



Senate Fiscal Agency
 P. O. Box 30036
 Lansing, Michigan 48909-7536

BILL



ANALYSIS

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

See Individual Highlight Sheet for Department Detail

Throughout this document:

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

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

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

Conference Agreement on Items of Difference

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

Date Completed: 5-29-12

Fiscal Analyst: Elizabeth Pratt



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

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

Items Included by the Senate and House

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

Conference Agreement on Items of Difference

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

Total Changes \$10,491,600

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

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

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

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

Conference Agreement on Items of Difference

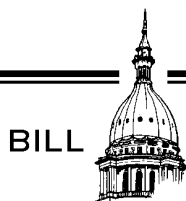
2. **Appropriation of Foreclosure Lawsuit Proceeds.** House added language to require that all proceeds from a lawsuit or settlement related to mortgage foreclosure fraud are state funds and are subject to appropriation. Conference did not include. (Sec. 313)
3. **Report on Proceeds of Lawsuits.** House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

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

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

Items Included by the Senate and House

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

Conference Agreement on Items of Difference

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

Total Changes \$1,035,300

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

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

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

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

Conference Agreement on Items of Difference

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

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

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

Items Included by the Senate and House

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

Total Changes **\$288,700**

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

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

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

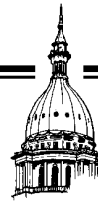
1. There previously were no boilerplate sections for the Executive Office. Governor added one general section listing the total State spending from State resources and the payments to local units of government. Senate and House did not include this section. (Sec. 8-201)
2. **One-Time Appropriations.**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

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

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

Items Included by the Senate and House

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

Conference Agreement on Items of Difference

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

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

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

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

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

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

Conference Agreement on Items of Difference

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

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

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

Items Included by the Senate and House

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

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

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

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

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

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

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

Items Included by the Senate and House

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

Conference Agreement on Items of Difference

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

Total Changes \$8,784,300

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

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

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

1. **Re-numbering of Sections.** Sections of boilerplate that have been retained in the Governor's budget are re-numbered accordingly for Article 15. Senate and House did not concur with the Governor.
2. **Total State Spending.** Governor provided a new section stating the amount of total State spending from State resources and the amount of payments to local units of government. Senate and House deleted this section. (Sec. 15-201)
3. **Automatic Teller Machine (ATM).** Governor included definition for ATM. Senate and House moved definition to Section 203. (Sec. 15-202)
4. **Legal Services.** Governor included language prohibiting the Department from using funds to hire legal services that are the responsibility of the Attorney General. Senate and House moved this to Section 226. (Sec. 15-203)
5. **Branch Office Closings.** At least 180 days prior to the announcement of Secretary of State branch office closings or consolidations, or 60 days prior to relocating a branch office, the Department of State shall inform members of the Senate and House of Representatives Standing Committees on Appropriations and Legislators who represent affected areas regarding the details of the proposal. The Governor eliminated the written notice requirement in this section. Senate and House retained written notice requirement. (Sec. 714)
6. **Buena Vista Branch Office.** Requires the Department to maintain a full service branch office in Buena Vista Township. Governor removed this section. Senate and House retained this section. (Sec. 718)
7. **General Fund Expenditures.** Requires the Department to use State restricted funds before using General Fund dollars. Governor removed this section. Senate and House retained this section. (Sec. 719)
8. **One-Time Appropriations.** Governor provided for one-time appropriations totaling \$1.5 million for State employee lump sum payments. Senate and House moved funding to new unit in Part 1. (Sec. 15-401)
9. **Deletions.** In keeping with the condensed structure of the Governor's budget, the following current-year language sections and/or subsections were not included: 705(5), 711(2), and 716b. The majority of these sections required the Department to provide either reports or notifications to the Legislature. Senate and House retained sections 705(5) and 716(b).

