

FY 2012-13: TOTAL GENERAL GOVERNMENT
Summary: As Reported by the House Subcommittee
House Bill 5382 (H-1) Draft 2



Analyst: Robin R. Risko and Ben Gielczyk

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	<i>Difference: House From FY 2011-12 YTD</i>	
						<i>Amount</i>	<i>%</i>
IDG/IDT	\$689,218,400	\$692,338,500	\$692,338,500			\$3,120,100	0.5
Federal	769,753,400	722,234,100	722,234,100			(47,519,300)	(6.2)
Local	8,109,500	8,007,000	8,007,000			(102,500)	(1.3)
Private	985,600	5,989,000	5,989,000			5,003,400	507.7
Restricted	1,773,984,000	1,868,956,100	1,882,956,100			108,872,100	6.1
GF/GP	875,464,100	943,746,200	888,754,100			13,290,000	1.5
Gross	\$4,117,515,000	\$4,241,270,900	\$4,200,278,800			\$82,763,800	2.0
FTEs	8,159.2	7,783.7	7,785.7			(373.5)	(4.6)

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

Overview

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

Major Boilerplate Changes From FY 2011-12

GENERAL SECTIONS OF BOILERPLATE

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

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

Sec. 216. Out-of-State Travel – NEW

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

Sec. 219. DTMB Space Consolidation Plan – NEW

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

Sec. 230. Provision of Quality Customer Service – NEW

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

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

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

FY 2011-12 ONE-TIME ONLY APPROPRIATIONS

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

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

FY 2013-2014 ANTICIPATED APPROPRIATIONS

Sec. 1201. *Anticipated Appropriations* – NEW

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

**FY 2012-13: DEPARTMENT OF ATTORNEY GENERAL
Summary: As Reported by the House Subcommittee
House Bill 5382 (H-1) Draft 2**



Analyst: Robin R. Risko

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: House From FY 2011-12 YTD	
						Amount	%
IDG/IDT	\$23,007,400	\$24,082,100	\$24,082,100			\$1,074,700	4.7
Federal	9,299,900	9,932,600	9,932,600			632,700	6.8
Local	0	0	0			0	0.0
Private	0	0	0			0	0.0
Restricted	16,282,700	17,242,000	17,242,000			959,300	5.9
GF/GP	29,836,300	33,690,500	33,357,500			3,521,200	11.8
Gross	\$78,426,300	\$84,947,200	\$84,614,200			\$6,187,900	7.9
FTEs	520.0	513.0	513.0			(7.0)	(1.3)

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

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

Overview

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

Major Budget Changes From FY 2011-12 YTD Appropriations

1. Public Safety Initiative - Cities in Distress

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

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

2. Tobacco Tax Enforcement

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

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

3. Information Technology

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

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

4. Full-Year Savings from Announced Contingency Plan

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

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

<u>Major Budget Changes From FY 2011-12 YTD Appropriations</u>		<u>FY 2011-12 Year-to-Date (as of 2/9/12)</u>	<u>FY 2012-13 House Change</u>
5. Additional Attorney for Casino Regulation	Gross	N/A	\$164,800
<u>Executive</u> includes additional State Casino Gaming Fund revenue to support an attorney position which will assist the illegal gambling task force with legal matters relating to the identification and investigation of illegal gambling operations. <u>House</u> concurs.	Restricted	N/A	164,800
6. Eliminate Funding for Redistricting	Gross	\$250,000	(\$250,000)
<u>Executive</u> eliminates one-time funding included in the FY 2011-12 budget for legal activities associated with defending Michigan's redistricting plan. <u>House</u> concurs.	GF/GP	\$250,000	(\$250,000)
7. Transfer Funding to Unclassified Positions	Gross	N/A	\$0
<u>Executive</u> transfers \$88,400 from the Attorney General Operations line item to the Unclassified Positions line item to cover costs of salary increases (\$68,400 for Solicitor General and \$20,000 for the other four unclassified positions). <u>House</u> concurs.	GF/GP	N/A	\$0
8. Economic Adjustments	Gross	N/A	\$4,978,200
<u>Executive</u> includes \$5.0 million Gross (\$1.9 million GF/GP) for negotiated salary and wage increases, the actuarially-required retirement rate increase, reduced employer health insurance costs due to the 20% employee contribution, increased building occupancy and rent charges, and reduced workers' compensation costs. <u>House</u> concurs.	IDG	N/A	1,457,300
	Federal	N/A	632,300
	Restricted	N/A	1,037,700
	GF/GP	N/A	\$1,850,900
9. GF/GP Reductions	Gross	N/A	(\$309,800)
<u>House</u> reduces \$287,400 GF/GP from Attorney General Operations, \$8,400 GF/GP from Child Support Enforcement, and \$14,000 GF/GP from PACC in order to meet House GF/GP targets	GF/GP	N/A	(\$309,800)
10. One-Time Appropriations - Employee Lump Sum Payments	Gross	N/A	\$1,025,900
<u>Executive</u> includes a one-time appropriation, in boilerplate section 2-301, of \$1.0 million Gross (\$393,300 GF/GP) for the negotiated one-time lump sum payments to state employees. <u>House</u> concurs, but appropriates the funding in a line item.	IDG	N/A	297,300
	Federal	N/A	122,600
	Restricted	N/A	212,700
	GF/GP	N/A	\$393,300
11. Anticipated FY 2013-14 Budget Changes			
<u>House</u> includes an anticipated increase in funding from the FY 2012-13 levels of \$2.0 million Gross (\$745,300 GF/GP) for economic adjustments in FY 2013-14. (Boilerplate intent language only; would not be binding appropriations.)			

