

ALL GENERAL GOVERNMENT

Summary: FY 2010-11 Executive Budget Recommendation
HB 5880

Analysts: Robin R. Risko and Ben Gielczyk

	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive	FY 2010-11 House	FY 2010-11 Senate	FY 2010-11 Enacted	Difference: Executive From FY 2009-10 YTD	
						Amount	%
IDG/IDT	\$645,839,400	\$646,991,900				\$1,152,500	0.2
Federal	133,337,400	109,610,400				(23,727,000)	(17.8)
Local	3,089,200	3,446,900				357,700	11.6
Private	1,265,700	1,423,100				157,400	12.4
Restricted	1,664,754,900	1,716,727,100				51,972,200	3.1
GF/GP	647,300,400	677,462,500				30,162,100	4.7
Gross	\$3,095,587,000	\$3,155,661,900				\$60,074,900	1.9
FTEs	7,513.7	7,394.2				(119.5)	(1.6)

Note: FY 2009-10 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through January 31, 2010.

Overview of All General Government Departments

The following departmental and agency budgets are included in this budget bill: Executive Office, Legislature, Legislative Auditor General, and the Departments of Attorney General, Civil Rights, State, Technology, Management, and Budget (including the former Departments of Civil Service and Information Technology), and Treasury (including Lottery, Gaming Control Board, and Michigan Strategic Fund). The Department of Treasury budget also includes revenue sharing payments to local units of government and general obligation debt service. A summary of major budget issues are listed by department on the following pages.

Major Boilerplate Changes From FY 2009-10**GENERAL SECTIONS OF BOILERPLATE****Sec. 205. Hiring Freeze – DELETED**

Imposes a hiring freeze on the state classified civil service, authorizes the Attorney General, Secretary of State, and State Budget Director to grant exceptions, and requires a quarterly report on the number of exceptions approved.

Sec. 212. Receipt and Retention of Required Reports – DELETED

Requires departments to receive and retain copies of all reports required in the bill, and requires federal and state guidelines for short-term and long-term retention of records be followed.

Sec. 215. Disciplinary Action Against State Employees – DELETED

Prohibits departments from taking disciplinary action against employees for communicating with members of the Legislature and their staffs.

Sec. 217. General Fund Restrictions – DELETED

Prohibits the use of GF/GP funding when federal funding is available.

Sec. 221. Policy Changes to Implement Public Acts – DELETED

Requires departments to report on policy changes made in order to implement public acts and prohibits funding from being used for adopting rules that apply to small businesses and have disproportionate economic impact on small businesses.

Sec. 227. No-Bid Contracts – DELETED

Prohibits departments from entering into no-bid contracts for greater than \$500,000 unless there are no other bidders; for bundled contracts, the \$500,000 limit applies to the individual contracts within the bundle.

Sec. 228. General Fund Lapses – DELETED

Requires departments to report on estimates of general fund lapses at the close of the fiscal year.

ATTORNEY GENERAL

Summary: FY 2010-11 Executive Budget Recommendation

Analyst: Robin R. Risko

	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive	FY 2010-11 House	FY 2010-11 Senate	FY 2010-11 Enacted	Difference: Executive From FY 2009-10 YTD	
						Amount	%
IDG/IDT	\$21,289,800	\$21,762,300				\$472,500	2.2
Federal	8,277,800	8,656,000				378,200	4.6
Local	0	0				0	0.0
Private	0	0				0	0.0
Restricted	15,521,000	15,290,800				(230,200)	(1.5)
GF/GP	28,785,000	29,168,000				383,000	1.3
Gross	\$73,873,600	\$74,877,100				\$1,003,500	1.4
FTEs	543.0	520.0				(23.0)	(4.2)

Note: FY 2009-10 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through January 31, 2010.

Overview

The Attorney General serves as legal counsel for state departments, agencies, boards, and commissions, and their officers, brings actions and intervenes in cases on the state's behalf, and represents legislators and judges who may be sued while acting in their official capacities. The Attorney General issues opinions on questions of law submitted by members of the Legislature and others, serves as chief law enforcement officer of the state, and has supervisory powers over all local prosecuting attorneys. The Department's mission is to protect the common legal rights of citizens, defend the Constitution and the laws of the state, and represent the legal interests of government. Its goals include offering justice to victims of crime and delivering excellent legal services at a minimum cost to taxpayers.

Major Budget Changes From FY 2009-10 YTD Appropriations		FY 2009-10 YTD (as of 2/11/10)	Executive Change From YTD
1. SOCC Reduction	Gross	\$124,900	(\$9,100)
Reflects a savings due to a 10% reduction in the Attorney General's salary, effective January 1, 2011, as recommended by SOCC and approved by the Legislature (SCR 11 of 2009).	GF/GP	\$124,900	(\$9,100)
2. GF/GP Budget Reductions	FTEs	500.0	(15.0)
Reflects a savings to be achieved by reducing department staff by 15.0 FTE positions and applying administrative rate reductions to information technology costs.	Gross	\$68,300,800	(\$1,142,300)
	GF/GP	\$26,237,000	(\$1,142,300)
3. Eliminate Homeowner Construction Lien Fund	FTEs	4.0	(4.0)
Reflects a reduction of 4.0 FTE positions and a savings due to elimination of the Homeowner Construction Lien Fund.	Gross	\$566,100	(\$566,100)
	Restricted	566,100	(566,100)
4. Eliminate Auto Theft Prevention Grant	FTEs	4.0	(4.0)
Reflects a reduction of 4.0 FTE positions and a savings due to elimination of the Auto Theft Prevention grant from the Department of State Police.	Gross	\$420,000	(\$420,000)
	IDG	420,000	(420,000)
5. Eliminate Funding for Defense of Game and Fish Protection Fund	Gross	\$150,000	(\$150,000)
Reflects a savings due to elimination of funding for defense of the Game and Fish Protection Fund.	Restricted	150,000	(150,000)

Major Budget Changes From FY 2009-10 YTD Appropriations**6. DTMB Consolidation**

Reflects a savings due to the consolidation of the Departments of Management and Budget and Information Technology pursuant to EO 2009-55.

	FY 2009-10 YTD (as of 2/11/10)	Executive Change From YTD
Gross	N/A	(\$2,300)
GF/GP	N/A	(\$2,300)

7. Economics

Includes additional funding to cover costs of a 3% salary and wage increase, as well as increases in insurance, retirement, and workers' compensation premium costs; reduces funding for building occupancy charges.

Gross	N/A	\$3,293,300
IDG	N/A	892,500
Federal	N/A	378,200
Restricted	N/A	485,900
GF/GP	N/A	\$1,536,700

Major Boilerplate Changes From FY 2009-10

None

CIVIL RIGHTS**CIVIL RIGHTS****Summary: FY 2010-11 Executive Budget Recommendation****Analyst: Robin R. Risko**

	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive	FY 2010-11 House	FY 2010-11 Senate	FY 2010-11 Enacted	<i>Difference: Executive From FY 2009-10 YTD</i>	
						<i>Amount</i>	<i>%</i>
IDG/IDT	\$0	\$0				\$0	0.0
Federal	2,057,300	1,750,000				(307,300)	(14.9)
Local	0	0				0	0.0
Private	0	0				0	0.0
Restricted	0	53,000				53,000	100.0
GF/GP	11,706,400	11,279,100				(427,300)	(3.7)
Gross	\$13,763,700	\$13,082,100				(\$681,600)	(5.0)
FTEs	130.0	118.0				(12.0)	(9.2)

Note: FY 2009-10 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through January 31, 2010.

