Allows for IT Charges** (House). Sec. 214
7. **Designates IT Projects as Work Projects** (House). Sec. 211
8. **Out of State Travel Guidelines** (House). Not Included
9. **Requires Notice Prior to Property Sale** (Senate). Sec. 223
10. **Schedule of Programs Disclaimer.** (Sec. 216)
11. **Prohibits Exclusion of Unions From Bid Process** (Senate). Sec. 227
12. **Requires Co-location of Facilities** (House). Sec. 226
13. **Report on Restricted Revenues.** (Sec. 229)
14. **Requires Assistance to County Counselors for Training** (Senate). Sec. 404
15. **Incentives to Increase County Counselors** (Senate). Sec. 404
16. **List of IDGs** (Senate). Sec. 204
17. **Improvements in Budget Efficiency** (Senate). Sec. 217
18. **Use for GF/GP Savings** (Senate). Sec. 218
19. **Requires Quarterly Meetings with Department** (Senate). Sec. 219
20. **Requires Various Program Data Reports** (Senate). Sec. 220
21. **Administrative and Fiscal Controls** (Senate). Sec. 301
22. **Operation of Armories** (Senate). Sec. 302
23. **Army Guard Readiness** (Senate). Sec. 303
24. **Army Guard Training Centers** (Senate). Sec. 304
25. **Readiness of Air Guard** (Senate). Sec. 305
26. **Air Guard Base Operations** (Senate). Sec. 306
27. **Core Services** (Senate). Sec. 222
28. **Requires Grant Recipients under Sec. 401 to Report Number of VA Claims Filed** (Senate). Sec. 221
29. **Requires Advice, Advocacy and Assistance to Veterans** (Senate). Sec. 401
30. **Veterans Trust Fund Operations** (Senate). Sec. 402
31. **Military Family Relief Fund** (Senate). Sec. 403
32. **Michigan Youth Challenge** (Senate). Sec. 405
33. **State Veterans' Homes** (Senate). Sec. 501
34. **Provides for Anticipated FY 2012-13 Appropriations** (Senate). Sec. 1201

Date Completed: 6-27-11

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FY 2010-11 Year-to-Date Gross Appropriation \$323,302,700

Changes from FY 2010-11 Year-to-Date:

Items Included by the Senate and House

- 1. **Mackinac Island State Park.** The Governor, Senate and House removed GF/GP support for this program and replaced it with Park Endowment Fund revenue, which would save \$1,561,900 GF/GP. Park Endowment Funds for this program would be appropriated in the same line as the other State parks. 0
- 2. **Historical Programs.** The Governor, Senate and House rolled these programs into a single "schedule of programs" line as well as reducing GF/GP funding and 2.0 FTEs. (253,100)
- 3. **Natural Resources Heritage.** The Governor, Senate and House eliminated GF/GP support for the endangered species studies conducted by the MSU Extension. (124,400)
- 4. **Administrative Reductions.** The Governor, Senate and House included GF/GP reductions to various administrative programs. (184,700)
- 5. **Recreation Passport Revenue.** The Governor, Senate and House included increases in spending to various recreation programs due to expected new revenue from the Recreation Passport. These programs include: State Parks, Forest Recreation, and local grants. New revenue estimates are based on an assumed 30% participation rate in the Passport program. 3,114,000
- 6. **Economic Adjustments.** DTMB Economics: \$216,900 Gross, \$26,000 GF/GP. 6,723,900
- 7. **Other Changes.** Other changes include various GF/GP reductions, adjustment from FY 2009-10 retirement incentives, and capital outlay adjustments. (2,410,100)

Conference Agreement on Items of Difference

- 8. **Captive Cervid Fees.** The Governor recommended increasing license fees for captive cervidae (deer, elk, etc.) facilities. This increase would allow the program to fund itself and no longer require \$115,000 GF/GP appropriation. The House and Senate did not include revenue from these fees; the Senate did make the GF/GP reduction, the House retained current-year funding. The Conference maintained current-year funding. 0
- 9. **GF/GP Reductions.** The House included \$226,800 in GF/GP reductions. The Conference did not include these reductions. 0
- 10. **Cormorant Population Control.** The Senate included \$100,000 for this program, a \$50,000 increase from the current year. The House removed the appropriation entirely. The Conference included \$100,000. 50,000
- 11. **Freedom Trail Commission.** The Governor and Senate removed funding for this program. The House retained a \$100 placeholder. The Conference removed the item. (22,500)
- 12. **FY 2011-12 One-Time Appropriations.** The Senate included \$2.5 million from the State Waterways Fund for a new breakwall at the Grand Marais harbor. The House included a \$100 placeholder. The Conference included \$4.0 million GF/GP for this project.

