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SFA BILL ANALYSIS

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House Bill 5275 (S-1, as reported)
Committee: Appropriations

FY 1999-2000 Year-to-Date Gross Appropriation	**$495,233,500**
Changes from FY 1999-2000 Year-to-Date:	
1. **Unclassified Salaries.** The Governor, House, and Senate recommend 9.75% increase.	489,700
2. **Grant Increases.** The House recommends a $10,000,000 GF/GP increase for Arts and Cultural Grants, $1,500,000 restricted fund increase for the Fire Protection Grants, and $5,000,000 Federal and GF/GP increase for the Nursing Home Quality Incentive Grants. The Senate increased the arts grants by $100, added $500,000 to Fire Protection and 3 FTEs to the Nursing Home Grants.	17,000,100
3. **Additional Inspectors.** The House recommends adding 20 FTE's and $1,380,000 GF/GP for the Day Care Licensure program and 15 FTE's and $1,050,000 GF/GP and restricted funding for Occupational Safety and Health (MIOSHA). The Senate concurred on the Day Care Inspectors, but increased MIOSHA by 1.0 FTE and $40,000.	2,470,000
4. **AIS-MR Foster Care Facilities.** The Governor , House, and Senate recommend a transfer of GF/GP funding from the Department of Community Health for the licensure and annual inspection of these facilities which provide foster care for severely disabled and mentally retarded individuals.	460,000
5. **Financial Institutions Bureau.** The Governor , House, and Senate recommend adding 4 FTE's and additional restricted funding to regulate the increased services being offered in the Credit Union industry and the mortgage loan sector.	240,000
6. **Michigan State Housing Development Authority.** The Governor, House, and Senate recommend a Federal increase for 1,200 additional Section 8 subsidized housing certificates.	4,950,000
7. **Remote Initial Claims System.** The Governor, House, and Senate recommend an increase in Federal and restricted funding for the implementation of this new claims filing system. Of the amount $2 million would be used for additional rent costs that will be incurred during the transition period and $1.7 million will be used to provide skill upgrade training for the employees of the agency.	3,728,500
8. **Mine Safety Training.** The Senate added additional Federal funding that will be available for additional mine safety training.	50,000
9. **Saginaw Valley Naval Ship Museum.** The Senate added this new line item.	500,000
10. **Economic Adjustments.**	16,435,300
11. **Other Changes.** The Governor, House, and Senate recommend adjustments for various GF/GP, Federal, and restricted fund sources and for adjustments in rent and building occupancy charges.	1,719,600
12. **Comparison to Governor's Recommendation.** The Subcommittee Recommendation is $20,020,100 Gross/$16,081,600 GF/GP over the Governor's Revised Recommendation.	
Total Changes	$48,043,200
FY 2000-01 Senate Appropriations Subcommittee Gross Appropriation	**$543,276,700**

Changes from FY 1999-2000 Year to Date:

1. **Standard Language.** The Governor recommends deleting the following standard sections: Use of Grants Funding, Use of FTE's and funding, State Guidelines for retention of reports, Deprived and Depressed, Buy American, Affirmative Action, Internal Auditor Report. The House and Senate reinstated: Use of Grants Funding, Deprived and Depressed, Buy American, Affirmative Action, Internal Auditor Report.

2. **Arts and Cultural Grants.** The House recommends the following changes: a) Changing the list of grant categories to reflect those used in the Council's guidelines; b) New language creating another grant category called Regional Service Providers for groups that serve a regional audience; c)New language requiring the Council to provide unsuccessful applicants with rationale and suggestions for improvement; d) New language requiring the Council to distribute the funding in a manner which supports the new regional category and distributes funding to the other categories in the same general proportions as recent fiscal years; e) Requires the Council to provide a report on all applicants; f) Requires a report on the regranting awards; g) New language stating legislative intent that the Council continue to take steps to make sure all organizations receive awards of no more that 15% of operating revenue by 2005; h)New language stating that any anchor organization that received an award in excess of 10% of their operating revenue in FY 2000 could not receive an award that is greater than the FY 2000 amount. The Senate concurred with all House changes and added: a) language stating legislative intent that the council simplify the mini grant applications, b) language requiring fair and equitable distribution of Regional grants and an assessment of the process, c) language establishing a local arts agencies and services program, d) language stating the council will use its best efforts to cap funding for anchors at 65%, e) language establishing a special cultural organization pilot program for zoos, science museums, festivals, and history museums, f) language requiring the council to assess the granting process and report to the Legislature on the findings. (Sec. 306)

3. **Nursing Home Quality Care Incentive Grant Program.** The Governor recommended deleting this language. The House and Senate reinstated the current year language and the Senate changed criteria language to require the department to post criteria for grants on the Internet and make it available in printed format upon request. (Sec. 320)

4. **Nursing Home Survey Reports.** The House and Senate added new language requiring the department to submit the number and percentage of citations appealed and the number and percentage of citations overturned and/or modified. (Sec. 321)

5. **Office of Financial and Insurance Services.** The House and Senate added new language requiring that any funding collected by this newly created office as allowed under the Insurance Code, be allocated and expended separately and only in the manner as provided for in the Insurance Code. The Senate added language requiring the department to report on expenditures made from the Insurance Regulatory Fees in the Executive Direction, Management Services and the salary of the Commissioner (Sec. 329), and deleted language allowing insurance fees to be expended for legislators to participate in insurance activities.

6. **Day Care Licensing.** The House and Senate added new language requiring that the additional funding added in part 1 be used to support 20 new staff positions for day care licensing in response to new rule changes governing these facilities. (Sec. 330)

7. **Clarification of Survey Terms.** The House and Senate added new language requiring the Department work with Community Health, the Ombudsman, and HCFA to clarify the terms used in surveys and requiring the Department to provide for semiannual joint training for surveyors and providers on at least 1 of the 10 most frequently cited deficiency. (Sec. 331)

8. **MIOSHA.** The House added new language requiring that the additional funding added in part 1 be used to hire 5 general industry inspectors, 5 construction safety inspectors, and 5 industrial hygienist. The Senate added 1 additional construction inspector. (Sec. 332)

9. **Posting of Nursing Home Surveys.** The House and Senate added new language prohibiting any home that has not posted the Executive Summary of the last annual survey from receiving any incentive grant funding. (Sec. 333)

10. **Saginaw Valley Naval Ship Museum.** The Senate added new language that conditions this appropriation on a $1,500,000 match requirement and creates a work project for the funds until 2002. (Sec. 334)

Date Completed: 5-16-00 Fiscal Analyst: M. Tyszkiewicz