

Summary of HB 4367 (S-1) - FY 2003 and FY 2004 Supplemental Items

<i>FY 2002-03</i>	Executive Recommendations		Senate Passed		House	
Department/Budget	GF/GP	Gross	GF/GP	Gross	GF/GP	Gross
Community Health	\$0	\$86,857,000	\$0	\$86,857,000		
Higher Education	\$0	\$3,000,000	\$0	\$3,000,000		
TOTALS	\$0	\$89,857,000	\$0	\$89,857,000		

<i>FY 2003-04</i>	Executive Recommendations		Senate Passed		House	
Department/Budget	GF/GP	GROSS	GF/GP	GROSS	GF/GP	GROSS
Agriculture	\$0	\$448,000	\$0	\$448,000		
Attorney General	\$0	\$28,000	\$0	\$0		
Capital Outlay	\$100	\$16,300,100	\$100	\$12,000,100		
Career Development	\$0	\$1,087,100	\$0	\$0		
Community Health	\$100,000,000	\$243,658,300	\$100,000,000	\$239,092,200		
CIS	\$0	\$1,820,000	\$0	\$1,820,000		
Corrections	(\$12,888,205)	(\$12,689,905)	(\$12,888,200)	(\$8,689,900)		
Education	\$0	\$332,800	\$0	\$332,800		
DEQ	\$0	\$15,365,525	\$0	\$4,365,500		
FIA	\$0	\$34,476,900	\$0	\$34,476,900		
Higher Education	\$0	\$80,700	\$0	\$0		
Judiciary	(\$1,100,000)	(\$500,000)	(\$1,100,000)	(\$500,000)		
Legislature	(\$1,200,000)	(\$1,200,000)	(\$1,249,600)	(\$1,249,600)		
DMB	\$0	\$300,000	\$0	\$300,000		
Military & Veterans'	\$100,000	\$970,000	\$100,000	\$970,000		
Natural Resources	\$0	\$25,000	\$0	\$25,000		

State	\$0	\$255,000	\$255,000	\$255,000		
State Police	\$0	\$6,100,000	\$0	\$6,100,000		
Treasury	\$3,542,300	\$11,482,300	\$4,242,300	\$11,382,300		
TOTALS	\$88,454,195	\$318,339,820	\$89,359,600	\$301,128,300		

<u>FY 2002-03 Budgetary Issues:</u>	<u>Executive</u>		<u>Senate</u>	<u>House</u>
COMMUNITY HEALTH				
1. Medicaid Caseload and Year End Accrual Adjustments. Appropriates \$68.0 million for Medicaid mental health, hospital, home health, auxiliary medical, and long-term care services to cover increased costs due to caseload and utilization growth. An additional \$18.8 million is included to recognize a year-end accrual accounting adjustment for long-term care services. The increase is financed with federal Medicaid matching funds, restricted revenues from a vitamin lawsuit settlement, and a withdrawal from the Medicaid Benefits Trust Fund.	Gross Federal Restr. GF/GP	\$86,857,000 \$34,408,900 \$52,448,100 \$0	\$86,857,000 \$34,408,900 \$52,448,100 \$0	
2. Community Mental Health (CMH) Non-Medicaid Services – MI-Family Plan Transfer. Restores \$40.7 million to the CMH Non-Medicaid Services line item that was transferred in the FY 2002-03 budget as part of the financing strategy for the MI-Family Plan. Since this program was not implemented, \$22.7 million has been transferred from Medicaid Mental Health Services and \$18.0 million has been transferred from MI-Family Plan.	Gross GF/GP	\$0 \$0	\$0 \$0	
3. Northville Psychiatric Hospital. Provides \$1.6 million to Northville Psychiatric Hospital to cover additional expenses related to the closure of this facility in FY 2002-03 such as salary and fringe benefits costs for maintenance personnel, unemployment costs for staff who were laid off, and annual leave payouts for terminated staff. Increased authorization for Northville is financed by a reduction in the CMH Non-Medicaid Services line item anticipating a lapse in this account.	Gross GF/GP	\$0 \$0	\$0 \$0	
HIGHER EDUCATION				
1. Merit Award Program. This appropriation from the Merit Award Trust Fund would cover a \$3.0 million shortfall in the appropriation for FY 2002-03 Merit awards. The shortfall is the result of an increase, from about 3,300 to about 8,500, in students who requested use of their award in an academic year that did not begin immediately after their graduation from high school.	Gross Restr. GF/GP	\$3,000,000 3,000,000 \$0	\$3,000,000 3,000,000 \$0	

