

**FY 2006-07 SUPPLEMENTAL APPROPRIATIONS**  
**Summary: As Reported by the House Committee**  
**House Bill 4493 (H-1)**



Coordinators: Kyle Jen, Al Valenzio

	Executive*		House		Senate	
Budget Area	Gross	GF/GP	Gross	GF/GP	Gross	GF/GP
Capital Outlay	\$7,063,100	\$100	\$7,063,200	\$200		
Civil Rights	276,000	0	276,000	0		
Community Health	30,496,200	0	30,496,200	0		
Corrections	23,276,900	23,276,900	23,276,900	23,276,900		
Education	227,000	0	227,000	0		
Environmental Quality	11,620,000	0	11,620,000	0		
Human Services	7,058,900	0	7,058,900	0		
Information Technology	5,046,200	0	5,046,200	0		
Judiciary	3,090,000	0	3,090,000	0		
Labor and Econ. Growth	1,473,700	0	1,473,700	0		
Michigan Strategic Fund	8,000,000	0	8,000,000	0		
Military and Veterans Affairs	3,420,900	0	3,420,900	0		
Natural Resources	1,158,000	0	1,158,000	0		
State	140,000	0	140,000	0		
State Police	5,421,500	0	5,421,500	0		
<b>TOTAL</b>	<b>\$111,318,400</b>	<b>\$23,277,000</b>	<b>\$111,318,500</b>	<b>\$23,277,100</b>		

\*Reflects requests from State Budget Office letters of 11/27/06, 2/13/07, 2/27/07, 3/15/07, 3/20/07, 3/26/07, 4/11/07, and 5/10/07 and one item recommended in FY 2006-07 Capital Outlay Executive Recommendation.

**OVERVIEW**

This bill contains all pending non-General Fund Executive supplemental requests as of May 15 not previously included in an Enacted, House-passed, or Senate-passed supplemental bill. Additionally, the bill includes one General Fund supplemental request for the Department of Corrections and two Capital Outlay planning authorizations.

**FY 2006-07 Appropriation Items:**

**CAPITAL OUTLAY**

**1. DMVA Special Maintenance Projects**

Funding from available federal sources to support remodeling, renovation, and maintenance projects at military facilities. If not appropriated soon, these monies could be made available to other states for similar projects.

	<u>Executive</u>	<u>House</u>	<u>Senate</u>
<b>Gross</b>	<b>\$6,763,000</b>	<b>\$6,763,000</b>	
<b>Federal</b>	<b>6,793,000</b>	<b>6,793,000</b>	

**FY 2006-07 Appropriation Items:****2. North Lansing Complex Renovations**

This \$25 million project is currently under construction. This appropriation of state restricted monies will offset a reduction of federal monies. The revised financing split will be \$24.2 million federal and \$800,000 state.

	<b><u>Executive</u></b>	<b><u>House</u></b>	<b><u>Senate</u></b>
<b>Gross</b>	<b>\$300,000</b>	<b>\$300,000</b>	
Restricted	300,000	300,000	

**3. Ferris State University – Optometry Building and Center for Collaborative Health Education**

This planning authorization allows the university to hire professional consultants to prepare a program statement and schematic planning documents. This project entails the construction of a new 91,000 sq. ft. instructional facility for the FSU College of Optometry. It is anticipated to cost \$23.8 million with the State share being \$17.85 million and the school share being \$5.95 million.

<b>Gross</b>	<b>\$0</b>	<b>\$100</b>	
GF/GP	\$0	\$100	

**4. Wayne County Community College – Northwest Campus Replacement**

This planning authorization allows the college to hire professional consultants to prepare a program statement and schematic planning documents. This project entails the construction of a new 180,000 sq. ft. instructional facility and demolition or renovation of the existing buildings at its Northwest Campus site. The project is anticipated to cost \$42 million with the State and school shares being \$21 million each.

