Analysis of Proposals on the Ballot November 5, 2002

PROPOSAL 02-1
Michigan Election Law

PROPOSAL 02-2
Bonds for Sewage Treatment, Storm Water, and Water Pollution Projects

PROPOSAL 02-3
Collective Bargaining with Binding Arbitration for State Employees

PROPOSAL 02-4
Tobacco Settlement Revenue

HOUSE FISCAL AGENCY

Mitchell E. Bean, Director

September 2002

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September 13, 2002

TO: Members of the Michigan House of Representatives

In this report are analyses of the potential fiscal impact of four proposals (Proposals 02-1 through 4) that will be included on the November ballot. A *very* brief summary of the fiscal impacts of these proposals appears following this letter. Analyses in this publication are also available at the House Fiscal Agency website.

The report was prepared by House Fiscal Agency Analysts Bill Fairgrieve, Kirk Lindquist, Robin R. Risko, and Steve Stauff. It was produced by Jeanne Dee, Administrative Assistant.

Please do not hesitate to contact me if you have questions regarding the information in this report.

Mitchell E. Bean
Director

SUMMARY OF FISCAL IMPACTS

PROPOSAL 02-1

Indeterminate local costs if approved. State costs: $80,000

PROPOSAL 02-2

Increased debt service obligations by the state (initially $12.7 million and growing annually to as much as $63.6 million per year, depending on sales of general obligation bonds).

PROPOSAL 02-3

Immediate fiscal impact, if any, can not be determined. There are, however, likely be long term costs to the state if Proposal 02-3 is adopted. New contracts are likely to include higher wage and salary increases. Each one percent increase in wages under current contracts would increase costs approximately $30 million per year. The immediate fiscal impact will depend primarily on two factors:

- whether current contracts for approximately 42,500 classified state employees will be subject to renegotiation and binding arbitration results in retroactive wage increases;
- whether or not approximately 17,000 managerial, supervisory, or confidential employees not currently represented by a union can, and do, unionize and, through binding arbitration, receive salary increases. Whether either factor actually can or will occur can not be determined because the validity of either may require legal action.

If both occur, there could be a significant fiscal impact that would depend on the results of binding arbitration. If neither occurs, there would be no immediate fiscal impact.

PROPOSAL 02-4

$216.0 million in spending cuts, tax increases, cessation of enacted tax cuts, or a combination of these actions to balance the state’s FY 2002-03 budget if the proposal is adopted.

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PROPOSAL 02-1
A REFERENDUM ON PUBLIC ACT 269 OF 2001 – AN ACT TO AMEND CERTAIN SECTIONS OF MICHIGAN ELECTION LAW

Public Act 269 of 2001 would:
Eliminate "straight party" vote option on partisan general election ballots.

Require Secretary of State to obtain training reports from local election officials.

Require registered voters who do not appear on registration list to show picture identification before voting a challenged ballot.

Require expedited canvass if presidential vote differential is under 25,000.

Require ballot counting equipment to screen ballots for voting errors to ensure the accurate tabulation of absentee ballots.

Permit voters in polls to correct errors.

Provide penalties for stealing campaign signs or accepting payment for campaign work while being paid as a public employee to perform election duties.

Should this law be approved?
Yes
No

Source: Secretary of State Website

ANALYSIS SUMMARY
Proposal 02-1 is a referendum on Public Act (PA) 269 of 2001. If this ballot proposal is approved, 2001 PA 269 would become law.

Public Act 269 of 2001 amended the Michigan Election Law to change the method used by the state central committee to distribute the list of party convention nominees. It would do the following:

- Require picture identification of unlisted voters who do not have a registration receipt in order to cast a provisional vote,
- Modify language for removal of a candidate's name from the ballot,
- Alter change of address information,
- Allow a voter not on a registration list to cast a "challenged ballot,"
- Change the procedure for a voter who had been approved for an absent voter ballot to vote in person,
- Require that a stray mark in a predefined area on a ballot would not be a valid vote and require the election inspectors to make the determination.

The aforementioned provisions would have no fiscal impact on state or local government.