Total Changes..... \$6,893,100

FY 2011-12 Enacted Gross Appropriation..... \$330,195,800

Changes from FY 2010-11 Year to Date:Items Included by the Senate and House

1. **Land Transactions Report.** The Governor removed, and the House, Senate and Conference restored a section requiring this report. (Sec. 308)
2. **Livestock Indemnification Payments.** The Governor removed, and the House, Senate, and Conference restored a section requiring these payments. (Sec. 402)

Conference Agreement on Items of Difference

3. **Standard Boilerplate Sections.** The Conference included several sections that were included in most budgets as part of the target agreement. (Sec. 201, 202, 203, 215, 234, 205, 210, 216, 217, 208, 212, 220, 222, 1101, and 1201)
4. **Travel Restrictions.** The Governor and Senate removed, and House restored sections restricting out-of-state travel by the Department. The Conference removed these sections.
5. **Historical Program Fees.** The Governor and House removed language that prohibits the Department from charging admission fees to minors at the Michigan Historical Museum. The Senate and Conference included this prohibition with the caveat that revenues must be high enough to support excluding children. (Sec. 306)
6. **Oil and Gas Lease Report.** The Senate included new language requiring a report on oil and gas leases. The Conference included this report with slight modifications from the Senate version. (Sec. 309)
7. **Dam Certification.** The House included new language prohibiting the Department from impeding the certification process for dams. The Conference included this section. (Sec. 502)
8. **State Forest Campgrounds.** The House and Senate included different sections relating to the closure of State forest campgrounds. The Conference included two sections; one requires a report on the mini-State park initiative project outlined in the current-year budget (Sec. 707), the other states legislative intent that these campgrounds remain open. (Sec. 706)
9. **Settlement Property Leases.** The House included a new section requiring the Department to extend leases on property from the Consumer's Power Company settlement agreement for fair market value. The Conference did not include this section.
10. **Department Aircraft Report.** The House included a new section requiring the Department to compile a report detailing aircraft usage by the Department. The Conference included this section. (Sec. 710)
11. **Timber Marking.** The House increased the number of acres the Department is required to prescribe treatment to from 63,000 to 95,000, and the number prepared for harvest from 58,000 to 77,000. The Conference increased these numbers to 79,000 and 67,500, respectively. (Sec. 702)
12. **FY 2012-13 Anticipated Appropriations.** The House included a separate set of line-items for the anticipated FY 2012-13 appropriations. The Senate included a section of boilerplate. The Conference included a modified version of the Senate's boilerplate section. (Sec. 1201)

Date Completed: 6-24-11

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FY 2010-11 Year-to-Date Gross Appropriation \$532,631,400

Changes from FY 2010-11 Year-to-Date:

Items Included by the Senate and House

- 1. **Field Services Restructure.** The Governor, Senate, and House recommended a restructuring of post services. (3,208,500)
- 2. **Closure of Rockford.** The Governor, Senate, and House recommended closure of the center, reducing 12.0 FTE positions and saving \$1.0 million GF/GP. (1,000,000)
- 3. **Elimination of Collins Road Lease.** The Governor, Senate, and House included a plan to move the Emergency Management Division, saving \$750,000 GF/GP in rent costs. (750,000)
- 4. **Trooper Overtime.** The Governor, Senate, and House included a GF/GP reduction in trooper overtime. (4,641,200)
- 5. **School Bus Inspection Funding Restoration.** The Governor, Senate, and House restored the inspection unit to previous years' levels from 4.0 to 15.0 FTEs. 1,047,400
- 6. **Adjustment for Federal/Restricted Funds Received.** (12,499,300)
- 7. **Early Retirement Savings from FY 2010-11.** (1,859,900)
- 8. **Other Reductions.** (10,255,200)
- 9. **Fund Shifts** The Governor, House, and Senate proposed a fund shift, resulting in a net GF/GP reduction. (922,500)
- 10. **Economic Adjustments.** The Governor, House, and Senate included \$22,631,300 Gross and \$18,326,700 GF/GP. For DIT, a total of \$308,500 Gross and \$200,600 GF/GP. 22,940,400