Major Boilerplate Changes From FY 2011-12

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

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

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

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

Sec. 315. Revenue from Drug Immunity Law – NEW

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

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

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

FY 2012-13: DEPARTMENT OF CIVIL RIGHTS
Summary: As Reported by the House Subcommittee
House Bill 5382 (H-1) Draft 2



Analyst: Robin R. Risko

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

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

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

Overview

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

Major Budget Changes From FY 2011-12 YTD Appropriations

1. Reduce Federal Funding/Offset with GF/GP

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

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

2. Full-Year Savings from Announced Contingency Plan

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

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

3. Asian Pacific American Affairs Commission

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

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

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

Major Boilerplate Changes From FY 2011-12

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

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

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

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

FY 2012-13: EXECUTIVE OFFICE
Summary: As Reported by the House Subcommittee
House Bill 5382 (H-1) Draft 2



Analyst: Robin R. Risko

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

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

Overview

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

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

Major Boilerplate Changes From FY 2011-12

None

FY 2012-13: LEGISLATURE
Summary: As Reported by the House Subcommittee
House Bill 5382 (H-1) Draft 2



Analyst: Robin R. Risko

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

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

Overview

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

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

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

Major Boilerplate Changes From FY 2011-12

Sec. 609. Michigan Veterans' Facility Ombudsman – NEW

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

FY 2012-13: LEGISLATIVE AUDITOR GENERAL
Summary: As Reported by the House Subcommittee
House Bill 5382 (H-1) Draft 2



Analyst: Robin R. Risko

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

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

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

Overview

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

Major Budget Changes From FY 2011-12 YTD Appropriations	FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
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1. FY 2011-12 Base Adjustment

<u>Executive</u> includes additional funding to correct understated appropriations in the FY 2011-12 budget for employee-related economics. <u>House</u> concurs.	Gross	N/A	\$511,000
	IDG	N/A	202,400
	Restricted	N/A	89,200
	GF/GP	N/A	\$219,400

2. Fund Source Shifts as a Result of the Statewide Single Audit

<u>Executive</u> reduces IDG revenue and increases state restricted and GF/GP in order to accurately reflect where expenditures will occur as a result of converting to a statewide single audit. <u>House</u> concurs.	Gross	N/A	\$0
	IDG	N/A	(500,000)
	Restricted	N/A	160,000
	GF/GP	N/A	\$340,000

3. Economic Adjustments

<u>Executive</u> includes \$939,400 Gross (\$636,600 GF/GP) for negotiated salary and wage increases, the actuarially-required retirement rate increase, and reduced employer health insurance costs due to the 20% employee contribution. <u>House</u> concurs.	Gross	N/A	\$939,400
	IDG	N/A	210,100
	Restricted	N/A	92,700
	GF/GP	N/A	\$636,600

