

STATE OF MICHIGAN
FISCAL YEAR 2009-10

Appropriations Summary and Analysis



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Mitchell E. Bean, Director

January 2010

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January 2010

TO: Members of the Michigan House of Representatives

This ***FY 2009-10 Appropriations Summary and Analysis*** summarizes the enacted FY 2009-10 appropriations. A *Glossary*, following the table of contents, explains terms used throughout this report to describe Michigan's budget. The *Director's Overview* provides information on resources used in the enacted FY 2009-10 budget; summary tables of appropriated funds and fund sources are also included. *Budget Detail* pages note major budget and boilerplate changes for each department/agency. The last section provides an overview of consensus revenue estimates.

When analyzing the budget, it is important to note the following:

Adjusted Gross is the amount to use when measuring the effect of state spending on the state's economy.

General Fund/General Purpose (GF/GP) is the amount to use when measuring state resources available for legislative allocation to various state programs.

State Spending From State Sources is the amount to use when measuring the amount of state resources collected from taxpayers to finance state spending.

Information in the *Budget Detail* section was provided by HFA Analysts; report production was coordinated by Kathryn Bateson, Administrative Assistant. House Fiscal Agency staff and their areas of responsibility are listed on the inside back cover of this publication. Please feel free to contact them, or me, if you have questions or need further information.

A handwritten signature in black ink that reads "Mitchell E. Bean".

Mitchell E. Bean, Director

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GLOSSARY

Frequently-Used State Budget Terms

STATE BUDGET TERMS

Gross Appropriations (Gross): The total of all applicable appropriations (statutory spending authorizations) in a budget bill.

Adjusted Gross Appropriations (Adjusted Gross): The net amount of all gross appropriations after subtracting interdepartmental grants (IDGs) and intradepartmental transfers (IDTs).

Lapses: Appropriation amounts that are unspent/unobligated at the end of a fiscal year; appropriations are automatically terminated at the end of a fiscal year unless otherwise provided by law.

Work Project: A statutorily-authorized account which allows a spending authorization to be carried over from one fiscal year to a succeeding fiscal year or years—i.e., allows funds to be spent over a period of years.

APPROPRIATION BILL TERMS

Line Item: Specific funding amount in an appropriation bill which establishes spending authorization for a particular program or function (may be for a single purpose or for multiple purposes).

Boilerplate: Specific language sections in an appropriation bill which direct, limit, or restrict line item expenditures; express legislative intent; and/or require reports.

REVENUE SOURCES

General Fund/General Purpose (GF/GP): Unrestricted General Fund revenue available to fund any activity accounted for in the General Fund; unused GF/GP revenue lapses to the General Fund at the end of a fiscal year.

State Restricted (Restricted): State revenue restricted by state law or outside restriction that is available only for specified purposes; at year-end, unused restricted revenue remains in the restricted fund.

Federal Revenue: Federal grant or matchable revenue dedicated to specific programs.

Local Revenue: Revenue from local units of government.

Private Revenue: Revenue from nongovernment entities: rents, royalties or interest payments, payments from hospitals or individuals, and gifts and bequests.

Interdepartmental Grant (IDG): Revenue or funds received by one state department from another state department (usually for a service provided by the receiving department).

Intradepartmental Transfer (IDT): Transfers or funds being provided from one appropriation unit to another in the same department.

MAJOR STATE FUNDS

Budget Stabilization Fund (BSF): The countercyclical economic and budget stabilization fund; also known as the “rainy day” fund.

School Aid Fund (SAF): A restricted fund; the primary funding source for K-12 schools and Intermediate School Districts.

General Fund: The General Fund (funded from taxes and other general revenue) is used to account for the ordinary operations of a governmental unit that are not accounted for in another fund.

FY 2009-10 Budget Detail

DIRECTOR'S OVERVIEW

**Overview
Resources Used in Enacted Budget
Tobacco Settlement Funds
Summary Tables**

OVERVIEW

FY 2009-10 DIRECTOR'S OVERVIEW Summary and Analysis

The enacted budget for Fiscal Year (FY) 2009-10, year-to-date (YTD) at December 14, 2009, includes \$44.5 billion in adjusted gross appropriations from the following sources:

- \$17.0 billion from state restricted funds.
- \$18.9 billion from federal funds.
- \$8.1 billion from General Fund/General Purpose (GF/GP) revenue.
- \$0.5 billion from local and private sources.

Compared to FY 2008-09 YTD (at December 14, 2009) appropriations, the enacted budget provides an adjusted gross decrease of 7.6%, and a GF/GP decrease of 5.1%.

Both FY 2008-09 and FY 2009-10 year-to-date appropriation totals include significant amounts of funds appropriated from revenue received under the federal American Recovery and Reinvestment Act (ARRA). Total FY 2008-09 appropriation amounts include \$5.0 billion in ARRA appropriations. Total FY 2009-10 appropriation amounts include \$2.1 billion in ARRA appropriations. The reduction in ARRA funding appropriated in the two years accounts for a large portion of the reduction in total state budget appropriations from FY 2008-09 to FY 2009-10.

Appropriation comparison tables for individual budget areas in the *Budget Detail* section of this report generally reflect FY 2008-09 year-to-date amounts as of February 12, 2009 (rather than December 14, 2009) to reflect FY 2008-09 budget amounts appropriated when the FY 2009-10 Executive Budget was originally released. Unless otherwise noted, no ARRA funds are, therefore, reflected in the FY 2008-09 amounts in the *Budget Detail* section.

Consensus Revenue Estimates

The FY 2009-10 GF/GP budget is based on consensus revenue estimates agreed to at the May 15, 2009, Consensus Revenue Estimating Conference.

The FY 2009-10 estimates show a \$485.6 million (6.5%) decline in GF/GP revenue from FY 2008-09, and a \$380.5 million (3.5%) decrease in School Aid Fund (SAF) revenue.

Additional Funding

In addition to consensus revenue forecasts, funding for FY 2009-10 GF/GP expenditures includes the following:

- \$195.5 million in beginning fund balance.
- \$513.9 million revenue sharing freeze.
- \$45.0 million shift of short-term borrowing costs to the SAF.
- \$140.0 million transfer from Merit Award Trust Fund.
- \$37.5 million transfer from the 21st Century Jobs Fund.
- \$8.9 million from other transfers to GF/GP.
- \$12.0 million transfer from Transportation Economic Development Fund.

In addition to consensus revenue forecasts, funding for FY 2009-10 School Aid Fund expenditures includes the following:

- \$201.5 million in beginning fund balance.
- \$1,608.1 million in federal funds (not including ARRA funds).
- \$30.8 million transfer from GF/GP.

RESOURCES USED IN FY 2009-10 YEAR-TO-DATE BUDGET

Resources used to fund General Fund/General Purpose, School Aid Fund, Medicaid Benefits Trust Fund, and Merit Award Trust Fund expenditures in the FY 2009-10 YTD budget are reported below.

**FY 2009-10 GENERAL FUND/GENERAL PURPOSE
(Millions of Dollars)**

Beginning fund balance	\$195.5
Revenue estimate	6,949.7
Adjustments:	
Revenue sharing freeze	513.9
Shift short-term borrowing costs to SAF	45.0
Replace Quality Assurance Assessment Program (QAAP) with use tax	339.5
Merit Award Trust Fund transfer	140.0
21st Century Jobs Fund transfer	37.5
Other transfers to GF	8.9
Transportation Economic Development Fund transfer to GF/GP	12.0
Total Resources	\$8,242.0

Beginning Fund Balance: Carryforward from prior fiscal year.

Revenue Estimates: Revenue estimates agreed to at the May 2009 consensus revenue estimating conference.

Revenue Sharing Freeze: Increased GF/GP revenue as a result of freezing revenue sharing below full statutory funding.

Short-Term Borrowing Costs: Cost of short-term notes for cash-flow shifted to SAF.

Replace QAAP with Use Tax: Restricted revenue from QAAP tax on Medicaid health plans is replaced with GF/GP revenue from new use tax on these entities. Action reflects new federal restrictions on QAAP taxes.

Merit Award Trust Fund Transfer: Restricted transfer to GF/GP.

21st Century Jobs Fund Transfer: Restricted transfer to GF/GP.

Transportation Economic Development Fund Transfer: Fund transfer to GF/GP.

OVERVIEW

**FY 2009-10 SCHOOL AID FUND
(Millions of Dollars)**

Beginning balance	\$201.5
Revenue estimate	10,663.0
Adjustments:	
GF/GP transfer	30.8
Federal revenue	1,601.8
Federal ARRA	450.0
Total Resources	\$12,947.1

Beginning Balance: Carryforward from prior fiscal year.

Revenue Estimate: Revenue estimates agreed to at the May 2009 consensus revenue estimating conference and assumed new revenues.

GF/GP Transfer: Annual transfer; amount varies from year to year.

Federal Revenue: Includes grants for the (federal) No Child Left Behind Act, special education, school lunch, and other smaller grant programs.

**FY 2009-10 MEDICAID BENEFITS TRUST FUND
(Millions of Dollars)**

Estimated beginning balance	\$13.3
Estimated interest	4.1
Estimated deposit:	
Total settlement revenue	10.7
Revenue from cigarette tax	310.1
Revenue from other tobacco products tax	34.5
Subtotal: Available funds	\$372.7
Withdrawal in FY 2009-10	(372.7)
FY 2009-10 Medicaid Benefits Trust Fund Balance	\$0.0

**FY 2009-10 ESTIMATES
TOBACCO SETTLEMENT REVENUE/EXPENDITURES
(Millions of Dollars)**

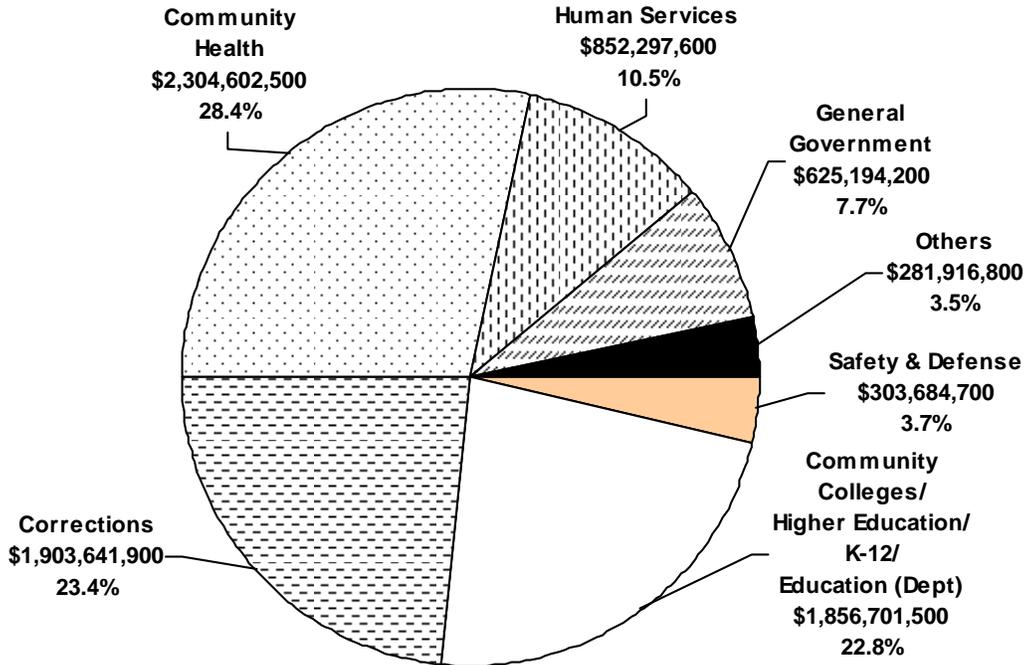
Merit Award Trust Fund Revenue

	FY 2009-10 Beginning Balance	
		\$24.6
Tobacco settlement revenue		\$324.0
Payments on securitization bonds		(78.1)
Deposit to 21st Century Jobs Fund		(75.0)
Interest		0.9
	Revenue Subtotal	\$196.4
Community Health: Medicaid base		(\$18.4)
Community Health: Aging - respite care		(4.5)
Higher Education: Merit award		(0.1)
Higher Education: Tuition incentive program		(30.1)
Attorney general administration		(0.4)
Treasury: Merit award/TIP administration		(2.3)
State Police: Tobacco tax enforcement		(0.6)
Assumed transfer to general fund		(140.0)
	Expense Subtotal	(\$196.4)
	FY 2009-10 Merit Award Trust Fund Ending Balance	\$0.0

OVERVIEW

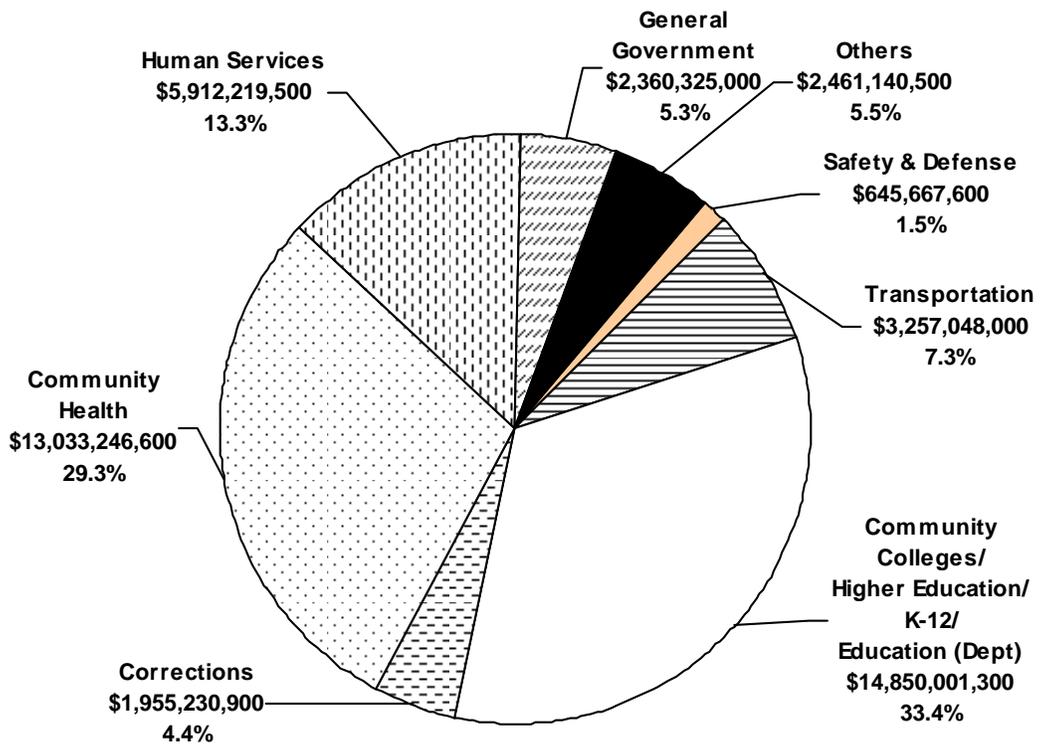
FY 2009-10 YTD General Fund/General Purpose (GF/GP) Appropriations

Total: \$8,128,039,200



FY 2009-10 YTD Adjusted Gross Appropriations

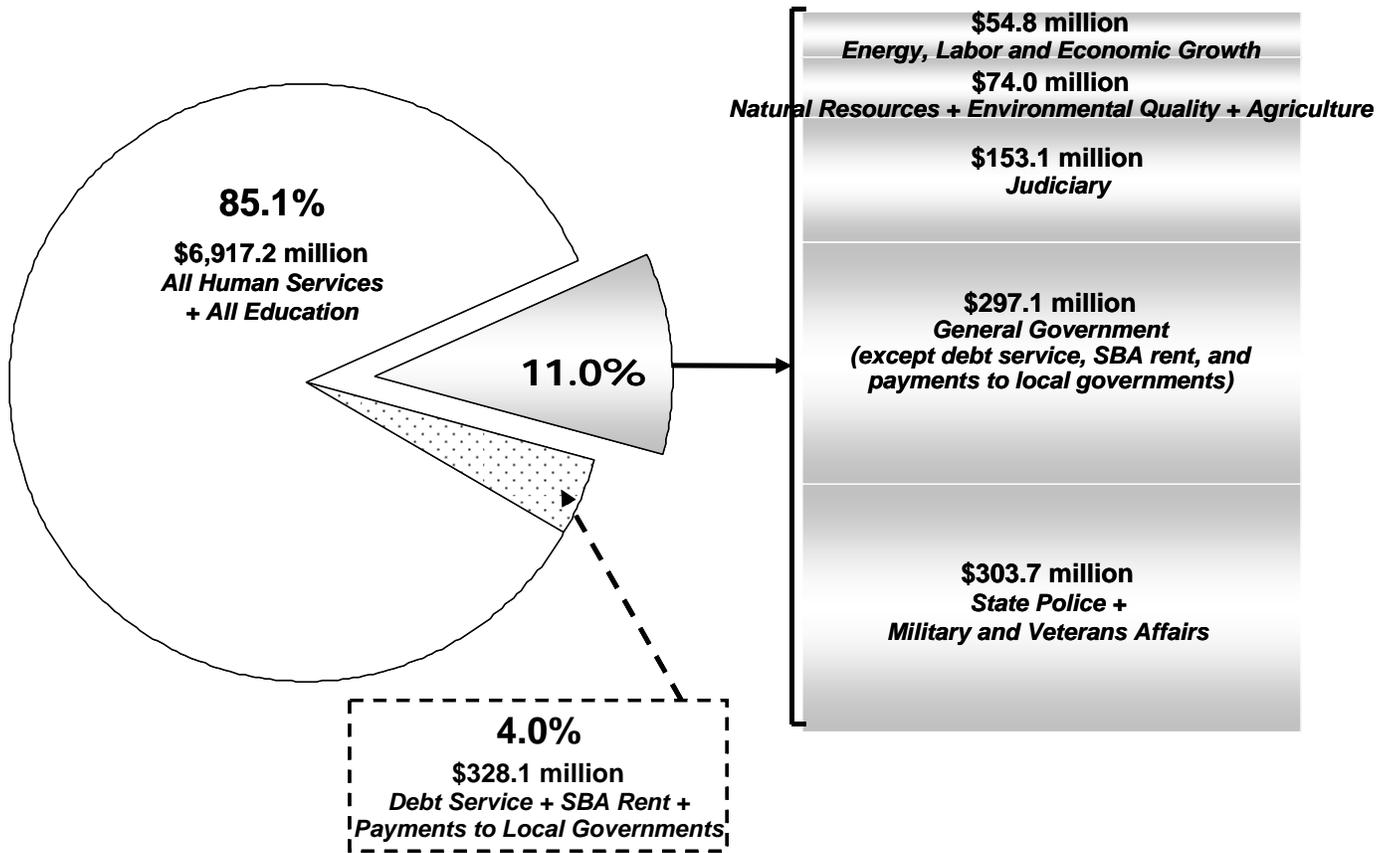
Total: \$44,474,879,400



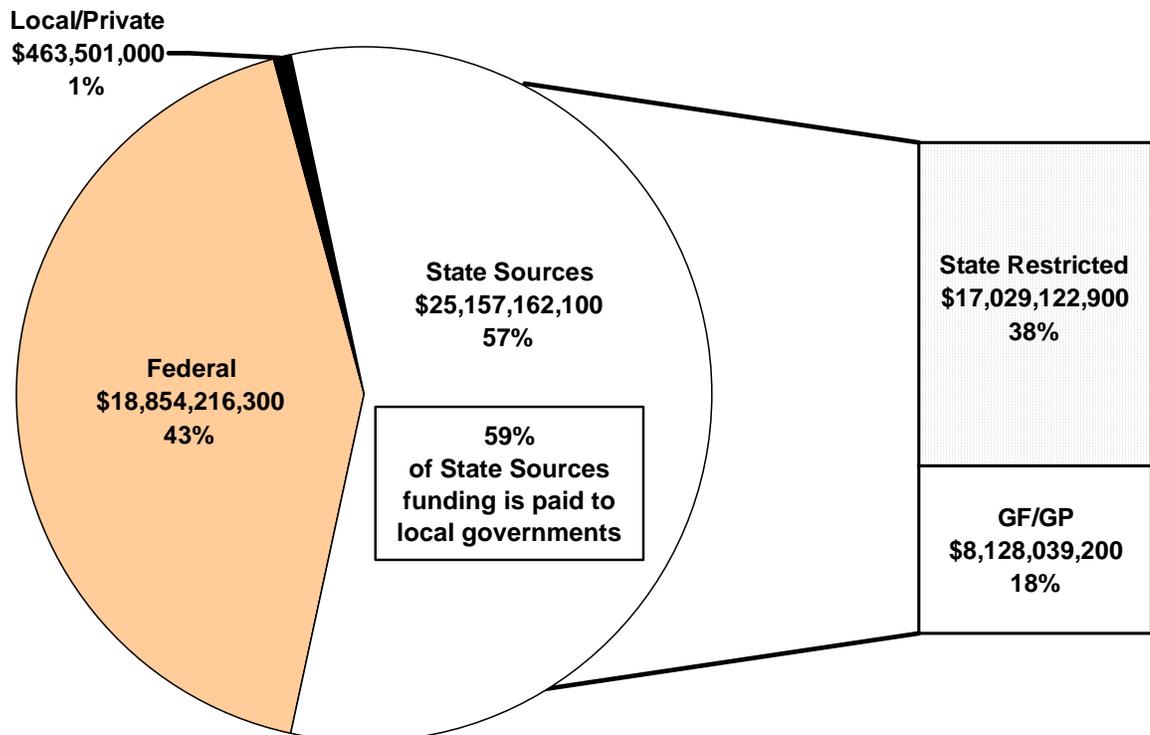
Notes:

- 1) FY 2009-10 Capital Outlay items appropriated in department budgets for Agriculture, Management and Budget, Natural Resources, Military and Veterans Affairs, and Transportation.
- 2) FY 2009-10 total adjusted gross appropriations include \$2.1 billion in temporary federal American Recovery and Reinvestment Act (ARRA) funds.

FY 2009-10 GF/GP Distribution = \$8,128,039,200



FY 2009-10 Adjusted Gross Sources = \$44,474,879,400



OVERVIEW

SUMMARY TABLES

In the following tables:

FY 2009-10 Capital Outlay items appear in the department budgets for Agriculture, Management & Budget, Natural Resources, Military & Veterans Affairs, and Transportation.

Appropriations in this table are year-to-date through December 14, 2009.

Table 1 (page 9) details the FY 2009-10 year-to-date budget by Source of Funds. When interdepartmental grants and intradepartmental transfers are deducted, gross appropriations of \$45.2 billion reduce to \$44.5 billion in adjusted gross appropriations.

Tables 2 (page 10) and **3** (page 11) compare FY 2008-09 YTD appropriations to FY 2009-10 YTD appropriations.

Adjusted Gross Appropriations decrease from \$48.14 billion in FY 2008-09 to \$44.47 billion in FY 2009-10, a decrease of \$3.67 billion or 7.6%.

GF/GP Appropriations decrease from \$8.57 billion in FY 2008-09 to \$8.13 billion in FY 2009-10, a decrease of \$441.1 million or 5.1%.

Table 4 (page 12) compares the number of authorized Full-Time Equated (FTE) Positions (classified and unclassified) for FY 2008-09 YTD to FY 2009-10 YTD. A decrease of 993.9 FTEs or 1.76% in total FTEs is shown in Table 4 - from 56,463.6 in FY 2008-09 to 55,469.7 in FY 2009-10. Each FTE is equivalent to 2,088 hours of employee compensated time (including overtime, annual leave, and used sick leave) during the year.

Table 5 (page 13) shows FY 2009-10 YTD State Spending From State Sources Paid to Local Governments and compares enacted payments to local units of government to the amount of spending from state sources provided in each budget. Pursuant to Article IX, Section 30 of the *Constitution of the State of Michigan of 1963*, at least 48.97% of state spending from state resources must be paid to all units of local government. The enacted FY 2009-10 YTD budget provides for \$14.8 billion in state spending to local units of government, 58.8% of the estimated \$25.2 billion in state spending from state resources - well above the constitutional requirement.

TABLE 1
FY 2009-10 YEAR-TO-DATE APPROPRIATIONS BY SOURCE OF FUNDS

<u>Department/Budget Area</u>	<u>Gross</u>	<u>IDG/IDT</u>	<u>Adjusted Gross</u>	<u>Federal</u>	<u>Local</u>	<u>Private</u>	<u>State Restricted</u>	<u>GF/GP</u>
Community Colleges	299,360,500	0	299,360,500	0	0	0	0	299,360,500
Education	114,826,500	0	114,826,500	78,252,800	7,008,700	3,096,500	7,038,900	19,429,600
Higher Education	1,612,243,300	0	1,612,243,300	74,138,000	0	0	30,400,100	1,507,705,200
School Aid	12,823,571,000	0	12,823,571,000	2,051,759,400	0	0	10,741,605,400	30,206,200
EDUCATION	\$14,850,001,300	\$0	\$14,850,001,300	\$2,204,150,200	\$7,008,700	\$3,096,500	\$10,779,044,400	\$1,856,701,500
Attorney General	73,873,600	21,289,800	52,583,800	8,277,800	0	0	15,521,000	28,785,000
Civil Rights	13,763,700	0	13,763,700	2,057,300	0	0	0	11,706,400
Executive Office	4,823,700	0	4,823,700	0	0	0	0	4,823,700
Information Technology	423,323,100	423,323,100	0	0	0	0	0	0
Legislative Auditor General	14,961,200	1,801,500	13,159,700	0	0	0	1,539,900	11,619,800
Legislature	106,274,700	0	106,274,700	0	0	400,000	1,109,800	104,764,900
Management and Budget	540,360,400	161,186,300	379,174,100	11,219,800	2,027,600	151,900	72,200,500	293,574,300
Michigan Strategic Fund	114,262,400	81,200	114,181,200	56,316,500	0	723,700	30,005,300	27,135,700
State	209,130,200	20,000,000	189,130,200	1,810,000	0	100	169,364,700	17,955,400
Treasury: Operations	426,496,400	11,039,500	415,456,900	37,263,100	1,526,400	0	316,501,400	60,166,000
Treasury: Debt/Revenue Sharing	1,071,777,000	0	1,071,777,000	0	0	0	1,007,114,000	64,663,000
GENERAL GOVERNMENT	\$2,999,046,400	\$638,721,400	\$2,360,325,000	\$116,944,500	\$3,554,000	\$1,275,700	\$1,613,356,600	\$625,194,200
Community Health	13,082,192,600	48,946,000	13,033,246,600	8,942,554,200	225,972,600	72,308,500	1,487,808,800	2,304,602,500
Corrections	1,956,122,800	891,900	1,955,230,900	7,746,100	432,700	0	43,410,200	1,903,641,900
Human Services	5,914,646,100	2,426,600	5,912,219,500	4,955,223,000	37,498,800	10,184,700	57,015,400	852,297,600
HUMAN SERVICES	\$20,952,961,500	\$52,264,500	\$20,900,697,000	\$13,905,523,300	\$263,904,100	\$82,493,200	\$1,588,234,400	\$5,060,542,000
Agriculture	80,346,700	712,300	79,634,400	15,531,100	0	243,200	33,809,600	30,050,500
Environmental Quality	390,864,600	8,520,700	382,343,900	180,146,200	0	658,900	174,588,300	26,950,500
Natural Resources	315,563,500	3,802,200	311,761,300	72,852,500	0	5,381,100	216,528,800	16,998,900
RESOURCE PROTECTION	\$786,774,800	\$13,035,200	\$773,739,600	\$268,529,800	\$0	\$6,283,200	\$424,926,700	\$73,999,900
Military and Veterans Affairs	146,149,800	1,686,500	144,463,300	77,347,300	1,295,100	1,471,200	27,924,200	36,425,500
State Police	527,312,700	26,108,400	501,204,300	93,839,000	8,545,500	273,300	131,287,300	267,259,200
SAFETY AND DEFENSE	\$673,462,500	\$27,794,900	\$645,667,600	\$171,186,300	\$9,840,600	\$1,744,500	\$159,211,500	\$303,684,700
Capital Outlay	0	0	0	0	0	0	0	0
Energy, Labor and Economic Growth	1,461,657,200	29,465,100	1,432,192,100	955,951,200	15,921,000	5,314,300	400,221,500	54,784,100
History, Arts, and Libraries	0	0	0	0	0	0	0	0
Judiciary	258,762,300	3,553,500	255,208,800	5,126,500	6,149,300	842,500	89,957,700	153,132,800
Transportation	3,257,048,000	0	3,257,048,000	1,226,804,500	56,073,400	0	1,974,170,100	0
ALL OTHERS	\$4,977,467,500	\$33,018,600	\$4,944,448,900	\$2,187,882,200	\$78,143,700	\$6,156,800	\$2,464,349,300	\$207,916,900
TOTAL APPROPRIATIONS	\$45,239,714,000	\$764,834,600	\$44,474,879,400	\$18,854,216,300	\$362,451,100	\$101,049,900	\$17,029,122,900	\$8,128,039,200

Notes: (1) FY 2009-10 Capital Outlay items appropriated in department budgets for Agriculture, Management & Budget, Natural Resources, Military & Veterans Affairs, and Transportation.
(2) FY 2009-10 total adjusted gross appropriations include \$2.1 billion in temporary federal ARRA funds.

OVERVIEW

TABLE 2
ADJUSTED GROSS APPROPRIATIONS
FY 2009-10 Year-To-Date Compared with FY 2008-09 Year-to-Date

<u>Department/Budget Area</u>	<u>FY 2008-09 YTD</u>	<u>FY 2009-10 YTD</u>	<u>FY 2009-10 vs. FY 2008-09 Difference</u>	
Community Colleges	299,360,500	299,360,500	0	0.0%
Education	1,024,635,800	114,826,500	(909,809,300)	-88.8%
Higher Education	1,754,105,200	1,612,243,300	(141,861,900)	-8.1%
School Aid	13,259,806,800	12,823,571,000	(436,235,800)	-3.3%
EDUCATION	\$16,337,908,300	\$14,850,001,300	(\$1,487,907,000)	-9.1%
Attorney General	50,144,100	52,583,800	2,439,700	4.9%
Civil Rights	14,143,400	13,763,700	(379,700)	-2.7%
Executive Office	5,038,100	4,823,700	(214,400)	-4.3%
Information Technology	0	0	0	
Legislative Auditor General	13,587,700	13,159,700	(428,000)	-3.1%
Legislature	110,981,200	106,274,700	(4,706,500)	-4.2%
Management and Budget	381,453,600	379,174,100	(2,279,500)	-0.6%
Michigan Strategic Fund	147,950,700	114,181,200	(33,769,500)	-22.8%
State	193,578,700	189,130,200	(4,448,500)	-2.3%
Treasury: Operations	403,759,400	415,456,900	11,697,500	2.9%
Treasury: Debt/Revenue Sharing	1,129,110,700	1,071,777,000	(57,333,700)	-5.1%
GENERAL GOVERNMENT	\$2,449,747,600	\$2,360,325,000	(\$89,422,600)	-3.7%
Community Health	13,099,016,300	13,033,246,600	(65,769,700)	-0.5%
Corrections	2,037,200,900	1,955,230,900	(81,970,000)	-4.0%
Human Services	5,866,521,100	5,912,219,500	45,698,400	0.8%
HUMAN SERVICES	\$21,002,738,300	\$20,900,697,000	(\$102,041,300)	-0.5%
Agriculture	89,970,152	79,634,400	(10,335,752)	-11.5%
Environmental Quality	588,639,700	382,343,900	(206,295,800)	-35.0%
Natural Resources	291,503,200	311,761,300	20,258,100	6.9%
RESOURCE PROTECTION	\$970,113,052	\$773,739,600	(\$196,373,452)	-20.2%
Military and Veterans Affairs	193,059,700	144,463,300	(48,596,400)	-25.2%
State Police	497,335,300	501,204,300	3,869,000	0.8%
SAFETY AND DEFENSE	\$690,395,000	\$645,667,600	(\$44,727,400)	-6.5%
Capital Outlay	58,429,100	N/A*	(58,429,100)	-100.0%
Energy, Labor and Economic Growth	1,812,191,700	1,432,192,100	(379,999,600)	-21.0%
History, Arts, and Libraries	51,043,600	0	(51,043,600)	-100.0%
Judiciary	256,481,900	255,208,800	(1,273,100)	-0.5%
Transportation	4,512,880,200	3,257,048,000	(1,255,832,200)	-27.8%
ALL OTHERS	\$6,691,026,500	\$4,944,448,900	(\$1,746,577,600)	-26.1%
TOTAL APPROPRIATIONS	\$48,141,928,752	\$44,474,879,400	(\$3,667,049,352)	-7.6%

Notes: (1) FY 2009-10 Capital Outlay items appropriated in department budgets for Agriculture, Management & Budget, Natural Resources, Military & Veterans Affairs, and Transportation.

(2) FY 2008-09 total adjusted gross appropriations include \$5.0 billion in temporary federal ARRA funds.

(3) FY 2009-10 total adjusted gross appropriations include \$2.1 billion in temporary federal ARRA funds.

TABLE 3
GENERAL FUND/GENERAL PURPOSE APPROPRIATIONS
FY 2009-10 Year-To-Date Compared with FY 2008-09 Year-to-Date

<u>Department/Budget Area</u>	<u>FY 2008-09 YTD</u>	<u>FY 2009-10 YTD</u>	<u>FY 2009-10 vs. FY 2008-09 Difference</u>	
Community Colleges	299,360,500	299,360,500	0	0.0%
Education	7,074,600	19,429,600	12,355,000	174.6%
Higher Education	1,547,628,300	1,507,705,200	(39,923,100)	-2.6%
School Aid	78,000,000	30,206,200	(47,793,800)	-61.3%
EDUCATION	\$1,932,063,400	\$1,856,701,500	(\$75,361,900)	-3.9%
Attorney General	29,918,200	28,785,000	(1,133,200)	-3.8%
Civil Rights	11,860,900	11,706,400	(154,500)	-1.3%
Executive Office	5,038,100	4,823,700	(214,400)	-4.3%
Information Technology	0	0	0	
Legislative Auditor General	12,047,800	11,619,800	(428,000)	-3.6%
Legislature	109,471,400	104,764,900	(4,706,500)	-4.3%
Management and Budget	288,901,900	293,574,300	4,672,400	1.6%
Michigan Strategic Fund	27,741,100	27,135,700	(605,400)	-2.2%
State	24,795,800	17,955,400	(6,840,400)	-27.6%
Treasury: Operations	69,810,700	60,166,000	(9,644,700)	-13.8%
Treasury: Debt/Revenue Sharing	67,714,500	64,663,000	(3,051,500)	-4.5%
GENERAL GOVERNMENT	\$647,300,400	\$625,194,200	(\$22,106,200)	-3.4%
Community Health	2,473,752,600	2,304,602,500	(169,150,100)	-6.8%
Corrections	1,778,041,400	1,903,641,900	125,600,500	7.1%
Human Services	1,197,528,400	852,297,600	(345,230,800)	-28.8%
HUMAN SERVICES	\$5,449,322,400	\$5,060,542,000	(\$388,780,400)	-7.1%
Agriculture	28,546,100	30,050,500	1,504,400	5.3%
Environmental Quality	38,579,700	26,950,500	(11,629,200)	-30.1%
Natural Resources	9,891,900	16,998,900	7,107,000	71.8%
RESOURCE PROTECTION	\$77,017,700	\$73,999,900	(\$3,017,800)	-3.9%
Military and Veterans Affairs	37,472,700	36,425,500	(1,047,200)	-2.8%
State Police	171,652,200	267,259,200	95,607,000	55.7%
SAFETY AND DEFENSE	\$209,124,900	\$303,684,700	\$94,559,800	45.2%
Capital Outlay	700	N/A*	(700)	-100.0%
Energy, Labor and Economic Growth	59,635,300	54,784,100	(4,851,200)	-8.1%
History, Arts, and Libraries	38,246,000	0	(38,246,000)	-100.0%
Judiciary	156,472,000	153,132,800	(3,339,200)	-2.1%
Transportation	0	0	0	0.0%
ALL OTHERS	\$254,354,000	\$207,916,900	(\$46,437,100)	-18.3%
TOTAL APPROPRIATIONS	\$8,569,182,800	\$8,128,039,200	(\$441,143,600)	-5.1%

Note: FY 2009-10 Capital Outlay items appropriated in department budgets for Agriculture, Management & Budget, Natural Resources, Military & Veterans Affairs, and Transportation.

OVERVIEW

TABLE 4
AUTHORIZED FULL-TIME EQUATED (FTE) POSITIONS*
FY 2009-10 Year-To-Date Compared with FY 2008-09 Year-to-Date

<u>Department/Budget Area</u>	<u>FY 2008-09 YTD</u>	<u>FY 2009-10 YTD</u>	<u>FY 2009-10 vs. FY 2008-09 Difference</u>	
Community Colleges	0.0	0.0	0.0	0.0%
Education	488.5	544.5	56.0	11.5%
Higher Education	1.0	1.0	0.0	0.0%
School Aid	0.0	0.0	0.0	0.0%
EDUCATION	489.5	545.5	56.0	11.4%
Attorney General	543.0	543.0	0.0	0.0%
Civil Rights	130.0	130.0	0.0	0.0%
Executive Office	84.2	84.2	0.0	0.0%
Information Technology	1,660.0	1,635.0	(25.0)	-1.5%
Legislative Auditor General	0.0	0.0	0.0	0.0%
Legislature	0.0	0.0	0.0	0.0%
Management and Budget	1,435.0	1,403.0	(32.0)	-2.2%
Michigan Strategic Fund	153.0	155.0	2.0	1.3%
State	1,815.0	1,815.0	0.0	0.0%
Treasury: Operations	1,693.5	1,712.5	19.0	1.1%
Treasury: Debt/Revenue Sharing	0.0	0.0	0.0	0.0%
GENERAL GOVERNMENT	7,513.7	7,477.7	(36.0)	-0.5%
Community Health	4,608.7	4,380.6	(228.1)	-4.9%
Corrections	17,103.0	15,767.1	(1,335.9)	-7.8%
Human Services	10,401.8	10,909.5	507.7	4.9%
HUMAN SERVICES	32,113.5	31,057.2	(1,056.3)	-3.3%
Agriculture	600.5	573.0	(27.5)	-4.6%
Environmental Quality	1,526.7	1,496.1	(30.6)	-2.0%
Natural Resources	2,173.9	2,215.9	42.0	1.9%
RESOURCE PROTECTION	4,301.1	4,285.0	(16.1)	-0.4%
Military and Veterans Affairs	992.0	992.0	0.0	0.0%
State Police	2,927.0	2,868.0	(59.0)	-2.0%
SAFETY AND DEFENSE	3,919.0	3,860.0	(59.0)	-1.5%
Capital Outlay	0.0	0.0	0.0	0.0%
Energy, Labor and Economic Growth	4,389.5	4,739.0	349.5	8.0%
History, Arts, and Libraries	232.0	0.0	(232.0)	-100.0%
Judiciary	491.0	491.0	0.0	0.0%
Transportation	3,014.3	3,014.3	0.0	0.0%
ALL OTHERS	8,126.8	8,244.3	117.5	1.4%
TOTAL FTE POSITIONS	56,463.6	55,469.7	(993.9)	-1.76%

*Includes classified, unclassified, and nonlegislative exempt positions.