<u>FY 2002-03 Boilerplate Issues:</u>	<u>Executive</u>	<u>Senate</u>	<u>House</u>
GENERAL PROVISIONS			
1. Sec. xxx. School Bond Loan Repayments. This boilerplate section moves the deposit of the proceeds from the school bond loan refinancing into the school aid fund in FY 2003, rather than FY 2004 as was authorized in PA 158 of 2003. Moving the deposit into FY 2003 allows the School Aid Fund to have a positive balance at the end of the fiscal year. Senate will accomplish this by another vehicle bill (SB 556).	Included	Not Included	

<u>FY 2002-03 Boilerplate Issues:</u>	<u>Executive</u>		<u>Senate</u>	<u>House</u>
ENVIRONMENTAL QUALITY 1. Sec. 1401. Appropriation Carryforward. Settlement fund revenue unspent at the end of FY 2002-03 would be carried over and made available for the groundwater use conflict mitigation program in DEQ and the Department of Agriculture.		Included	Included	
STATE POLICE 1. Sec. 1501. Work Project Designation. Requires the remaining prior year disaster assistance work project balances not to be lapsed but instead to be reappropriated for expenditure as originally intended.		Included	Included	
TREASURY 1. Sec. 1551. Transfer to Merit Award Trust Fund. Appropriates \$6 million from the Tobacco Settlement Trust Fund to the Merit Award Trust Fund.		Included	Included	

<u>FY 2003-04 Budgetary Issues:</u>	<u>Executive</u>		<u>Senate</u>	<u>House</u>
AGRICULTURE 1. Farmland and Open Space Preservation. An increase in the restricted funding source would replace GF/GP funding eliminated in the Executive Order. This recommendation requires passage of legislation increasing the amount that can be charged for administration of these programs from \$700,000 to \$900,000.	Gross Restr. GF/GP	\$170,000 170,000 \$0	\$170,000 170,000 \$0	
2. Agriculture Development. Increased restricted fund support (Licensing and Inspection Fees) would replace GF/GP funding eliminated in the Executive Order.	Gross Restr. GF/GP	\$28,000 28,000 \$0	\$28,000 28,000 \$0	
3. Bovine Tuberculosis Program. Increased federal fund support is available for this program. Funds would be used for administrative needs, laboratory equipment repair, research at MSU, and public information efforts. This item is included since legislative transfer authority is not provided in the FY 2003-04 budget act.	Gross Federal GF/GP	\$350,000 350,000 \$0	\$350,000 350,000 \$0	
4. Environmental Stewardship. Funding from the Interdepartmental grant from the Department of Environmental Quality would be eliminated. This program will be supported instead from settlement revenue collected in FY 2002-03, and carried over to forward-fund this revolving fund program.	Gross Restr. GF/GP	(\$100,000) (100,000) \$0	(\$100,000) (100,000) \$0	
ATTORNEY GENERAL 1. Additional Byrne Grant Funding. Authorizes the Prosecuting Attorneys Coordinating Council to receive additional federal grant funding made available from the Byrne Memorial Formula Grant. This grant funding is being used to fund the federal Shared Criminal Justice Information project. The focus of the project is to enable prosecutors to exchange criminal justice information and arrest, charge, and conviction data with state police, local police, courts, and other prosecutors. Senate does not recommend this item.	Gross Federal GF/GP	\$28,000 28,000 \$0	\$0 0 \$0	

FY 2003-04 Budgetary Issues:	<u>Executive</u>		<u>Senate</u>	<u>House</u>
<p>CAPITAL OUTLAY</p> <p>1. State Building Authority (SBA) Rent. A portion of the rent paid to the SBA for the State Police's Public Safety Communications System will be funded from the Commercial Mobile Radio Service (CMRS) Emergency Telephone Fund under this proposal. This is financed from a monthly charge on wireless subscribers that was originally authorized under PA 78 of 1999, but would require amendments to fund this purpose. Also, the charge is to sunset on January 1, 2004.</p>	Gross Restr. GF/GP	\$12,000,000 12,000,000 \$0	\$12,000,000 12,000,000 \$0	
<p>2. Capitol Complex Renovations. Rather than continue to fund current and future major special maintenance projects from lump sum major special maintenance accounts, the proposal is to combine them all into a single SBA construction authorization. This not only achieves GF/GP savings of \$12.2 million from existing appropriations, but also eliminates the need for \$15.3 million of future GF/GP major special maintenance appropriations. This \$27.5 million SBA authorization allows for the restoration of the Ottawa Parking Ramp and renovations of the Hannah, Ottawa, Treasury, and Williams office buildings. The \$12.2 million savings are to be recognized in the Executive Order.</p>	Gross GF/GP	\$100 \$100	\$100 \$100	
<p>3. Military Affairs, Camp Grayling Project. This electrical service upgrade project entails the replacement of some 28,000 feet of an existing 2,400 volt above ground electrical distribution system with a 14,400 volt grounded underground system. Senate does not recommend this item.</p>	Gross Federal GF/GP	\$2,800,000 2,800,000 \$0	\$0 0 \$0	
<p>4. Military Affairs, Pontiac Readiness Center Project. This renovation and addition project includes upgrading the facility's kitchen, locker rooms, toilets/showers, administrative offices, and break room. This armory houses the 1775th Military Police Company which is currently deployed overseas. Normally these types of upgrades require a 25% state match. Language is included to cover this through existing appropriations. Senate does not recommend this item.</p>	Gross Federal GF/GP	\$1,500,000 1,500,000 \$0	\$0 0 \$0	
<p>CAREER DEVELOPMENT</p> <p>1. Technology Assistance Grants. Provides additional federal Department of Education, Office of Special Education and Rehabilitation Services (DOE-OSERS) authorization within the Technology Assistance Grants appropriation line. These new federal funds provide for a demonstration grant which establishes a loan fund for individuals with severe disabilities. Grants will be administered by the Michigan Disability Rights Coalition to expand employment opportunities for individuals with disabilities by providing them access to computers and other equipment that will allow them to work from home. Senate does not recommend this item.</p>	Gross Federal GF/GP	\$862,100 862,100 \$0	\$0 0 \$0	