Conference Agreement on Items of Difference

- 11. **Increase Fingerprint Analysis Fee.** The Governor and Senate included an increase in the fingerprint analysis fee, saving \$3.0 million GF/GP. The Conference rejected the plan. 0
- 12. **House Reductions.** The House made reductions to fire investigation (\$132,100), Parole Absconder sweeps (\$12,100), and traffic services (\$143,900). The Conference rejected reductions. 0
- 13. **Other House Reductions.** The House made reductions to Maintenance and Utilities (\$44,800), Mental Health Awareness Training (\$99,900), and Detroit lab (\$100). The Conference shifted reductions to Laboratory Operations. 0
- 14. **Homeland Security Grant to Legislature.** House eliminated (\$200,000). Conference included \$100. (199,900)
- 15. **Tobacco Tax Enforcement.** Senate added \$3.0 million; Conference concurred. 3,000,000
- 16. **Fire Investigation Training to Locals.** Conference shifted \$50,000 to Lab Operations. 0
- 17. **FY 2011-12 One-time Appropriations.** Conference included \$800,000 for MIS Traffic Control Support. 0
- 18. **Section 1 Format.** House bill featured a traditional line-item format, per FY 11. The Senate used an outcome-based format. Conference provided a hybrid of the two formats. 0

Total Changes..... (\$8,348,700)

FY 2011-12 Enacted Gross Appropriation..... \$524,282,700

Changes from FY 2010-11 Year to Date:Conference Agreement on Items of Difference

1. **Civil Service 1% Charge** (House). Not Included
2. **Hiring Freeze** (House). Not Included
3. **Privatization Notice** (House). Sec. 223
4. **Reports on Internet** (House). Sec. 208
5. **Record Retention** (House). Sec. 212
6. **Schedule of Programs Disclaimer**. Sec. 216
7. **Trooper School** (House). Not Included
8. **Out of State Travel Guidelines** (House). Sec. 213
9. **Internet Posting of Expenditures** (House). Sec. 207
10. **Requires Probation Info. on LEIN** (Senate). Sec. 306
11. **Require Liaison Role for Local Tower Use** (Senate). Sec. 232
12. **Requires LEIN Fee Notice** (Senate). Sec. 306
13. **Restricted Fund Report**. Sec. 229
14. **Mental health Awareness Grant**. Not Included
15. **Homeland Security First Responder Grants Prohibited from Supplanting Existing Expenditures** (Senate). Sec. 502
16. **List of IDGs-Incoming** (Senate). Sec. 204
17. **List of IDGs-Outgoing** (Senate). Sec. 205
18. **Requires Improvement Efficiency** (Senate). Sec. 217
19. **Use of GF/GP Savings** (Senate). Sec. 218
20. **Quarterly Reports by Department** (Senate). Sec. 219
21. **List of Core Services** (Senate). Sec. 221
22. **Inspection of Worksites** (Senate). Sec. 226
23. **Monitoring of Interoperability** (Senate). Sec. 227
24. **Forensic Testing Services** (Senate). Sec. 301
25. **Delivery of Training** (Senate). Sec. 302
26. **MCOLES Operations** (Senate). Sec. 303
27. **Maintenance of Criminal History System** (Senate). Sec. 304
28. **Fingerprint/Background Checks** (Senate). Sec. 305
29. **Maintenance of LEIN** (Senate). Sec. 306
30. **Oversight of Traffic Safety** (Senate). Sec. 401
31. **Criminal Investigations** (Senate). Sec. 402
32. **Fire Investigations Services** (Senate). Sec. 403
33. **Sex Offenders' Registry** (Senate). Sec. 404
34. **Specialty Services** (Senate). Sec. 405
35. **Regional Communications Centers** (Senate). Sec. 406
36. **Capitol Security** (Senate). Sec. 407
37. **Disaster Response** (Senate). Sec. 408
38. **Law Enforcement Delivery Model** (Senate). Sec. 409
39. **Michigan Intelligence Operation Center** (Senate). Sec. 501
40. **HAZMAT Training** (Senate). Sec. 502
41. **Emergency Command Center** (Senate). Sec. 503
42. **Public Safety Campaigns** (Senate). Sec. 504
43. **Grant Program Administration** (Senate). Sec. 505
44. **Guidelines for FY 2012-13 Appropriations**. Sec. 1201
45. **One-time Funding - \$800,000 for Michigan International Speedway Traffic Control**. Sec. 1001