TABLE 5
STATE SPENDING FROM STATE SOURCES PAID TO LOCAL GOVERNMENTS
FY 2009-10 Year-To-Date

<u>Department/Budget Area</u>	<u>Spending From State Sources</u>	<u>State Spending to Local Government Units</u>	<u>% of State Spending From State Sources as Payment to Locals</u>
Community Colleges	299,360,500	299,360,500	100.0%
Education	26,468,500	6,000,000	22.7%
Higher Education	1,538,105,300	0	0.0%
School Aid	10,771,811,600	10,666,453,000	99.0%
EDUCATION	\$12,635,745,900	\$10,971,813,500	86.8%
Attorney General	44,306,000	0	0.0%
Civil Rights	11,706,400	0	0.0%
Executive Office	4,823,700	0	0.0%
Information Technology	0	0	0.0%
Auditor General	13,159,700	0	0.0%
Legislature	105,874,700	0	0.0%
Management and Budget	365,774,800	0	0.0%
Michigan Strategic Fund	57,141,000	0	0.0%
State	187,320,100	1,253,800	0.7%
Treasury: Operations	376,667,400	150,318,400	39.9%
Treasury: Debt/Revenue Sharing	1,071,777,000	991,599,500	92.5%
GENERAL GOVERNMENT	\$2,238,550,800	\$1,143,171,700	51.1%
Community Health	3,792,411,300	1,216,283,600	32.1%
Corrections	1,947,052,100	88,287,000	4.5%
Human Services	909,313,000	0	0.0%
HUMAN SERVICES	\$6,648,776,400	\$1,304,570,600	19.6%
Agriculture	63,860,100	1,500,000	2.3%
Environmental Quality	201,538,800	3,650,000	1.8%
Natural Resources	233,527,700	7,072,000	3.0%
RESOURCE PROTECTION	\$498,926,600	\$12,222,000	2.4%
Military and Veterans Affairs	64,349,700	120,000	0.2%
State Police	398,546,500	20,366,500	5.1%
SAFETY AND DEFENSE	\$462,896,200	\$20,486,500	4.4%
Capital Outlay	N/A	N/A	
Energy, Labor and Economic Growth	455,005,600	43,175,600	9.5%
History, Arts, and Libraries	0	0	0.0%
Judiciary	243,090,500	122,213,500	50.3%
Transportation	1,974,170,100	1,165,761,700	59.1%
ALL OTHER	\$2,672,266,200	\$1,331,150,800	49.8%
TOTALS	\$25,157,162,100	\$14,783,415,100	58.8%

**FY 2009-10
Budget Detail
for
EDUCATION**

**Community Colleges
Department of Education
Higher Education
School Aid**

**COMMUNITY COLLEGES
Summary of FY 2009-10 Enacted Appropriations
2009 Public Act 111 (House Bill 4435)**

Analyst: Mark Wolf

	FY 2008-09 YTD as of 2/12/09	FY 2009-10 Executive	FY 2009-10 House	FY 2009-10 Senate	FY 2009-10 Enacted	Difference: Enacted From FY 2008-09 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Federal	0	0	97,000,000	0	0	0	0.0
Local	0	0	0	0	0	0	0.0
Private	0	0	0	0	0	0	0.0
Restricted	0	0	0	0	0	0	0.0
GF/GP	299,360,500	299,360,500	299,360,500	295,880,500	299,360,500	0	0.0
Gross	\$299,360,500	\$299,360,500	\$396,360,500	\$295,880,500	\$299,360,500	\$0	0.0
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Note: FY 2008-09 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2009-10 Executive Budget on February 12.

Overview

The Community Colleges budget includes funds for operational support of the state's 28 community colleges, the At-Risk Student Success Program, and the renaissance zone tax reimbursement to the colleges. Community colleges also receive operating revenue from local property taxes and student tuition and fees.

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>	<u>FY 2008-09 YTD (as of 2/12/09)</u>	<u>Enacted Change From YTD</u>
1. Community College Operations Maintained FY 2008-09 funding levels for each community college.	Gross \$292,557,800 GF/GP \$292,557,800	\$0 \$0
2. Renaissance Zone Reimbursements Maintained FY 2008-09 funding levels for statutorily-required reimbursements. Appropriation reimburses college districts for lost property tax revenue due to renaissance zones in district.	Gross \$3,480,000 GF/GP \$3,480,000	\$0 \$0
3. At-Risk Student Success Program Maintained FY 2008-09 funding levels for the program. Appropriation amounts to individual colleges were adjusted based on updated at-risk student data.	Gross \$3,322,700 GF/GP \$3,322,700	\$0 \$0

Major Boilerplate Changes From FY 2008-09

Sec. 239. State University Appropriations – DELETED

States intent that any action to increase FY 2007-08 appropriations for state universities be accompanied by similar action for community colleges.

Sec. 241. Nursing Education Programs and Grants – REVISED

Intent statement encouraging community colleges to expand nursing program offerings and enrollments. Also includes language community college students are eligible to apply to nursing scholarships. (The funds for those scholarships were eliminated as part of the Higher Education appropriations act, 2009 PA 132.)

Sec. 247. Community College Automobile Purchases – REVISED

States that community colleges shall purchase automobiles made in the state of Michigan or elsewhere in the United States of America, if competitively priced and of comparable quality.

Major Boilerplate Changes From FY 2008-09

Sec. 248. Tuition Restraint Policy – NEW

Intent language encouraging community colleges to not raise tuition more than 0.5% above the United States consumer price index in the immediately preceding year.

Sec. 249. Consolidation or Dissolution – NEW

Intent language encouraging community colleges to achieve efficiencies through joint ventures, collaborations, adjusting the size and frequency of classes, web-based instruction, consolidation of services, and coordinating and sharing proposed capital outlay improvements.

Sec. 304. Performance Indicator Formula – REVISED

States intent that formula developed by performance indicator task force be used for funding distribution in future years.

Sec. 401. At-Risk Student Success Program – REVISED

Specifies distribution of at-risk student success grant money. At-risk students are those identified as being enrolled in developmental courses or fail to make satisfactory academic progress, those that are diagnosed as having a learning disability, or those requiring English as a second language (ESL) assistance.

Sec. 405. Fiscal Stabilization Funds – NEW

Requires community colleges will cooperate with the state on the creation of a P-20 longitudinal data system, as provided under the federal American Recovery and Reinvestment Act.

**DEPARTMENT OF EDUCATION
Summary of FY 2009-10 Enacted Appropriations
2009 Public Act 115 (House Bill 4438)**

Analysts: Mary Ann Cleary and Bethany Wicksall

	FY 2008-09 YTD as of 2/12/09	FY 2009-10 Executive	FY 2009-10 House	FY 2009-10 Senate	FY 2009-10 Enacted	Difference: Enacted From FY 2008-09 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	70,615,800	76,430,200	76,430,200	70,872,800	76,297,900	5,682,100	8.0
Local	6,924,600	7,008,700	7,008,700	7,008,700	7,008,700	84,100	1.2
Private	3,087,800	3,096,500	3,096,500	3,096,500	3,096,500	8,700	0.3
Restricted	6,980,800	7,038,900	7,338,900	7,338,900	7,038,900	58,100	0.8
GF/GP	7,438,100	26,389,700	26,749,700	6,802,500	19,429,600	11,991,500	161.2
Gross	\$95,047,100	\$119,964,000	\$120,624,000	\$95,119,400	\$112,871,600	\$17,824,500	18.8
FTEs	488.5	558.5	558.5	482.5	544.5	56.0	11.5

Note: FY 2008-09 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2009-10 Executive Budget on February 12.

Overview

The State Board of Education is an eight-member elected board constitutionally mandated to provide leadership and supervision for public education in Michigan. The Michigan Department of Education (MDE) is the administrative arm of the Board charged with implementing state and federal educational mandates and administering programs. Major responsibilities of the MDE include developing and overseeing the K-12 school system, certifying teachers, disbursing funds to educational organizations, and providing technical assistance to school districts.

Major Budget Changes From FY 2008-09 YTD Appropriations	FY 2008-09 YTD (as of 2/12/09)	Enacted Change From YTD
1. Library of Michigan	FTEs	0.0
Increases by \$18.3 million and 61.0 FTEs to recognize the transfer of the library functions from the former Department of History, Arts, and Libraries to the Department of Education. This includes funding for the following, some of which are at reduced levels as compared to FY 2008-09:	Gross	\$0
<ul style="list-style-type: none"> ▪ \$4.6 million and 59.0 FTEs for the Library of Michigan operations (a 25% reduction), ▪ \$5.6 million and 2.0 FTEs for Library Services and Technology, ▪ \$6.0 million for State Aid to Libraries (a 40% reduction), ▪ \$1.3 million in building occupancy charges, ▪ \$603,900 in IT costs, and ▪ \$200,000 for book distribution centers (a 44% reduction). 	Federal	0
	GF/GP	\$0
		\$12,721,800
2. Additional Staff	FTEs	0.0
Provides \$70,000 and 1.0 FTE for a staff position to support districts in deficit.	Gross	\$0
	GF/GP	\$0
		\$70,000
3. Teacher Certification Programs	Gross	\$300,000
Eliminates earmarks of \$100,000 each for the alternative teacher certification programs at Central Michigan University and Wayne State University. Also eliminates \$100,000 for grants to teachers who apply for National Board Certification.	Restricted	300,000
	GF/GP	\$0
		(\$300,000)
		(300,000)
		\$0

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>	FY 2008-09 YTD (as of 2/12/09)	Enacted Change From YTD
4. Administrative Reductions and Technical Adjustments	FTEs	(6.0)
Recognizes a number of adjustments including annualizing FY 2008-09 budget changes and Executive Order 2008-21 reductions, shifting fund sources among lines to satisfy Federal audits and replace lost Federal funds, reducing assessment administration costs, transferring internal audit functions to DMB and recognizing computer updates and rent reductions.	Gross	(\$357,900)
	Federal	(398,000)
	Local	2,400
	Restricted	304,100
	GF/GP	(\$266,400)
5. Additional Reductions	Gross	(\$732,800)
Reduces the following lines to reach General Fund target reductions:	Federal	(132,300)
▪ State Board/Superintendent Operations (\$130,100)	GF/GP	(\$600,500)
▪ Central Support (\$45,000)		
▪ Special Education Operations (\$24,900)		
▪ Early Childhood Education (\$98,000) and (\$22,100) in federal funds		
▪ Subject Area Content Expectations (\$80,000)		
▪ School Finance/School Law (\$55,100)		
▪ Grants Admin/School Support (\$112,900) and (\$55,700) in federal funds		
▪ Career Tech (\$54,500) and (\$54,500) in federal funds		
6. Economic Adjustments	Gross	\$866,000
Provides \$866,000 gross (\$66,600 GF/GP) increase for economic changes in salaries and wages, retirement, insurance, workers compensation, and building occupancy charges.	Federal	655,000
	Local	81,700
	Private	8,700
	Restricted	54,000
	GF/GP	\$66,600

Major Boilerplate Changes From FY 2008-09

Sec. 223. FTE Quarterly Reports – NEW

Requires the department to report quarterly on FTEs by civil service classification.

Sec. 225. Pupil Membership Fraud – NEW

Provides intent that the State Superintendent of Public Instruction investigate and report on the scope of and proposed solutions to pupil membership fraud, including the incidence of students being counted in membership but not remaining in the district for the remainder of the year.

Sec. 226. Lapse Report – NEW

Requires a report of the projected year-end General Fund lapse amount for FY 2009-10 by October 15, 2010.

Sec. 503. Teacher Preparation Programs – DELETED

Provides \$100,000 each for Central Michigan University alternative route to certification program and Wayne State University pathways to teaching program. Requires a reporting requirement for the programs including number of teachers certified, time served in the classroom, and teacher evaluations.

Sec. 504. National Board Certification – DELETED

Requires the Department to pay 1/2 the application fee for teachers applying to the national board certification program.

Sec. 802. Book Distribution Centers – NEW

Requires that the funds appropriated for book distribution centers be distributed equally to the public enrichment foundation and the Michigan friends of education.

Sec. 803. Keep Library Functions Together – NEW

Provides intent that the Library of Michigan and its related programs be kept together in a state department.

HIGHER EDUCATION

**HIGHER EDUCATION
Summary of FY 2009-10 Enacted Appropriations
2009 Public Act 132 (House Bill 4441)**

Analyst: Kyle I. Jen

IDG/IDT	FY 2008-09 YTD as of 2/12/09	FY 2009-10 Executive	FY 2009-10 House	FY 2009-10 Senate	FY 2009-10 Enacted	Difference: Enacted From FY 2008-09 YTD	
						Amount	%
Federal	\$0	\$0	\$0	\$0	\$0	\$0	--
ARRA	0	0	52,207,400	68,238,000	68,238,000	68,238,000	--
Non-ARRA	7,400,000	7,400,000	7,400,000	7,400,000	5,900,000	(1,500,000)	(20.3)
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	106,100,000	166,400,100	166,400,100	26,400,200	30,400,100	(75,699,900)	(71.3)
GF/GP	1,645,605,200	1,545,605,200	1,600,077,200	1,507,705,300	1,507,705,200	(137,900,000)	(8.4)
Gross	\$1,759,105,200	\$1,719,405,300	\$1,826,084,700	\$1,609,743,500	\$1,612,243,300	(\$146,861,900)	(8.3)
FTEs	1.0	1.0	1.0	0.0	1.0	0.0	0.0

Notes: (1) FY 2008-09 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2009-10 Executive Budget on February 12. (2) "ARRA" represents temporary funds received under the federal American Recovery and Reinvestment Act.

Overview

The line item section of the FY 2009-10 Higher Education budget act contains three subparts:

- Subpart A covers Research Universities (Michigan State, University of Michigan-Ann Arbor, Wayne State).
- Subpart B covers State Universities (the remaining 12 public universities).
- Subpart C covers state and regional programs, the King-Chavez-Parks Program, and financial aid programs.

Major Budget Changes From FY 2008-09 YTD Appropriations

1. University Operations

Reduces GF/GP support for operations appropriations to 15 public universities by \$46.6 million (3.2%). Partially offsets the reductions with \$40.5 million in State Fiscal Stabilization Funding (SFSF) funding (Education portion) available under American Recovery and Reinvestment Act (ARRA), consistent with state's application to U.S. Department of Education. Net reduction of \$6.1 million—equating to a 0.4% reduction to each university's Gross operations line item. Also adds \$29,700 GF/GP for allocation from Central Michigan University's appropriation for Indian Tuition Waiver costs at Saginaw Chippewa Tribal College (pro-rated based on enrollments relative to existing \$100,000 allocation from Lake Superior State's appropriation for Bay Mills Tribal College).

	FY 2008-09 YTD (as of 2/12/09)	Enacted Change From YTD
Gross	\$1,467,254,600	(\$6,072,000)
Federal	0	40,483,100
GF/GP	\$1,467,254,600	(\$46,555,100)

2. Agricultural Experiment Station

Reduces GF/GP support Agricultural Experiment Station operated by Michigan State University at locations across state by \$16.2 million (47.3%). Partially offsets the reductions with \$16.1 million in SFSF funding (Education portion) available under ARRA, consistent with state's application to U.S. Department of Education. Net reduction of \$137,300—equating to a 0.4% Gross reduction, consistent with university operations line items.

	Gross	Enacted Change
Gross	\$34,336,100	(\$137,300)
Federal	0	16,082,900
GF/GP	\$34,336,200	(\$16,220,200)

Major Budget Changes From FY 2008-09 YTD Appropriations		FY 2008-09 YTD (as of 2/12/09)	Enacted Change From YTD
3. Cooperative Extension Service	Gross	\$29,615,500	(\$118,500)
Reduces GF/GP support for Extension Service operated by Michigan State University in all 83 counties by \$11.8 million (39.8%). Partially offsets the reductions with \$11.7 million in SFSF funding (Education portion) available under ARRA, consistent with state's application to U.S. Department of Education. Net reduction of \$118,500—equating to a 0.4% Gross reduction, consistent with university operations line items.	Federal	0	11,672,000
	GF/GP	\$29,615,500	(\$11,790,500)
4. King-Chavez-Parks Grants	Gross	\$2,691,500	\$0
Retains current-year funding of \$2.7 million GF/GP for King-Chavez-Parks competitive grant programs, which are intended to increase participation of academically/economically-disadvantaged students in postsecondary education.	GF/GP	\$2,691,500	\$0
5. State and Regional Programs	Gross	\$295,000	(\$95,000)
Reduces operational funding for state's HEIDI database, to which the 15 public universities annually submit enrollment and finance data, from \$200,000 to \$105,000. Retains \$95,000 annual dues payment for Midwest Higher Education Compact.	GF/GP	\$295,000	(\$95,000)
6. State Competitive Scholarship Program	Gross	\$35,530,500	(\$17,922,000)
Reduces line item for financial aid awards requiring both qualifying ACT score and financial need by \$17.9 million to \$17.6 million. (Note: Overall financial aid reductions in FY 2009-10 budget act may affect state's ability to receive \$2.9 million in federal funds currently used to supplement state funding for Competitive Scholarships.)	Federal	2,900,000	0
	GF/GP	\$32,630,500	(\$17,922,000)
7. Tuition Grant Program	Gross	\$56,668,100	(\$25,003,400)
Reduces line item for need-based awards to students attending independent institutions by \$25.0 million (44.1%) to \$31.7 million; associated boilerplate changes (1) eliminate graduate student eligibility and (2) limit total awards at any college/university to \$3.0 million.	GF/GP	\$56,668,100	(\$25,003,400)
8. Michigan Work Study Program	Gross	\$7,326,300	(\$7,326,300)
Eliminates appropriation for need-based financial aid awards requiring student employment.	GF/GP	\$7,326,300	(\$7,326,300)
9. Part-Time Independent Student Program	Gross	\$2,653,300	(\$2,653,300)
Eliminates appropriation for need-based financial aid awards to adult, part-time students.	GF/GP	\$2,653,300	(\$2,653,300)
10. Michigan Education Opportunity Grants	Gross	\$2,084,200	(\$2,084,200)
Eliminates appropriation for need-based financial aid awards to students attending public colleges and universities.	GF/GP	\$2,084,200	(\$2,084,200)
11. Nursing Scholarship Program	Gross	\$4,250,000	(\$4,250,000)
Eliminates appropriation (from Merit Award Trust Fund) for financial aid awards to students agreeing to pursue nursing careers in Michigan.	Restricted	4,250,000	(4,250,000)
12. Promise Grant Program	Gross	\$80,500,000	(\$80,500,000)
Executive Recommendation reflected projected cost increase for program from \$80.5 million to \$140.0 million (Merit Award Trust Fund) to pay costs of \$2,000/\$4,000 awards to students who became eligible for program in 2007 and have now completed two years of postsecondary education. Enacted budget eliminates appropriation; both exam-based award payments (2008 and 2009 high school classes) and back-end award payments (2007 high school class) will not be paid.	Restricted	80,500,000	(80,500,000)
13. Merit Award Program	Gross	\$5,200,000	(\$5,199,900)
Reduces appropriation from \$5.2 million (Merit Award Trust Fund) to \$100 as a placeholder for any remaining costs of program, which ended with students graduating from high school in 2006.	Restricted	5,200,000	(5,199,900)

HIGHER EDUCATION

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		FY 2008-09 YTD (as of 2/12/09)	Enacted Change From YTD
14. Tuition Incentive Program	Gross	\$25,200,000	\$6,000,000
Increases appropriation by \$6.0 million (23.8%) to reflect a continued increase in program participation. Program pays associate's degree tuition costs for students certifying as Medicaid eligible between 6th and 12th grades. (Fund sourcing for line item is adjusted to balance overall Merit Award Trust Fund appropriations.)	Restricted	15,850,000	14,250,000
	GF/GP	\$9,350,000	(\$8,250,000)
15. Project GEAR-UP	Gross	\$3,000,000	(\$1,500,000)
Adjusts appropriation to reflect anticipated available funding of \$1.5 million in FY 2009-10 for federally-funded scholarships to students who have participated in college-exposure programs beginning in middle school.	Federal	3,000,000	(1,500,000)

Major Boilerplate Changes From FY 2008-09

Sec. 216. Postsecondary Student Data System – REVISED

Existing language replaced with language requiring universities to cooperate with state measures to meet ARRA requirement to develop P-16 longitudinal data system.

Sec. 302. Tuition Grants – REVISED

Provides for distribution of funds appropriated for Tuition Grants. New language limits eligibility to undergraduate students, and limits awards to students at any single college/university to \$3.0 million.

Sec. 303. Work Study – DELETED

Provides for distribution of funds appropriated for Work Study.

Sec. 312. Nursing Scholarship – DELETED

Provides for distribution of funds appropriated for Nursing Scholarships.

Sec. 314. Children of Veterans Tuition Grant Report – DELETED

Requires annual report on Children of Veterans Tuition Grant Program. (Information included in larger report under Section 315.)

Sec. 315. Financial Aid Report – REVISED

Requires annual report on all state financial aid programs. Report deadline moved back to February 15.

Sec. 316. Financial Aid Workgroup – NEW

States intent for workgroup involving legislators and higher education organizations to examine and make recommendations regarding state financial aid programs.

Sec. 317. Intent Regarding Tuition Grants – NEW

States intent that, if economy improves and state revenues increase, funding of Tuition Grants is one of foremost priorities in Higher Education budget.

Sec. 318. Intent Regarding Promise Grants – NEW

States intent that, if economy improves and state revenues increase, funding of Promise Grants is one of foremost priorities in Higher Education budget.

Sec. 319. Intent Regarding Financial Aid Programs – NEW

States intent that, if economy improves and state revenues increase, funding of Competitive Scholarship, Nursing Scholarship, Work Study, Part-Time Independent Student, and Michigan Education Opportunity Grant Programs are among foremost priorities in Higher Education budget.

Sec. 426. Private Bookstores – REVISED

States intent regarding access to required textbook lists by private bookstores and use of funds in university-administered accounts by students at private bookstores. New language added stating intent that each public university establish a process to review university requirements for students to acquire textbooks and submit a report on that process.

Sec. 433. Project GREEN – REVISED

Allocates funds from Agricultural Experiment and Cooperative Extension line items for Project GREEN (Generating Research and Extension to meet Environmental and Economic Needs). Revisions: (1) Expanded reporting requirements and (2) new statement of intent regarding bioeconomy research and development.

Major Boilerplate Changes From FY 2008-09

Sec. 436. Tuition Restraint – REVISED

Existing language replaced with language requiring that funds appropriated from SFSF of ARRA be used to mitigate tuition/fee increases or modernize/renovate/repair facilities, consistent with ARRA provisions, and requiring report on use of ARRA funds.

Sec. 460. Saginaw Chippewa Tribal College Allocation – NEW

Requires \$29,700 payment from Central Michigan's appropriation to Saginaw Chippewa Tribal College for costs of Indian Tuition Waiver Program.

Sec. 462. Suicide Prevention – DELETED

States intent that universities develop an education program on preventing suicide and violence.

Sec. 464. Research Commercialization – REVISED

Requires universities to submit plan regarding research commercialization. Prohibition on universities receiving allocation from Technology Commercialization Incentive Fund (yet to be established) if plan is not submitted is removed.

Sec. 467. Performance Standards – DELETED

States intent for Legislature to establish university performance standards.

Sec. 472. Payment Delay/Tuition Rates – DELETED

States intent that any university that increased its tuition rate based on the assumption it would not receive the delayed August 2007 payment rebate the tuition increase to its students (one-time payment delay).

Sec. 480. Veterans Policies – NEW

States intent for universities to participate in the Yellow Ribbon GI Education Enhancement Program; requires report on program participation.

Sec. 701a. New Degree Programs – REVISED

Lists new degree programs established by state universities for which credit hours may be reported to HEIDI. New list of programs submitted by Presidents Council included in section.

Sec. 715. Nursing Education – DELETED

Requires report from Department of Energy, Labor and Economic Growth (DELEG) on the status of nursing education in Michigan. (Similar report requirement included in DELEG bill.)

SCHOOL AID

**SCHOOL AID
Summary of FY 2009-10 Enacted Appropriations
2009 Public Act 121 (House Bill 4447)**

Analysts: Mary Ann Cleary and Bethany Wicksall

IDG/IDT	FY 2008-09 YTD as of 9/1/09	FY 2009-10 Executive	FY 2009-10 House	FY 2009-10 Senate	FY 2009-10 Enacted	Difference: Enacted From FY 2008-09 YTD	
						Amount	%
	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal							
ARRA	600,000,000	0	220,074,275	634,100,000	450,000,000	(150,000,000)	(25.0)
Non-ARRA	1,562,008,600	1,561,809,400	1,561,809,400	1,561,809,400	1,601,759,400	39,750,800	2.5
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	11,019,798,200	11,360,990,600	11,310,800,100	10,516,254,900	10,741,605,400	(278,192,800)	(2.5)
GF/GP	78,000,000	40,800,000	39,625,000	31,800,100	30,206,200	(47,793,800)	(61.3)
Gross	\$13,259,806,800	\$12,963,600,000	\$13,132,308,775	\$12,743,964,400	\$12,823,571,000	(\$436,235,800)	(3.3)

Note: FY 2008-09 figures reflect supplementals and Executive Order (EO) actions through September 1, 2009.

Overview

The School Aid budget makes appropriations to the state's 551 local school districts, 240 public school academies, and 57 intermediate school districts (ISDs) for operations and certain categorical programs. It also appropriates funds to the Center for Education Performance and Information, Department of Energy, Labor and Economic Growth, and other entities to implement certain grants and other programs related to K-12 education.

Major Budget Changes From FY 2008-09 YTD Appropriations

	FY 2008-09 YTD (as of 9/1/09)	Enacted Change From YTD
1. Per Pupil Reduction of \$165 (Sec. 11d)	Gross	N/A (\$263,000,000)
Reduces total state aid to districts by \$165 per pupil and allows districts to absorb the cut by reducing or eliminating any other funded program except Secs. 11g (Durant bond payment), 22a (Proposal A portion of the foundation allowance), 31d (school lunch program), 51a(12) (foundation allowance for special education students), 51c (special education 28% cost requirement), and 53a (added costs for special education students). In order for a district to have flexibility in applying their reduction, they have to agree to create a service consolidation plan to reduce school operating costs in compliance with department guidelines. If a district fails to agree, the reduction shall be absorbed out of Sec. 22b.	Restricted	N/A (263,000,000)
2. Proposal A Obligation Payment (Sec. 22a)	Gross \$6,008,000,000	(\$126,000,000)
Reduces funding by \$126 million to incorporate estimates in taxable values and pupil memberships from the May consensus conference.	Restricted	6,008,000,000 (126,000,000)
3. Discretionary Payment (Sec. 22b)	Gross \$3,746,500,000	(\$24,200,000)
Appropriates \$3,323.8 million in state funds and \$450.0 in federal ARRA funds for a total decrease in overall funding of \$24.2 million from the current year to adjust for declining pupil estimates.	Fed	600,000,000 (150,000,000)
	ARRA	3,146,500,000 125,800,000
	Restricted	
4. Section 20j Payments (Sec. 22b) – VETOED	Gross \$51,500,000	(51,500,000)
Appropriates \$51.5 million for supplemental foundation allowance payments for certain hold harmless districts which allowed them to grow by the same dollar amount as all districts as opposed to being capped at the rate of inflation as is otherwise statutorily required. Veto eliminates funding under this section for those 39 districts.	Restricted	51,500,000 (51,500,000)

SCHOOL AID

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		<u>FY 2008-09 YTD (as of 9/1/09)</u>	<u>Enacted Change From YTD</u>
5. Durant - Debt Service (Sec. 11g)	Gross	\$42,000,000	(\$3,000,000)
Reduces by \$3.0 million to a total of \$39.0 million to reflect the estimated required payment for FY 2009-10.	Restricted	42,000,000	(3,000,000)
6. Youth Challenge Grant (Sec. 24c)	Gross	\$1,284,600	(\$642,300)
Reduces the funding by 50% to \$642,300.	Restricted	1,284,600	(642,300)
7. "At-Risk" Grants (Sec. 31a)	Gross	\$310,457,000	(\$1,468,800)
Reduces the exception to the funding formula for Dearborn School District by 25%.	Restricted	310,457,000	(1,468,800)
8. Adolescent Health Center Grants (Sec. 31a(6))	Gross	\$4,743,000	(\$1,185,700)
Reduces funding by 25% to \$3.6 million.	Restricted	4,743,000	(1,185,700)
9. Early Childhood Investment Corporation (ECIC) Collaborative Grants (Sec. 32b)	Gross	\$6,750,000	(\$750,000)
Reduces funding by \$750,000 to \$6.0 million.	Restricted	6,750,000	(750,000)
10. Early Childhood Grants (Sec. 32c) – VETOED	Gross	\$2,125,000	(\$2,125,000)
Reduces funding by 25% to \$1.6 million. Veto eliminates all remaining funding for the program.	Restricted	2,125,000	(2,125,000)
11. Great Start Readiness Program - Competitive Grants (Sec. 32l)	Gross	\$15,150,000	(\$7,575,000)
Reduces funding by 50% to \$7,575,000.	Restricted	15,150,000	(7,575,000)
12. Special Education Payment (Sec. 51a)	Gross	\$1,441,633,000	\$44,350,000
Increases funding by \$44.4 million to reflect changes in special education pupil estimates and cost estimates.	Federal	424,700,000	0
	Restricted	1,016,933,000	44,350,000
13. Special Education Evaluation Lending Library (Sec. 54a)	Gross	\$100,000	(\$100,000)
Eliminates funding and repeals section.	Restricted	100,000	(100,000)
14. Newslines Grant (Sec. 54c)	Gross	\$80,000	(\$80,000)
Eliminates funding to the Department to make <i>Newslines</i> electronically available statewide for the visually impaired and repeals section.	GF/GP	\$80,000	(\$80,000)
15. Advanced and Accelerated Grants (Sec. 57) – VETOED	Gross	\$285,000	(\$285,000)
Maintains current year funding level of \$285,000. Veto eliminates funding for the program.	Restricted	285,000	(285,000)
16. Vocational Education Added Costs (Sec. 61a) – PARTIAL VETO	Gross	\$30,000,000	(\$3,388,700)
Reduces funding by 10% or \$3.0 million to a total of \$27.0 million. Veto eliminates funding of \$388,700 to Oakland ISD.	Restricted	30,000,000	(3,388,700)
17. Precollege Engineering and Science Grants (Sec. 65) – PARTIAL VETO	Gross	\$980,100	(\$75,000)
Maintains current year funding level of \$980,100. Veto eliminates funding for Kalamazoo Regional Educational Service Agency (RESA) precollege engineering program of \$75,000.	Restricted	980,100	(75,000)
18. School Bus Inspections (Sec. 74)	Gross	\$1,403,500	(\$1,403,500)
Eliminates funding and strikes subsection.	Restricted	1,403,500	(1,403,500)
19. ISDs General Operations (Sec. 81)	Gross	\$81,721,100	(\$16,344,300)
Reduces funding by 20% or \$16.3 million to \$65.4 million.	Restricted	81,721,100	(16,344,300)
20. Michigan Virtual School - MVS (Sec. 98)	Gross	\$4,950,000	(\$562,500)
Reduces SAF of \$500,000 for the My Dream Explorer and reduces \$62,500 of operational funding.	Federal	2,700,000	0
	Restricted	500,000	(500,000)
	GF/GP	\$1,750,000	(\$62,500)

SCHOOL AID

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		<u>FY 2008-09 YTD (as of 9/1/09)</u>	<u>Enacted Change From YTD</u>
21. Math and Science Centers Grants (Sec. 99) Reduces funding by 25% to \$2.6 million.	Gross	\$8,749,300	(\$875,000)
	Federal	5,249,300	0
	Restricted	3,390,000	(875,000)
	GF/GP	\$110,000	\$0
22. Math Remediation Grants (Sec. 99a) Eliminates \$725,000 for grants to pilot programs for after-school and summer mathematics for eighth grade students and repeals section.	Gross	\$725,000	(\$725,000)
	Restricted	725,000	(725,000)
23. Assessment Testing Costs (Sec. 104) Decreases the total appropriation by \$2.4 million of which \$0.9 million is a result of revised cost estimates for the testing contract and \$1.5 million is in additional reductions. Adds language requiring the Department to replace the MEAP social studies test with the "Explore" exam if it is as robust as the MEAP test, and to apply for a waiver if required to comply with Federal law. In addition requires the Department to seek a federal waiver to replace the 3rd through 8th grade MEAP test with an "off the shelf" test.	Gross	\$37,385,700	(\$2,441,300)
	Federal	8,512,900	(199,200)
	Restricted	28,872,800	(2,242,100)
24. Adult Education (Sec. 107) Decreases appropriation by \$2.0 million to \$22.0 million. Maintains the earmark for Grand Rapids Community College at \$200,000 and eliminates the Department of Corrections earmark of \$500,000. Includes new language that requires DELEG in conjunction with the Adult Education Advisory Board to create an Adult Learning Planning Group by September 30, 2009 and evaluate a number of proposed issues and changes and make reports to DELEG and to the Legislature by December 1, 2009 and March 31, 2010.	Gross	\$24,000,000	(\$2,000,000)
	Restricted	24,000,000	(2,000,000)
25. Miscellaneous Grants (Sections 99e, 99i, 99j, 99k and 99p) Eliminates the following grants: Sec. 99e - Financial Emergency District (Inkster) at \$125,000. Sec. 99j - Grosse Pointe at \$1,050,000 and Harper Woods at \$450,000. Sec. 99k - Redford Union at \$450,000, Chippewa Valley at \$150,000, and Clintondale at \$250,000. Maintains funding for the following grants: Sec. 99i - Pontiac crisis intervention program at \$300,000. Sec. 99p - Cultural access grants at \$100,000. – VETOED	Gross	\$2,875,000	(\$2,575,000)
	Restricted	2,875,000	(2,575,000)

Major Boilerplate Changes From FY 2008-09

Sec. 6(4)(dd). Pupil Membership Definition for United States Olympic Education Center – NEW

Allow a district that educates a pupil who attends a United States Olympic Education Center to count pupils in membership if they are not a resident of Michigan.

Sec. 6(6). Instructional Sites Within the Boundaries of Another District – REVISED

Prohibits any district from counting pupils in membership at an instructional site established after 2009-2010, within the boundaries of another district unless given approval by the resident district.

Sec. 18. On-Line Budget Information (Transparency) – REVISED

Requires the districts and intermediate districts to include a link from their home page directly to a page with the following information, in addition to their annual budget which is already required under this section, two pie charts summarizing total district expenditures and personnel expenditures; links to all collective bargaining agreements, health care benefit plans, and financial audits required under this section; total compensation information for all superintendents and employees earning over \$100,000; total expenditures on lobbying or lobbying services; and total expenditures on dues paid to associations.

Sec. 32d. Great Start School Readiness - District Grants – REVISED

Provides appropriations for school district preschool programs and moves the appropriation for private competitive preschool grants from Sec. 32l into this section. Maintains the Parents Involved in Education (PIE) option as an allowable use for the grants. Merges language from Sec. 32l and Sec. 37 into this section to eliminate duplication between sections. Maintains the current language on required teacher and paraprofessional credentials.

Major Boilerplate Changes From FY 2008-09

Sec. 32l. Great Start School Readiness - Competitive Grants – REVISED

Retains certain requirements for competitive grant recipients but transfers duplicative language and the appropriation to Sec. 32d.

Secs. 37 and 38. Great Start School Readiness Eligibility and Eligibility Formula – REPEALED

Repeals these sections and merges much of the current language including the teacher and paraprofessional requirements into Sec. 32d and Sec. 39.

Sec. 39. Great Start School Readiness Application and Formula – REVISED

Includes the application and formula language formerly under Sec. 37 and Sec. 38. Allows for a consortium of 2 or more districts or ISDs to be eligible to apply for a school readiness grant. The consortium may allow any child residing in any district in the consortium to be served at any location and allows the consortium to allocate slots based either on participating district allocations or the allocation for the consortium as a whole.

Sec. 64. Health/Science Middle College Grants – REVISED

Provides grants to intermediate districts or Detroit Public Schools that are in consortium with a community college or state university and a hospital to create and implement a middle college focused on health sciences and adds new language allowing consortia for “other fields” and with entities other than hospitals as approved by the State Superintendent to apply for a grant.

Sec. 101. Hours Requirement and Online Education Program Waiver – REVISED

Adds to the current 1,098 hours requirement that a district must provide at least 165 days beginning in 2010-11 and 170 days in 2012-13, however districts may not provide less days than provided in 2009-2010. If this subsection conflicts with a current bargaining agreement, it doesn't take effect until that agreement expires.

Sec. 147. MPSERS Retirement Rate – REVISED

Estimates percentage of payroll districts must pay for public school employee retirement at 16.94%.

Enacting Section 2 – REPEALS SECTIONS

Repeals the following: Sec. 11n (small high school grants), Sec. 37 and Sec. 38 (great start school readiness language), Sec. 54a (special education evaluation lending library), Sec. 54c (newsline grant), Sec. 99a (math remediation grants), Sec. 99e (financial emergency district grant), Sec. 99j (district pilot grants), Sec. 99k (district grants), Sec. 99n (community college access intent language) and Sec. 104a (duplicative assessment language).

**FY 2009-10
Budget Detail
for
GENERAL GOVERNMENT**

**Attorney General
Civil Rights
Executive Office
Information Technology
Legislative Auditor General
Legislature
Management and Budget
State
Treasury**

**ALL GENERAL GOVERNMENT
Summary of FY 2009-10 Enacted Appropriations
2009 Public Act 128 (Senate Bill 245)**

Analysts: Robin R. Risko and Ben Gielczyk

	FY 2008-09 YTD as of 2/12/09	FY 2009-10 Executive	FY 2009-10 Senate	FY 2009-10 House	FY 2009-10 Enacted	Difference: Enacted From FY 2008-09 YTD	
						Amount	%
IDG/IDT	\$656,022,900	\$643,426,300	\$620,696,000	\$638,339,900	\$638,721,400	(\$17,301,500)	(2.6)
Federal	118,833,200	116,844,500	116,094,500	115,994,600	116,944,500	(1,888,700)	(1.6)
Local	3,098,000	3,554,000	3,554,000	3,554,000	3,554,000	456,000	14.7
Private	1,265,700	1,275,700	1,275,700	1,275,700	1,275,700	10,000	0.8
Restricted	1,706,565,100	1,730,713,400	1,596,847,000	1,672,032,100	1,611,856,600	(94,708,500)	(5.5)
GF/GP	665,008,600	684,863,600	637,609,600	650,398,000	625,194,200	(39,814,400)	(6.0)
Gross	\$3,150,793,500	\$3,180,677,500	\$2,976,076,800	\$3,081,594,300	\$2,997,546,400	(\$153,247,100)	(4.9)
FTEs	7,509.7	7,484.7	7,469.7	7,485.7	7,476.7	(33.0)	(0.4)

Note: FY 2008-09 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2009-10 Executive Budget on February 12.

Overview of All General Government Departments

The following departmental and agency budgets are included in this budget bill: Executive Office, Legislature, Legislative Auditor General, and the Departments of Attorney General, Civil Rights, Information Technology, Management and Budget (including Civil Service), State, and Treasury (including Lottery, Gaming Control Board, and Michigan Strategic Fund). The Department of Treasury budget also includes revenue sharing payments to local units of government and general obligation debt service. A summary of major budget issues are listed by department on the following pages.