The act also provides for misdemeanor penalties of up to 90 days in jail, a fine of up to $100, or both for specified activities (such as theft of yard signs) and for any violation of the act for which a penalty is not otherwise specified. Thus, the act could increase local correctional costs and the amount of penal fine revenue going to local libraries (the constitutionally designated recipients of such revenue).

Public Act 269 of 2001 includes a requirement that the Secretary of State issue training requirements to local jurisdictions to improve the way local elections are conducted; a report is required to the Secretary of State detailing the training.

The Secretary of State is to request an appropriation of funds to cover the costs of producing a comprehensive training video for distribution to each precinct chairperson and vice-chairperson, and has recently indicated that $80,000 would be necessary for the production and distribution of the election worker training videos.

Voters are prohibited from voting a straight political party ticket by a single selection on the ballot ("straight party" vote) under 2001 PA 269. Costs to local government may increase due to electors requiring additional voting time, and there may be a need for additional election workers to handle the increased congestion at the precincts. Actual costs are indeterminate.

If results for a U.S. presidential election show a vote differential of less than 25,000, 2001 PA 269 requires an expedited canvass. There is currently no expedited canvass requirement for presidential elections. Thus, the act has the potential to increase costs to local canvassing boards if the trigger differential is met.

There may or may not be Headlee implications associated with costs to local governments for reporting requirements and possible increased election staffing costs relating to language in 2001 PA 269.

PROPOSAL 02-2

A PROPOSAL TO AUTHORIZE BONDS FOR SEWAGE TREATMENT WORKS PROJECTS, STORM WATER PROJECTS AND WATER POLLUTION PROJECTS

The proposal would:

Authorize the State of Michigan to borrow a sum not to exceed $1 billion to improve the quality of the waters of the state by financing sewage treatment works projects, storm water projects and water pollution projects.

Authorize the state to issue general obligation bonds pledging the full faith and credit of the state for the payment of principal and interest on the bonds.

Provide for repayment of the bonds from the general fund of the state.

Should this proposal be adopted?
Yes
No

Source: Secretary of State Website

ANALYSIS SUMMARY

If voters approve Proposal 02-2 at the November 5 general election, General Obligation Bonds totaling $1.0 billion could be sold. Public Acts 396, 397, and 398 of 2002 (enacted House Bills 4625, 5892, and 5893) would implement language allowing revenue derived from the sale of these bonds to be used to finance sewage treatment works projects, storm water projects, and nonpoint source pollution projects.

Annual bond sales could not exceed $100.0 million. Assuming that each $100.0 million issue would be sold with a 5% interest rate and would be repaid over a ten-year period, annual debt service payments from the state's general fund would initially be $12.7 million. If subsequent sales were to occur every two years, debt service obligations would rise to $63.6 million in year ten of the program.

Local governmental units would borrow funds for sewer infrastructure projects from the State Revolving Fund, and repay these loans over a 30-year period at a subsidized interest rate.

ANALYSIS DETAIL

Three public acts provide for implementation of a $1.0 billion bond issue if Proposal 02-2 is approved by the voters on November 5, 2002. Together, these three acts provide funds to local governmental units to partially finance the expense of restoration and improvement of wastewater collection, water conveyance and water treatment systems. Bond revenue would be deposited into the Great Lakes Water Quality Bond Fund and provided to local governmental units in the form of loans and direct assistance.

Ninety percent of the money in the Great Lakes Water Quality Bond Fund would be deposited into the State Water Pollution Control Revolving Fund. These funds could be used to provide loans to local governments, refinance local obligations, guarantee local obligations, provide security for debt service payments for general obligation bonds issued by the state, provide loan guarantees for similar revolving funds established by municipalities, and provide reasonable costs of administering the revolving loan program.

Loans to municipalities may be used for construction of sewage treatment works projects, stormwater treatment projects, or nonpoint sources of pollution projects. Construction costs include plan design, land and structure acquisition, alteration or extension of nonpoint source pollution control and sewage treatment works, and local administrative costs. Local governmental units would borrow funds for sewer infrastructure projects from the State Revolving Fund, and repay these loans over a 30-year period at a subsidized interest rate.

