



Senate Fiscal Agency  
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# BILL ANALYSIS

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Senate Bill 234 (as introduced)

Committee: Appropriations

<b>FY 2006-07 Year-to-Date Gross Appropriation .....</b>	<b>\$1,231,476,200</b>
<b>Changes from FY 2006-07 Year-to-Date:</b>	
1. <b>No Worker Left Behind.</b> The Governor recommended increasing the Workforce Training Subgrantees line by \$40,000,000 GF/GP and \$37,000,000 Federal Workforce Investment Act to fund two years of free tuition for displaced workers.	77,000,000
2. <b>Michigan Nursing Corps.</b> The Governor recommended \$15,000,000 to increase the number of nurses, primarily through scholarships.	15,000,000
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 the JET program (the revised Work First program), contingent on demonstrated savings in FY 2006-07 in the JET pilot sites.	13,476,700
4. <b>Office of Financial and Insurance Services.</b> The Governor recommended restricted fund increases of \$400,000 and 4.0 FTEs to implement money transmission regulation, \$573,700 for a payday lending database, and \$250,000 for additional insurance exams.	1,223,700
5. <b>Video Franchise Regulation.</b> The Governor recommended restricted funds of \$1,000,000 and 1.0 FTE for the Public Service Commission to implement video franchise regulation.	1,000,000
6. <b>Welfare-to-Work Fund Shift.</b> The Governor recommended reducing the Federal Temporary Assistance to Needy Families (TANF) funding by \$10,000,000 and replacing it with \$10,000,000 of Federal Workforce Investment Act funding.	0
7. <b>Bureau of Fire Services Fund Shift.</b> The Governor recommended removing \$3,121,500 of corporate and securities fee revenue, replacing it with an equal amount from the proposed increase in liquor license fee revenue. The savings in corporation and securities fees would lapse to the General Fund.	0
8. <b>Fire Protection Grant Fund Shift.</b> The Governor recommended reducing General Fund support by (\$3,700,000) and replacing it with \$1,900,000 from the proposed liquor license fee increase and \$1,800,000 from the Fire Protection Fund (Driver Responsibility Fees).	0
9. <b>Bureau of Commercial Services.</b> The Governor recommended reducing restricted funds for this program by (\$4,412,300), reflecting in part cost reductions in a database project.	(4,412,300)
10. <b>Broadband Development Authority.</b> The Governor recommended elimination of the Authority, a reduction of (\$501,800) in restricted funds and (2.0) FTEs.	(501,800)
11. <b>Economic Adjustments.</b> The Governor recommended economics of \$14,746,600.	14,746,600
12. <b>Other Changes.</b> The Governor recommended adjustments in Federal and restricted funds, DIT economics, Human Resources Optimization Charges and other items.	(3,861,700)
Total Changes.....	\$113,671,200
<b>FY 2007-08 Governor's Recommendation.....</b>	<b>\$1,345,147,400</b>

**Changes from FY 2006-07 Year to Date:**

1. **Standard Language.** The Governor recommended deletion of following standard boilerplate sections: Language referring to exceptions to the hiring freeze for classified positions fully funded with Federal funds; privatization language; report retention; fund source identification; prohibition on disciplinary action against classified staff for interaction with Legislature. The Governor recommended reinstating contingency fund language.
2. **Reports.** The Governor deleted several reports: Revenue from sale of customized listings of nonconfidential information; MSHDA's housing production goals; elevator regulation fees; Low Income Energy Efficiency Assistance Program grants; Office of Financial and Insurance Services expenditures by division; real estate continuing education courses approval timelines and on-line course requirements; Broadband Development Authority administrative costs; decisions rendered by the State Office of Administrative Hearings and Rules; and the number of inquiries from employers and employees regarding changes in the minimum wage.
3. **Professional Employment Organizations (PEOs).** The Governor recommended deleting the prohibition on using appropriated funds for activities that regulate these organizations more strictly than statute requires.
4. **Department Requirements.** The Governor recommended deleting the following: requirement that administrative law hearings be within 150 miles of the business or individual being regulated; requirement that MSHDA collaborate on senior-assisted housing; requirement that \$50,000 be allocated to print the real estate law and rules book (Red Book); requirement to allocate \$40,000 to nonprofit organizations from the aggregate industry as a grant for industrial-related training program from MIOSHA; limit on the local match requirement for vocational rehabilitation facilities not exceed 21.3%; prohibition on using funds for ergonomics rules more stringent than the Federal voluntary ergonomic guidelines; and the requirement that the Department allocate sufficient funds to the Michigan Works! Service Centers to allow them to remain fully operational.
5. **Office of Financial and Insurance Services.** The Governor recommended deleting: The prohibition on the expenditure of funds to implement prohibitions on using credit scoring to establish insurance premiums; the provision of HMO periodic financial filings to the fiscal agencies; boilerplate transfer of \$7,000,000 from the consumer finance fees fund to the General Fund in FY 2006-07.
6. **Work First.** The Governor recommended deleting all language outlining the procedure for implementing this program. New language was inserted requiring the Department to administer this program in accordance with the Social Security Act and the State Social Welfare Act as well as all other applicable laws and regulations. (Sec. 405)
7. **Disabled Veteran Outreach Specialist.** The Governor recommended eliminating assignment of a specialist to each Michigan Works! Agency either full- or part-time; instead, a specialist would be available in person or by phone. "Intensive services" would be those beyond core services included in the Workforce Investment Act. (Sec. 410)
8. **Video Franchise Assessment Fund.** The Governor recommended new language creating this fund and allowing the carryforward of any unexpended balance into the next fiscal year. (Sec. 369)
9. **Cities of Promise Blight Elimination Program.** The Governor recommended new language appropriating \$6,250,000 in MSHDA for the first of four years to address abandoned property and blight in designated Cities of Promise to prepare these areas for economic development. The language also appropriates an equivalent amount of local and private matching funds for this purpose. (Sec. 370)
10. **JET Statewide Expansion.** The Governor recommended new language placing a contingency on the appropriation in part 1 for this program until savings can be documented in the FY 2006-07 JET program in 50% of the State. (Sec. 430)
11. **Michigan Nursing Corps.** The Governor recommended a \$15,000,000 appropriation for this new program. The language establishes the eligible recipients as universities and community colleges to support increasing the capacity of nursing faculty, the number of nurses with advanced degrees, and to provide funds to students in an accelerated second bachelors nursing program. Unexpended funds will be placed into a work project account until September 30, 2009. (Sec. 431)
12. **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. (Sec. 432)

Date Completed: 2-12-07

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