Major Boilerplate Changes From FY 2008-09

GENERAL SECTIONS OF BOILERPLATE

Sec. 216 (2). Out-of-State Travel Restrictions – DELETED

Authorizes the State Budget Director to grant exceptions to allow out-of-state travel and requires a monthly report on exceptions made.

Sec. 224. Travel Restrictions – DELETED

Prohibits departments from approving travel by more than one employee to professional development conferences or training seminars located outside of the state unless funded with federal or private funds.

Sec. 227. No-Bid Contracts – NEW

Prohibits departments from entering into no-bid contracts for greater than \$500,000 unless there are no other bidders; for bundled contracts, the \$500,000 limit applies to the individual contracts within the bundle.

Sec. 228. General Fund Lapses – NEW

Requires departments to report on estimates of general fund lapses at the close of the fiscal year.

**ATTORNEY GENERAL
Summary of FY 2009-10 Enacted Appropriations
2009 Public Act 128 (Senate Bill 245)**

Analyst: Robin R. Risko

	FY 2008-09 YTD as of 2/12/09	FY 2009-10 Executive	FY 2009-10 Senate	FY 2009-10 House	FY 2009-10 Enacted	Difference: Enacted From FY 2008-09 YTD	
						Amount	%
IDG/IDT	\$24,301,000	\$24,744,100	\$21,289,800	\$21,289,800	\$21,289,800	(\$3,011,200)	(12.4)
Federal	8,050,800	8,177,800	8,277,800	8,177,800	8,277,800	227,000	2.8
Local	0	0	0	0	0	0	0.0
Private	0	0	0	0	0	0	0.0
Restricted	11,927,600	11,916,700	15,521,000	15,371,000	15,521,000	3,593,400	30.1
GF/GP	31,648,000	31,983,300	28,785,000	28,818,300	28,785,000	(2,863,000)	(9.0)
Gross	\$75,927,400	\$76,821,900	\$73,873,600	\$73,656,900	\$73,873,600	(\$2,053,800)	(2.7)
FTEs	543.0	543.0	543.0	543.0	543.0	0.0	0.0

Note: FY 2008-09 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2009-10 Executive Budget on February 12.

Overview

The Attorney General serves as legal counsel for state departments, agencies, boards, 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 offering justice to victims of crime and delivering excellent legal services at a minimum cost to taxpayers.

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		FY 2008-09 YTD (as of 2/12/09)	Enacted Change From YTD
1. GF/GP Reductions	Gross	N/A	(\$3,198,300)
Reduces general fund support for the following line items: Operations by \$3.0 million; Child Support Enforcement by \$64,000; and PACC by \$95,900.	GF/GP	N/A	(\$3,198,300)
2. Annualize Executive Order 2008-21 Reductions	Gross	N/A	(\$160,700)
Reduces funding for Attorney General Operations to reflect annualization of the 2.0% GF/GP reductions taken pursuant to E.O. 2008-21.	GF/GP	N/A	(\$160,700)
3. Internal Auditor Transfer	Gross	\$47,900	(\$47,900)
Reflects a savings due to the transfer of internal audit services to the Department of Management and Budget pursuant to E.O. 2007-31.	GF/GP	\$47,900	(\$47,900)
4. Microsoft Upgrade	Gross	N/A	\$80,800
Includes additional funding for software to be upgraded to Microsoft Office Professional 2007 from Microsoft Office 2002.	GF/GP	N/A	\$80,800
5. Information Technology Reductions	Gross	\$772,000	(\$12,100)
Reflects a savings due to the virtual storage of data (\$11,600) and a 2.0% administrative reduction to information technology-related costs (\$500).	GF/GP	\$772,000	(\$12,100)
6. Fund Source Adjustments	Gross	N/A	\$0
Adjusts IDG and state restricted fund sources to reflect actual expenditures and revenues available.	IDG	N/A	(3,444,300)
	Restricted	N/A	3,444,300

ATTORNEY GENERAL

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>	<u>FY 2008-09 YTD</u>	<u>Enacted Change</u>	
	<u>(as of 2/12/09)</u>	<u>From YTD</u>	
7. Prosecuting Attorney Coordinating Council (PACC)	Gross	\$1,996,900	\$100,000
Includes authorization for the PACC to receive additional federal revenue anticipated to be made available.	IDG	325,000	0
	Federal	0	100,000
	Restricted	375,000	0
	GF/GP	\$1,296,900	\$0

Major Boilerplate Changes From FY 2008-09

Sec. 307. Antitrust Revenue – REVISED

Appropriates up to \$250,000 of additional antitrust, securities fraud, consumer protection or class action enforcement revenue, or attorney fees recovered by the department and authorizes up to \$250,000 to be carried forward.

CIVIL RIGHTS
Summary of FY 2009-10 Enacted Appropriations
2009 Public Act 128 (Senate Bill 245)

Analyst: Robin R. Risko

	FY 2008-09 YTD as of 2/12/09	FY 2009-10 Executive	FY 2009-10 Senate	FY 2009-10 House	FY 2009-10 Enacted	Difference: Enacted From FY 2008-09 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Federal	2,057,300	2,057,300	2,057,300	2,057,300	2,057,300	0	0.0
Local	0	0	0	0	0	0	0.0
Private	0	0	0	0	0	0	0.0
Restricted	0	0	0	0	0	0	0.0
GF/GP	12,231,700	12,320,100	11,088,100	11,097,100	11,706,400	(525,300)	(4.3)
Gross	\$14,289,000	\$14,377,400	\$13,145,400	\$13,154,400	\$13,763,700	(\$525,300)	(3.7)
FTEs	130.0	130.0	130.0	130.0	130.0	0.0	0.0

Note: FY 2008-09 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2009-10 Executive Budget on February 12.

Overview

The Michigan Civil Rights Commission is charged with investigating alleged discrimination against any person because of religion, race, color, or national origin, and is directed to “secure the equal protection of such civil rights without such discrimination.” The Michigan Department of Civil Rights serves as the administrative arm charged with implementing policies of the Commission. The Department provides 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 2008-09 YTD Appropriations		FY 2008-09 YTD (as of 2/12/09)	Enacted Change From YTD
1. GF/GP Reductions Reduces general fund support for department operations.	Gross GF/GP	\$11,239,400 \$11,239,400	(\$613,700) (\$613,700)
2. Internal Auditor Transfer Reflects a savings due to the transfer of internal audit services to the Department of Management and Budget pursuant to E.O. 2007-31.	Gross GF/GP	\$68,700 \$68,700	(\$68,700) (\$68,700)
3. Administrative Efficiencies Reflects a savings to be achieved by not filling vacant FTE positions and by reducing expenditures for contractual services, supplies, and materials and information technology.	Gross GF/GP	N/A N/A	(\$62,100) (\$62,100)
4. Microsoft Upgrade Includes additional funding for software to be upgraded to Microsoft Office Professional 2007 from Microsoft Office 2002.	Gross GF/GP	N/A N/A	\$22,600 \$22,600
5. Economic Adjustments Includes additional funding for salary and wage, insurance, retirement, and workers' compensation premium costs (\$222,700); reduces funding for building occupancy charges and rent costs (\$26,100).	Gross GF/GP	N/A N/A	\$196,600 \$196,600

Major Boilerplate Changes From FY 2008-09

None

EXECUTIVE

EXECUTIVE OFFICE
Summary of FY 2009-10 Enacted Appropriations
2009 Public Act 128 (Senate Bill 245)

Analyst: Robin R. Risko

	FY 2008-09 YTD as of 2/12/09	FY 2009-10 Executive	FY 2009-10 Senate	FY 2009-10 House	FY 2009-10 Enacted	Difference: Enacted From FY 2008-09 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Federal	0	0	0	0	0	0	0.0
Local	0	0	0	0	0	0	0.0
Private	0	0	0	0	0	0	0.0
Restricted	0	0	0	0	0	0	0.0
GF/GP	5,317,300	5,317,300	4,823,700	4,824,300	4,823,700	(493,600)	(9.3)
Gross	\$5,317,300	\$5,317,300	\$4,823,700	\$4,824,300	\$4,823,700	(\$493,600)	(9.3)
FTEs	84.2	84.2	84.2	84.2	84.2	0.0	0.0

Note: FY 2008-09 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2009-10 Executive Budget on February 12.

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. Divisions within the Governor's Office include: Legal, Operations, Community-Based Initiatives, Appointments, Constituent Services, Policy, Communications, Legislative Affairs, Scheduling, Special Projects, and the Governor's Washington D.C., Southeastern Michigan, and Upper Peninsula Offices.

Major Budget Changes From FY 2008-09 YTD Appropriations

1. GF/GP Reductions

Reduces general fund support for Executive Office operations.

	FY 2008-09 YTD (as of 2/12/09)	Enacted Change From YTD
Gross	\$4,166,600	(\$493,600)
GF/GP	\$4,166,600	(\$493,600)

Major Boilerplate Changes From FY 2008-09

There is no boilerplate for the Executive Office.

INFORMATION TECHNOLOGY

Summary of FY 2009-10 Enacted Appropriations

2009 Public Act 128 (Senate Bill 245)

Analyst: Robin R. Risko

IDG/IDT	FY 2008-09 YTD as of 2/12/09	FY 2009-10 Executive	FY 2009-10 Senate	FY 2009-10 House	FY 2009-10 Enacted	<i>Difference: Enacted From FY 2008-09 YTD</i>	
						<i>Amount</i>	<i>%</i>
	\$431,421,900	\$423,323,100	\$404,134,800	\$421,778,700	\$423,323,100	(\$8,098,800)	(1.9)
Federal	0	0	0	0	0	0	0.0
Local	0	0	0	0	0	0	0.0
Private	0	0	0	0	0	0	0.0
Restricted	0	0	0	0	0	0	0.0
GF/GP	0	0	0	0	0	0	0.0
Gross	\$431,421,900	\$423,323,100	\$404,134,800	\$421,778,700	\$423,323,100	(\$8,098,800)	(1.9)
FTEs	1,660.0	1,635.0	1,633.0	1,644.0	1,635.0	(25.0)	(1.5)

Note: FY 2008-09 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2009-10 Executive Budget on February 12.

Overview

The Department of Information Technology (DIT) acts as a general contractor between the state's information technology users and private sector providers of information technology (IT) products and services. The Department's services include application development and maintenance; desktop, mainframe, server and local area network computer support and management; contract, project, and procurement planning; telecommunication services; security; and software and software licensing. The Department utilizes existing technology funding and state employees from within the other executive branch departments and agencies. Each state department and agency requests spending authority to fund IT-related activities and pays for technology services rendered by DIT through an interdepartmental grant. Administration of fund sources remains with each agency.

Major Budget Changes From FY 2008-09 YTD Appropriations	FY 2008-09 YTD (as of 2/12/09)	Enacted Change From YTD
<p>1. Statewide Microsoft Office Upgrade Includes additional funding for software to be upgraded statewide. Current Microsoft software will be out of warranty in 2010 and will no longer have support and updates for users. Funding will be used to purchase Microsoft Office Professional 2007 and license applications to provide statewide software standardization, reduce security risks, and allow DIT remote desktop service management.</p>	<p>Gross IDG</p>	<p>N/A N/A</p> <p>\$6,900,000 6,900,000</p>
<p>2. Statewide Storage of Data Reflects a savings statewide due to a change in the way electronic files are archived. A new program will be implemented which will move files to a virtual environment.</p>	<p>Gross IDG</p>	<p>N/A N/A</p> <p>(\$1,171,900) (1,171,900)</p>
<p>3. Michigan Business Portal Includes additional FTE positions and funding for the Michigan Business One Stop Portal. The Website was implemented in the spring of 2009 to help centralize and streamline all aspects of doing business in Michigan. Funding will be used for the continued addition of more automated services in FY 2010.</p>	<p>FTEs Gross IDG</p>	<p>N/A N/A N/A</p> <p>5.0 \$963,200 963,200</p>
<p>4. Annualize Executive Order 2008-21 Reductions Reduces funding to reflect annualization of the 2.0% GF/GP reductions taken pursuant to E.O. 2008-21.</p>	<p>Gross IDG</p>	<p>N/A N/A</p> <p>(\$288,500) (288,500)</p>

INFORMATION TECHNOLOGY

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>	FY 2008-09 YTD (as of 2/12/09)	Enacted Change From YTD
5. Transfers Due to Abolishing DHAL	FTEs	N/A
Reflects transfers of IT-related FTE positions and costs associated with programs that were transferred from DHAL to various other state departments/agencies.	Gross	\$187,400
	IDG	187,400
6. Economic Adjustments	Gross	\$3,722,100
Includes additional funding for salary and wage, insurance, retirement, and building occupancy costs.	IDG	3,722,100
7. Program Adjustments	FTEs	(32.0)
Adjusts FTE positions and funding to more accurately reflect appropriations in other state department budgets.	Gross	(\$18,411,100)
	IDG	(18,411,100)
<ul style="list-style-type: none"> ▪ DOC - additional \$910,000 for migration of CMIS Mainframe to OMNI System; additional \$599,600 for implementation of new medical records system called NextGen; additional \$115,800 for desktop maintenance costs; savings of \$546,400 due to facility closures; additional \$1.1 million for health data warehouse investment; additional \$150,400 for costs associated with Maxey Mental Health Unit. ▪ DELEG - additional \$23,200 for the transfer of pollution and energy functions from DEQ to DIT pursuant to E.O. 2008-20. ▪ DSP - additional \$1.7 million to align funding of IT expenditures between IT and non-IT programs. ▪ Treasury - savings of \$500,000 from secondary collections program. ▪ DHAL - savings of \$60,700 due to eliminating one-time equipment purchase costs. ▪ DMB - savings of \$150,000 due to eliminating one-time costs of upgrading Interactive Voice Response software at Retirement Call Center; savings of \$88,800 due to elimination of state IT support for the Michigan State Fair. ▪ DHS - savings of \$19.8 million and reduction of 32.0 FTE positions due to completion of Bridges project; savings of \$1.0 million due to contract transfer in Juvenile Justice system; additional \$3.2 million for implementation of Child Rights Settlement; savings of \$2.0 million due to in-sourcing Michigan Child Support Enforcement System project control functions; savings of \$1.0 million due to renegotiating Accenture contract; savings of \$522,300 to align DIT spending authorization with DHS IT appropriation. ▪ Agriculture - savings of \$900 due to elimination of state IT support for the Upper Peninsula State Fair. ▪ Civil Service - additional \$900 to align DIT spending authorization with Civil Service IT appropriation. ▪ DEQ - savings of \$54,600 due to transferring the wetlands program back to the federal government. ▪ DNR - savings of \$400,000 to align DIT spending authorization with DNR IT appropriation. ▪ Statewide DIT - savings of \$107,700 due to statewide administrative reductions to IT-related costs. 		

Major Boilerplate Changes From FY 2008-09

Sec. 581. Technology Assets of the State – DELETED

Requires the Department to conduct a study of the state’s information technology assets to determine any benefits and economies that can be achieved and requires a report on the top 10 initiatives that would provide benefit to the state.

Sec. 588. Census-Related Services – NEW

Appropriates funding collected by the Department for providing census-related information and technical services, publications, statistical studies, population projections and estimates, and other demographic products, and authorizes unexpended funding to be carried forward.

**LEGISLATIVE AUDITOR GENERAL
Summary of FY 2009-10 Enacted Appropriations
2009 Public Act 128 (Senate Bill 245)**

Analyst: Robin R. Risko

IDG/IDT	FY 2008-09 YTD as of 2/12/09	FY 2009-10 Executive	FY 2009-10 Senate	FY 2009-10 House	FY 2009-10 Enacted	Difference: Enacted From FY 2008-09 YTD	
						Amount	%
IDG/IDT	\$1,801,500	\$1,801,500	\$1,801,500	\$1,801,500	\$1,801,500	\$0	0.0
Federal	0	0	0	0	0	0	0.0
Local	0	0	0	0	0	0	0.0
Private	0	0	0	0	0	0	0.0
Restricted	1,539,900	1,539,900	1,539,900	1,528,300	1,539,900	0	0.0
GF/GP	12,549,800	12,486,800	11,238,100	11,571,600	11,619,800	(930,000)	(7.4)
Gross	\$15,891,200	\$15,828,200	\$14,579,500	\$14,901,400	\$14,961,200	(\$930,000)	(5.9)
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Note: FY 2008-09 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2009-10 Executive Budget on February 12.

Overview

The Office of 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 Office of the Legislative Auditor General is to improve accounting and financial reporting practices and promote effectiveness, efficiency, and economy in state government. Its 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 2008-09 YTD Appropriations

	FY 2008-09 YTD (as of 2/12/09)	Enacted Change From YTD
1. GF/GP Reductions	Gross \$12,236,300	(\$1,248,700)
Reduces general fund support for field operations.	GF/GP \$12,236,300	(\$1,248,700)
2. Remove One-Time Funding	Gross \$63,000	(\$63,000)
Reflects elimination of one-time funding included in the FY 2008-09 budget for network migration costs.	GF/GP \$63,000	(\$63,000)
3. Economic Adjustments	Gross N/A	\$381,700
Includes additional funding for salary and wage, insurance, retirement, and rent costs.	GF/GP N/A	\$381,700

Major Boilerplate Changes From FY 2008-09

Sec. 624. Information Technology – DELETED

Appropriates \$63,000 as one-time funding for transition of the information technology network from the Executive branch network to the Legislative branch network.

LEGISLATURE
Summary of FY 2009-10 Enacted Appropriations
2009 Public Act 128 (Senate Bill 245)

Analyst: Robin R. Risko

	FY 2008-09 YTD as of 2/12/09	FY 2009-10 Executive	FY 2009-10 Senate	FY 2009-10 House	FY 2009-10 Enacted	Difference: Enacted From FY 2008-09 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Federal	0	0	0	0	0	0	0.0
Local	0	0	0	0	0	0	0.0
Private	400,000	400,000	400,000	400,000	400,000	0	0.0
Restricted	1,109,800	1,109,800	1,109,800	1,109,800	1,109,800	0	0.0
GF/GP	112,994,200	112,994,200	103,787,500	104,699,700	104,764,900	(8,229,300)	(7.3)
Gross	\$114,504,000	\$114,504,000	\$105,297,300	\$106,209,500	\$106,274,700	(\$8,229,300)	(7.2)
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Note: FY 2008-09 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2009-10 Executive Budget on February 12.

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 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 2008-09 YTD Appropriations	FY 2008-09 YTD (as of 2/12/09)	Enacted Change From YTD
1. GF/GP Reductions - Legislature	Gross \$85,655,100	(\$6,735,700)
Reduces general fund support for the following line items:	GF/GP \$85,655,100	(\$6,735,700)
<ul style="list-style-type: none"> ▪ House of Representatives - reduction of \$3.2 million ▪ House Automated Data Processing - reduction of \$202,500 ▪ House Fiscal Agency - reduction of \$321,900 ▪ Senate - reduction of \$2.4 million ▪ Senate Automated Data Processing - reduction of \$255,000 ▪ Senate Fiscal Agency - reduction of \$321,900 		
2. GF/GP Reductions - Legislative Council	Gross \$11,736,600	(\$1,108,500)
Reduces general fund support for the following line items:	GF/GP \$11,736,600	(\$1,108,500)
<ul style="list-style-type: none"> ▪ Legislative Council - reduction of \$971,000 ▪ LSB Automated Data Processing - reduction of \$137,500 		
3. GF/GP Reductions - Property Management	Gross \$12,178,400	(\$385,100)
Reduces general fund support for the following line items:	GF/GP \$12,178,400	(\$385,100)
<ul style="list-style-type: none"> ▪ Cora Anderson Building - reduction of \$309,400 ▪ Farnum Building - reduction of \$75,700 		

Major Boilerplate Changes From FY 2008-09

None

MANAGEMENT AND BUDGET
Summary of FY 2009-10 Enacted Appropriations
2009 Public Act 128 (Senate Bill 245)

Analyst: Ben Gielczyk

IDG/IDT	FY 2008-09 YTD as of 2/12/09	FY 2009-10 Executive	FY 2009-10 Senate	FY 2009-10 House	FY 2009-10 Enacted	Difference: Enacted From FY 2008-09 YTD	
						Amount	%
	\$167,603,800	\$162,436,800	\$162,349,100	\$162,349,100	\$161,186,300	(\$6,417,500)	(3.8)
Federal	10,743,700	11,219,800	11,219,800	11,219,800	11,219,800	476,100	4.4
Local	1,992,900	2,027,600	2,027,600	2,027,600	2,027,600	34,700	1.7
Private	150,000	151,900	151,900	151,900	151,900	1,900	1.3
Restricted	77,642,500	74,373,900	73,738,000	80,693,200	72,200,500	(5,442,000)	(7.0)
GF/GP	291,888,900	315,264,500	307,248,000	307,656,300	293,574,300	1,685,400	0.6
Gross	\$550,021,800	\$565,474,500	\$556,734,400	\$564,097,900	\$540,360,400	(\$9,661,400)	(1.8)
FTEs	1,431.0	1,416.0	1,400.0	1,405.0	1,403.0	(28.0)	(2.0)

Note: FY 2008-09 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2009-10 Executive Budget on February 12.

Overview

The Department of Management and Budget is the interdepartmental service and management agency responsible for ensuring proper financial record keeping for state agencies; managing capital outlay projects, state property, state purchasing programs, and the state's retirement systems; supervising the state motor vehicle fleet; and providing office support services to state agencies. The Office of the State Budget prepares, presents, and executes the state budget on behalf of the Governor. The Department has several autonomous units: Office of the State Employer, Office of the Children's Ombudsman, Office of Regulatory Reform, Michigan State Fair, State Building Authority, and Civil Service.

Major Budget Changes From FY 2008-09 YTD Appropriations	FY 2008-09 YTD (as of 2/12/09)	Enacted	Change From YTD
1. GF/GP Reductions	Gross	N/A	(\$5,138,100)
Reduces GF/GP funding for the following line items: Executive Operations by \$114,500; Administrative Services by \$185,300; Budget and Financial Management by \$652,700; Building Operation Services by \$2.0 million; Business Support Services by \$235,000; Office of Children's Ombudsman by \$110,000; and Information Technology by \$1.9 million.	GF/GP	N/A	(\$5,138,100)
2. Internal Auditor Consolidation	FTEs	N/A	(1.0)
Adjusts FTE positions and funding to reflect the statewide consolidation of internal audit services within the Department of Management and Budget. Consolidation is required pursuant to E.O. 2007-31.	Gross	N/A	(\$1,102,300)
	IDG	N/A	(6,006,200)
	Federal	N/A	266,700
	Restricted	N/A	1,773,800
	GF/GP	N/A	\$2,863,400
3. Annualize Executive Order 2008-21 Reductions	FTEs	N/A	(2.0)
Reduces FTE positions and funding to reflect annualization of the 2.0% GF/GP reductions taken pursuant to E.O. 2008-21. Also includes a fund source shift for the Office of the State Employer related to E.O. 2008-21.	Gross	N/A	(\$195,200)
	IDG	N/A	(100,000)
	Restricted	N/A	5,400
	GF/GP	N/A	(\$100,600)
4. Transfer of State Records Center from DHAL	FTEs	N/A	13.0
Reflects the transfer of FTE positions and funding associated with the State Records Center from DHAL to DMB pursuant to E.O. 2009-36.	Gross	N/A	\$1,674,000
	IDG	N/A	87,700
	Restricted	N/A	285,900
	GF/GP	N/A	\$1,300,400

MANAGEMENT AND BUDGET

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		<u>FY 2008-09 YTD</u>	<u>Enacted Change</u>
		<u>(as of 2/12/09)</u>	<u>From YTD</u>
5. State Building Authority Rent Payments	Gross	\$231,822,100	\$3,548,500
Includes additional funding for projected rent payments for previously-constructed projects and reflects the elimination of state restricted funding as a result of paying off the note on the building occupied by the Bureau of State Lottery.	Restricted	1,520,000	(1,520,000)
	GF/GP	\$230,302,100	\$5,068,500
6. Eliminate Michigan State Fair	FTEs	10.0	(10.0)
Reflects elimination of FTE positions and funding associated with the Michigan State Fair.	Gross	\$6,605,300	(\$6,605,300)
	Restricted	6,605,300	(6,605,300)
	GF/GP	\$0	\$0
7. Economic Adjustments	Gross	N/A	\$2,233,200
Includes additional funding for salary and wage, insurance, retirement, workers' compensation premium, and private rent costs (\$2.3 million Gross; \$997,300 GF/GP); reduces funding for building occupancy charges (\$31,900 Gross; \$80,600 GF/GP).	IDG	N/A	878,800
	Restricted	N/A	437,700
	GF/GP	N/A	\$916,700
CIVIL SERVICE COMMISSION			
8. GF/GP Reductions	Gross	N/A	(\$2,824,500)
Reduces GF/GP funding for the following line items: Agency Services by \$1.3 million; Executive Direction by \$374,500; Human Resources Operations by \$750,000; and Information Technology by \$400,000.	GF/GP	N/A	(\$2,824,500)
9. Internal Auditor Transfer	Gross	\$121,500	(\$121,500)
Reflects a savings due to the transfer of internal audit services to the Department of Management and Budget pursuant to E.O. 2007-31.	Restricted	87,500	(87,500)
	GF/GP	\$34,000	(\$34,000)
10. Annualize Executive Order 2008-21 Reductions	FTEs	N/A	(4.0)
Reduces FTE positions and funding to reflect annualization of the 2.0% GF/GP reductions taken pursuant to E.O. 2008-21.	Gross	N/A	(\$264,500)
	GF/GP	N/A	(\$264,500)
11. MDOC Facility Closures	FTEs	16.0	(18.0)
Reflects a savings as a result of reducing HR staff from the following Department of Corrections' facilities, or parts of facilities, which are closing: Scott, Deerfield, Branch, Standish, and Muskegon.	Gross	\$1,234,900	(\$1,234,900)
	GF/GP	\$1,234,900	(\$1,234,900)
12. MDCH Facility Closure	FTEs	4.0	(4.0)
Reflects a savings as a result of reducing HR staff from the Mt. Pleasant Center for Developmental Disabilities, a Department of Community Health facility which is closing.	Gross	\$373,900	(\$373,900)
	IDG	2,300	(2,300)
	Federal	68,100	(68,100)
	Local	12,000	(12,000)
	Private	1,500	(1,500)
	Restricted	96,800	(96,800)
	GF/GP	\$193,200	(\$193,200)
13. Office of Great Workplace Development	FTEs	5.0	(5.0)
Reflects elimination of FTE positions and funding associated with the Office of Great Workplace Development.	Gross	\$700,000	(\$700,000)
	Restricted	350,000	(350,000)
	GF/GP	\$350,000	(\$350,000)
14. Economic Adjustments	Gross	N/A	\$1,317,100
Includes additional funding for salary and wage, insurance, and retirement costs (\$1.3 million Gross; \$567,500 GF/GP); reduces funding for workers' compensation premium costs and building occupancy charges (\$8,700 Gross; \$2,500 GF/GP).	IDG	N/A	28,700
	Federal	N/A	242,900
	Local	N/A	46,700
	Private	N/A	3,400
	Restricted	N/A	430,400
	GF/GP	N/A	\$565,000

Major Boilerplate Changes From FY 2008-09

Sec. 716a. Supplier Diversity Program – DELETED

Appropriates \$400,000 to fund up to 4.0 FTE positions or to contract with private companies to implement a supplier diversity program.

Sec. 720. Internal Audit Services – DELETED

Requires sources of financing from other state departments and agencies for internal audit charges to fund internal audit services provided by DMB.

Sec. 724. Document and Data Imaging – NEW

Authorizes the Department to charge for document and data imaging services, copies, media, storage, conferences, workshops, and training classes, and appropriates the money collected to be used for providing the services.

Sec. 724a. Existing 2-1-1 Capacities – DELETED

Requires DMB to assist DIT in determining how existing 2-1-1 capacities will be utilized by each department with community resource information and referral service.

Sec. 725. Report on Unclassified Salaries – NEW

Requires that DMB prepare a report on all salaries of unclassified employees and gubernatorial appointees within state departments and agencies.

Sec. 727. Contract Savings – NEW

Requires the Department to take measures to reduce existing contract expenditures by \$20 million and lists required measures to be followed.

Sec. 754. Office of Great Workplace Development – NEW

Prohibits appropriations to be used for funding the Office of Great Workplace Development.

STATE

STATE

**Summary of FY 2009-10 Enacted Appropriations
2009 Public Act 128 (Senate Bill 245)**

Analyst: Ben Gielczyk

	FY 2008-09 YTD as of 2/12/09	FY 2009-10 Executive	FY 2009-10 Senate	FY 2009-10 House	FY 2009-10 Enacted	Difference: Enacted From FY 2008-09 YTD	
						Amount	%
IDG/IDT	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$0	0.0
Federal	5,673,700	1,810,000	1,810,000	1,810,000	1,810,000	(3,863,700)	(68.1)
Local	0	0	0	0	0	0	0.0
Private	100	100	100	100	100	0	0.0
Restricted	162,573,800	163,614,700	169,364,700	163,614,700	169,364,700	6,790,900	4.2
GF/GP	26,130,800	28,214,200	17,892,800	25,600,400	17,955,400	(8,175,400)	(31.3)
Gross	\$214,378,400	\$213,639,000	\$209,067,600	\$211,025,200	\$209,130,200	(\$5,248,200)	(2.4)
FTEs	1,815.0	1,815.0	1,815.0	1,815.0	1,815.0	0.0	0.0

Note: FY 2008-09 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2009-10 Executive Budget on February 12.

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 2008-09 YTD Appropriations		FY 2008-09 YTD (as of 2/12/09)	Enacted Change From YTD
1. GF/GP Reductions	Gross	N/A	(\$10,258,800)
Reduces GF/GP funding for the following line items: Executive Direction Operations by \$5,000; Department Services Operations by \$910,000; Regulatory Services Operations by \$435,000; Customer Delivery Branch Operations by \$5.9 million; Customer Delivery Central Operations by \$2.9 million; and Information Technology by \$137,200. A portion of the savings are expected to occur from implementation of tabless license plates.	GF/GP	N/A	(\$10,258,800)
2. Annualize Executive Order 2008-21 Reductions	Gross	N/A	(\$132,600)
Reduces funding to reflect annualization of the 2.0% GF/GP reductions taken pursuant to E.O. 2008-21.	GF/GP	N/A	(\$132,600)
3. Internal Auditor Transfer	Gross	\$148,600	(\$148,600)
Reflects a savings due to the transfer of internal audit services to the Department of Management and Budget pursuant to E.O. 2007-31.	Restricted	148,600	(148,600)
4. Remove One-Time HAVA Funding	Gross	\$3,863,700	(\$3,863,700)
Reflects elimination of one-time federal Help America Vote Act grant funding that was included in the FY 2008-09 budget.	Federal	3,863,700	(3,863,700)
5. Restricted Revenue Increase	Gross	N/A	\$5,750,000
Includes authorization to receive additional restricted revenue. A plan on how to obtain the revenue has yet to be developed.	Restricted	N/A	5,750,000
6. Microsoft Upgrade	Gross	N/A	\$266,700
Includes additional funding for software to be upgraded to Microsoft Office Professional 2007 from Microsoft Office 2002.	Restricted	N/A	219,500
	GF/GP	N/A	\$47,200

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		<u>FY 2008-09 YTD (as of 2/12/09)</u>	<u>Enacted Change From YTD</u>
7. Michigan Business Portal	Gross	N/A	\$54,000
Includes funding for the Department to participate in the Michigan Business One Stop Portal. The Website was implemented in the spring of 2009 to help centralize and streamline all aspects of doing business in Michigan.	Restricted	N/A	54,000
8. Information Technology Reductions	Gross	\$24,537,300	(\$35,400)
Reflects a savings due to the virtual storage of data (\$29,700 Gross; \$2,900 GF/GP) and a 2.0% administrative reduction to information technology-related costs (\$5,700 Gross; \$300 GF/GP).	Restricted	20,201,300	(32,200)
	GF/GP	\$4,336,000	(\$3,200)
9. Economic Adjustments	Gross	N/A	\$3,120,200
Includes additional funding for salary and wage, insurance, retirement, and building occupancy costs (\$3.2 million Gross; \$2.2 million GF/GP); reduces funding for rent costs (\$74,700 Gross; \$17,500 GF/GP).	Restricted	N/A	948,200
	GF/GP	N/A	\$2,172,000

Major Boilerplate Changes From FY 2008-09

Sec. 805a. Help America Vote Act (HAVA) Report – NEW

Requires the Department to report on the activities and success of enforcement and compliance with the Help America Vote Act of 2002.

Sec. 815a. Report on Branch Office Transactions – DELETED

Requires the Department to report on the number of branch office transactions completed online.

Sec. 825. General Fund Expenditures – NEW

Requires the Department to use available restricted funds for expenditures before using general fund dollars.

Sec. 828. Performance Audit Report – NEW

Requires the Department to submit a report on improvements and changes made with regard to issues identified by the Auditor General in the 2009 cash receipts and branch office customer service audit.

TREASURY

TREASURY

**Summary of FY 2009-10 Enacted Appropriations
2009 Public Act 128 (Senate Bill 245)**

Analyst: Ben Gielczyk

	FY 2008-09 YTD as of 2/12/09	FY 2009-10 Executive	FY 2009-10 Senate	FY 2009-10 House	FY 2009-10 Enacted	Difference: Enacted From FY 2008-09 YTD	
						Amount	%
IDG/IDT	\$10,894,700	\$11,120,800	\$11,120,800	\$11,120,800	\$11,120,700	\$226,000	2.1
Federal	92,307,700	93,579,600	92,729,600	92,729,700	93,579,600	1,271,900	1.4
Local	1,105,100	1,526,400	1,526,400	1,526,400	1,526,400	421,300	38.1
Private	715,600	723,700	723,700	723,700	723,700	8,100	1.1
Restricted	1,451,771,500	1,478,158,400	1,335,573,600	1,409,715,100	1,352,120,700	(99,650,800)	(6.9)
GF/GP	172,247,900	166,283,200	152,746,400	156,130,300	151,964,700	(20,283,200)	(11.8)
Gross	\$1,729,042,500	\$1,751,392,100	\$1,594,420,500	\$1,671,946,000	\$1,611,035,800	(\$118,006,700)	(6.8)
FTEs	1,846.5	1,869.5	1,864.5	1,864.5	1,866.5	20.0	1.1

Note: FY 2008-09 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2009-10 Executive Budget on February 12.

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), and the Michigan Strategic Fund (MSF) are autonomous agencies housed within the Department of Treasury. Funds and programs of the MSF are administered by the Michigan Economic Development Corporation (MEDC), which also administers the 21st Century Jobs Fund.

Major Budget Changes From FY 2008-09 YTD Appropriations	FY 2008-09 YTD (as of 2/12/09)	Enacted Change From YTD
TREASURY OPERATIONS		
1. General Fund Reductions	Gross	N/A
Reduces various line items by a total of \$3.6 million GF/GP. Major reductions include: \$408,000 for Renaissance Zone Reimbursements, \$2.0 million for Senior Citizens Cooperative Housing, and \$687,000 for IT, among others.	GF/GP	N/A
		(\$3,574,000)
2. Blackstone Settlement	Gross	\$2,000,000
Includes savings due to a funding shift by paying from Land Reutilization. Payments were included in 2009 PA 79.	GF/GP	\$2,000,000
		(\$2,000,000)
3. Michigan Business Tax	Gross	\$11,813,800
Reduces funding for Michigan Business Tax implementation by \$6.5 million GF/GP.	GF/GP	\$11,813,800
		(\$6,500,000)
4. Property Tax Appeal	Gross	\$500,000
Eliminates property tax appeal program within the Department of Treasury.	GF/GP	\$500,000
		(\$500,000)
5. Collections	FTEs	200.0
Includes \$215,000 GF/GP and 6.0 FTE positions from transfer of a portion of the revenue enhancement program. Includes \$895,000 GF/GP and 10.0 FTE positions for expanded enforcement activities.	Gross	\$19,888,800
	IDG	2,951,200
	Restricted	16,273,700
	GF/GP	\$663,900
		\$1,110,500

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		<u>FY 2008-09 YTD (as of 2/12/09)</u>	<u>Enacted Change From YTD</u>
6. Investments	FTEs	80.0	2.0
Includes \$300,000 and 2.0 FTE positions for expanded risk management activities related to Starr investment oversight.	Gross	\$16,151,300	\$300,000
	Restricted	16,151,300	300,000
7. Michigan Education Savings Program (MESP)	Gross	\$800,000	(\$800,000)
Eliminates \$800,000 funding from Merit Award Trust Fund and language providing state match for contributions to the MESP.	Restricted	800,000	(800,000)
8. Secondary Collection Contract	FTEs	N/A	(8.0)
Eliminates \$1.1 million and 8.0 FTEs associated with secondary tax collection contract that was not implemented. Funding is received from delinquent tax collection revenue.	Gross	N/A	(\$1,100,000)
	Restricted	N/A	(1,100,000)
9. Economic Adjustments	Gross	N/A	\$4,446,500
Increases funding by \$4.4 million Gross and \$761,300 GF/GP for economics, which includes salaries and wages, retirement, building occupancy charges, workers' compensation, and insurance costs; includes Lottery and Michigan Gaming Control Board.	IDG	N/A	97,800
	Federal	N/A	330,100
	Local	N/A	21,300
	Restricted	N/A	3,236,000
	GF/GP	N/A	\$761,300
DEBT SERVICE			
10. Debt Service Payments	Gross	\$83,123,000	(\$2,945,500)
Reduces funding by \$2.9 million based on principal and interest requirements of general obligation bond issues. Reduces Water Pollution Control Board (\$65,500), Clean Michigan Initiative (\$2.0 million), and Great Lakes Water Quality (\$1.3 million). Increases funding for Quality of Life Bond (\$355,100).	Restricted	15,514,500	0
	GF/GP	\$67,608,500	(\$2,945,500)
GRANTS			
11. Convention Facility Development Distribution	Gross	\$58,850,000	\$25,000,000
Includes \$25.0 million in restricted funds related to the enacted convention center redevelopment package.	Restricted	58,850,000	25,000,000
12. Commercial Mobile Radio Service (CMRS)	Gross	\$11,100,000	\$15,900,000
Increases by \$15.9 million to reflect current revenue estimates of \$27.0 million.	Restricted	11,100,000	15,900,000
13. Health and Safety Fund Grants	Gross	\$25,000,000	(\$16,000,000)
Reduces funding by \$16.0 million in restricted funds to reflect current revenue estimates.	Restricted	25,000,000	(16,000,000)
STATE LOTTERY			
14. Lottery Sales Staff	FTEs	N/A	10.0
Increases funding for Lottery by \$835,000 Gross for 10.0 additional FTEs for sales representatives to monitor lottery sites at retailers in an effort to increase revenues.	Gross	N/A	\$835,000
	Restricted	N/A	835,000
REVENUE SHARING			
15. Constitutional Revenue Sharing	Gross	\$675,992,000	(\$53,854,100)
Reduces revenue sharing payments by \$53.9 million. Fiscal Year 2008-09 YTD amounts were based on the January 2009 Consensus Revenue Estimating Conference (CREC) figures. The current-year estimated payments, based on the May 2009 CREC, are \$654.4 million.	Restricted	675,992,000	(53,854,100)
16. Statutory Revenue Sharing	Gross	\$406,933,000	(\$92,763,100)
Reduces statutory revenue sharing payments by \$92.8 million from FY 2008-09 YTD amounts.	Restricted	406,933,000	(92,763,100)
17. County Revenue Sharing	Gross	\$2,394,500	\$52,897,200
Increases county revenue sharing payments by \$52.9 million to fund the additional counties anticipated to be eligible again for payments. Counties become eligible when they exhaust their revenue sharing reserve funds.	Restricted	2,394,500	52,897,200

TREASURY

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>	FY 2008-09 YTD (as of 2/12/09)	Enacted Change From YTD
PAYMENTS IN LIEU OF TAXES		
18. Payment in Lieu of Taxes (PILT)	Gross	\$14,189,200
Increases funding by \$100,000 restricted for increased purchased lands payment. Eliminates the Administration line item funded by a \$100 IDG from DNR. Reduces GF/GP by \$1.3 million.	IDG	100
	Restricted	2,350,000
	GF/GP	\$11,839,100
		(\$1,232,800)
		(100)
		100,000
		(\$1,332,700)
MICHIGAN STRATEGIC FUND		
19. 21st Century Jobs Program Funding	Gross	\$62,000,000
Reduces funding by \$33.5 million from FY 2008-9 YTD level. FY 2008-09 enacted does not include reduction of \$9.0 million to the 21st Century Jobs Program Funding required by PA 61 of 2009.	Restricted	62,000,000
		(\$33,500,000)
20. MSF General Fund Reductions	Gross	N/A
Reduces GF/GP funding in various line items by \$3.5 million GF/GP. Major reductions include: Job Creation Services (\$767,100) and Economic development job training grants (\$2.0 million).	GF/GP	N/A
		(\$3,485,300)
21. Michigan Council of the Arts and Cultural Affairs Transfer	FTEs	N/A
Includes 2.0 FTEs and \$2.3 million Gross and \$1.4 million GF/GP for transfer of Council for Arts and Cultural Affairs from DHAL. FTE positions were placed in Job Creation Services line item.	Gross	N/A
	Federal	N/A
	GF/GP	N/A
		2.0
		\$2,267,400
		850,000
		\$1,417,400
22. Business Incubator Program	Gross	\$1,250,000
Includes \$1.3 million for 10 business incubators. Executive vetoed two business incubators (Isabella County and Oakland County), totaling \$350,000.	Restricted	1,250,000
		(\$300,000)
23. MSF Economic Adjustments	Gross	N/A
Includes \$232,600 Gross and \$195,800 GF/GP funding for economics, which include increased funding for salaries and wages, retirement, workers' compensation, building occupancy charges, and insurance costs.	IDG	N/A
	Federal	N/A
	Private	N/A
	Restricted	N/A
	GF/GP	N/A
		\$232,600
		900
		27,700
		8,100
		100
		\$195,800

Major Boilerplate Changes From FY 2008-09

DEPARTMENT OF TREASURY

Sec. 920. Grants to Counties in Lieu of Taxes – DELETED

Authorizes grants to counties in lieu of taxes for lands transferred to the federal government.