<b>Gross</b>	<b>\$100</b>	<b>\$100</b>	
GF/GP	\$100	\$100	

**CIVIL RIGHTS****5. Training for Real Estate Agents**

Funding to provide training to real estate agents on activities associated with fair housing practices. A portion of the fees paid by real estate agents will be used to fund the training program.

<b>Gross</b>	<b>\$55,000</b>	<b>\$55,000</b>	
Restricted	55,000	55,000	

**6. Funding for Training of Victims of Criminal Acts (VOCA)**

Appropriates available federal funds to be used to pay for training of victims of criminal acts. The funds will also be used for creating an on-line directory of resources that victims can access.

<b>Gross</b>	<b>\$221,000</b>	<b>\$221,000</b>	
IDG	221,000	221,000	

**COMMUNITY HEALTH****7. Middle School Health Promotion**

Recognizes \$700,000 of a new 3-year grant from the W. K. Kellogg Foundation for middle school student-led programs in underserved communities to improve health related behaviors and address health disparities as a new Promotion of Healthy Behaviors appropriation line item. Funding authorization has also been requested for FY 2007-08 by the Executive.

<b>Gross</b>	<b>\$700,000</b>	<b>\$700,000</b>	
Private	700,000	700,000	

**8. Vital Records System Enhancements**

Adds 3.0 FTEs and appropriates \$2.5 million from a new federal Medicaid Transformation grant to enhance the state vital records system and interfaces, providing benefit to the Medicaid program of improved speed and accuracy of validation of vital events and citizenship for eligibility determination.

<b>Gross</b>	<b>\$2,500,000</b>	<b>\$2,500,000</b>	
Federal	2,500,000	2,500,000	

**9. Credentialing Database for Health Care Providers**

Adds \$3.1 million to the Health Professions line item to recognize a new federal Medicaid Transformation grant that would be used for the development of a "one source" credentialing database for licensed health care professionals and facilities. Five FTE positions would be responsible for carrying out these activities.

<b>Gross</b>	<b>\$3,100,000</b>	<b>\$3,100,000</b>	
Federal	3,100,000	3,100,000	

**10. Women, Infants, and Children Nutrition Program**

An additional \$3.3 million of federal grant funds for the Special Supplemental Nutrition Program for Women, Infants, and Children are available for WIC food costs, based on caseload and costs, and for administration. WIC participation was 229,770 in FY 2005-06, and has increased since FY 2001-02.

<b>Gross</b>	<b>\$3,313,000</b>	<b>\$3,313,000</b>	
Federal	3,313,000	3,313,000	

**FY 2006-07 Appropriation Items:****Executive****House****Senate****11. Crime Victim Program Funding for Michigan State Police**

Appropriates \$1.0 million of state restricted Crime Victim's Rights Fund available balance for interdepartmental grant to Department of State Police, to replace GF/GP, for costs for the sex offender registry, amber alert missing child notification system, polygraph tests and forensic science expert witness testimony programs. Statutory revisions will be required for these new uses of the Fund.

<b>Gross</b>	<b>\$1,033,200</b>	<b>\$1,033,200</b>
Restricted	1,033,200	1,033,200

**12. Increase MACI Hospital Payment To Upper Payment Limit**

Increases authorization within the Hospital Services and Therapy line item by \$23.4 million gross to increase Medicaid Access to Care Initiative (MACI) payments to hospitals up to the upper payment limit. The increase is funded with \$10.2 million of state restricted Quality Assurance Assessment (QAAP) revenue and federal Medicaid matching funds of \$13.2 million. A similar adjustment has been proposed in the FY 2007-08 Executive budget recommendation.

<b>Gross</b>	<b>\$23,400,000</b>	<b>\$23,400,000</b>
Federal	13,192,900	13,192,900
Restricted	10,207,100	10,207,100

**CORRECTIONS****13. Hospital and Specialty Care**

Supplements original appropriation of \$58.9 million and earlier FY 2006-07 supplemental appropriation of \$12.6 million with additional \$23.3 million for hospital and specialty care. Figure is the net of a projected shortfall of about \$26.4 million, offset by savings of \$2.0 million through paroles of medically fragile prisoners and \$1.1 million through adding infirmary beds to reduce the length of off-site hospital stays. Costs have increased due to a combination of increased utilization, higher prices, and increased prisoner population.