FY 2003-04 Budgetary Issues:	<u>Executive</u>		<u>Senate</u>	<u>House</u>
<p>2. High School/High Tech Program. Provides additional federal Department of Labor, Office of Disability Employment Policy (DOL-ODEP) authorization within the Employment Training Services appropriation line. These new federal funds will allow the Youth with Disabilities Program within the Department of Labor and Economic Growth to implement a High School/High Tech program. The federal funding is matched with in-kind contributions from the Michigan Rehabilitation Services program, the Commission for the Blind and the Michigan Department of Education. Senate does not recommend this item.</p>	<p>Gross Federal GF/GP</p>	<p>\$225,000 225,000 \$0</p>	<p>\$0 0 \$0</p>	
<p>COMMUNITY HEALTH 1. Crime Victim Services – Grants Administration. Appropriates \$414,500 of state restricted funds to the Grants Administration Services line item for the Crime Victim Services Commission. These funds are meant to replace \$414,500 of GF/GP that was eliminated from the line item by Executive Order. The appropriation is financed with available state restricted revenues from the Crime Victim's Rights Fund.</p>	<p>Gross Restr. GF/GP</p>	<p>\$414,500 414,500 \$0</p>	<p>\$414,500 414,500 \$0</p>	
<p>2. Medicaid Caseload and Adult Benefits Waiver Provides \$242.9 million for increased Medicaid expenditures related to caseload and utilization growth. Also partially restores savings related to the Adult Benefits Waiver that has not been approved yet by the federal government.</p>	<p>Gross Federal GF/GP</p>	<p>\$242,954,300 \$142,954,300 \$100,000,000</p>	<p>\$238,677,700 138,677,777 \$100,000,000</p>	
<p>3. Lead Abatement Program. Provides authorization for the remaining Clean Michigan Initiative (CMI) Bond funds set aside for lead abatement to be expended as originally planned. CMI funding of \$5.0 million was originally appropriated in FY 1999-2000 for residential lead hazard remediation, and continued as a work project through FY 2002-03. \$289,500 was not encumbered prior to the end of the 2002-03 fiscal year as intended. Senate does not recommend this item.</p>	<p>Gross Restr. GF/GP</p>	<p>\$289,500 289,500 \$0</p>	<p>\$0 0 \$0</p>	
<p>CONSUMER AND INDUSTRY SERVICES 1. Hydrogen Power. An additional \$1,270,000 of federal DOE-OEERE, multiple grants authorization is necessary for the Energy Office appropriation line due to the receipt of federal revenue from the U.S. Department of Energy. These federal pass-through grant funds will support a Hydrogen Power Park project that will be implemented by DTE Energy Ventures and will be matched by DTE funds. The project supports the State's efforts to promote alternative energy sources and the development of hydrogen fuel cells. This is the first year of a three year, \$3.0 million project.</p>	<p>Gross Federal GF/GP</p>	<p>\$1,270,000 1,270,000 \$0</p>	<p>\$1,270,000 1,270,000 \$0</p>	
<p>2. Gas Pipeline Safety Grants. An additional \$550,000 of federal DOT-RSPA, gas pipeline safety authorization is necessary for the Administration, Planning and Regulation appropriation line of the Public Service Commission due to the receipt of pass-through funds from the U.S. Department of Transportation. These federal funds will support an initiative designed to promote safety around gas pipelines which will include advertising and public service announcements. The grants will be administered by a damage prevention board.</p>	<p>Gross Federal GF/GP</p>	<p>\$550,000 550,000 \$0</p>	<p>\$550,000 550,000 \$0</p>	