Overview

The Michigan Civil Rights Commission is charged with investigating alleged discrimination against any person because of religion, race, color, or national origin, and is directed to "secure the equal protection of such civil rights without such discrimination." The Michigan Department of Civil Rights serves as the administrative arm charged with implementing policies of the Commission. The Department provides educational programs that promote voluntary compliance with civil rights laws, investigates and resolves discrimination complaints, disseminates information on the rights and responsibilities of Michigan citizens as provided by law, and provides information and services to businesses on diversity initiatives, equal employment law, procurement opportunities, feasibility studies, and joint venture/strategic alliance matchmaking.

<u>Major Budget Changes From FY 2009-10 YTD Appropriations</u>		FY 2009-10 YTD (as of 2/11/10)	Executive Change From YTD
1. GF/GP Budget Reductions	FTEs	125.0	(10.0)
Reflects a savings to be achieved by carrying forward a reduction of 10.0 FTE positions from FY 2009-10 and applying administrative rate reductions to information technology costs.	Gross	\$13,496,600	(\$936,500)
	GF/GP	\$11,439,300	(\$936,500)
2. Federal Funding Contract Decrease	Gross	\$2,057,300	(\$307,300)
Reduces federal Equal Employment Opportunity Commission grant funding by \$195,000 and United States Department of Housing and Urban Development funding by \$112,300 based on projections of anticipated revenue.	Federal	2,057,300	(307,300)
3. Accounting Service Consolidation	FTEs	125.0	(2.0)
Reflects a reduction of 2.0 FTE positions and a savings due to the transfer of accounting functions from the Department of Civil Rights to the Department of Technology, Management, and Budget.	Gross	\$12,728,600	(\$88,600)
	GF/GP	\$10,686,300	(\$88,600)
4. Fund Source Shift	Gross	N/A	\$0
Reflects an increase in state restricted funding and a decrease in GF/GP funding by a like amount.	Restricted	N/A	53,000
	GF/GP	N/A	(\$53,000)
5. DTMB Consolidation	Gross	N/A	(\$700)
Reflects a savings due to the consolidation of the Departments of Management and Budget and Information Technology pursuant to EO 2009-55.	GF/GP	N/A	(\$700)

CIVIL RIGHTS

Major Budget Changes From FY 2009-10 YTD Appropriations

6. *Economics*

Includes additional funding to cover costs of a 3% salary and wage increase, as well as increases in insurance, retirement, and workers' compensation premium costs; reduces funding for building occupancy charges.

	FY 2009-10 YTD (as of 2/11/10)	Executive Change From YTD
Gross	N/A	\$651,500
GF/GP	N/A	\$651,500

Major Boilerplate Changes From FY 2009-10

None

EXECUTIVE OFFICE**EXECUTIVE OFFICE****Summary: FY 2010-11 Executive Budget Recommendation****Analyst: Robin R. Risko**

	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive	FY 2010-11 House	FY 2010-11 Senate	FY 2010-11 Enacted	Difference: Executive From FY 2009-10 YTD	
						Amount	%
IDG/IDT	\$0	\$0				\$0	0.0
Federal	0	0				0	0.0
Local	0	0				0	0.0
Private	0	0				0	0.0
Restricted	0	0				0	0.0
GF/GP	4,823,700	4,630,800				(192,900)	(4.0)
Gross	\$4,823,700	\$4,630,800				(\$192,900)	(4.0)
FTEs	84.2	84.2				0.0	0.0

Note: FY 2009-10 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through January 31, 2010.

Overview

The Executive Office budget provides funding for the Governor, the Lieutenant Governor, and their staffs. Major constitutionally-specified responsibilities include organization and supervision of the Executive branch and annual preparation and submission of the Executive budget. Divisions within the Governor's Office include: Executive, Cabinet Affairs and Management, Chief Operating Officer, External Affairs, Legal, Operations, Appointments, Constituent Services, Policy, Communications, Legislative Affairs, Scheduling, and the Governor's offices in Washington D.C., Southeastern Michigan, and the Upper Peninsula.

<u>Major Budget Changes From FY 2009-10 YTD Appropriations</u>		FY 2009-10 YTD (as of 2/11/10)	Executive Change From YTD
1. SOCC Reduction	Gross	\$3,973,900	(\$18,600)
Reflects a savings due to a 10% reduction in the salaries and expense allowances of the Governor and Lieutenant Governor, effective January 1, 2011, as recommended by SOCC and approved by the Legislature (SCR 11 of 2009).	GF/GP	\$3,973,900	(\$18,600)
2. GF/GP Budget Reductions	Gross	\$3,673,000	(\$174,300)
Reflects a savings to be achieved through administrative reductions.	GF/GP	\$3,673,000	(\$174,300)

Major Boilerplate Changes From FY 2009-10

There is no boilerplate for the Executive Office.

LEGISLATURE

Summary: FY 2010-11 Executive Budget Recommendation

Analyst: Robin R. Risko

	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive	FY 2010-11 House	FY 2010-11 Senate	FY 2010-11 Enacted	Difference: Executive From FY 2009-10 YTD	
						Amount	%
IDG/IDT	\$0	\$0				\$0	0.0
Federal	0	0				0	0.0
Local	0	0				0	0.0
Private	400,000	400,000				0	0.0
Restricted	1,109,800	1,109,800				0	0.0
GF/GP	104,764,900	100,574,300				(4,190,600)	(4.0)
Gross	\$106,274,700	\$102,084,100				(\$4,190,600)	(3.9)
FTEs	0.0	0.0				0.0	0.0

Note: FY 2009-10 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through January 31, 2010.

Overview

This budget provides funding for the Legislative branch of state government, including the Legislative Council and agencies it governs, the Legislative Retirement System, and Property Management. The Legislature enacts the laws of Michigan, levies taxes, and appropriates funding from revenue collected for the support of public institutions and the administration of the affairs of state government. The Legislative Council provides a wide variety of essential services to members and staff of the Legislature. The Michigan Legislative Retirement System provides retirement allowances, survivors' allowances, and other benefits for members of the Legislature and their spouses, dependents, survivors, and beneficiaries. Property Management employees maintain, operate, and repair the Capitol Building, House of Representatives Office Building, and Farnum Building.

Major Budget Changes From FY 2009-10 YTD Appropriations		FY 2009-10 YTD (as of 2/11/10)	Executive Change From YTD
1. SOCC Reduction	Gross	\$69,007,800	(\$1,249,500)
Reflects a savings due to a 10% reduction in the salaries, supplemental salaries, and expense allowances of members of the Legislature, effective January 1, 2011, as recommended by SOCC and approved by the Legislature (SCR 11 of 2009).	GF/GP	\$69,007,800	(\$1,249,500)
2. GF/GP Budget Reductions	Gross	\$106,274,700	(\$2,941,100)
Reflects a savings to be achieved through administrative reductions.	GF/GP	\$104,764,900	(\$2,941,100)

Major Boilerplate Changes From FY 2009-10**Sec. 610. Health Insurance Benefits – DELETED**

Prohibits funding from being used to pay for health insurance benefits for unmarried domestic partners of legislators or legislative employees.

