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**SFA****BILL ANALYSIS**

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House Bill 5278  
Committee: Appropriations

### OVERVIEW

The General Government Appropriations Bill contains appropriations for the Attorney General, Civil Rights, Civil Service, Executive, Legislative Auditor General, Legislature, Library of Michigan, Management and Budget, State, and Treasury. The following pages provide a summary of changes to FY 2000-01. The Senate Substitute is \$51,568,700 Gross/\$6,176,700 GF/GP over the House and \$39,375,800 Gross/\$5,947,600 GF/GP over the Governor's recommendation.

The following boilerplate changes are included in the general boilerplate section of the bill:

1. **Audit Compliance Reports.** The House and Senate replaced current year language that required principal departments to file reports with appropriation subcommittees regarding implementation of Auditor General recommendations with a new section that requires the Auditor General to report on all recommendations in audit reports that were not complied with by audited entities. (Sec. 604)
2. **Buy American Intent Language/Deprived and Depressed Communities Language.** Buy American intent language and language regarding deprived and depressed communities eliminated by the Governor was restored by the House and Senate. (Sec. 209 and 210)
3. **Casino Investment.** The Governor eliminated current year reporting language that prohibits appropriations in the bill from being used by a department or agency to purchase an ownership interest in a casino. The House and Senate restored this language (Sec. 211).
4. **Year 2000.** The Governor, House, and Senate eliminated current year language regarding Year 2000 computer compliance and costs.
5. **Budget and Stabilization Fund (BSF).** This section provides for a General Fund appropriation to the Countercyclical Budget and Economic Stabilization Fund pursuant to MCL 18.1352. The Governor includes statutory calculations, which would result in an appropriation of \$19.3 million, however, appropriates \$0 to the BSF. The House and Senate concurred with the Governor. (Sec. 212)
6. **Internet Reports.** Current year language creates a pilot program for placement of reports on the Internet with electronic notice to legislative offices. Requires all reports to be distributed in current printed format during FY 1999-2000. The Governor's recommendation continues pilot program and modifies language by also allowing transmission of reports by electronic mail. Requires written notice to subcommittees regarding Internet/Intranet sites of reports. The House version provides quarterly cumulative reports on location of reports and list of reports to be transmitted in the next quarter, and also includes option of receiving printed copies of reports. The Senate concurred with the House. (Sec. 208)
7. **Retention of Reports.** The House and Senate restored language eliminated by the Governor that required departments to receive and retain copies of reports funded from appropriations in this bill. (Sec. 213)
8. **Abortion Services.** The Governor eliminated language that prohibits the use of funds to provide coverage to State employees, or their dependents, for abortion services if those services are not required by Civil Service or collective bargaining agreements. The language also directed the State Employer to negotiate the elimination of coverage through the collective bargaining process. The House restored the section. The Senate concurred with the Governor and deleted the section.
9. **Internal Auditor Reports.** The Governor eliminated language that requires biennial reports listing each audit or investigation performed by the internal auditor and time spent on statutory responsibilities and other activities. The House restored the section. The Senate concurred with the Governor and deleted the section.

Date Completed: 5-25-00

B. Bowerman  
E. Limbs  
J. Runnels



House Bill 5278 (S-1 as passed by the Senate)

Committee: Appropriations

<b>FY 1999-2000 Year-to-Date Gross Appropriation</b> .....	<b>\$55,132,300</b>
<b>Changes from FY 1999-2000 Year-to-Date:</b>	
1. <b>Technology Improvements.</b> The budget includes funding to cover ongoing costs related to technology enhancements included in a FY 1998-99 supplemental. The funding will be used for standard e-mail and software, legal research, cellular phone service, voice mail, servers, and additional laptop and desktop computers.	921,400
2. <b>Child Abuse and Neglect Cases.</b> The Department of Attorney General provides legal representation to the Wayne County Office of the Family Independence Agency (FIA) in child abuse and neglect cases. Due to the rising caseload related to appeals, court hearings, and permanent custody petitions, the budget includes funding for seven additional attorneys and three additional secretaries.	767,200
3. <b>Southeastern Michigan Money Laundering - Financial Crimes Unit.</b> Public Act 137 of 1999 included FY 1998-99 supplemental funding for the Southeastern Michigan Office of the Financial Crimes Unit. The Unit (consisting of 3.0 FTE positions and funded from a 50/50 Federal/State match) investigates and prosecutes sophisticated financial crimes and also provides assistance and training to local law enforcement agencies.	531,100
4. <b>Environmental Cost Recovery Cases.</b> Pursuant to statute, costs of environmental response actions are the responsibility of those defined as liable. Due to an increasing workload, the budget recommendation includes funding for an additional 8.0 FTE positions. The cost of this adjustment is partially offset by reductions noted under Item 11.	610,000
5. <b>Transportation Funding.</b> The House shifted \$2,590,400 in funding for legal services to the Michigan Department of Transportation from the Michigan Transportation Fund to the State Trunkline Fund. The Senate funded Department of Transportation legal services with \$10,000 Michigan Transportation Fund, \$2,452,900 State Trunkline Fund, and \$127,900 Comprehensive Transportation Fund.	0
6. <b>Health Regulatory Fund.</b> The budget includes 2.0 FTEs based on workload increases related to licensing issues of health care professionals.	175,300
7. <b>Health Care Fraud.</b> The Senate added 4.0 positions to this unit based on workload requirements and available Federal funding (75/25 Federal/State match).	411,700
8. <b>Bovine Tuberculosis Litigation.</b> The Senate added 3.0 FTEs that will be funded by an interdepartmental grant from the Department of Agriculture for future costs associated with bovine tuberculosis litigation.	295,100
9. <b>Unclassified Salaries.</b> The budget for the line item that funds 5.0 FTE unclassified positions includes a 3.0% increase, from \$444,500 to \$457,800.	13,300
10. <b>Economic Adjustments.</b>	2,891,900
11. <b>Other Changes.</b> The budget includes reductions of 4.0 FTEs and funding sources for the Department of Natural Resources Unit related to actual workload.	(355,800)
12. <b>Comparison to Governor's Recommendation.</b> The Senate Bill is \$706,800 Gross/\$102,900 GF/GP over the Governor.	
Total Changes .....	\$6,261,200
<b>FY 2000-01 Senate Gross Appropriation</b> .....	<b>\$61,393,500</b>

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations.



**Changes from FY 1999-2000 Year to Date:**

1. **Attorney General Responsibilities.** The Governor eliminated current year language that provides that the Attorney General shall perform all legal services to principal executive departments and State agencies. The current year section also required the Attorney General to defend judges of State courts in civil actions. The Governor replaced it with new language that provides that the Attorney General shall perform duties specified in MCL 14.28 et seq. and MCL 14.101 et seq. The House included the new section while also restoring current year language. The Senate included current year language along with a modified version of the Governor's language combined in one section based on an agreement with the Department of Attorney General. (Sec. 301)
2. **Tobacco Litigation.** The Governor and House eliminated language that provides that any proceeds from a lawsuit or settlement agreement initiated by the State against a manufacturer of tobacco products are subject to the appropriations process. The Senate restored this section. (Sec. 307)

Date Completed: 5-25-00

Fiscal Analyst: B. Bowerman

House Bill 5278 (S-1 as passed by the Senate)

Committee: Appropriations

<b>FY 1999-2000 Year-to-Date Gross Appropriation</b> .....	<b>\$14,623,300</b>
<b>Changes from FY 1999-2000 Year-to-Date:</b>	
1. <b>Unclassified Salaries.</b> The budget included a 12.3% increase for the unclassified salaries line item.	41,000
2. <b>Replacement of EEOC Funds.</b> The Department does not qualify for the same level of Federal funding because the newly designed system for handling complaints no longer meets the Federal definition of "qualifying" cases. The Governor requested a funding shift due to a reduction of Federal Equal Employment Opportunity Commission (EEOC) funding as a result of lowered caseload backlog. The Governor replaced \$700,000 of Federal funds with an equal amount of GF/GP funds. The House and Senate concurred with the Governor.	0
3. <b>Funding for Phase-In of Future Vacancies.</b> Beginning next year, the Department will have several people becoming eligible for retirement. The Senate Substitute included funding for an additional 7.5 FTEs so that the Department is able to train in advance the replacement staff.	500,000
4. <b>Economic Adjustments.</b>	608,200
5. <b>Comparison to Governor's Recommendation.</b> The Senate Bill is \$500,000 Gross/GF/GP over the Governor's Recommendation.	
Total Changes .....	\$1,149,200
<b>FY 2000-01 Senate Gross Appropriation</b> .....	<b>\$15,772,500</b>

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**Changes from FY 1999-2000 Year to Date:**

There are no changes in the Executive Recommendation, House, or the Senate Substitute from the current year boilerplate language.

Date Completed: 5-25-00

Fiscal Analysts: E. Limbs, J. Runnels

House Bill 5278 (S-1 as passed by the Senate)

Committee: Appropriations

<b>FY 1999-2000 Year-to-Date Gross Appropriation</b> .....	<b>\$28,585,500</b>
<b>Changes from FY 1999-2000 Year-to-Date:</b>	
1. <b>Training Revenue.</b> The budget increased the anticipated revenues to be received from training State employees.	1,000,000
2. <b>State Officers Compensation Commission (SOCC).</b> The budget increased this item so that the Department can pay for newspaper announcements of public meetings and pay for rental of the rooms used for the meetings.	15,000
3. <b>Data Services Revenue.</b> The budget eliminated this revenue source since the Department no longer performs this function. This source of revenue was collected from institutions (e.g. universities) for which Civil Service provided copying services.	(8,100)
4. <b>Economic Adjustments.</b>	813,200
4 <b>Comparison to Governor's Recommendation.</b> The Senate Bill is at the Governor's recommended funding level.	
Total Changes .....	\$1,820,100
<b>FY 2000-01 Senate Gross Appropriation</b> .....	<b>\$30,405,600</b>

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**Changes from FY 1999-2000 Year to Date:**

1. **Salaries and Wages Report.** Requires report by April 1, to the appropriations committees and fiscal agencies on estimating the amount in Sec. 101 for civil service operations attributable to salaries and wages. This language was removed by the Governor, House, and Senate. (Sec. 502 in current year)

Date Completed: 5-25-00

Fiscal Analysts: E. Limbs, J. Runnels

House Bill 5278 (S-1 as passed by the Senate)

Committee: Appropriations

<b>FY 1999-2000 Year-to-Date Gross Appropriation</b> .....	<b>\$5,425,100</b>
<b>Changes from FY 1999-2000 Year-to-Date:</b>	
1. <b>State Officers Compensation Commission (SOCC) Determinations.</b> The Governor's recommendation included \$2,700 for the last quarter of calendar 2000 SOCC adjustments for the Governor and Lieutenant Governor. The budget also includes \$5,800 for an estimated 3.0% adjustment for future SOCC determinations related to 2001.	8,600
2. <b>Unclassified Salaries.</b> The Governor's recommendation increased the line item that funds 8.0 FTE unclassified positions by 3.0%, from \$808,800 to \$833,100.	24,300
3. <b>Economic Adjustments.</b>	221,600
4. <b>Comparison to Governor's Recommendation.</b> The Senate Bill is \$0 over the Governor's Recommendation.	
Total Changes .....	254,500
<b>FY 2000-01 Senate Gross Appropriation</b> .....	<b>\$5,769,600</b>



**Changes from FY 1999-2000 Year to Date:**

1. **Michigan Register/Michigan Administrative Code.** The Senate added language that appropriates funds collected by the Executive Office related to the publication and sale of the Michigan Register and Michigan Administrative Code. Funds will be allotted for expenditure when they are received and shall not lapse to the general fund at the close of the fiscal year. (Sec. 550)

Date Completed: 5-25-00

Fiscal Analyst: B. Bowerman

House Bill 5278 (S-1 as passed by the Senate)

Committee: Appropriations

<b>FY 1999-2000 Year-to-Date Gross Appropriation</b> .....	<b>\$14,343,400</b>
<b>Changes from FY 1999-2000 Year-to-Date:</b>	
1. <b>Field Operations.</b> The Governor's recommendation included \$19,700 for additional training for auditors. The House provided an additional \$150,000 to fund an additional 3.0 FTE auditor positions. The Senate included the House adjustments and added \$150,000 for another 3.0 FTE auditors and \$407,900 for current baseline costs.	727,600
2. <b>Rent Adjustment.</b> The Governor reduced funding for rent by \$41,100 based on DMB assuming management of all State leases in the Victor Office Center and charging a single rate for rent. The Senate rejected the proposal and restored rent based on estimated costs.	27,300
3. <b>Unclassified Salaries.</b> The Governor's recommendation included a 3.0% increase for the Auditor General, from \$118,000 to \$121,500. The Governor also increased the unclassified line item that funds 2.0 FTEs by 3.0%, from \$128,200 to \$132,100. The House concurred. The Senate increased the Auditor General's salary to \$124,900 (5.8%) and also increased funding for the other 2.0 FTE unclassified positions by 5.8%.	14,400
4. <b>Economic Adjustments.</b> The Governor included \$564,300 for economic adjustments. The House and Senate increased funding by \$9,000 based on one-time lump sum adjustments not included by the Governor.	573,300
5. <b>Comparison to Governor's Recommendation.</b> The Senate is \$792,300 GF/GP over the Governor's Recommendation.	
Total Changes .....	\$1,342,600
<b>FY 2000-01 Senate Gross Appropriation</b> .....	<b>\$15,686,000</b>

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations.



**Changes from FY 1999-2000 Year to Date:**

1. **Audit Compliance.** The House and Senate added a new boilerplate section that requires the Auditor General to report to appropriations committees and fiscal agencies all recommendations in audit reports that were not complied with by audited entities. (Sec. 604)
2. **Assignment to Treasury.** The Governor, House, and Senate eliminated language that authorized temporary assignment of staff to the Department of Treasury for the purpose of auditing local road authorities.
3. **Act 51 Audits.** The Governor, House, and Senate eliminated language that allowed the Department of Treasury and the Legislative Auditor General to conduct performance audits of local road authorities.

Date Completed: 5-25-00

Fiscal Analyst: B. Bowerman

House Bill 5278 (S-1 as passed by the Senate)

Committee: Appropriations

<b>FY 1999-2000 Year-to-Date Gross Appropriation</b> .....	<b>\$103,153,500</b>
<b>Changes from FY 1999-2000 Year-to-Date:</b>	
1. <b>House Office Building Adjustments.</b> The budget included additional funding for the House Office Building related to maintenance, utilities, and lease costs.	326,100
2. <b>Victor Office Center Rent Adjustment.</b> Rent charges related to the Victor Office Center were reduced \$12,200 by the Governor based on DMB assuming management of all State leases in the Victor Office Center and charging a single rate for rent. The Senate rejected the proposal and restored the funding.	0
3. <b>State Officers Compensation Commission (SOCC) Determinations.</b> The Governor's recommendation included \$67,100 for costs associated with SOCC determinations for the last quarter of 2000. The budget also includes \$198,300 for the estimated impact of SOCC future determinations related to 2001.	265,400
4. <b>Legislative Session Integration System (LSIS).</b> The Senate increased funding from \$900 to \$631,000 based on the Legislative Council request for technology enhancements for legislative functions performed by Legislative Council Agencies. The line-item is changed from LSIS to E-LAW to reflect the current scope of the project.	630,100
5. <b>Legislative Retirement System.</b> The House and Senate increased funding from \$4,298,900 to \$4,389,400 based on estimated health care costs.	90,500
6. <b>National Association Dues.</b> The Governor and House included an increase of \$12,300 based on projected dues. The Senate eliminated \$20,000 related to the Michigan Energy and Resources Research Association (MERRA), which has been dissolved.	(7,700)
7. <b>Census Tracking/Reapportionment.</b> The Senate added funds related to reapportionment costs.	1,000,000
8. <b>Economic Adjustments.</b>	2,516,700
9. <b>Other Changes.</b> The budget included an additional \$69,300 for House ADP costs, and \$6,800 related to Farnum Building utilities.	76,100
10. <b>Comparison to Governor's Recommendation.</b> The Senate Bill is \$1,712,800 GF/GP over the Governor's Recommendation.	
Total Changes .....	\$4,897,200
<b>FY 2000-01 Senate Gross Appropriation</b> .....	<b>\$108,050,700</b>

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations.



**Changes from FY 1999-2000 Year to Date:**

1. **Legislative Session Integration System (LSIS).** Current year language designates the appropriation for the legislative session integration system as a work project. The Senate updated the language to reflect the current scope of the project and changed the name of the project from LSIS to E-LAW.
2. **Census Tracking/Reapportionment.** The Senate included language that provides carryforward authorization for these funds. (Sec. 634)

Date Completed: 5-25-00

Fiscal Analyst: B. Bowerman

House Bill 5278 (S-1 as passed by the Senate)

Committee: Appropriations

<b>FY 1999-2000 Year-to-Date Gross Appropriation</b> .....	<b>\$38,977,400</b>
<b>Changes from FY 1999-2000 Year-to-Date:</b>	
1. <b>Subregional State Aid.</b> The budget increased Subregional State Aid from \$554,300 to \$604,300. The funding is used to support 12 libraries that provide materials to the blind and physically handicapped.	50,000
2. <b>Book Distribution Centers.</b> The budget increased funding for two book distribution centers from \$313,500 to \$332,000. The centers are 501c(3) organizations that obtain donations of publications and distribute the materials to child care centers, shelters, literacy programs, hospitals, nursing homes, and other groups.	18,500
3. <b>Statewide Database Access.</b> The House increased GF/GP funding for the Statewide Database Access program from \$650,000 to \$1,079,900 based on the projected reduction of Federal support. The Senate increased GF/GP support to \$1,250,000 based on the Legislative Council request.	600,000
4. <b>Additional Staff.</b> The Senate provided funding for an interlibrary loan assistant and a library development specialist.	98,200
5. <b>Children's Reading Program.</b> The Senate added funding for a new program to develop and promote reading skills.	250,000
6. <b>Economic Adjustments.</b> The Governor included \$294,200 for economic adjustments. The House and Senate added \$52,600 for one-time lump sum adjustments not included by the Governor.	346,800
7. <b>Other Changes.</b> The budget increases Library Automation from \$728,400 to \$750,300 and funding for renaissance zone reimbursement (pursuant to Public Act 376 of 1996) from \$428,800 to \$501,000.	94,100
8. <b>Comparison to Governor's Recommendation.</b> The Senate Bill is \$1,000,800 GF/GP over the Governor's Recommendation.	
Total Changes .....	\$1,457,600
<b>FY 2000-01 Senate Gross Appropriation</b> .....	<b>\$40,435,000</b>

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations.



**Changes from FY 1999-2000 Year to Date:**

1. **Detroit Public Library and Grand Rapids Public Library Report.** The House added language that requires the Detroit Public Library and Grand Rapids Public Library to report on unique services provided to the public and the State, and the funds associated with those services. The Senate eliminated this section.

Date Completed: 4/18/00

Fiscal Analyst: B. Bowerman

House Bill 5278 (S-1 as passed by the Senate)

Committee: Appropriations

<b>FY 1999-2000 Year-to-Date Gross Appropriation</b> .....	<b>\$139,398,900</b>
<b>Changes from FY 1999-2000 Year-to-Date:</b>	
1. <b>Unclassified Salaries.</b> The budget increased the line item that funds 6.0 unclassified positions by 6.4%, from \$515,700 to \$548,600.	32,900
2. <b>Rent and Operational Costs.</b> The Governor recommended a major change in government office space arrangements and a change in the way the State pays rent on leases. The Department of Management and Budget will assume responsibility for paying rent on leases of private buildings used by State agencies. The increase shown reflects this change in procedure. The House and Senate concurred with the Governor.	16,929,200
3. <b>State Police Lab.</b> The State Police Lab at the Secondary Complex will open in the late summer of 2000 and will be maintained by the Department of Management and Budget. The Governor requested an increase in Building and Occupancy Charges for maintenance and operation of the building. The House and Senate concurred with the Governor.	1,547,300
4. <b>Judge's Retirement System Ongoing Administrative Costs.</b> The budget included an increase for the Office of Retirement Services for costs associated with implementing changes to the Judges' Retirement System.	510,000
5. <b>Electronic Records Management.</b> The budget included an increase to improve the Records and Forms Management program. Funds will be used to improve technology for managing the Records Center, as well as to review, implement, and maintain prevailing information technology standards.	116,900
6. <b>Deferred Compensation.</b> The Budget included the transfer of administration for the Deferred Compensation program from the Department of Treasury to the Department of Management and Budget. The transfer moves 17.5 FTEs from the Department of Treasury.	2,972,100
7. <b>Economic Adjustments.</b>	3,154,100
8. <b>Other Changes.</b> Other changes include increases that reflect the actuarial savings from the implementation of the Defined Contribution retirement plan, adjustments made due to the Statewide Cost Allocation Plan (SWCAP), and miscellaneous other adjustments.	(1,131,600)
9. <b>Comparison to Governor's Recommendation.</b> The Senate Bill is at the Governor's recommended funding level.	
Total Changes .....	\$24,130,900
<b>FY 2000-01 Senate Gross Appropriation</b> .....	<b>\$163,529,800</b>

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations.



**Changes from FY 1999-2000 Year to Date:**

1. **Training and Orientation Workshops.** Provides for receipt and expenditure of funds for conducting training and orientation workshops. Requires report when amounts exceed \$10,000. The Governor eliminated the reporting requirement. The House and Senate concurred with Governor. (Sec. 702)
2. **DMB Services.** Provides for receipt and expenditure of funds for DMB's maintenance and operation services provided to departments, the Judiciary, and the Legislature. Governor includes engineering services. The House and Senate concurred with Governor. (Sec. 703)
3. **Computer Contract Adjustments.** Requires notification to the Legislature on computer contract revisions exceeding \$500,000. The Governor removed this section, while the House and Senate included the language. (Sec. 713)
4. **Child Support Enhancement System Expenditures.** Requires reporting from the Department of Management and Budget on expenditures incurred for the Child Support Enforcement System. The Governor removed this section, while the House and Senate include the language. (Sec. 715)
5. **Emergency Responder Kits.** Requires the Department of Management and Budget to conduct a feasibility study regarding the placement of emergency first responder kits on each floor of buildings utilized by a State agency that houses State employees or is open to the public for State business. The Governor removed this language. The House restored the section. The Senate included modified language to require placement of automated external defibrillators as needed. (Sec. 718)
6. **Internet Privacy.** The Senate added language that prohibits DMB from placing cookies on individual's hard drives when accessing State websites unless prior approval is received. Prohibits dissemination of information obtained through "cookies" for surveys, marketing, or solicitations. (Sec. 719)

Date Completed: 5-25-00

Fiscal Analysts: E. Limbs, J. Runnels

House Bill 5278 (S-1 as passed by the Senate)

Committee: Appropriations

<b>FY 1999-2000 Year-to-Date Gross Appropriation</b> .....	<b>\$181,515,300</b>
<b>Changes from FY 1999-2000 Year-to-Date:</b>	
1. <b>Unclassified Salaries.</b> The budget increased the line item that funds 6.0 unclassified positions by 3.0%, from \$444,500 to \$457,800.	13,300
2. <b>Specialty License Plate Program.</b> The budget expanded funding for the expansion of the Specialty Plate Program.	2,000,000
3. <b>Elections Electronic Disclosure.</b> The budget included funding for the creation of a new Election Electronic Disclosure System. The goal of the system is timely availability of campaign funds disclosure.	750,000
4. <b>Social Security Number Verification.</b> The budget included an additional FTE and funding for ongoing costs associated with this program.	126,200
5. <b>Lighthouse Program.</b> The Senate Substitute included additional GF/GP funds for program grants to restore lighthouses. The FY 1999-2000 appropriation was \$150,000.	350,000
6. <b>Michigan Historical Program.</b> The budget provided funds in order to develop and distribute educational materials linking the fourth grade school curriculum to the State's history museums.	500,000
7. <b>Qualified Voter File (QVF) Help Desk.</b> The budget included additional funding and 3.0 FTEs for ongoing administrative costs related to the QVF Help Desk.	208,400
8. <b>Iron Industry Museum.</b> The Senate included funding to expand the exhibit space at the Michigan Iron Industry Museum in Negaunee.	500,000
9. <b>Michigan Historical Center Foundation Challenge Grant.</b> The Senate Substitute included funding for a dollar for dollar matching grant program for the Michigan Historical Center Foundation. Funds that are raised and matched would be used for activities related to the promotion of Michigan history.	100,000
10. <b>Economic Adjustments.</b>	6,503,700
11. <b>Other Changes.</b> Other adjustments included funding for an information technology study (\$2,000,000), a reduction in MTF funding for the Commemorative License Plate program (\$6,500,000), and other miscellaneous adjustments.	(5,231,700)
12. <b>Comparison to Governor's Recommendation.</b> The Senate Bill is \$950,000 Gross/GF/GP over the Governor's recommendation.	
Total Changes .....	\$5,819,900
<b>FY 2000-01 Senate Gross Appropriation</b> .....	<b>\$187,335,200</b>

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**Changes from FY 1999-2000 Year to Date:**