4. One-Time Appropriations - Employee Lump Sum Payments

<u>Executive</u> includes a one-time appropriation, in boilerplate section 11-501, of \$270,900 Gross (\$184,800 GF/GP) for the negotiated one-time lump sum payments to state employees. <u>House</u> concurs, but appropriates the funding in a line item.	Gross	N/A	\$270,900
	IDG	N/A	59,000
	Federal	N/A	27,100
	GF/GP	N/A	\$184,800

5. Anticipated FY 2013-14 Budget Changes

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

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

Major Boilerplate Changes From FY 2011-12

Sec. 624. Statewide Single Audit – DELETED

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

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

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

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

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

FY 2012-13: DEPARTMENT OF STATE
Summary: As Reported by the House Subcommittee
House Bill 5382 (H-1) Draft 2



Analyst: Ben Gielczyk

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

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

Overview

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

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

<u>Major Budget Changes From FY 2011-12 YTD Appropriations</u>		<u>FY 2011-12 Year-to-Date (as of 2/9/12)</u>	<u>FY 2012-13 House Change</u>
6. Economic Adjustments	Gross	N/A	\$3,335,900
<u>Executive</u> includes funding for increased costs of \$3.3 million Gross (\$291,200 GF/GP) for negotiated salary and wage increases, actuarially-	IDG	N/A	701,600
required retirement rate increase, reduced employer health insurance costs, and other economic adjustments. <u>House</u> concurs.	Restricted	N/A	2,343,100
	GF/GP	N/A	\$291,200

7. One-Time Appropriations	Gross	N/A	\$2,294,400
<u>Executive</u> proposes \$1.7 million Gross, \$434,900 GF/GP, designated as a one-time appropriation (in boilerplate section 15-401) for state employee lump sum payments and ExpressSOS marketing. <u>House</u> concurs and adds \$600,000 GF/GP for the Commercial Driver License Medical Certificate Program. <u>House</u> appropriates in separate line item unit.	Restricted	N/A	1,259,500
	GF/GP	N/A	\$1,034,900

8. Anticipated FY 2013-14 Budget Changes

Reflects anticipated increase from FY 2012-13 budget of \$4.0 million Gross (\$234,800 million GF/GP) for economic adjustments in FY 2013-14. (Boilerplate intent language only; would not be binding appropriation.)

Major Boilerplate Changes From FY 2011-12

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

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

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

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

Sec. 1201. Anticipated FY 2013-14 Appropriations

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

**FY 2012-13: DEPARTMENT OF TECHNOLOGY,
MANAGEMENT, AND BUDGET**
Summary: As Reported by the House Subcommittee
House Bill 5382 (H-1) Draft 2



Analyst: Ben Gielczyk

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

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

Overview

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

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

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

Major Boilerplate Changes From FY 2011-12

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

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

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

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

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

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

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

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

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

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

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

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

TECHNOLOGY SERVICES

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

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

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

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

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

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

Sec. 1201. Anticipated FY 2013-14 Appropriations

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

FY 2012-13: DEPARTMENT OF TREASURY
Summary: As Reported by the House Subcommittee
House Bill 5382 (H-1) Draft 2