Sec. 927. Telephone / Telegraph Reappraisals – DELETED

States legislative intent that telephone / telegraph reappraisals be funded at \$1.5 million by supplemental appropriations.

Sec. 930a. Secondary Collections Activities – DELETED

Requires Department to select a private collection agency for secondary collection activities in order to benchmark primary agency performance for individual tax, discontinued business tax, state agency accounts, and active business tax accounts older than 36 months; requires quarterly report.

Sec. 933. Michigan Education Savings Program – DELETED

Requires Michigan Education Savings Program funds be used as state match for funds invested on behalf of children; state to provide \$1 for each \$3 contributed with \$200 maximum match; state match only for first year of enrollment.

Sec. 938. PILT Payments – REVISED

Revises language to provide legislative intent that Department work with local units to improve PILT system on purchased lands; requires report by January 1.

Sec. 941. Medical Pension Liability – DELETED

Directs Department to analyze new insurance products to address medical pension liability for state retirees.

Sec. 942. Field Collection Report – NEW

Requires Department to report on additional revenue collection related to increased field staff.

Major Boilerplate Changes From FY 2008-09

Sec. 944. Pension Plan Consultant Report – REVISED

Requires Department to forward any report from a pension plan consultant to the Legislature and state budget director. Revises language to require report be forwarded within 30 days.

Sec. 949. Tobacco Stamp Program – NEW

Directs Department to explore the possibility of a public-private partnership for new tobacco stamp technology; requires report.

Sec. 950. Revenue Sharing – REVISED

Directs distribution of constitutional and statutory revenue sharing payments to cities, villages and townships; includes 2% additional statutory payments to local units that received statutory payments in FY 2006-07. Revises to require payments to be at 88.94% of previous year.

Sec. 952. Grants to Cities With Emergency Financial Managers – DELETED

Requires appropriations for special grants to cities to be used to restore past revenue sharing reductions to cities which had an emergency financial manager appointed to them.

Sec. 955. County Revenue Sharing – REVISED

Revises and requires payments to counties be at 88.94% of the sum of the previous year payments and reserve fund expenditures.

Sec. 975. State Services Fee Fund Balance – NEW

New language stating that \$1.6 million of the state services fee fund balance at the close of FY 2008-09 be transferred to the general fund.

MICHIGAN STRATEGIC FUND (MSF)

Sec. 1002. Economic Development Job Training (EDJT) Grants – REVISED

Revises language by retaining current name for program, deleting 16-year-old requirement and employer 50% match language, and reducing allocation for aerospace funding to \$250,000.

Sec. 1014. Michigan Core Communities Fund – REVISED

Revises language outlining the purposes and uses of the fund and procedures for grant distribution.

Sec. 1021. Promotion From Michigan Tobacco Settlement Finance Authority (MTSFA) – DELETED

States that there is \$50.0 million general fund/general purpose revenue appropriated in 2008 PA 98 available for tourism promotion and business marketing in accordance with that act.

Sec. 1027. Lakeshore Advantage – NEW

Stipulates that funds appropriated for the jobs for Michigan investment program: 21st Century Jobs Fund, \$3.0 million may be allocated to Lakeshore Advantage for the same purposes as the fiscal year 2007-2008 allocation.

Sec. 1032. Film Office Report – REVISED

Requires report from Film Office on film tax credit program. Revises language to require more detailed report.

Sec. 1034. Business Incubator Program – VETOED

Stipulates funding be awarded competitively to operational business incubators in five counties. Includes 10 incubators. **Executive vetoed** the business incubator programs in Isabella County and Oakland County, leaving 8 business incubator programs.

Sec. 1035. Michigan Council for Arts and Cultural Affairs (MCACA) Arts and Cultural Grants – NEW

Executive included language that authorizes new planning grant program and specifies awards to help complete planning documents for remodeling, repair, renovation, or construction of arts and cultural institutions. Revises to include language that requires the MCACA to develop an arts and cultural grant program; requires report.

**FY 2009-10
Budget Detail
for
HUMAN SERVICES**

**Community Health
Corrections
Human Services**

COMMUNITY HEALTH

**COMMUNITY HEALTH
Summary of FY 2009-10 Enacted Appropriations
2009 Public Act 131 (House Bill 4436)**

Analysts: Margaret Alston, Susan Frey, and Bob Schneider

IDG/IDT	FY 2008-09 YTD as of 2/12/09	FY 2009-10 Executive	FY 2009-10 House	FY 2009-10 Senate	FY 2009-10 Enacted	Difference: Enacted From FY 2008-09 YTD	
						Amount	%
	\$40,883,900	\$50,446,000	\$47,177,000	\$47,177,000	\$48,946,000	\$8,062,100	19.7
Federal							
ARRA	0	529,057,100	936,735,900	972,971,300	1,080,092,400	1,080,092,400	--
Non-ARRA	7,219,405,800	7,799,196,600	8,024,518,800	7,719,575,200	7,863,825,900	644,420,100	8.9
Local	241,578,600	229,677,200	217,839,500	227,986,700	225,972,600	(15,606,000)	(6.5)
Private	66,686,800	70,208,500	72,608,500	72,308,500	72,308,500	5,621,700	8.4
Restricted	1,862,478,400	1,493,425,200	1,512,437,600	1,551,463,300	1,487,063,400	(375,415,000)	(20.2)
GF/GP	3,057,671,800	2,800,964,300	2,669,841,200	2,267,988,400	2,304,602,500	(753,069,300)	(24.6)
Gross	\$12,488,705,300	\$12,972,974,900	\$13,481,158,500	\$12,859,470,400	\$13,082,811,300	\$594,106,000	4.8
FTEs	4,608.7	4,386.1	4,384.6	4,375.6	4,380.6	(228.1)	(5.0)

Notes: (1) FY 2008-09 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2009-10 Executive Budget on February 12. (2) "ARRA" represents temporary funds received under the federal American Recovery and Reinvestment Act.

Overview

The Department of Community Health (DCH) budget provides funding for a wide range of mental health, substance abuse, public health, and medical services programs including Medicaid. Established in 1996, the Department also includes the Office of Drug Control Policy, the Office of Services to the Aging, the Crime Victim Services Commission, and health regulatory functions.

Major Budget Changes From FY 2008-09 YTD Appropriations		FY 2008-09 YTD (as of 2/12/09)	Enacted Change From YTD
1. Economic Adjustments		Gross	N/A
Includes \$13.4 million gross (\$5.9 million GF/GP) to fund 1.0% salary/wage increase for non-bargaining and unionized employees and economic adjustments for defined benefit/contribution retirement, insurance, worker's compensation, building occupancy, food, and gas, fuel, and utility costs for FY 2009-10.		IDG	N/A
		Federal	N/A
		Restricted	N/A
		Local	N/A
		Private	N/A
		GF/GP	N/A
2. Office of Long-Term Care Supports and Services		Gross	\$3,882,000
Abolishes the Office of Long-Term Care Supports and Services, effective October 1, 2009, in accordance with Executive Order 2009-3, and integrates functions of this Office within the DCH.		Federal	3,048,300
		Private	40,100
		GF/GP	\$793,600
3. Actuarially Sound Capitation Payment Rates		Gross	\$5,293,292,900
Increases capitation payment rates for Health Plan Services by 4.5% and Medicaid Mental Health and Substance Abuse Services by 4.0% (\$197.7 million gross, \$72.8 million GF/GP) to ensure rates are actuarially sound in FY 2009-10.		Federal	3,214,084,100
		Local	30,030,200
		Restricted	971,726,200
		GF/GP	\$1,077,452,400
4. Mental Health Court Pilot Programs		Gross	\$1,126,900
Eliminates \$1.1 million GF/GP for nine mental health court pilot programs as federal Byrne Justice Assistance Grant funding is available to fund these programs.		GF/GP	\$1,126,900

Major Budget Changes From FY 2008-09 YTD Appropriations	FY 2008-09 YTD (as of 2/12/09)	Enacted Change From YTD
5. Wage Increase for Direct Care Workers	Gross \$2,092,155,700	\$3,009,000
Adds \$3.0 million gross (\$1.3 million GF/GP) to annualize the cost of a 1.0% wage increase, effective February 1, 2009, for direct care workers in mental health settings. (Sec. 405)	Federal 1,067,036,500	1,718,800
	Restricted 97,074,300	0
	Local 25,228,900	0
	GF/GP \$902,816,000	\$1,290,200
6. CMH Non-Medicaid Services Reduction	Gross \$322,027,700	(\$40,000,000)
Annualizes the Executive Order 2009-22 reduction of \$10.0 million GF/GP for CMH Non-Medicaid Services line item.	GF/GP \$322,027,700	(\$40,000,000)
7. Hospital Rate Adjustor for PIHPs	Gross \$1,770,128,000	\$30,000,000
Adds \$30.0 million gross (\$0 GF/GP) to Medicaid Mental Health Services due to the establishment of hospital rate adjustor for Prepaid Inpatient Health Plans (PIHPs). As is the case for Medicaid Health Plans, estimated payments from private inpatient hospitals for mental health services would be passed through PIHPs.	Federal 1,067,036,500	18,957,000
	Restricted 97,074,300	11,043,000
	Local 25,228,900	0
	GF/GP \$580,788,300	\$0
8. Mt. Pleasant Center Closure	Gross \$0	(\$15,409,700)
Includes a net reduction of \$15.4 million gross (\$3.1 million GF/GP) due to the closure of Mt. Pleasant Center for Persons with Developmental Disabilities on October 10, 2009. The reduction reflects the shifting of funds to Medicaid Mental Health Services and other closure-related adjustments.	Federal 0	(2,199,100)
	Restricted 0	(880,000)
	Local 0	(9,248,800)
	GF/GP \$0	(\$3,081,800)
9. Forensic Mental Health Services to DOC	Gross \$39,344,800	\$5,318,300
Adds \$5.3 million to the interdepartmental grant from the Department of Corrections (DOC) to reflect the increased demand for DOC mental health services.	IDG \$39,344,800	\$5,318,300
10. State Disability Assistance Program	Gross \$2,509,800	(\$266,700)
Includes a reduction of \$266,700 GF/GP for the State Disability Assistance Program which provides per diem room and board payments for needy persons 18 years of age or older who reside in substance abuse residential facilities and do not qualify for SSI.	GF/GP \$2,509,800	(\$266,700)
11. Community Substance Abuse Prevention, Education, and Treatment Programs	Gross \$84,968,000	(\$1,225,800)
Includes a reduction of \$2.2 million GF/GP for this line item which is offset by \$950,000 in carryforward substance abuse licensing/fine revenue.	Federal 65,777,500	0
	Restricted 1,784,200	950,000
	GF/GP \$17,406,300	(\$2,175,800)
12. Respite Services	Gross \$1,000,000	(\$1,000,000)
Eliminates funding for respite care services for children with serious emotional disturbances and their families.	GF/GP \$1,000,000	(\$1,000,000)
13. Vital Records - New Fraud Unit and Funding Adjustments	FTEs 88.4	(7.0)
Establishes a vital records fraud unit with \$174,000 carryforward fee revenue, responding to audit deficiencies and federal Intelligence Reform and Terrorism Prevention Act provisions. One-time federal funding of \$1.5 million is available to improve the interface between driver and birth records. Funds for unrealized and completed federal grants are eliminated.	Gross \$11,199,800	(\$807,800)
	IDG-DHS 981,600	142,300
	Federal 5,327,700	(1,465,000)
	Restricted 4,890,500	514,900
	GF/GP \$0	\$0
14. Primary Care Services	Gross \$4,241,700	\$100,000
Allocates \$100,000 GF/GP for Beaver, Drummond, and Mackinac Island clinics.	Federal 2,970,200	0
	GF/GP \$1,271,500	\$100,000
15. Criminal Background Check Program	Gross \$3,956,400	(\$1,277,600)
Partially replaces health systems fees/collections and matching federal Medicaid revenue with GF/GP for Criminal Background Check Program for employees of health facilities due to lack of available fee revenue.	Federal 782,500	(246,700)
	Restricted 3,173,900	(3,173,900)
	GF/GP \$0	\$2,143,000

COMMUNITY HEALTH

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>	<u>FY 2008-09 YTD (as of 2/12/09)</u>	<u>Enacted Change From YTD</u>	
16. Immunization and Infectious Disease ARRA Funding	Gross	\$0	\$2,822,700
Includes American Recovery and Reinvestment Act grants to increase vaccinations (\$2,352,700), improve immunization registry data (\$160,000), and for prevention of healthcare associated infection (\$310,000).	Federal	0	2,822,700
	GF/GP	\$0	\$0
17. Injury Control Intervention Project – VETOED	Gross	\$404,500	(\$404,500)
Governor vetoed line item appropriation in enrolled bill of \$200,000 Gross (\$100,000 GF/GP) to continue two pilot programs encouraging use of traumatic brain injury treatment models, and related Sec. 1031 boilerplate.	Federal	0	0
	GF/GP	\$404,500	(\$404,500)
18. Healthy Michigan Funded (HMF) Projects and Poison Control	Gross	\$41,364,600	(\$13,404,800)
HMF project funding is reduced from \$25.1 million to \$11.0 million, and HMF funding for Medicaid match is increased from \$15.9 million to \$26.5 million, for GF/GP savings. Funds to 16 of 27 projects are eliminated. HMF funding for poison control is replaced with GF/GP, with Gross funding of \$1.1 million. Overall HMF revenue is down by \$3.5 million due to declining cigarette tax revenue. Related boilerplate is deleted or revised.	Federal	395,000	427,300
	Restricted	40,969,600	(3,541,400)
	GF/GP	\$0	(\$10,290,700)
19. Public Health Program State Funding Reductions	Gross	\$12,708,400	(\$3,588,400)
Public health programs eliminated for GF/GP savings include AIDS and risk reduction clearinghouse and media campaign, African-American male health initiative, public health physician practice project, FY 2008-09 sexually transmitted disease targeted initiative for gonorrhea and chlamydia, and methamphetamine cleanup fund. GF/GP funding for laboratory services and family planning local agreements is reduced.	Private	300,000	(300,000)
	Restricted	1,351,000	0
	GF/GP	\$11,057,400	(\$3,288,400)
20. Local Public Health Operations Funding	Gross	\$40,618,400	(\$535,600)
Funding to local public health departments for state-local cost-shared key public health services is reduced by \$535,600.	Local	5,150,000	0
	GF/GP	\$35,468,400	(\$535,600)
21. Zero to Three Early Childhood Program Funding – VETOED	Gross	\$524,000	(\$524,000)
Governor vetoed Early Childhood Collaborative Secondary Prevention line item, a cooperative program with Departments of Human Services and Education for children ages 0-3 at risk of abuse and neglect, indicating that Department of Human Services funding would be supported.	GF/GP	\$524,000	(\$524,000)
22. Prenatal Care Outreach – VETOED	Gross	\$3,049,300	(\$3,049,300)
Governor vetoed Prenatal Care Outreach and Service Delivery Support line item appropriation of \$3,249,300 Gross (\$1,028,900 GF/GP), funding services for low-income pregnant women including Nurse Family Partnerships and prenatal smoking cessation, and related boilerplate Sections 1107, 1112, and 1139.	Federal	2,020,400	(2,020,400)
	GF/GP	\$1,028,900	(\$1,028,900)
23. Women, Infants, and Children (WIC) Food Program	Gross	\$210,800,600	\$35,161,200
Increases federal funds for the WIC special supplemental food and nutrition program by \$35.2 million for food and administration, related to continued increases in program participation and food costs.	Federal	157,556,300	35,161,200
	Private	53,244,300	0
	GF/GP	\$0	\$0
24. Office of Drug Control Policy Dissolved	FTEs	15.0	(4.5)
Executive Order 2009-2 abolished the Office of Drug Control Policy effective October 1, 2009. GF/GP funding is eliminated. Office programs, funding, and 10.5 FTEs are transferred to the DCH Mental Health and Substance Abuse Services Administration.	Gross	\$12,129,300	(\$382,300)
	Federal	11,747,000	0
	GF/GP	\$382,300	(\$382,300)
25. Crime Victim's Rights Fund Increase for Forensic Exams	Gross	\$11,000,000	\$1,500,000
Increases crime victim services funding by \$1.5 million using state restricted Crime Victim's Rights Fund monies, to implement Public Acts 390 and 391 of 2008 which allow reimbursement to providers for victim forensic exams related to sexual assault.	Federal	1,700,000	0
	Restricted	9,300,000	1,500,000
	GF/GP	\$0	\$0

Major Budget Changes From FY 2008-09 YTD Appropriations	FY 2008-09 YTD (as of 2/12/09)	Enacted Change From YTD
26. Aging Program Reductions	Gross \$86,551,600	(\$4,715,700)
Reduces GF/GP funding for senior community services programs by \$2,147,600, senior nutrition services and meals by \$1,610,000, and three senior volunteer programs by \$771,700. Merit Award Trust Fund monies for respite care program are reduced \$531,300. Senior Olympics \$100,000 GF/GP funding is eliminated. (\$167,000 of HMF eliminated for nutrition services is included in item 18.) Governor vetoed Sec. 1419 and eliminates \$120,100 GF/GP of nutrition services funding allocated for Michigan Agricultural Surplus System. Other funding adjustments are also included.	Federal 46,873,100	340,000
	Private 132,000	225,000
	Merit Awd 5,000,000	(531,300)
	Restricted 1,967,000	0
	GF/GP \$32,579,500	(\$4,749,400)
27. Elimination of Health IT Initiatives Funding	Gross \$5,000,000	(\$5,000,000)
Removes funding for Health Information Exchanges (HIEs) and the HIE Resource Center for health information technology initiatives. The recent federal stimulus provides new federal funding for health IT initiatives that could help offset this reduction.	GF/GP \$5,000,000	(\$5,000,000)
28. CSHCS and Parent Participation Fee Increase	Gross \$184,668,100	\$0
Includes savings from Executive proposal to increase fees on families utilizing Children's Special Health Care Services (CSHCS). Executive assumed fee revenue would offset \$1.1 million in GF/GP; enacted budget further increases fee levels to achieve savings of \$1.5 million GF/GP.	Federal 97,014,600	0
	Restricted 1,800,000	1,540,100
	GF/GP \$85,853,500	(\$1,540,100)
29. CSHCS - Health Care Coverage Expansion	Gross \$184,668,100	\$11,373,200
Concurs with the Executive by increasing federal Title XIX Medicaid funding in the Children's Special Health Care Services program expanding primary care coverage for disabled children in households with income between 200% and 300% of the federal poverty level. This would cover an estimated 4,000 more children.	Federal 97,014,600	11,373,200
	Restricted 1,800,000	0
	GF/GP \$85,853,500	\$0
30. Other CSHCS Reductions	Gross \$184,668,100	(\$4,198,300)
Incorporates budget reduction to reflect 4% Medicaid provider rate reductions implemented in Executive Order 2009-22 (\$1.9 million gross, \$752,100 GF/GP savings), and eliminates non-emergency medical transportation services and coverage for diapers and incontinence supplies for children in non-Medicaid families at or above 200% of the federal poverty level (\$2.3 million GF/GP savings).	Federal 97,014,600	(1,164,400)
	Restricted 1,800,000	0
	GF/GP \$85,853,500	(\$3,033,900)
31. Medicaid Caseload, Utilization and Inflation Increase	Gross \$9,996,061,200	\$635,442,800
Includes an increase to cover caseload/utilization/inflation changes within Medicaid, Mental Health/Substance Abuse, Children's Special Health Care Services, Adult Benefits Waiver and Federal Medicare Prescription programs. This caseload adjustment includes the annualization of the 4% Medicaid provider rate reduction and reductions to Single Point of Entry, Medicaid optional services for adults, and non-emergency transportation included in Executive Order 2009-22.	Federal 6,127,686,700	399,849,500
	Local 43,567,800	0
	Merit Awd 55,856,200	0
	Restricted 1,600,165,000	0
	GF/GP \$2,168,785,500	\$235,593,300
32. Federal Stimulus Savings from Enhanced FMAP Rate	Gross \$9,996,061,200	(\$3,382,200)
Contains GF/GP savings for Medicaid medical services as well as mental health and substance abuse services resulting from the increased Federal Medical Assistance Percentage (FMAP) rate implemented through the federal American Recovery and Reinvestment Act. The rate is used to determine the federal share of state Medicaid expenditures. The stimulus act increased Michigan's FMAP rate from a base rate of 63.19% to an enhanced rate of 73.27% for FY 2009-10, increasing federal funding and leading to offsetting state savings.	Federal 6,127,686,700	1,077,139,700
	Local 43,567,800	(5,396,300)
	Merit Awd 55,856,200	0
	Restricted 1,600,165,000	(97,579,500)
	GF/GP \$2,168,785,500	(\$977,546,100)
33. Adult Home Help Worker Increase	Gross \$258,789,300	\$16,584,000
Raises pay rates for adult home help workers in all counties by \$0.50 per hour over FY 2008-09 levels.	Federal 155,972,300	12,151,100
	GF/GP \$102,817,000	\$4,432,900

COMMUNITY HEALTH

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		<u>FY 2008-09 YTD (as of 2/12/09)</u>	<u>Enacted Change From YTD</u>
34. Additional 4% Provider Rate Reduction	Gross	N/A	(\$177,488,800)
Includes additional savings in various Medical Services line items linked to an additional 4% reduction in Medicaid provider rates beyond the rate reduction imposed in Executive Order 2009-22. This reduction would impact the same providers affected by the cut in Executive Order 2009-22.	Federal	N/A	(130,046,000)
	GF/GP	N/A	(\$47,442,800)
35. Restoration of Executive Order Rate Reductions Through QAAP	Gross	N/A	\$101,498,500
Appropriates funding to replace the reductions attributed to the 4% provider rate reductions to hospitals and nursing homes in Executive Order 2009-22 by increasing the Quality Assurance Assessment Program tax on these entities. Generates additional net GF/GP savings for the overall budget.	Federal	N/A	74,367,900
	Restricted	N/A	31,081,800
	GF/GP	N/A	(\$3,951,200)
36. Preferred Drug List Savings	Gross	\$240,959,100	(\$18,663,500)
Assumes pharmaceutical services savings from moving behavioral health drugs to the preferred drug list. The action would also require changes to current state law.	Federal	145,181,300	(13,674,700)
	Restricted	1,000,000	0
	GF/GP	\$94,777,800	(\$4,988,800)
37. Pharmacy Dispensing Fee Increase	Gross	\$240,959,100	\$629,200
Annualizes the \$0.25 per script increase in the pharmaceutical dispensing fee for FY 2009-10. The increase for FY 2008-09 had been eliminated in Executive Order 2009-22.	Federal	145,181,300	397,600
	Restricted	1,000,000	0
	GF/GP	\$94,777,800	\$231,600
38. Nursing Home Transition Savings	Gross	\$1,928,347,300	(\$17,379,400)
Concurs with Executive proposal for net savings of \$17.4 million gross, \$4.6 million GF/GP resulting from nursing home transitions. Direct savings in the Long-Term Care Services line are offset by increases in other long-term care services lines.	Federal	1,182,871,100	(12,733,800)
	Local	6,883,800	0
	Merit Awd	55,856,200	0
	Restricted	219,536,400	0
	GF/GP	\$463,199,800	(\$4,645,600)
39. Long-Term Care Estate Recovery Savings	Gross	\$1,928,347,300	(\$29,600,100)
Assumes savings of \$29.6 million gross, \$7.9 million GF/GP from estate recovery efforts from persons receiving Medicaid-funded long-term care services. Executive budget included lower savings assumptions of \$7.9 million gross, \$2.9 million GF/GP.	Federal	1,182,871,100	(21,688,000)
	Local	6,883,800	0
	Merit Awd	55,856,200	0
	Restricted	219,536,400	0
	GF/GP	\$463,199,800	(\$7,912,100)
40. Medicaid HMO Federal Pharmaceutical Rebates	Gross	\$3,486,952,200	(\$120,000,000)
Concurs with Executive reduction of \$120.0 million which represents anticipated savings in the Health Plan Services line item from allowing health plans to receive federal pharmaceutical rebates for prescription drugs provided to managed care Medicaid enrollees. This would also require a change in federal law.	Federal	2,125,222,000	(87,924,000)
	Restricted	872,660,200	0
	Local	4,801,300	0
	GF/GP	\$484,268,700	(\$32,076,000)
41. Fund Shift - Medicaid Benefits Trust Fund	Gross	N/A	\$0
Includes fund shift replacing GF/GP with Medicaid Benefits Trust Fund revenue from an estimated \$11.4 million fund balance plus \$3.7 million in additional presumed fraud savings to be generated from enhanced efforts through fraudulent billing reform legislation.	Restricted	N/A	15,094,100
	GF/GP	N/A	(\$15,094,100)
42. Savings From Data Requirements on Auto Insurers	Gross	N/A	(\$18,705,600)
Assumes new savings to result from data requirements on automobile insurers to identify third-party liability to the state for Medicaid.	Federal	N/A	(13,705,600)
	GF/GP	N/A	(\$5,000,000)
43. Medicaid HMO Administrative Rate Reduction	Gross	\$3,486,952,200	(\$6,586,600)
Reduces the administrative rate paid to Medicaid HMOs by around 2.1%. This action is expected to reduce allowable administrative costs as a percent of the overall rate to approximately 10.9%.	Federal	2,125,222,000	(5,221,200)
	Restricted	872,660,200	0
	Local	4,801,300	0
	GF/GP	\$484,268,700	(\$1,365,400)

Major Boilerplate Changes From FY 2008-09

GENERAL

Sec. 285. Prescription Drug Website – VETOED

Requires DCH to expand its current prescription drug website. Funds totaling \$150,000 Gross (\$75,000 GF/GP) were included in the Medical Services Administration line item for the costs associated with expanding the drug website.

Sec. 286. Financial Transparency Information – NEW

Directs DCH to expend no more than \$10,000 to develop, post, and maintain on a publicly accessible Internet site all expenditures made by the agency within a fiscal year. Prohibits DCH from hiring additional employees to comply with this section.

Sec. 287. General Fund/General Purpose Lapses – NEW

Requires DCH to report on the estimated general fund/general purpose appropriation lapses at the close of the fiscal year by no later than December 1, 2010.

Sec. 288. Antipsychotic Prescriptions – NEW

Requires DCH to report on the feasibility and impact of including antipsychotic prescriptions, net of actual rebates, into the actuarially sound capitation rates for the PIHPs.

COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

Sec. 407(5). Medications for Treatment of Substance Abuse Disorders – VETOED

Appropriates \$100 for medications for the treatment of alcoholism and other substance abuse disorders.

Sec. 407(6). Methadone/Buprenorphinic Clinic – VETOED

Appropriates \$300,000 for a methadone/buprenorphinic clinic in a county with a population less than 35,000.

Sec. 462. CMH Non-Medicaid Funding Formula – REVISED

Requires DCH to report on the funding formula and allocations for all CMHSPs that receive funds appropriated under the CMH non-Medicaid Services line. The report shall include a comparison of the current fiscal year allocation to the prior fiscal year allocation, and a description of the factors used in the funding formula to achieve an equitable distribution of funds.

Sec. 489. CMH Non-Medicaid Funding Reductions – NEW

Requires DCH to work with Michigan Association of CMH Boards and individual CMHSPs to mitigate reductions to CMH non-Medicaid Services line by seeking alternative funding sources.

STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH SERVICES

Sec. 610. Closure of State Facilities – NEW

Requires DCH to make every effort to minimize job losses due to any reductions in force or closing of facilities by placing those employees displaced by the reduction or closure within other state positions and encouraging CMHSPs to hire those displaced employees.

HEALTH POLICY, REGULATION, AND PROFESSIONS

Sec. 720. Helen M. Nickless Volunteer Clinic – VETOED

Allocates \$75,000 for the Helen M. Nickless Volunteer Clinic located in Bay City, MI.

OFFICE OF SERVICES TO THE AGING

Sec. 1413. Support of Locally-Based Community Senior Services and Area Agencies on Aging – REVISED

Eliminates legislative intent language from this section, including support of locally-based services and prohibiting area agencies on aging from providing direct services except access services, unless a waiver is obtained.

MEDICAL SERVICES

Sec. 1625. Anti-Psychotic Medications and Preferred Drug List – DELETED

Requires DCH to continue placing all atypical anti-psychotic medications on the preferred drug list.

Sec. 1634. Ambulance Service Payment Rates – DELETED

Requires the department to continue a 5% increase in payment rates for ambulance services implemented in FY 2001 and the ground mileage reimbursement rate of \$4.25 per statute mile.

Sec. 1670. MiChild Program Guidelines – REVISED

New subsection (9) requires DCH to develop an automatic enrollment algorithm based on quality and performance factors.

COMMUNITY HEALTH

Major Boilerplate Changes From FY 2008-09

Sec. 1717. (1) Disproportionate Share Hospital (DSH) Pool – VETOED

Allocates \$50.0 million for hospital DSH payments. Governor vetoed a portion of this subsection which establishes a \$5.0 million pool for unaffiliated hospitals and hospital systems that received less than \$900,000 in DSH payments in FY 2007-08.

Sec. 1753. Auto Insurer Third-Party Liability Information – DELETED

Requires Department, upon passage of legislation, to collect medical expense information from auto insurers to allow the state to make third-party liability claims for Medicaid recipients.

Sec. 1757. Medicaid and Fugitive Felons – REVISED

Includes new intent language that DCH seek clarification from the federal government on whether states can deny Medicaid eligibility to fugitive felons through a state plan amendment or waiver.

Sec. 1783. Medicare Advantage Special Needs Plans – NEW

Requires the department to develop rates by April 1, 2010 for the enrollment of individuals who are dually eligible for Medicare and Medicaid into Medicaid health plans if the health plans also maintain a Medicare Advantage Special Needs Plan (SNP) certification.

Sec. 1808. Medicaid Ambulance Quality Assurance Assessment Program – DELETED

Requires the Department to implement an ambulance quality assurance assessment program with the state to retain a portion of the assessment, if legislation is enacted allowing the ambulance QAAP.

Sec. 1812. Regional Healthcare Resource Sharing Network Pilot Project – NEW

Allows DCH to allocate funds to support a pilot project to develop a regional healthcare resource sharing network.

Sec. 1815. Limit on Capitation Withhold – NEW

Prohibits DCH from implementing a capitation withhold as part of the overall capitation rate schedule that exceeds 0.19% as administered during FY 2008-09.

Sec. 1822. Coverage for Mental Health Prescription Drugs – NEW

Requires DCH, the contracted pharmacy benefits manager, and all health plans to implement coverage for a mental health prescription drug within 30 days of the drug's approval by the DCH's Pharmacy and Therapeutics Committee.

Sec. 1826. Beneficiary Monitoring Program – NEW

Requires DCH to develop a plan to expand and improve its beneficiary monitoring program.

Sec. 1828. Medicaid Provider Rate Reductions – NEW

Provides for a reduction in Medicaid provider rates by 8% from their May 1, 2009 levels for all providers subject to the rate reductions in Executive Order 2009-22; provides if new revenue to match federal funds is generated, that the revenue shall be used to restore the rate reductions and other reductions made to the FY 2009-10 DCH budget.

CORRECTIONS

Summary of FY 2009-10 Enacted Appropriations

2009 Public Act 114 (House Bill 4437)

Analyst: Marilyn B. Peterson

	FY 2008-09 YTD as of 2/12/09	FY 2009-10 Executive	FY 2009-10 House	FY 2009-10 Senate	FY 2009-10 Enacted	Difference: Enacted From FY 2008-09 YTD	
						Amount	%
IDG/IDT	\$1,277,200	\$891,900	\$891,900	\$891,900	\$891,900	(\$385,300)	(30.2)
Federal	10,350,200	7,746,100	7,746,100	7,746,100	7,746,100	(2,604,100)	(25.2)
Local	430,300	432,700	432,700	432,700	432,700	2,400	0.6
Private	0	0	0	0	0	0	0.0
Restricted	54,894,700	50,924,600	50,924,600	50,924,600	43,410,200	(11,484,500)	(20.9)
GF/GP	1,948,111,800	1,898,399,600	1,898,399,600	1,870,399,600	1,903,641,900	(44,469,900)	(2.3)
Gross	\$2,015,064,200	\$1,958,394,900	\$1,958,394,900	\$1,930,394,900	\$1,956,122,800	(\$58,941,400)	(2.9)
FTEs	17,103.0	15,767.1	15,767.1	15,755.1	15,767.1	(1,335.9)	(7.8)
Avg. Pop.	51,841	45,433	45,433	45,433	45,433	(6,408)	(12.4)

Note: FY 2008-09 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2009-10 Executive Budget on February 12.

Overview

The Michigan Department of Corrections (MDOC) operates under the codification of correctional statutes established under Public Act 232 of 1953. The MDOC budget funds operation of the state prison system, supervision of parolees and felony probationers, and a variety of offender programs both in prison and in the community. It also funds training of corrections officers and centralized functions of administration, research, and financial operations. Prison construction is funded through the Capital Outlay budget.