LEGISLATIVE AUDITOR GENERAL**Summary: FY 2010-11 Executive Budget Recommendation****Analyst: Robin R. Risko**

	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive	FY 2010-11 House	FY 2010-11 Senate	FY 2010-11 Enacted	<i>Difference: Executive From FY 2009-10 YTD</i>	
						<i>Amount</i>	<i>%</i>
IDG/IDT	\$1,801,500	\$1,801,500				\$0	0.0
Federal	0	0				0	0.0
Local	0	0				0	0.0
Private	0	0				0	0.0
Restricted	1,539,900	1,539,900				0	0.0
GF/GP	11,619,800	11,155,000				(464,800)	(4.0)
Gross	\$14,961,200	\$14,496,400				(\$464,800)	(3.1)
FTEs	0.0	0.0				0.0	0.0

Note: FY 2009-10 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through January 31, 2010.

Overview

The Office of the Legislative Auditor General is responsible for conducting post financial and performance audits of state government operations. Audit reports provide a continuing flow of information to assist the Legislature in its oversight of approximately 100 individual state funds. Audit reports provide citizens with a measure of accountability and assist state departments and agencies in improving financial management of their operations. The goal of the Office of the Legislative Auditor General is to improve accounting and financial reporting practices and promote effectiveness, efficiency, and economy in state government. Its mission is to improve the accountability of public funds and to improve the operations of state government for the benefit of the citizens of the state.

Major Budget Changes From FY 2009-10 YTD Appropriations**1. GF/GP Budget Reductions**

Reflects a savings to be achieved through administrative reductions.

	FY 2009-10 YTD (as of 2/11/10)	Executive Change From YTD
Gross	\$14,647,700	(\$464,800)
GF/GP	\$11,306,300	(\$464,800)

Major Boilerplate Changes From FY 2009-10

None

STATE

Summary: FY 2010-11 Executive Budget Recommendation

Analyst: Ben Gielczyk

	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive	FY 2010-11 House	FY 2010-11 Senate	FY 2010-11 Enacted	Difference: Executive From FY 2009-10 YTD	
						Amount	%
IDG/IDT	\$20,000,000	\$20,000,000				\$0	0.0
Federal	1,810,000	1,810,000				0	0.0
Local	0	0				0	0.0
Private	100	100				0	0.0
Restricted	169,364,700	176,578,000				7,213,300	4.3
GF/GP	17,955,400	14,179,200				(3,776,200)	(21.0)
Gross	\$209,130,200	\$212,567,300				\$3,437,100	1.6
FTEs	1,815.0	1,815.0				0.0	0.0

Note: FY 2009-10 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through January 31, 2010.

Overview

The Department of State administers programs in eight areas: Driver Licensing and Vehicle Registration, which includes titling and registering vehicles; Elections and Campaign Finance Administration, which includes training local election officials and monitoring campaign finance; Regulatory and Consumer Protection, which includes inspecting and licensing automotive repair facilities; Traffic Safety, which includes driver testing; Office of the Great Seal; Assigned Claims Facility; Uniform Commercial Code; and Executive Direction and Central Support.

Major Budget Changes From FY 2009-10 YTD Appropriations		FY 2009-10 YTD (as of 2/11/10)	Executive Change From YTD
1. GF/GP Reductions Reduces GF/GP funding for the following line items: Regulatory Services Operations by \$287,600; Customer Delivery Branch Operations by \$277,900; Central Operations by \$277,500; Department Services Operations by \$272,300; Executive Direction Operations by \$7,000; and Information Technology Administrative reductions of \$60,000.	Gross	N/A	(\$1,182,300)
	GF/GP	N/A	(\$1,182,300)
2. Department of Technology, Management and Budget Savings Includes consolidated savings from the merger of Department of Management and Budget (DMB) and Department of Information Technology (DIT) under Executive Order 2009-55.	Gross	N/A	(\$22,500)
	Restricted	N/A	(\$20,700)
3. Business Application Modernization (BAM) Eliminates total funding for BAM due to the completion of the project by DIT. BAM program is an end-to-end review of business processes which will allow for more online transactions, reduce error, expand form of payment, and other electronic and online upgrades.	Gross	N/A	(\$1,800,000)
	GF/GP	N/A	(\$1,800,000)
4. Credit and Debit Card Service Assessment Includes additional funding for credit and debit card service assessment. Funding was formerly a boilerplate appropriation in Sec. 816 of the FY 2009-10 Department of State budget.	Gross	N/A	(\$2,750,000)
	GF/GP	N/A	(\$2,750,000)
5. Organ Donor Program Reduced funding for organ donor program with targeted reductions for department.	Gross	N/A	(\$1,000,000)
	GF/GP	N/A	\$0
6. State Officers Compensation Commission (SOCC) Adjustment Reduces funding for Secretary of State salary as part of SOCC adopted salary reductions. Reductions will be applied to nine months of salary as SOCC recommendations do not take effect until January 1, 2011.	Gross	N/A	\$1,000,000
	GF/GP	N/A	\$0
7. Organ Donor Program Reduced funding for organ donor program with targeted reductions for department.	Gross	\$104,100	(\$25,000)
	GF/GP	\$100	\$0
8. State Officers Compensation Commission (SOCC) Adjustment Reduces funding for Secretary of State salary as part of SOCC adopted salary reductions. Reductions will be applied to nine months of salary as SOCC recommendations do not take effect until January 1, 2011.	Gross	\$124,900	(\$9,100)
	GF/GP	\$124,900	(\$9,100)

STATE

<u>Major Budget Changes From FY 2009-10 YTD Appropriations</u>	<u>FY 2009-10 YTD (as of 2/11/10)</u>	<u>Executive Change From YTD</u>
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7. Economic Adjustments

Includes additional funding for salary and wage, insurance, retirement, and rent (\$8.2 million Gross; \$505,900 million GF/GP); reduces funding for worker's compensation and building occupancy costs (\$464,300 Gross; \$401,300 GF/GP). Also includes DIT economic adjustment increases of \$492,300 Gross and \$87,400 GF/GP.	Gross	N/A	\$8,226,000
	Restricted	N/A	\$8,034,000
	GF/GP	N/A	\$192,000

Major Boilerplate Changes From FY 2009-10

Sec. 705a. Help America Vote Act (HAVA) Report – DELETED

Requires the Department to report on the activities and success of enforcement and compliance with the Help America Vote Act of 2002.

Sec. 715. Branch Office Closings or Consolidations - DELETED

Requires 180 days advance notice of branch office closures and consolidations and 60 days advance notice for relocations.

Sec. 716. Credit and Debit Card Service Assessment - REVISED

Stipulates that service assessments collected by the department of state from the user of a credit or debit card is appropriated to the department for necessary expenses related to that service. Removes language indicating that funds are allocated for expenditure when they are received by the Department of Treasury because funding was moved to Part 1 appropriation.

Sec. 718. Motorcycle Safety Education Program - DELETED

Requires funds appropriated for Motorcycle Safety Education Grants and Administration to be used for program operation; requires funding to come from license endorsements and registration and testing fees; requires funds to be used to subsidize safety training courses provided by local units of government and agencies; allows Department to use funds for administration costs associated with Motorcycle Safety Education Program.

Sec. 719. Business Application Modernization (BAM) Project - DELETED

Appropriates \$4.6 million funding for the BAM Project to be used for development, implementation, and maintenance of BAM.

Sec. 724. Buena Vista Township Branch Office - DELETED

Requires Department to maintain a full service branch office in the Buena Vista Township.

Sec. 725. General Fund Expenditures – DELETED

Requires the Department to use available restricted funds for expenditures before using general fund dollars.

Sec. 727. Branch Office Locations in Urban Areas - DELETED

Encourages branch offices to be located in downtown areas, town centers, central business districts, and brownfield sites rather than Greenfield and open space sites.