FY 2003-04 Budgetary Issues:		<u>Executive</u>	<u>Senate</u>	<u>House</u>
3. Tax Tribunal Operations. As part of the budget reductions proposed in the Executive Order, \$350,000 additional Safety, Education and Training Fund revenue would be authorized in the Occupational Safety and Health appropriation line which would in-turn allow for a like amount of Securities fees revenue to be shifted to the Operations appropriation line of the Tax Tribunal unit, which would then provide that a like amount of GF/GP to become unauthorized. There is a sufficient balance in the Safety and Education Training Fund to effect this additional authorization.	Gross GF/GP	\$0 \$0	\$0 \$0	
CORRECTIONS 1. Budgetary Savings. A negative line item would be created, representing GF/GP budgetary savings to be achieved through maintaining position vacancies and other means. The savings would be distributed to the applicable line items through legislative transfers.	Gross GF/GP	(\$12,888,205) (\$12,888,205)	(\$12,888,200) (\$12,888,200)	
2. Public Works Fee Increase. Increases fees paid by local units and nonprofits for prisoner work crews would increase from the current \$8 per prisoner per 8-hour day to \$10 per prisoner per day, and expands the program to two additional sites, thereby generating additional revenues totaling \$198,300, and offsetting identical reductions contained in the Executive Order.	Gross Restr. GF/GP	\$198,000 198,000 \$0	\$198,300 198,300 \$0	
3. Sheriffs' Coordinating and Training Office. Appropriates \$4.0 million in restricted funds collected under the recently-enacted local corrections officer training act (2003 PA 125) and companion legislation. The legislation, which took effect October 1, provides for collection of jail booking fees which are used to defray costs of training and certifying local corrections officers. The program is administered by the Sheriffs Coordinating and Training Council, which is staffed by the Sheriffs Coordinating and Training Office established as an autonomous entity within the Department of Corrections.	Gross Restr. GF/GP	\$0 0 \$0	\$4,000,000 4,000,000 \$0	
DEPARTMENT OF EDUCATION 1. Shift to Federal Funds for Information Technology Services. A shift to Federal funds of \$42,800 is proposed to offset GF/GP appropriation reductions included in the proposed Executive Order. This shift would fund salaries and wages of staff-time allocated to federally-funded programs.	Gross Federal GF/GP	\$42,800 42,800 \$0	\$42,800 42,800 \$0	
2. Shift to Teacher Certification Fees. Teacher Certification Fees of \$290,000 are proposed to fund administrative functions within the Office of School Excellence, Government Services, and Safe Schools and Administrative Law. These fees would offset GF/GP reductions included in the proposed Executive Order. Statutory changes would be needed to support this funding shift.	Gross Restr. GF/GP	\$290,000 290,000 \$0	\$290,000 290,000 \$0	
ENVIRONMENTAL QUALITY 1. Funding Shifts Due to Executive Order. Restricted fund support would be added to Building Occupancy Charges and Private Rent, replacing GF/GP funding eliminated in the proposed Executive Order.	Gross Restr. GF/GP	\$3,135,525 3,135,525 \$0	\$2,035,500 2,035,500 \$0	