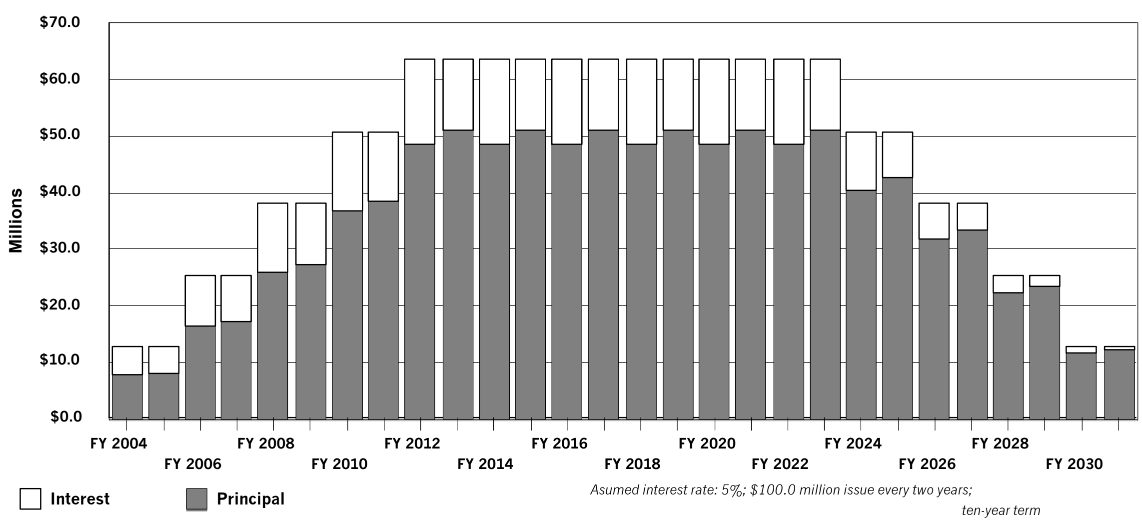
Ten percent of the money in the Great Lakes Water Quality Bond Fund would be deposited into the Strategic Water Quality Initiatives Fund. These funds could be used only for loans and for costs of the Municipal Bond Authority and Department of Environmental Quality in administering the fund.

Not more than 10 percent, or $100.0 million in bond sales would occur in any single year. The actual amount and timing of each bond sale would depend on cash requirements of the Great Lakes Water Quality Bond Fund. Assuming that each $100.0 million issue would be sold with a 5% interest rate and would be repaid over a ten-year period, annual debt service payments from the state's general fund initially would be $12.7 million.

If subsequent sales were to occur every two years, debt service obligations would rise to $63.6 million in year ten of the program. Total interest paid on Great Lakes Water Quality Bonds would be $272.8 million. Total debt service on these bonds therefore would be $1,272.8 million to be paid from the state's general fund over a 26-year period. The amount spent each year from the state's general fund for debt service would range from $12.7 million to $63.6 million, as shown in the following chart.

It should be noted that the actual annual outlay for debt service would depend on the date of sale for each issue, the state's bond rating at the time of sale, and the redemption schedule established in each bond issue.

Great Lakes Water Quality Bond: General Fund Annual Debt Service Payments



PROPOSAL 02-03
A PROPOSAL TO AMEND THE STATE CONSTITUTION
TO GRANT STATE CLASSIFIED EMPLOYEES THE CONSTITUTIONAL RIGHT
TO COLLECTIVE BARGAINING WITH BINDING ARBITRATION

The proposed constitutional amendment would:

Grant state classified employees, in appropriate bargaining units determined by the Civil Service Commission, the right to elect bargaining representatives for the purpose of collective bargaining with the state employer.

Require the state to bargain in good faith for the purpose of reaching a binding collective bargaining agreement with any elected bargaining representatives over wages, hours, pensions and other terms and conditions of employment.

Extend the bargaining representatives the right to submit any unresolved disputes over the terms of a collective bargaining agreement to binding arbitration 30 days after the commencement of bargaining.

Should the proposal be adopted?
Yes
No

Source: Secretary of State Website

ANALYSIS SUMMARY

Ballot Proposal 02-3, also known as the Michigan Employee Rights Initiative (MERIT), contains language which would amend Article XI, Section 5 of the Michigan Constitution.

The following Table highlights major differences between the current collective bargaining system and the collective bargaining system if the proposal is adopted.

