



Senate Fiscal Agency
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BILL



ANALYSIS

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**House Bill 4328 (CR-1):
 FY 2013-14 General Omnibus Appropriation Bill**

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* General Government includes FY 2013-14 appropriations for the following budget areas: Attorney General; Civil Rights; Executive; Legislature; Legislative Auditor General; State; Technology, Management, and Budget; and Treasury.

General Omnibus Appropriation Bill House Bill 4328 (CR-1)		
Department/Budget Area	FY 2013-14 Adjusted Gross Appropriation	FY 2013-14 GF/GP Appropriation
Agriculture and Rural Development	\$79,659,000	\$40,580,300
Attorney General	61,951,400	34,481,300
Civil Rights	15,198,300	12,337,500
Community Health.....	15,375,292,500	2,916,047,100
Corrections	2,055,537,200	1,982,265,800
Education	298,366,000	70,893,900
Environmental Quality	507,766,900	29,104,500
Executive	5,370,000	5,370,000
Human Services	6,000,256,300	1,003,000,000
Insurance and Financial Services	74,627,900	11,000,000
Judiciary	281,063,600	183,441,300
Legislative Auditor General	15,862,300	13,911,300
Legislature	123,819,300	122,309,500
Licensing and Regulatory Affairs	488,690,500	25,004,900
Military and Veterans Affairs	166,080,000	46,503,300
Natural Resources	341,576,600	25,286,600
State	199,548,900	15,253,400
State Police	581,599,300	353,474,300
Technology, Management, and Budget	513,215,300	408,787,300
Transportation	3,594,991,600	121,300,000
Treasury-Debt Service	154,202,500	151,188,000
Treasury-Operations	489,103,500	89,803,300
Treasury-Revenue Sharing	1,133,857,700	0
Treasury-Strategic Fund Agency	1,008,613,900	218,503,900
Total General Omnibus Appropriations.....	\$33,566,250,500	\$7,879,847,500
Education Omnibus Appropriation Bill House Bill 4228 (CR-1)		
Department/Budget Area	FY 2013-14 Adjusted Gross Appropriation	FY 2013-14 GF/GP Appropriation
Community Colleges	335,977,600	138,363,500
Higher Education.....	1,430,573,500	1,132,981,400
School Aid K-12	13,361,803,600	230,000,000
Total Education Omnibus Appropriations.....	\$15,128,354,700	\$1,501,344,900
TOTAL APPROPRIATIONS.....	\$48,694,605,200	\$9,381,192,400



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FY 2012-13 Year-to-Date Gross Appropriation	\$78,033,000
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Changes from FY 2012-13 Year-to-Date:

Items Included by the Senate and House

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|---|-------------|
| 1. Food and Agriculture Industry Growth Initiative. Governor, Senate, and House included \$1.0 million GF/GP grant program to remove barriers to increased production. | 1,000,000 |
| 2. Agriculture Product Assurance and Export Assistance. Governor, Senate, and House included \$1.0 million GF/GP to bolster inspection services for export. | 1,000,000 |
| 3. Food Safety. Governor, Senate, and House included \$250,000 GF/GP to add to efforts toward wholesale food inspections and lab testing. | 250,000 |
| 4. Farmland and Open Space Preservation Program. Governor, Senate, and House added \$392,500 restricted for the program. | 392,500 |
| 5. Unclassified Salaries/Information Technology. Governor, Senate, and House added \$7,000 for Unclassified Salary increases and \$13,300 for IT improvements. | 20,300 |
| 6. Adjustments for Actual Funds Received. Governor, Senate, and House adjustment. | (2,209,600) |
| 7. Adjustments for One-time FY 2013 Appropriations. Governor, Senate, and House adjustment. | (2,170,300) |
| 8. Economic Adjustments. Governor, Senate, and House included \$237,800 Gross and \$126,300 GF/GP for OPEB and \$1,526,600 Gross and \$778,300 GF/GP for other economic adjustments. | 1,764,400 |
| 9. Other Adjustments. | (1,447,000) |

Conference Agreement on Items of Difference

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| 10. Qualified Forest Affidavit Program. House did not include a one-time \$1.7 million GF/GP for program start-up costs. Senate included. Conference included, plus 5.0 FTEs. | 1,700,000 |
| 11. Private Forestry Program. House included a one-time appropriation of \$300,000 GF/GP for program; the Senate \$600,000. Conference contained \$600,000 and rolled it into the Qualified Forest Initiative Appropriation line. | 600,000 |
| 12. Agriculture Development in U.P. The House did not include funding for a development position in the U.P. The Senate included \$150,000 GF/GP, Conference \$130,000. | 130,000 |
| 13. Agriculture Drain Registration. Only Senate included \$100,000; Conference did not. | |
| 14. Water Resource Study. House included \$100,000 GF/GP; Senate \$200,000; Conference \$300,000. | 300,000 |
| 15. County Fair Capitol Improvement Grants. House included an addition of \$400; the Senate had no increase and the Conference included an increase of \$20,000 GF/GP. | 20,000 |
| 16. Pesticide and Plant Pest Management. Conference added one-time \$800,000 GF/GP. | 800,000 |
| 17. FY 2013-14 One-Time Appropriations. One-time appropriations total: \$3.4 million. | |

Total Changes	\$2,150,300
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FY 2013-14 Conference Report Ongoing/One-Time Gross Appropriation	\$80,183,300
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Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2012-13 Year-to-Date:Items Included by the Senate and House

1. **Water Resource Study.** The Senate and House each included language providing guidelines for a new water resources study. (Sec. 1104)
2. **Food and Agriculture Industry Growth Initiative.** The Senate and House each included language providing guidelines for a new Food and Agriculture Industry Growth Initiative grant program. (Sec. 711)

Conference Agreement on Items of Difference

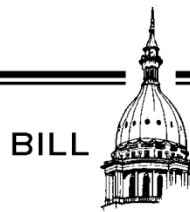
3. **Scorecard.** The Governor added new language requiring a website posting of key metrics performance. Senate included, House did not. Included by Conference. (Sec. 231)
4. **Boilerplate Included by House, Not by Senate, and Not by Conference.** These sections include Civil Service Fees, Information Technology Fees, Statewide Office Plan, Third Party Inspections, and Clean Sweep Program.
5. **Boilerplate Included by House, Not by Senate, but Included by Conference.** These sections include Non-Line Item Grants Notification (Sec. 302), Animal Indemnification (Sec. 453), Development and Export Report (Sec. 706), Equine Fund Use (Sec. 801), Thoroughbred Purse Disbursement (Sec. 803), Equine Regulatory Costs (Sec. 804).
6. **Boilerplate Included by Senate, Not by House, but Included by Conference.** These sections include Food Borne Emergency Report (Sec. 402), Pollution Prevention Programs (Sec. 601), Intercounty Drains (Sec. 607), and FY 2014-15 Retirement Expenditure Report. (Sec. 1202)

Date Completed: 5-28-13

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FY 2012-13 Year-to-Date Gross Appropriation	\$15,033,003,600
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Changes from FY 2012-13 Year-to-Date:

Items Included by the Senate and House

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|--|-------------|
| 1. Actuarial Soundness Adjustments. Conference reflected agreed-upon actuarial soundness adjustments for physical and mental health managed care entities, at a cost of \$37.9 million GF/GP. | 112,546,900 |
| 2. Medicaid Primary Care Rates. Conference annualized funding to reflect the Federal requirement that states reimburse Medicaid primary care providers at Medicare rates from January 1, 2013 through December 31, 2014. | 103,200,000 |
| 3. Medicaid Expansion Proposal. Conference did not include the Governor's proposal to expand the Medicaid program to all those up to 133% of the Federal poverty level. | 0 |
| 4. Quality Assurance Assessment Program (QAAP) Adjustments. Conference included non-GF/GP adjustments to the hospital and nursing home QAAP-related payments. | 68,439,700 |
| 5. Medicaid Program Enhancements. Conference included \$17.5 million Gross, \$5.9 million GF/GP to increase the Home and Community Based Waiver program and \$20.5 million Gross, \$6.9 million GF/GP to expand autism spectrum services. | 37,958,200 |
| 6. Economic Adjustments. Includes net of \$1,944,800 for OPEB. Total of \$7.3 million GF/GP. | 16,308,500 |
| 7. Other Changes. Other changes, including adjustments to available Federal funds, led to a slight decrease in spending. | (6,761,700) |

Conference Agreement on Items of Difference

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| 8. Medicaid Base. Conference reflected the consensus Medicaid expenditure consensus, with a small GF/GP cost increase of \$5.8 million. | 14,914,900 |
| 9. New Programs. Conference funded new programs, including three infant mortality initiatives, mental health jail diversion, health innovation grants, and a health care transformation office. Total cost of \$6.2 million GF/GP. | 4,580,800 |
| 10. Program Enhancements. Conference funded an expansion of Healthy Kids Dental to Ingham, Ottawa, and Washtenaw Counties (\$3.9 million GF/GP) and increases to health and wellness initiatives, the Michigan Essential Health provider program, local public health, lead abatement, traumatic brain injury services, and senior nutrition. | 18,143,000 |
| 11. FY 2013-14 One-Time Appropriations. Conference shifted \$3.0 million in one-time Community Mental Health special populations to ongoing, eliminated one-time lump sum payouts, reduced computerization funding by \$700,000 GF/GP, eliminated \$5.0 million in health and wellness funding, provided \$2.0 million funding for autism centers and \$5.0 million in funding for mental health innovations. | (16,985,300) |

Total Changes	\$352,345,000
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FY 2013-14 Conference Report Ongoing/One-Time Gross Appropriation	\$15,385,348,600
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Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2012-13 Year-to-Date:Items Included by the Senate and House

1. **Community Mental Health (CMH) Contractual Requirements and Reporting.** Conference retained long-standing language on CMH contracts and requiring CMHs to report data to the Department and the Legislature (Secs. 401, 402, and 404).

Conference Agreement on Items of Difference

2. **Michigan/Illinois Medicaid Management Information System (MMIS) Project.** Conference included House language allocating an estimated \$20.0 million in revenue that will be paid by the State of Illinois to Michigan to cover the costs of using the Michigan MMIS as a platform (Sec. 298).
3. **Fetal Alcohol Syndrome.** Conference included revised Senate language directing Department to explore developing an outreach program with an April 1 report on efforts to combat fetal alcohol syndrome (Sec. 502).
4. **Fish Advisory.** Conference included Senate language requiring an October 1 report with specific information on scientific basis for the fish advisory decisions (Sec. 650).
5. **Blue Cross Endowment Fund.** Conference included revised Senate language directing Department to work with the endowment fund established in the Blue Cross legislation to explore ways to expand health and wellness programs (Sec. 651).
6. **MiChild Program.** Conference included revised House language directing the Department to contract with Medicaid health plans to provide services to MiChild enrollees, with allowances for contractual services by other providers where applicable (Sec. 1670).
7. **Rural/Sole Community Hospital Pool.** Conference revised language on a \$12.0 million GF/GP rural/sole community hospital pool to limit criteria used and direct Department to provide criteria used to hospitals (Sec. 1866).
8. **Graduate Medical Education (GME).** Conference included Senate language requiring Department to work with medical school affiliated faculty practice groups to create a Michigan GME consortium, and requires consortium to provide a plan to the Legislature by March 31. Language directs Department to explore seeking waiver to implement a program similar to the Utah Medicare GME demonstration project (Sec. 1870).
9. **Enrollment of Newborns in Managed Care.** Conference included Senate language directing Department to create default enrollment determination so newborns are assigned to same health plan as mother (Sec. 1881).

Date Completed: 5-28-13

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FY 2012-13 Year-to-Date Gross Appropriation	\$2,018,515,900
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Changes from FY 2012-13 Year-to-Date:

Items Included by the Senate and House

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|---|--------------|
| 1. Medicaid Expansion Savings. Governor proposed expanded eligibility which would result in an estimated 80% of inmates and parolees attaining Medicaid eligibility for covered services outside of secure facilities, yielding GF/GP savings of \$24.2 million. Senate, House, and Conference did not assume these savings. | 0 |
| 2. Special Equipment Fund. Senate and House both concurred with Governor in including \$6.0 million (\$0 GF/GP) for special equipment from prisoner telephone contract revenue. | 6,000,000 |
| 3. Detroit Detention Center. Senate and House both included \$8.1 million in restricted local revenue (\$0 GF/GP) from the City of Detroit for the operation of a detention center. | 8,126,600 |
| 4. Other Adjustments. Conference includes minor adjustments in housing staff, food service IDGs, and post-closure maintenance costs, as well as investments in IT. | 3,050,500 |
| 5. Remove One-Time. Employee lump sum funding of \$13.2 million (\$12.9 million GF/GP), \$1.1 million GF/GP in IT projects, and \$17.6 million (\$0 GF/GP) in Special Equipment Fund security projects contained in a supplemental were removed. | (31,955,400) |
| 6. Economic Adjustments. Includes \$6,670,200 Gross and \$6,524,300 GF/GP for OPEB and \$42,206,500 Gross and \$41,299,100 GF/GP for other economic adjustments. | 48,876,700 |

Conference Agreement on Items of Difference

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| 7. Internal Adjustments. Governor included internal adjustments (no overall gross or GF/GP impact) that removed \$25.6 million from health care, \$19.7 million from prisoner re-entry, and \$9.0 million from leased beds, and added \$42.2 million to facility line items, \$6.3 million to food service, and \$7.0 million to transportation. House concurred, but Senate rejected \$17.9 million of the increases. Conference concurred with House. | 0 |
| 8. New Employee Training School. The Governor proposed an increase for this item of \$9.0 million in one-time GF/GP funding, which the House rejected. The Senate cut 40% from both the base and the one-time funds, for a total decrease of \$7.2 million GF/GP. Conference concurred with the Governor in increasing \$9.0 million in one-time funding. | 9,032,500 |
| 9. Public Safety Initiative. The House removed \$250,000 GF/GP from this line item and diverted it into a new line item titled Second Chance Employment – Goodwill's oil filter recycling project; Senate reduced by \$2.5 million. Conference concurred with House. | 0 |
| 10. Food Service. The Senate reduced the food service line item by \$2.2 million; the House did not include this reduction. Conference reduced by \$6.0 million GF/GP to reflect savings from competitive bidding contract. | (6,000,000) |
| 11. H.I.R.E. Job Training Program. Conference included \$1.0 million GF/GP for a pilot program called "Helping Individuals Return to Employment." | 1,000,000 |
| 12. Legacy Cost Separation. The Senate bill structure reflected legacy costs totaling \$338.0 million as two separate line items (no overall Gross or GF/GP impact). The House and Conference did not adopt this alternative bill structure. | 0 |

Total Changes	\$38,130,900
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FY 2013-14 Conference Report Ongoing/One-Time Gross Appropriation	\$2,056,646,800
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Amount Over/(Under) GF/GP Target: \$	\$0
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Changes from FY 2012-13 Year-to-Date:Conference Agreement on Items of Difference

1. **Deletions.** The Governor proposed deletion of 78 sections. The Senate concurred in deleting 38 of those sections, while the House concurred in deleting 18 sections. Conference deleted 35 sections.
2. **Special Equipment Fund – Programming.** Senate requires report to list the name of the vendors the products or services were purchased from. House requires \$2.0 million from the fund to be used for programming, particularly for those past their earliest release date. Conference includes both the House and Senate changes. (Sec. 219)
3. **Cost Saving Strategy Approach.** House added new language requiring the Department to implement and adhere to supply chain transformation (SCT) and continuous quality improvement (CQI) strategies and report on the results of those strategies. Conference removed sections 242 and 244, but retained 245 which is the report.
4. **Data to CSG.** House added language requiring the Department to provide data to the Justice Center of the Council of State Governments for their analysis of offender flow; Senate and Conference did not include. (Sec. 429)
5. **Agricultural Employment.** House added language requiring the Department to collaborate with Michigan colleges on programs to employ parolees in agricultural settings; Senate did not include, but Conference included. (Sec. 434)
6. **New Employee Training at Colleges.** Senate stated intent that the Department work with colleges interested in offering employee training academies. The House did not include, but Conference concurred with Senate. (Sec. 506)
7. **Per Diem Calculations.** Senate required the Department to calculate and report per prisoner/per day cost for each custody level, both with and without legacy costs included; House did not include. Conference included but revised to not require the calculation to be done with and without legacy costs. (Sec. 904)
8. **Facility Closure Study.** House required the Department to conduct a local impact study, a cost analysis, and to notify the legislature 90 days before recommending a closure; Senate and Conference did not include. (Sec. 921)
9. **Mentally Ill in Segregation.** Current law states mentally ill prisoners held in therapeutic seclusion must be evaluated every 12 hours or at a frequency defined in the mental health code, whichever requires more frequent monitoring. Senate struck that language and replaced with "every 8 hours." House retained current law. Conference revised to state that mentally ill prisoners held in administrative segregation must be evaluated by a medical professional every 12 hours. (Secs. 924 and 929)
10. **Competitive Bidding.** Senate added new language requiring the designation of an individual to answer questions legislators and the public have about competitive bid processes and added new language requiring the competitive bidding of the electronic monitoring center and requests for information regarding prisoner clothing manufacturing and a secure detention center with job training programming. Senate also requires that any contract that allows a for-profit business to utilize state-owned property must pay fair market value for the use of the property and make payments in lieu of taxes to the local jurisdiction(s). House did not include these additions, but did retain current law contained in Sec. 939. Conference retained section 940 requiring payments in lieu of taxes, but removed section 939 regarding the designated individual. Conference also revised Sec. 939 to require RFPs for prisoner clothing, prison stores, and up to 1,750 beds, and to require RFIs for the electronic monitoring center and a secure detention center with job training (Secs. 938, 939, and 940).
11. **Prisoner Clothing Manufacturing – Pilot.** House added language allowing the Department to divert 15% of funds used internally for prisoner clothing production to a non-profit agency that intends to employ parolees; Senate did not include, but Conference included. (Sec. 947)
12. **Legislative Corrections Ombudsman.** House and Senate added the Ombudsman to the list of recipients of legislative reports in a number of sections, although the Senate made this revision in more sections than the House. Conference concurred with the Senate.

Date Completed: 5-24-13

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FY 2012-13 Year-to-Date Gross Appropriation	\$328,909,900
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Changes from FY 2012-13 Year-to-Date:Items Included by the Senate and House

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|--|--------------|
| 1. Child Development and Care IDG Reduction. \$11.8 million (\$0 GF/GP) transfer to the Department of Human Services (DHS) to reflect actual expenditures for child development care and help address a statewide Temporary Assistance for Needy Families (TANF) shortfall. | (11,820,600) |
| 2. Michigan College Access Network. Transfer of the Michigan College Access Network (\$2.0 million Gross, \$2.0 million GF/GP) into the Higher Education budget to better align with program objectives. | (2,000,000) |
| 3. Carl D. Perkins Grant. \$40,000 (\$40,000 GF/GP) increase to meet the Carl D. Perkins Career and Technical Education grant's maintenance of effort requirements; this is a \$38.7 million Federal grant. | 40,000 |
| 4. Economic Adjustments. \$249,400 Gross (\$44,100 GF/GP) for OPEB and \$2,151,200 Gross (\$466,000 GF/GP) for other economic adjustments. | 2,400,600 |
| 5. Other Changes. Conference included a reduction of \$2.7 million (\$0 GF/GP) for Federal and private funding authorization to reflect actual revenue and a reduction of \$674,300 (\$164,100 GF/GP) for the expiration of one-time funds from FY 2012-13. | (3,356,300) |

Conference Agreement on Items of Difference

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| 6. Child Development and Care (CDC) Caseloads. Conference reduced CDC public assistance line to reflect CDC caseload projections agreed upon at the May 2013 Consensus Revenue Estimating Conference. | (20,458,600) |
| 7. State Aid to Libraries. Conference included a \$2.8 million (\$2.8 million GF/GP) transfer of State aid and renaissance zone reimbursements to libraries from the School Aid budget and included a \$1.4 million increase in State aid. | 4,168,000 |
| 8. School Improvement Plans. Conference included a \$137,500 (\$137,500 GF/GP) and 1.0 FTE increase to allow the Department to review up to 300 School Improvement Plans annually (an increase from the current 180 reviews annually). | 137,500 |
| 9. Charter School Support. Conference included a \$127,500 (\$63,800 GF/GP) and 1.0 FTE increase for the Office of Field Services to support and monitor newly opened charter schools resulting from the lifted charter school cap with the enactment of PA 277 of 2011. | 127,500 |
| 10. Accounting Support. Conference included a \$114,000 (\$13,700 GF/GP) and 1.0 FTE increase for additional accounting support for the CDC program not transferred from DHS with the creation of the Office of Great Start. | 114,000 |
| 11. Information Technology Services. Conference included \$104,000 (\$31,700 GF/GP) for increased rates for the Department of Technology, Management, and Budget's (DTMB's) statewide investment in wireless equipment, bandwidth infrastructure, and other technical increases. | 104,000 |

Total Changes	(\$30,543,900)
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FY 2013-14 Conference Report Ongoing/One-Time Gross Appropriation	\$298,366,000
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Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2012-13 Year-to-Date:Items Included by the Senate and House

1. **Online Scorecard.** Included a new section requiring the Department to maintain a scorecard that identifies, tracks, and regularly updates key metrics used to monitor their performance, on a publicly accessible website. (Sec. 222)
2. **Renaissance Zones.** Included a new section designating funds for renaissance zone reimbursements to public libraries, with a maximum amount of time for the Department of Treasury to allocate payments. (Sec. 804)
3. **Early Childhood Investment Corporation (ECIC) Report.** Added clarifying language to a required annual report on the activities of the ECIC, including information about the various grants awarded each year. (Sec. 1003)