<b>Gross</b>	<b>\$23,276,900</b>	<b>\$23,276,900</b>
GF/GP	\$23,276,900	\$23,276,900

**EDUCATION****14. Commodity Distribution Fee Revenue**

Increases the authorization to use available commodity distribution fee revenue to pay for the costs associated with the termination of a contract with Northern Food Service.

<b>Gross</b>	<b>\$227,000</b>	<b>\$227,000</b>
Restricted	227,000	227,000

**ENVIRONMENTAL QUALITY****15. Green Chemistry Initiative**

Develop innovative chemical technologies targeting pollution prevention efforts, designed to reduce or eliminate the use or generation of hazardous substances during the use of chemical products.

<b>Gross</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>
Restricted	1,000,000	1,000,000

**16. Brownfield Grants and Loans Program**

Assists local governments through redevelopment grants and loans to cleanup environmental contamination at sites with redevelopment potential.

<b>Gross</b>	<b>\$10,000,000</b>	<b>\$10,000,000</b>
Restricted	10,000,000	10,000,000

**17. Office of the Great Lakes**

Guide shippers in ballast water management practices leading to reductions in aquatic invasive species to the Great Lakes.

<b>Gross</b>	<b>\$45,000</b>	<b>\$45,000</b>
Federal	22,500	22,500
Restricted	22,500	22,500

**18. Air Quality Programs**

Expand the existing Homeland Security Bio-watch program to include indoor monitoring. Funding is included in the FY 2007-08 Executive Recommendation as well.

<b>Gross</b>	<b>\$575,000</b>	<b>\$575,000</b>
Federal	575,000	575,000

**19. Information Technology Services**

Deduct adjustment needed to correct funding source errors made during budget development. A new IDT for the Environmental Laboratory would be created. This adjustment is recommended in the May 4 legislative transfer package.

<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
IDT	0	122,200
Federal	0	(344,000)
Restricted	0	221,800

**HUMAN SERVICES****20. Early Childhood Investment Corporation**

Shifts \$1.7 million in federal funding from the Day Care Services line item. This line item had been used to fund grants administered by the Early Childhood Investment Corporation (ECIC) to various regional Great Start Collaboratives around the state. The collaboratives utilize funds to assess and improve early childhood programs in their area. These funds would be transferred to a new specific line item added to the FY 2007 budget as a placeholder for future ECIC-related appropriations.