Comparison Between the Current Collective Bargaining System and the Collective Bargaining System if the Proposal is Adopted

Current Collective Bargaining System	Proposal-Adopted Collective Bargaining System
Right to Bargain	
Civil Service Commission rules give most classified state employees the right to collectively bargain over pay, benefits, and most other terms and conditions of employment.	The Michigan Constitution will guarantee all classified state employees the right to collectively bargain over pay, benefits, retirement, and all other terms and conditions of employment.

continued on next page

Current Collective Bargaining System	Proposal-Adopted Collective Bargaining System
Negotiated Agreements When a union and the State Employer reach agreement, the Civil Service Commission reviews the agreement and may approve, disapprove, or modify it. The Legislature may, by a two-thirds vote of the members elected to and serving in each house, reject or reduce increases in rates of compensation authorized by the Civil Service Commission. Also, the Civil Service Commission retains the authority, during the term of a collective bargaining agreement, to modify the agreement without approval of the parties.	When a union and the State Employer reach agreement, neither the Civil Service Commission nor the Legislature has any authority, at any time, to approve, disapprove, or modify the agreement because the contract is final and binding.
Impasse If a union and the State Employer cannot reach a negotiated agreement, either party can refer unresolved issues to the Civil Service Employment Relations Board (Impasse Panel). The Civil Service Commission resolves the dispute after considering the recommendation of the Board.	If, after 30 days, a union and the State Employer have not reached agreement, the union can demand any unresolved issues to be submitted to final and binding arbitration.
Negotiated Pay Raises Any increases in pay rates negotiated by a union and the State Employer must be approved by the Civil Service Commission. Any increases in pay rates approved by the Commission require notice to the Governor who then transmits the increases to the Legislature as part of the Executive budget. The Legislature may, by a two-thirds vote of the members elected to and serving in each house, reject or reduce increases in rates of compensation authorized by the Civil Service Commission.	Any increases in pay rates negotiated by a union and the State Employer are binding and cannot be reviewed or changed by the Civil Service Commission. The Legislature cannot reject or reduce the negotiated increases in pay.
Pay Rates Set in Impasse If the union and the State Employer are at impasse over pay rates, the parties may refer the issue to the Civil Service Commission for resolution after an impasse hearing. Any increases in pay rates approved by the Commission must then be submitted to the Legislature. The Legislature may, by a two-thirds vote of the members elected to and serving in each house, reject or reduce increases in rates of compensation authorized by the Civil Service Commission.	If the union and the State Employer cannot agree on pay rates, the union can demand final and binding arbitration. Any increases in pay rates mandated by the arbitrator cannot be reviewed or changed by the Civil Service Commission. The Legislature cannot reject or reduce the negotiated increases in pay.
Strikes Civil Service Commission rules prohibit classified state employees from striking.	The proposed amendment does not prohibit classified state employees from striking, and it does not give the Civil Service Commission or the Legislature the authority to prohibit strikes by classified state employees.

The House Fiscal Agency, together with the National Conference of State Legislatures, conducted a survey of the other 49 states. The purpose of the survey was to determine the following:

- Do state employees have the right to collectively bargain?
- Do state employees have the right to have their unresolved disputes submitted to final and binding arbitration?
- Determine a range of fiscal implications to the states where rights to final and binding arbitration exist.

Results of the survey show that out of 50 states, 28 authorize collective bargaining for state employees, 22 do not, and 15 states authorize final and binding arbitration as a means for settling unresolved disputes, and 35 do not. The survey did not derive the responses necessary for measuring fiscal implications to the states.

ANALYSIS OF FISCAL IMPACT

Michigan's first experience with binding arbitration ended with a $28.0 million award to be paid by the state in 1995. That award covered three years of retroactive pay for state police troopers and sergeants.

The state is in binding arbitration for a second time with the Michigan State Police Troopers Association (MSPTA). This binding arbitration is expected to cost the state approximately $25.0 million (the cost of the last best offer ranges from $21.0 million to $35.0 million).

If the state was in the same position with all classified state employees represented by unions, which is equivalent to over 40,000 or more than 20 times the number of troopers and sergeants, the retroactive costs for a three-year contract could exceed $500.0 million (20 x $25 million). The costs could be even higher if all state employees were covered by binding arbitration.