Conference Agreement on Items of Difference

4. **Payments to Locals.** Conference adjusted payments to locals to reflect the increase in State aid to libraries. (Sec. 201)
5. **Deprived and Depressed Communities.** Conference included new standard boilerplate section requiring the State Superintendent to take reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. (Sec. 204)
6. **Department Expenditures on Website.** Conference retained current language requiring the Department to publish its annual expenditures on its website, but modified to instead require them to work with DTMB on maintaining such a site. (Sec. 207)
7. **Appeal of AYP.** Conference retained language allowing districts to appeal a determination of failing to meet adequate yearly progress, but added technical language. (Sec. 211)
8. **Out-of-State Travel.** Conference retained and modified section to include a required report on annual travel out of the State, without restrictions in current law on such travel. (Sec. 214)
9. **General Fund Lapse Report.** Conference retained language requiring a report projecting year-end General Fund lapse amounts, but changed due date from November 15 to November 30 and language requiring the Department to work with the State Budget Office (SBO) on providing such estimates. (Sec. 226)
10. **Common Core.** Conference included a new section stating that the Department's appropriations shall not be used to fund implementation of Common Core State Standards or Smarter Balanced Assessments unless an affirmative action of the legislature authorizing implementation of said standards or assessments is provided. (Sec. 231)
11. **Sub-Recipient Monitoring.** Conference included a new section designating \$180,000 from payments for sub-recipient monitoring services provided to other departments to be used for all expenses necessary to providing such services. (Sec. 232)
12. **RFP/RFI/RFQ.** Conference included new standard boilerplate requiring the Department to issue a request for proposal for a contract in excess of \$5.0 million. (Sec. 233)
13. **Head Start & Great Start Readiness Program (GSRP).** Conference included a new section requiring providers to ensure regulations of Head Start center-based programs are at least as rigorous as GSRP requirements. (Sec. 1004)
14. **Retirement Costs.** Conference included new standard boilerplate stating the intent of the Legislature to identify the amounts for normal retirement costs and legacy retirement costs for FY 2015. (Sec. 1202)

Deleted Items

15. Conference eliminated the following sections: 204 (civil service commission billing); 209 (DTMB user charges); 210 (work projects carried forward); 215 (out-of-state travel limitations); 225 (investigation and report of pupil membership fraud); 228 (cooperation with DTMB's office consolidation plan); 229 (activities and duties completed no later than deadlines); 601 (\$600,000 and 5.5 FTE earmark for charter schools office); 902 (funding uses for college access grant program); 903 (cyber school and seat-time waiver report); and 1002 (OGS report on an early childhood learning and development plan).

Date Completed: 5-28-13

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FY 2012-13 Year-to-Date Gross Appropriation	\$432,329,900
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Changes from FY 2012-13 Year-to-Date:

Items Included by the Senate and House

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|---|--------------|
| 1. Strategic Water Quality Initiatives Fund. The Governor, Senate, House and Conference included \$97.0 million for grants and loans to municipalities for sewer upgrades and \$3.0 million for wetland mitigation banks. Revenue would come from bond issues under Prop. 2 of 2002. | 100,000,000 |
| 2. Economic Adjustments. Includes \$715,300 Gross and \$89,800 GF/GP for OPEB and \$4,815,800 Gross and \$657,800 GF/GP for other economic adjustments. | 5,531,100 |
| 3. Other Changes. The Governor, Senate, House and Conference included addition Refined Petroleum Fund for cleanup of orphan tanks, implementation of Executive Order 2012-14, which moved the storage tank programs to LARA, technical revenue adjustments, the removal of one-time appropriations | (27,982,500) |

Conference Agreement on Items of Difference

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| 4. Hazardous Waste Program Fee Increase. Both the Senate and House rejected the fee increase recommended by the Governor. The House moved funding from the Office of Environmental Assistance to provide Waste Reduction Fee revenue to operate the Hazardous Waste Management program. The Senate reduced excess appropriations in the program. The Conference left the current funding for the program, but included boilerplate to accommodate any statutory change in how the program is funded. | 0 |
| 5. Hazardous Waste One-Time Funding. The Senate and Conference concurred with the Governor in providing one-time GF/GP for this program. The House did not include this. | 400,000 |
| 6. Wetlands Funding. The Senate and Conference concurred with the Governor in providing \$1.0 million GF/GP for ongoing support of the program and \$600,000 in one-time GF/GP revenue. | 1,600,000 |
| 7. Information Technology Upgrades. The Governor, Senate and Conference included funding for improvements to the Department's internet and wireless bandwidth. | 90,300 |
| 8. Brownfield Redevelopment Grants. The Conference included Clean Michigan Initiative funding for these grants. | 5,500,000 |
| 9. Office of Environmental Assistance Reduction. The Conference reduced this program by \$500,000 as part of an agreement with industry to fund the Hazardous Waste Program. | (500,000) |
| 10. State Match for Surface Water. The Senate and Conference concurred with the Governor in providing \$200,000 in GF/GP revenue for use as Federal match for the Surface Water line. The House did not include this funding. | 200,000 |
| 11. Office of the Great Lakes Fund Shift. The Senate and Conference concurred with the Governor in removing \$500,000 in Great Lakes Protection Fund revenue which is no longer available. The Governor and Senate replaced this revenue with GF/GP. | 0 |
| 12. FY 2013-14 One-Time Appropriations. See items 5 and 6. | 0 |

Total Changes	\$84,838,900
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FY 2013-14 Conference Report Ongoing/One-Time Gross Appropriation	\$517,168,800
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Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2012-13 Year-to-Date:Conference Agreement on Items of Difference

1. **IT Work Project Designation and User Fees.** The Governor, Senate and Conference removed and House retained a section which designated IT appropriations as work a project, and a section which required the Department to pay IT user fees. (Sec. 206 & 208 of House Bill)
2. **Office Consolidation Plan.** The Governor, Senate and Conference removed and House retained a section requiring the Department to work with DTMB on an office consolidation plan. (Sec. 218 of House Bill)
3. **Permit Tracking Tool.** The Governor, Senate and Conference removed a section requiring a report on the implementation of this web-based tool. The House retained and modified the section slightly. (Sec. 227 of House Bill)
4. **Wickes TCE Plume Site.** The Governor, Senate and Conference removed a boilerplate appropriation for this cleanup site. The House retained the section, but removed the appropriation and required a report. (Sec. 307 of House Bill)
5. **Aquatic Invasive Species Council.** The Governor, House and Conference removed and Senate retained a section requiring the DEQ to provide support for the Council. (Sec. 403 of Senate Bill)
6. **Wetlands Ombudsman.** The House included a new section requiring \$100,000 and 1.0 FTE be allocated towards funding a wetlands ombudsman. The Senate and Conference did not include this new section. (Sec. 406 of House Bill)
7. **Prohibition on Sodium Limits.** The Conference included a new section prohibiting the Department from using appropriations to enforce a limit on sodium in groundwater discharge. (Sec. 407 of Conference Report)
8. **Lake St. Clair Beach Monitoring.** The Conference included a new section requiring \$100,000 from Surface Water be allocated to water quality monitoring equipment for the Lake St. Clair Metropark Beach in Harrison Township. (Sec. 408 of Conference Report)
9. **Contracts Language.** The Conference included a new section requiring the Department to use a certain Request for Information process when entering into contracts above \$5.0 million. (Sec. 236 of Conference Report)
10. **Environmental Pollution Prevention Fund Usage.** The Conference included a new section that would allow appropriations from certain funds to be used as though they were appropriations from the Environmental Pollution Prevention fund provided a statutory change was made that allowed it. (Sec. 603 of Conference Report)
11. **Environmental Pollution Prevention Fund Over-Appropriation.** The Conference included a new section that specifies that if revenues to the Fund were not sufficient to support all appropriations from the Fund, that appropriations from the Fund for programs other than the Hazardous Waste Management Program be reduced. (Sec. 604 of Conference Report)
12. **Brownfield Grants Work Project Language.** The Conference included a new section specifying that appropriations for Brownfield Grants be carried-forward as a work project. (Sec. 309 of Conference Report)

Date Completed: 5-27-13

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General Government Budgets
Total Gross and GF/GP Appropriations

	<u>FY 2012-13 Year-to-Date</u>	<u>FY 2013-14 GOV'S. REC.</u>	<u>Change from Year-to-Date</u>	<u>Percent Change from Year-to-Date</u>
Gross Appropriations	\$4,318,903,100	\$4,433,136,800	\$114,223,700	2.6%
GF/GP Appropriations.....	\$1,013,727,700	\$1,052,945,600	\$39,219,900	3.9%
Full-time Equated Employees (FTEs)	7,722.7	7,631.7	(91.0)	(1.2)%

	<u>FY 2013-14 SENATE REC.</u>	<u>Change from Year-to-Date</u>	<u>Percent Change from Year-to-Date</u>
Gross Appropriations	\$4,447,726,700	\$128,823,600	3.0%
GF/GP Appropriations.....	\$1,070,885,500	\$57,157,800	5.6%
FTEs	7,597.7	(125.0)	(1.6)%