Date Completed: 6-27-11

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FY 2010-11 Year-to-Date Gross Appropriation \$3,235,819,300

Changes from FY 2010-11 Year-to-Date:

Items Included by the Senate and House

1. **Debt Service.** Governor, Senate, and House increased funding for scheduled debt service payments. 40,660,400
2. **Interdepartmental Grants (IDGs).** The Governor, Senate, and House adjusted funding for grants to other departments to adjust for variations in revenue. 1,388,400
3. **State Restricted Revenue.** The Governor, Senate, and House increased expenditures for road and bridge programs to align them with anticipated revenue. The increases were: State Trunkline Roads - \$96,083,800; County Road Commissions - \$19,245,700; Cities and Villages - \$10,730,400; and Local Bridge Program - \$452,700. 126,512,600
4. **State Trunkline Reduction.** The Senate and House removed the \$50.0 million in anticipated revenue assumed by the Governor to have come from reimbursements from Canada associated with the New International Trade Crossing. (50,000,000)
5. **Capital Outlay and Related.** The Governor, Senate, and House reduced payments for Airport Safety, Protection, and Improvement programs by \$13.5 million. Funding of \$9.9 million was removed that was to be used for facilities associated with the Blue Water Bridge expansion. (23,385,400)
6. **Federal Match Funding.** The Governor, Senate, and House reduced State Trunkline Funding in several line items to increase the amount available for Federal match requirements. (20,222,000)
7. **Other Revenue-based Adjustments.** The Governor, Senate, and House reduced expenditures from various funds to reflect anticipated revenue, including \$2.0 million in decreases in several line items due to lower than anticipated State Aeronautics Fund revenues and a decrease of \$1.2 million in restricted funds for intercity bus services. (3,164,200)
8. **Economic Adjustments.** The Governor, Senate, and House included \$14.2 million Gross and no GF/GP increase for economics. 14,207,200
9. **Other Changes.** The Governor, Senate, and House recommended miscellaneous adjustments in several line items to reflect changes in restricted and federal revenue estimates. The largest items included the transfer of \$2.6 million and 27.0 FTEs from DNR/DEQ for accounting services, a reduction of \$2.9 million in the State Trunkline Fund to increase amount available for Federal match, and the removal of \$1.0 million for one-time funding for the Light Rail project in Detroit. 5,954,400

Conference Agreement on Items of Difference

10. **Road and Bridge Funding Increases.** The House shifted \$20.0 million in CTF funding from the Local Bus Operating and Bus Capital line item - \$10.0 million each to the Road and Bridge and the County Road Commissions line items. The Conference did not include. 0
11. **Comprehensive Transportation Fund (CTF) Reduction.** The Senate reduced the Bus Capital line item by \$15.0 million. If anticipated statutory changes are made, the reduction will allow these funds to flow to the General Fund. The House did not include this change and instead shifted a total of \$20.0 million to Road and Bridge projects. The Conference did not include. 0
12. **FY 1022-12 One-Time Appropriations.** The Conference Report included GF/GP funding of \$500,000 for the maintenance and repair of two swing bridges.

