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BILL ANALYSIS

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Senate Bill 770 (S-1 as reported)
Committee: Appropriations

Throughout this document, Senate means Appropriations Committee

FY 2013-14 Year-to-Date Gross Appropriation	**$75,335,500**
Changes from FY 2013-14 Year-to-Date:	
1. **Healthy Michigan Plan Administration.** The Senate included $100 GF/GP as a placeholder for the executive director program to administer Medicaid expansion. The Governor included $150,000 GF/GP for this item.	100
2. **Removal of Autism Coverage Fund.** The Governor and Senate did not include funding for this item for FY 2014-15. The fund was appropriated $15.0 million in FY 2012-13, and an additional $11.0 million in FY 2013-14. To date, approximately $1.0 million of the fund has been spent, approximately $150,000 is pending disbursement, and approximately $24.9 million remains unspoken for, assuming the pending reimbursements are not denied.	(11,000,000)
3. **Economic Adjustments.** Included a negative $32,500 Gross and $0 GF/GP for OPEB and $831,700 Gross and $0 GF/GP for other economic adjustments.	799,200
4. **Comparison to Governor's Recommendation.** The Senate is $149,900 Gross and $149,900 GF/GP under the Governor.	
Total Changes	($10,200,700)
FY 2014-15 Senate Appropriations Committee Gross Appropriation	**$65,134,800**

Changes from FY 2013-14 Year-to-Date:

1. **Record Retention.** The Governor deleted and the Senate retained a requirement regarding retaining copies of reports in compliance with Federal and State guidelines for short-term and long-term record retention. (Section 212)
2. **Disciplinary Action.** The Governor deleted and the Senate retained a prohibition against the Department taking disciplinary action against an employee for communicating with a member of the Legislature or Legislative staff. (Section 215)
3. **Office Space Reporting.** The Governor deleted and the Senate retained a requirement that the Department submit a report regarding the amount of office space square footage paid for and actually used by the Department. (Section 219)
4. **Television and Radio Productions.** The Governor deleted and the Senate retained a prohibition against the Department developing or producing any television or radio productions. (Section 232)
5. **Request for Proposal Requirements.** The Governor and the Senate deleted a requirement prohibiting any State department or agency from issuing a request for proposal for a contract in excess of $5.0 million without first considering an evaluation process to learn more about the specific market of the future proposal. (Section 238)
6. **Full-time Equated Positions: Spending and Reporting.** The Governor deleted and the Senate retained a section which stated that it is the Legislature's intent that: 1) appropriations are properly accounted for, and 2) that full-time equated positions are not to be used as placeholders for spending in other parts of budgets. The section also required an annual report to the Legislature that details full-time equated position data. The Senate included provisions that would require the report to include a breakdown of FTE positions that are allocated for economic development and economic development planning. (Section 240)
7. **Insurance and Financial Economic Development.** The Governor deleted and the Senate retained a requirement for the Department to submit a report to the Legislature indicating funds spent and full-time positions used, and a plan for ongoing and future efforts, regarding support of economic development of the insurance or financial industries. The Senate amended the section to require a detailed two year plan for departmental economic development activities. (Section 310)
8. **Federal Standards.** The Governor and the Senate deleted a prohibition against the Department adopting or promulgating a rule more stringent than the applicable Federal standard unless specifically authorized by statute. (Section 341)
9. **Autism Coverage Fund.** The Governor and the Senate deleted requirements regarding the FY 2013-14 appropriation of $11.0 million for the autism coverage fund. The Governor deleted and the Senate retained provisions regarding Department reports on diagnosis and treatment. The Senate changed the report due date to October 31, 2015. An appropriation to the fund was not included in the Governor's or Senate's recommendation for FY 2014-15. (Sections 801 and 802)
10. **Adjustments from FY 2013-14.** The Governor and the Senate deleted a section that anticipated FY 2014-15 appropriations for the Department budget would be the same as for FY 2013-14, except for adjustments due to changes in caseload and related costs, Federal fund match rates, economic factors, and available revenue. (Section 1201)
11. **Identify Legacy Costs.** The Governor and the Senate deleted a section that stated it was the intent of the Legislature that the Department identify the amounts for normal retirement costs and legacy retirement costs for FY 2014-15. (Section 1202)
12. **FY 2014-15 Legacy Costs Identified.** The Governor and the Senate included a new section that indicates total appropriations for legacy costs are $10,148,200. Pension-related legacy costs are estimated at $5,627,200, and retiree health care legacy costs are estimated at $4,521,000. (Section 10-235)

Date Completed: 4-25-14 Fiscal Analyst: Glenn Steffens