<u>FY 2003-04 Budgetary Issues:</u>		<u>Executive</u>	<u>Senate</u>	<u>House</u>
<p>2. Medical Waste Program. This program would be reinstated. Restricted funds would be collected and provided to the Department of Environmental Quality for response activities associated with the release of medical waste program. Funding and authorization was eliminated in FY 2001-02 Executive Order reductions.</p>	<p>Gross Restr. GF/GP</p>	<p>\$240,000 240,000 \$0</p>	<p>\$240,000 240,000 \$0</p>	
<p>3. Environmental Investigations. Federal Homeland Security funding has been awarded to the Department. Funds would be used for the procurement of specialized emergency response equipment used for detection and decontamination, communications equipment, and for training exercises to prepare for possible domestic terrorism threats.</p>	<p>Gross Federal GF/GP</p>	<p>\$210,000 210,000 \$0</p>	<p>\$210,000 210,000 \$0</p>	
<p>4. Air Quality Programs. A Federal Environmental Protection Agency grant has been awarded for the homeland security bio-watch program (computer systems, lab analyses, risk analyses, and public information and education programs).</p>	<p>Gross Federal GF/GP</p>	<p>\$880,000 880,000 \$0</p>	<p>\$880,000 880,000 \$0</p>	
<p>5. Aquifer Protection and Dispute Resolution. See item #6 below.</p>	<p>Gross Restr. GF/GP</p>	<p>(\$200,000) (200,000) \$0</p>	<p>(\$200,000) (200,000) \$0</p>	
<p>6. Aquifer Protection Revolving Fund. Reduces restricted fund support and replaces Groundwater Protection revenue with Settlement revenue collected in FY 2002-03, and carried over to forward-fund this revolving fund program.</p>	<p>Gross Restr. GF/GP</p>	<p>\$100,000 100,000 \$0</p>	<p>\$100,000 100,000 \$0</p>	
<p>7. Water Pollution Control and Drinking Water Revolving Fund. Bond revenue for local sewer improvement, upgrade or replacement projects would be available in this new revolving fund. The Strategic Water Quality Initiatives Fund program was approved by the voters in 2002. Senate does not recommend this item.</p>	<p>Gross Restr. GF/GP</p>	<p>\$10,000,000 10,000,000 \$0</p>	<p>\$0 0 \$0</p>	
<p>8. Revitalization Revolving Loan Fund. Federal funds would be used to capitalize a \$1.0 million brownfield cleanup revolving loan fund. Funds will continue to be available to local units, provided the \$1.0 million cap is not exceeded. A 20% local match is required. Senate does not recommend this item.</p>	<p>Gross Federal GF/GP</p>	<p>\$1,000,000 1,000,000 \$0</p>	<p>\$0 0 \$0</p>	
<p>FAMILY INDEPENDENCE AGENCY 1. Child Support Automation. Includes \$9.6 million in federal authority from the Child Support Enforcement System (CSES) penalty refund to offset the \$9.6 million GF/GP appropriation reduction included in the proposed Executive Order. The CSES Penalty Refund funding authority in the fund shift is available due to a combination of three factors; \$6.5 million in unobligated Section 413 of 2003 PA 172 penalty refund revenue due to the Governor's partial vetoes of that Section, \$2.3 in unobligated FY 2003 carryforward for the Transitional Work Support Program, and \$0.8 million from the elimination of five projects appropriated in Section 413. The five projects eliminated consist of; Community Based Innovation Grants \$50,000, Domestic Violence Supervised Parenting Centers \$500,000, School-Based Crisis Intervention Demonstration Project in Pontiac \$78,500, Young At-Risk Males of Color Network (5 Communities) \$45,000, Teen Pregnancy Prevention Program- 3-Year Project \$100,000.</p>	<p>Gross Federal GF/GP</p>	<p>\$9,600,000 9,600,000 \$0</p>	<p>\$9,600,000 9,600,000 \$0</p>	

FY 2003-04 Budgetary Issues:	<u>Executive</u>		<u>Senate</u>	<u>House</u>
<p>2. Day Care Services Fund Shift. Includes \$5.0 million in Temporary Assistance for Needy Families (TANF) federal authority to offset the Day Care Services \$5.0 million GF/GP appropriation reduction included in the proposed Executive Order. The TANF funding authority utilized in the fund shift is available due to a \$5.0 million TANF program reduction in the Department of Career Development for Work First client employment and training services included in the proposed Executive Order.</p>	<p>Gross Federal GF/GP</p>	<p>\$5,000,000 5,000,000 \$0</p>	<p>\$5,000,000 5,000,000 \$0</p>	
<p>3. Public Assistance Caseloads – GF/GP Fund Shift. Uses \$16.4 million in current GF/GP caseload allocations to draw down \$20.8 million in additional federal Child Care Development Fund match, saving \$20.8 TANF. Includes \$11.1 million of the TANF savings to replace GF/GP for use in item #4 below.</p>	<p>Gross Federal GF/GP</p>	<p>\$0 11,058,900 (\$11,058,900)</p>	<p>\$0 11,058,900 (\$11,058,900)</p>	
<p>4. Administrative Reduction Restoration.</p> <p>a. Maxey Property Sale. Uses GF/GP savings from item #3 restore \$5.0 million in contingency appropriations vetoed by the Governor in the Enacted Budget's Executive Operations Appropriation Unit for Salaries and Wages of \$3.6 million and Executive Operations Contractual Services, Supplies and Material of \$1.4 million.</p> <p>b. Wayne County Office Consolidation. Uses GF/GP savings from item #3 to restore \$2.0 million in contingency appropriations in the Enacted Budget that requires FIA to generate savings from further local office consolidations in Wayne County. Two million is added to Rent line in the Central Support Accounts Appropriation Unit.</p> <p>c. Information Technology. Uses \$4.1 million GF/GP savings from item #3 to draw down \$7.1 million Federal, restoring \$11.2 million in reduced funding for the Information Technology Appropriation Unit in the Enacted Budget. Added to Information Technology Services and Projects line is \$6.8 million, \$1.9 million to Client Services System line and \$2.5 million to Data System Enhancement line.</p> <p>d. Grand Tower Facility Reimbursement. Uses TANF savings from item #3 to restore the \$518,200 TANF reduction included in the Enacted Budget for this line in the Central Support Accounts Appropriation Unit.</p> <p>e. Worker's Compensation. Uses TANF savings from item #3 to restore the \$1.2 million TANF reduction in the Enacted Budget for this line in the Central Support Accounts Appropriation Unit.</p>	<p>Gross Federal GF/GP</p>	<p>\$19,876,900 8,818,000 \$11,058,900</p>	<p>\$19,876,900 8,818,000 \$11,058,900</p>	
<p>HIGHER EDUCATION</p> <p>1. State Competitive Scholarships. Additional federal funds are anticipated. Senate does not recommend this item.</p>	<p>Gross Federal GF/GP</p>	<p>\$80,700 80,700 \$0</p>	<p>\$0 0 \$0</p>	
<p>JUDICIARY</p> <p>1. Target Agreement Reductions. In order to achieve a \$1.1 million GF/GP reduction, the proposal is to shift financing to restricted funds (\$600,000) and implement budgetary reductions (\$500,000).</p>	<p>Gross Restr. GF/GP</p>	<p>(\$500,000) 600,000 (\$1,100,000)</p>	<p>(\$500,000) 600,000 (\$1,100,000)</p>	