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		<u>FY 2008-09 YTD (as of 2/12/09)</u>	<u>Enacted Change From YTD</u>	
PRISON OPERATIONS				
1. FY 2008-09 Facility Closures at Various Locations	Beds	N/A	(4,274)	
Includes 12-month savings projected from closures of Hiawatha, Standish, and Muskegon correctional facilities, and the remaining corrections camps (Cusino, Kitwen, Lehman, Ottawa, and White Lake). Savings are net of closures offset by funding for additional beds at Alger, and public works programs at Newberry and Ojibway.	FTEs	N/A	(1,091.2)	
	Gross	N/A	(\$119,192,700)	
	Restricted	N/A	(1,093,900)	
	GF/GP	N/A	(\$118,098,800)	
	2. Remaining Scott Closure Savings	Beds	N/A	(880)
Takes remaining savings to be realized from closure of Scott Correctional Facility in Plymouth. FY 2008-09 budget reduced funding by \$13.2 million and 10.0 FTEs in anticipation of the May 2009 closure. Bed count and remaining FTEs and funding are eliminated in FY 2009-10; savings include reduced costs of prison clinics, education, food service, transportation, and DIT.	FTEs	N/A	(369.7)	
	Gross	N/A	(\$19,455,500)	
	GF/GP	N/A	(\$19,455,500)	
	3. Remaining Deerfield Closure Savings	Beds	N/A	(1,200)
	Takes remaining savings to be realized from closure of Deerfield Correctional Facility in Ionia. Executive Order 2008-21 reduced funding by \$14.2 million in anticipation of closure by April 1, 2009. Beds, FTEs, and remaining funding are eliminated in FY 2009-10; savings include reduced costs of prison clinics, education, food service, transportation, and DIT.	FTEs	N/A	(236.9)
Gross		N/A	(\$14,128,900)	
Restricted		N/A	(116,700)	
GF/GP		N/A	(\$14,012,200)	

CORRECTIONS

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		<u>FY 2008-09 YTD (as of 2/12/09)</u>	<u>Enacted Change From YTD</u>
4. Remaining Camp Branch Closure Savings	Beds	N/A	(710)
Takes remaining savings to be realized from closure of Camp Branch in Coldwater. Executive Order 2008-21 reduced funding by \$6.8 million in anticipation of closure by April 1, 2009; Camp Branch closed on February 4, 2009. Beds, FTEs, and remaining funding are eliminated in FY 2009-10; savings include reduced costs of prison clinics, education, food service, transportation, and DIT.	FTEs	N/A	(126.9)
	Gross	N/A	(\$7,212,300)
	Restricted	N/A	(136,200)
	GF/GP	N/A	(\$7,076,100)
5. New Officer Training	Gross	\$9,702,300	(\$9,643,300)
Reflects closure-related reduction in need to train new corrections officers. With economic adjustments, proposed funding for FY 2009-10 would be \$250,500. Costs of training new recruits are \$17,034 per graduate, a figure that includes a recruit's wages and benefits for the 16-week training course, plus manuals, travel, and uniform costs.	GF/GP	\$9,702,300	(\$9,643,300)
6. Other Closure-Related Savings	Gross	N/A	(\$6,197,000)
Incorporates additional closure-related savings in hospital and specialty care (\$3.7 million), worker's compensation (\$1.8 million), information technology (\$372,800), and administrative hearings officers (\$348,000).	GF/GP	N/A	(\$6,197,000)
7. Utilize Beds at W.J. Maxey Training School	Beds	N/A	388
Provides \$17.9 million for full-year use of beds developed at the Department of Human Services's Maxey facility in Whitmore Lake. In conjunction with closure of Scott Correctional Facility and conversion of Huron Valley Men's into a women's facility, Maxey's Woodland Unit was converted to house seriously mentally ill prisoners previously housed at Huron Valley.	FTEs	N/A	200.3
	Gross	N/A	\$17,859,000
	GF/GP	N/A	\$17,859,000
8. Additional Double Bunking	FTEs	N/A	56.5
Funds beds to be added to current facilities in conjunction with closures of units and facilities elsewhere.	Gross	N/A	\$4,432,100
	GF/GP	N/A	\$4,432,100
9. Consolidate Contiguous Facilities	FTEs	N/A	(39.0)
Reflects plans to consolidate prisons with contiguous boundaries at four complexes: Kincheloe, Carson City, St. Louis, and Adrian. Various supervisory and support staff positions to be eliminated at Chippewa, Carson City, St. Louis, and Gus Harrison.	Gross	N/A	(\$3,517,100)
	GF/GP	N/A	(\$3,517,100)
10. Food Service Contracting	FTEs	494.0	(9.0)
Incorporates nine-month savings through contracting for prisoner food service purchasing, portion control, and nutrition services. About \$2.3 million of savings would come from the \$82.2 million food services line item; remaining reductions would come from regional support and services line items.	Gross	\$82,226,500	(\$3,000,000)
	Restricted	1,800,000	0
	GF/GP	\$80,426,500	(\$3,000,000)
11. Prisoner Education Program	FTEs	N/A	(18.0)
Includes savings anticipated through redesign of prisoner education program to place greater emphasis on employment readiness and coordination with re-entry efforts.	Gross	N/A	(\$2,000,000)
	GF/GP	N/A	(\$2,000,000)
12. Huron Valley Consolidation Savings	Gross	N/A	(\$936,000)
Includes adjustments to reflect efficiencies realized through the consolidation of all the female prisoners at Huron Valley. Actual savings are expected to be in excess of the \$936,000 reduction to the Huron Valley Complex; any additional savings would be utilized to support costs of additional double-bunked beds (see item 8).	GF/GP	N/A	(\$936,000)

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>	<u>FY 2008-09 YTD (as of 2/12/09)</u>	<u>Enacted Change From YTD</u>
PRISONER HEALTH AND MENTAL HEALTH CARE		
13. Mental Health Services and Programs		
To meet needs of increasing numbers of prisoners needing mental health services, adds:	FTEs	N/A 14.0
	Gross	N/A \$8,000,000
	GF/GP	N/A \$8,000,000
<ul style="list-style-type: none"> ▪ \$2.7 million for 50% phased funding of six additional outpatient treatment teams (bringing the total number to 22). ▪ \$1.6 million for 80% phased funding to expand the rehabilitation treatment services (RTS) program from 120 to 160 beds. The RTS program provides subacute residential care for seriously mentally ill prisoners who require psychiatric hospitalization. ▪ \$1.5 million for 80% phased funding to expand the crisis stabilization program from 14 to 40 beds. ▪ \$1.2 million for 50% phased funding for two additional residential treatment program (RTP) units at security levels IV (close) and V (maximum). RTP units house seriously mentally ill prisoners who cannot function in the general population but who no longer require psychiatric hospitalization. ▪ \$969,300 for 80% phased funding to establish a 180-bed developmental disabilities unit. 		
14. Hepatitis C Testing and Treatment	Gross	N/A \$4,185,500
Adds \$4.2 million to meet estimated costs in third year of implementation of new Hepatitis C testing protocols, which are identifying more prisoners in need of and subsequently receiving treatment for Hepatitis C. Funding of \$1.7 million was added in FY 2007-08 and another \$14.9 million added in FY 2008-09. Full impact is expected in FY 2009-10.	GF/GP	N/A \$4,185,500
15. Pharmaceutical Increases	Gross	N/A \$3,482,200
Increases funding for pharmaceuticals to meet FY 2007-08 expenditure levels plus \$27,000 for pharmaceutical delivery equipment at two facilities. Increase includes \$2.4 million for psychotropic medications.	GF/GP	N/A \$3,482,200
16. New Managed Care Contract	Gross	N/A \$1,896,400
Adds \$1.9 million for increased costs expected under new managed care contract with Prison Health Services, Inc. (PHS) for hospital and specialty care and certain provider services (physicians, physician's assistants, and nurse practitioners). Contract was approved by state administrative board on February 10, 2009; following a transitional period, health care is being provided under the new contract commencing April 1, 2009.	GF/GP	N/A \$1,896,400
17. Health Care Automation	FTEs	N/A 1.0
Adds funding for several health care automation initiatives, including:	Gross	N/A \$3,660,300
<ul style="list-style-type: none"> ▪ \$1.9 million for an electronic medication administration record system and scanners. ▪ \$1.1 million for development and maintenance of a prisoner health care data warehouse and automated claims processing. ▪ \$680,300 for additional implementation and support of a new prisoner medical records system. 	GF/GP	N/A \$3,660,300
18. Nursing Staff	FTEs	N/A 26.0
Funds additional nursing positions to enable provision of 24/7 nursing coverage at various facilities where it is not currently available.	Gross	N/A \$2,149,400
	GF/GP	N/A \$2,149,400
19. Duane Waters Step-Down Beds	FTEs	N/A 16.0
Supports 60 new "step-down" beds at Egeler's Duane Waters Hospital, which provide subacute care for prisoners who otherwise would need off-site hospitalization.	Gross	N/A \$1,118,700
	GF/GP	N/A \$1,118,700

CORRECTIONS

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>	<u>FY 2008-09 YTD (as of 2/12/09)</u>	<u>Enacted Change From YTD</u>
MPRI, FIELD OPERATIONS, AND COMMUNITY PROGRAMS		
20. Michigan Prisoner Re-Entry Initiative (MPRI)	Gross	\$33,173,700
Increases funding for MPRI to support increased numbers of parolees.	Federal	1,035,000
Executive identified increases of:	GF/GP	\$32,138,700
<ul style="list-style-type: none"> ▪ \$5.3 million for residential services. ▪ \$3.5 million for mentally ill offender re-entry program. ▪ \$4.2 million for substance abuse services. ▪ \$5.0 million for employment services. ▪ \$4.7 million for miscellaneous support services. ▪ \$750,000 for sex offender polygraph tests. 		\$23,432,000
		0
		\$23,432,000
21. Parole Board and Staff	FTEs	N/A
Funds expansion of parole board from 10 to 15 members. Total cost of additional five members and 3.0 staff positions is put at about \$1.0 million, of which \$400,500 is funded through an internal transfer and used to support salaries for the additional unclassified positions.	Gross	N/A
	GF/GP	N/A
		8.0
		\$600,000
		\$600,000
22. Global Positioning System (GPS) Tether	FTEs	N/A
Funds additional GPS tether units and associated staff, including 92.0 additional parole agent positions. Includes:	Gross	N/A
<ul style="list-style-type: none"> ▪ \$1.5 million for 500 units for paroled sex offenders. ▪ \$5.2 million to support full-year costs on 800 units added under EO 2008-21. ▪ \$10.2 million for 1,500 additional units to support parole increases. 	GF/GP	N/A
		121.0
		\$16,889,000
		\$16,889,000
23. Parole and Probation Supervision	FTEs	N/A
Funds additional parole and probation agents and associated staff, including:	Gross	N/A
<ul style="list-style-type: none"> ▪ \$3.5 million and 40.0 agents to accommodate workload increases occurring in FY 2007-08 and FY 2008-09. ▪ \$3.8 million and 38.0 agents to support anticipated increase in paroles in FY 2009-10. 	GF/GP	N/A
		84.0
		\$7,299,500
		\$7,299,500
24. High-Risk Probationer Pilot	Gross	\$17,075,500
Provides \$1.0 million for community corrections residential program aimed at high-risk, high-need probationers, with the dual goal of reducing crime and the incidence of prison sentences for probation violators.	GF/GP	\$17,075,500
		\$1,000,000
		\$1,000,000
25. County Jail Reimbursement Program (CJRP) – VETOED	Gross	\$12,272,100
Would have funded at \$16.6 million, an increase of \$4.3 million over current year to provide estimated full-year funding at current criteria and rates.	Restricted	7,514,400
	GF/GP	\$4,757,700
		(\$12,272,100)
		(7,514,400)
		(\$4,757,700)
26. County Jail Reimbursement Program Savings – VETOED	Gross	N/A
Would have offset CJRP increase with \$4.3 million negative line item to be satisfied through departmental savings and efficiencies.	GF/GP	N/A
		\$0
		\$0
MISCELLANEOUS ADJUSTMENTS AND FUNDING CHANGES		
27. Correctional Cost Savings – VETOED	Gross	N/A
Would have included \$38.2 million negative line item and associated boilerplate for “correctional cost savings” equating to \$841 per prisoner, which was to be realized through savings and efficiencies directly or indirectly affecting the department’s cost per offender.	GF/GP	N/A
		\$0
		\$0
28. Central Office Reductions	FTEs	N/A
Reduces central office by 4.0 FTEs in Planning and Community Development, 5.0 FTEs in Operations Support, 2.0 FTEs in Field Operations, and 1.0 FTE in Correctional Facilities Administration.	Gross	N/A
	GF/GP	N/A
		(12.0)
		(\$1,723,100)
		(\$1,723,100)

CORRECTIONS

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		<u>FY 2008-09 YTD (as of 2/12/09)</u>	<u>Enacted Change From YTD</u>
29. Prison Stores	FTEs	N/A	75.0
Restores the restricted funding and most of the 90.0 FTEs that were eliminated under the enacted FY 2008-09 budget in anticipation of bidding out-of-prison store operations and centralizing warehouse functions; does not replace \$1.2 million in associated GF/GP savings taken in FY 2008-09.	Gross	N/A	\$4,800,000
	Restricted	N/A	4,800,000
	GF/GP	N/A	\$0
30. Prisoner Store Surcharge and Food Service Funding	Gross	N/A	\$0
Uses \$1.8 million GF/GP to replace one-time revenue from temporary 10% surcharge on prisoner store purchases.	Restricted	N/A	(\$1,800,000)
	GF/GP	N/A	\$1,800,000
31. Offender Database Migration	FTEs	N/A	2.0
Supports completion of project to migrate the offender database from aging mainframe Corrections Management Information System (CMIS) to the client-server Offender Management Network Information (OMNI) system. Offender identification numbers are expected to exceed six digits and the corresponding capacity of CMIS sometime in 2012.	Gross	N/A	\$1,073,300
	GF/GP	N/A	\$1,073,300
32. Economic Adjustments	Gross	N/A	\$35,084,900
Includes economic adjustments of:	IDG/IDT	N/A	14,700
▪ \$9.5 million Gross, \$9.3 million GF/GP for salaries and wages.	Federal	N/A	33,400
▪ \$6.9 million Gross, \$6.7 million GF/GP for insurance.	Local	N/A	2,400
▪ \$15.4 million Gross, \$15.1 million GF/GP for retirement.	Restricted	N/A	444,100
▪ \$488,500 Gross and GF/GP for worker's compensation.	GF/GP	N/A	\$34,590,300
▪ (\$60,800) for building occupancy charges.			
▪ \$1.4 million Gross and GF/GP for food.			
▪ \$1.6 million Gross and GF/GP for fuel and utilities.			

Major Boilerplate Changes From FY 2008-09

Sec. 207. Privatization Project Plans – REVISED

Requires project plan to be submitted to Legislature at least 90 days before beginning any effort to privatize; incorporates exception for mental health services contracts as provided by 2009 PA 334.

Sec. 207a. Privatization Cost-Benefit Analyses and Criteria – REVISED

Requires cost-benefit analyses and legislative approval prior to privatizing activities provided by state employees; requires cost savings meeting civil service standards to be identified, and incorporates exception for mental health services contracts as provided by 2009 PA 334.

Sec. 219. Prisoner Telephone Calls – RETAINED

Specifies that any contract for prisoner telephone services include a condition that fee schedules for prisoner telephone calls be the same as fee schedules for calls placed from outside of correctional facilities.

Sec. 224. Litigation Report – REVISED

Requires a report to alert the Legislature to lawsuits adjudicated through the trial court phase in which proceedings resulted in a decision of \$250,000 million or more against MDOC.

Sec. 225. Displaced Employees – RETAINED

Requires MDOC to work to place in other positions employees displaced by any reductions in force. Employees not placed in other positions in MDOC are to be given priority in state programs for job retraining or education.

Sec. 305. Prisoner Suicides – NEW

Requires report on prisoner suicides, including information on circumstances of each suicide and department's response.

Sec. 403. MPRI Performance Indicators – NEW

Replaces detailed reporting on MPRI results with provision for development of "dashboard" indicators of success or failure of offenders.

Sec. 414. County Jail Reimbursement Program (CJRP) – VETOED

Vetoed language would have retained current-year reimbursement criteria and rates.

CORRECTIONS

Major Boilerplate Changes From FY 2008-09

Sec. 424. High-Risk Probationer Pilot – NEW

Provides for implementation of \$1.0 million high-risk probationer demonstration project, utilizing an MPRI model for reducing criminal behavior. Requires approval from state court administrative office and specifies collaboration with the circuit court and the local community corrections advisory board.

Sec. 426. Recycling Programs – NEW

Encourages department to work with nonprofit agencies to establish recycling programs employing at-risk youth and parolees.

Sec. 614. Post-Conviction Bonds – NEW

Includes language providing for court-ordered post-conviction bonds as a condition of probation, community control, restitution payment plan, or any other court-ordered supervision.

Sec. 906. Public Works Program – REVISED

Adds language expressing legislative intent that prisoner pay be increased by 50 cents per day. Retains language expressing legislative intent for program to be maintained at FY 2006-07 levels, and for rates to be maintained at half the rates in effect on September 30, 2008.

Sec. 919. Food Service Contract – NEW

Specifies conditions for expenditure of funds on food service contract, including completion of privatization project plan and cost-benefit analysis, identification of threshold savings from existing costs, and explanation of impact on use of local and Michigan vendors, growers, and processors.

Sec. 923. Local School Districts – RETAINED

Directs MDOC to cooperate with Department of Education to evaluate feasibility of local school districts providing educational programming to targeted prisoners under age 20.

Sec. 924. Evaluation and Placement of Prisoners With Mental Illness – RETAINED

Requires prisoners to be evaluated at intake for certain disorders and serious mental illness, and generally bars administrative segregation for prisoners with serious mental illness.

Sec. 925. Administrative Segregation Report – RETAINED

Requires MDOC to report on the numbers of prisoners with serious mental illness or developmental disorders who were placed in administrative segregation and on the duration of their placements.

HUMAN SERVICES

Summary of FY 2009-10 Enacted Appropriations

2009 Public Act 129 (Senate Bill 248)

Analysts: Kevin Koorstra and Bob Schneider

IDG/IDT	FY 2008-09 YTD	FY 2009-10 Executive	FY 2009-10 Senate	FY 2009-10 House	FY 2009-10 Enacted	Difference: Enacted from FY 2008-09 YTD	
						Amount	%
Federal	\$2,416,700	\$2,426,600	\$2,426,600	\$0	\$2,426,600	\$9,900	0.4
ARRA	0	365,229,100	377,428,900	0	404,161,700	404,161,700	--
Non-ARRA	3,313,267,900	4,557,052,000	4,559,883,500	0	4,551,061,300	1,237,793,400	37.4
Local	46,161,100	41,523,400	37,819,400	0	37,498,800	(8,662,300)	(18.8)
Private	10,174,700	9,822,200	9,822,200	0	10,184,700	10,000	0.1
Restricted	61,589,200	56,845,400	56,845,400	0	57,015,400	(4,573,800)	(7.4)
GF/GP	1,221,206,200	1,066,137,700	793,032,100	0	852,297,600	(368,908,600)	(30.2)
Gross	\$4,654,815,800	\$6,099,036,400	\$5,837,258,100	\$0	\$5,914,646,100	\$1,259,830,300	27.1
FTEs	10,401.8	11,224.5	10,711.8	0	10,909.5	507.7	4.7

Notes: (1) FY 2008-09 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2009-10 Executive Budget on February 12. (2) "ARRA" represents temporary funds received under the federal American Recovery and Reinvestment Act.

Overview

The Department of Human Services (DHS) administers a wide range of programs and services to assist Michigan's most vulnerable families, including public assistance programs that provide direct cash support as well as assistance with food, day care and other emergency needs. The Department is also charged with protecting children and assisting families by administering foster care, adoption and family preservation programs, and by enforcing child support laws. The DHS is also responsible for delivering juvenile justice services and for licensing day care, adult foster care, and child welfare agencies in the state.

Major Budget Changes From FY 2008-09 YTD Appropriations

	FY 2008-09 YTD (as of 2/12/09)	Enacted Change From YTD
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1. Child Welfare Improvements: Staffing Increases

Increases child welfare staffing levels to meet more stringent caseload to worker ratios as required in the Children's Rights settlement agreement. 49 FTEs are allocated to create a new Children's Services Administration and the remaining staff are allocated to the local offices. Staffing level changes from FY 2009 year-to-date levels are shown below. Also provides \$4.0 million for potential services required after a mandated needs assessment, \$1.8 million for a new mental health in-home treatment program, \$1.4 million for the federal monitoring contract, and \$877,500 for a new data collection unit.

FTEs	N/A	524.0
Gross	N/A	\$57,748,500
Federal	N/A	13,230,900
GF/GP	N/A	\$44,517,600

Positions	Change from FY09
Children's Services central staff	49
Child protective services workers	276
Foster care workers	41
Purchase of Service workers	(20)
Permanency/backlog staff	(22)
Team decision making facilitators	0
Child placing agency monitors	17
First-line supervisors	156
Second-line supervisors	0
Administrative support staff	27
TOTAL STAFF	524

HUMAN SERVICES

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>	FY 2008-09 YTD (as of 2/12/09)	Enacted Change From YTD
<p>2. Child Welfare Improvements: Private Agency Rate Increases – PARTIAL VETO</p> <p>Provides a \$10 daily administrative rate increase for child placing agencies and a \$7 per diem increase for residential facilities to assist with staff increases required under the Children’s Rights settlement agreement. Also provides a rate increase for private adoption agencies and for general independent living rates to meet the same caseload requirements as foster care caseworkers as required in the settlement agreement. By October 2010, 80% of private agency caseworkers must have a caseload of no more than 20 children. Governor vetoed the rate increase to the private adoption agencies.</p>	<p>Gross N/A Federal N/A Local N/A GF/GP N/A</p>	<p>\$22,604,800 5,198,900 3,654,300 \$13,751,600</p>
<p>3. Adoption Support Services</p> <p>Provides \$7.2 million in new funding to private adoption agencies, sufficient to allow DHS to rely solely on private agencies, rather than DHS staff, for adoption casework. The original Executive recommendation proposed redirecting all current on-board DHS adoption workers to foster care, children’s protective services, or other child welfare programs, and the Legislature concurred with this proposal. However, a subsequent Executive revision proposed new funding for the retention of some DHS adoption workers. While this revision was not incorporated in the budget, the Department is seeking to identify funding within the budget to retain some DHS adoption staff.</p>	<p>Gross \$17,797,600 Federal 7,294,400 GF/GP \$10,503,200</p>	<p>\$7,200,000 1,985,800 \$5,214,200</p>
<p>4. Closure of State Juvenile Justice Facilities</p> <p>Reduces funding to Nokomis challenge center and community juvenile justice centers by three quarters of their annual budget to reflect closure effective January 1, 2010. Federal revenues are redirected to other public facilities, so there is no reduction to federal revenues. Reduction is also adjusted to reflect the cost on the child care fund to move some of the foster youth from a public facility to a private facility.</p>	<p>FTEs 75.0 Gross \$7,638,800 Federal 222,000 Local 4,118,600 GF/GP \$3,298,200</p>	<p>(75.0) (\$5,201,500) 0 (3,198,800) (\$2,002,700)</p>
<p>5. State Juvenile Justice Facility Reductions</p> <p>Reduces appropriations for state juvenile justice facilities by \$10.0 million, recognizing the full-year savings from the closure of the Adrian Training School in February 2009, and further savings at the W.J. Maxey Training School expected to result from the relocation of youth at that facility from the Woodland Center to the Green Oaks Center. Both the Woodland Center and Green Oaks Center will undergo needed renovations funded through the Department of Corrections (DOC), with the DOC then taking over the Woodland Center to house inmates with special mental health needs.</p>	<p>FTEs 361.0 Gross \$36,331,500 Local 20,025,500 GF/GP \$16,306,000</p>	<p>(109.0) (\$10,000,000) (5,000,000) (\$5,000,000)</p>
<p>6. Public Assistance Caseloads</p> <p>Increases funding for state public assistance programs by \$1.47 billion over year-to-date levels. By far the largest increase (\$1.47 billion) is provided for the Food Assistance Program (FAP). The FAP increase reflects both caseload increases and adjusting the line item, which has not been increased over the past few fiscal years, to reflect current expenditures. FAP benefits are 100% federally funded so there is no GF/GP impact. The Family Independence Program (FIP) increases by \$49.1 million to fund an average caseload of 74,000. State Disability Assistance increases \$718,400 to fund an average caseload of 10,700. SSI supplementation increases \$362,700 to fund 233,220 cases. The increases to FIP, SDA, and SSI are offset by a caseload decrease to day care payments of \$51.3 million to fund 42,000 cases. Caseloads for FIP, SDA, SSI, and day care reflect the May caseload consensus agreement between HFA, SFA, and SBO.</p>	<p>Gross \$2,023,871,300 Federal 1,582,838,700 Restricted 52,263,700 GF/GP \$388,768,900</p>	<p>\$1,474,405,000 1,521,952,500 0 (\$47,547,500)</p>

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>	<u>FY 2008-09 YTD</u>	<u>Enacted Change</u>
	<u>(as of 2/12/09)</u>	<u>From YTD</u>
7. Child Welfare Caseloads	Gross	\$656,852,800 (\$23,112,200)
Reduces overall appropriations for child welfare program caseloads by \$23.1 million. Caseload consensus projects a \$29.7 million decline in foster care payments, with caseload falling to 8,087. Offsetting caseload increases are expected for child care fund reimbursements to counties (\$2.1 million) and adoption subsidies (\$4.5 million, with caseload increasing to 28,375).	Federal	332,213,900 (11,877,200)
	Local	22,304,200 (4,661,600)
	Private	2,650,000 0
	GF/GP	\$299,684,700 (\$6,573,400)
8. Day Care Services	Gross	\$370,516,400 (\$58,252,700)
Adjusts day care services to reflect more recent caseload data by reducing federal funding in addition to the May caseload consensus by \$43.0 million to fund an average of 36,000 cases. Day care rates are then restructured to encourage licensure and/or training through a two tier payment structure for unregulated providers (\$15.3 million in savings). Also appropriates \$21.1 million in federal CCDF ARRA funds to help support day care services, offsetting TANF revenues which are shifted to other areas of the budget.	Federal	264,214,400 (\$58,252,700)
	GF/GP	\$106,302,000 \$0
9. Day Care Quality Assurance	FTEs	N/A 2.0
Adds two additional positions to the day care quality assurance initiative. Additional positions will expand the review process of time and attendance records of day care aides and relative care providers. Annual GF/GP savings in day care subsidies minus staffing costs is assumed to be \$15.0 million.	Gross	N/A (\$14,961,600)
	Federal	N/A 38,400
	GF/GP	N/A (\$15,000,000)
10. Limited Term Eligibility Staff	FTEs	N/A 200.0
Increases funding by \$11.5 million to continue the funding for 200 limited term eligibility staff to address the increasing applications for food assistance and Medicaid. \$5.6 million of the funding comes from the federal ARRA food assistance administration allotment. Funding for these eligibility staff was first included during FY2008-09 in 2009 PA 64 (HB 4310).	Gross	N/A \$11,516,200
	Federal	N/A 8,887,800
	GF/GP	N/A \$2,628,400
11. Staffing Reductions	FTEs	N/A (113.0)
Reduces FTEs from Executive Operations (31 less FTEs), Medical Consultation (3 less FTEs), Child Support Enforcement (11 less FTEs) and Local Office general field staff (68 less FTEs).	Gross	N/A (\$9,805,500)
	Federal	N/A (4,068,600)
	GF/GP	N/A (\$5,736,900)
12. Employment and Training Support Services	Gross	\$37,755,100 (\$22,714,900)
Reduces funding by \$22.7 million for employment and training support services. Most of this reduction recognizes that this line item has had significant lapses in previous fiscal years and freezes appropriations at FY08 actual expenditures. There is also an additional \$2.0 million reduction to the grant for services provided by the Department of Energy, Labor and Economic Growth.	Federal	16,068,800 (8,218,600)
	GF/GP	\$21,686,300 (\$14,496,300)
13. Families First	Gross	N/A (\$496,000)
Increases funding for Families First by \$1.5 million in federal dollars freed up elsewhere in the budget. The increase in the number of families able to enroll in Families First should prevent a greater number of children from entering an out-of-home placement. For this reason, there is an assumed partial year savings of \$2.0 million in foster care payments line item of which \$1.0 million is GF/GP. If a sufficient number of children avoid an out-of-home placement, the annualized cost savings should be able to support the program increase in future fiscal years.	Federal	N/A 1,004,000
	Local	N/A (500,000)
	GF/GP	N/A (\$1,000,000)

HUMAN SERVICES

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>	<u>FY 2008-09 YTD</u>	<u>Enacted Change</u>
	<u>(as of 2/12/09)</u>	<u>From YTD</u>
14. In-Home Care Incentive – VETOED	Gross	\$0 (\$3,750,000)
Creates a new in-home care incentive that would reimburse counties for 75% of the costs of any increased in-home care expenditures. Funded with \$5.0 million in TANF redirected from within the budget, this incentive would generate sufficient GF/GP savings by preventing children from entering out-of-home placements to make the program cost neutral. Governor vetoed the \$3.75 million direct appropriation for the 75% county reimbursement, but the assumed GF/GP savings remains in the budget.	Federal	0 1,250,000
	GF/GP	\$0 (\$5,000,000)
15. FIP Clothing Allowance	Gross	\$12,751,000 \$0
Initially reduces the annual clothing allowance down to the FY 2007-08 level (\$5.6 million in GF/GP savings). Of that savings, \$1.1 million is moved into a new one-time supplement for children of FIP recipients. The \$1.1 million will leverage \$4.5 million in federal TANF funds available through ARRA so that gross funding in this area will be kept whole for FY 2009-10.	Federal	0 4,466,800
	GF/GP	\$12,751,000 (\$4,466,800)
16. Program Increases – PARTIAL VETO	Gross	N/A \$3,070,000
Increases funding for Nutrition Education (\$2.0 million federal), local office call centers (\$850,000), Food Bank funding (\$670,000), child support arrearage collection contract (\$500,000), 2-1-1 (\$300,000), the incorporation of LEIN into “Bridges” (\$250,000), and multicultural integration (\$100,000). Governor vetoed call centers, child support arrearage contract, and the LEIN incorporation into “Bridges.”	Federal	N/A 2,000,000
	Restricted	N/A 170,000
	GF/GP	N/A \$900,000
17. TANF Funding Reductions – PARTIAL VETO	Gross	\$54,933,200 (\$23,475,600)
Reduces overall funding for TANF funded programs which are designed to serve at-risk families and prevent out-of-home child placements. Reduces allocations for Community Protection and Permanency funding (\$3.0 million), Strong Families/Safe Children (\$2.3 million), Community Services Block Grant (\$2.1 million), Before and After School (\$2.0 million), Teenage Parenting (\$816,800), Marriage and Fatherhood (\$630,100), Family Group Decision Making (\$154,700) along with related administrative costs. Resulting TANF savings are redirected elsewhere in the bill, achieving equivalent GF/GP savings. Governor vetoed remaining TANF funding for CSBG, Before and After School, Teenage Parenting, Marriage and Fatherhood, and Family Group Decision Making.	Federal	54,753,600 (23,450,100)
	GF/GP	\$179,600 (\$25,500)
18. Other GF/GP Program Reductions – PARTIAL VETO	Gross	N/A (\$2,969,000)
Reduces indigent burial (\$1.2 million), Michigan Community Service Commission (\$662,200), Runaway Youth program (\$250,000), ECIC (\$200,000), and demonstration projects (156,800). Governor vetoed indigent burial pilot project (\$500,000 additional GF/GP).	GF/GP	N/A (\$2,969,000)
19. Other Program or Department Savings	Gross	N/A (\$10,270,300)
Reduces the rent line item by removing a one-time FY2008-09 expense and recognizes delays in facility maintenance projects (\$5.6 million), reduces administrative funding within the day services line items (\$1.7 million), annualizes EO 2009-22 within state disbursement unit (\$1.0 million) and information technology (\$1.0 million). Reduces worker’s compensation to reflect an historical lapse in this line item (\$441,200), reduces local office emergency services (\$250,000), and recognizes smaller historical lapses elsewhere in the line items (\$250,000 total).	Federal	N/A (3,434,500)
	GF/GP	N/A (\$6,835,800)
20. Other Program Eliminations	Gross	\$4,644,800 (\$4,644,800)
Eliminates earmarked funding for the following organizations and programs: \$50 FIP work incentive (\$1.8 million), Friend of the Court Supplements (\$1.0 million) Youthville Detroit (\$100,000), Kent County Child Welfare Demonstration Project (\$300,000), Bridges Toward Responsible Adulthood (\$1.0 million), Black Child and Family Institute (\$100,000), Family Formation (\$200,000), Camp O’Malley (\$126,500) and Cascade Engineering (\$40,000).	Federal	2,818,300 (2,818,300)
	GF/GP	\$1,826,500 (\$1,826,500)

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>	FY 2008-09 YTD (as of 2/12/09)	Enacted Change From YTD
21. "Bridges" Integration Project Development	Gross \$102,044,200	(\$17,293,400)
With the completion of the development of the Department's "Bridges" information technology integration project, \$17.3 million in information technology funding is removed. Another \$2.5 million is transferred to a new line item to support ongoing maintenance costs related to the new system. The "Bridges" initiative has integrated the various eligibility and payment determination functions for public assistance programs into a single computer system.	Federal 60,333,000	(5,158,300)
	GF/GP \$41,711,200	(\$12,135,100)
22. Recognition of TANF Carry-Forward and Contingency Fund Revenue	Gross N/A	\$0
Assumes continued receipt in FY 2008-09 of federal TANF contingency fund revenue and uses \$158.4 million in additional available TANF to offset GF/GP costs. Of this savings, \$43.5 million is redirected to fund child welfare system enhancements (see items 1 and 2). Michigan drew \$155 million in contingency fund revenue in FY 2007-08 and is eligible for an equivalent amount for FY 2008-09. Federal contingency funding is available to "needy states" with high unemployment and/or high food stamp caseloads. The new revenue, which requires identification of additional state maintenance of effort and matching funds, allowed Michigan to generate a \$151 million TANF balance to carry into FY 2008-09, which is projected to grow to \$210 million by the close of FY 2008-09.	TANF N/A	158,384,000
	GF/GP N/A	(\$158,384,000)
23. Child Support Incentive Payments	Gross \$16,713,400	\$0
Increases federal appropriations by \$16.7 million for child support incentive payments, which offsets GF/GP of the same amount. Federal funding is available as a result of a law change in ARRA which allows states to use federal incentive dollars as match.	Federal 0	16,713,400
	GF/GP \$16,713,400	(\$16,713,400)
24. Medicaid Match Rate Adjustments	Gross N/A	\$0
Shifts \$24.4 million in GF/GP appropriations to federal funding as a result of projected adjustments to the Federal Medical Assistance Percentage (FMAP) rate. This rate is used to determine federal cost sharing rates within several DHS programs, including foster care, adoption subsidies, and day care. Around \$8.2 million of this shift is attributable to the increase in the FY 2009-10 FMAP rate from 60.27% to 63.19%. This adjustment also increases anticipated federal Title IV-E funding as DHS works to maximize federal earnings in both foster care (\$6.0 million) and adoption subsidies (\$2.0 million). The GF/GP savings will be redirected to help fund the child welfare improvements. \$17.3 million is assumed to result from a further increase in FMAP rate of 6.2 percentage points through ARRA.	Federal N/A	34,921,400
	Restricted N/A	(2,535,400)
	GF/GP N/A	(\$32,386,000)
25. Economic Adjustments	Gross N/A	\$23,565,200
Increases funding by \$23.6 million to cover the cost of a 1% salary and wage increase for state employees, as well as adjustments for retirement and worker's compensation costs, a 3.2% increase in insurance costs, and 3% inflationary increases for the cost of food, fuel oil, and utilities within the state juvenile justice system.	IDG N/A	9,900
	Federal N/A	14,565,400
	Local N/A	356,300
	Private N/A	85,000
	Restricted N/A	51,200
	GF/GP N/A	\$8,497,400

Major Boilerplate Changes From FY 2008-09

GENERAL SECTIONS

Sec. 270. Reporting Program Costs and Outcomes – REVISED

Requires DHS to develop a plan to deliver results-oriented programs and services for listed program areas. Requires a report to Legislature on average program cost per recipient, performance indicators, goals and results and program innovations within these programs.

HUMAN SERVICES

Major Boilerplate Changes From FY 2008-09

Sec. 283. Information Technology Work Projects – DELETED

Allows appropriations for information technology to be designated as work projects and carried forward into future fiscal years.

Sec. 288. Time Limits on Provider Payments – VETOED

Prohibits DHS from establishing time limits on payments to providers for purchased services that have been properly documented by the provider.

Sec. 290. Staff Reductions – NEW

Specifies legislative intent of a reduction of funding to support 65.0 FTEs within the Department.

Sec. 295. Incorporating LEIN Into BRIDGES – VETOED

States legislative intent to have LEIN incorporated into the “Bridges” system by FY 2009-10.

CHILD AND FAMILY SERVICES

Sec. 504. Foster Children Aging Out of Foster Care – NEW

Establishes benchmarks and policy for children aging out of foster care including referral to Michigan Works! and MSHDA, extending foster care eligibility through age 20, and requires the department to hire 14 regional education planners.

Sec. 513. Child Placements in Out-of-State Facilities – REVISED

Revises language which establish criteria under which DHS can place children in out-of-state facilities, increasing the role of the Office of Interstate Compact in this process. Also eliminates an audit requirement.

Sec. 515. Performance-Based Managed Care Approach to Foster Care – REVISED

Modifies language regarding use of performance-based contracts for foster care services to clarify performance-based contracts are to be used for all foster care services. Links contract goals to Children’s Rights settlement and federal Child and Family Services review goals.

Sec. 536. Foster Care Assignment System – REVISED

Revises current law language by establishing new criteria requiring the DHS to place children within their own county or within a 75-mile radius of the home from which they entered custody except under certain listed circumstances.

Sec. 546. Foster Care Rates – REVISED

Revises the administrative rate to \$37.00 per day for private child placing agencies under contract with DHS. Requires reporting on the per diem costs of foster care services delivered by DHS. The per diem would be shared between the state and counties at a rate of 75% State and 25% County for children not eligible for Title IV-E funding. In the Governor’s veto letter, she states that the revised fund sourcing is unenforceable to the degree that the section conflicts with existing state statute.

Sec. 547. Foster Care Public Administrative Per Diem – NEW

Requires the department to establish a \$40 administrative per diem for publicly supervised foster care cases. The per diem would be shared between the state and counties at a rate of 75% state and 25% county for children not eligible for Title IV-E funding. In the Governor’s veto letter, she states that the revised fund sourcing is unenforceable to the degree that the section conflicts with existing state statute.

Sec. 573. Special Needs Adoption Contracts – VETOED

Appropriates \$1.0 million for new adoption contracts focusing on long-term permanent wards. Private agencies would receive \$16,000 for each finalized placement.

Sec. 578. Mental Health Assessment – NEW

Requires DHS to utilize a standardized assessment tool to determine the mental health needs of children placed with the Department.

Sec. 581. Adoption Administrative Rate Adjustment – VETOED

Provides a reimbursement schedule for rates paid through the Adoption Support Services line to private agencies. The schedule represents a 36% rate increase to meet the 36% increase in caseworkers needed to meet the cases to worker ratio required in the Children’s Rights settlement agreement.

Sec. 586. Purchase of Service Monitors – NEW

Requires the department to request a modification to the staffing requirements in the Children’s Rights settlement agreement. Modification would change the staffing requirement to 75% of these monitors to have a caseload no more than 100 cases.

PUBLIC ASSISTANCE

Major Boilerplate Changes From FY 2008-09

Sec. 613. Indigent Burial Rates and Pilot Project – PARTIAL VETO

Stipulates use of funds for indigent burial. Restores maximum payments to funeral providers for indigent burial levels in administrative rules: \$455 for funeral directors, \$145 for cemeteries and crematoriums, and \$100 for vault providers. Governor vetoed subsection (2) which established a pilot program dealing with the cremation of the bodies of indigent persons not claimed by a responsible party.

Sec. 675. Day Care Services Rate Structure – NEW

Describes the rate structure used to achieve the savings in Part 1. The rate structure would create two tiers for enrolled providers with the higher tier being available to the enrolled providers who complete annual training.

Sec. 676. Extend Michigan After-School Partnership – VETOED

Directs DHS to collaborate with State Board of Education to extend duration of the Michigan After-School Partnership and allocates \$25,000 for the Partnership; requires report to the Legislature.

Sec. 686. Caseworker Policy Changes – NEW

Requires DHS to ensure that individuals presenting out-of-state identification are not enrolled in benefit programs in other states; to explore changes that would permit caseworkers to confirm resident addresses in FIP and SDA cases; to explore changes that will ensure individuals with homes worth more than \$500,000 cannot access assistance; and to collect up-to-date phone numbers from Medicaid recipients during eligibility determination and provide this information to DCH.

JUVENILE JUSTICE SERVICES

Sec. 717. Juvenile Justice Mental Health Report – NEW

Permits DHS to contract with a state university to study a sample of juvenile detainees. The study will report on the number of youth with an emotional disorder, substance abuse, and dual diagnoses. The report will identify the population that receive treatment and if the youth received service elsewhere before entering the juvenile justice system.

Sec. 732. Nokomis Challenge Center and Community Juvenile Justice Staffing – NEW

Requires DHS to ensure that staff currently employed at the state-operated Nokomis challenge center and community juvenile justice centers closed in FY 2009-10 are given priority for new child welfare improvement staffing increases.

**FY 2009-10
Budget Detail
for
RESOURCE PROTECTION**

**Agriculture
Natural Resources and Environment
Environmental Quality
Natural Resources**

AGRICULTURE

**AGRICULTURE
Summary of FY 2009-10 Enacted Appropriations
2009 Public Act 119 (Senate Bill 237)**

Analyst: William E. Hamilton

	FY 2008-09 YTD as of 2/12/09	FY 2009-10 Executive	FY 2009-10 Senate	FY 2009-10 House	FY 2009-10 Enacted	Difference: Enacted From FY 2008-09 YTD	
						Amount	%
IDG/IDT	\$9,539,200	\$435,700	\$1,362,300	\$685,700	\$712,300	(\$8,826,900)	(92.5)
Federal	16,121,900	14,231,100	14,231,100	15,531,100	15,531,100	(590,800)	(3.7)
Local	0	0	0	0	0	---	---
Private	237,200	243,200	243,200	243,200	243,200	6,000	2.5
Restricted	46,955,800	34,602,800	40,002,800	39,972,900	26,721,600	(20,234,200)	(43.1)
GF/GP	32,488,600	33,987,100	30,588,400	30,477,000	30,050,500	(2,438,100)	(7.5)
Gross	\$105,642,700	\$83,499,900	\$86,427,800	\$86,909,900	\$73,258,700	(\$32,384,000)	(30.7)
FTEs	600.5	597.5	595.5	597.5	593.5	(7.0)	(1.2)

Note: FY 2008-09 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2009-10 Executive Budget on February 12.

