

House Bill 5344 Conference Report (CR-1*)
Sponsor: Representative George Cushingberry
House Committee: Appropriations
Senate Committee: Appropriations

Date Completed: 4-17-08

CONTENT

House Bill 5344 (CR-1*) would provide for supplemental appropriations for fiscal year (FY) 2007-08. The supplemental appropriations contained in the bill are based on recommendations submitted to the Legislature by the Office of the State Budget (OSB) on January 14, 2008, February 7, 2008 and April 16, 2008. The House of Representatives approved House Bill 5344 (H-8) on March 20, 2008. The Senate substitute for the bill, House Bill 5344 (S-1), was passed by the Senate on March 27, 2008. The Conference Report includes \$143.9 million of Gross appropriations, of which \$42.3 million are General Fund/General Purpose (GF/GP) appropriations.

The major issues addressed by the supplemental appropriation bill include the appropriation of a \$35.9 million settlement between the State and the Federal government involving the funding of school-based health clinics, the appropriation of \$11.0 million of GF/GP funding in the Department of Environmental Quality to offset fee increases included in the Department budget but not enacted into law, the funding of several shortfalls in the Department of Human Services, funding for laboratory operations in the Department of State Police, the funding of the local government costs of conducting the January 2008 presidential primary in Michigan, and the reduction of debt service payments in the Department of Treasury. The following is a brief summary of the major line-item appropriations contained in House Bill 5344 (CR-1*):

Community Health: The bill would adjust the appropriation of quality assurance assessments in the Medicaid program and provide funding for the settlement between the State of Michigan and the Federal government involving the funding of school-based health clinics.

Education: The bill would appropriate Federal funding for educational assessment functions.

Environmental Quality: The bill includes an \$11.0 million fund shift from State Restricted funding to GF/GP funding. This fund shift is necessary to adjust the enacted budget for assumed fee increases that were included in the budget but not enacted into law.

Higher Education: The bill would adjust the funding levels of the Michigan Merit Award Program and the Michigan Promise Grant Program to reflect updated estimates of actual program expenditures.

Human Services: The bill would appropriate available Federal funding for nutrition education and adjust for enacted funding shortfalls in the Foster Care Program, the Adoption Subsidy Program, and the Child Care Fund. The bill includes \$4.0 million for a daycare provider increase.

Judiciary: The bill would appropriate available local revenue for automation projects in trial courts.

Military and Veterans Affairs: The bill would appropriate a 3.0% increase for veterans service organizations.

Natural Resources: The bill would provide additional funding for Forest Recreation Programs, Wildfire Protection Programs, and the St. Jean public boat launch.

State Police: The bill would provide funding to ensure that the operation of the laboratories continues at the prior fiscal year level and funding for a trooper school.

Treasury: The bill would provide the funding to reimburse local units of government for their costs associated with the January 2008 presidential primary in Michigan. The bill also would reduce the appropriation for debt service payments on general obligation bonds to reflect savings due to the refinancing of outstanding bonds to take advantage of the recent reductions in long-term interest rates. The bill provides \$5.5 million of State restricted funding to allow the consolidation of the Gaming Control administration in the Detroit office.

Treasury-Strategic Fund: The bill would provide for a \$3.5 million GF/GP grant to Michigan State University for bio-energy research. The bill also includes \$500,000 grants to business incubator projects in Washtenaw and Macomb counties.

Table 1 provides a summary of the line items and language sections contained in House Bill 5344 (CR-1*).

Fiscal Analyst: Gary S. Olson

Table 1

**FY 2007-08 Supplemental Appropriations: House Bill 5344
Comparison of House-Passed, Senate-Passed, and Conference Report**