Conference Agreement on Items of Difference

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

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

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

Items Included by the Senate and House

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

Conference Agreement on Items of Difference

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

Total Changes \$62,639,300

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

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

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

- a) Provides that funds appropriated in Part 1 for the Motor Vehicle Fleet are for administration and for acquisition, lease, operation, maintenance, repair, replacement, and disposal of State motor vehicles.
 - b) Appropriations in Part 1 shall be funded from rates charged to State departments and agencies for utilizing vehicle travel services. Provides that revenue may be carried forward to the next fiscal year.
 - c) Requires DTMB to develop a plan that includes the number of vehicles assigned to departments and agencies; efforts to reduce vehicle expenditures, the number of cars in the motor vehicle fleet, the number of miles driven by fleet vehicles, and the number of gallons of fuel consumed by fleet vehicles.
 - d) Allows the Department to charge State agencies for fuel cost increases that exceed the average retail price of \$2.27 per gallon and requires the Department to give a 30-day notice before a fuel surcharge is implemented.
 - e) Requires Department to use remanufactured parts, whenever economically feasible, when repairing fleet vehicles.
- Governor removed Subsections 3 and 5 (items c and e above). Governor also changed rate to \$3.04 in Subsection 4 (item d above). Senate and House concurred with rate change but retained Subsections 3 and 5. (Sec. 813)
2. **Unclassified Salaries.** Language required the Dept. to compile a report by January 1 pertaining to the salaries of unclassified employees and gubernatorial appointees. Gov. removed this section. Senate and House retained. (Sec. 822)
 3. **Deletions.** In keeping with the condensed structure of the Governor's budget, the following current-year language sections and/or subsections were not included: 803(5), 823(4), 824 (required report only), 827(4) however, carryforward language was retained, 828, 829, 830, 832, 840(4), 843, 860 (only deletes "JCOS" from definitions), and 862. The majority of these sections required the Department to provide either reports or notifications to the Legislature. Senate and House retained: 823(4), 824, 827(4), 829, 830, 840(4), 843, 860, and 862.
 4. **One-Time Appropriations.** Governor provided for one-time appropriations totaling \$21.7 million for State facility special maintenance, \$10.0 million; space consolidation, \$7.0 million; and \$4.7 million for State employee lump sum payments. (Sec. 17-801) Senate and House moved funding to a new unit in Part 1.
 5. **Special Maintenance and Remodeling.** Governor included language stating that in addition to the GF/GP appropriation in Part 1 and Sec. 17-801 for special maintenance and remodeling, related Federal and State restricted funds will be appropriated up to the amounts that will be earned based upon the initiatives undertaken with the funds in Part 1. Senate and House concurred but removed reference to Sec. 17-801 and moved to general section. (Sec. 233)
 6. **Enterprisewide IT Investments.** Gov. included language stating that in addition to the GF/GP appropriation in Part 1 and Sec. 17-802 and for enterprisewide information technology investments, related Federal and State restricted funds will be appropriated up to the amounts that will be earned based upon the initiatives undertaken with the funds in Part 1. Senate and House concurred but removed reference to Sec. 17-802 and moved to general section. (Sec. 234)

Conference Agreement on Items of Difference

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

Date Completed: 5-29-12

Fiscal Analyst: Joe Carrasco

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations.



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

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

Items Included by the Senate and House

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

Conference Agreement on Items of Difference

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

Total Changes \$38,214,500

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

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

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

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

Conference Agreement on Items of Difference

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

Date Completed: 5-29-12

Fiscal Analyst: Elizabeth Pratt



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

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

Items Included by the Senate and House

- 1. **Debt Service Scheduled Payments.** Governor recommended a reduction of \$373,100 in the cost of State debt service payments on general obligation bonds issued for voter-approved environmental programs. This reflects the net change in the cost of payments of principal and interest on four programs: These programs are Water Pollution Control Bonds, Quality of Life Bonds, Clean Michigan Initiative, and Great Lakes Water Quality Bonds. The Governor projected that additional bonds will be issued for the Clean Michigan Initiative and Great Lakes Water Quality Bond Program in FY 2012-13. Senate and House concurred. (373,100)

- 2. **Debt Service Fund Shift.** Governor recommended a fund shift to reduce use of revenue from the Refined Petroleum Fund for payment of debt service on Quality of Life bonds. The appropriations from the Refined Petroleum Fund would decrease by \$10,000,000 which would be replaced by \$10,000,000 GF/GP. Senate and House concurred. 0

Total Changes (\$373,100)

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

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

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

1. No boilerplate changes were recommended

Date Completed: 5-29-12

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

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

Items Included by the Senate and House

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

Conference Agreement on Items of Difference

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

Total Changes \$68,595,800

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

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

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

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

Conference Agreement on Items of Difference

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

Date Completed: 5-29-12

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

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

Items Included by the Senate and House

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

Conference Agreement on Items of Difference

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

Total Changes \$615,500

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

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

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

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

Conference Agreement on Items of Difference

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

Date Completed: 5-29-12

Fiscal Analyst: Elizabeth Pratt

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations.