



Senate Fiscal Agency  
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# BILL ANALYSIS

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Senate Bill 234 (S-1 as reported)  
Committee: Appropriations

*Throughout this document Senate means Appropriations Committee.*

FY 2006-07 Year-to-Date Gross Appropriation .....	\$1,294,751,600
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## Changes from FY 2006-07 Year-to-Date:

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| 1. <b>Workforce Training Subgrantees.</b> The Governor included additional Federal Workforce Investment Act funds and added \$40.0 million GF/GP for the proposed No Worker Left Behind program which would provide two years of free tuition for displaced workers. The Senate did not include the GF/GP increase.   | 9,985,100    |
| 2. <b>Michigan Nursing Corps.</b> The Governor recommended \$15.0 million to increase numbers of nurses and nurse faculty. The Senate included a \$100 placeholder.   | 100          |
| 3. <b>Job, Education, and Training (JET).</b> The Governor recommended \$13,476,700 in FY 2007-08 and 62.0 FTEs for Statewide expansion of JET. The Senate concurred.   | 13,476,700   |
| 4. <b>Bureau of Fire Services Fund Shift.</b> The Governor removed \$3,121,500 of corporate and securities fee revenue, replacing it with funds from the proposed increase in liquor license fee revenue. The savings in corporation and securities fees would lapse to the General Fund. The Senate did not include the increase in liquor license fee revenue, instead replacing the corporate and securities fee revenue with \$3,121,500 GF/GP. | 0            |
| 5. <b>Fire Protection Grant Fund Shift.</b> The Governor recommended reducing General Fund support by (\$3.7 million) and replacing it with \$1.9 million from the proposed liquor license fee increase and \$1.8 million from the Fire Protection Fund (Driver Responsibility Fees). The Senate did not include the proposed liquor license fee increase, reducing the program from \$10,910,500 in FY 2006-07 to \$9,010,500 in FY 2007-08.       | (1,900,000)  |
| 6. <b>Bureau of Commercial Services.</b> The Governor's revised recommendation reduced restricted funds by (\$3,042,300), reflecting in part cost reductions in a database project. The Senate concurred in the revised recommendation and added 1.0 FTE and \$50,000 in restricted fund expenditure authority to implement auctioneer regulation.  | (3,042,300)  |
| 7. <b>Economic Adjustments.</b> The Governor and Senate concurred.  | 14,746,600   |
| 8. <b>Other Changes.</b> The Governor recommended adjustments in Federal and restricted funds, DIT economics, Human Resources Optimization Charges, and other items. The Senate does not include the proposed increase in construction code fees.   | (20,439,000) |
| 9. <b>Comparison to Revised Governor's Recommendation.</b> The Senate is (\$42,048,500) Gross and (\$51,201,200) GF/GP under the Governor.  |              |

Total Changes.....	\$12,827,200
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FY 2007-08 Senate Appropriations Committee Gross Appropriation .....	\$1,307,578,800
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**Changes from FY 2006-07 Year to Date:**

1. **Standard Language.** The Governor deleted: exception to hiring freeze for Federally funded positions (Sec. 205); privatization language; report retention; fund source identification; prohibition on disciplinary action against staff for interaction with Legislature. The Governor reinstated contingency fund language. The Senate concurred in hiring freeze and deletion of privatization but retained: report retention (Sec. 212), fund source identification (Sec. 216), and prohibition on employee discipline (Sec. 219). The Senate did not include contingency fund language.
2. **Report on Implementation of Legislation; Limitation on Rules.** The Senate added a report on policy changes made to implement legislation, and prohibited use of funds for administrative rules, unless rules reduce the disproportionate impact on small businesses. (Sec. 215)
3. **Reports.** The Governor deleted several reports. The Senate maintained all reporting requirements except real estate continuing education and changed Broadband language to a report on status of outstanding loans. (Sec. 304, 308, 335, 336, 364, 372, 373)
4. **Professional Employment Organizations (PEOs).** The Governor deleted the prohibition on regulating these organizations more strictly than statute requires. The Senate retained. (Sec. 319)
5. **Department Requirements.** The Governor deleted the following requirements: 1) administrative law hearings be within 150 miles of the regulated entity; 2) MSHDA collaborate on senior-assisted housing; 3) \$50,000 be allocated to print the real estate law and rules book (Red Book); 4) allocate \$40,000 to nonprofit organizations from the aggregate industry from MIOSHA; 5) 21.3% limit on the local match requirement for vocational rehabilitation facilities; 6) prohibition on using funds for ergonomics rules more stringent than the Federal voluntary guidelines; and 7) allocate sufficient funds for the operational costs of the Michigan Works! Service Centers. The Senate concurred with deleting 1), 2), and 7). The Senate retained 3) as "up to \$50,000" (Sec. 357), 4) (Sec. 365), 5) (Sec. 403), and 6) (Sec. 355).
6. **Office of Financial and Insurance Services.** The Governor deleted: The prohibition the use of funds to prevent using credit scoring for insurance premiums; providing HMO financial filings to the fiscal agencies; boilerplate transfer of \$7.0 million from the consumer finance fees fund to the General Fund in FY 2006-07. The Senate retained credit scoring (Sec. 337) and HMO reports (Sec. 340) and concurred on Consumer Finance Fee deletion.
7. **Fire Service Fees.** The Senate added new intent language regarding a review of the fire services provided to public and State-owned buildings in relation to the fee structure in Sec. 310. (Sec. 371)
8. **Workers' Compensation Voluntary Pay.** The Senate added language prohibiting the Agency from using funds to change the voluntary pay system currently in place. (Sec. 372)
9. **Low Income Energy Efficiency Fund.** The Senate added an accelerated schedule for proposals and grant awards for low income energy efficiency fund grants. (Sec. 375)
10. **Disabled Veteran Outreach Specialist.** The Governor changed requirement to assign a specialist to each Michigan Works! Agency either full- or part-time, allowing availability in person or by phone as resources permit. The Senate concurred but did not include "as resources permit". (Sec. 410)
11. **JET Statewide Expansion.** The Governor recommended new language placing a contingency on the appropriation in part 1 until savings can be documented in FY 2006-07 in 50.0% of the State. The Senate concurred. (Sec. 430)
12. **Michigan Nursing Corps.** The Governor added language establishing guidelines for the recipients of this scholarship program. The Senate changed the intent language for a program with two pilot projects. (Sec. 431)
13. **No Worker Left Behind.** The Governor recommended this new grant program to provide free tuition for up to two years to displaced workers for training that will lead to new careers. Unexpended funds will be placed into a work project account until September 30, 2009. The Senate changed to allow for the program. (Sec. 432)
14. **JET Report.** The Senate added new reporting language on the JET Pilot and 50.0% expansion program. (Sec. 433)
15. **After School Partnership.** The Senate added new language allocating \$25,000 from part 1 for this program. (Sec. 434)
16. **School Eligibility for Workforce Training Funds.** The Senate added language to require the department to ensure that school districts are an eligible provider for Workforce Investment Act and No Worker Left Behind programs. (Sec. 435)

Date Completed: 8-17-07

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