Analyst: Ben Gielczyk

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

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

Overview

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

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

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
5. Payments in Lieu of Taxes		Gross	\$10,577,000
<u>Executive</u> increases payments in lieu of taxes (PILT) by \$1.8 million Gross (reduction of \$349,400 GF/GP) to reflect legislative change requiring the Michigan Natural Resource Trust Fund (MNRTF) to make MNRTF Purchased Land PILT payments in full. <u>House</u> concurs.	Restricted	1,646,600	2,155,100
	GF/GP	\$8,930,400	(\$349,400)
6. Contingency Plan Adjustment			
<u>Executive</u> includes reduction of \$3.1 million Gross (\$993,700 GF/GP) due to the elimination of 43.0 FTEs (funded, vacant positions). These positions were offered as part of the FY 2011-12 employee concession contingency plan. Includes fund shift to replace restricted funds associated with contingency plan. <u>House</u> concurs.	FTE	N/A	(43.0)
	Gross	N/A	(\$3,088,300)
	Restricted	N/A	(2,094,600)
	GF/GP		(\$993,700)
7. FY 2011-12 Supplemental Appropriations Removal		Gross	N/A
<u>Executive</u> removes \$2.0 million GF/GP in FY 2011-12 one-time supplemental appropriations for Michigan Finance Authority (\$1.0 million) and Tax Plan Implementation. <u>House</u> concurs.	GF/GP	N/A	(\$2,000,000)
8. Tobacco Tax Enforcement			
<u>Executive</u> includes \$1.5 million GF/GP and 13.0 FTE positions to support tobacco tax enforcement. Replaces \$3.0 million Gross authorization included in FY 2011-12. <u>House</u> concurs.	FTE	0.0	13.0
	Gross	\$3,000,000	(\$1,500,000)
	Restricted	3,000,000	(3,000,000)
	GF/GP	\$0	\$1,500,000
9. General Fund Replacement Revenue		Gross	\$23,893,500
<u>Executive</u> includes \$16.4 million GF/GP as replacement revenue for restricted and IDG funds. Replaces \$10.0 million Refined Petroleum Fund that supports debt service payments. Replaces \$6.4 million of IDG from Michigan Transportation Fund. <u>House</u> concurs.	IDG	8,379,000	(6,421,600)
	Restricted	15,514,500	(10,000,000)
	GF/GP	\$0	\$16,421,600
10. Office of Fiscal Responsibility			
<u>Executive</u> includes \$4.5 million GF/GP and 10.0 FTE positions for assistance to local units of government facing financial emergencies. <u>House</u> concurs.	FTE	N/A	10.0
	Gross	N/A	\$4,500,000
	GF/GP	N/A	\$4,500,500
11. Facility for Rare Isotope Beams		Gross	N/A
<u>Executive</u> includes in Higher Education budget recommendation. <u>House</u> includes \$2.3 million for debt service associated with the Facility for Rare Isotope Beams project at Michigan State University.	GF/GP	N/A	\$2,339,900
12. Health Insurance Claims Assessment Program			
<u>Executive</u> includes \$1.9 million Gross and 15.0 FTE positions for the administration of the Health Insurance Claims Assessment Program. <u>House</u> concurs.	FTE	N/A	15.0
	Gross	N/A	\$1,948,400
	Restricted	N/A	1,948,400
13. One-Time Appropriations (Treasury)		Gross	N/A
<u>Executive</u> proposes \$12.7 million Gross, \$311,500 GF/GP, (revised exec rec) designated as a one-time appropriation (in boilerplate section 19-1001). <u>House</u> includes \$22.7 million Gross, \$311,500 GF/GP, in new line item section:	IDG	N/A	112,800
• State employee lump sum payments: \$2.7 million Gross	Federal	N/A	171,700
• Competitive Assistance Grant Program: \$20.0 million (Revised Executive Recommendation included \$10.0 million)	Restricted	N/A	22,146,700
	GF/GP	N/A	\$311,500
14. Target Reductions		Gross	N/A
<u>House</u> includes reductions to various Treasury Operations lines to meet House targets. Reductions total \$676,200 GF/GP (1.0% of Operations GF/GP funding)	GF/GP	N/A	(\$676,200)
MICHIGAN STRATEGIC FUND			
15. Business Attraction and Economic Gardening		Gross	\$100,000,000
<u>Executive</u> includes FY 2011-12 one-time boilerplate appropriations (\$50.0 million GF/GP) in line-item as ongoing appropriations. Amounts to no gross funding change. <u>House</u> concurs with shift of one-time appropriations into line-item but reduces by \$10.0 million.	Restricted	25,000,000	0
	GF/GP	\$75,000,000	(\$10,000,000)

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

Major Boilerplate Changes From FY 2011-12

Sec. 906. Charge For Audits Conducted – REVISED

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

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

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

Sec. 925. Public Private Partnerships – REVISED

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

Sec. 943. Tobacco Tax Enforcement – REVISED

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

REVENUE SHARING

Sec. 951. Competitive Grant Assistance Program - NEW

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

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

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

MICHIGAN STRATEGIC FUND

Sec. 1001. Contingency Funds - REVISED

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

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

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

Sec. 1032. Film Tax Credit Program - REVISED

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

Sec. 1034. Business Incubator Program - DELETED

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

Sec. 1064. Workforce Training Funds Allocation - DELETED

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

Sec. 1066. Gang Diversion Program - DELETED

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

Sec. 1201. Anticipated FY 2013-14 Appropriations

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