FY 2003-04 Budgetary Issues:	<u>Executive</u>		<u>Senate</u>	<u>House</u>
LEGISLATURE 1. Target Agreement Reductions. Includes a reduction of \$1.2 million GF/GP for the Legislature budget, which equates to a net reduction of 1.4% after deducting funding, used to pay SOCC, property management, and legislative retirement costs.	Gross GF/GP	(\$1,200,000) (\$1,200,000)	(\$1,249,600) (\$1,249,600)	
MANAGEMENT AND BUDGET 1. Homeland Security. DMB is charged with the operation, maintenance, and security of buildings which house state employees and visitors. Emergency management and security personnel are charged with incident response, planning, and preparedness. Funding is provided to DMB for enhancement of the security of these facilities, improvement of the ability to respond to emergencies, and improvement of communication with the Michigan State Police and the State Emergency Operations Center.	Gross Federal GF/GP	\$300,000 300,000 \$0	\$300,000 300,000 \$0	
MILITARY AND VETERANS AFFAIRS 1. Veterans Homes. Includes \$570,000 and \$200,000 for the Grand Rapids Veterans' Home and D. J. Jacobetti Veterans' Home respectively in Income and Assessment restricted carry-forward revenue to offset the GF appropriation reduction included in the proposed Executive Order.	Gross Restr. GF/GP	\$770,000 770,000 \$0	\$770,000 770,000 \$0	
2. Homeland Security. Provides federal funding grant of \$100,000 from the Michigan Department of Community Health for Public Health Preparedness and Response for Bioterrorism Program which would support the Office of Public Health Preparedness for the development, implementation and facilitation of a statewide logistical plan for the receipt, staging and storage of pharmaceuticals and related supplies that can be rapidly deployed in the event of a mass medical emergency in the State of Michigan.	Gross Restr. GF/GP	\$100,000 100,000 \$0	\$100,000 100,000 \$0	
3. Transportation Costs, Returning Troops. These funds will be used to pay the transportation costs of Michigan troops mobilized to support the Iraqi Freedom Campaign who are now returning home.	Gross GF/GP	\$100,000 \$100,000	\$100,000 \$100,000	
NATURAL RESOURCES 1. Education and Outreach. A shift to restricted funds is proposed to offset GF/GP appropriation reductions included in the proposed Executive Order.	Gross Restr. GF/GP	\$25,000 25,000 \$0	\$25,000 25,000 \$0	
STATE 1. Responsible Driver Program. Provides additional funding for administration of the Responsible Driver Program. Funding will be used for one-time start-up information technology costs required to implement the program and for one FTE position to administer the customer call center where people with questions related to driver license suspensions can call for assistance. Senate uses GF monies to support this program.	FTE Gross Restr. GF/GP	1.0 \$255,000 255,000 \$0	1.0 \$255,000 0 \$255,000	
STATE POLICE 1. At Post Troopers. Includes \$6.1 million in driver's education fee revenue earmarked for the Traffic Law Enforcement and Safety Fund to replace General Fund for use in conjunction with the proposed Executive Order.	Gross Restr. GF/GP	\$6,100,000 6,100,000 \$0	\$6,100,000 6,100,000 \$0	

