

FY 2013-14: TOTAL GENERAL GOVERNMENT
Summary: As Reported by the House Subcommittee
House Bill 4220 (H-1) Draft 2



Analyst: Ben Gielczyk and Paul Holland

IDG/IDT	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Revised Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Enacted	Difference: House From FY 2012-13 YTD	
						Amount	%
	\$692,338,500	\$738,737,400	\$738,837,400			\$46,498,900	6.7
Federal	722,234,100	700,910,000	700,910,000			(21,324,100)	(3.0)
Local	8,007,000	7,713,800	7,713,800			(293,200)	(3.7)
Private	5,989,000	6,086,100	6,086,100			97,100	1.6
Restricted	1,889,005,100	1,926,743,900	1,931,095,300			42,090,200	2.2
GF/GP	1,018,018,000	1,052,945,600	951,193,700			(66,824,300)	(6.6)
Gross	\$4,335,591,700	\$4,433,136,800	\$4,335,836,300			\$244,600	0.0
FTEs	7,766.7	7,675.7	7,640.7			(111.0)	(1.4)

Notes: (1) FY 2012-13 year-to-date (YTD) figures include mid-year budget adjustments through February 7, 2013.
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.

Overview

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

Major Boilerplate Changes From FY 2012-13

GENERAL SECTIONS OF BOILERPLATE

Sec. 211. Budget Stabilization Fund Pay-in - REVISED

Appropriates \$140.0 million from GF/GP revenue into the Countercyclical Budget and Economic Stabilization Fund. Executive revises to appropriate \$75.0 million. House revises to appropriate \$50.0 million.

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

Requires departments and agencies to provide a detailed report on the number of actual full-time equated and part-time positions within each department; requires the report to include total compensation appropriated for each position. Executive deletes section. House retains section.

Sec. 232. Measurable Outcomes - DELETED

Requires departments to identify and rank by importance 10 measurable outcomes to be affected by expenditure of appropriations; requires biannual updates on the measurable outcomes; requires 5 measurable outcomes, rather than 10, for smaller departments/agencies. Executive deletes section. House concurs.

Sec. 1201. Anticipated FY 2014-15 Appropriations

States legislative intent to provide appropriations for FY 2014-15, adjusting FY 2013-14 amounts based on economic and other factors.

FY 2013-14: DEPARTMENT OF ATTORNEY GENERAL
Summary: As Reported by the House Subcommittee
House Bill 4220 (H-1) Draft 2



Analyst: Ben Gielczyk

	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Revised Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Enacted	Difference: House From FY 2012-13 YTD	
						Amount	%
IDG/IDT	\$24,082,100	\$27,355,500	\$27,355,500			\$3,273,400	13.6
Federal	9,932,600	9,838,200	9,838,200			(94,400)	(1.0)
Local	0	0	0			0	--
Private	0	0	0			0	--
Restricted	17,242,000	17,631,900	17,631,900			389,900	2.3
GF/GP	33,825,800	34,481,300	34,187,500			361,700	1.1
Gross	\$85,082,500	\$89,306,900	\$89,013,100			\$3,930,600	4.6
FTEs	514.0	517.0	517.0			3.0	0.6

Notes: (1) FY 2012-13 year-to-date (YTD) figures include mid-year budget adjustments through February 7, 2013.
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.

Overview

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

		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
Major Budget Changes From FY 2012-13 YTD Appropriations			
1. Memoranda of Understanding - Legal Services	Gross	N/A	\$2,124,200
<u>Executive</u> includes \$2.1 million Gross (\$0 GF/GP) as an IDG from Departments of Community Health, Human Services, and Licensing and Regulatory Affairs to cover the costs of legal services provided under new Memoranda of Understanding (MOUs). <u>House</u> concurs.	IDG	N/A	2,124,200
	GF/GP	N/A	\$0
2. Department of Human Services Fraud Prevention	FTE	N/A	3.0
<u>Executive</u> includes \$500,000 Gross (\$0 GF/GP) and 3.0 FTEs to partner with the Department of Human Services to increase fraud prevention, detection, prosecution, and recoupment. <u>House</u> concurs.	Gross	N/A	\$500,000
	IDG	N/A	500,000
	GF/GP	N/A	\$0
3. Information Technology Adjustments	Gross	\$1,371,300	\$10,900
<u>Executive</u> includes \$53,100 Gross (\$53,100 GF/GP) to support information technology investments in wireless infrastructure and Internet bandwidth. Funds will also support Microsoft Enterprise Agreement and Center for Shared Solutions Framework. <u>House</u> concurs but removes \$42,200 GF/GP in funding associated with wireless infrastructure and Internet bandwidth.	GF/GP	\$1,371,300	\$10,900
4. Removal of One-Time Appropriations	Gross	\$1,025,900	(\$1,025,900)
<u>Executive</u> removes \$1.0 million (\$393,300 GF/GP) in FY 2012-13 one-time negotiated lump-sum payments to state employees. <u>House</u> concurs.	IDG	297,300	(297,300)
	Federal	122,600	(122,600)
	Restricted	212,700	(212,700)
	GF/GP	\$393,300	(\$393,300)
5. Operations Reduction	Gross	N/A	(\$251,600)
<u>House</u> includes funding reduction of \$251,600 GF/GP to meet targets. Reduction is spread to various line items.	GF/GP	N/A	(\$251,600)

<u>Major Budget Changes From FY 2012-13 YTD Appropriations</u>	<u>FY 2012-13 Year-to-Date (as of 2/7/13)</u>	<u>FY 2013-14 House Change</u>
6. Economic Adjustments	Gross	N/A
<u>Executive</u> includes funding to reflect increased costs of \$2.6 million Gross (\$1.0 million GF/GP) for negotiated salary and wage amounts (1.0%), insurance rate increases, actuarially-required retirement rate increases, and other economic adjustments. <u>House</u> concurs.	IDG	946,500
	Federal	28,200
	Restricted	602,600
	GF/GP	\$995,700

Major Boilerplate Changes From FY 2012-13

There are no major boilerplate changes recommended for FY 2013-14.

Sec. 1201. Anticipated FY 2014-15 Appropriations

States legislative intent to provide appropriations for FY 2014-15, adjusting FY 2013-14 amounts based on economic and other factors.

FY 2013-14: DEPARTMENT OF CIVIL RIGHTS
Summary: As Reported by the House Subcommittee
House Bill 4220 (H-1) Draft 2



Analyst: Ben Gielczyk

IDG/IDT	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Revised Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Enacted	Difference: House From FY 2012-13 YTD	
						Amount	%
	\$0	\$0	\$0			0	--
Federal	2,641,300	2,690,200	2,690,200			48,900	1.9
Local	0	0	0			0	--
Private	18,700	18,700	18,700			0	0.0
Restricted	151,900	151,900	151,900			0	0.0
GF/GP	11,953,600	12,337,500	11,771,500			(182,100)	(1.5)
Gross	\$14,765,500	\$15,198,300	\$14,632,300			(\$133,200)	(0.9)
FTEs	127.0	128.0	113.0			1.0	0.8

Notes: (1) FY 2012-13 year-to-date (YTD) figures include mid-year budget adjustments through February 7, 2013.
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.