Sec. 728. Performance Audit Report – DELETED

Requires the Department to submit a report on improvements and changes made with regard to issues identified by the Auditor General in the 2009 cash receipts and branch office customer service audit.

Sec. 729. ATM Commission Fees - NEW

Allows the Department to collect ATM commission fees from companies that have ATM's located in Secretary of State branch offices. Requires commission fees collected to be deposited in the Transportation Administration Collection Fund.

TECHNOLOGY, MANAGEMENT, AND BUDGET

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	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive	FY 2010-11 House	FY 2010-11 Senate	FY 2010-11 Enacted	Difference: Executive From FY 2009-10 YTD	
						Amount	%
IDG/IDT	\$584,509,400	\$589,368,200				\$4,858,800	0.8
Federal	11,219,800	2,917,800				(8,302,000)	(74.0)
Local	2,027,600	1,380,400				(647,200)	(31.9)
Private	151,900	170,800				18,900	12.4
Restricted	72,200,500	84,881,000				12,680,500	17.6
GF/GP	293,574,300	304,346,000				10,771,700	3.7
Gross	\$963,683,500	\$983,064,200				\$19,380,700	2.0
FTEs	3,038.0	2,971.5				(66.5)	(2.2)

Note: FY 2009-10 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through January 31, 2010.

Overview

The Department of Technology, Management and Budget was recently created pursuant to Executive Order 2009-55. The EO merges the former Departments of Information Technology and Management and Budget. The Department of Technology, Management, and Budget is an interdepartmental service and management agency responsible for ensuring proper financial record keeping for state agencies; managing capital outlay projects, state property, state buildings, state purchasing programs, and the state's retirement systems; supervising the state's motor vehicle fleet; providing office and building support services to state agencies; and acting as a general contractor between the state's information technology users and private sector providers of information technology products and services. The Department houses the Office of the State Budget, which prepares, presents, and executes the state budget on behalf of the Governor, and several other autonomous units: Office of the State Employer, Office of the Children's Ombudsman, Office of Regulatory Reform, State Building Authority, and Civil Service Commission.

		FY 2009-10 YTD (as of 2/11/10)	Executive Change From YTD
Major Budget Changes From FY 2009-10 YTD Appropriations			
MANAGEMENT AND BUDGET			
1. SBA Rent Increase	Gross	\$235,370,600	\$10,000,000
Includes additional funding for State Building Authority rent payments. Adjustments are made based on a number of factors including project start and end dates, delays, refinancing, refunding, the number of current projects underway, and assumptions of upcoming finance needs for planned projects.	GF/GP	\$235,370,600	\$10,000,000
2. Gubernatorial Transition	Gross	N/A	\$1,500,000
Includes additional funding for costs associated with the gubernatorial transition. Funding is used for both the outgoing and the incoming governor and covers expenses associated with staff, leave payments, unemployment benefits, office space, supplies, moving, and other related costs.	GF/GP	N/A	\$1,500,000
3. Accounting Service Consolidation	FTEs	N/A	8.0
Includes an additional 8.0 FTE positions and funding to reflect the transfer of accounting functions from the Department of Civil Rights, the Civil Service Commission, and the Office of the State Employer to Management and Budget.	Gross	N/A	\$859,600
	IDG	N/A	859,600

TECHNOLOGY, MANAGEMENT, AND BUDGET

Major Budget Changes From FY 2009-10 YTD Appropriations		FY 2009-10 YTD (as of 2/11/10)	Executive Change From YTD
4. New Building Operations and Private Rent Adjustment Includes an additional \$785,200 to cover utility and maintenance costs at the State Police headquarters building and an additional \$76,400 for private rent adjustments at One Division and Rickle Road Lab buildings.	Gross	N/A	\$861,600
	IDG	N/A	861,600
5. Audits of Public School Employer Units Includes an additional 2.0 FTE positions and funding for costs associated with conducting audits of retirement data submitted by public school employer reporting units. This data includes wages, hours, and contributions of public school employees.	FTEs	N/A	2.0
	Gross	N/A	\$180,500
	Restricted	N/A	180,500
6. SWCAP-related Fund Source Shifts Adjusts IDG, federal, state restricted, and GF/GP fund sources in order to reflect how departmental and statewide overhead costs should be financed according to the most recent Statewide Cost Allocation Plan (SWCAP). The Plan allocates the costs of providing central support services to other state departments and their respective fund sources.	Gross	N/A	\$0
	IDG	N/A	(48,300)
	Federal	N/A	(266,700)
	Restricted	N/A	2,706,000
	GF/GP	N/A	(\$2,391,000)
7. Building Operations Reductions Reflects a reduction of 2.0 FTE positions and funding due to building contract reductions (\$601,000), savings from reorganization (\$500,000), and further staff restructuring (\$156,900).	FTEs	253.0	(2.0)
	Gross	\$87,784,000	(\$1,257,900)
	IDG	87,784,000	(1,257,900)
8. Eliminate Professional Development Funds Reflects a savings due to elimination of professional development funds for NEREs and MSCs.	Gross	\$200,000	(\$200,000)
	IDG	200,000	(200,000)
9. DTMB Consolidation Reflects a reduction in FTE positions and a savings due to the consolidation of the Departments of Management and Budget and Information Technology pursuant to EO 2009-55.	FTEs	N/A	(0.5)
	Gross	N/A	(\$304,100)
	IDG	N/A	(114,600)
	Restricted	N/A	(22,800)
	GF/GP	N/A	(\$166,700)
10. Federal Funding Authorization Includes authorization for the department to receive federal funding if it becomes available. The Records Management Services program which was transferred to Management and budget from the former Department of History, Arts, and Libraries has received federal grant funding in the past.	Gross	N/A	\$100
	Federal	N/A	100
11. Budget Reductions Reflects a reduction of 41.0 FTE positions and a savings due to a reduction of staff and support services provided, a reduction of on call hours and system maintenance for MAIN, a reduction in funding for the Center for Education Performance Information, from applying administrative rate reductions to information technology costs, from not filling vacant FTE positions, and from adjusting FTE authorization to reflect actual funded positions.	FTEs	N/A	(41.0)
	Gross	N/A	(\$772,000)
	Restricted	N/A	(156,800)
	GF/GP	N/A	(\$615,200)
12. Management and Budget Economics Includes additional funding to cover costs of a 3% salary and wage increase, as well as increases in insurance, retirement, and workers' compensation premium costs; reduces funding for building occupancy charges.	Gross	N/A	\$4,869,200
	IDG	N/A	927,000
	Restricted	N/A	909,700
	GF/GP	N/A	\$3,032,500

TECHNOLOGY, MANAGEMENT, AND BUDGET

<u>Major Budget Changes From FY 2009-10 YTD Appropriations</u>		<u>FY 2009-10 YTD (as of 2/11/10)</u>	<u>Executive Change From YTD</u>
TECHNOLOGY SERVICES			
13. Base Adjustments	Gross	\$423,323,100	(\$8,244,500)
Reduces line items within the Technology Services budget to reflect actual appropriations in FY 2010 for information technology services and projects in other state department budgets:	IDG	423,323,100	(8,244,500)
• Agriculture - \$178,600 • Civil Rights - \$85,700 • Civil Service Commission - \$400,000 • Corrections - \$402,300 • Education - \$14,300 • Environmental Quality - \$2,700 • Human Services - \$4,381,100 • Management and Budget - \$1,855,600 • Military and Veterans Affairs - \$100,000 • State - \$137,200 • Treasury - \$687,000			
14. Program Enhancements	FTEs	1,635.0	1.0
Makes the following adjustments to reflect appropriations for program enhancements made in other state department budgets:	Gross	\$423,323,100	\$14,534,800
• Human Services - \$14.2 million for increased costs due to Children's Rights Settlement (development of Statewide Automated Child Welfare Information System and need for new child welfare and other staff) • Corrections - \$102,600 for desktop maintenance • Gaming - 1.0 FTE position and \$94,000 for increased workload • Education - \$85,000 for implementation of Race to the Top education reform • State Police - \$36,200 for Automated Fingerprint Identification System • Management and Budget - \$4,000 for audits of public school employer units	IDG	423,323,100	14,534,800
15. Budget Reductions	FTEs	1,635.0	(1.0)
Reflects a savings to be achieved in the various department budgets through staff reductions, administrative efficiencies, administrative rate reductions, contract reductions, server and license reductions, reductions in CSS&M and maintenance costs, and delaying equipment purchases:	Gross	\$423,323,100	(\$5,017,500)
• Technology Services - \$549,900 • Civil Rights - \$58,900 • Civil Service Commission - \$17,400 • Corrections - \$359,100 • Education - \$50,000 • Environmental Quality - 1.0 FTE position and \$100,600 • Human Services - \$1.0 million • Management and Budget - \$459,600 • Military and Veterans Affairs - \$30,000 • Natural Resources - \$103,900 • State - \$16,600 • State Police - \$248,700 • Transportation - \$1.4 million • Treasury - \$616,300	IDG	423,323,100	(5,017,500)

TECHNOLOGY, MANAGEMENT, AND BUDGET

		FY 2009-10 YTD (as of 2/11/10)	Executive Change From YTD
<u>Major Budget Changes From FY 2009-10 YTD Appropriations</u>			
16. Eliminate Program Funding			
Reflects elimination of funding in various department budgets for programs no longer needing funding or as a result of funding not being available:	Gross	\$423,323,100	(\$6,363,500)
- Community Health - \$400,000 for Newborn Screening program and \$971,300 for WIC program - Natural Resources - \$27,100 in excess authorization - State - \$4.6 million for Business Application Modernization project - Treasury - \$415,100 for Michigan Merit Award Trust Fund	IDG	423,323,100	(6,363,500)
17. Transfers	FTEs	N/A	(2.0)
Reflects the transfer of FTE positions and funding within various department budgets from IT programs to non-IT programs:	Gross	N/A	(\$1,310,100)
- Corrections - 1.0 FTE position and \$110,000; IT staff person moved to analyst position within department - Human Services - \$557,200; portion of Bridges funding moved to non-IT program - State Police - \$538,900; aligns funding for one-time IT expenditures between IT and non-IT line items within department - Treasury - 1.0 FTE position and \$104,000; IT staff person moved to non-IT program	IDG	N/A	(1,310,100)
18. DTMB Consolidation	FTEs	N/A	(3.0)
Reflects a reduction of 3.0 FTE positions and a savings due to the consolidation of the Departments of Management and Budget and Information Technology pursuant to EO 2009-55.	Gross	N/A	(\$662,500)
	IDG	N/A	(662,500)
19. Technology Services Economics	Gross	N/A	\$9,412,900
Includes additional funding to cover costs of a 3% salary and wage increase, as well as increases in insurance and retirement; reduces funding for workers' compensation premium costs and building occupancy charges.	IDG	N/A	9,412,900
CIVIL SERVICE COMMISSION			
20. Budget Reductions	FTEs	469.5	(20.0)
Reflects a reduction of 20.0 FTE positions and a savings to be achieved through retirement, attrition, possible layoffs, and by applying administrative rate reductions to information technology costs.	Gross	\$49,555,700	(\$1,766,300)
	Federal	10,293,900	(800)
	Restricted	16,521,500	(1,000)
	GF/GP	\$19,943,900	(\$1,764,500)
21. Accounting Service Consolidation	FTEs	N/A	(8.0)
Reflects a reduction of FTE positions and a savings due to the transfer of accounting functions from the Civil Service Commission to Management and Budget.	Gross	N/A	(\$93,200)
	GF/GP	N/A	(\$93,200)
22. Fund Source Shifts	Gross	N/A	\$0
Adjusts IDG, federal, local, private, and state restricted fund sources in order to more accurately reflect where expenditures occur. The net effect on the total budget is \$0.	IDG	N/A	1,338,700
	Federal	N/A	(8,453,200)
	Local	N/A	(727,600)
	Private	N/A	8,100
	Restricted	N/A	7,834,000
23. Civil Service Commission Economics	Gross	N/A	\$3,153,600
Includes additional funding to cover costs of a 3% salary and wage increase, as well as increases in insurance and retirement; reduces funding for workers' compensation premium costs.	IDG	N/A	143,100
	Federal	N/A	418,600
	Local	N/A	80,400
	Private	N/A	10,800
	Restricted	N/A	1,230,900
	GF/GP	N/A	\$1,269,800

Major Boilerplate Changes From FY 2009-10

MANAGEMENT AND BUDGET

Sec. 710. Revisions to Computer Contracts – DELETED

Requires report on any revisions that increase or decrease current computer contracts by more than \$500,000 at least 14 days prior to finalization of revisions.

Sec. 715 (3). Motor Vehicle Fleet Assignment – DELETED

Expresses legislative intent that the department have the authority to determine appropriateness of vehicle assignment.

Sec. 715 (4). Motor Vehicle Fleet Plan – DELETED

Requires the department to maintain a plan regarding operation of the state's motor vehicle fleet and lists specific information to be included in the plan.

Sec. 716. Purchasing From Michigan-Based Firms – DELETED

Requires the department to adopt policies and procedures necessary to provide a purchasing preference for products manufactured or services offered by Michigan-based firms.

Sec. 717. Purchasing – DELETED

Establishes guidelines for the department to follow when determining whether purchasing, contracting for, and/or providing supplies, materials, services, insurance, utilities, third party financing, equipment, printing, and other items needed by state departments are in the best interests of the state.

Sec. 718. Collection of Vendor Disclosure Information – DELETED

Lists information the department is authorized to collect from vendors to ensure compliance with procurement of goods and services from Michigan-based providers.

Sec. 724. Document and Data Imaging – DELETED

Appropriates funding collected by the department for document and data imaging services, copies, media, storage, conferences, workshops, and training classes.

Sec. 725. Unclassified Salaries – DELETED

Requires report on salaries of all unclassified employees and gubernatorial appointees.

Sec. 727. Contract Savings – DELETED

Requires the department to take measures to reduce existing contractual expenditures by \$20 million, lists required measures to be followed, and requires annual report on the amount of contract savings achieved.

Sec. 873. Capital Outlay Projects for Community Colleges – NEW (Standard Capital Outlay Language)

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

Sec. 874. Matching Fund Requirements for Capital Outlay Projects – NEW (Standard Capital Outlay Language)

Authorizes reducing the amount of state funds required for a capital outlay project if the amount of matching funds from the university or community college are reduced.

Sec. 875. Documentation for Authorized Capital Outlay Projects – NEW (Standard Capital Outlay Language)

Authorizes the department to require documentation from universities and community colleges that have authorization for capital outlay projects.

TECHNOLOGY SERVICES

Sec. 820. (4) (Current Sec. 577) Michigan Public Safety Communications System – DELETED

Requires report on the amount of revenue collected and expended for support and maintenance of the system.

Sec. 578. Technology-related Appropriations and Expenditures – DELETED

Requires report on amounts appropriated by fund source for each department and listing of expenditures made from those appropriations.

Sec. 579. Life-Cycle of IT Hardware and Software – DELETED

Requires report that analyzes and makes recommendations on the life-cycle of information technology-related hardware and software.

Sec. 580. Business Application Modernization Project – DELETED

Specifies the amount of funding appropriated for BAM project, lists what funding can be used for, designates funding as a work project account, and authorizes unexpended funding to be carried forward.

TECHNOLOGY, MANAGEMENT, AND BUDGET

Major Boilerplate Changes From FY 2009-10

Sec. 582. *Michigan.gov* – DELETED

Requires report on improvements made to Michigan.gov.

Sec. 583. *Contracts* – DELETED

Requires report on all change orders and follow-on contracts greater than \$25,000.

Sec. 584. *Information and Referral Services Using 2-1-1* – DELETED

Requires report on existing 2-1-1 capacities and how they will be utilized by each state department with community resource information and referral services and the potential cost savings through the shared use of a 2-1-1 system.

Sec. 585. *Child Support Enforcement System* – DELETED

Requires report on amount expended for Child Support Enforcement System, revisions made to spending plans, and amount of penalties paid to federal government.

CIVIL SERVICE COMMISSION

Sec. 754. *Office of Great Workplace Development* – DELETED

Prohibits funding to be used for the Office of Great Workplace Development.

TREASURY

Summary: FY 2010-11 Executive Budget Recommendation

Analyst: Ben Gielczyk

	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive	FY 2010-11 House	FY 2010-11 Senate	FY 2010-11 Enacted	Difference: Executive From FY 2009-10 YTD	
						Amount	%
IDG/IDT	\$11,120,700	\$14,059,900				\$2,939,200	26.4
Federal	95,782,000	94,476,600				(1,305,400)	(1.4)
Local	1,526,400	2,066,500				540,100	35.4
Private	723,700	852,200				128,500	17.8
Restricted	1,353,620,700	1,437,274,600				83,653,900	6.2
GF/GP	151,964,700	202,130,100				50,165,400	33.0
Gross	\$1,614,738,200	\$1,750,859,900				\$136,121,700	8.4
FTEs	1,867.5	1,885.5				18.0	1.0

Note: FY 2009-10 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through January 31, 2010.

Overview

The Department of Treasury is the chief fiscal agency of the state and the primary source of advice to the Governor on tax and fiscal policy issues. The Department's mission is to collect state taxes, to invest, control, and disburse state monies, and to protect the state's credit rating and that of its cities. The Department manages one of the nation's largest pension funds, administers revenue sharing, and administers the student financial aid programs. It also investigates fraudulent financial activity, provides assistance on all property tax-related issues and advises issuers of municipal obligations. The Bureau of State Lottery, the Michigan Gaming Control Board (MGCB), and the Michigan Strategic Fund (MSF) are autonomous agencies housed within the Department of Treasury. Funds and programs of the MSF are administered by the Michigan Economic Development Corporation (MEDC), which also administers the 21st Century Jobs Fund.

Major Budget Changes From FY 2009-10 YTD Appropriations		FY 2009-10 YTD (as of 2/11/10)	Executive Change From YTD
TREASURY OPERATIONS			
1. GF/GP Budget Reductions	FTEs	N/A	(9.0)
Reduces funding \$1.8 million GF/GP and eliminates 9.0 FTE positions.	Gross	N/A	(\$1,787,700)
Reductions are achieved through consolidated staff reductions, DIT rate and administrative reductions, and targeted program reductions by the department.	GF/GP	N/A	(\$1,787,700)
2. Contractual Services for Other Departments	Gross	N/A	\$3,684,200
Increases funding to various line items for contractual services provided by the Department for other departments and state agencies. Spending authorization was previously provided for in boilerplate Sec. 928 of the FY 2010 General Government budget.	IDG	N/A	1,930,300
	Restricted	N/A	1,753,900
	GF/GP	N/A	\$0
3. Tax Compliance	FTEs	338.0	9.0
Includes \$1.0 million Gross and 9.0 FTEs in additional audit staff to meet obligations of MBT business filings. Program will generate \$4.0 million in FY 2011 and \$10.0 million in FY 2012. Will be implemented as part of FY 2010 supplemental.	Gross	\$34,988,700	\$1,000,000
	Restricted	\$33,103,900	\$1,000,000
	GF/GP	\$1,884,800	\$0
4. Tax Processing	FTEs	151.0	4.0
Increases funding by \$400,000 Gross and 4.0 FTEs to eliminate backlog of paid error returns to be processed. Program will generate \$10.0 million in revenue beginning in FY 2011. Also proposed as part of FY 2009-10 supplemental.	Gross	\$14,075,100	\$400,000
	IDG	\$2,298,200	\$0
	Restricted	\$11,776,900	\$400,000

TREASURY

Major Budget Changes From FY 2009-10 YTD Appropriations		FY 2009-10 YTD (as of 2/11/10)	Executive Change From YTD
5. Bottle Bill Supplemental	Gross	\$1,500,000	(\$1,500,000)
Removes one-time reverse bottle bill redemption antifraud fund supplemental in FY 2009-10 budget.	Restricted	\$1,500,000	(\$1,500,000)
6. College Access Challenge Grant Program	Gross	\$2,202,400	(\$2,202,400)
Removes funding for College Access Challenge Grant Program. Funding for program was available for two years and is established as a work project to be used through FY 2010-11.	Federal	\$2,202,400	(\$2,202,400)
7. Tax and Economic Policy	FTEs	81.0	1.0
Includes \$150,000 and 1.0 FTE position for implementation of additional duties associated with Emergency 911 administration.	Gross	\$9,279,900	\$150,000
	Restricted	\$7,432,000	150,000
	GF/GP	\$1,847,900	\$0
8. Michigan Transportation Fund Adjustment	Gross	N/A	\$647,500
Increases IDG from MDOT Michigan Transportation Fund by \$647,500 Gross. Mandated MTF adjustment. Funding increases are distributed as follows: Customer Contact (\$284,900); Tax and Economic Policy (\$155,400); and Tax Processing (\$207,200).	IDG	N/A	\$647,500
9. Fund Shifts	Gross	N/A	\$0
Reduces GF/GP funding levels due to shift in funding to restricted funds. Supervision of General Property Tax Law shifts \$635,000 in GF/GP funding to restricted funding by using available reserve balances in assessor training fees and land reutilization fees. Banking and Management Services shifts \$258,500 in GF/GP funding to restricted indirect funds based on common activities within department similar to SWCAP.	Local	N/A	485,000
	Restricted	N/A	408,500
	GF/GP	N/A	(\$893,500)
10. Department of Technology, Management, and Budget (DTMB) Consolidation	Gross	N/A	(\$32,700)
Reduces funding due to savings from consolidation of the Department of Management and Budget and the Department of Information Technology	Restricted	N/A	(27,700)
	GF/GP	N/A	(\$5,000)
11. Michigan Merit Award Administration	FTEs	6.0	(6.0)
Eliminates funding for Michigan Merit Award Administration. Program is eliminated due to elimination of Michigan Promise Grant program.	Gross	\$1,430,800	(\$1,430,800)
	Restricted	\$1,430,800	(\$1,430,800)
12. Business Property Tax Appeal	FTEs	N/A	7.0
Includes \$900,000 in GF/GP funding and 7.0 FTE positions for new Business Property Tax Appeal program. Program will provide assessment review for property tax appeals that affect School Aid Fund.	Gross	N/A	\$900,000
	GF/GP	N/A	\$900,000
13. Economic Adjustments	Gross	N/A	\$10,153,900
Increases funding by \$9.3 million Gross and \$1.1 GF/GP for economics, which includes salaries and wages, retirement, building occupancy charges, workers' compensation, and insurance costs; includes Lottery and Michigan Gaming Control Board. Also includes DIT economic adjustments of \$833,900 Gross and \$184,400 GF/GP.	IDG	N/A	361,400
	Federal	N/A	798,600
	Local	N/A	55,100
	Restricted	N/A	7,671,400
	GF/GP	N/A	\$1,267,400
DEBT SERVICE			
14. Debt Service Payments	Gross	\$80,177,500	\$54,731,700
Increases funding by \$54.7 million based on principal and interest requirements of general obligation bond issues and new issues. Reduces Water Pollution Control Board (\$62,400) and Great Lakes Water Quality (\$10.9 million). Increases funding for Quality of Life Bond (\$32.5 million) and Clean Michigan Initiative (\$33.2 million). Between FY 2007-08 and FY 2009-10 debt service payments were refinanced and pushed into the future for a planned savings of \$100 million. Increase in FY 2010-11 is due to new issues and scheduled required increases.	Restricted	15,514,500	\$0
	GF/GP	\$64,663,000	\$54,731,700

TREASURY

<u>Major Budget Changes From FY 2009-10 YTD Appropriations</u>		FY 2009-10 YTD (as of 2/11/10)	Executive Change From YTD
GRANTS			
15. Convention Facility Development Distribution	Gross	\$83,850,000	(\$9,000,000)
Eliminates \$9.0 million in one-time convention facility development funding associated with Public Act 62 of 2009.	Restricted	\$83,850,000	(\$9,000,000)
CASINO GAMING			
16. Office of Racing Commissioner	FTEs	N/A	9.0
Includes \$1.9 million Gross and 10.0 FTE (1.0 FTE unclassified) positions for the Office of Racing Commission that was transferred from the Department of Agriculture as part of Executive Orders 2009-45, 2009-54.	Gross	N/A	\$1,905,000
	Restricted	N/A	\$1,905,000
17. Casino Gaming Control Administration/Information Technology	FTEs	115.0	1.0
Includes \$1.6 million in restricted funds for casino gaming laboratory services and background investigations. Funding was previously appropriated in boilerplate Section 972 of FY 2010-11 General Government budget. Also includes \$86,500 in restricted funding and 1.0 FTE position under the Casino Gaming Control Administration for Indian Gaming Auditor to audit new casinos along with \$94,000 in restricted funding for Casino Gaming DIT staff person to audit new Indian Casinos.	Gross	\$21,011,900	\$1,783,500
	Restricted	\$21,011,900	\$1,783,500
STATE LOTTERY			
18. Promotion and Advertising	Gross	\$18,622,000	(\$18,622,000)
Eliminates \$18.6 million in funding for promotion and advertising. Moves spending authorization to boilerplate section to allow up to one percent of sales revenue to go to promotion and advertising.	Restricted	\$18,622,000	(\$18,622,000)
19. Lottery Operations	FTEs	181.0	1.0
Includes \$78,000 Gross and 1.0 FTE position for assistance in the introduction of Powerball.	Gross	\$20,847,800	\$78,000
	Restricted	\$20,847,800	\$78,000
REVENUE SHARING			
20. Constitutional Revenue Sharing	Gross	\$622,137,900	(\$19,094,300)
Reduces revenue sharing payments by \$19.1 million. Fiscal Year 2009-10 YTD amounts were based on the January 2009 Consensus Revenue Estimating Conference (CREC) figures. Executive recommended amounts are based on January 2010 CREC.	Restricted	\$622,137,900	(\$19,094,300)
21. Statutory Revenue Sharing	Gross	\$314,169,900	\$151,800
Increases statutory revenue sharing payments by \$151,800 from FY 2009-10 YTD amounts. Executive recommended amounts are based on January 2010 CREC.	Restricted	\$314,169,900	\$151,800
22. County Revenue Sharing	Gross	\$55,291,700	\$59,449,000
Increases county revenue sharing payments by \$59.4 million to fund the additional counties anticipated to be eligible again for state payments. Counties become eligible when they exhaust their revenue sharing reserve funds.	Restricted	\$55,291,700	\$59,449,000
MICHIGAN STRATEGIC FUND			
23. 21st Century Jobs Program Funding	Gross	\$28,500,000	\$46,500,000
Increases funding by \$46.5 million in restricted funding to restore FY 2009-10 transfer to general fund. Statute provides for \$75 million.	Restricted	\$28,500,000	\$46,500,000
24. Economic Development Job Training (EDJT) Program	Gross	\$4,705,800	(\$4,705,800)
Eliminates funding for the Economic Development Job Training Program. The EDJT program provides employee training grants to maintain or attract permanent jobs for Michigan residents. The grants are for high-skill/high-wage jobs in 21st century industries, such as advanced manufacturing, life sciences, technology, homeland security, and alternative energy.	GF/GP	\$4,705,800	(\$4,705,800)

TREASURY

<u>Major Budget Changes From FY 2009-10 YTD Appropriations</u>		FY 2009-10 YTD (as of 2/11/10)	Executive Change From YTD
25. Michigan Promotion Program Includes \$13.0 million in restricted funds from proposed assessment on select vehicle rentals for promotion of tourism and business. Assessments would be deposited in Michigan Promotion Fund.	Gross	\$5,402,800	\$13,000,000
	Restricted	\$0	\$13,000,000
	GF/GP	\$5,402,800	\$0
26. Arts and Cultural Grants Includes \$100,000 in restricted funds for Arts and Cultural Grants. New funding would come from a voluntary income tax check off beginning in tax year 2009 that would be deposited in the arts fund.	Gross	N/A	\$100,000
	Private	N/A	\$100,000
27. Business Incubator Program Eliminates one-time funding for business incubator program.	Gross	\$950,000	(\$950,000)
	Restricted	\$950,000	(\$950,000)
28. MSF Economic Adjustments Includes \$812,800 Gross and \$658,300 GF/GP funding for economics, which include increased funding for salaries and wages, retirement, workers' compensation, and insurance costs.	Gross	N/A	\$812,800
	Federal	N/A	98,400
	Private	N/A	28,500
	Restricted	N/A	27,600
	GF/GP	N/A	\$658,300

Major Boilerplate Changes From FY 2009-10

DEPARTMENT OF TREASURY

Sec. 903. Private Collection Agency/Law Firm Contracting - REVISED

Authorizes the Department to contract with private collection agencies and law firms to collect taxes and other accounts due, including defaulted student loans; requires report. Revision states that the amounts appropriated for defaulted student loan collections are not to exceed 23% of the collection or a lesser amount prescribed in the contract.

Sec. 905. Sale of Tax Manuals - DELETED

Requires Department to provide copies of the state tax manual via the Department's website or provide for sale copies of the tax manuals on CD of other electronic media.

Sec. 906. State Audits - DELETED

Requires that the Department charge for state compliance audits and report on the audits performed and audit charges for the immediately preceding fiscal year. Appropriation in part 1 for state compliance audits shall be used to cover the cost of state audits performed by independent CPA or Department auditors.

Sec. 918. Tax Orientation Workshops - DELETED

Authorizes the Department to receive and expend funds for conducting tax orientation and workshops and seminars.