1. **Commercial Look-Up Fee.** Authorizes the sale of certain records for \$6.55 per record sold. Allows Department to use revenue for purposes as appropriated. House and Senate modified language to limit sales of records as authorized by State statute. (Sec. 802)
2. **Departmental Publications.** Authorizes the Department of State to accept gifts, donations, contributions and grants for the purpose of underwriting costs of the departmental publication authorized by the Motor Vehicle Code. Provides for deposit in the Department's publication fund. Appropriates funds upon receipt and provides for carry forward. Allows private or public funding sources to receive recognition in the publication and provide traffic safety messages in the publication. The Department is also allowed to provide free copies of the publication, and sell and accept paid advertising. Requires annual report regarding receipts and expenditures. Governor adds State Budget Director to recipients of report. House and Senate concurred with Governor. (Sec. 805)
3. **Michigan Lighthouses.** Provides criteria for Lighthouse Program and grants. Prohibits use of grants for operational costs and limits each grant to \$20,000. Senate modified language based on appropriation and increased maximum grant to \$50,000. (Sec. 813)
4. **Digitized Driver Licenses.** Authorizes use of revenue collected by the Department of State for implementation of Digitized Driver License and Personal Identification Card Program to be used to reimburse the internal service fund within DMB for prefunding start up costs. Since this program has been implemented, the Governor, House, and Senate removed this language. (Sec. 814 in current year)
5. **Collector and Fundraising Plates.** Provides for distribution of revenue to recipient university or agency. The House and Senate concurred with the Governor. (Sec. 820)
6. **Discretionary Historical Grant Program.** Provides for receipt and expenditure of grants and donations for the Discretionary Historical Grant Program. Automatically appropriates funds upon receipt. The Senate and House Substitutes concur with the Governor. (Sec. 821)
7. **Motor Vehicle Accident Claims Fund (MVAC).** The House included language that provides that all funds remaining in the MVAC on September 30, 2001 shall lapse to the General Fund. The Senate concurred with the House. (Sec. 822)
8. **Seat Belt Law Exemptions.** The House added language that requires the Department of State to develop a program that identifies to law enforcement officers vehicles whose drivers are exempt from the seat belt law. Requires report by November 1, 2000. The Senate concurred with the House. (Sec. 823)
9. **Michigan Historical Foundation Challenge Grant.** The Senate included language that provides criteria for State matching funds. (Sec. 825)
10. **Iron Industry Museum.** The Senate included language that provides criteria for \$500,000 grant. (Sec. 826)
11. **Driver Tests.** The Senate included language that requires Secretary of State to include questions related to truck tractor safety on driver license exams. (Sec. 827)
12. **Museum Store.** Exempts museum store from purchasing requirements contained in the Management and Budget Act. Governor's recommendation eliminated "in the museum-archives building." House maintained current year language. Senate concurred with Governor.
13. **Branch Office Employees.** The House added language that requires a report on the status and number of employees working at branch offices. The Senate removed this section.

Date Completed: 5-25-00

Fiscal Analysts: E. Limbs, J. Runnels

House Bill 5278 (S-1 as passed by the Senate)

Committee: Appropriations

<b>FY 1999-2000 Year-to-Date Gross Appropriation . . . . .</b>		<b>\$1,865,715,600</b>
<b>Changes from FY 1999-2000 Year-to-Date:</b>		
1.	<b>Unclassified Salaries.</b> The budget increased the line item that funds 9.0 unclassified positions by 2.9%, from \$748,600 to \$770,400.	21,800
2.	<b>Multi-state Sales/Use Tax Initiative.</b> The Governor's recommendation included \$1,800,000 and 3.0 FTEs for a multistate cooperative initiative to develop software that would better enable "remote sellers" to collect sales taxes. The House eliminated the 3.0 FTE positions and reduced funding to \$200,000. The Senate restored the FTE positions and reduced the amount proposed by the Governor by \$800,000.	1,000,000
3.	<b>Michigan Education Savings Program.</b> The Governor's budget recommendation included \$16,700,000 for financial aid for participants in this program. The Governor proposed using the Michigan Merit Award Trust Fund to finance the program. The Senate reduced the amount proposed by the Governor by \$6,700,000 and finances the program with the Tobacco Settlement Trust Fund.	10,000,000
4.	<b>Constitutional State General Revenue Sharing Grants.</b> The budget included an increase based on the January revenue estimating conference.	54,170,000
5.	<b>Statutory State General Revenue Sharing Grants.</b> The budget included an increase based on the January revenue estimating conference.	83,930,000
6.	<b>Supplemental Revenue Sharing Payments.</b> The Senate Substitute included funding to hold harmless counties that experienced a reduction in population since the 1990 census.	1,000,000
7.	<b>Revenue Sharing Reimbursement-Marenisco Township.</b> The House included a payment to Marenisco Township due to a prisoner population increase unaccounted for in the 2000 census. The Senate concurred with the House.	15,000
8.	<b>MEAP Test Administration.</b> The Governor's recommendation included funding to reflect the transfer of MEAP test administration from the Department of Education to the Department of Treasury. The transfer includes 21.0 FTEs. The Governor's proposal also included an \$1,800,000 base appropriation increase for test development and technology applications. The House and Senate concurred with the Governor.	16,428,400
9.	<b>Casino Gaming Operations.</b> The budget included funding for 34.0 FTEs for full-year costs of oversight and control of the casino gaming operations.	5,623,500
10.	<b>Grant to City of Center Line.</b> Emergency vehicle exhaust system.	50,000
11.	<b>Economic Adjustments.</b>	6,465,600
12.	<b>Other Changes.</b> The budget also included funding for other miscellaneous adjustments.	4,113,000
13.	<b>Comparison to Governor's Recommendation.</b> The Senate Bill is \$35,053,100 Gross and \$265,000 GF/GP over the Governor's recommendation.	
Total Changes . . . . .		\$182,817,300
<b>FY 2000-01 Senate Gross Appropriation . . . . .</b>		<b>\$2,048,532,900</b>