Overview

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

		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
Major Budget Changes From FY 2012-13 YTD Appropriations			
1. Division on Deaf and Hard of Hearing			
	FTE	5.0	1.0
<u>Executive</u> includes \$100,000 GF/GP to provide increased educational support for persons taking the Sign Language Interpreters Examination. Funds will also support efforts to reduce time required to review and score examination. <u>House</u> concurs.	Gross	\$654,700	\$100,000
	Private	18,700	0
	Restricted	93,400	0
	GF/GP	\$542,600	\$100,000
	Gross	\$196,500	\$54,000
	GF/GP	\$196,500	\$54,000
2. Hispanic and Latino Commission			
<u>Executive</u> includes \$54,000 GF/GP to increase assistance services for new Hispanic and Latino residents in the State of Michigan. Services provided include translation, outreach, and partnerships with local organizations. <u>House</u> concurs.	Gross	N/A	(\$556,600)
	GF/GP	N/A	(\$556,600)
3. Operations Reduction			
<u>House</u> reduces operations funding by \$556,600 GF/GP.	Gross	N/A	(\$3,300)
	GF/GP	N/A	(\$3,300)
4. Information Technology			
<u>Executive</u> includes \$6,100 GF/GP for various statewide Information Technology (IT) adjustments (both increases and decreases). Specifically, IT funding will support investments in wireless infrastructure, Internet bandwidth, Microsoft Enterprise Agreement, and Center for Shared Solutions Framework. <u>House</u> concurs but removes \$9,400 GF/GP funding for investments in wireless infrastructure and Internet bandwidth.	Gross	N/A	(\$128,900)
	GF/GP	N/A	(\$128,900)
5. Removal of One-Time Appropriations			
<u>Executive</u> removes \$128,900 Gross (\$104,300 GF/GP) designated as one time appropriations in FY 2012-13 for employee lump-sum payments. <u>House</u> concurs.	Gross	\$128,900	(\$128,900)
	Federal	24,600	(24,600)
	GF/GP	\$104,300	(\$104,300)
6. Removal of Full-Time Equated Positions			
<u>House</u> removes 15.0 FTEs from Civil Rights Operations line item.	FTE	114.0	(15.0)

<u>Major Budget Changes From FY 2012-13 YTD Appropriations</u>	<u>FY 2012-13 Year-to-Date (as of 2/7/13)</u>	<u>FY 2013-14 House Change</u>
6. Economic Adjustments	Gross	N/A
Executive includes funding for increased costs of \$401,600 Gross (\$328,100 GF/GP) for negotiated salary and wage amounts (1.0%), insurance rate increases, actuarially-required retirement rate increases, and other economic adjustments. <u>House</u> concurs.	Federal	73,500
	GF/GP	\$328,100

Major Boilerplate Changes From FY 2012-13

Sec. 404. Operations Report – NEW

Requires the Department of Civil Rights to report on various operations information. House adds as new section.

Sec. 405. Federal Complaint Report – NEW

Requires the Department of Civil Rights to notify the Legislature and State Budget Office prior to submitting a report of complaint to the United States Commission on Civil Rights or other federal department. House adds as new section.

Sec. 1201. Anticipated FY 2014-15 Appropriations

States legislative intent to provide appropriations for FY 2014-15, adjusting FY 2013-14 amounts based on economic and other factors.

FY 2013-14: EXECUTIVE OFFICE
Summary: As Reported by the House Subcommittee
House Bill 4220 (H-1) Draft 2



Analyst: Ben Gielczyk

IDG/IDT	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Revised Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Enacted	Difference: House From FY 2012-13 YTD	
						Amount	%
	\$0	\$0	\$0			0	--
Federal	0	0	0			0	--
Local	0	0	0			0	--
Private	0	0	0			0	--
Restricted	0	0	0			0	--
GF/GP	4,887,900	4,970,000	4,970,000			82,100	1.7
Gross	\$4,887,900	\$4,970,000	\$4,970,000			\$82,100	1.7
FTEs	84.2	84.2	84.2			0.0	0.0

Notes: (1) FY 2012-13 year-to-date (YTD) figures include mid-year budget adjustments through February 7, 2013.
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.

Overview

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

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
1. Executive Office Operations	Gross	\$3,708,500	\$97,800
<u>Executive</u> includes \$97,800 GF/GP to increase investment in Executive Office operations. <u>House</u> concurs.	GF/GP	\$3,708,500	\$97,800
2. Removal of One-Time Appropriations	Gross	\$58,700	(\$58,700)
<u>Executive</u> removes FY 2012-13 one-time funding of \$58,700 GF/GP for employee lump sum payments. <u>House</u> concurs.	GF/GP	\$58,700	(\$58,700)
3. Economic Adjustments	Gross	N/A	\$43,000
<u>Executive</u> includes \$43,000 GF/GP to reflect increased costs for employee economics. <u>House</u> concurs.	GF/GP	N/A	\$43,000

Major Boilerplate Changes From FY 2012-13

There are no major boilerplate changes recommended for FY 2013-14.

Sec. 1201. Anticipated FY 2014-15 Appropriations

States legislative intent to provide appropriations for FY 2014-15, adjusting FY 2013-14 amounts based on economic and other factors.

FY 2013-14: LEGISLATURE
Summary: As Reported by the House Subcommittee
House Bill 4220 (H-1) Draft 2



Analyst: Ben Gielczyk

	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Revised Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Enacted	<i>Difference: House From FY 2012-13 YTD</i>	
						<i>Amount</i>	<i>%</i>
IDG/IDT	\$0	\$0	\$100,000			\$100,000	--
Federal	0	0	0			0	--
Local	0	0	0			0	--
Private	400,000	400,000	400,000			0	0.0
Restricted	1,109,800	1,109,800	1,109,800			0	0.0
GF/GP	113,705,000	122,309,500	118,309,500			4,604,500	4.0
Gross	\$115,214,800	\$123,819,300	\$119,919,300			\$4,704,500	4.1
FTEs	0.0	0.0	0.0			0.0	--

Notes: (1) FY 2012-13 year-to-date (YTD) figures include mid-year budget adjustments through February 7, 2013. (2) FY 2012-13 year-to-date figures reflect mid-year budget adjustment for FY 2012-13 OPEB for legislative employees. (3) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.

Overview

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

		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
Major Budget Changes From FY 2012-13 YTD Appropriations			
1. Economic Adjustments			
<u>Executive</u> includes increased costs of \$8.6 million Gross (\$8.6 million GF/GP) for economic adjustments for legislative staff. <u>House</u> concurs.	Gross	N/A	\$8,604,500
	GF/GP	N/A	\$8,604,500
2. Back Office Consolidation			
<u>House</u> includes \$4.0 million in estimated savings associated with a proposed consolidation of back office operations. <u>Executive</u> does not include.	Gross	N/A	(\$4,000,000)
	GF/GP	N/A	(\$4,000,000)
3. Michigan Veterans' Facility Ombudsman			
<u>House</u> includes \$100,000 IDG from Michigan Department of Military and Veterans Affairs to support Ombudsman.	Gross	\$0	\$100,000
	IDG	0	100,000

**Please note: The Legislative Auditor General budget is rolled in with the Legislature budget in the FY 2013-14 budget recommendations, but appears separate in this document.*

Major Boilerplate Changes From FY 2012-13

Sec. 609. Michigan Veterans' Facility Ombudsman - REVISED

Expresses intent of the Legislature that a Michigan Veterans' Facility Ombudsman be established; specifies duties and responsibilities of the Ombudsman. House removes intent language and establishes Michigan Veterans' Facility Ombudsman supported with IDG funding from the Michigan Department of Military and Veterans Affairs.

Sec. 1201. Anticipated FY 2014-15 Appropriations

States legislative intent to provide appropriations for FY 2014-15, adjusting FY 2013-14 amounts based on economic and other factors.