Sec. 924. Principal Residence Tax Audits - REVISED

Authorizes the Department to receive and expend principal residence audit fund revenue for administration of principal residence audits; requires report. Revision requires that the report state the amount of exemptions denied and the revenue received under the program.

Sec. 925. Public-Private Partnership Fund - REVISED

Authorizes a Public-Private Partnership Investment Fund for use in public-private partnerships. Directs the state treasurer and state budget director to determine. Revision authorizes unencumbered balance at the end of the year to be carried forward for appropriation in future years.

Sec. 929. Data and Collection Services - DELETED

Authorizes Department to enter into agreements to supply data or collection services to other executive principal departments or state agencies, the US Department of Treasury, or local units of government. Deleted due to the inclusion of funding in part 1.

Sec. 938. PILT Payments - DELETED

States legislative intent that Department work with local units to improve PILT system on purchased lands; requires report by January 1.

Major Boilerplate Changes From FY 2009-10

Sec. 939. Public Employee Pension Fund Investment - DELETED

States legislative intent that the state treasurer give appropriate consideration to life science companies in Michigan, or investments in venture capital funds that invest in those companies to the extent they offer the safety and rate of return comparable to other investments permitted and available at the time the investment decision is made.

Sec. 942. Field Collection Report – DELETED

Requires Department to report on additional revenue collection related to increased field staff.

Sec. 943. Form 1099-G Mailings - DELETED

Directs the Department to not include complete social security numbers in form 1099-G mailings to taxpayers.

Sec. 944. Pension Plan Consultant Report – REVISED

Requires Department to forward any report from a pension plan consultant to the Legislature and state budget director. Revises language to require report be forwarded annually.

Sec. 945. Fourteen-Point Review - DELETED

Authorizes Department to conduct a review of local unit assessment administration practices, procedures, and records in at least one assessment jurisdiction per county.

Sec. 946. Coordinated Assessment and Training Activities - DELETED

Authorizes members of state tax commission and management level staff of the assessment and certification division to meet with statewide assessment organizations quarterly to coordinate assessment and training activities.

Sec. 947. Revenue Enhancement Program - DELETED

Stipulates that funding in part 1 may be used for principal residence exemption compliance program. Requires quarterly reports for personal property tax audit and Principal Residence Audit programs.

Sec. 948. Electronic Income Tax Filing - DELETED

Directs Department to report the number of tax returns, including state income and single business tax returns, filed on-line in the preceding fiscal year.

Sec. 949. Tobacco Stamp Program – DELETED

Directs Department to explore the possibility of a public-private partnership for new tobacco stamp technology; requires report.

Sec. 950. Revenue Sharing – REVISED

Directs distribution of constitutional and statutory revenue sharing payments to cities, villages and townships. Allows cities, villages, and townships to receive less than 100% of their FY 2009-10 total revenue sharing payment if constitutional revenue sharing funding is reduced.

Sec. 955. County Revenue Sharing – REVISED

Directs payments to counties to be equal to the amount distributed to each county in FY 2004 adjusted by the inflation rate through the date of restoration and reduced by the amount each county is authorized to annually expend in that county's fiscal year beginning after FY 2004 from its revenue sharing reserve fund.

LOTTERY

Sec. 962. Promotion and Advertising - NEW

Authorizes appropriation of one percent of the prior fiscal year's lottery ticket sales for promotion and advertising. Formerly funded through line-item appropriation.

Sec. 963. Department of Human Services (DHS) Bridge Cards - DELETED

Directs Lottery to notify lottery retailers that DHS bridge cards are not to be used to purchase lottery tickets.

CASINO GAMING

Sec. 972. Gaming Oversight - DELETED

Appropriates funds distributed by the Michigan Gaming Control Board to the Department for oversight of casino gaming upon receipt. Directs the funds to be used to pay for costs incurred for casino gaming oversight activities. Deleted due to inclusion of funding in part 1.

Sec. 975. State Services Fee Fund Balance – DELETED

New language stating that \$1.6 million of the state services fee fund balance at the close of FY 2008-09 be transferred to the general fund.

TREASURY

Major Boilerplate Changes From FY 2009-10

Sec. 976. Horse Racing Industry Crimes - NEW

Authorizes the racing commissioner to pay rewards of not more than \$5,800 to a person who provides information that results in the arrest and conviction for a crime that involves the horse racing industry. Awards are paid from the Office of Racing Commissioner line-item.

MICHIGAN STRATEGIC FUND (MSF)

Sec. 1002. Economic Development Job Training (EDJT) Grants – DELETED

Provides description and direction for Economic Development Job Training Grant program. Program is eliminated.

Sec. 1003. Michigan Growth Capital Fund - DELETED

Provides description and direction for Michigan Growth Capital Fund; requires annual report from Michigan Economic Development Corporation (MEDC).

Sec. 1006. MSF/MEDC Grant and Loan Report - REVISED

Requires MSF and MEDC to report on the grants awarded from the funds appropriated in part 1. Revision requires that report include grants and loans from Indian gaming and investment revenue.

Sec. 1007. Grants and Investment Programs - DELETED

Requires MSF to provide a report on the grants and investment programs financed using investment or Indian gaming revenues.

Sec. 1008. Interlocal Agreements - DELETED

Requires any interlocal agreement entered into by MSF to include language stating that if a local unit of government has a contract or memorandum of understanding with a private economic development agency, the MEDC will work cooperatively with that private organization in that area.

Sec. 1010. Advertising Material - DELETED

Requires that no MSF funding is spent on premiums or advertising material involving personal effects or apparel except Travel Michigan.

Sec. 1014. Michigan Core Communities Fund – REVISED

Provides language outlining the purposes and uses of the fund and procedures for grant distribution. Revises to eliminate annual report requirement.

Sec. 1023. Tourism Promotion - DELETED

Provides guidelines on what Michigan tourism destinations and activities Michigan should emphasize in promoting tourism in all 4 seasons.

Sec. 1024. Small Business Technology and Development Centers (SBTDC) - REVISED

Revises to remove allocation of \$1.4 million from the 21st Century Jobs Trust Fund to Small Business Technology and Development Centers for Small Business Innovation Research/Small Business Technology Transfer Research grant or matching loan programs.

Sec. 1027. Lakeshore Advantage – DELETED

Stipulates that funds appropriated for the jobs for Michigan investment program: 21st Century Jobs Fund, \$3.0 million may be allocated to Lakeshore Advantage for the same purposes as the fiscal year 2007-2008 allocation.

Sec. 1033. Michigan Film Office Advisory Council - DELETED

Requires the MSF to make available to the public the minutes of the Michigan Film Office Advisory Council.

Sec. 1034. Business Incubator Program – DELETED

Stipulates funding be awarded competitively to operational business incubators in five counties. Includes 10 incubators. Funding for program was eliminated.

Sec. 1035. Michigan Council for Arts and Cultural Affairs (MCACA) Arts and Cultural Grants – REVISED

Requires MCACA to develop and administer targeted arts and cultural grant programs. MCACA is required to develop and publish application criteria and may charge non-refundable application fee that shall be deposited in the Council for the Arts Fund to be used for expenses necessary to administer the programs.

Sec. 1036. Arts and Cultural Institutions Project Program - NEW

Authorizes MCACA to offer an Arts and Cultural Institutions Project Program to remodel, repair, renovate, or construct certain arts and cultural institutions. Requires application process to be developed and allows for application fee to offset costs associated with reviewing the proposals. Projects recommended are not to exceed \$50.0 million in total.