Currently, there are about 61,400 classified state employees. Of those: approximately 1,900 are troopers or sergeants represented by a union; approximately 42,500 are other classified state employees represented by unions; and about 17,000 are non-exclusively represented employees (managerial, supervisory, or confidential) excluded from collective bargaining rights pursuant to Civil Service Commission rules, or employees in the Business and Administrative unit.

Collective bargaining agreements are in place with all of the unions except the MSPTA. These agreements commenced January 1, 2002, and are valid for a period of three years, through December 31, 2004.

If the proposal is adopted and these contract agreements remain valid, costs related to the ballot proposal for the over 40,000 state employees currently represented by unions would not begin to occur until January 2005 (FY 2005-06 budget). At this time, a 1% increase for all classified state employees costs the state over $30 million.

The Office of the State Employer interprets the ballot proposal language to mean that many state employees who currently are excluded from collective bargaining would be included. The Civil Service Commission approves pay each year for this excluded group of employees.

Approval of pay has been completed for FY 2002-03. Therefore, costs could start to occur in FY 2003-04 if employees currently not represented by a union are deemed eligible to bargain and are placed by the Civil Service Commission in a unit or units that elect a union.

Because the complete intent of the ballot proposal language is unclear on a number of different issues, and there are numerous questions remaining to be answered, it is difficult to ascertain a realistic range of the fiscal implications to the state if Proposal 02-3 is adopted.

Immediate fiscal impact, if any, cannot be determined. There are, however, likely to be long-term costs to the state if proposal 02-3 is adopted. New contracts are likely to include higher wage and salary increases. Each 1% increase in wages under current contracts would increase costs approximately $30 million per year.

The immediate fiscal impact will depend primarily on two factors:

- Whether or not current contracts for approximately 42,500 classified state employees will be subject to renegotiation and binding arbitration results in retroactive wage increases, and

- Whether or not approximately 17,000 managerial, supervisory, or confidential employees not currently represented by a union can, and do, unionize and, through binding arbitration, receive salary increases.

Whether either factor actually can or will occur cannot be determined because the validity of either may require legal action. If both occur, there could be a significant fiscal impact that would depend on the results of binding arbitration. If neither occurs, there would be no immediate fiscal impact.

A detailed discussion of these Proposal 02-3 issues and a list of potential unanswered questions is available on request from the House Fiscal Agency, 517-373-8080. It can also be printed from the report as shown on our website at www.house.state.mi.us/hfa/2-3.pdf.

ANALYSIS OF PROPOSAL 02-4
House Fiscal Agency Analyst: Bill Fairgrieve

PROPOSAL 02-4
A PROPOSED CONSTITUTIONAL AMENDMENT TO REALLOCATE THE "TOBACCO SETTLEMENT REVENUE" RECEIVED BY THE STATE FROM CIGARETTE MANUFACTURERS

The proposed constitutional amendment would:
Annually allocate on a permanent basis 90% (approximately $297 million) of "tobacco settlement revenue" received by state from cigarette manufacturers as follows: $151.8 million to nonprofit hospitals, licensed nursing homes, licensed hospices, nurse practitioners, school-linked health centers and Healthy Michigan Foundation; $102.3 million to fund programs to reduce tobacco use, Health and Aging Research Development Initiative, Tobacco-Free Futures Fund, Council of Michigan Foundations and Nurses Scholarship Program; and $42.9 million to the Elder Prescription Drug Program.

Guarantee recipients funding at 2001 appropriation levels plus additional state funds on an escalating basis for nonprofit hospitals, licensed nursing homes, licensed hospices and nurse practitioners.

Should this proposal be adopted?
Yes
No

Source: Secretary of State Website

ANALYSIS SUMMARY

Proposal 02-4, the tobacco settlement revenue ballot proposal, would amend Article IX, section 36 of the Michigan Constitution to specify how tobacco settlement revenue received by the state is allocated. If passed, it would permanently require that 90% of the tobacco settlement revenue received by Michigan each year be allocated for certain health care-related purposes. In the FY 2002-03 state budget, $215.7 million in tobacco settlement revenue is appropriated for various programs and initiatives, including the Merit Award Scholarship program, that do not meet the requirements of the ballot proposal. If additional revenue is not available, expenditure reductions of this amount would be required.