Overview

The Department of Agriculture promotes Michigan agricultural products and protects the public from disease and unsanitary conditions in food production and handling; regulates product labeling and producer practices for dairy products, animals, and plants; and enforces consumer protection laws in food, standard weights/measures, animal health, plant pests, and diseases.

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		FY 2008-09 YTD (as of 2/12/09)	Enacted Change From YTD
1. Commissions and Boards	Gross	\$32,800	(\$9,000)
Appropriates \$23,800; eliminates use of Upper Peninsula State Fair revenue as a fund source.	Restricted	17,800	(9,000)
	GF/GP	\$15,000	\$0
2. Unclassified Positions	FTEs	6.0	(4.0)
Appropriates \$213,300; eliminates use of State Services Fee Fund (SSFF) revenue. Funding supports two positions: department director and special projects coordinator.	Gross	\$354,000	(\$140,700)
	Restricted	160,500	(160,500)
	GF/GP	\$193,500	\$19,800
3. Executive Direction	FTEs	10.0	0.0
Appropriates \$973,800; replaces SSFF revenue with GF/GP. State Budget Office had identified \$63,200 in economic increases.	Gross	\$922,600	\$51,200
	Restricted	108,000	(71,500)
	GF/GP	\$814,600	\$122,700
4. Management Services	FTEs	24.0	0.0
Appropriates \$1.8 million; replaces SSFF revenue with GF/GP. State Budget Office had identified \$144,100 in economic increases.	Gross	\$1,725,800	\$115,100
	Restricted	136,500	(15,500)
	GF/GP	\$1,589,300	\$130,600
5. Emergency Management	FTEs	2.5	4.0
Appropriates \$747,100; includes \$500,000 and 4.0 new FTE positions related to federal grant first recognized in FY 2008-09 transfer; replaces SSFF revenue with GF/GP; recognizes \$3,820 in economic increases.	Gross	\$243,300	\$503,800
	Federal	0	500,000
	Restricted	243,300	(243,300)
	GF/GP	\$0	\$247,100
6. Internal Audit Services	Gross	\$263,700	(\$263,700)
Internal audit functions were transferred to the Department of Management and Budget/State Budget Office in 2009.	GF/GP	\$263,700	(\$263,700)

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		<u>FY 2008-09 YTD (as of 2/12/09)</u>	<u>Enacted Change From YTD</u>
7. Departmentwide - Rent and Building Occupancy	Gross	\$1,231,500	(\$810,400)
Appropriates \$421,200; eliminates all GF/GP and SSFF support. Actual building occupancy costs not funded in this line are charged to other department program areas.	Federal	185,400	(32,000)
	Restricted	532,900	(265,200)
	GF/GP	\$513,200	(\$513,200)
8. Food and Dairy - Food Safety and Quality Assurance	FTEs	115.0	0.0
Appropriates \$12.5 million Gross, \$8.9 million GF/GP – the largest appropriation of GF/GP revenue in this budget. Recognizes \$100,000 in increased milk inspection fee revenue; a bill to effect this increase has not yet been introduced. State Budget Office had identified \$213,700 Gross, \$155,300 GF/GP in economic increases.	Gross	\$12,598,000	(\$58,300)
	Federal	407,400	63,100
	Restricted	2,988,800	150,300
	GF/GP	\$9,201,800	(\$271,700)
9. Food and Dairy - Local Public Health Program	Gross	\$8,878,700	(\$8,878,700)
Eliminates line item which had been used as a placeholder to recognize the Department's oversight role in local public health department food service inspection program. Elimination of the line has no program impact; local public health agencies' food service inspection programs are funded in the Department of Community Health budget.	IDG	8,878,700	(8,878,700)
10. Animal Industry - Animal Health and Welfare	FTEs	21.5	0.0
Appropriates \$2.3 million; eliminates \$133,200 in Agriculture Equine Industry Development Fund (AEIDF) support. The \$321,000 in restricted revenue includes \$108,000 from Licensing and inspection fees, \$75,000 in Cervid fees, and \$138,000 in from Animal welfare fund revenue. The Cervid fee appropriation is not supported by actual revenue.	Gross	\$2,382,200	(\$91,400)
	Federal	465,100	5,000
	Restricted	240,100	80,900
	GF/GP	\$1,677,000	(\$177,300)
11. Animal Industry - Bovine Tuberculosis	FTEs	48.5	0.0
Offsets reductions in restricted AEIDF and SSFF support with increased GF/GP. The \$6.6 million GF/GP appropriation is the second largest use of GF/GP within this budget. State Budget Office had identified economic increases related to the two Animal Industry line items to be \$331,700 Gross, \$294,500 GF/GP.	Gross	\$7,425,200	(\$86,900)
	Federal	750,000	31,100
	Restricted	2,120,600	(2,120,600)
	GF/GP	\$4,554,600	\$2,002,600
12. Pesticide and Plant Pest Management - PPPM	FTEs	110.0	0.0
Appropriates \$11.9 million Gross, \$4.0 million GF/GP – GF/GP funding for this program had been \$6.6 million in FY 2000-01. Recognizes anticipated increase in federal grant revenue. State Budget Office had identified \$200,700 Gross, \$72,500 GF/GP in economic increases.	Gross	\$12,073,000	(\$143,700)
	Federal	2,447,700	101,900
	Private	148,000	4,600
	Restricted	5,165,100	46,700
	GF/GP	\$4,312,200	(\$296,900)
13. Emerald Ash Borer Program	FTEs	24.5	0.0
Appropriation of \$3.0 million reflects continuing reduction in federal support for this program; appropriation had been as much as \$25.0 million in FYs 2003-04 and 2004-05.	Gross	\$5,191,400	(\$2,157,200)
	Federal	5,191,400	(2,157,200)
14. Environmental Stewardship	FTEs	27.0	0.0
Appropriates \$2.6 million Gross, \$1.9 million GF/GP – GF/GP funding for this program had been \$2.7 million in FY 2000-01. Although the budget includes a \$351,600 IDG from MDEQ for the MAEAP program, this funding is not supported by actual revenue. Recognizes \$110,000 in proposed migrant labor housing inspection fees; a bill to authorize such fees has not yet been enacted. State Budget Office had identified \$35,400 in economic increases.	Gross	\$2,711,500	(\$129,000)
	IDG	268,600	176,800
	Federal	231,500	(192,000)
	Restricted	49,800	110,600
	GF/GP	\$2,161,600	(\$224,400)
15. Groundwater/Freshwater Protection Program	FTEs	15.0	0.0
Appropriates \$5.3 million; federal funding reduced to reflect actual anticipated revenue. Restricted revenue from Freshwater protection fund.	Gross	\$5,472,500	(\$217,400)
	Federal	467,800	(252,300)
	Restricted	5,004,700	34,900

AGRICULTURE

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		<u>FY 2008-09 YTD (as of 2/12/09)</u>	<u>Enacted Change From YTD</u>
16. Technical Assistance Match	Gross	\$252,600	(\$252,600)
Line item had supported program of technical assistance to farmers and landowners in completing federally-funded Natural Resources Conservation Service contracts. Not included in enacted budget.	GF/GP	\$252,600	(\$252,600)
17. Local Conservation Districts – VETOED	Gross	\$916,800	(\$916,800)
The enrolled bill had included \$236,900 GF/GP support; the line was eliminated by the Governor's veto. GF/GP funding for this program had been \$2.8 million in FY 2000-01.	GF/GP	\$916,800	(\$916,800)
18. Aquifer Protection Program	Gross	\$50,000	(\$50,000)
Budget does not include line which had been funded with IDG from MDEQ.	IDG	50,000	(50,000)
19. Water Withdrawal Assessment Program	Gross	\$130,000	(\$130,000)
Budget does not include this line which was new in FY 2008-09 budget.	GF/GP	\$130,000	(\$130,000)
20. Laboratory Services	FTEs	63.0	0.0
Appropriates \$5.9 million Gross, \$2.5 million GF/GP – GF/GP funding for this program had been \$4.0 million in FY 2000-01. Replaces \$519,700 SSFF revenue with AEIDF. State Budget Office had identified \$101,300 Gross, \$47,200 GF/GP in economic increases.	Gross	\$6,318,800	(\$425,700)
	IDG	189,100	0
	Federal	916,200	0
	Restricted	2,276,400	54,200
	GF/GP	\$2,937,100	(\$479,900)
21. Consumer Protection Program	FTEs	51.0	0.0
Supports motor fuel quality, weights and measures, and metrology laboratory. Restricted revenue from Gasoline inspection and testing fees, Refined petroleum fund, and Weights and measures regulatory fees. Increase reflects economic adjustments.	Gross	\$5,135,200	\$102,200
	Restricted	5,134,800	102,100
	GF/GP	\$400	\$100
22. Agriculture Development – PARTIAL VETO	FTEs	6.0	0.0
Appropriates \$2.5 million Gross, \$327,300 GF/GP – GF/GP funding had been \$915,000 in FY 2000-01. Eliminates use of SSFF revenue (\$350,700); recognizes new \$1.3 million federal specialty crop block grant. The enrolled bill had included a \$300,000 IDG from the DELEG; the Governor's veto of boilerplate Section 712 eliminated this funding source. State Budget Office had identified economic increases to be \$15,900.	Gross	\$1,072,000	\$1,105,000
	IDG	0	0
	Private	10,800	100
	Federal	275,200	1,304,100
	Restricted	606,400	(346,900)
	GF/GP	\$179,600	\$147,700
23. Export Market Development	Gross	\$50,000	(\$50,000)
Not included in enacted budget. GF/GP funding for this program had been \$100,000 in FY 2000-01.	GF/GP	\$50,000	(\$50,000)
24. Michigan Agricultural Surplus (Food Bank) – VETOED	Gross	\$630,500	(\$630,500)
The enrolled bill had appropriated \$540,100: eliminated GF/GP funding and partially replaced with SSFF; included IDGs from the Department of Human Services and the Department of Community Health. The Governor's veto eliminates the line. GF/GP funding for program had been \$1.0 million FY 2000-01.	IDG	150,000	(150,000)
	GF/GP	\$480,500	(\$480,500)
25. Upper Peninsula State Fair	FTEs	6.0	(6.0)
Executive Order 2009-4 abolished the Upper Peninsula State Fair as a Type II agency within the department.	Gross	\$1,372,600	(\$1,372,600)
	Restricted	1,372,600	(1,372,600)
26. Fairs, Racing and Producer Security – VETOED	FTEs	9.5	(9.5)
The enrolled bill had partially replaced \$1.0 million in SSFF revenue with AEIDF and GF/GP funding. The Governor's veto eliminates the line item.	Gross	\$1,154,600	(\$1,154,600)
	Restricted	1,154,600	(1,154,600)
	GF/GP	\$0	\$0
27. Premiums - County and State Fairs – VETOED	Gross	\$1,614,000	(\$1,614,000)
The enrolled bill had included \$347,800 SSFF. The Governor's veto eliminates the line item.	Restricted	1,614,000	(1,614,000)

Major Budget Changes From FY 2008-09 YTD Appropriations **FY 2008-09 YTD** **Enacted Change**
(as of 2/12/09) **From YTD**

28. Building and Track Improvements – VETOED **Gross** **\$0** **\$0**
 The enrolled bill had included \$129,000 SSFF. The Governor’s veto Restricted 0 0
 eliminates the line item.

29. Horse Industry Programs – VETOED **Gross** **\$10,160,300** **(\$10,160,300)**
 The enrolled bill appropriated \$6.1 million AEIDF for horse racing Restricted 10,160,300 (10,160,300)
 programs. The Executive budget had included only \$3.1 million for these
 programs. The Governor’s veto eliminated all Horse racing lines.

	<u>FY 09</u>	<u>FY 10</u> <u>Enrolled</u>
Purses & supplements- fairs/licensed tracks	2,370,000	1,434,300
Licensed tracks - light horse racing	132,000	79,900
Standardbred (SB) breeders’ awards	969,000	586,400
SB purses/supplements-licensed tracks	1,789,300	1,083,000
SB sire stakes	810,000	490,100
SB training and stabling	21,800	36,000
Thoroughbred owners’ awards	124,000	75,100
Thoroughbred program	2,400,000	1,452,500
Thoroughbred sire stakes	830,000	502,300
Distribution of outstanding winning tickets	700,000	423,600
Total	\$10,160,300	\$6,149,000

30. Office of Racing Commissioner – VETOED **FTEs** 30.0 (30.0)
 The enrolled bill had funded this line with \$2.4 million in SSSF revenue **Gross** **\$3,811,000** **(\$3,811,000)**
 and \$100,000 from the AEIDF. The Executive had recommended funding Restricted 3,811,000 (3,811,000)
 this line entirely with AEIDF. The Governor’s veto eliminated the line.

31. Information Technology **Gross** **\$1,525,000** **\$15,300**
 Recognizes economic increases of \$38,800; eliminates Upper Peninsula **IDG** 2,800 0
 State Fair revenue as fund source (\$900); recognizes costs of Microsoft Restricted 1,296,700 (887,200)
 upgrades, \$86,200; and One-stop permit portal, \$74,900. Replaces \$1.0 **GF/GP** \$225,500 \$902,500
 million SSFF revenue, in part, with GF/GP.

Appropriation of \$1.5 million does not reflect all information technology costs. Costs not supported in the Information Technology line item are charged to other department program areas.

32. Economics **Gross** **N/A** **\$1,418,400**
 The State Budget Office had identified \$1.4 million (net) for economic **IDG** N/A 1,300
 increases: \$1,470,800 for employee economics; \$38,800 for information **Federal** N/A 166,700
 technology; and a \$91,200 reduction in building occupancy charges. **Private** N/A 6,000
Restricted N/A 492,700
GF/GP N/A \$751,700

Major Boilerplate Changes From FY 2008-09

Sec. 215. Transparency – NEW
 Requires Department to develop, post, and maintain publicly accessible internet site showing expenditures; cost of site limited to \$10,000.

Sec. 225. Agriculture and Livestock Education Pavilion – NOT INCLUDED
 Related to MSU Pavilion for Agriculture and Livestock Education.

Sec. 227. Return on Investment – NOT INCLUDED
 Return on investment report.

AGRICULTURE

Major Boilerplate Changes From FY 2008-09

Sec. 228. Contingency Appropriations – RETAINED

Includes \$5.0 million federal, \$6.0 million state restricted, and \$100,000 each local and private.

Sec. 236. Ag Equine Industry Development Fund – NEW

Requires AEIDF appropriations to be spent for equine-related purposes.

Sec. 237. GF/GP Lapse Report – NEW

Requires a report by September 30, 2010 on estimated GF/GP lapses.

Sec. 238. FTE Report – NEW

Requires bi-monthly report on FTEs.

Sec. 304. Motor Fuel Quality Inspector – RETAINED

Requires Department to maintain motor fuel quality program at FY 2006-07 level of effort. The Governor's signing statement indicates that this section is unconstitutional infringement on executive branch.

Sec. 406. Food Safety FTEs – RETAINED

Exempts food and dairy inspectors from hiring freeze.

Sec. 407. Earmark for Dairy Inspection Programs – NEW

Directs funds appropriated for the Food Safety and Quality Assurance, not less than \$3.1 million, be expended for dairy inspection programs.

Sec. 460. Agriculture Equine Fund Prorated Reductions – RETAINED

Requires that department make proportionate reductions in all appropriations from the AEIDF if revenue decreases. The Governor's signing statement indicates that this section is an unconstitutional attempt to amend statute by reference.

Sec. 501. Laboratory Services – NOT INCLUDED

Provides a sufficient amount from licensing and inspection fees to provide for animal feed testing programs.

Sec. 604. Local Soil Conservation Districts – VETOED

Directs that department work with local conservation districts on the most efficient use of funding provided in the bill; directs that funding be used to draw down federal funds.

Sec. 605. Technical Assistance Match – NOT INCLUDED

Appropriates \$300,000 to fund local conservation district technical assistance for contracts under Farm Bill of 2002.

Sec. 608. Right to Farm – NEW

Exempts Right to Farm from budgetary reductions in FY 2009-10 budget year. The Governor's signing statement indicates that this section is an unconstitutional attempt to amend statute by reference.

Sec. 609. Migrant Labor Housing Inspection Fees – NEW

Indicates legislative intent that Department work with industry to develop a migrant labor housing inspection fee, not to exceed \$5 per farm, effective no later than April 1, 2010.

Sec. 610. Water Withdrawal – NEW

Indicates that \$130,000 funding for water withdrawal program is contingent on the department inputting data received under Section 32708(3) of the Natural Resources and Environmental Protection Act.

Sec. 702. Food Bank – VETOED

Allows the Food Bank Council to expend unused funds for direct food purchase.

Sec. 712. MDELEG IDG - Designation of Fund Uses – VETOED

Directs use of funds provided by new \$300,000 IDG from DELEG.

Sec. 713. Agriculture Development – NEW

Directs that \$100,000 be used for agriculture export market development.

Sec. 801. State Simulcasting Tax Revenue Report – VETOED

Requires Department to submit a monthly report on state simulcasting tax revenue and license fees.

Sec. 802. Purses and Supplements - Licensed Tracks – VETOED

Boilerplate earmark for Michigan-bred 4-year-olds – \$220,000 (AEIDF).

Major Boilerplate Changes From FY 2008-09

Sec. 803. Thoroughbred Program Tracks – VETOED

Provides funds from Thoroughbred program line to Michigan United Thoroughbred Breeders and Owners Association to conduct a thoroughbred yearling show – \$23,500 (AEIDF).

Sec. 804. Thoroughbred Owners' Awards – VETOED

Provides funding for thoroughbred owners' awards; references Horse Racing Law of 1995.

Sec. 805. Agriculture Equine Fund Reduction – VETOED

Requires that department make proportionate reductions in all appropriations from the AEIDF if revenue falls.

Sec. 806. Fairs – VETOED

Requires fairs to publish rules and guidelines for exhibits eligible for state premiums; establishes grievance procedures.

Sec. 807. Purse Supplements – VETOED

Provides for overnight purse supplements.

Sec. 808. Livestock and Equine Exhibits – VETOED

Allocates \$91,400 from Premiums-county and state fairs line item for grants for large livestock and equine exhibitors, including Michigan Horse Show Association's Fall Youth Show.

Sec. 809. Youth in Agriculture – VETOED

Allocates \$40,000 from *Premiums-county and state fairs* line item for youth involvement and adult exhibitions in the animal agriculture industry.

Sec. 811. Outstanding Unclaimed Tickets – VETOED

Prohibits using funds for distribution of outstanding winning tickets until they are deposited in the AEIDF.

Sec. 812. Agriculture Equine Fund Payments – VETOED

New section requires "timely payments" from AEIDF.

Sec. 901. Criminal Activity Information Rewards – VETOED

Allows racing commissioner to pay rewards up to \$5,800 to individuals who provide information on criminal activity involving the horse racing industry.

Sec. 902. Thoroughbred Program Escrow – VETOED

Provides for "escrowing" of funds for thoroughbred program.

Sec. 903. Notice of Intent to File Administrative Rules – VETOED

Requires Office of Racing Commissioner to inform certified horsemen's organization of intent to file administrative rules.

Sec. 904. Office of Racing Commissioner – VETOED

Indicates legislative intent that office of racing commissioner no longer be designated as a Type I agency and be administered as part of the department for budgetary savings.

**NATURAL RESOURCES AND ENVIRONMENT
Summary of FY 2009-10 Enacted Appropriations
2009 Public Act 118 (House Bill 4446)**

Analyst: Viola Bay Wild

	FY 2008-09 YTD as of 2/12/09	FY 2009-10 Executive	FY 2009-10 House	FY 2009-10 Senate	FY 2009-10 Enacted	Difference: Enacted From FY 2008-09 YTD	
						Amount	%
IDG/IDT	\$22,692,400	\$11,235,800	\$11,235,800	\$11,235,800	\$12,322,900	(\$10,369,500)	(45.7)
Federal	182,338,200	186,869,600	184,113,000	184,363,000	252,998,700	70,660,500	38.8
Local	0	0	0	0	0	0	0.0
Private	5,200,700	6,040,000	5,927,400	5,927,400	6,040,000	839,300	16.1
Restricted	390,413,500	392,506,000	385,294,000	385,903,300	389,117,100	(1,296,400)	(0.3)
GF/GP	54,209,600	51,573,600	42,679,200	36,488,500	43,949,400	(10,260,200)	(18.9)
Gross	\$654,854,400	\$648,225,000	\$629,249,400	\$623,918,000	\$704,428,100	\$49,573,700	7.6
FTEs	3,700.6	3,751.6	3,578.4	3,592.6	3,712.0	11.4	0.3

Note: FY 2008-09 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2009-10 Executive Budget on February 12.

Overview

The budgets for the Departments of Environmental Quality and Natural Resources are included in this bill. These two departments will be merged into one if Executive Order 2009 - 45 is allowed to go into effect on January 17, 2010.

General Sections of Boilerplate

Sec. 205. State Hiring Freeze – DELETED

Imposes a state-wide hiring freeze in all departments, and provides process for approvals of position vacancies.

Sec. 207. Restricted Fund Revenue, Expenditures, and Fund Balances – REVISED

Requires report of revenue, spending, and estimated year-end balance for each restricted fund appropriated. New language requires the calculation of the number of funded FTE positions.

Sec. 222. FTE Monthly Report – NEW

Requires a bi-monthly report of the number of department FTE positions by classification.

Sec. 223(1). Rule Promulgation Report – DELETED

Requires a report on policy changes made to implement a public act (Subsections (2) and (3) are renamed Section 217).

Sec. 223. Detailed Appropriated and Supportable FTE Information – NEW

Requires report on supportable FTEs including salary, wage and fringe benefit costs for FTEs for each line item.

Sec. 224. Consolidated Report on Cleanup and Redevelopment Program – NEW

Requires report with detailed information on allocations to the environmental cleanup program, state cleanup, superfund cleanup, underground storage tank cleanup program, and others.

Sec. 227. Obsolete Database Systems – DELETED

Requires a plan and cost estimate to replace obsolete or failing computer or database systems.

Sec. 228. Expenditure Reports: FY 2008-09 – REVISED

Requires a report of expenditures in a publicly accessible Internet site including the purpose for expenditures; new language prohibit DEQ and DNR from spending more than \$25,000 for implementation (renamed Section 232).

Sec. 228. Intent to Consolidate DNR/DEQ – NEW

States legislative intent to re-combine DEQ and DNR, making DNR the successor agency.

Sec. 229. DNR/DEQ Department Consolidation Savings – NEW

Provides that appropriations in Part 1 assume acceptance of an executive order to re-combine DEQ and DNR.

General Sections of Boilerplate

Sec. 236. General Fund Lapse – NEW

Requires a report by September 30, 2010 of estimated amount of general fund lapse by department.

ENVIRONMENTAL QUALITY
Summary of FY 2009-10 Enacted Appropriations
2009 Public Act 118 (House Bill 4446)

Analyst: Viola Bay Wild

	FY 2008-09 YTD as of 2/12/09	FY 2009-10 Executive	FY 2009-10 House	FY 2009-10 Senate	FY 2009-10 Enacted	Difference: Enacted From FY 2008-09 YTD	
						Amount	%
IDG/IDT	\$18,890,200	\$7,433,600	\$7,433,600	\$7,433,600	\$8,520,700	(\$10,369,500)	(54.9)
Federal	130,636,100	129,599,300	129,349,300	129,599,300	180,146,200	49,510,100	37.9
Local	0	0	0	0	0	0	0.0
Private	455,700	658,900	658,900	658,900	658,900	203,200	44.6
Restricted	169,309,900	176,232,300	170,716,000	171,454,300	172,588,300	3,278,400	1.9
GF/GP	43,744,800	33,127,900	33,127,900	26,927,900	26,950,500	(16,794,300)	(38.4)
Gross	\$363,036,700	\$347,052,000	\$341,285,700	\$336,074,000	\$388,864,600	\$25,827,900	7.1
FTEs	1,526.7	1,480.7	1,480.7	1,480.7	1,496.1	(30.6)	(2.0)

Note: FY 2008-09 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2009-10 Executive Budget on February 12.

Overview

The Department of Environmental Quality (DEQ) supports environmental protection, conservation, and cleanup and redevelopment programs and regulatory efforts established to protect, restore, and reuse Michigan's air, water, and land resources. More than half of the Department's annual revenue is collected from permits and licenses.

Major Budget Changes From FY 2008-09 YTD Appropriations		FY 2008-09 YTD (as of 2/12/09)	Enacted Change From YTD
1. Wetlands Regulatory Program: Turn Back to Federal Government.	FTE	30.0	0.0
Extends funding for a partial year (full-year support depends on provisions in yet-to-be-passed implementing legislation).	Gross	\$4,000,000	(\$2,154,600)
	Federal	0	406,900
	Restricted	1,900,000	(461,500)
	GF/GP	\$2,100,000	(\$2,100,000)
2. Baseline and Full-Year FY 2008-09 Executive Order Reductions	Gross	N/A	(\$2,469,900)
General Fund supported programs reduced in FY 2008-09 are reduced. Reductions reflect the continuation of General Fund reductions included in EO 2009-22.	GF/GP	N/A	(\$2,469,900)
3. Waste and Hazardous Materials Funding Shifts	Gross	\$18,768,900	\$0
GF/GP support for the Above Ground Storage Tank, and Underground Storage Tank Programs replaced with Refined Petroleum Fund (\$1.4 million). The Solid Waste Management Fund Staff Account (\$500,300) was replaced with funding from the perpetual care fund.	Federal	4,027,500	0
	Restricted	10,588,900	1,900,300
	GF/GP	\$4,152,500	(\$1,900,300)
4. Drinking Water Revolving Fund Match	Gross	\$85,139,200	(\$2,062,500)
Reduces funding for the Drinking Water Revolving Fund.	Federal	71,543,000	0
	Restricted	11,400,000	0
	GF/GP	\$2,196,200	(\$2,062,500)
5. Air Quality: Asbestos and Technical Assistance/Outreach	FTE	N/A	(3.0)
Technical Assistance program for asbestos remediation eliminated.	Gross	N/A	(\$998,000)
	Restricted	N/A	(100,000)
	GF/GP	N/A	(\$898,000)
6. Pollution Prevention Workshops	FTE	5.0	(5.0)
Compliance Assistance Workshop programs eliminated.	Gross	\$897,100	(\$897,100)
	GF/GP	\$897,100	(\$897,100)

ENVIRONMENTAL QUALITY

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		FY 2008-09 YTD (as of 2/12/09)	Enacted Change From YTD
7. On-Site Wastewater Program	Gross	N/A	(\$600,000)
GF/GP funding for on-site wastewater treatment program is reduced.	GF/GP	N/A	(\$600,000)
8. Aquifer Protection Program	Gross	\$400,000	(\$400,000)
Program eliminated: revenue insufficient to support program.	Restricted	400,000	(400,000)
9. Retired Engineers Technical Assistance Program: DELEG	Gross	\$1,474,300	(\$1,474,300)
Program transferred to Department of Energy, Labor and Economic Growth.	Restricted	1,474,300	(1,474,300)
10. Southeast Michigan Diesel Emissions Reduction Grant	Gross	N/A	\$500,000
Grant funding for Wayne County diesel emissions reduction projects, including busses operated by the Detroit Public Schools. Matching funds provided by Marathon Oil Company.	Federal	N/A	200,000
	Private	N/A	300,000
11. Radiological Protection	Gross	\$1,407,100	(\$200,000)
Program funding reduced.	IDG/IDT	742,900	0
	Federal	274,500	0
	GF/GP	\$389,700	(\$200,000)
12. Great Lakes Restoration Initiative	Gross	N/A	\$50,000,000
Federal funding from grant for projects to improve the quality and accelerate cleanup efforts of the Great Lakes.	Federal	N/A	50,000,000
13. Local Health Department Grants	Gross	\$10,472,500	(\$10,472,500)
The IDG from the Department of Community Health is eliminated for local health department grants.	IDG	10,472,500	(10,472,500)
14. Various Program Reductions	Gross	N/A	(\$3,728,200)
Funding reduced for various programs based on available revenue, such as scrap tire grants, water pollution and protection grants, superfund cleanup, and air quality programs.	Federal	N/A	(799,600)
	Restricted	N/A	(1,642,000)
	GF/GP	N/A	(\$1,286,600)
15. Economic Adjustments	Gross	N/A	\$2,852,500
Provides an adjustment to cover the cost of the 1% salary increase to be provided in FY 2009-10.	Federal	N/A	607,000
	Private	N/A	3,200
	Restricted	N/A	1,613,900
	GF/GP	N/A	\$628,400

Major Boilerplate Changes From FY 2008-09

Sec. 226. 4-H Youth Program – VETOED

Requires DEQ to appropriate \$5,000 to the Michigan State University Extension Service - 4-H Youth Programs.

Sec. 230. Muskrat Lake Water Levels – DELETED

Requires the issuance of permits to construct a lake level control structure on Muskrat Lake in Clinton County.

Sec. 230. DEQ Spending Limitation – NEW

Provides that after November 1, 2009, DEQ may not make expenditures from Part 1 unless a notice of intent to spend is provided to the Speaker of the House of Representatives 30 days in advance.

Sec. 231. DEQ Pending Permits – NEW

Any permit application pending after a 2-year period shall be considered administratively complete on January 1, 2010.

Sec. 237(1). Best Available Retrofit Technologies (BART) – NEW

Requires Department to use BART standards in actions taken on air pollution permits.

Sec. 237(2). Best Available Retrofit Technologies (BART) Feasibility Study – VETOED

Requires Department to pay if a feasibility study of BART is required.

Sec. 239. Program Comparisons With Other States – NEW

Requires Department to compare its regulatory programs with similar activities in other Great Lakes States.

ENVIRONMENTAL QUALITY

Major Boilerplate Changes From FY 2008-09

Sec. 240. Permit Program Efficiencies – NEW

Requires Department to study its air permitting program to determine efficiencies; requires report.

Sec. 241. Beverage Container Fraud – NEW

Requires Department to implement 2008 PA 389 concerning reverse vending machines and beverage container standards.

Sec. 301. Wetlands Protection Program Supplemental – NEW

Gives legislative intent to address funding needs for the wetlands regulatory program through supplemental appropriation of restricted use funds if necessary to maintain previous year funding level.

Sec. 304. Restricted Fund Transfer: Cleanup and Redevelopment Trust Fund – NEW

Transfers \$1.0 million from the Cleanup and Redevelopment Trust Fund to the Environmental Protection Fund.

Sec. 305. Restricted Fund Transfer: Community Pollution Prevention Fund – NEW

Transfers \$1.0 million from the Community Pollution Prevention Fund to the Environmental Protection Fund.

Sec. 401. Restricted Fund Transfer: Solid Waste Management Fund – NEW

Transfers \$1.5 million from the Solid Waste Management Fund to the Solid Waste Management Fund Staff Account.

Sec. 501. WMU Geologic Core Research Laboratory – DELETED

States legislative intent that the Office of Geological Survey work with Western Michigan University to maintain the Michigan basin core research laboratory and to collaborate on other cooperative projects.

Sec. 702. Peer-Reviewed Site Cleanup Criteria – DELETED

Directs DEQ to include cleanup criteria in remedial action plans derived from peer-reviewed risk assessments.

Sec. 703. Refined Petroleum Cleanup Site List – DELETED

Lists cleanup projects funded through the refined petroleum cleanup program.

Sec. 801. Construction Permit Site Review Board – DELETED

States legislative intent that approval by the Site Review Board represents the final approval for construction permit applications referred by DEQ.

Sec. 902. Contaminated Lake and River Sediments Cleanup Funding – DELETED

Re-appropriates Clean Michigan Initiative funding for the Contaminated Lake and River Sediments Cleanup program.

Sec. 903. Michigan Agriculture Environmental Assurance Program – DELETED

States legislative intent that DEQ and Department of Agriculture should proportionally reduce their programs if federal funding is less than that received in FY 2007-08.

Sec. 1103. Real-Time Water Quality Monitoring – DELETED

Provides grant to Macomb County and St. Clair County to support real-time water quality monitoring programs in the St. Clair watershed.

NATURAL RESOURCES
Summary of FY 2009-10 Enacted Appropriations
2009 Public Act 118 (House Bill 4446)

Analyst: Viola Bay Wild

	FY 2008-09 YTD as of 2/12/09	FY 2009-10 Executive	FY 2009-10 House	FY 2009-10 Senate	FY 2009-10 Enacted	Difference: Enacted From FY 2008-09 YTD	
						Amount	%
IDG/IDT	\$3,802,200	\$3,802,200	\$3,802,200	\$3,802,200	\$3,802,200	0	0.0
Federal	51,702,100	57,270,300	54,763,700	54,763,700	72,852,500	21,150,400	40.9
Local	0	0	0	0	0	0	0.0
Private	4,745,000	5,381,100	5,268,500	5,268,500	5,381,100	636,100	13.4
Restricted	221,103,600	216,273,700	214,578,000	214,449,000	216,528,800	(4,574,800)	(2.1)
GF/GP	10,464,800	18,445,700	9,551,300	9,560,600	16,998,900	6,534,100	62.4
Gross	\$291,817,700	\$301,173,000	\$287,963,700	\$287,844,000	\$315,563,500	\$23,745,800	8.1
FTEs	2,173.9	2,170.9	2,114.9	2,111.9	2,215.9	42.0	1.9

Note: FY 2008-09 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2009-10 Executive Budget on February 12.

Overview

The Department of Natural Resources (DNR) manages, conserves, and protects Michigan's resources. Programs include forest management, land and minerals management, wildlife and fisheries management, conservation law enforcement, and state parks and forest campgrounds.

Major Budget Changes From FY 2008-09 YTD Appropriations		FY 2008-09 YTD Enacted (as of 2/12/09)	Change From YTD)
1. Consolidation of DNR and DEQ Savings – VETOED	Gross	N/A	(\$0)
The Departments of Natural Resources and Environmental Quality are to be merged. Before veto, administrative savings of \$350,000 were to be implemented by legislative transfers; contingent upon issuance and legislative acceptance of a facilitating executive order.	GF/GP	N/A	(\$0)
2. Historic and Museum Programs: Transferred from DHAL	FTE	N/A	101.0
Historical programs are transferred from the DHAL with additional GF/GP reductions taken. Funding includes:	Gross	N/A	\$10,480,500
Mackinac Island State Park..... \$3.4 million	Federal	N/A	100
State Museum..... \$3.1 million	Private	N/A	112,600
Archives..... \$0.7 million	Restricted	N/A	3,030,700
Museum Stores..... \$0.5 million	GF/GP	N/A	\$7,337,100
Heritage Publications..... \$0.7 million			
Freedom Trail..... \$0.03 million			
Thunder Bay Underwater Preserve..... \$0.2 million			
Mann House..... \$0.1 million			
State Rent (BOC)..... \$1.3 million			
Information Technology..... \$0.5 million			
3. Game and Fish Protection Fund Program Reductions	FTE	N/A	(54.0)
Several programs reduced to reflect expected revenue shortfalls in the Game and Fish Protection Fund-General Purpose. 36.0 FTEs were eliminated in law enforcement division; 16.0 FTEs were eliminated in fisheries programs.	Gross	N/A	(\$8,964,200)
	Restricted	N/A	(8,964,200)
4. Baseline and Full-Year FY 2008-09 Executive Order Reductions	Gross	N/A	(\$693,300)
GF/GP supported program FY 2008-09 reductions from Executive Orders are continued. Reductions include Cooperative Resource Programs (\$101,100) and Forest Recreation (\$100,000).	GF/GP	N/A	(\$693,300)

NATURAL RESOURCES

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		FY 2008-09 YTD Enacted Change (as of 2/12/09)	From YTD)
5. National Recreational Trails Grants	Gross	\$2,150,000	\$1,800,000
Michigan share for this grant for trail development and maintenance is increased; funds awarded through competitive process.	Private	50,000	0
	Federal	2,100,000	1,800,000
6. State Parks Funding: Park Endowment Fund Increase	Gross	\$44,654,200	\$1,000,000
Funding from the State Parks Endowment Fund is increased to make up for deficient revenues from motor vehicle permits and user fees.	Federal	120,300	0
	Private	363,900	0
	Restricted	44,170,000	1,000,000
7. State Forest Management	Gross	\$15,423,900	\$750,000
Revenue increases, generated during FY 2007-08 through timber harvest activities, are added to the forest management program.	Federal	922,600	0
	Private	822,800	0
	Restricted	13,678,500	750,000
8. Snowmobile Trail Easements	Gross	\$0	\$700,000
Funding from the recently approved fee increase will fund the purchase or lease of easements to lengthen or create snowmobile trails.	Restricted	0	700,000
9. Capital Outlay	Gross	\$14,193,000	\$2,798,200
Funding for FY 2009-10 would support state park, forestry, waterways construction and infrastructure projects. State Park Endowment Fund support replaces Park Improvement revenue (\$2.0 million).	Federal	1,293,000	3,774,100
	Private	1,500,000	500,000
	Restricted	11,400,000	(1,475,900)
10. Great Lakes Restoration Initiative	Gross	\$0	\$15,000,000
Federal funding from grant for projects to improve the quality and accelerate cleanup efforts of the Great Lakes.	Federal	0	15,000,000
11. Cormorant Control Program – VETOED	Gross	\$0	\$0
Funding of \$75,000 GF/GP was appropriated for a cormorant population control program; funding was vetoed.	GF/GP	\$0	\$0
12. Economic Adjustments	Gross	N/A	\$4,150,100
Provides an adjustment to cover the cost of the 1% salary increase to be provided in FY 2009-10.	Federal	N/A	528,800
	Private	N/A	23,500
	Restricted	N/A	3,393,100
	GF/GP	N/A	\$204,700

Major Boilerplate Changes From FY 2008-09

Sec. 223. (Current Law) DNR Funding Workgroup – DELETED

States legislative intent to implement recommendations of the work group on department long-term funding.

Sec. 226. (Current Law) Muskrat Lake Water Control – DELETED

Requires report on the status of permit applications and efforts to maintain water levels of Muskrat Lake in Clinton County.

Sec. 603. (Current Law) Fish Hatchery Operations – DELETED

Requires that DNR operate six fish hatcheries.

Sec. 802. Bovine TB Eradication Efforts – REVISED

Requires semi-annual reports on enforcement actions taken to eradicate bovine TB, relevant scientific studies and the number of deer found to be infected (formerly Section 502).

Sec. 902. Island Lake Shooting Range Concession Contract – DELETED

Requires public notice of the expiration date or adoption of amendments to the concession contract to operate the Island Lake Shooting Range.

Sec. 1002. State Park Campground Closures – REVISED

Requires notice if DNR intends to reduce operations or reduce recreation opportunities at any state park or recreation area (formerly Section 702).