Department/Item	House-Passed		Senate-Passed		Conference	
	Gross Appropriation	GF/GP Appropriation	Gross Appropriation	GF/GP Appropriation	Gross Appropriation	GF/GP Appropriation
Agriculture						
Cooperative Resources Management Initiative Prgm.	\$1,000,000	\$1,000,000	\$ 0	\$ 0	\$ 0	\$ 0
Subtotal Agriculture	1,000,000	1,000,000	0	0	0	0
Community Health						
Federal Medicaid Disallowance Settlement	35,939,600	35,939,600	35,939,600	35,939,600	35,939,600	35,939,600
Medicaid-Quality Assurance Assessment Adjustments	101,204,900	0	101,204,800	0	101,204,900	0
Medicaid Specialized Alzheimer's & Dementia Care	360,000	150,800	0	0	360,000	150,800
Primary Care Services	85,800	85,800	0	0	0	0
Vision Clinic	25,000	25,000	0	0	0	0
Subtotal Community Health	137,615,300	36,201,200	137,144,400	35,939,600	137,504,500	36,090,400
Education						
Education Assessment Operations	3,322,400	0	3,322,400	0	3,322,400	0
Subtotal Education	3,322,400	0	3,322,400	0	3,322,400	0
Environmental Quality						
Real Time Water Quality Monitoring-Macomb County	250,000	0	250,000	0	250,000	0
Air Quality Fund Shift	0	3,527,400	0	3,527,400	0	3,527,400
Environmental Science Fund Shift	0	552,800	0	552,800	0	552,800
Water Fund Shift	0	2,302,400	0	2,302,400	0	2,302,400
Waste and Hazardous Materials Fund Shift	0	1,577,400	0	1,577,400	0	1,577,400
Land and Water Management Fund Shift	0	2,965,000	0	2,965,000	0	2,965,000
Office of Geological Survey Fund Shift	0	75,000	0	75,000	0	75,000
Subtotal Environmental Quality	250,000	11,000,000	250,000	11,000,000	250,000	11,000,000
Higher Education						
Michigan Merit Award Program	(7,700,000)	0	(7,700,000)	0	(7,700,000)	0
Michigan Promise Grant Program	(2,000,000)	0	(2,000,000)	0	(2,000,000)	0
Subtotal Higher Education	(9,700,000)	0	(9,700,000)	0	(9,700,000)	0
Human Services						
Nutrition Education	9,688,400	0	9,688,400	0	9,688,400	0
Foster Care Payment Funding Shortfall	2,281,200	1,175,500	2,281,200	1,175,500	2,281,200	1,175,500
Adoption Subsidy Funding Shortfall	374,600	236,000	374,600	236,000	374,600	236,000

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	Gross Appropriation	GF/GP Appropriation	Gross Appropriation	GF/GP Appropriation	Gross Appropriation	GF/GP Appropriation
Human Services (continued)						
Child Care Fund	838,600	838,600	838,600	838,600	838,600	838,600
Day Care Provider Rate Increases	10,000,000	10,000,000	0	0	4,000,000	4,000,000
Child and Adult Licensing-Fee Elimination	0	570,000	0	0	0	0
Foster Care-Restore Vetoed Funding	2,890,900	1,445,500	0	0	0	0
Community Services Block Grant	300,000	300,000	0	0	300,000	300,000
Subtotal Human Services	26,373,700	14,565,600	13,182,800	2,250,100	17,482,800	6,550,100
Judiciary						
Trial Court Automation Support	489,500	0	489,500	0	489,500	0
Subtotal Judiciary	489,500	0	489,500	0	489,500	0
Labor and Economic Growth						
Office of Financial and Insurance Services	168,200	0	0	0	420,000	0
Subtotal Labor and Economic Growth	168,200	0	0	0	420,000	0
Military and Veterans Affairs						
Veterans Service Organizations	0	0	117,300	117,300	117,300	117,300
	0	0	117,300	117,300	117,300	117,300
Natural Resources						
Lake Level Control	25,000	25,000	0	0	0	0
Cormorant Population Control	150,000	150,000	0	0	0	0
Forest Recreation and Trails	500,000	500,000	500,000	500,000	500,000	500,000
Wildfire Protection	500,000	500,000	500,000	500,000	500,000	500,000
St. Jean Public Boat Launch	0	0	50,000	0	50,000	0
Subtotal Natural Resources	1,175,000	1,175,000	1,050,000	1,000,000	1,050,000	1,000,000
State Police						
Trooper Recruit School	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Laboratory Operations	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Law Enforcement Information Network	0	0	1,300,000	1,300,000	0	0
Subtotal State Police	3,000,000	3,000,000	4,300,000	4,300,000	3,000,000	3,000,000
Transportation						
Comprehensive Transp. Fund-Bus Capital Grants	1,000,000	1,000,000	0	0	0	0
GF Transfer to Transp. Econ. Development Fund	0	0	6,500,000	6,500,000	0	0
Subtotal Transportation	1,000,000	1,000,000	6,500,000	6,500,000	0	0

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Department/Item	House-Passed		Senate-Passed		Conference	
	Gross Appropriation	GF/GP Appropriation	Gross Appropriation	GF/GP Appropriation	Gross Appropriation	GF/GP Appropriation
Treasury-Operations						
Presidential Primary Costs	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Casino Gaming Control Administration	0	0	0	0	5,500,000	0
Quality of Life Bond Debt Service	(8,000,000)	(8,000,000)	(8,000,000)	(8,000,000)	(8,000,000)	(8,000,000)
Clean Michigan Initiative Debt Service	(18,000,000)	(18,000,000)	(18,000,000)	(18,000,000)	(18,000,000)	(18,000,000)
Great Lakes Water Quality Bond Debt Service	<u>(4,000,000)</u>	<u>(4,000,000)</u>	<u>(4,000,000)</u>	<u>(4,000,000)</u>	<u>(4,000,000)</u>	<u>(4,000,000)</u>
Subtotal Treasury	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(14,500,000)	(20,000,000)
Treasury-Strategic Fund Agency						
Business Incubator Program-Macomb County	500,000	500,000	500,000	500,000	500,000	500,000
Business Incubator Program-Washtenaw County	500,000	500,000	500,000	500,000	500,000	500,000
Michigan State University-Bio Energy Grant	<u>0</u>	<u>0</u>	<u>3,500,000</u>	<u>3,500,000</u>	<u>3,500,000</u>	<u>3,500,000</u>
Subtotal Strategic Fund Agency	1,000,000	1,000,000	4,500,000	4,500,000	4,500,000	4,500,000
Total Supplemental Appropriations	\$145,694,100	\$48,941,800	\$141,156,400	\$45,607,000	\$143,936,500	\$42,257,800