<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
Federal	0	0

**FY 2006-07 Appropriation Items:**

		<b><u>Executive</u></b>	<b><u>House</u></b>	<b><u>Senate</u></b>
<b>21. Nutrition Education Program</b>	<b>Gross</b>	<b>\$1,914,000</b>	<b>\$1,914,000</b>	
Increases authorization for Food Stamp Nutrition Education Program operated by Michigan State University (MSU). The recently received federal award exceeded the appropriation level in the FY 2007 budget act. This increases appropriations to cover the full award. All matching funds are provided by MSU.	Federal	1,914,000	1,914,000	
<b>22. Federal Funding Adjustment for Child Support</b>	<b>Gross</b>	<b>\$2,182,100</b>	<b>\$2,182,100</b>	
Increases federal authorization for the line item, which covers information technology costs related to Michigan Child Support Enforcement System.	Federal	2,182,100	2,182,100	
<b>23. Federal Funds for Single Audit Costs</b>	<b>Gross</b>	<b>\$950,000</b>	<b>\$950,000</b>	
Provides additional funding to cover the federal share of the costs of the upcoming Single Audit of the Department.	Federal	950,000	950,000	
<b>24. Strong Families/Safe Children – Caseworker Visits</b>	<b>Gross</b>	<b>\$1,512,800</b>	<b>\$1,512,800</b>	
Increases authorization for Strong Families/Safe Children line item to support new federal grant for monthly caseworker visits for foster children.	Federal	1,512,800	1,512,800	
<b>25. Foster Care Fund Shift</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	
Shifts appropriations for foster care payments from federal revenue to local revenue. Shift is necessitated by reductions in federally funded Title IV-E foster care caseload.	Federal	(6,000,000)	(6,000,000)	
	Local	6,000,000	6,000,000	
<b>26. Emergency Funding – Hurricane Katrina</b>	<b>Gross</b>	<b>\$500,000</b>	<b>\$500,000</b>	
Increases federal authorization to reflect federal emergency funds provided for Hurricane Katrina and Hurricane Rita victims who were moved to Michigan due to the hurricanes.	Federal	500,000	500,000	
<b>INFORMATION TECHNOLOGY</b>				
<b>27. Adjustment for State Police</b>	<b>Gross</b>	<b>\$5,046,200</b>	<b>\$5,046,200</b>	
Adjusts the DIT budget to reflect the actual amount of funding authorized for information technology costs in the State Police budget. Funding in the State Police budget was transferred out of program line items and into the IT line item.	IDG	5,046,200	5,046,200	
<b>JUDICIARY</b>				
<b>28. Trial Court Automation Support</b>	<b>Gross</b>	<b>\$890,000</b>	<b>\$890,000</b>	
Increases authorization for direct trial court automation support line item based on projected revenue from increased user fees. Funding will support the development and implementation of a new software system for trial court case management. Project expected to be completed over four years with estimated cost of \$8 to \$12 million.	Local	890,000	890,000	
<b>29. Drunk Driving Fund</b>	<b>Gross</b>	<b>\$700,000</b>	<b>\$700,000</b>	
Increases funding appropriation to drunk driving case-flow program to recognize increased fee collections and provide sufficient spending authority to disburse funds to the appropriate courts as required by statute.	Restricted	700,000	700,000	
<b>30. Judicial Information Systems</b>	<b>Gross</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>	
Increases appropriation to the judicial information systems to recognize additional federal revenues for the Judicial Data Warehouse (JDW) expansion. Project will allow trial courts to report data to state law enforcement database daily and enhance JDW capabilities.	Federal	1,500,000	1,500,000	
<b>LABOR AND ECONOMIC GROWTH</b>				
<b>31. Cable Television Competition Law</b>	<b>Gross</b>	<b>\$600,000</b>	<b>\$600,000</b>	
Recognizes new restricted fund revenue available from Video Services Local Franchise Act to enable the Public Service Commission to regulate local cable television franchise agreements.	Restricted	600,000	600,000	
<b>32. New Lending and Financial Regulations</b>	<b>Gross</b>	<b>\$873,700</b>	<b>\$873,700</b>	
Adds \$873,700 of state restricted revenue for Office of Financial and Insurance Services, \$573,700 to support payday lending legislation, and \$300,000 to support anti-money laundering.	Restricted	873,700	873,700	