ANALYSIS DETAIL

Proposal 02-4 creates several health-related funds in the Department of Treasury and designates that 90% of all tobacco settlement revenue received in 2003 and subsequent years be deposited in the various funds. The remaining 10% of tobacco settlement revenue is to be deposited in the state's general fund for other purposes as appropriated by the Legislature. The percentage of tobacco settlement revenue allocated to the three newly-created funds and the distribution within each fund is summarized below:

Tobacco Illness Care Fund	**46%**
Nonprofit Hospitals	28%
Licensed Hospices	2%
School-linked Health Centers	1%
Licensed Nursing Homes	13%
Nurse Practitioners	1%
Healthy Michigan Foundation	1%
Tobacco Settlement Research and Education Fund	**31%**
Tobacco-Free Futures Fund	15%
Council of Michigan Foundations	2%
Health and Aging Research/ Development	13%
Michigan Nurses Scholarship Program	1%
Senior Citizen Prescription Drug Assistance Fund	**13%**
Elder Prescription Drug Program	13%

General Fund	**10%**

In addition to the specific allocations of tobacco settlement revenue in Proposal 02-4, there are several significant conditions and requirements related to these and other state funds included in the petition language.

Unspent Funds
The proposal specifies that any tobacco settlement revenue (including investment earnings) that remains in any of the three newly-created funds at the close of the state's fiscal year shall not revert to the general fund. This means that the unspent monies could not be appropriated by the Legislature for any other purpose. In addition, any funds that cannot be provided to an eligible recipient organization because it ceases to exist or otherwise is unable to accept tobacco settlement revenue will be distributed proportionately to the other designated recipients.

Annual Report
Each recipient of tobacco settlement revenue must file an annual report itemizing expenditures. The Auditor General is required to prepare an annual Tobacco Settlement Revenue Accountability report itemizing how the funds are appropriated and expended—based on annual reports from all fund recipients.

Hold Harmless Provision
Proposal 02-4 clarifies that the tobacco settlement allocations are considered separate, distinct, and in addition to the annual amounts appropriated for the Medicaid program. It further states that Medicaid program expenditures for hospitals and other health care services may not be reduced as a result of the allocation of tobacco settlement revenue in the proposed constitutional amendment.

Proposal 02-4 would also require that the ratio of total state expenditures distributed to hospitals, nursing homes, hospices, and nurse practitioners be equal to or greater than the ratio in FY 2000-01. The ratio is also to be adjusted to reflect changes in the federal Medicaid matching rate, and changes in the number and type of Medicaid enrollees. Other state health care program expenditures are also required to be continued at not less than the amount appropriated in FY 2000-01.

ANALYSIS OF FISCAL IMPACT
The annual amount of tobacco settlement revenue that each state receives varies from year to year based on a variety of factors. It is estimated that Michigan's FY 2002-03 allocation of tobacco settlement revenue will total $328.6 million. The table at the end of this analysis compares the FY 2002-03 tobacco settlement revenue appropriated in the enacted state budget with the allocation that would be required under the ballot proposal. If Proposal 02-4 is adopted, $215.7 million in additional revenue would be required to maintain the current appropriations for Merit Award scholarships, respite care for seniors, Medicaid services and a variety of other initiatives. Without additional or alternative revenues, reductions in funding to these programs would be required. In subsequent years, further funding reductions would be required because $39.0 million in unspent tobacco settlement revenue carried forward from the prior fiscal year and appropriated in FY 2002-03 would no longer be available.

The hold harmless provisions that prohibit cuts in Medicaid and other health care program funding from FY 2000-01 levels and the maintenance of Medicaid spending for hospitals, nursing homes, hospices, and nurse practitioners at the same percentage of total state spending in FY 2000-01 would adversely affect funding for other state priorities. In FY 2000-01 the total Medicaid expenditures for the provider groups identified in Proposal 02-4 exceed $1.8 billion. This represents over 5% of the entire state budget for that year, and spending for these items would have to be maintained at the same percentage of the total state expenditures in the future. Any increases in state revenues in subsequent years, regardless of the fund source or purpose, could also potentially result in automatic adjustments in Medicaid funding for the above-mentioned provider groups.