FY 2013-14: LEGISLATIVE AUDITOR GENERAL
Summary: As Reported by the House Subcommittee
House Bill 4220 (H-1) Draft 2



Analyst: Ben Gielczyk

	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Revised Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Enacted	Difference: House From FY 2012-13 YTD	
						Amount	%
IDG/IDT	\$3,792,100	\$5,092,100	\$5,092,100			1,300,000	34.3
Federal	0	0	0			0	--
Local	0	0	0			0	--
Private	0	0	0			0	--
Restricted	1,890,700	1,951,000	1,951,000			60,300	3.2
GF/GP	13,004,900	13,511,300	14,364,400			1,359,500	10.5
Gross	\$18,687,700	\$20,554,400	\$21,407,500			\$2,719,800	14.6
FTEs	0.0	0.0	0.0			0.0	--

Notes: (1) FY 2012-13 year-to-date (YTD) figures include mid-year budget adjustments through February 7, 2013.
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.

Overview

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

		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
Major Budget Changes From FY 2012-13 YTD Appropriations			
1. Technical Boilerplate Funding Shift	Gross	N/A	\$1,255,200
<u>Executive</u> includes \$1.3 million Gross (\$0 GF/GP) in increased appropriation authorization for operations. Reflects shift from boilerplate spending authorization to line-item spending authorization to reflect actual restricted revenues that OAG earns from its audit activities statewide.	IDG	N/A	982,800
<u>House</u> concurs.	Restricted	N/A	272,400
2. Economics Adjustments	Gross	N/A	\$632,400
<u>Executive</u> includes funding for increased costs of \$632,400 Gross (\$441,200 GF/GP) for negotiated salary and wage amounts (1.0%), insurance rate increases, actuarially-required retirement rate increases, and other economic adjustments. <u>House</u> concurs.	IDG	N/A	127,900
	Restricted	N/A	63,300
	GF/GP	N/A	\$441,200
3. Information Technology Systems Audit Operations	Gross	\$0	\$1,200,000
<u>House</u> includes \$1.2 million GF/GP to support increased audit oversight and service delivery for audits related to information technology systems.	GF/GP	\$0	\$1,200,000
4. Increased Audit Funding	Gross	NA	\$0
<u>Executive</u> includes \$250,000 GF/GP to increase audit oversight and service delivery for mandated statewide audits, including the State of Michigan Comprehensive Financial Report (CAFR). <u>House</u> does not include.	GF/GP	NA	\$0
5. Operations Reduction	Gross	N/A	(\$96,900)
<u>House</u> includes funding reduction of \$96,900 GF/GP to meet targets.	GF/GP	N/A	(\$96,900)
6. Removal of One-Time Appropriations	Gross	\$270,900	(\$270,900)
<u>Executive</u> removes \$270,900 Gross (\$184,800 GF/GP) in one-time funding associated with employee lump-sum payments. <u>House</u> concurs.	IDG	59,000	(59,000)
	Restricted	27,100	(27,100)
	GF/GP	\$184,800	(\$184,800)

**Please note: The Legislative Auditor General budget is rolled in with the Legislature budget in the FY 2013-14 budget recommendations, but appears separate in this document.*

Major Boilerplate Changes From FY 2012-13

Sec. 624. Audit Report Printing Costs – NEW

Requires Auditor General to take all reasonable steps to lower printing and distribution costs for audit reports. House adds as new section.

Sec. 1201. Anticipated FY 2014-15 Appropriations

States legislative intent to provide appropriations for FY 2014-15, adjusting FY 2013-14 amounts based on economic and other factors.

FY 2013-14: DEPARTMENT OF STATE
Summary: As Reported by the House Subcommittee
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Analyst: Paul Holland

	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Revised Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Enacted	Difference: House From FY 2012-13 YTD	
						Amount	%
IDG/IDT	\$20,000,000	\$20,000,000	\$20,000,000			\$0	0.0
Federal	1,810,000	1,810,000	1,810,000			0	0.0
Local	0	0	0			0	--
Private	100	100	100			0	0.0
Restricted	183,971,100	182,485,400	182,485,400			(1,485,700)	(0.8)
GF/GP	14,888,100	15,253,400	14,659,200			(228,900)	(1.5)
Gross	\$220,669,300	\$219,548,900	\$218,954,700			(\$1,714,600)	(0.8)
FTEs	1,695.0	1,568.0	1,568.0			(127.0)	(7.5)

Notes: (1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time".

Overview

The Department of State (DOS) is the oldest department in Michigan state government. It is administered by the Secretary of State, an elected official who serves a four-year term of office and has constitutional and statutory duties. The mission of the DOS is to provide the most efficient and effective services to the people of Michigan by licensing drivers; registering and titling automobiles, watercraft, and recreational vehicles; regulating automobile dealers and repair facilities; registering voters and administering elections; and streamlining the collection of revenue. The DOS serves citizens with programs designed to enhance driver safety, protect automotive consumers, and ensure the integrity of both the motor vehicle administration system and the statewide elections process.

Major Budget Changes From FY 2012-13 YTD Appropriations

1. Increase Record Look-Up Fees

Executive assumes an increase of the record look-up fee to \$8.00 per record to support DOS economics adjustments (including OPEB pre-funding). DOS currently charges a \$7.00 per record to individuals and entities requesting registration and driving records (e.g. insurance companies, reporting agencies, data aggregators). The fee is established in boilerplate Section 703 and generated \$34.0 million in FY 2011-12. House concurs.

	FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
Gross	N/A	\$4,700,000
Restricted	N/A	4,700,000

2. Eliminate FY 2012-13 One-Time Appropriations

Executive eliminates FY 2012-13 one-time appropriations for state employee lump-sum payments, executive direction, and central operations. House concurs.

Gross	\$2,294,400	(\$2,294,400)
Restricted	1,259,500	(1,259,500)
GF/GP	\$1,034,900	(\$1,034,900)

3. Privatization of Michigan Assigned Claims Facility

Executive eliminates spending authorization, FTE positions, and fund source for the Michigan Assigned Claims Facility. 2012 PA 204 transferred the Michigan Assigned Claims Facility (which indemnified uninsured individuals injured by uninsured or unidentified drivers, supported by annual assessments on insurers writing auto insurance in Michigan) from DOS to the Michigan Automobile Insurance Placement Facility (a joint underwriting association established by the Insurance Code, supported by member insurers writing auto insurance in Michigan). House concurs.

FTE	7.0	(7.0)
Gross	\$1,098,600	(\$1,098,600)
Restricted	1,098,600	(1,098,600)

4. Increase in Document Handling Costs

Executive increases spending authorization for document handling costs due to increased postage rates (\$500,000 GF/GP). DOS services and sends approximately twenty million documents to its customers annually. House rejects.