Major Boilerplate Changes From FY 2008-09

Sec. 1203. Timber Marking – REVISED

Directs DNR, subject to forest certification process, to mark for harvest, 58,000 acres at an average rate of 12.5 to 15.0 cords per acre; be responsive to changes in regional markets for timber products; impact of timber harvest on wildlife habitat and recreation uses to be considered; requires quarterly report (formerly Section 804).

Sec. 1204. Jordan River Snowmobile Trail – VETOED

Requires DNR to allow access across state-owned land to connect Jordan River Trail to the Village of Bellaire.

Sec. 1207. Timber Sale Bidding Process – NEW

Requires DNR to work with stakeholders to review bidding process and implement needed changes; requires report.

Sec. 1601. Federal Historic Preservation Grants: Work Project Designation – NEW

Provides work project status to federal grants for local historic preservation projects.

Sec. 1602. Michigan Heritage Fund – NEW

Revenues collected through the Michigan Heritage Fund are appropriated, and available for expenditure upon receipt.

Sec. 1603. Museum Store Revolving Fund – NEW

Contract expenditures for the Museum Store are exempt from the Management and Budget Act.

Sec. 1604. Freedom Trail Funding – NEW

Requires \$25,000 funding for historical administration and services be appropriated for the Freedom Trail Commission.

Sec. 1605. Proceeds From Artifact Auctions, Sales, or Transfers – NEW

Funds received through the excess of unneeded artifacts by the Historical Museum are appropriated to the DNR for the purpose of obtaining other items desired for the historical collection of the State Historical Museum.

Sec. 1701. Consolidation Savings – VETOED

Provides that the negative appropriation for savings realized from creating a single department from DEQ and DNR shall be satisfied through elimination of duplicative administration, space consolidation and other efficiencies.

**FY 2009-10
Budget Detail
for**

SAFETY AND DEFENSE

**Military and Veterans Affairs
State Police**

**MILITARY AND VETERANS AFFAIRS
Summary of FY 2009-10 Enacted Appropriations
2009 Public Act 112 (Senate Bill 250)**

Analyst: Jan Wisniewski

	FY 2008-09 YTD as of 2/12/09	FY 2009-10 Executive	FY 2009-10 Senate	FY 2009-10 House	FY 2009-10 Enacted	Difference: Enacted from FY 2008-09 YTD	
						Amount	%
IDG/IDT	\$1,681,200	\$1,686,500	\$1,686,500	\$1,686,500	\$1,686,500	\$5,300	0.3
Federal	109,988,200	77,347,300	77,347,300	77,347,300	77,347,300	(32,640,900)	(29.7)
Local	1,284,600	1,295,100	1,295,100	1,295,100	1,295,100	10,500	0.8
Private	1,463,700	1,471,200	1,471,200	1,471,200	1,471,200	7,500	0.5
Restricted	29,470,100	27,924,200	27,924,200	27,924,200	27,924,200	(1,545,900)	(5.2)
GF/GP	39,707,500	39,487,200	39,087,200	35,910,100	36,425,500	(3,282,000)	(8.3)
Gross	\$183,595,300	\$149,211,500	\$148,811,500	\$145,634,400	\$146,149,800	(\$37,445,500)	(20.4)
FTEs	992.0	992.0	992.0	992.0	992.0	0.0	0.0

Note: FY 2008-09 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2009-10 Executive Budget on February 12.

Overview

The Department of Military and Veterans Affairs is responsible for the training and administration of Army and Air National Guard forces, providing combat-ready military forces during times of national emergency, and performing civil relief operations under the command of the Governor during state emergencies. The Department's budget includes administrative and maintenance costs associated with these responsibilities as well as National Guard-related programs such as the Challenge Program. The Department has oversight over the following veterans-related programs: state-licensed nursing care at veterans homes in Grand Rapids and Marquette, grant funding to veterans service organizations, and the Michigan Veterans Trust Fund.

Major Budget Changes From FY 2008-09 YTD Appropriations	FY 2008-09 YTD Enacted Change	
	(as of 2/12/09)	From YTD
1. Capital Outlay Projects Reduction	Gross	\$53,400,000 (\$38,400,000)
Removes funding for various capital outlay projects that were included in the Department's FY2008-09 budget. The remaining federal funding is for special maintenance, remodeling, and additions.	Federal	52,450,000 (37,450,000)
	Restricted	500,000 (500,000)
	GF/GP	\$450,000 (\$450,000)
	Gross	\$3,317,500 \$190,300
2. Military Retirement Cost-of-Living Increase	Gross	\$3,317,500 \$190,300
Provides \$190,300 GF/GP for federally-mandated cost-of-living increase.	GF/GP	\$3,317,500 \$190,300
3. War Veteran's Memorial Rehabilitation – REMOVE	Gross	\$5,000 (\$5,000)
Removes line in Headquarters and Armories unit to fund one-time rehabilitation of War Veteran's Memorial on the state fairgrounds in Detroit.	GF/GP	\$5,000 (\$5,000)
4. Headquarters and Armories	Gross	\$10,532,900 \$470,800
Increases \$500,000 in federal revenue for communications and personnel costs and decreases \$29,200 GF/GP for administrative efficiencies.	Federal	3,842,700 500,000
	Restricted	350,000 0
	GF/GP	\$6,340,200 (\$29,200)
	Gross	\$10,532,900 \$470,800

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		FY 2008-09 YTD Enacted	Change
		(as of 2/12/09)	From YTD)
5. Military Training Sites and Support Facilities	Gross	\$24,728,200	(\$273,300)
Increases \$2.0 million in federal revenue for various maintenance and support projects; decreases \$1.5 million in restricted funds by removing the Regional Training Institute Fund, which was the Department's fund for collecting rental fees for use of the Regional Training Institute in Battle Creek. Federal funds will now be used in place of these rental fees for maintenance of the Regional Training Institute. Decreases \$750,000 GF/GP for the elimination of the National Guard Education Assistance Program. National Guard members may qualify for additional federal assistance from the G.I. Bill to cover more of their educational costs. Decrease \$19,300 GF/GP for administrative efficiencies.	Federal	20,801,000	2,000,000
	Restricted	1,504,000	(1,504,000)
	GF/GP	\$2,423,200	(\$769,300)
6. Starbase Program	Gross	\$1,772,000	\$550,000
Increases \$550,000 in federal funds for operations of the Department's Starbase programs at Selfridge Air National Guard Base and Fort Custer. The Starbase Program encourages participation in math, science, and technology for fifth and sixth grade students.	Federal	\$1,772,000	\$550,000
7. Economic Adjustments	Gross	NA	\$1,873,300
Provides funds for economic adjustments; includes economic adjustments for information technology.	IDG	NA	5,300
	Federal	NA	876,700
	Private	NA	7,500
	Local	NA	10,500
	Restricted	NA	438,700
	GF/GP	NA	\$534,600
8. Grand Rapids Veterans' Home	Gross	\$49,055,700	(\$100,000)
Increases \$850,000 in federal Medicare funds and also decreases \$950,000 GF/GP for anticipated expanded federal funding that will cover more of the cost of care of some veterans at the home.	Federal	18,486,200	850,000
	Restricted	14,985,200	0
	GF/GP	\$15,584,300	(\$950,000)
9. D.J. Jacobetti Veterans' Home	Gross	\$15,809,400	(\$250,000)
Increases \$50,000 in federal Medicare funds and also decreases \$300,000 GF/GP for anticipated expanded federal funding that will cover more of the cost of care of some veterans at the home.	Federal	5,296,900	50,000
	Restricted	5,776,300	0
	GF/GP	\$4,736,200	(\$300,000)
10. Veterans Service Organizations (VSOs)	Gross	\$3,029,600	(\$1,100,000)
Provides six months of funding for the individual VSOs; the remaining funds will be distributed to the VSOs on a special grant basis determined by the Department.	GF/GP	\$3,029,600	(\$1,100,000)
11. Information Technology	Gross	\$1,160,400	(\$52,600)
Increases \$70,900 for software upgrades, decreases \$400 in restricted funds for an information technology reduction, and decreases \$100,000 GF/GP for administrative reductions.	Federal	435,500	18,000
	Restricted	328,200	13,000
	GF/GP	\$396,700	(\$83,600)

Major Boilerplate Changes From FY 2008-09

Sec. 203. Definitions/Acronyms – NEW

Adds subsections (j), (k), (l), and (m) defining VSOs.

Sec. 212. Michigan National Guard Education Assistance Program – DELETED

Eliminates this entire section allowing funding to be used for a National Guard Education Assistance Program.

Sec. 233. GF/GP Lapse Estimates – NEW

Provides a report by the Department for GF/GP lapse estimates at the close of the fiscal year.

Sec. 234. Unused GF/GP – NEW

Requires any lapsed GF/GP funds to be transferred to the Special Maintenance - State line item for repairing and maintaining armories.

MILITARY AND VETERANS AFFAIRS

Sec. 235. Partnerships With Armed Forces Reserve Units – NEW

Requires increased partnerships with reserve units concerning the use of facilities and other activities.

Sec. 501. Veterans Service Organizations – MODIFIED

Provides additional provisions for the VSOs and directs the department to distribute grant funding for the second half of the year on a specialized basis.

Sec. 606. Grand Rapids Veterans' Home Feasibility Study – NEW

Requires the department to prepare a feasibility study for increasing operational efficiencies.

STATE POLICE

Summary of FY 2009-10 Enacted Appropriations

2009 Public Act 133 (Senate Bill 253)

Analyst: Jan Wisniewski

	FY 2008-09 YTD as of 2/12/09	FY 2009-10 Executive	FY 2009-10 Senate	FY 2009-10 House	FY 2009-10 Enacted	Difference: Enacted from FY 2008-09 YTD	
						Amount	%
IDG/IDT	\$26,321,900	\$26,108,400	\$31,866,800	\$26,108,400	\$26,108,400	(\$213,500)	(0.8)
Federal	94,733,400	93,839,000	101,839,000	96,539,000	93,839,000	(894,400)	(0.9)
Local	8,522,200	8,545,500	8,545,600	8,545,700	8,545,500	23,300	0.3
Private	263,600	273,300	273,300	273,300	273,300	9,700	3.7
Restricted	116,825,400	131,287,300	130,677,300	129,287,300	131,287,300	14,461,900	12.4
GF/GP	284,921,600	278,474,500	267,259,200	267,259,200	267,259,200	(17,662,400)	(6.2)
Gross	\$531,588,100	\$538,528,000	\$540,461,200	\$528,012,900	\$527,312,700	(\$4,275,400)	(0.8)
FTEs	2,927.0	2,862.0	2,876.0	2,832.5	2,868.0	(59.0)	(2.0)

Note: FY 2008-09 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2009-10 Executive Budget on February 12.

Overview

The Department of State Police provides a wide range of law enforcement services—including highway patrol, criminal investigations, forensic sciences, motor carrier enforcement, emergency management, highway safety planning, fire investigation, criminal justice data processing, and various specialized law enforcement services. The Department's responsibilities also include oversight of law enforcement standards in the state through the Michigan Commission on Law Enforcement Standards (MCOLES) and administration of several law enforcement-related grant programs.

Major Budget Changes From FY 2008-09 YTD Appropriations		FY 2008-09 YTD (as of 2/12/09)	Enacted Change From YTD
1. Various Administrative Reductions	Gross	N/A	(\$3,960,500)
Decreases GF/GP in the following lines as administrative reductions: Management Services - (\$1.8 million); Training Administration - (\$100,000); Budget and Financial Services - (\$150,000); Emergency Management Planning and Administration - (\$300,000); Operational Support - (\$600,000); Criminal Investigations - (\$1.0 million). These reductions may call for employee layoffs.	GF/GP	N/A	(\$3,960,500)
2. MCOLES Executive Director Position Elimination	Gross	\$160,300	(\$160,300)
Decreases funding for the MCOLES executive director's salary and benefits by \$160,300 GF/GP and eliminates this unclassified position. MCOLES may still hire an executive director paid with other funding sources.	GF/GP	\$160,300	(\$160,300)
3. Standards and Training/Justice Training Grants	Gross	N/A	(\$500,000)
Combines the Standards and Training line and the Justice Training Grants line into one new line and decreases \$500,000 GF/GP for administrative efficiencies.	GF/GP	N/A	(500,000)
4. At-Post Troopers	Gross	\$138,540,300	\$5,263,600
Increases \$5.3 million GF/GP to restore approximately 55 troopers that were laid off on June 28, 2009 due to Executive Order 2009-22.	Restricted	44,861,300	0
	GF/GP	\$93,679,000	\$5,263,600
5. Laboratory Operations - Detroit Crime Lab	FTEs	N/A	28.0
Increases 28.0 FTEs, \$4.2 million GF/GP, and \$6.3 million Gross for hiring additional scientists and assuming responsibility for the Detroit Crime Lab. Conference Committee inserted a new line titled Detroit Laboratory funded with \$100 GF/GP as a placeholder if any additional funding may become available.	Gross	N/A	\$6,317,200
	Restricted	N/A	2,084,500
	GF/GP	N/A	\$4,232,700

STATE POLICE

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>	<u>FY 2008-09 YTD</u>	<u>Enacted Change</u>
	<u>(as of 2/12/09)</u>	<u>From YTD</u>
6. <i>Laboratory Operations - Marquette Lab</i>	FTEs	N/A (2.0)
Decreases 2.0 FTEs and \$360,000 GF/GP and Gross for closing the Marquette Lab due to the unavailability of economically priced facilities. The five scientists employed at the lab will be transferred to other labs in the state and two civilian positions will be eliminated or transferred to vacant positions. Conference Committee added a new line titled Marquette Laboratory with \$100 GF/GP as a placeholder if any additional funding becomes available to relocate to another facility or to build a new lab.	Gross	N/A (\$360,000)
	GF/GP	N/A (\$360,000)
7. <i>Laboratory Operations - Various Fund Shifts</i>	Gross	N/A \$199,900
Shifts \$9.3 million in restricted State Services Fee Fund revenue from the Department of Agriculture to the State Police Laboratory Operations line and replaces the same amount of GF/GP; removes \$1.9 million of State Services Fee Fund revenue that was added in the FY 2008-09 budget target agreements and replaces with the same amount of GF/GP; transfers \$200,000 GF/GP and eliminates the City of Detroit Laboratory line that was added in the FY 2008-09 budget to pay for a biologist and quality assurance manager; replaces \$319,400 GF/GP with the same amount of restricted Criminal Justice Information Service Fees.	Restricted	N/A 7,702,400
	GF/GP	N/A (\$7,502,500)
8. <i>Federal and Restricted Funds Authorization - Various Decreases</i>	Gross	N/A (\$4,927,100)
Reflects anticipated revenues and expenditures by decreasing \$2.1 million in Federal Department of Justice funds, decreasing \$2.7 million in restricted Auto Theft Prevention Fund revenues, and decreasing \$126,300 in restricted Michigan Justice Training Fund revenues.	Federal	N/A (2,056,700)
	Restricted	N/A (2,870,400)
9. <i>Various GF/GP Fund Shifts</i>	Gross	N/A \$0
Replaces \$5.0 million GF/GP with restricted funds for the Michigan Public Safety Communications System, which will also require a statutory change to release the restricted funds; replaces \$1.8 million GF/GP with restricted funds in the At-Post Troopers line for sex offender sweeps and Hometown Security Team costs; replaces \$855,600 GF/GP with restricted funds for programmer costs in the Information Technology Services and Projects line; replaces \$208,700 GF/GP with restricted funds for new project costs in the Management Services line.	Restricted	N/A 7,824,600
	GF/GP	N/A (\$7,824,600)
10. <i>Trooper Attrition and Overtime Cost Reductions</i>	FTEs	66.0 (66.0)
Decreases 66.0 FTEs and \$3.4 million GF/GP and Gross for attrition due to retiring troopers in the Deferred Retirement Option Plan (DROP); decreases \$2.3 million GF/GP and Gross for reducing trooper and specialty teams overtime costs. The Department would require supplemental appropriations for overtime costs associated with responding to emergencies or other situations where troopers would be needed.	Gross	\$5,727,400 (\$5,727,400)
	GF/GP	\$5,727,400 (\$5,727,400)
11. <i>Capitol Security Guards</i>	FTEs	14.0 (7.0)
Maintains 7.0 FTEs and \$518,000 GF/GP for security guards only at the Capitol Building.	Gross	\$1,086,100 (\$568,100)
	IDG	641,300 (641,300)
	GF/GP	\$444,800 \$73,200
12. <i>Post Lease and Contractual Services Reductions</i>	Gross	\$1,200,000 (\$1,200,000)
Decreases \$1.2 million GF/GP for negotiating less costly leases at posts and satellite offices and for contractual services, supplies, and materials reductions.	GF/GP	\$1,200,000 (\$1,200,000)

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>	<u>FY 2008-09 YTD</u> <u>(as of 2/12/09)</u>	<u>Enacted Change</u> <u>From YTD</u>
13. Other Staff Transfers and Reductions	FTEs	N/A (10.0)
Transfers 3.0 FTEs (carpenters) and \$282,700 GF/GP and Gross to the Department of Management and Budget facilities; eliminates 3.0 FTEs (vacant positions) and \$250,000 GF/GP and Gross in Michigan Commission on Law Enforcement Standards administration; eliminates 2.0 FTEs (vacant enlisted command positions) and \$278,000 GF/GP and Gross in the Training Administration and Uniform Services lines; eliminates 6.0 FTEs and \$500,000 GF/GP and Gross in various programs yet to be determined.	Gross	N/A (\$1,310,700)
	GF/GP	N/A (\$1,310,700)
14. Economic Adjustments	Gross	N/A \$14,766,100
Increases funding for employee economic adjustments and includes \$409,100 GF/GP for building occupancy charges at the new headquarters building to provide only one month of rent for the headquarters building.	IDG	N/A 644,900
	Federal	N/A 686,400
	Local	N/A 67,100
	Private	N/A 9,700
	Restricted	N/A 722,900
	GF/GP	N/A \$12,635,100

Major Boilerplate Changes From FY 2008-09

Sec. 227. Transporting Government Personnel on State Aircraft – DELETED

Deletes prohibiting the transporting of employees of higher education institutions, legislators and legislative staff, and local government employees on state-owned aircraft except for law enforcement or homeland security purposes.

Sec. 230. Payment to Michigan State Police Troopers Association – DELETED

Deletes requirement to use FY 2007-08 unexpended funds for a \$400,000 payment to the Michigan State Police Troopers Association.

Sec. 233. Law Enforcement Resource Study – DELETED

Deletes requirement for the completion of a law enforcement resource study.

Sec. 236. Policy Change Report – DELETED

Deletes requirement for reporting to appropriations subcommittees and the fiscal agencies concerning departmental policy changes to implement a public act affecting the Department.

Sec. 237. Maintaining Operations of State Police Posts – DELETED

Deletes requirement for the Department to maintain the operations of all posts in operation as of April 2, 2007.

Sec. 241. Trooper Recruit Schools For Certified Police Officers – DELETED

Deletes directing the Department to continue creating a plan for operating smaller trooper recruit schools on an annual or biannual basis consisting of recruits that are certified law enforcement officers.

Sec. 242. GF/GP Lapse Report – NEW

Adds new language requiring an end-of-year GF/GP lapse report by the Department.

Sec. 245. LEIN System/DHS Bridges System Coordination – NEW

Adds new language requiring coordination between the LEIN system and the Bridges case management system in DHS.

Sec. 253. Transparency of Funds Expended – NEW

Adds new language requiring the posting of expenditures on a publicly accessible website.

Sec. 254. FTE Report – NEW

Adds new language requiring the department to submit a bimonthly report to the appropriations subcommittees and the fiscal agencies concerning the number of FTEs in pay status by Civil Service classification.

Sec. 255. State Lease Contracts – NEW

Adds new language providing legislative intent for the state to honor its lease contracts to uphold credit ratings and credibility with business relationships.

Sec. 256. New Headquarters Acquisition – NEW

Adds new language allowing the state to purchase the new State Police headquarters building.

STATE POLICE

Major Boilerplate Changes From FY 2008-09

Sec. 310. MPSCS Expansion For More Local Users – NEW

Adds new language providing legislative intent for expansion of the MPSCS to allow more local users on the system.

Sec. 503. Detroit Laboratory Appropriation – DELETED

Deletes appropriating \$200,000 to the Detroit Laboratory for hiring a biologist and a quality control officer.

Sec. 504. State Forensic Laboratory Fund/State Services Fee Fund Transfer – DELETED

Deletes appropriating \$1.9 million from the State Services Fee Fund to the State Forensic Laboratory Fund for State Police laboratory operations.

Sec. 603. Mental Health Awareness Training – MODIFIED

Modifies language to include mental health practitioners and other criminal justice personnel for mental health awareness training.

Sec. 902. Security Guards – NEW

Adds new language requiring the expenditure of security services only for the Capitol Building.

**FY 2009-10
Budget Detail
for
ALL OTHERS**

**Energy, Labor and Economic Growth
Judiciary
Transportation**

**ENERGY, LABOR AND ECONOMIC GROWTH
Summary of FY2009-10 Enacted Appropriations
2009 Public Act 130 (Senate Bill 243)**

Analyst: Mark Wolf

	FY 2008-09 YTD as of 2/12/09	FY 2009-10 Executive	FY 2009-10 Senate	FY 2009-10 House	FY 2009-10 Enacted	Difference: Enacted From FY 2008-09 YTD	
						Amount	%
IDG/IDT	\$30,774,200	\$29,117,100	\$29,117,100	\$29,117,100	\$29,465,100	(\$1,309,100)	(4.3)
Federal	874,942,400	918,286,200	917,336,200	916,466,300	917,911,200	42,968,800	4.9
Local	15,889,200	15,921,000	15,921,000	15,921,000	15,921,000	31,800	0.2
Private	5,314,300	5,314,300	5,314,300	5,214,400	5,314,300	0	0.0
Restricted	402,614,000	400,154,500	399,803,500	400,199,000	400,221,500	(2,392,500)	(0.6)
GF/GP	72,704,200	75,944,400	65,430,700	45,756,800	54,784,100	(17,920,100)	(24.6)
Gross	\$1,402,238,300	\$1,444,737,500	\$1,432,922,800	\$1,412,674,600	\$1,423,617,200	\$21,378,900	1.5
FTEs	4,383.5	4,737.0	4,705.0	4,704.0	4,739.0	355.5	8.1

Note: FY 2008-09 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2009-10 Executive Budget on February 12.

Overview

The Department of Energy, Labor and Economic Growth has primary responsibility for the regulatory functions that relate specifically to commercial, business, and workers' issues. Executive Order 2008-20 transferred certain energy-related functions from the Department of Environmental Quality in order to consolidate energy programs within the department.

Major Budget Changes From FY 2008-09 YTD Appropriations		FY 2008-09 YTD (as of 2/12/09)	Enacted Change From YTD
1. Housing and Community Development Fund – VETOED	Gross	\$2,163,400	(\$2,163,400)
Provides \$59,000, which was vetoed by the Governor. The FY 2009 enacted appropriation of \$2.2 million, was eliminated with EO 2009-22.	GF/GP	\$2,163,400	(\$2,163,400)
2. Agricultural Economic Development – VETOED	Gross	N/A	N/A
Provides \$300,000 GF/GP to the Department of Agriculture through an interdepartmental grant, which was vetoed by the Governor. This funding was also vetoed in the Agriculture budget (SB 237).	GF/GP	N/A	N/A
3. Michigan Nursing Corps	Gross	\$5,000,000	(\$4,700,000)
Reduced funding to \$300,000. The FY 2008-09 enacted level of \$5.0 million was reduced by EO 2009-22, which included a reduction of \$454,400 (the unobligated balance after awards were made).	GF/GP	\$5,000,000	(\$4,700,000)
4. Bureau of Fire Services	Gross	\$6,474,700	(\$422,000)
Aligned GF/GP support with actual expenditures following EO 2009-22, annualized EO 2008-21, provided economics increases, and combined the separate line items for the Firefighter Training Council, Fire Marshal, and Fire Safety Program into one item for the entire Bureau.	IDG	809,800	0
	Federal	788,000	0
	Restricted	1,816,700	38,200
	GF/GP	\$3,060,200	(\$460,200)
5. METRO Authority	Gross	\$560,500	(\$235,500)
Moved the METRO Authority to the Public Service Commission, aligned the spending authorization with actual expenditures, and kept it as a separate line from the MPSC unit. Previously, the authority was funded with LPRF under the Executive Director Programs line item, rather than the METRO Authority line.	Restricted	560,500	(235,500)
6. Welfare to Work	Gross	\$107,733,600	(\$400,000)
Reduced funding by \$400,000 GF/GP. The line item supports the workforce development activities (employment and training services) for individuals receiving public assistance.	Federal	89,299,000	0
	GF/GP	18,434,600	(\$400,000)

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>	FY 2008-09 YTD (as of 2/12/09)	Enacted Change From YTD	
7. Centers for Independent Living	Gross	\$3,579,700	(\$250,000)
Provides \$3.3 million (Gross) to the 15 Centers for Independent Living (CILs) in the state. With EO 2009-22, funding was reduced by \$500,000 GF/GP to \$3.1 million Gross (\$1.6 million GF/GP). (An additional \$290,700 in Recovery Act funds was appropriated under 2009 PA 7.)	Federal	870,200	0
	Private	100,000	0
	Restricted	500,000	(500,000)
	GF/GP	\$2,109,500	\$250,000
8. Office of Administrative Hearings and Rules	FTEs	170.5	7.5
Added 11.0 FTE positions and \$1.3 million (IDG-DHS) to support increased hearing caseloads from the Department of Human Services; transferred 3.0 FTE positions and \$263,600 (Licensing and Regulation Fees) to the Bureau of Commercial Services, aligned funding and FTE positions with support and activities from Education, and Human Services; adjusted for economics; and retained authorization for 2.0 FTEs and \$348,000 IDG for administrative hearings for the Department of Corrections. (Funds would still have to be made available through the Corrections budget for expenditures to be made. The items here are just authorization.)	Gross	\$23,051,200	\$1,629,700
	IDG	11,254,200	1,656,100
	Federal	6,978,800	140,200
	Restricted	4,818,200	(166,600)
9. HAL - Historic Preservation, Archaeology, Cultural Development	FTEs	N/A	23.0
Included funding for HAL programs transferred to the Michigan State Housing Development Authority (MSHDA) under EO 2009-36. The programs are supported by MSHDA Fees and Charges, rather than GF/GP under the Executive Recommendation, as well as federal funds for historic preservation and the Michigan Lighthouse Preservation Fund.	Gross	N/A	\$2,559,500
	Federal	N/A	950,000
	Restricted	N/A	1,609,500
	GF/GP	N/A	\$0
10. Library Services for the Blind and Physically Handicapped	FTEs	N/A	11.0
Included library services for the blind and physically handicapped within the Michigan Commission for the Blind. These programs were transferred to the MCB from HAL, as part of EO 2009-36. These programs were not included within the DELEG budget at the time of the initial Executive Recommendation in February.	Gross	N/A	\$1,150,300
	GF/GP	N/A	\$1,150,300
11. Subregional State Aid to Libraries	Gross	N/A	\$451,800
Provided \$451,800 GF/GP for state aid to regional and subregional libraries for services to the blind and physically handicapped. This line is a separate line item within the Grants appropriations unit. The FY 2009 Enacted level (in the HAL budget) was \$505,000, which was reduced by \$20,200 under EO 2009-22.	GF/GP	N/A	\$451,800
12. Focus: HOPE	Gross	\$5,860,200	\$0
Eliminated GF/GP support for Focus: HOPE, but offsets it with additional Workforce Investment Act funds. Funds are rolled into the Workforce Program Subgrantees line, but allocated to Focus: HOPE through boilerplate Section 816.	Federal	5,000,000	860,200
	GF/GP	\$860,200	(\$860,200)
13. No Worker Left Behind GF/GP	Gross	\$15,000,000	(\$10,500,000)
Reduced funding to \$4.5 million GF/GP. The enacted funding level of \$15.0 million was reduced by \$7.8 million GF/GP under EO 2009-22 (to \$7.2 million) through the elimination of NWLB funding for community colleges (\$2.5 million), which had not been awarded at the time, and a \$5.3 million reduction for training. Total funding for the program is about \$130.0 million, all of which, except for the GF/GP appropriation, is from federal funds.	GF/GP	\$15,000,000	(\$10,500,000)
14. Michigan Tax Tribunal	FTEs	15.0	0.0
Increased spending authorization from the Tax Tribunal Fund, reflecting increased available revenue through the proposed changes in the MTT fee schedule under administrative rule set 2006-069 LG, offsetting \$631,800 in corporation and securities fees, which support the tribunal. The act also includes increases for economics and additional resources to work through the backlog of cases.	Gross	\$2,028,300	\$761,700
	Restricted	2,028,300	761,700

ENERGY, LABOR AND ECONOMIC GROWTH

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		<u>FY 2008-09 YTD (as of 2/12/09)</u>	<u>Enacted Change From YTD</u>
15. Workers' Compensation Agency	Gross	\$14,972,300	(\$1,580,800)
Replaced \$300,000 GF/GP with the Workers' Compensation Administrative Revolving Funds; adjusts for economics, and made additional cuts of \$1.6 million Gross (\$0.6 million GF/GP).	Restricted	6,574,000	(690,900)
	GF/GP	\$8,398,300	(\$889,900)
16. Office of Financial and Insurance Regulation	FTEs	348.0	1.0
Added 1.0 FTE position and \$59,900 (Securities Fees) to implement increased responsibilities of 2008 PA 551 (updated Uniform Securities Act).	Gross	\$52,670,200	\$59,900
	Federal	50,400	0
	Restricted	52,619,800	59,900
17. Information Technology	Gross	\$42,853,200	\$2,452,000
Increased funding (\$618,900) to provide DELEG's share of the costs for the Michigan Business Services improvement initiative (MBSii) - a one-stop web portal designed to improve the business-state interface as it relates to starting and operating a business in the state; added \$655,600 for Microsoft license upgrades; included \$101,000 in efficiencies; and included \$261,700 GF/GP for HAL programs transferred to MSHDA and the MCB. IT services for HAL programs transferred to the Michigan State Housing Development Authority (MSHDA) were funded with restricted funds, rather than GF/GP.	Federal	27,479,400	1,081,000
	Restricted	15,373,800	1,267,300
	GF/GP	\$0	\$103,700
18. Energy Program Consolidation (EO 2008-20)	FTEs	N/A	1.0
Added 1.0 FTE position and \$1.9 million (Retired Engineers Technical Assistance Program Fund) for the consolidation of energy programs, transferred from the Department of Environmental Quality, within DELEG.	Gross	N/A	\$1,957,200
	Restricted	N/A	1,957,200
	GF/GP	N/A	\$0
19. Unemployment Insurance Agency	FTEs	1,002.7	300.0
Added 300.0 FTE positions and \$18.0 million (Federal) to respond to the increased number of unemployment insurance benefit claims. Also recognized \$4.6 million (Federal) for postage costs, which were previously paid directly by the U.S. Department of Labor, but are now provided to states (including UIA) to pay postage costs. (Employees were already hired in FY 2008-09.)	Gross	\$103,928,000	\$22,587,800
	Federal	90,870,300	22,587,800
	Restricted	13,057,700	0
20. Jobs, Education, and Training (JET) Program	FTEs	57.0	0.0
Made \$3.0 million in administrative reductions. The program provides enhanced employment and training services to individuals receiving public assistance.	Gross	\$18,410,200	(\$3,000,000)
	IDG	18,410,200	(3,000,000)
21. MSHDA Payments on Behalf of Tenants	Gross	\$145,000,000	\$11,000,000
Increased funding for Section 8 Tenant-Based Rental Assistance based on anticipated revenue from the U.S. Department of Housing and Urban Development. The FY 2008-09 enacted level of \$145.0 million was increased by \$7.0 million under the May 21, 2009 Legislative Transfer.	Federal	145,000,000	11,000,000
22. Remonumentation Grants	Gross	\$11,000,000	(\$5,700,000)
Decreased authorization for grants to counties based on estimated revenue. Grants are provided to counties to support ongoing costs related to identifying and remarking property controlling corners throughout the state.	Restricted	11,000,000	(5,700,000)
23. Low-Income Energy Efficiency Fund	Gross	\$93,200,000	(\$3,200,000)
Reduced authorization by \$3.2 million to align with annual revenue and provide sufficient authorization to re-appropriate prior-year awards not fully expended. From FY 2009 enacted, this represents an increase of \$10.0 million. Annual revenue is \$84.0 million.	Restricted	93,200,000	(3,200,000)

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		<u>FY 2008-09 YTD</u>	<u>Enacted Change</u>
		<u>(as of 2/12/09)</u>	<u>From YTD</u>
24. Commission for the Blind	Gross	\$19,684,900	\$4,575,000
Increased authorization based on federal revenue available. (Changes made to the Commission related to library services for the blind are discussed above.)	Federal	14,246,100	4,575,000
	Local	521,000	0
	Private	110,300	0
	Restricted	545,200	0
	GF/GP	\$4,262,300	\$0

Major Boilerplate Changes From FY 2008-09

The boilerplate sections are re-organized into 7 categories to improve readability: (1) General Sections; (2) Regulatory; (3) Office of Financial and Insurance Regulation; (4) Housing and Community Development; (5) Michigan Rehabilitation Services and Michigan Commission for the Blind; (6) Career Education; (7) Workforce Development.

Sec. 223. Contingency Appropriations – MODIFIED

Provides for contingency appropriations of \$31.0 million Federal, \$26.2 million Restricted, \$8.2 million Local, and \$600,000 Private.

Sec. 226. General Fund/General Purpose Lapse Report – NEW

Requires the department to submit a report, not later than October 15, 2010, providing estimates of GF/GP lapses for departmental programs.

Sec. 230. Transparency Website – NEW

Requires the department to post on a publicly accessible website a listing of all expenditures made by the department in the fiscal year, and a description of the purpose of each expenditure. Limits the amount expended by the department for this purpose to \$10,000, and provides that the department is not required to hire additional staff to comply with the section.

Sec. 301a. Fire Protection Grant Report – NEW

Requires local units of government receiving fire protection grant assistance to submit a report to the department detailing how grant assistance is expended by the local unit, and also detailing the fire-related activities of the local unit on state property, and the cost of those activities.

Sec. 302a. Fire Service Fees – NEW

Requires the Bureau of Fire Services to develop a proposed schedule of fees to fund the bureau's activities.

Sec. 332. UI Computer System – NEW

Requires the department to complete the RFP process for upgrading the state's UI computer system by October 1, 2009. Regarding this section, the Governor's signing letter notes, "[t]his condition cannot be satisfied as the bill was not presented for enacted until October 20, 2009. Furthermore, existing law vests procurement authority in the Department of Management and Budget."

Sec. 333. UI Internet Claims – NEW

Requires the department to work to increase the number of Internet-filed unemployment benefit claims (with a goal of 50% of UI claims being filed via the Internet by July 1, 2010), and requiring a quarterly report on the number of claims filed via the Internet.

Sec. 341. Ergonomics Rules Prohibited – MODIFIED

Prohibits promulgate of ergonomics rules that are more stringent than voluntary federal guidelines. This section states that the prohibition is in accordance with Attorney General Opinion No. 7225 (February 27, 2009), which says that the Governor's statement that the section is unenforceable doesn't invalidate it.

Sec. 342. Training Grant to Aggregate Industry – VETOED

Requires allocation not less than \$40,000 for training grants to non-profit organizations representing the aggregate industry in Michigan.

Sec. 352 (FY 2009). Board of Magistrates and Appellate Commission – DELETED

Requires expenditures in Part 1 be used so that cases are decided in a timely manner; funds from unclassified salaries appropriation line to support five appellate commissioners and 26 magistrates.

Sec. 364. Agriculture Economic Development – VETOED

Directs that the GF/GP appropriated in Part 1 for agricultural economic development be expended by DELEG as an IDG to the Department of Agriculture foster the promote growth in the food and agriculture sector.

ENERGY, LABOR AND ECONOMIC GROWTH

Major Boilerplate Changes From FY 2008-09

Sec. 366. METRO Authority – NEW

State the Legislature's intent to move the METRO Authority to the Public Service Commission.

Sec. 368. Regulatory Costs Report – NEW

Requires the department to provide a report to the Legislature on the regulatory costs and activities of the Bureau of Commercial Service and the Bureau of Construction Codes.

Sec. 370. Liquor Law Enforcement Grant Report – NEW

Requires local units of government receiving liquor law enforcement grant assistance (55% of retail liquor license revenue collected by the LCC returned to locals) to provide a report to the LCC on how those funds are spent, and also a report showing the liquor-related fees imposed and the amount of revenue generated from such fees.

Sec. 372. Michigan Tax Tribunal Fees Report – NEW

Requires the Michigan Tax Tribunal to develop a proposed schedule of fees to fund the MTT's activities, with the intent of having the fee schedule incorporated into the FY 2010-11 Executive Budget Recommendation.

Sec. 406. OFIR Credit Scoring – MODIFIED

Prohibits expending funds to implement a ban on credit scoring in insurance rate setting until the Legislature has authorized such a prohibition. This section states that the prohibition is in accordance with Attorney General Opinion No. 7225 (February 27, 2009), which says that the Governor's statement that the section is unenforceable doesn't invalidate it.

Sec. 501. Housing and Community Development Fund – VETOED

Appropriates the GF/GP appropriation to the Housing and Community Development Fund, and includes intent language providing that at least \$2.1 million in funding available from the federal American Recovery and Reinvestment Act and/or the National Affordable Housing Trust Fund be allocated for eligible purposes of the HCDF.

Sec. 511. State Historic Preservation – NEW

Incorporated from the HAL appropriations act, this section appropriates funds received by the State Historic Preservation Office (MSHDA) from document reproduction and services, and application fees.

Sec. 613. Local Support for Subregional Library Services – NEW

Requires subregional library's fiscal agency to maintain local support to receive subregional state aid.

Sec. 614. Approval of Libraries for Subregional Libraries – NEW

Requires approval of budgets for subregional libraries by the department prior to release of state funding.

Sec. 704. Michigan After School Partnership – VETOED

Requires DELEG to work with the state Board of Education, DHS, and DCH to oversee efforts to carry out the December 2003 recommendations of the Michigan After School Initiative; allows \$25,000 to be used to support the Michigan After School Partnership; and requires annual report.

Sec. 804. Welfare-to-Work Non-Custodial Parent Program – NEW

Permits the department to utilize TANF funds on a non-custodial parent program, providing services.

Sec. 813. Workforce Training Allocation – VETOED

Allocates \$200,000 from the Workforce Training Programs Subgrantees line item to a public-private welfare-to-work partnership involving an imbedded DHS caseworker at the job site of an employer to work with employees receiving public assistance.

Sec. 815. Workforce Funds for Libraries – NEW

Provides that funds distributed to local Michigan Works! Agencies may be used by the MWA for services provided to local libraries that serve as access points, service centers, or local partners serving high demand or underserved areas.

Sec. 816. Focus: HOPE Allocation – MODIFIED

Allocates to Focus: HOPE \$5.9 million WIA funds from funds appropriated in Part 1 for Workforce Programs Subgrantees.

Sec. 817. Gang Diversion – MODIFIED

States legislative intent to set aside some Workforce Investment Act (statewide activities) funds to support gang diversion activities and support services of local law enforcement and MWAs in Wyoming, Detroit, Benton Harbor, and Saginaw.