Currently, Medicaid costs consume over 25% of state GF/GP revenues. The proposal provisions that maintain current funding levels and require increases to accommodate anticipated Medicaid caseload growth at a time when federal Medicaid revenues are expected to decline by $120.0 million per year will undoubtedly increase Medicaid state GF/GP funding. As a result of the proposal, anticipated demographic and caseload changes, and reductions in federal funds available to Michigan, Medicaid's share of the state GF/GP budget could grow to more than 30% within several years.

Scheduled declines in state revenues due to reductions in the state's income tax and single business tax rates along with recent federal tax changes will prevent Michigan from meeting the mandates of Proposal 02-4 without substantial cuts in other parts of the state budget. Projected decreases in future tobacco settlement revenues tied to lowered volume of cigarette sales will further erode the funds available to finance the programs and projects supported with these dollars by 3 to 5% per year according to some estimates.

It has also been argued that there may be offsetting savings to Michigan's budget from increased funding for smoking prevention programs. A recent report from the American Legacy Foundation asserts that implementation of comprehensive tobacco control programs that reduce smoking also lower state Medicaid spending attributable to smoking. At this time, it is not possible to quantify the potential impact of particular expenditures in the ballot proposal on overall Medicaid costs in Michigan.

However, any potential savings would likely occur in the future and would not affect the FY 2002-03 budget. Because of requirements in the tobacco settlement revenue proposal that maintain Medicaid spending a 2001 levels, any savings from lowered smoking related-Medicaid costs would not be available for spending elsewhere.

FY 2002-03 Tobacco Settlement Revenue Appropriated Compared with Allocation Required Under Proposal 02-4

		Tobacco Settlement Ballot Initiative	
	FY 2002-03 Appropriation	Dollar Amount	Percent of Total
Projected 2003 Tobacco Settlement Revenue	**$328,600,000**	**$328,600,000**	
Merit Award Trust Fund			
Merit Award Projected Expenditures	$114,300,000	$0	
Tuition Incentive Program	$5,300,000	$0	
MEAP Testing/Admin./TIP Admin./Commission	$18,890,600	$0	
Michigan Education Savings Plan	$1,000,000	$0	
Post Secondary Access Student Scholarships	$2,000,000	$0	
Nursing Scholarships	$4,000,000	$3,286,000	1%
Allocation to General Fund	$100,000,000	$32,860,000	10%
Subtotal	**$245,490,600**	**$36,146,000**	
Tobacco Settlement Trust Fund			
Council of Michigan Foundations	$4,000,000	$6,572,000	2%
Elder Prescription Insurance Coverage (EPIC)	$30,000,000	$42,718,000	13%
Nursing Home Personal Needs Allowance	$5,000,000	$0	
OSA Long Term Care Advisor	$761,000	$0	
Office of Services to the Aging (OSA) Respite Care	$5,000,000	$0	
Medicaid Base Funding	$30,007,200	$0	
Life Sciences Corridor*	$45,000,000	$42,718,000	13%
Rare Isotope Accelerator**	$2,000,000	$0	
Attorney General Administration	$351,800	$0	
Subtotal	**$122,120,000**	**$92,008,000**	
Healthy Michigan Amendment - New Allocations			
Tobacco-Free Future Fund, Inc.	$0	$49,290,000	15%
Hospitals	$0	$92,008,000	28%
Nursing Homes	$0	$42,718,000	13%
Licensed Hospices	$0	$6,572,000	2%
Nurse Practitioners	$0	$3,286,000	1%
Healthy Michigan Foundation	$0	$3,286,000	1%
School-linked Health Centers	$0	$3,286,000	1%
Subtotal	**$0**	**$200,446,000**	
TOTAL FUNDING	**$367,610,600**	**$328,600,000**	**100%**
Appropriated Total Not Included in Ballot Proposal	**$254,746,600**		
FY 2001-02 Tobacco Settlement Carry Forward	**$39,010,600**		
Net Amount Needed for Items Not Included in Ballot Proposal	**$215,736,000**		

** 15% ($6,407,700) of the Proposal 02-4 allocation for the Life Sciences Corridor is designated for tobacco-related research.*
***The Rare Isotope Accelerator appropriation is a one-time grant.*

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