

Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

SFA



BILL ANALYSIS

Telephone: (517) 373-2768
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 288 (S-1 as reported)

Committee: Appropriations

FY 2002-03 Year-to-Date Gross Appropriation	\$94,027,300
--	---------------------

Changes from FY 2002-03 Year-to-Date:

- | | |
|---|-------------|
| 1. Bovine TB. The Subcommittee cuts funding for market development programs by \$550,000, Building and Track Improvements by \$123,300, and includes a \$100,000 funding shift in the Food and Dairy Program and re-directs all of the funding (\$773,300) to Bovine TB. | 100,000 |
| 2. Employee Turnover Savings. The Subcommittee recognizes savings resulting from employee turnover and re-directs the funding to the Right to Farm Program to replace proposed fee revenue (\$25,000) and the Animal Health Program (\$50,000). | 0 |
| 3. Grant Reductions/Eliminations. The Governor eliminated the horse shows grant and the SW Michigan Tourist Council grant. The Migrant Labor Housing grant and Local Conservation Districts grants are reduced. The Subcommittee concurs. | (294,100) |
| 4. Program Reductions/Eliminations. The Governor eliminated the Regulatory Seed Program, savings of \$452,000 GF/GP and 4.5 FTEs. The Fruit and Vegetable Inspection Program is reduced, savings of \$300,000 GF/GP. The Subcommittee concurs. | (752,000) |
| 5. Administrative Savings. The Governor recommended unspecified administrative GF/GP savings throughout the budget. The Subcommittee concurs. | (339,900) |
| 6. Agriculture Equine Industry Development Fund. The Governor reduced horse racing grants and administrative line items supported by the Fund. This revenue is re-directed to non-horse racing line items to replace an equal amount of GF/GP. The Subcommittee concurs with the reduction of \$2.0 million in Fund appropriations, but not the GF/GP funding shifts. Instead, boilerplate transfers \$2.0 million from the Fund to GF/GP at year-end. In addition, the Subcommittee restores the distribution of outstanding winning ticket revenue, per statute. | (2,025,000) |
| 7. Funding Shifts. The Governor replaced GF/GP with an equal amount of available State restricted and Federal revenue in various programs. The funding shifts do not affect Gross appropriations but reduce GF/GP appropriations by \$475,000. The Subcommittee concurs. | 0 |
| 8. Fee Increases. The Governor replaced GF/GP with an equal amount of restricted revenue appropriations from proposed fee increases. The fee increases do not affect Gross appropriations but reduce GF/GP appropriations by \$549,400. The Subcommittee rejects certain fee increases and reduces others, but concurs with the GF/GP reductions. | (62,700) |
| 9. Economic Adjustments. Adjustments are made to rent/building occupancy charges only. The recommendation does not include \$2,804,800 Gross and \$1,548,000 GF/GP in unfunded employee-related economics. | (55,200) |
| 10. Other Adjustments. The recommendation includes adjustments to restricted sources of funding to reflect anticipated receipts, FTE and funding adjustments to account for early retirement, adjustments to reflect internal transfers, and IT funding. | (1,415,900) |
| 11. Comparison to Governor's Recommendation. The Subcommittee's proposal is \$61,500 Gross less than the Governor and \$2,025,000 GF/GP above the Governor. Factoring in the year-end transfer of \$2.0 million of horse racing revenue to the General Fund, there is no GF/GP difference. | |

Total Changes	(\$4,844,800)
---------------------	---------------

FY 2003-04 Senate Appropriations Subcommittee Gross Appropriation	\$89,182,500
--	---------------------

Changes from FY 2002-03 Year-to-Date:

1. **Standard Sections.** The Subcommittee recommendation contains the following standard sections: state spending (201), Management and Budget Act (202), definitions (203), civil service billing (204), hiring freeze (205), privatization (207), Internet (208), buy American (209), deprived communities (210), information technology user fees (259), and information technology work projects (260).
2. **Contingency Funds.** The Governor recommended language to allow for receipt and expenditure of additional Federal, State restricted, private, and local funds. The Subcommittee removes this language.
3. **Administrative Efficiencies.** The Governor's budget included new language that would appropriate up to one-half of the unexpended FY 2002-03 GF/GP appropriations, subject to State budget director approval, to encourage administrative efficiencies. The Subcommittee does not include this language.
4. **Transfer to General Fund.** The Subcommittee includes new language that would transfer \$2,025,000 from the Agriculture Equine Industry Development Fund to the General Fund at year-end (Sec. 221).
5. **Employee Turnover Savings.** The Subcommittee includes new language requiring that the employee turnover savings identified in the budget be transferred to the appropriate line item via legislative transfers (Sec. 322).
6. **Commissions/Boards Per Diem.** The Governor removed the language authorizing per diem payments for various gubernatorial-appointed commissions and boards. The Subcommittee concurs.
7. **Animal/Plant Health Outbreak.** The Subcommittee includes new language that requires the Director to seek additional resources in the event of an animal/plant health outbreak (Sec. 452).
8. **Local Conservation Districts.** The Governor modified current language to reduce the base grant to \$18,000. The Subcommittee modifies current language to reduce the amount available for training from \$130,000 to \$81,200 and retain the base grant at \$20,000 per district (Sec. 604).

Date Completed: 4/30/03

Fiscal Analyst: C. Thiel