FTE	150.0	0.0
Gross	\$23,108,200	\$0
Restricted	22,957,100	0
GF/GP	\$151,100	\$0

<u>Major Budget Changes From FY 2012-13 YTD Appropriations</u>		<u>FY 2012-13 Year-to-Date (as of 2/7/13)</u>	<u>FY 2013-14 House Change</u>
5. Increase IT Services and Projects to DTMB	Gross	\$21,248,800	\$155,100
<u>Executive</u> increases spending authorization for IT services and projects to reflect DOS' share of DTMB's statewide projects to replace Windows XP, recover economics for the Center for Shared Solutions, and expand wireless connectivity and internet bandwidth. <u>House</u> concurs in part, but rejects \$4,900 in GF/GP for the expansion of wireless connectivity and internet bandwidth.	Restricted	19,713,200	148,400
	GF/GP	\$1,535,600	\$6,700
6. Eliminate Olympic Center Plate Line Item	Gross	\$75,700	(\$75,700)
<u>Executive</u> eliminates spending authorization for the Olympic Center Plate Line Item as it is now included in the Specialty License Plates line item. <u>House</u> concurs.	Restricted	75,700	(75,700)
7. Increase for Anatomical Gift Donor Registry	Gross	\$79,100	\$50,000
<u>Executive</u> increases spending authorization for the Organ Donor Program pursuant to 2012 PAs 54 & 55 which amended the Michigan Vehicle Code to authorize DOS to issue a new fundraising license plate ("Donate Life") and deposit the proceeds into the Thomas Daley Gift of Life Fund for the administration of a state anatomical gift donor registry. <u>House</u> concurs.	Restricted	0	50,000
	Private	100	0
	GF/GP	\$79,000	\$0
8. Decrease Excess Spending Authorization	Gross	\$77,138,500	(\$8,000,000)
<u>Executive</u> decreases spending authorization within several line items supported by the Transportation Administration Collection Fund (TACF) to more accurately reflect available revenue. The TACF (established by 2003 PA 152) is supported by revenues generated by various registration and service fees collected by the DOS and is utilized to support administrative expenses of enforcing Sections 801 thru 810 of the Michigan Vehicle Code. <u>House</u> concurs.	Restricted	77,138,500	(8,000,000)
9. FTE Rebasing	FTE	694.5	(120.0)
<u>Executive</u> decreases FTE positions within several line items to more accurately reflect actual staffing levels. <u>House</u> concurs.			
10. Offset for Michigan Transportation Fund Economics	Gross	\$20,000,000	\$0
<u>Executive</u> offsets the economics adjustments related to the Michigan Transportation Fund (MTF) appropriation with GF/GP. The DOS is appropriated \$20.0 million annually from the MTF to partially reimburse administrative expenses of collecting registration and title fees deposited into the MTF (\$905.0 million in FY 2011-12). The annual appropriation of MTF revenue for the DOS may not exceed \$20.0 million pursuant to Section 10(1) of 1951 PA 51. <u>House</u> concurs.	IDG	20,000,000	(606,300)
	GF/GP	\$0	\$606,300
11. Economics Adjustments	Gross	N/A	\$4,938,300
<u>Executive</u> increases and decreased spending authorization, resulting in a net increase, for negotiated salary and wage increases, insurance rates, actuarially-required retirement benefit rates, other postemployment benefits prefunding, workers' compensation costs, building occupancy costs and rent, and other incidental economic adjustments within DOS. <u>House</u> concurs.	IDG	N/A	606,300
	Restricted	N/A	4,049,700
	GF/GP	N/A	\$282,300
12. Reduce GF/GP Appropriation	Gross	\$11,927,600	(\$89,300)
<u>House</u> decreases the GF/GP spending authorization within several line items by a fixed percentage.	GF/GP	\$11,927,600	(\$89,300)

Major Boilerplate Changes From FY 2012-13

NOTE: No boilerplate language proposed specific to FY 2014-15.

Sec. 702. Assigned Claims Assessments – DELETED

Stipulates that funds made available by Sec. 3171 of the Insurance Code of 1956 are appropriated to be expended for the purposes of the Michigan Assigned Claims Facility as provided by Sec. 3171 to 3177 of the Insurance Code of 1956. Executive eliminates, House concurs.

Major Boilerplate Changes From FY 2012-13

Sec. 703. Commercial Look-Up Fees – REVISED

Stipulates that DOS shall sell copies of specified records, sets the price of the sale of these records at \$7.00 per record, and stipulates that the funds generated from the sale of records shall be credited to the Transportation Administration Collection Fund. Executive increased the price to \$8.00 per record, House concurs.

Various Sections Deleted by Executive, Retained by House

Executive eliminates Sections 714, 716 (fmr. 716b), 718, 719; House rejects.

Sec. 1201. Anticipated FY 2014-15 Appropriations

States legislative intent to provide appropriations for FY 2014-15, adjusting FY 2013-14 amounts based on economic and other factors.

FY 2013-14: TECHNOLOGY, MANAGEMENT, AND BUDGET
Summary: As Reported by the House Subcommittee
House Bill 4220 (H-1) Draft 2



Analyst: Paul Holland

	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Revised Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Enacted	Difference: House From FY 2012-13 YTD	
						Amount	%
IDG/IDT	\$635,564,900	\$677,159,800	\$677,159,800			\$41,594,900	6.5
Federal	9,464,300	8,790,900	8,790,900			(673,400)	(7.1)
Local	1,320,800	1,320,800	1,320,800			0	0.0
Private	190,200	190,400	190,400			200	0.1
Restricted	90,517,200	92,625,900	92,625,900			2,108,700	2.3
GF/GP	405,916,200	405,887,400	383,895,100			(22,021,100)	(5.4)
Gross	\$1,142,973,600	\$1,185,975,200	\$1,163,982,900			\$21,009,300	1.8
FTEs	2,814.0	2,812.0	2,810.0			(4.0)	(0.1)

Notes: (1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time".

Overview

The Department of Technology, Management, and Budget (DTMB) has legal authority under the Management and Budget Act, 1984 PA 431, and is the central management element of the Executive branch of state government. DTMB is an interdepartmental service and management agency responsible for all of the following: ensuring proper financial record keeping for state agencies; overseeing capital outlay projects; managing state facilities, property, and leases; implementing state procurement; operating the state's retirement systems; supervising the state motor vehicle fleet; administering travel policies; providing office support services to state agencies; executing information technology projects; centralizing information technology policy-making; and unifying strategic information technology planning. Autonomous units within DTMB include: the State Budget Office, Office of the State Employer, Civil Service Commission, Office of Retirement Services, State Building Authority, State Administrative Board, and the Office of Children's Ombudsman.

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
1. Increase for Statewide IT Services and Projects	FTE	1,459.5	0.0
<u>Executive</u> increases spending authorization for IT services and projects to reflect DTMB's statewide projects to replace Windows XP, recover economics for the Center for Shared Solutions, and expand wireless connectivity and internet bandwidth. <u>House</u> concurs.	Gross	\$457,192,100	\$5,117,700
	IDG	457,192,100	5,117,700
2. Align IT Services and Projects for State Agencies with DTMB	FTE	1,459.5	0.0
<u>Executive</u> aligns and increases spending authorization for existing IT services and projects affecting various state agencies to more accurately reflect DTMB's expenditures and fund sources. This is a technical correction to the IDG authorization for DTMB to align it with state agencies' actual funding for information technology service and projects (including those altered at the Conference Committee for FY 2012-13). <u>House</u> concurs.	Gross	\$457,192,100	\$4,385,700
	IDG	457,192,100	4,385,700
3. Adjustment and Increase for State Agencies' IT Services and Projects	FTE	1,459.5	0.0
<u>Executive</u> adjusts and increase spending authorization for IT services and projects affecting various state agencies (including DOC, DHS, DNR, MSP, and Treasury). <u>House</u> concurs.	Gross	\$457,192,100	\$4,051,300
	IDG	457,192,100	4,051,300
4. Increase for DTMB IT Services and Projects	Gross	\$31,630,600	\$342,800
<u>Executive</u> increases spending authorization for IT services and projects to reflect DTMB's share of DTMB's statewide projects to replace Windows XP, recover economics for the Center for Shared Solutions, and expand wireless connectivity and internet bandwidth. <u>House</u> concurs in part, but rejects \$63,500 in GF/GP for the expansion of wireless connectivity and internet bandwidth.	IDG	881,900	51,000
	Federal	976,900	20,500
	Restricted	16,443,900	128,800
	GF/GP	\$13,327,900	\$142,500