**Changes from FY 1999-2000 Year to Date:**

1. **Senior Citizen Cooperative Housing Assessments.** Allows Department to contract with a private firm to appraise and appeal assessments of senior citizen cooperative housing units. Governor's recommendation authorizes Department to use up to 1% of program funds for this purpose. House and Senate concurred with Governor. (Sec. 922)
2. **Pharmaceutical Assistance Fund.** Appropriates funds from use tax revenue to the Older Michiganians Pharmaceutical Assistance Fund. Provides for carry forward of unexpended balances. Governor's recommendation eliminates carry forward authority. House and Senate concurred with Governor. (Sec. 931)
3. **Federal Fuel Dye System Program.** Requires Treasury to submit a report by December 31, 2000 on State implementation of the Federal Fuel Dye System Program. The House included the language, while the Senate and Governor remove it. (Sec. 934 in current year)
4. **MEAP Test Administration.** Requires Department to provide tests to non-public schools and home-schooled students upon request. Provides for release of all test results (public and private) at same time. House corrects reference to expenditure in Part I. Senate included language in the current Department of Education budget bill. (Sec. 933)
5. **Unclaimed Property Listings.** The Governor included new language that provides for sale of customized unclaimed property listings of non-confidential information. Provides for annual report. The House and Senate concurred. (Sec. 934)
6. **Private Tax Preparer Notification.** The House and Senate included language that requires Department of Treasury to notify private tax preparer entities of opportunities to be included in certain directories and publications. Prohibits discounts or rebate programs. (Sec. 935)
7. **Michigan Merit Award Trust Fund.** The House and Senate included language that specifies that the Fund consists of a portion of the Tobacco Settlement revenue. (Sec. 936)
8. **Refundable Homestead Property Tax Credits.** The Senate included language that appropriates \$27,000,000 of Federal Temporary Assistance for Needy Families block grant funding to be utilized for costs of refundable State homestead property tax credits. (Sec. 937)
9. **Revenue Sharing Payment Condition.** Provides that statutory State general revenue sharing grant payments shall not be made to a county until it has complied with Section 151 of the State School Aid Act. House modified to prevent withholding of statutory revenue sharing payments if a local unit of government fails to provide a county treasurer with information necessary to comply with Section 151. The Senate removed this section.
10. **Statutory Revenue Sharing - Headlee Payments.** The Governor included language that states that statutory revenue sharing payments shall be considered as payment for any costs associated with compliance with Article 9, Section 29, of the Michigan Constitution. The House modified the language to prohibit payments from being considered Headlee payments. The Senate concurred with the House. (Sec. 958).
11. **Marenisco Township Grant.** The House included language that provides that amount appropriated to Marenisco Township in Part 1 is for the increase in prisoner population that will not be included in the 2000 Census for the purpose of revenue sharing calculations. The Senate concurred with the House. (Sec. 957)
12. **Revenue Sharing Hold Harmless Funding.** The Senate included language that provides criteria for supplemental revenue sharing payments to counties that lose revenue sharing due to a decline in population. (Sec. 959)
13. **Michigan Education Savings Program.** Provides criteria for Michigan Education Savings Program State match. Senate modified by adjusting funding based on SFA estimate, specifying Tobacco Settlement Trust Fund as funding source, and setting maximum State match of \$200. (Sec. 960)
14. **Native American Gaming Compacts.** Clarifies status of agreements pursuant to the Indian Gaming Regulatory Act. Requires Department of Treasury to provide a report to the Senate and House Appropriations Committees on receipts and distribution of revenue.

Date Completed: 5-25-00

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