



**Senate Fiscal Agency**  
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BILL



ANALYSIS

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Senate Bill 770 (as introduced)

[Vehicle for Governor's Recommendation line items is Senate Bill 837](#)

Committee: Appropriations

<b>FY 2013-14 Year-to-Date Gross Appropriation .....</b>	<b>\$73,335,500</b>
<b>Changes from FY 2013-14 Year-to-Date:</b>	
1. <b>Healthy Michigan Plan Administration.</b> The Governor included \$150,000 GF/GP for the executive director program to administer Medicaid expansion.	150,000
2. <b>Removal of Autism Coverage Fund.</b> The Governor 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 \$500,000 of the fund has been spent, and approximately \$25.5 million remains in the fund.	(11,000,000)
3. <b>Economic Adjustments.</b> Includes 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
Total Changes .....	(10,050,800)
<b>FY 2014-15 Governor's Recommendation .....</b>	<b>65,284,700</b>

The changes show the differences between the schedule of programs proposed by the Governor and the prior-year line items.

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

1. **Record Retention.** The Governor deleted 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 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 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 a prohibition against the Department developing or producing any television or radio productions. (Section 232)
5. **Request for Proposal Requirements.** The Governor 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 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. (Section 240)
7. **Insurance and Financial Economic Development.** The Governor deleted 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. (Section 310)
8. **Federal Standards.** The Governor 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 deleted requirements regarding the FY 2013-14 appropriation of \$11.0 million for the autism coverage fund regarding spending and department reports on diagnosis and treatment. An appropriation to the fund was not included in the Governor's recommendation for FY 2014-15. (Sections 801 and 802)
10. **Adjustments from FY 2013-14.** The Governor 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 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 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: 2-14-14

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