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
5. Increase State Building Authority Rent	Gross	\$68,305,800	\$0
<u>Executive</u> increases spending authorization for State Building Authority rent for state agencies to support rent payments for anticipated obligations for the State Emergency Operations Center (SEOC) project in FY 2013-14 (\$1.7 million GF/GP). <u>House</u> rejects.	GF/GP	\$68,305,800	\$0
6. Increase Motor Vehicle Fleet for MSP & DHS	FTE	35.0	0.0
<u>Executive</u> increases spending authorization for the motor vehicle fleet for the Michigan State Police (MSP) which is closing trooper stations and equipping patrol vehicles to operate as mobile offices and the Department of Human Services (DHS) which is hiring Child Welfare Services staff who conduct home visits and appear at court proceedings. <u>House</u> concurs.	Gross	\$57,624,000	\$1,500,000
	IDG	57,624,000	1,500,000
7. Military Retirement System Prefunding	FTE	162.0	0.0
<u>Executive</u> increase spending authorization to begin prefunding the Military Retirement System, administered by the Office of Retirement Services, to reduce unfunded liabilities, totaling \$48.4 million, and future contributions. <u>House</u> concurs.	Gross	\$23,992,300	\$826,100
	Restricted	19,940,600	0
	GF/GP	\$3,981,700	\$826,100
8. Transfer of CSC Staff to DHS	FTE	320.0	(4.0)
<u>Executive</u> transfers spending authorization and FTE positions from the Civil Service Commission (CSC) to the Department of Human Services (DHS) as the staff provide DHS-specific training. <u>House</u> concurs.	Gross	\$34,394,200	(\$465,600)
	IDG	1,134,000	0
	Federal	0	(322,100)
	Local	662,700	0
	Restricted	15,706,900	0
	GF/GP	\$16,890,600	(\$143,500)
9. Hire ADA Staff with Offset GF/GP	FTE	134.5	0.0
<u>Executive</u> increases FTE positions for staff to assist state agencies with coordination and compliance under the Americans with Disabilities Act (ADA), supports staff with \$300,000 GF/GP offset with increased state restricted revenues. <u>House</u> rejects, but includes fund shift from GF/GP to state restricted (see #14).	Gross	\$16,376,300	\$0
	IDG	10,708,900	0
	Restricted	3,973,000	0
	GF/GP	\$1,694,400	\$0
10. Include Professional Development Funds	Gross	N/A	\$200,000
<u>Executive</u> includes spending authorization for professional development funds for non-exclusively represented employees (NERE), supported by employer contributions. <u>House</u> concurs.	IDG	N/A	200,000
11. Decrease Accounting Service Center for MSP	FTE	134.5	0.0
<u>Executive</u> decreases spending authorization for the Accounting Service Center, which provides accounting services for the Michigan State Police (MSP), resultant from identified efficiencies. <u>House</u> concurs.	Gross	\$16,376,300	(\$120,000)
	IDG	10,708,900	(120,000)
	Restricted	3,973,000	0
	GF/GP	\$1,694,400	\$0
12. Eliminate FY 2012-13 One-Time Appropriations	Gross	\$25,680,200	(\$25,680,200)
<u>Executive</u> eliminates FY 2012-13 one-time appropriations for state employee lump-sum payments, special maintenance for state facilities, Office Space Consolidation Project, and the Teacher Evaluation Pilot Program. <u>House</u> concurs.	IDG	3,104,100	(3,104,100)
	Federal	426,700	(426,700)
	Restricted	357,200	(357,200)
	GF/GP	\$21,792,200	(\$21,792,200)
13. Include FY 2013-14 One-Time Appropriations	Gross	N/A	\$21,300,000
<u>Executive</u> includes new one-time appropriations for the Department of Community Health (DCH) and Michigan Casino Gaming Board IT systems and projects, Delta County bridge removal (\$1.5 million GF/GP), Regional Prosperity Initiative (\$5.0 million GF/GP), special maintenance for state facilities (\$10.0 million GF/GP), and SBA-financed SEOC project placeholder (\$100 GF/GP). <u>House</u> concurs in part, but rejects the Delta County bridge removal, Regional Prosperity Initiative, special maintenance for state facilities, and SBA-financed SEOC project placeholder one-time appropriations.	IDG	N/A	21,300,000

<u>Major Budget Changes From FY 2012-13 YTD Appropriations</u>		<u>FY 2012-13 Year-to-Date (as of 2/7/13)</u>	<u>FY 2013-14 House Change</u>
14. Various Fund Shifts	Gross	\$1,571,300	\$0
<u>Executive</u> includes various fund shifts within line items between fund sources which net out to zero gross, though they may alter the types of fund sources, which reflect changes in the availability and allocation of funds or reflect changes to more accurately reflect program administration. <u>House</u> concurs and makes additional net zero fund shift (see #9).	IDG	125,400	49,400
	Federal	325,900	0
	Restricted	330,900	731,600
	GF/GP	\$789,100	(\$781,000)
15. Include Economics Adjustments	Gross	N/A	\$12,980,200
<u>Executive</u> increases and decreased spending authorization, resulting in a net increase, for negotiated salary and wage increases, insurance rates, actuarially-required retirement benefit rates, other postemployment benefits prefunding, workers' compensation costs, building occupancy costs and rent, and other incidental economic adjustments within DTMB. <u>House</u> concurs.	IDG	N/A	8,163,900
	Federal	N/A	54,900
	Private	N/A	200
	Restricted	N/A	1,605,500
	GF/GP	N/A	\$3,155,700
16. Eliminate IT Innovation Fund	Gross	\$2,500,000	(\$2,500,000)
<u>House</u> eliminates spending authorization for the IT Innovation Fund established by 2011 PA 63 and 2012 PA 200 for the purpose of providing a revolving, self-sustaining resource for financing information, communications, and technology innovation projects.	GF/GP	\$2,500,000	(\$2,500,000)
17. Reduce GF/GP Appropriation	Gross	\$124,100,100	(\$928,700)
<u>House</u> decreases the GF/GP spending authorization within several line items by a fixed percentage.	GF/GP	\$124,100,100	(\$928,700)

Major Boilerplate Changes From FY 2012-13

NOTE: No boilerplate language proposed specific to FY 2014-15.

Sec. 815. Energy Savings Performance Contracts – NEW

Stipulates that DTMB shall review all construction projects which exceed \$100,000 for inclusion in an Energy Savings Performance Contract and requires DTMB to submit a report providing information related to Energy Savings Performance Contracts. House creates.

Sec. 816. Privatization RFP Factors – NEW

Stipulates that DTMB shall include all factors that will be used to evaluate and determine price related to requests for proposals issued for the purpose of privatization. House creates.

Sec. 817. Call Center Vendor Disclosure – REVISED

Stipulates that DTMB may require vendors providing call or contact center services to disclose the location from which call or contact center services are being provided. House inserts that the Legislature intends that DTMB should utilize Michigan-based call centers and shall require vendors providing call or contact center services to disclose the state from which calls are being made.

Sec. 821. Space Consolidation Plan – REVISED

Requires DTMB to provide a detailed plan for the funding appropriated for the Space Consolidation Fund and delineates reporting requirements. House revises the reference to the Office Space Consolidation Project and requires DTMB to update and distribute the plan quarterly.

Sec. 826. Information Technology Services Definition – REVISED

Defines information technology services. Executive expands the definition to include social media and cyber security, House concurs.