FY 2003-04 Budgetary Issues:	<u>Executive</u>		<u>Senate</u>	<u>House</u>
TREASURY 1. Delinquent Tax Collections. Appropriates delinquent tax collection and general fund revenues for implementation of revenue recovery initiatives. Initiatives include increased audit applications for state and local accounts and tax collection and processing service improvements. Appropriate audit management/system controls will be set in place for industrial facilities and tax increment financing provisions will be made consistent with Auditor General findings. Tax collection services will involve additional field enforcement services, IRS data sharing, levy process improvements, and corporate officer assessments. Tax processing services will improve timely reconciliation of sales, use, and withholding tax information.	FTE Gross Restr. GF/GP	83.0 \$8,100,000 6,100,000 \$2,000,000	83.0 \$8,100,000 6,100,000 \$2,000,000	
2. Low-Income Energy Program. Appropriates federal revenue made available for operational costs associated with processing basic home heating assistance payments, consistent with an agreement made between FIA and the Department of Treasury.	Gross Federal GF/GP	\$400,000 400,000 \$0	\$400,000 400,000 \$0	
3. Justice System and Civil Filing Fee Funds. Appropriates Justice System and Civil Filing Fee Fund revenues to cover costs associated with implementing provisions of the Judiciary fee package authorized by Public Acts 97 and 138 of 2003. The Department of Treasury is responsible for monitoring the collection and distribution of revenues from court assessments, costs, and civil filing fees designated by law for deposit into the Justice System Fund and the Civil Filing Fee Fund. Pursuant to law, the Department is authorized to receive a portion of the revenues to be used to offset administrative costs.	Gross Restr. GF/GP	\$640,000 640,000 \$0	\$640,000 640,000 \$0	
4. Special Grants to Cities. Appropriates funding to restore the 5% reduction in revenue sharing payments included in Executive Order 2003-23 to those cities which have an emergency financial manager appointed to them pursuant to 1990 PA 72. Following is the anticipated distribution of funding: Flint - \$1,111,500; Hamtramck - \$219,400; and Highland Park - \$211,400.	Gross GF/GP	\$1,542,300 \$1,542,300	\$1,542,300 \$1,542,300	
5. Responsible Driver Program. Authorizes an additional 6.0 FTE positions and appropriates driver responsibility fee revenues to fund billing and collection activities associated with the Responsible Driver Program. Senate uses GF monies to support this program.	FTE Gross Restr. GF/GP	6.0 \$700,000 700,000 \$0	6.0 \$700,000 0 \$700,000	
6. Reading and Math Assessments. Authorizes the receipt of additional federal funding made available from the National Center for Education Statistics (NCES) for meeting requirements of the National Assessment for Educational Progress (NAEP) program. The NAEP program assesses and reports what the nation's students know and can do in various subject areas. In Michigan, pursuant to current legislation, NAEP reading and math assessments are conducted at the 4th and 8th grade levels. Senate does not recommend this item.	Gross Federal GF/GP	\$100,000 100,000 \$0	\$0 0 \$0	

<u>FY 2003-04 Boilerplate Issues:</u>	<u>Executive</u>	<u>Senate</u>	<u>House</u>
<p>GENERAL PROVISIONS</p> <p>1. Sec. 231. Transfers to the General Fund. Executive transfers \$63 million from the Merit Award Trust Fund and \$1 million from the Tobacco Settlement Trust Fund to the General Fund. Senate includes the \$1 million from the Tobacco Settlement Trust Fund in this section and the \$63 million transfer under Section 451.</p>	Included	Modified	
<p>2. Sec. xxx. Appropriation to the School Aid Fund. Executive appropriates \$45.5 million to the School Aid Fund from the General Fund based on the 6-month pause in the personal income tax reduction. Senate will accomplish this by another vehicle bill (SB 556).</p>	Included	Not Included	
<p>3. Sec. xxx. Temporary State Fiscal Relief (Federal) Funds. Executive directs that these monies will be deposited into the general fund and are to be used to support essential State Police services. Senate does not recommend this item.</p>	Included	Not Included	
<p>ATTORNEY GENERAL</p> <p>1. Sec. 221. Prisoner Reimbursement Funds. Authorizes the Attorney General to expend up to \$800,000 of prisoner reimbursement revenue collected in excess of \$1.1 million. The Department is authorized to expend the funding on defending the state, state departments, and state employees in civil litigation claims filed by prisoners.</p>	Not Included	Included	
<p>CAPITAL OUTLAY</p> <p>1. Sec. xxx. Project Contingencies. Appropriations for projects in Part I are contingent upon receipt of federal funds. Also automatically appropriates any required State matching funds from existing Capital Outlay appropriations for the Department of Military and Veterans Affairs. Senate does not recommend this item.</p>	Included	Not Included	
<p>COMMUNITY COLLEGES</p> <p>1. Sec. 251. Restoration of Funds Under Certain Conditions. Provides that colleges agreeing to (1) not increase resident undergraduate tuition for the winter 2004 semester and (2) not increase resident undergraduate tuition for academic year 2004-05 at a rate greater than the projected FY 2004-05 increase in the Detroit CPI would have three percent of their operations grants restored (partially offsetting the five percent reductions in EO 2003-23).</p>	Included	Included	
<p>CONSUMER AND INDUSTRY SERVICES</p> <p>1. Sec. 271. Lease Terminations. This language would require that FY 2003-04 part 1 appropriations used for leased space of specified Unemployment Agency branch locations be canceled 90 days after this act takes effect. The office sites are no longer needed due to the implementation of the Remote Initial Claims Centers (RICCs) initiative. These sites are located in Adrian, Alpena, Fremont, Holland, Ionia, Manistee, Petoskey, and Traverse City.</p>	Included	Included	
<p>CORRECTIONS</p> <p>1. Sec. 301. Lease Termination. Prohibits the department from expending funds to continue leasing office space at 4240-4242 Cass Avenue in Detroit. This is space that is no longer necessary due to consolidation of parole offices.</p>	Included	Included	
<p>2. Sec. 302. Achieving Budgetary Savings. Savings to be realized from the hiring freeze, efficiencies, and other administrative savings. Must be implemented by legislatively adopted transfers where applicable.</p>	Not Included	Included	
<p>3. Sec. 303. Sheriffs' Coordinating and Training Office. Provides for expenditure of funds consistent with the Local Corrections Officer Training Act.</p>	Not Included	Included	