Total Changes..... \$91,951,400

FY 2011-12 Enacted Gross Appropriation..... \$3,327,770,700

Changes from FY 2010-11 Year to Date:Items Included by the Senate and House

1. **Definitions.** The Governor deleted a number of definitions that are no longer used in the bill. The Senate retained this Section. The House retained the section, but eliminated "AASHTO" and "ASTM" from the definitions. The Conference Report concurred with the Governor and Senate. (Sec. 203).
2. **Confidential Bid Information.** Provide conditions for certain proprietary information to be kept confidential. Senate and House retained current language. (Sec. 304)
3. **Unspent Trunkline Funds.** Specifies unencumbered and unexpended funds are carried forward and appropriated. Senate and House retained current language. (Sec. 312)

Conference Agreement on Items of Difference

4. **Deleted Sections. RETAINED** the following sections that were eliminated by either the Senate or House: 202, 204, 207, 263, 303, 305, 306(2), 307, 309, 310, 319, 357, 383, 393, 398, 401, 601, 602, 603, 610, 612, 664, 703, 708, 711, 714, 731, 734, and 740. The Conference Report **DELETED** the following sections that were eliminated by either the Senate or the House: 205, 210, 314, 321, 322, 374, 376, 394, 395, 399, 502, 604, 607, 608, 615, 654, 656, 658, 659, 661, 662, 665, 709, 741, 743, and 745.
5. **IT Work Projects.** House added new language stating that unspent IT funds may be carried forward and designated as work projects. Senate did not include this language. Conference concurred with House. (Sec. 211)
6. **GF/GP Lapse Report.** House added new language requiring a report by September 30, 2011, providing an estimate of GF/GP appropriation lapses. Conference Report concurred with House and changed date to November 15. (Sec. 228)
7. **Restricted Fund Balances.** The Conference Report added new language stating that within 14 days following the release of the executive budget recommendation, the department shall provide an annual report on estimated State restricted fund balances, projected revenues, and projected expenditures. (Sec. 229)
8. **Remanufactured Parts.** Senate added language requiring the Department to use remanufactured parts when possible for maintenance and repair of State owned vehicles excluding State Police vehicles. Conference concurred with Senate. (Sec. 270)
9. **Public Hearing for Bridge Authorities.** The Senate retained the requirement for public hearings while the House removed the hearing requirement. The Conference Report retains the hearing requirement. (Sec. 301)
10. **Contract Compliance.** The House added new language stating that a contractor's prequalification rating shall not be reduced or restricted until all administrative appeals have been completed. The Conference concurred with the House and added language allowing the department to take immediate action regarding prequalification ratings for public safety reasons or to prevent fraud and malfeasance of public funds. (Sec. 308)
11. **Women- and Minority-Owned Businesses.** The House re-wrote the section and replaced "women- and minority-owned businesses" with "disadvantaged business program" and limited contracts with such programs to 5% and a maximum of 5 years under that classification. Conference does not include this section.
12. **Sale of Airplane.** House added new language requiring the Department to sell one of two Twin Turbo Prop airplanes and the proceeds to be credited to the SAF. Conference adopted new language requiring the Department and State budget office to provide for an independent study of the State's need for a State aircraft fleet. (Sec 382)
13. **State-Owned Aircraft Use.** Imposes requirements, prohibitions, and a quarterly report regarding the use of aircraft. The Senate changed reporting requirement to annually. House eliminated this section. Conference concurred with the Senate. (Sec. 383)
14. **Best Practices for Public Transportation.** Directs the Department to promote best practices for public transportation. Subsection b requires coordination with the MEDC to promote transition of bus fleets to hybrid transit vehicles to promote fuel economy. The Senate retained current language. The House deleted this section. The Conference retained the section but removed subsection b. (Sec. 393)
15. **Recycled Materials.** Senate deleted this section. House added a new subsection 2 that requires the Dept. to evaluate the use of a bituminous mix that incorporates crumb rubber from scrap tires. Conference concurred with House. (Sec. 660)
16. **DRIC.** The Senate and House included language disallowing any expenditures on DRIC or a renamed successor unless the Legislature adopts enabling legislation allowing for construction of a new bridge. The Conference added language stipulating that funds cannot be spent for construction or construction planning. (Sec. 384)
17. **One-Time Appropriation.** The Conference Report added new language providing for one-time GF/GP funding of \$500,000 for the maintenance of two swing bridges. (Sec. 1001)