Sec. 818. Workforce Training Allocation – VETOED

Allocates \$150,000 from the funds appropriated in the Workforce Training Program Subgrantees line item to an organization that (1) involves prospective employers as community partners; (2) trains displaced workers in health care jobs; (3) provides training at no cost or low-cost to students; and (4) demonstrates a placement rate of at least 80%.

Major Boilerplate Changes From FY 2008-09

Sec. 820. Nursing Education Report – NEW

Incorporated from the Higher Education appropriations act, this section requires DELEG to report on the status of nursing education programs in the state.

Sec. 830. No Worker Left Behind (NWLB) Report – MODIFIED

Requires a report on the status of the NWLB program, and includes in the report, information on fund source detail, the number of participants securing employment within one year, the number securing employment in an occupation related to the training, and the average wage of those securing employment within one year.

Sec. 831. No Worker Left Behind GF/GP Funding – MODIFIED

Directs the GF/GP appropriation for No Worker Left Behind to adult education, community colleges, and worker training. Specifies that local MWAs may place a priority on training programs accessible by individuals displaced from manufacturing and related auto-industry jobs.

JUDICIARY
Summary of FY 2009-10 Enacted Appropriations
2009 Public Act 113 (Senate Bill 249)

Analyst: Ben Gielczyk

	FY 2008-09 YTD	FY 2009-10 Executive	FY 2009-10 Senate	FY 2009-10 House	FY 2009-10 Enacted	Difference: Enacted From FY 2008-09 YTD	
						Amount	%
IDG/IDT	\$2,573,500	\$2,573,500	\$3,553,500	\$2,573,500	\$3,553,500	\$980,000	38.1
Federal	5,126,400	5,126,400	5,126,500	5,126,600	5,126,500	100	0.0
Local	6,093,100	6,149,300	6,149,300	6,149,300	6,149,300	56,200	0.9
Private	842,500	842,500	842,500	842,500	842,500	0	0.0
Restricted	87,947,900	88,605,600	88,605,600	88,605,600	89,957,700	2,009,800	2.3
GF/GP	159,320,600	158,785,900	154,251,900	154,164,400	153,132,800	(6,187,800)	(3.9)
Gross	\$261,904,000	\$262,083,200	\$258,529,300	\$257,461,900	\$258,762,300	(\$3,141,700)	(1.2)
FTEs	491.0	491.0	491.0	491.0	491.0	(0.0)	(0.0)

Note: FY 2008-09 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2009-10 Executive Budget on February 12.

Overview

Article VI of the State Constitution of 1963 forms the basis for Michigan's judicial branch of government, which receives funds appropriated through the budget act for the Judiciary. The Judiciary budget provides operational funding for the Michigan Supreme Court, Court of Appeals, and related judicial agencies. The budget also funds the salaries of justices of the Supreme Court and judges of the appeals, circuit, probate, and district courts according to constitutional and statutory requirements. Assistance for local court operations is provided through a variety of grant programs. The largest of these, the Court Equity grant program, reimburses counties for trial court operations based on a statutory formula that recognizes circuit and probate caseloads and the numbers of judgeships.

Major Budget Changes From FY 2008-09 YTD Appropriations

	FY 2008-09 YTD (as of 2/12/09)	Enacted Change From YTD
1. General Fund Reduction	Gross	N/A (\$5,725,300)
Reduced FY 2008-09 YTD by \$5.7 million spread to various line items. Major reductions include: Supreme Court Administration (\$730,100); State Court Administrative Office (\$401,900); Court of Appeals Operations (\$1.2 million); and Court Equity Fund reimbursements (\$2.8 million). Reductions assume a transfer of \$1.4 million from the Juror Compensation Reimbursement Fund to the Court Equity Fund to mitigate target reductions. Total GF/GP funding FY 2009-10 budget will total \$154.5 million after transfer is completed.	GF/GP	N/A (\$5,725,300)
2. Mental Health Court Pilots	Gross	\$550,000 (\$550,000)
Eliminated funding for pilot mental health court program.	GF/GP	\$550,000 (\$550,000)
3. Juvenile Training Pilot Project	Gross	N/A \$100
Included a \$100 placeholder for a pilot project to train criminal defense attorneys who accept court-appointed cases concerning juvenile delinquency, abuse, neglect, and protective services.	Federal	N/A \$100
4. Intensive Probation Pilot Program	Gross	N/A \$980,000
Included a \$980,000 IDG from the Department of Corrections for an intensive probation pilot program.	IDG/IDT	N/A \$980,000

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>	FY 2008-09 YTD (as of 2/12/09)	Enacted Change From YTD
5. Judicial Technology Improvement		
Increases appropriation by \$350,000 due to the receipt of additional revenues from the Civil Filing Fee Fund. Revenue primarily supports the Judicial Data Warehouse and the Next Generation of Judicial Information System (trial court case management system upgrade).	Gross	\$4,465,000
	Restricted	\$4,465,000
		\$350,000
6. Drunk Driving Case-Flow Program		
Increases appropriation by \$300,000 due to an increase in collections of driver license reinstatement fees which support the Drunk Driving Case-Flow Fund.	Gross	\$3,000,000
	Restricted	\$3,000,000
		\$300,000
7. Economics		
Funds economic adjustments as follows:	Gross	N/A
	Federal	N/A
	Local	56,200
	Private	0
	Restricted	7,700
	GF/GP	N/A
		\$1,503,500
<ul style="list-style-type: none"> ▪ Salaries/wages increase: \$328,300 Gross, \$308,200 GF/GP ▪ Defined Contribution (new judges): \$224,300 Gross and GF/GP ▪ OASI, social security (judges): \$114,500 Gross and GF/GP ▪ Insurance: \$202,200 Gross, \$185,300 GF/GP ▪ Retirement increase: \$477,200 Gross, \$448,500 GF/GP ▪ Rent reduction: (\$18,400) Gross and GF/GP ▪ Workers' compensation increase: \$162,800 Gross and GF/GP ▪ Building occupancy increase: \$12,600 Gross, \$14,400 GF/GP 		

Major Boilerplate Changes From FY 2008-09

Sec. 219. General Fund Lapses – NEW

Requires a report on General Fund lapses.

Sec. 220. Satellite Offices – NEW

Intent language stating that the Supreme Court shall retain their satellite offices.

Sec. 221. Transparency – NEW

Requires the judicial branch to develop and maintain, on a publicly accessible Internet site, all expenditures made by the judicial branch within the fiscal year.

Sec. 309. Pilot Mental Health Courts – REVISED

Revised to require an update on the status of the pilot courts by April 1, 2010.

Sec. 314. Standardized Risk Assessment – NEW

Requests the State Court Administrative Office to conduct a survey of trial courts to determine best practices for standardized risk assessment.

Sec. 318. Intensive Probation Pilot Program – NEW

Establishes an intensive probation pilot program with an IDG from the Department of Corrections.

Sec. 319. Juvenile Training Pilot Project – NEW

Establishes a pilot project to train criminal defense attorneys who accept court-appointed cases concerning juvenile delinquency, abuse, neglect, and protective services.

TRANSPORTATION

**TRANSPORTATION
Summary of FY 2009-10 Enacted Appropriations
2009 Public Act 116 (Senate Bill 254)**

Analyst: William E. Hamilton

	FY 2008-09 YTD as of 2/12/09	FY 2009-10 Executive	FY 2009-10 Senate	FY 2009-10 House	FY 2009-10 Enacted	Difference: Enacted From FY 2008-09 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	1,460,995,800	1,226,704,500	1,226,704,500	1,227,204,500	1,227,204,500	(233,791,300)	(16.0)
Local	71,624,200	56,073,400	56,073,400	56,073,400	56,073,400	(15,550,800)	(21.7)
Private	0	0	0	0	0	0	--
Restricted	2,079,609,200	1,985,343,000	1,961,843,000	1,973,383,000	1,973,770,100	(105,839,100)	(5.1)
GF/GP	0	0	0	0	0	0	--
Gross	\$3,612,609,200	\$3,268,120,900	\$3,244,620,900	\$3,256,660,900	\$3,257,048,000	(\$355,561,200)	(9.8)
FTEs	3,014.3	3,014.3	3,014.3	3,014.3	3,014.3	0.0	0.0

Note: FY 2008-09 appropriation figures do not reflect the impact of executive order, supplemental, or transfer adjustments made after the release of the FY 2009-10 Executive Budget on February 12.

Overview

The Transportation budget supports state and local highway programs, public transportation programs, aeronautics programs, and administration of the Michigan Department of Transportation (MDOT). Approximately two-thirds of the budget is from constitutionally-restricted state revenue sources – primarily motor fuel taxes and vehicle registration taxes. These state revenues are first credited to the Michigan Transportation Fund (MTF) and then distributed in accordance with 1951 PA 51 to other state transportation funds and programs – including the State Trunkline Fund (STF) and the Comprehensive Transportation Fund (CTF) – and to local road agencies. Approximately one-third of the budget is federal revenue. There is no state GF/GP revenue in this budget.

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>	<u>FY 2008-09 YTD (as of 2/12/09)</u>	<u>Enacted Change From YTD</u>
1. Debt Service	Gross \$192,003,600	\$59,633,700
Appropriates \$251.6 million, reflects anticipated debt service schedules.	Federal 22,783,300	35,380,200
	Restricted 169,220,300	24,253,500
2. Support Services Provided by Other State Departments – PARTIAL VETO	Gross \$49,702,300	\$752,500
	Restricted 49,702,300	752,500

The appropriation unit “Collection, enforcement, and other agency support services” includes 24 separate interdepartmental grant (IDG) line items which fund services provided by nine other state departments. Increase in appropriation reflects economic increases of \$923,600 net of other adjustments.

Includes IDGs from the MTF for cost of collecting transportation taxes: \$20 million to the Department of State, and \$7.3 million to Department of Treasury. The MTF IDG to Treasury reflects the Governor’s veto of boilerplate Section 306(3) which had required an alternative study of costs associated with collection of motor fuel taxes; the veto reduced spending authority in the line by \$100,000, the estimated cost of the study.

The enacted budget includes a \$1.1 million MTF IDG to MDEQ for permitting functions; the Executive had proposed returning this function back to the federal government.

TRANSPORTATION

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>	FY 2008-09 YTD (as of 2/12/09)	Enacted Change From YTD
3. Executive Direction	FTEs 37.3	0.0
Appropriation of \$5.8 million includes funding for <i>Unclassified salaries, Asset Management Council, and Office of Commission Audits</i> ; reflects economic increases of \$61,500.	Gross \$5,742,300	\$61,500
	Restricted 5,742,300	61,500
4. Business Support	FTEs 57.0	0.0
Appropriations unit includes line items for <i>Business support, Economic development and enhancement, Property management, and Worker's compensation</i> . Appropriates \$17.6 million reflecting economic increases of \$514,200; transfer of Civil service costs, \$3,000; and internal cost allocation, (\$62,300). Reflects shift of \$25,400 (CTF) from <i>Business support</i> in order to increase <i>Marine passenger</i> funding.	Gross \$17,165,400	\$429,500
	Restricted 17,165,400	429,500
5. Information Technology	Gross \$28,496,200	\$817,000
Appropriates \$29.3 million reflecting economic adjustments, \$222,900; administrative reductions, (\$5,900); reduction in virtual storage costs, (\$6,600); One-stop Portal development, \$97,300; and Microsoft Office update, \$509,300.	Federal 500,300	10,500
	Restricted 27,995,900	806,500
6. Finance, Contracts, and Support Services	FTEs 242.5	1.0
Appropriates \$25.1 million; reflecting economics, \$504,600; position transfers, \$82,100; and internal cost allocation, (\$214,900).	Gross \$24,686,500	\$371,800
	Restricted 24,686,500	371,800
7. Transportation Planning	FTEs 177.0	(1.0)
Appropriates \$36.6 million, reflecting economic increases of \$542,300, and position transfers, (\$82,100).	Gross \$36,156,400	\$460,200
	Federal 22,000,000	0
	Restricted 14,156,400	460,200
8. Design and Engineering Services	FTEs 1,496.8	(2.0)
Appropriates \$114.2 million; reflects economic increases of \$3.2 million, \$612,600 increase for intelligent traffic systems, \$2.5 million additional federal support for Safe Routes to Schools Program. Reduction in budgeted FTEs due to position transfers (\$182,600).	Gross \$108,028,500	\$6,173,000
	Federal 18,912,600	4,617,200
	Restricted 89,115,900	1,555,800
9. State Trunkline Maintenance	FTEs 832.7	2.0
Appropriates \$286.6 million in two separate appropriation line items; <i>State trunkline operations</i> ; and <i>Contract operations</i> . Reflects economic increases of \$1.6 million, and \$182,600 related to positions transfers.	Gross \$284,728,200	\$1,799,900
	Restricted 284,728,200	1,799,900
10. State Trunkline Road and Bridge Construction – PARTIAL VETO	Gross \$1,043,058,100	(\$248,139,300)
Appropriates \$793.9 million for state trunkline capital construction and reconstruction program. Reflects decrease in estimated available state restricted revenue, and estimated federal aid. Reflects Governor's veto of boilerplate Section 324 which earmarked \$500,000 for the "Give 'em a brake" campaign.	Federal 892,420,900	(185,208,300)
	Local 30,000,000	0
	Restricted 120,637,200	(62,931,000)
<i>Note: FY 2008-09 YTD figures do not include \$635.4 million in federal stimulus (ARRA) funds appropriated in 2009 PA 3 (House Bill 4582), or \$8.3 million ARRA funds appropriated in 2009 PA 122 (Senate Bill 95).</i>		
11. Local Federal Aid Road and Bridge Construction	Gross \$309,592,000	(\$60,841,000)
Appropriates \$248.8 million based on estimated federal revenue and Act 51 directive that 25% of most federal aid program funds be made available to local road agencies.	Federal 309,592,000	(60,841,000)
<i>Note: FY 2008-09 YTD figures do not include \$211.8 million in federal stimulus (ARRA) funds appropriated in 2009 PA 3 (House Bill 4582).</i>		
12. Local Bridge Fund	Gross \$28,336,800	(\$1,431,800)
Act 51 earmark; reflects anticipated reduction in gasoline tax revenue.	Restricted 28,336,800	(1,431,800)

TRANSPORTATION

Major Budget Changes From FY 2008-09 YTD Appropriations **FY 2008-09 YTD**
(as of 2/12/09) **Enacted Change**
From YTD

13. MTF Distribution to Local Road Agencies **Gross** **\$931,570,800** **(\$45,425,400)**
 Appropriates \$886.1 million MTF (\$568.9 million to county road commissions, \$317.2 million to cities/villages) based on February 2009 revenue estimates and Act 51 formula; final distribution will be based on actual MTF revenue, which may be more or less than appropriations. Restricted 931,570,800 (45,425,400)

14. Transportation Economic Development Fund (TEDF) **Gross** **\$42,332,200** **(\$11,960,000)**
 Appropriation of \$33.8 million reflects proposed transfer of \$12.0 million in driver's license fee revenue to the state General Fund; the related reduction in TEDF revenue would be taken from Category A (Target Industries). Reduction partially offset by reduction in TEDF debt service; includes \$40,000 earmark for Forest roads truck turnouts. Restricted 42,332,200 (11,960,000)

Note: The FY 2008-09 YTD figure does not reflect Executive Order 2009-22 which also reduced funding for TEDF Category A by \$12.0 million.

15. Aeronautics and Freight Services FTEs 84.0 0.0
 Appropriates \$11.2 million for three operating line items: *Airport improvement services, Aviation services, and Freight and safety services*, as well as the *Aviation services* grant program. Reflects economic increases, \$200,400; and anticipated reduction in SAF revenue, (\$310,300). **Gross** **\$11,340,300** **(\$109,900)**
Restricted 11,340,300 (109,900)

16. Bus Transit - Local Bus Operating Assistance **Gross** **\$166,624,000** **\$0**
 Appropriates \$166.6 million (CTF) for state operating assistance to local public transit agencies – unchanged since FY 2006-07. Restricted 166,624,000 0

17. Bus Transit - Non-Urban Operating/Capital **Gross** **\$19,300,000** **\$2,500,000**
 Recognizes anticipated increase in federal non-urban transit grants. Federal 18,500,000 2,500,000
Local 800,000 0

Note: FY 2008-09 YTD figures do not include \$21.9 million in federal stimulus (ARRA) funds appropriated in 2009 PA 3 (House Bill 4582).

18. Detroit/Wayne County Port Authority **Gross** **\$500,000** **(\$31,800)**
 Appropriates \$468,200; reflects anticipated reduction in CTF revenue. Restricted 500,000 (31,800)

19. Intercity - Intercity Services – PARTIAL VETO **Gross** **\$7,425,000** **(\$275,000)**
 Appropriates \$7.25 million in support of intercity bus transportation programs; reflects reduction in anticipated CTF revenue (\$1.2 million), partially offset by \$1.0 million increase related to anticipated sale of intercity buses for loan program. Reflects the Governor's veto of boilerplate Section 729 which had earmarked \$100,000 from the CTF for lost ridership support/marketing. Federal 4,500,000 0
Local 50,000 0
Restricted 2,875,000 (275,000)

Note: FY 2008-09 YTD figures do not include \$3.9 million in federal stimulus (ARRA) funds appropriated in 2009 PA 3 (House Bill 4582).

20. Rail Passenger Service **Gross** **\$12,700,000** **(\$4,033,000)**
 Provides operating assistance for Port Huron/Chicago and Grand Rapids/Chicago rail service with state restricted funds; federal revenue supports capital assistance. Federal 5,800,000 (2,800,000)
Restricted 6,900,000 (1,233,000)

Appropriates \$8.7 million of which \$5.7 million is from the CTF for the AMTRAK operating contract. The CTF appropriation is not sufficient to support a full-year AMTRAK operating contract.

Note: The FY 2008-09 YTD figure does not reflect supplemental appropriation of \$400,000 (CTF) made in 2009 PA 64 (HB 4310) which provided rail passenger service through September 30, 2009.

TRANSPORTATION

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		<u>FY 2008-09 YTD (as of 2/12/09)</u>	<u>Enacted Change From YTD</u>
21. Freight Preservation and Development	Gross	\$5,092,900	(\$1,728,700)
Reflects reduction in anticipated CTF revenue.	Federal	100,000	0
	Restricted	4,992,900	(1,728,700)
22. Rail Infrastructure Loan Program	Gross	\$300,000	(\$300,000)
Line item eliminated due to reduction in anticipated CTF revenue.	Restricted	300,000	(300,000)
23. Terminal Development	Gross	\$550,000	(\$400,000)
Appropriates \$150,000; reflects reduction in anticipated CTF revenue.	Restricted	550,000	(400,000)
24. Specialized Services	Gross	\$9,500,100	(\$2,252,000)
Appropriates \$7.2 million; reflects anticipated federal and local revenue, and anticipated reductions in CTF revenue. Line item supports transit programs for elderly and disabled citizens.	Federal	2,700,000	(1,000,000)
	Local	2,700,000	(1,000,000)
	Restricted	4,100,100	(252,000)
25. Municipal Credit Program	Gross	\$2,000,000	(\$127,000)
The \$1.9 million appropriation is less than Act 51 earmark of not less than \$2.0 million; reflects reduction in anticipated CTF revenue.	Restricted	2,000,000	(127,000)
26. Bus Capital	Gross	\$40,803,000	(\$2,624,800)
Provides matching funds for federal transit grants to local transit agencies; Gross appropriation of \$38.2 million includes \$5.2 million CTF funds to match federal grants.	Federal	26,400,000	1,600,000
	Local	5,000,000	0
	Restricted	9,403,000	(4,224,800)
<i>Note: FY 2008-09 YTD figures do not include \$531,500 in federal stimulus (ARRA) funds appropriated in 2009 PA 122 (Senate Bill 95).</i>			
27. Service Initiatives	Gross	\$1,116,500	(\$66,500)
Appropriates \$1.05 million; reflects reduction in anticipated CTF revenue.	Federal	800,000	0
	Local	200,000	0
	Restricted	116,500	(66,500)
28. Transportation to Work	Gross	\$9,244,000	(\$107,600)
Reflects estimated federal/local and state-restricted CTF revenue.	Federal	2,200,000	100,000
	Local	2,200,000	100,000
	CTF	4,844,000	(307,600)
29. AERO Capital Projects	Gross	\$167,491,700	(\$44,066,000)
Provides funding for FY 2009-10 Aeronautics Capital program; reflects anticipated federal program funding.	Federal	133,024,600	(28,149,900)
	Local	30,674,200	(14,650,800)
	Restricted	3,792,900	(1,265,300)
<i>Note: FY 2008-09 YTD figures do not include \$30.4 million in federal stimulus (ARRA) funds appropriated in 2009 PA 38 (House Bill 4308).</i>			
30. State/Local Capital Facilities Projects	Gross	\$9,132,000	(\$6,844,000)
Provides funds for other capital outlay projects (salt storage facilities, Transportation Service Center, Institutional and Agency road program, other facility special maintenance projects). Only special maintenance would be funded in FY 2009-10 due to reduced STF revenue.	Restricted	9,132,000	(6,844,000)
31. Economics	Gross	N/A	\$6,872,000
The State Budget Office estimated additional funding needed to provide baseline service levels: \$1.8 million increase to reflect salaries/wages, \$1.2 million increase related to health insurance, and \$3.5 million increase for retirement contributions. Projected workers compensation and building occupancy costs would decrease by \$337,300 and \$669,700 respectively.	Restricted	N/A	6,872,000

Major Boilerplate Changes From FY 2008-09**Sec. 265. Transparency – NEW**

Adds new language requiring Internet reporting of expenditures – limits cost to \$10,000.

TRANSPORTATION

Major Boilerplate Changes From FY 2008-09

Sec. 306. Use of Transportation Funds by Other State Agencies/Biennial Audit – PARTIAL VETO

Sets guidelines for use of transportation funds by other state agencies; requires report. Provides for biennial audit of use of transportation funds by other state departments due 9 months after state CAFR is issued. Governor vetoed subsection 3 which required the State Treasurer to identify actual cost of work performed by the Department of Treasury for state-restricted transportation funds. The cost of the study was estimated to be \$100,000.

Sec. 309. Administrative Costs – REVISED

Requires Department to “continue its efforts” to reduce administrative costs.

Sec. 324. Construction Zone Traffic Law Enforcement – VETOED

Earmark of \$500,000 for construction zone traffic enforcement and “Give ’em a brake campaign” vetoed by Governor.

Sec. 358. FTE Report – NEW

New bi-monthly report on FTEs.

Sec. 361. Bureau of Multi-Modal Transportation Services – DELETED

Requires Department to report on any change in bureau services or functions as approved by the State Transportation Commission.

Sec. 384. Detroit River International Crossing (DRIC) – REVISED

The section was revised to read as follows:

Section 384 (1) The department may continue with preliminary legal, financial, traffic and revenue study, permitting, engineering, and other ancillary work for the Detroit River International Crossing (DRIC) so that it can solicit from the private sector, requests for proposals for public-private partnerships to construct the bridge, plaza, and related infrastructure. The department shall submit proposals to the Legislature by May 1, 2010. Those activities associated with the DRIC project shall not bind the state in any way to construction.

(2) The department shall submit an investment grade traffic study to the Legislature by May 1, 2010 from a reputable traffic company with appropriate experience intended to provide a detailed traffic projection for the ensuing 10 years, taking into account projected infrastructure modifications, expansions and improvements announced.

(3) The department shall not expend more than \$2.5 million from state transportation revenue sources for activities enumerated in this section.

(4) It is the intent of the Legislature to fully adopt or reject authorizing legislation by the full legislative bodies by June 1, 2010 to:

- Construct a new international crossing jointly and in agreement with Canada;
- Create an authorized tolling authority; and
- Create a public private partnership.

Sec. 394. Revisit Act 51 Distribution Formula – REVISED

Directs department to study formula for distribution of transportation revenue; report date March 1, 2010.

**FY 2009-10
CONSENSUS REVENUE
ESTIMATES**

Consensus Revenue Estimates FY 2009-10

Senior Economist: Rebecca Ross

This section explains May 2009 Consensus Revenue Estimating Conference estimates and tax changes enacted for GF/GP and School Aid Fund (SAF) revenue for FY 2008-09 and FY 2009-10 by major revenue sources.

For Michigan:

- ▶▶ Wage and salary employment is expected to decrease 8.3% in 2009 and decrease 4.6% in 2010.
- ▶▶ The unemployment rate is expected to be 14.0% in 2009, then increase to 15.3% in 2010.

General Fund/General Purpose Revenue by Source

Personal Income Tax

- ▶▶ Michigan personal income tax revenue is forecast to decrease 16.2% in FY 2008-09, and then decline 11.6% in FY 2009-10.
- ▶▶ GF/GP income tax revenue is expected to decrease 18.6% in FY 2008-09, and then decline to \$3,568.4 million (14.2% decline) in FY 2009-10.

Sales and Use Taxes

- ▶▶ Declining wage and salary income will hold GF/GP sales and use tax revenue down from \$988.1 million in FY 2008-09 to \$800.6 million in FY 2009-10. In FY 2010-11, sales and use tax revenue is estimated to be \$869.0 million.

Michigan Business, Single Business and Insurance Taxes

- ▶▶ Most of the MBT is General Fund/General Purpose revenue. SBT plus insurance taxes all accrue to the GF/GP.
- ▶▶ Net business taxes were \$2,348.6 million in FY 2007-08, and will decrease to \$1,674.6 million in FY 2008-09, and increase 3.3% to \$1,730.2 million in FY 2009-10.

GF/GP Tax Revenue

- ▶▶ Final GF/GP tax revenue totaled \$8,985.9 million in FY 2007-08.
- ▶▶ GF/GP tax revenue is expected to decrease in FY 2008-09 to \$7,093.6 million (21.1% decrease) and in FY 2009-10 to \$6,615.0 million (6.7% decrease).

Net GF/GP Revenue

- ▶▶ Total net GF/GP revenue includes tax revenue and non-tax revenue.
- ▶▶ Non-tax revenue includes revenue from the liquor purchase revolving fund, federal aid, licenses and permits, and investment income and borrowing costs.
- ▶▶ Total GF/GP revenue was \$9,358.6 million in FY 2007-08.
- ▶▶ Net GF/GP revenue is expected to decrease to \$7,435.3 million (20.6% decrease) in FY 2008-09 and to \$6,949.7 million (6.52% decrease) in FY 2009-10.

**GF/GP REVENUE ESTIMATES
(Millions of Dollars)**

	Final			FY 2009-10 Over FY 2008-09	
	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>Change</u>	
Personal Income Tax	\$5,106.6	\$4,156.8	\$3,568.4	(\$588.4)	(14.2%)
Sales and Use Taxes	988.1	800.6	869.0	68.4	8.5%
MBT/SBT and Insurance Taxes	2,348.6	1,674.6	1,730.2	55.6	3.3%
Other Taxes	542.6	461.6	447.4	(14.2)	(3.1%)
GF/GP Tax Revenue	\$8,985.9	\$7,093.6	\$6,615.0	(\$478.6)	(6.7%)
Non-Tax Revenue	372.7	341.7	334.7	(7.0)	(2.1%)
Net GF/GP Revenue	\$9,358.6	\$7,435.3	\$6,949.7	(\$485.6)	(6.5%)

**SCHOOL AID FUND REVENUE ESTIMATES
(Millions of Dollars)**

<u>Revenue</u>	Final			FY 2009-10 Over FY 2008-09	
	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>Change</u>	
Sales and Use Tax	\$5,387.4	\$4,898.8	\$4,806.7	(\$92.1)	(1.9%)
Income Tax Earmark	2,117.7	1,899.4	1,784.1	(115.3)	(6.1%)
Lottery and Casinos	852.8	797.7	783.9	(13.8)	(1.7%)
MBT	341.0	729.0	727.6	(1.4)	(0.2%)
Tobacco Taxes	424.7	403.0	381.2	(21.8)	(5.4%)
State Education Tax	2,079.7	2,006.0	1,866.8	(139.2)	(6.9%)
Real Estate Transfer Tax	169.8	100.0	108.0	8.0	8.0%
Liquor Excise and Specific Taxes	139.8	109.6	104.7	(4.9)	(4.5%)
Net SAF Revenue	\$11,512.9	\$10,943.5	\$10,563.0	(\$380.5)	(3.5%)

School Aid Fund Revenue by Source

Sales and Use Taxes

- ▶ Combined sales and use tax revenue dedicated to the SAF equaled \$5,387.4 million in FY 2007-08; it is forecast to decrease to \$4,898.8 million in FY 2008-09 and to \$4,806.7 million (1.9% decrease) in FY 2009-10.

Income Tax

- ▶ Approximately 26% of gross income tax collections are dedicated to the SAF.
- ▶ SAF dedicated income tax revenue is forecast to decrease to \$1,899.4 million (10.3% decrease) in FY 2008-09 and fall to \$1,784.1 million (6.1% decrease) in FY 2009-10.

Lottery/Casinos

- ▶ Lottery and casino revenue contributed \$852.8 million to the SAF in FY 2007-08.
- ▶ Lottery and casino revenue to the SAF is projected to decrease \$797.7 million (6.5% decrease) in FY 2008-09, and decline to \$783.9 million in FY 2009-10.

Tobacco Taxes

- ▶ Approximately 40% of gross tobacco tax revenue is dedicated to the SAF.
- ▶ The SAF received \$424.7 million from tobacco taxes in FY 2007-08.

CONSENSUS REVENUE

- ▶▶ The demand for tobacco products is expected to decline over the duration of the forecast; total SAF tobacco tax revenue is expected to decrease to \$403.0 million in FY 2008-09 and \$381.2 million in FY 2009-10.

State Education Tax/Real Estate Transfer Tax

- ▶▶ All of the 6-mill state education tax (SET) and the real estate transfer tax (RET) is dedicated to the SAF.
- ▶▶ Revenue from the SET was \$2,079.7 million in FY 2007-08.
- ▶▶ SET revenue is expected to decrease to \$2,006.0 million (3.5% decrease) in FY 2008-09 and decline to \$1,866.8 million (6.9% decrease) in FY 2009-10.
- ▶▶ RET contributed \$169.8 million to the SAF in FY 2007-08, and is forecast to contribute \$100.0 million in FY 2008-09 and \$108.0 million in FY 2009-10.

Net SAF Revenue

- ▶▶ Net SAF revenue represents revenue available for expenditure each year; it includes tax changes but does not include any GF/GP transfers to SAF.
- ▶▶ Net SAF revenue was \$11,512.9 million in FY 2007-08; it is expected to decrease 4.9% to \$10,943.5 million in FY 2008-09, then decrease 3.5% to \$10,563.0 million in FY 2009-10.

HFA Estimates of Year-End Balances

The following table reports House Fiscal Agency estimates of year-end balances for GF/GP, the SAF, and the Budget Stabilization Fund (BSF).

**YEAR-END BALANCE ESTIMATES
(Millions of Dollars)**

	<u>FY 2008-09</u>	<u>FY 2009-10</u>
General Fund/General Purpose	\$195.5	\$88.5
School Aid Fund	\$201.5	\$123.9
Budget Stabilization Fund	\$2.2	\$2.3

Year-end estimates notes:

- ▶▶ FY 2009-10 estimates for GF/GP and the SAF are based on year-to-date appropriations, projected year-end adjustments, and consensus revenue estimates.
- ▶▶ SAF revenue is restricted; hence, any year-end balance is carried forward to the subsequent year.
- ▶▶ BSF estimates are based on current balance estimates provided by the Michigan Department of Treasury and HFA estimates of future deposits and interest earned.

Budget Stabilization Fund Year-End Balances

The following table notes BSF deposits, withdrawals, and interest earnings from FY 1990-91 to FY 2007-08, and HFA estimates of deposits, expected interest earnings, and year-end balances for FY 2008-09 and FY 2009-10. A complete list of BSF historical data is available from the HFA upon request.

The final BSF fund balance was \$2.2 million for FY 2007-08. The fund balance is forecast to be \$2.2 million for FY 2008-09 and \$2.3 million for FY 2009-10.

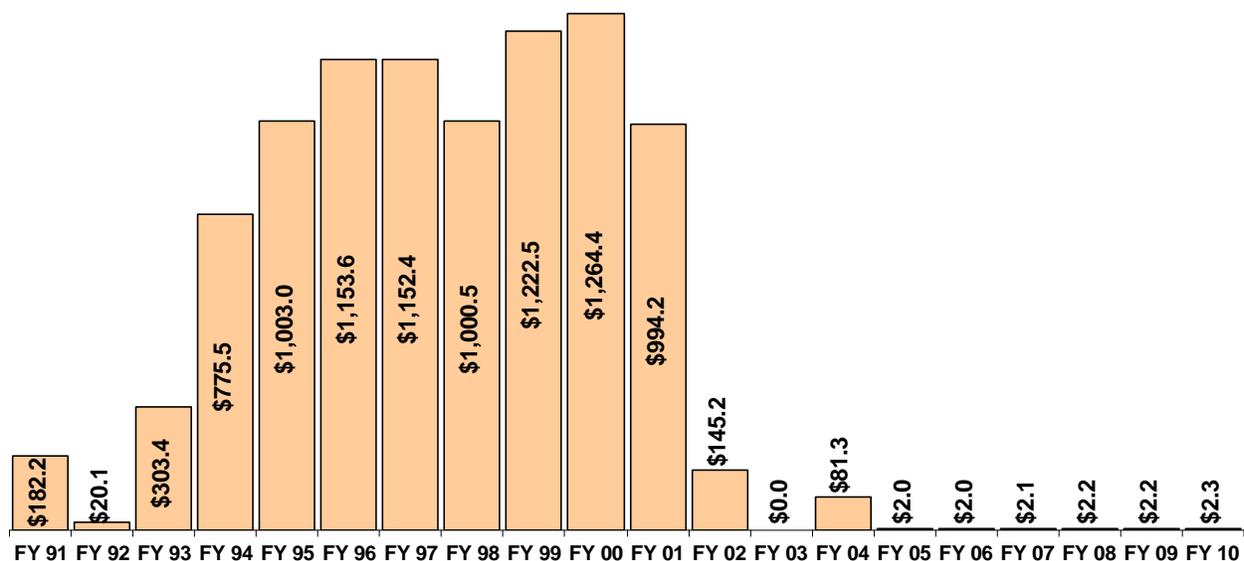
**BUDGET STABILIZATION FUND HISTORY
(Millions of Dollars)**

<u>Fiscal Year</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Interest Earned</u>	<u>Balance</u>
1990-91	0.0	230.0	27.1	182.2
1991-92	0.0	170.1	8.1	20.1
1992-93	282.6	0.0	0.7	303.4
1993-94	460.2	0.0	11.9	775.5
1994-95	260.1	90.4	57.7	1,003.0
1995-96	91.3	0.0	59.2	1,153.6
1996-97	0.0	69.0	67.8	1,152.4
1997-98	0.0	212.0	60.1	1,000.5
1998-99	244.4	73.7	51.2	1,222.5
1999-2000	100.0	132.0	73.9	1,264.4
2000-01	0.0	337.0	66.7	994.2
2001-02	0.0	869.8	20.8	145.2
2002-03	0.0	156.1	10.9	0.0
2003-04	81.3	0.0	0.0	81.3
2004-05	0.0	81.3	2.0	2.0
2005-06	0.0	0.0	0.0	2.0
2006-07	0.0	0.0	0.1	2.1
2007-08	0.0	0.0	0.1	2.2
2008-09*	0.0	0.0	0.1	2.2
2009-10*	0.0	0.0	0.1	2.3

* HFA Estimate

NOTE: Numbers may not add due to rounding.

**Budget Stabilization Fund (BSF) Balance
(Millions of Dollars)**



*Consensus estimates for FY 09 and FY 10

CONSENSUS REVENUE

Compliance With the State Revenue Limit

HFA estimates of the state revenue limit provided for in Article IX, Section 26, *Constitution of the State of Michigan*, and estimates of total state revenue collections subject to the state revenue limit are shown in the following table. As provided for in the constitution, the revenue limit is calculated as 9.49% of total state personal income in the previous full calendar year (CY) prior to the fiscal year in which the revenue is measured, as estimated by the Bureau of Economic Analysis, United States Department of Commerce.

**COMPLIANCE WITH THE STATE REVENUE LIMIT
(Millions of Dollars)**

<u>Revenue Limit Calculations</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>
Personal Income	CY 2006	CY 2007	CY 2008
Amount	\$341,075	\$345,885	\$353,113
X Limit Ratio	9.49%	9.49%	9.49%
State Revenue Limit	32,368.0	32,824.5	33,510.4
Total Revenue Subject to Revenue Limit	\$27,716.3	\$25,295.2	\$24,497.7
Amount Under (Over) State Revenue Limit	\$4,651.7	\$7,529.3	\$9,012.7

Implications of Exceeding the State Revenue Limit

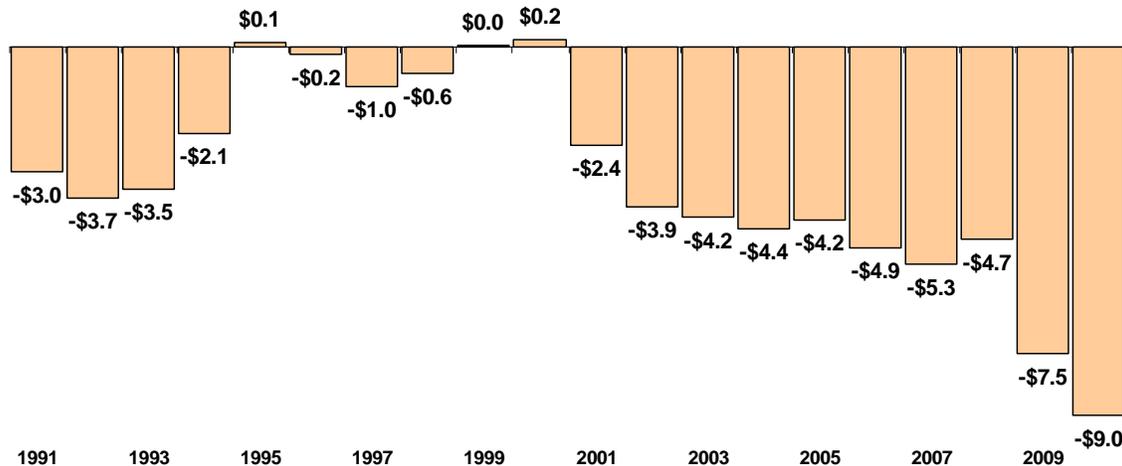
Article IX, Section 26, Constitution of the State of Michigan, provides that:

... For any fiscal year in the event that Total State Revenue exceed the limit established in this section by 1% or more, the excess revenues shall be refunded pro rata based on the liability reported on the Michigan income tax and single business tax (or its successor tax or taxes) annual returns filed following the close of such fiscal year. If the excess is less than 1%, this excess may be transferred to the State Budget Stabilization Fund . . .

Furthermore, the state is prohibited from spending any current-year revenue in excess of the limit established in Section 26 by Article IX, Section 28.

The final FY 2007-08 revenue limit calculation indicates that the state revenue collections were well under the revenue limit. For both FY 2008-09 and FY 2009-10, state revenue is estimated to be substantially below the revenue limit—by \$7.5 billion and \$9.0 billion, respectively.

**Constitutional Revenue Limit
(Billions of Dollars)**



*2008 and 2009 are consensus estimates



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