Sec. 831. ICT Innovation Fund – NEW

Stipulates that the Information, Communications, and Technology (ICT) Innovation Fund shall be administered by DTMB for the purpose of providing a revolving, self-sustaining resource for financing ICT innovation projects for state agencies, local units of government, educational institutions, and nonprofit organizations, in addition to permitting outside contributions to the fund and carry forward of money within the fund. House creates.

Sec. 832. Child Support Enforcement System Penalties – REVISED

Requires DTMB to provide a report pertaining to amounts expended for Child Support Enforcement System, revisions made to spending plans, and amount of penalties paid to federal government. Executive eliminates. House revises reporting requirements.

Major Boilerplate Changes From FY 2012-13

Sec. 840. General Fund Advances to the SBA for Cash Flow Requirements – REVISED

Stipulates procedures for cash flow advances from the General Fund for the State Building Authority (SBA). Executive replaces references to "legislative concurrent resolution" with "legislative appropriations act" and eliminates Joint Capital Outlay Subcommittee (JCOS) approval of the repayment of general fund advances if a project is terminated, House concurs.

Sec. 862. Capital Outlay Reports – DELETED

Requires DTMB to provide various detailed reports to the Joint Capital Outlay Subcommittee (JCOS) and fiscal agencies pertaining to the status and financing of each planning or construction project financed by the SBA. Executive eliminates, House concurs.

Sec. 863. Lump-Sum Appropriations – DELETED

Requires DTMB to allocate lump-sum appropriations consistent with statutory provisions and purposes for which they were appropriated, addressing priority program or facility needs, and that lump-sum appropriations are available for up to three fiscal years before reverting to the fund from which it was appropriated. Executive eliminates, House concurs.

Sec. 866. Public Purpose, Lease and Conveyance, and Annual Appropriation

Stipulates that the Legislature determines the leasing of SBA-financed facilities are for a public purpose under the State Building Authority Act of 1964, approves and authorizes the lease and conveyance of property to the SBA and from the SBA to state and educational institutions, as applicable, executed by the Governor and Secretary of State on behalf of the state, and agrees to annually appropriated sufficient amounts to pay rent obligations pursuant to the lease. Executive creates, House rejects.

Sec. 870. Statement of Proposed Operating Costs – DELETED

Requires DTMB to include a statement of proposed operating costs with planning documents. Executive eliminates, House concurs.

Sec. 871. Final Planning and Construction – DELETED

Stipulates administrative processes and agreements under DTMB to be completed before proceeding with final planning and construction for community college and university projects. Executive eliminates, House concurs.

Sec. 872. Match Requirements – DELETED

Requires state agencies, community colleges, and universities to use available federal or other funds to satisfy matching requirements. Executive eliminates, House concurs.

Sec. 901. Regional Prosperity Initiative (One-Time)

Stipulates prerequisites, provisos, and procedures for the Regional Prosperity Initiative through which DTMB will administer incentive-based grants to regional planning organizations that qualify as Regional Prosperity Collaborates, Councils, or Boards. The total cost of the Initiative is estimated at \$5.0 million and it is estimated to be completed by the end of fiscal year 2018. Executive creates House rejects.

Various Sections Deleted by the Executive, Retained by the House

Executive eliminates Sections 803(5), 809, 813(3), 813(5), 822, 823(4), 827(4), 828, 829, 830; House rejects.

Sec. 1201. Anticipated FY 2014-15 Appropriations

States legislative intent to provide appropriations for FY 2014-15, adjusting FY 2013-14 amounts based on economic and other factors.

FY 2013-14: DEPARTMENT OF TREASURY
Summary: As Reported by the House Subcommittee
House Bill 4220 (H-1) Draft 2



Analyst: Ben Gielczyk

	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Revised Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Enacted	Difference: House From FY 2012-13 YTD	
						Amount	%
IDG/IDT	\$8,899,400	\$9,130,000	\$9,130,000			\$230,600	2.6
Federal	698,385,900	677,780,700	677,780,700			(20,605,200)	(3.0)
Local	6,686,200	6,393,000	6,393,000			(293,200)	(4.4)
Private	5,380,000	5,476,900	5,476,900			96,900	1.8
Restricted	1,594,122,400	1,630,788,000	1,635,139,400			41,017,000	2.3
GF/GP	419,836,500	444,195,200	369,036,500			(50,800,000)	(12.1)
Gross	\$2,733,310,400	\$2,773,763,800	\$2,702,956,500			(\$30,353,900)	(1.1)
FTEs	2,532.5	2,566.5	2,548.5			16.0	0.6

Notes: (1) FY 2012-13 year-to-date (YTD) figures include mid-year budget adjustments through February 7, 2013.
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.

Overview

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

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
1. Constitutional Revenue Sharing	Gross	\$725,496,300	\$17,053,900
<u>Executive</u> includes \$17.1 million Gross (\$0 GF/GP) to adjust constitutional revenue sharing payments in FY 2013-14 based on January Consensus Revenue Estimating Conference (CREC). <u>House</u> concurs.	Restricted	725,496,300	17,053,900
2. Economic Vitality Incentive Program	Gross	\$225,000,000	\$0
<u>Executive</u> maintains FY 2012-13 appropriation for the Economic Vitality Incentive Program (EVIP) in both ongoing (\$217.5 million) and one-time (\$7.5 million) appropriations. <u>House</u> concurs.	Restricted	225,000,000	0
3. Competitive Grant Assistance Program	Gross	\$15,000,000	\$0
<u>Executive</u> maintains FY 2012-13 appropriation for the Competitive Grant Assistance Program in both ongoing (\$5.0 million) and one-time (\$10.0 million) appropriations. <u>House</u> concurs.	Restricted	15,000,000	0
4. County Revenue Sharing/Incentive Program	Gross	\$130,600,000	\$10,000,000
<u>Executive</u> increases county revenue sharing payments by \$8.0 million Gross (\$0 GF/GP) ongoing and county incentive payments by \$2.0 million Gross (\$0 GF/GP) one-time to maintain FY 2012-13 percentage of full funding (77.1%) to eligible counties. <u>House</u> concurs.	Restricted	130,600,000	10,000,000
5. Payments in Lieu of Taxes	Gross	\$15,612,600	\$1,734,500
<u>Executive</u> increases Payments in Lieu of Taxes (PILT) by \$1.7 million Gross (\$1.0 million GF/GP) to fully fund PILT. Recommends increase of \$4.8 million Gross (\$4.4 million GF/GP) for FY 2014-15 due to required increases under PAs 603 and 604 of 2012. <u>House</u> concurs.	Restricted	3,288,800	695,400
	GF/GP	\$12,323,800	\$1,039,100