FY 2007-08 Supplemental Appropriations: House Bill 5344
Comparison of House-Passed, Senate-Passed, and Conference Report Boilerplate Sections

Budget Area/Section	House-Passed	Senate-Passed	Conference
General Sections			
Sec. XXX. Transfer \$100 million from General Fund to Budget Stabilization Fund	Not Included	Not Included	Not Included
Community Health			
Sec. 401. Primary Care Services	Included	Not Included	Not Included
Sec. 404. Disproportionate Share Payments to Hospitals	Included	Not Included	House
Sec. 406/301. Medicaid Specialized Alzheimer's and Dementia Care	Included	Not Included	House
Corrections			
Sec. 408. Timetables for Alternative Incarceration Study	Included	Not Included	Not Included
Sec. 409. Timetables and Processes for Alternative Incarceration Study	Included	Not Included	Not Included
Education			
Sec. 411. Education Assessment and Accounting Operations	Included	Included	Included
Environmental Quality			
Sec. 421/451. Real-time Water Quality Monitoring	Included	Included	Included
Human Services			
Sec. 451. Day Care Funding Allocation	Included	Not Included	House
Sec. 452. Restrictions on Contracts with Child Welfare Organizations	Included	Not Included	House
Sec. 453. Juvenile Services Language	Included	Not Included	Not Included
Sec. 454. Juvenile Services Language	Included	Not Included	Not Included
Sec. 455. Juvenile Services Language	Included	Not Included	Not Included
Sec. 456. Juvenile Services Language (Sec. 455*)	Included	Included	Senate
Sec. 457. Restrictions on Contracts with Child Welfare Organizations (Sec. 456*)	Included	Not Included	House
Sec. 458. Earmarks Adoption Funding in Original Appropriation Bill	Included	Included	Included
Sec. 459. Earmarks Adoption Funding in Original Appropriation Bill (Sec. 453*)	Included	Not Included	House
Sec. 460. Provides for Rate Increase for Private Adoption Agencies	Included	Included	Included
Sec. 461. Child Support Fee Collection Authorization	Included	Included	Included
Sec. 462. Restrictions on Homeless Program Funding	Included	Not Included	Not Included
Sec. 463. Restrictions on Homeless Program Funding	Included	Included	Included
Sec. 464. Changes in Supplemental Security Language	Included	Included	Included
Sec. 465. Changes in Per Diem Rates for Juvenile Service Providers (Sec. 454*)	Included	Not Included	House

* Conference Report section number

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Comparison of House-Passed, Senate-Passed, and Conference Report Boilerplate Sections

Budget Area/Section	House-Passed	Senate-Passed	Conference
Labor and Economic Growth			
Sec. 501. Language on Michigan Commission for the Blind	Included	Not Included	House
Sec. 502. Boilerplate Appropriation for the Housing Development Authority	Included	Included	Included
Management and Budget			
Sec. 521. Requires Performance Review of State Departments	Included	Not Included	House
Natural Resources			
Sec. 551. Requires Partnership Agreement for Cormorant Control	Included	Not Included	Not Included
Sec. 560. Parameters for St. Jean Public Boat Launch Appropriation	Not Included	Included	Senate
Transportation			
Sec. 571. Appropriates \$1.0 million from the General Fund to the CTF	Included	Not Included	Not Included
Sec. 572. Appropriates \$6.5 million from the General Fund to the TEDF	Not Included	Included	Not Included
Treasury-Operations			
Sec. 601. Requires Treasury to Implement a Digital Tobacco Stamp Program	Included	Included	Included
Treasury-Strategic Fund Agency			
Sec. 610. Conditions on Job Training Funding	Included	Included	Included
Sec. 613. Allocates 21st Century Jobs Fund Appropriations	Included	Included	Included
Repealers			
DCH: Sec. 710 and Sec. 1717 of PA 123 of 2007	Included	Not Included	DCH: Sec. 1717
Strategic Fund: Sec. 1002 and Sec. 1024 of PA 127 of 2007	Included	Included	SF: Secs. 1002 & 1024
DHS: Secs. 574, 613, 720, 721, 722, and 726 of PA 131 of 2007	Included	Not Included	DHS: Secs. 566,
DHS: Secs. 566, 573, 609, 615, 643, and 723 of PA 131 of 2007	Included	Included	573, 574, 609, 643, 723 & 726

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