<u>FY 2006-07 Appropriation Items:</u>		<u>Executive</u>	<u>House</u>	<u>Senate</u>
<b>MICHIGAN STRATEGIC FUND</b>				
<b>33. Community Block Grant Program</b>	<b>Gross</b>	<b>\$8,000,000</b>	<b>\$8,000,000</b>	
Anticipates increased federal funds for the Community Development Block Grant Program.	Federal	8,000,000	8,000,000	
<b>MILITARY AND VETERANS AFFAIRS</b>				
<b>34. Starbase Grant</b>	<b>Gross</b>	<b>\$707,000</b>	<b>\$707,000</b>	
Provides federal revenue for an agreement with the Parametric Technology Corporation for training and certification to Starbase directors and teachers for engineering software.	Federal	707,000	707,000	
<b>35. Grand Rapids Veterans' Home</b>	<b>Gross</b>	<b>\$2,533,900</b>	<b>\$2,533,900</b>	
Increases available Federal and restricted authorization to cover Medicare prescription drug costs and projected veterans program operating costs.	Federal	2,140,300	2,140,300	
	Restricted	393,600	393,600	
<b>36. D. J. Jacobetti Veterans' Home</b>	<b>Gross</b>	<b>\$180,000</b>	<b>\$180,000</b>	
Increases Federal authorization to cover Medicare prescription drug costs.	Federal	180,000	180,000	
<b>NATURAL RESOURCES</b>				
<b>37. Wildlife Management</b>	<b>Gross</b>	<b>\$300,000</b>	<b>\$300,000</b>	
Provides Deer Habitat Reserve funding to improve and expand winter deer range environments.	Restricted	300,000	300,000	
<b>38. Forest Fire Protection</b>	<b>Gross</b>	<b>\$278,000</b>	<b>\$278,000</b>	
Homeland Security grants to develop an internet burn permit system.	Federal	278,000	278,000	
<b>39. Forest Recreation and Trails</b>	<b>Gross</b>	<b>\$250,000</b>	<b>\$250,000</b>	
Process and monitor wilderness camping and trail land use permit applications.	Restricted	250,000	250,000	
<b>40. Minerals Management</b>	<b>Gross</b>	<b>\$225,000</b>	<b>\$225,000</b>	
Process and land use permit applications for non-metallic mineral extraction and development.	Restricted	225,000	225,000	
<b>41. General Law Enforcement</b>	<b>Gross</b>	<b>\$50,000</b>	<b>\$50,000</b>	
Provides funds for ORV law enforcement efforts, consistent with the formula provided in the ORV statute.	Restricted	50,000	50,000	
<b>42. Off-Road Vehicle Trail Improvement Grants</b>	<b>Gross</b>	<b>\$55,000</b>	<b>\$55,000</b>	
Provides funds for trail maintenance and development, consistent with the formula provided in the ORV statute.	Restricted	55,000	55,000	
<b>STATE</b>				
<b>43. Motorcycle Safety Education Grants</b>	<b>Gross</b>	<b>\$80,000</b>	<b>\$80,000</b>	
Authorization to receive federal grant funding made available from the Department of State Police, Office of Highway Safety Planning, for the purchase of motorcycle equipment to be used for training purposes at the public training sites.	Federal	80,000	80,000	
<b>44. Driver Education</b>	<b>Gross</b>	<b>\$60,000</b>	<b>\$60,000</b>	
Authorization to receive federal grant funding made available from the Department of State Police, Office of Highway Safety Planning, to be used to fund training workshops for driver education instructors beginning in June.	Federal	60,000	60,000	
<b>STATE POLICE</b>				
<b>45. Adjustments for Solving Projected FY07 Deficit</b>	<b>Gross</b>	<b>\$5,421,500</b>	<b>\$5,421,500</b>	
Various funding adjustments to resolve projected current year budget problems for the State Police. Includes a new \$1.0 million IDG appropriation from the Department of Community Health Crime Victims Rights Fund and a \$1.3 million increase in the IDG appropriation from the Michigan Department of Transportation State Trunkline Fund. These increases in restricted revenue funding are used to offset GF/GP funds in some lines; GF/GP funding would then be transferred to lines projected to have insufficient funding. Request also includes technical change to properly reflect Information Technology services and projects.	IDG	3,507,000	3,507,000	
	Federal	714,500	714,500	
	Restricted	1,200,000	1,200,000	
	GF/GP	\$0	\$0	

**FY 2006-07 Boilerplate Items:****CAPITAL OUTLAY****1. Sec. 301. Subject to PA 431 of 1984**

Refers to capital outlay requirements and document approval process delineated under the Management and Budget Act.

**Executive**      **House**      **Senate**

Included      Included

**2. Sec. 302. Required Cost Statement**

Requires that facility operating costs be included with submitted planning documents.