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
6. Debt Service	Gross	\$140,554,900	\$5,647,600
<u>Executive</u> includes \$2.5 million GF/GP to replace corresponding amount of Refined Petroleum Fund in Debt Service. Debt service adjustments also include an increase of \$5.6 million GF/GP for scheduled FY 2013-14 adjustments and an increase of \$8.0 million GF/GP for debt service on proposed new Strategic Water Quality bond issues. <u>House</u> includes \$5.6 million GF/GP in scheduled FY 2013-14 adjustments. House does not include Refined Petroleum Fund shift and increase for Strategic Water Quality Bond issues.	Restricted	5,514,500	0
	GF/GP	\$135,040,400	\$5,647,600
7. Dual Enrollment	Gross	\$10,000,000	(\$9,000,000)
<u>Executive</u> reduces dual enrollment payments for nonpublic school pupils by \$9.0 million GF/GP due to lower than anticipated participation. <u>House</u> concurs.	GF/GP	\$10,000,000	(\$9,000,000)
8. Distressed Communities/At-Risk Local Unit Administration	Gross	N/A	\$0
<u>Executive</u> includes \$5.0 million GF/GP in one-time funding to assist at-risk/distressed local units of government facing financial emergencies and pay emergency manager salaries. <u>House</u> does not include.	GF/GP	N/A	\$0
9. Tax System Information Technology	Gross	N/A	\$2,705,900
<u>Executive</u> includes \$942,600 GF/GP to support ongoing IT contracting and Department of Technology, Management, and Budget staffing expenses related to the corporate income tax and flow through withholding tax created under PA 38 of 2011. Includes \$1.8 million GF/GP in one-time funding for an upgrade of the sales, use, and withholding legacy system. <u>House</u> concurs.	GF/GP	N/A	\$2,705,900
10. Community College Renaissance Zone Reimbursement	Gross	\$3,500,000	(\$3,500,000)
<u>Executive</u> removes \$3.5 million GF/GP for community college renaissance zone reimbursement and transfers funding to community college budget. <u>House</u> concurs.	GF/GP	\$3,500,000	(\$3,500,000)
11. Digital Tobacco Stamping	Gross	N/A	\$3,000,000
<u>Executive</u> includes \$3.0 million GF/GP for new digital tobacco stamp costs required under PA 188 of 2012. <u>House</u> concurs.	Restricted	N/A	3,000,000
12. iLottery	FTE	N/A	10.0
<u>Executive</u> includes \$3.4 million Gross (\$0 GF/GP) and 10.0 FTEs to support development and operation of a new internet-based lottery. <u>House</u> concurs.	Gross	N/A	\$3,350,000
	Restricted	N/A	3,350,000
13. Michigan Gaming Control Board System Upgrade	Gross	N/A	\$3,000,000
<u>Executive</u> includes \$3.0 million Gross (\$0 GF/GP) in one-time funding for new Casino Gaming IT system replacement to improve licensing, regulation, audit, investigative, and administrative functions. <u>House</u> concurs.	Restricted	N/A	3,000,000
14. Removal of Other One-Time Appropriations	Gross	\$26,522,700	(\$26,522,700)
<u>Executive</u> removes various FY 2012-13 one-time appropriations:	IDG	112,800	(112,800)
• Agricultural Loan Origination Program: \$15.0 million GF/GP	Federal	171,700	(171,700)
• Treasury Legal Services: \$3.0 million GF/GP	Restricted	2,146,700	(2,146,700)
• Office of Fiscal Responsibility: \$5.8 million GF/GP	GF/GP	\$24,091,500	(\$24,091,500)
• State Employee Lump Sum Payments: \$2.7 million Gross (\$311,500 GF/GP)			
<u>House</u> concurs.			
15. Treasury Economics	Gross	N/A	\$7,253,100
<u>Executive</u> includes funding that reflects increased costs for Treasury of \$7.3 million Gross (\$1.3 million GF/GP) for negotiated salary and wage amounts (1.0%), insurance rate increases, actuarially-required retirement rate increases, and other economic adjustments. <u>House</u> concurs.	IDG	N/A	180,900
	Federal	N/A	458,400
	Restricted	N/A	5,305,900
	GF/GP	N/A	\$1,307,900
16. Operations Reduction	Gross	N/A	(\$336,700)
<u>House</u> includes funding reduction of \$336,700 GF/GP to meet targets. Reduction is spread to various line items.	GF/GP	N/A	(\$336,700)

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
17. Information Technology Adjustments	Gross	N/A	\$184,800
<u>Executive</u> includes \$203,000 Gross (\$28,200 GF/GP) to support information technology investments in wireless infrastructure and Internet bandwidth. Funds will also support Microsoft Enterprise Agreement and Center for Shared Solutions Framework. <u>House</u> concurs but removes \$18,200 GF/GP in funding associated with wireless infrastructure and Internet bandwidth.	Federal	N/A	1,700
	Restricted	N/A	173,100
	GF/GP	N/A	\$10,000
MICHIGAN STRATEGIC FUND	Gross	\$100,000,000	(\$7,500,000)
18. Business Attraction and Community Revitalization	Restricted	25,000,000	(7,500,000)
<u>Executive</u> reduces Business Attraction and Community Revitalization ongoing line item by \$7.5 million Gross (\$0 GF/GP) and includes \$27.5 million GF/GP in one-time funding. Funds will support business attraction and community revitalization (\$5.5 million), a debt financing program for underserved communities (\$20.0 million), and a Food and Agriculture Industry Growth Initiative (\$2.0 million). <u>House</u> does not include \$27.5 million in one-time funding associated with Business Attraction and Community Revitalization.	GF/GP	\$75,000,000	\$0
19. Pure Michigan	Gross	\$25,000,000	\$4,000,000
<u>Executive</u> includes \$4.0 Gross (\$0 GF/GP) in additional funding for Pure Michigan tourism promotion. Funding is transferred from Business Attraction and Community Revitalization. <u>House</u> concurs.	Restricted	25,000,000	4,000,000
20. Innovation and Entrepreneurship	Gross	\$25,000,000	\$3,500,000
<u>Executive</u> includes \$3.5 million Gross (\$0 GF/GP) in additional funding for Innovation and Entrepreneurship. Funding is transferred from Business Attraction and Community Revitalization. <u>House</u> concurs.	Restricted	25,000,000	3,500,000
21. Film Incentives	Gross	\$50,000,000	(\$25,000,000)
<u>Executive</u> includes \$25.0 million GF/GP for film incentive funding. One-time funding is a reduction of \$25.0 million from FY 2012-13 one-time funding of \$50.0 million GF/GP. <u>House</u> concurs.	GF/GP	\$50,000,000	(\$25,000,000)
22. Arts and Cultural Grants	FTE	0.0	0.0
<u>Executive</u> includes \$1.0 million GF/GP and 2.0 FTEs for increased funding for Arts and Cultural Grants. Appropriates \$500,000 of increase to Job Creation Services line-item for administration. <u>House</u> includes additional \$1.0 million GF/GP. <u>House</u> does not include FTEs and does not dedicate \$500,000 GF/GP to administration.	Gross	\$6,150,000	\$1,000,000
	GF/GP	\$6,150,000	\$1,000,000
23. Land Bank Fast Track Authority	FTE	6.0	0.0
<u>Executive</u> includes \$16.0 million GF/GP (\$7.0 million one-time) and 16.0 FTEs for the Land Bank Fast Track Authority to support Blight Elimination (\$9.5 million), Good Neighbor Property Management Program (\$4.0 million), and operations (\$2.5 million). Reduces restricted revenues from the Land Bank Fast Track Fund by \$1.9 million Gross (\$0 GF/GP) to align appropriation with actual revenues. <u>House</u> does not include. Retains current year appropriation.	Gross	\$2,993,900	\$0
	Restricted	2,993,900	0
	GF/GP	\$0	\$0
24. Skilled Trades Training Program	Gross	N/A	\$0
<u>Executive</u> includes \$10.0 million GF/GP in one-time funding for a new Skilled Trades Training Program. Program would address job and talent mismatches and enable employers to design training programs for potential employees. <u>House</u> does not include.	GF/GP	N/A	\$0
25. Facility for Rare Isotope Beams	Gross	\$2,339,900	\$0
<u>Executive</u> includes \$7.3 million GF/GP for debt service related to the State commitment for the Facility for Rare Isotope Beams (FRIB) at Michigan State University, an increase of \$5.0 million from FY 2012-13 (appropriated in Treasury). Appropriation would cover debt service for \$91.0 million bond issue for the Community Share portion of the project. <u>House</u> does not include additional funding.	GF/GP	\$2,339,900	\$0
26. Federal Funds Adjustments	Gross	N/A	(\$20,163,400)
<u>Executive</u> reduces various federal fund authorizations by \$20.1 million (\$0 GF/GP) to align fund sources with anticipated revenues. <u>House</u> concurs.	Federal	N/A	(20,163,400)