<u>FY 2003-04 Boilerplate Issues:</u>	<u>Executive</u>	<u>Senate</u>	<u>House</u>
ENVIRONMENTAL QUALITY 1. Sec. 401. Reappropriation of Environmental Cleanup Funds. Funding for site remediation and cleanup program appropriations for FY 1997-98, 1998-99, 1999-2000, and 2001-02 would be reauthorized. Funds would continue to be available for cleanup sites identified in appropriations acts from each of these fiscal years, and would be set up as work projects. Funding would be available until September 30, 2008.	Included	Included	
HIGHER EDUCATION 1. Sec. 451. Transfers to the General Fund. Executive transfers \$63 million from the Merit Award Trust Fund and \$1 million from the Tobacco Settlement Trust Fund to the General Fund (Sec. 231). Senate includes the \$63 million transfer here and the \$1 million transfer under Sec. 231.	Included	Modified	
2. Sec. 452. Restoration of Funds Under Certain Conditions. Provides that universities agreeing to (1) not increase resident undergraduate tuition for the winter 2004 semester and (2) not increase resident undergraduate tuition for academic year 2004-05 at a rate greater than the projected FY 2004-05 increase in the Detroit CPI would have three percent of their operations grants restored (partially offsetting the five percent reductions in EO 2003-23).	Included	Included	
JUDICIARY 1. Sec. 471. Achieving Budgetary Savings. Authorizes the Judiciary to effect necessary transfers to achieve budgetary savings.	Included	Included	
MANAGEMENT AND BUDGET 1. Sec. 501. Homeland Security. Establishes the appropriation to DMB for homeland security as a work project appropriation and authorizes unencumbered and unallotted funding to be carried forward into the next fiscal year.	Included	Included	
TREASURY 1. Sec. 601. Distribution of Special Grants to Cities. Requires the appropriation for special grants to cities to be used to restore the revenue sharing reduction included in Executive Order 2003-23 for cities that have an appointed emergency financial manager.	Included	Included	
REPEALERS 1. Sec. 1601. Section 605 of PA 157 of 2002. Boilerplate sections affected by the change in funding sources for the groundwater use conflict mitigation program are repealed: Section 605 of 2003 PA 157 (Agriculture), Section 902 of 2003 PA 171 (DEQ), and Section 1401 PA 173 (Supplemental Appropriations, DEQ).	Included	Included	
2. Sec. 1602. Section 902 of PA 171 of 2002. Boilerplate sections affected by the change in funding sources for the groundwater use conflict mitigation program are repealed: Section 605 of 2003 PA 157 (Agriculture), Section 902 of 2003 PA 171 (DEQ), and Section 1401 PA 173 (Supplemental Appropriations, DEQ).	Included	Included	
3. Sec. 1603. Section 1401 of PA 173 of 2002. Boilerplate sections affected by the change in funding sources for the groundwater use conflict mitigation program are repealed: Section 605 of 2003 PA 157 (Agriculture), Section 902 of 2003 PA 171 (DEQ), and Section 1401 PA 173 (Supplemental Appropriations, DEQ).	Included	Included	
4. Sec. 1604. Section 308 of PA 161 of 2002. This repeals the Prisoner Reimbursement language from the General Government budget act and replaced here by Section 221.	Not Included	Included	