Included      Included

**3. Sec. 303. Final Planning and Construction**

Outlines certain administrative procedures a community college or university must comply with in order to move a project to the final design/construction phase.

Included      Included

**4. Sec. 331. Administrative Criteria – Matching Funds**

Details certain administrative requirements for a community college with a partially state funded project; limits state funds for a project to 50% of the total cost.

Included      Included

**5. Sec. 332. Reduction of Matching Funds**

If actual project matching funds are less than that authorized, state funds are to be reduced proportionally.

Included      Included

**6. Sec. 333. Matching Funds Documentation**

Allows DMB director to require community colleges and universities to document project matching funds and governing board approvals.

Included      Included

**COLLEGES AND UNIVERSITIES****7. Sec. 371. MPSERS Credits**

Directs Michigan Public School Employees Retirement System (MPSERS), upon enactment of legislation, to issue credits to state universities and community colleges reducing the institutions' pension contributions. These credits would offset reductions made to the operations appropriations of the 28 community colleges and seven state universities with employees in MPSERS under Executive Order 2007-3.

Included      Included

**HUMAN SERVICES****8. Sec. 431. ECIC, Great Start Collaborative Grants**

Adds new language related to the new line item appropriation for "ECIC, Early Childhood Investment Corporation" (see DHS Budgetary Issues). Provides that the DHS contract to administer an amount for (a) competitive grants for the creation of Great Start Communities or other community purposes as identified by the ECIC; and (b) technical assistance to Intermediate School Districts or other community agencies for implementation of needs assessments and strategic plans.

Included      Included

**9. Sec. 432. ECIC Annual Report**

Requires DHS to provide an annual report to the Appropriation Subcommittees on the DHS budget on the ECIC's activities, including information on grants and contracts awarded by the ECIC. The reporting requirement varies somewhat from an existing boilerplate section (Sec. 678) in the current FY 2007 budget act. In particular, the two sections require information on ECIC contract selection criteria, but current Sec. 678 requires the report 30 days before issuance of any requests for proposals (RFPs), while the language in the bill requires the report on the day of the issuance of any RFPs.

Included      Included

**LABOR & ECONOMIC GROWTH****10. Sec. 471. Create Video Franchise Assessment Fund**

Creates new Video Franchise Assessment Fund from revenue provided in the Uniform Video Services Local Franchise Act, MCL 484.3314. Funds to be used by the Public Service Commission to regulate local cable television franchise agreements.

Included      Included

**MICHIGAN STRATEGIC FUND****11. Sec. 571. Transfer Michigan Forest Finance Authority Funds**

Transfers \$20.0 million from Michigan Forest Finance Authority work project in the 21<sup>st</sup> Century Jobs Trust Fund to the General Fund from the spending reduction of this work project included in Executive Order 2007-3.

Included      Included

**STATE POLICE****12. Sec. 633. State Police Posts**

Specifies that all State Police posts operating as of April 12, 2007 shall remain open and operating through FY 2006-07. The State Police announced that the posts in Hart and Calumet would close in July in order to save costs. This language keeps the posts open through the end of the fiscal year to allow more time to negotiate lease agreements.

Not Included      Included

**FY 2006-07 Boilerplate Items:**

**Executive**      **House**      **Senate**

**REPEALER**

**13. Sec. 1001. Repeal of EQUIP Grant Boilerplate Appropriation**

Included      Included

Repeals Sec. 627 of Article 10 of the FY 2006-07 omnibus budget act (2006 PA 345). This section appropriated up to \$1.7 million to finance "Enhance Quality Improvement Program" (EQUIP) grants aimed at assisting current day care providers and establishing new family and group day care homes. These funds were eliminated by the DHS in FY 2005-06 in order to finance the Great Start Collaborative grants administered by the ECIC. However, the Legislature restored the appropriation for the EQUIP grants in the FY 2006-07 budget.