<u>Major Budget Changes From FY 2012-13 YTD Appropriations</u>		<u>FY 2012-13 Year-to-Date (as of 2/7/13)</u>	<u>FY 2013-14 House Change</u>
27. Michigan Strategic Fund Economics	Gross	N/A	\$2,686,800
<u>Executive</u> includes funding to reflect increased costs for MSF of \$2.7 million	Federal	N/A	847,000
Gross (\$475,500 GF/GP) for negotiated salary and wage amounts (1.0%),	Private	N/A	74,900
insurance rate increases, actuarially-required retirement rate increases, and	Restricted	N/A	1,289,400
other economic adjustments. <u>House</u> concurs.	GF/GP	N/A	\$475,500
28. Operations Reduction	Gross	N/A	(\$843,700)
<u>House</u> includes funding reduction of \$843,700 GF/GP to meet targets.	GF/GP	N/A	(\$843,700)
Reduction is spread to various line items.			

Major Boilerplate Changes From FY 2012-13

Sec. 907. Assessor Certification and Training Fund – RETAINED

Requires Treasury to organize and operate Property Assess Certification and Training program with participant fees used for program expenses; requires collections to be credited to Assessor Certification and Training Fund. Executive revises language to eliminate references to specific fees to be charged and leaves to discretion of the State Tax Commission. House retains current law.

Sec. 919. Contracted Audit and Collection Services – DELETED

Appropriates funds to contract with private auditing firms to audit for and collect unclaimed property due to the state; requires report on firms employed, amounts collected, and costs of collection. House deletes section.

Sec. 935. Dual Enrollment Payments – NEW

Requires dual enrollment payments to be distributed in a manner as determined by the Department of Treasury. Executive includes as new section. House concurs.

REVENUE SHARING

Sec. 951. Competitive Grant Assistance Program – REVISED

Includes direction for distribution of \$15.0 million appropriated for assistance grants to CVTs that elect to merge government services via a Competitive Grant Assistance Program; \$10.0 million of total available funding considered one-time appropriation. Includes school districts and ISDs; includes work project language; and continues to make available unclaimed EVIP funds. Executive revises to require \$7.5 million in grants for mergers, interlocal agreements, and cooperative efforts for government operations and \$7.5 million for mergers, interlocal agreements, and cooperative efforts for public safety. House does not concur with Executive revision. House revises to include community colleges and universities as eligible units under program.

Sec. 952. Economic Vitality Incentive Program – REVISED

Specifies the eligibility (three incentive categories) and distribution of funds appropriated under the Economic Vitality Incentive Program and County Incentive Program. Executive revises to include counties in both sections of the bifurcated category requirements. Includes new requirement in Category One for a local unit to submit a debt service report. Revises Category Three to require a local unit to meet both the pension plan and health care benchmarks and compliance with PA 152 (including the opt-out provision). House concurs with executive inclusion of counties in both section of the bifurcated category requirements and inclusion of debt service report under Category One (includes additional requirements under debt service report). House does not concur with Executive changes under Category Three. House revises Category One to include listing of salaries by job classification, severance agreements, and contracts exceeding \$25,000. House revises Category Two to include innovations and privatizations. House revises Category Three to elimination employee compensation requirements and includes language requiring local units extending union contracts prior to March 28, 2013 to meet certain requirements. House adds additional requirement under Category Three that requires a local unit to submit report on unfunded accrued liabilities.

LOTTERY

Sec. 964. iLottery Reporting Requirement - NEW

Requires Bureau of State Lottery to submit report regarding the creation and administration of the iLottery portal. House adds as new section.

Sec. 965. iLottery Game Offerings - NEW

States that the Bureau of State Lottery may only offer lottery games in existence as of January 1, 2004. House adds as new section.

MICHIGAN STRATEGIC FUND

Sec. 1005. Pure Michigan Slogan Revenue - REVISED

Authorizes Travel Michigan to receive and expend private revenue related to the use of copyrighted slogans and images; requires revenue generated to be used to market the state as a travel destination. House revises language to include reporting requirement.

Major Boilerplate Changes From FY 2012-13

Sec. 1011. Disposition of Unexpended GF/GP Funds - REVISED

Requires unexpended and unencumbered GF/GP at the end of the fiscal year to be disposed of in accordance with the Management and Budget Act unless carry forward authorization has otherwise been provided. Executive and House revise to eliminate GF/GP reference.

Sec. 1033b. Film Production Expenditures - REVISED

Specifies legislative intent that the applicable percentage of the state certified qualified production expenditures be determined based on the date of the agreement. Executive revises to remove legislative intent. House concurs.

Sec. 1034. Business Incubator Program – DELETED

Stipulates funding be awarded competitively to business incubators in 10 counties or cities. Requires each of the 10 business incubators to receive awards from the Innovation and Entrepreneurship line item. Each incubator is required to submit a dashboard of indicators. Total Funding is not to exceed \$8.5 million. Executive and House delete section.

Sec. 1034b. Van Andel Institute Funding – RETAINED

Requires \$500,000 of the funding appropriated for Innovation and Entrepreneurship to be used to provide a grant to the Van Andel Institute to be used as a match for funding received from the department of defense and the national institutes of health for advance medical research. Executive deletes section. House retains section.

Sec. 1035. Michigan Council for Arts and Cultural Affairs (MCACA) Arts and Cultural Grants - RETAINED

Requires MCACA to administer an arts and cultural grant program that maintains and equitable geographic distribution of funding and utilizes past arts and cultural grant programs as a guideline; requires MCACA to public application criteria; authorizes MCACA to charge a non-refundable application fee to be used for expenses necessary to administer the programs; requires a report to the legislature. Executive strikes administration funding cap. House retains section.

Sec. 1036. General Fund Appropriation Transfers – NEW

Requires GF/GP funds appropriated in part 1 to the Michigan Strategic Fund for Business Attraction and Community Revitalization and Film Incentives to be transferred to the specific funds designated by statute for those programs listed. Executive adds as new language. House concurs.

Sec. 1037. Facility for Rare Isotope Beams Debt Service – NEW

Stipulates that no long-term indebtedness shall be issued by the Michigan Strategic Fund until Michigan State University provides certification that all necessary approvals have been secured and federal funds are available to commence construction of the facility. Caps reimbursement to Michigan State University at \$91.0 million. Provides that the State Budget Director shall retain the authority and fiduciary responsibility associated with the maintenance of the public's financial and policy interests related to state-financed construction projects. Executive adds as new section. House concurs.

Sec. 1039. Food and Agriculture Industry Growth Initiative - NEW

States intent of the legislature that \$2.0 million of the funds appropriated for Business Attraction and Community Revitalization be used to support a food and agriculture industry growth initiative loan program. House adds as new language.

Sec. 1040. Skilled Trades Training Program - NEW

Requires \$5.0 million of the funds appropriated for Innovation and Entrepreneurship to be used for a skilled trades training program administered by the MSF. House adds as new language.

Sec. 1201. Anticipated FY 2014-15 Appropriations

States legislative intent to provide appropriations for FY 2014-15, adjusting FY 2013-14 amounts based on economic and other factors.