	<u>FY 2013-14 HOUSE REC.</u>	<u>Change from Year-to-Date</u>	<u>Percent Change from Year-to-Date</u>
Gross Appropriations	\$4,290,796,400	(\$28,818,900)	(0.7)%
GF/GP Appropriations.....	\$906,153,800	(\$107,821,900)	(10.6)%
FTEs	7,596.7	(126.0)	(1.6)%

	<u>FY 2013-14 CONFERENCE REC.</u>	<u>Change from Year-to-Date</u>	<u>Percent Change from Year-to-Date</u>
Gross Appropriations	\$4,459,313,500	\$140,410,400	3.3%
GF/GP Appropriations.....	\$1,071,945,500	\$58,217,800	5.7%
FTEs	7,617.5	(105.2)	(1.4)%

See Individual Highlight Sheet for Department Detail

Changes from FY 2012-13 Year to Date:Items Included by the Senate and House

1. **Bill Structure.** The Governor recommended an omnibus bill for government operations with a separate article for each department. The General Government budgets were not aggregated in the Governor's recommendation. Some of the General Government boilerplate is included in Article 20 of the Governor's recommendation which would apply to all of the appropriations in the omnibus bill. Article 20 also includes required reports of the estimated statewide totals for total State spending and payments to locals (Sec. 20-201) and operating fund revenues and balances (Sec. 20-301). The Senate and House maintained the current bill structure.
2. **Michigan Health Savings Fund.** The Governor recommended a boilerplate appropriation of \$103.0 million GF/GP in FY 2013-14 to the proposed Michigan Health Savings Fund. The Governor recommended using this fund for future Medicaid costs; however, there is no boilerplate that describes the proposed fund. The Senate and House did not include. (Sec. 20-208/Sec. 211a)

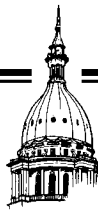
Conference Agreement on Items of Difference

3. **Deleted General Sections.** The Governor deleted the following general sections: information technology work project authorization (Sec. 207), purchasing requirements regarding consideration for buying from American, Michigan, and veteran-owned firms (Sec. 209), purchasing requirement regarding deprived and depressed areas (Sec. 210); retention of reports by departments (Sec. 212), prohibit casino ownership (Sec. 213), Department of Technology, Management, and Budget user fees (Sec. 214), prohibit employee discipline for speaking with a legislator or legislative staff (Sec. 215), prohibit use of General Fund money when Federal funds are available (Sec. 217), prohibition on using appropriations to administer a committee or obtain contributions for a committee as defined in the Michigan Campaign Finance Act, MCL 169.203 (Sec. 220), policy change report (Sec. 221), require departments to follow-up on savings proposals from the Legislative Auditor General (Sec. 229), FTE reporting (Sec. 231), and outcomes report (Sec. 232). Senate concurred in deleting information technology work projects (Sec. 207), information technology user fees (Sec. 214), limitations on administering a committee (Sec. 220), intent language on FTEs and FTE reporting (Sec. 231), and outcomes identification and reporting (Sec. 232) and retained the remaining sections. The House retained information technology user fees, FTE spending language and reporting, limitations on administering a committee, and information technology works projects. Conference concurred with the Senate to delete these sections except retaining FTE spending language and reporting. (Sec. 231)
4. **Appropriation to the Budget Stabilization Fund.** The Governor recommended a boilerplate appropriation from the General Fund to the Countercyclical Budget and Economic Stabilization Fund (BSF) of \$75.0 million GF/GP in FY 2013-14. The section also reports the statutory calculation to determine the amount of any required payment to the Fund. According to this calculation, no pay-in or payout is required in FY 2013-14. The Senate did not include a BSF deposit in FY 2013-14. The House deposited \$50.0 million GF/GP in the BSF in FY 2013-14. Conference concurred with the Governor. (Sec. 211)
5. **Roads and Risks Reserve Fund.** Conference created the Roads and Risks Reserve (RRR) Fund in the State Treasury. It appropriated \$230.0 GF/GP to the new fund in FY 2013-14 and specified that the funds may be spent upon appropriation. One-half of the reserve funds are available for appropriation for roads effective October 1, 2013. The language states the intent of the legislature that the balance of the reserve funds will be appropriated for roads effective February 1, 2014 if those funds have not been appropriated for other purposes prior to that date. Interest earnings from the RRR go to the General Fund. The RRR will not lapse, but carries forward. (Sec. 211b)
6. **Department Scorecard.** The Governor added language to direct the departments to maintain a publicly accessible website that shows a scorecard that lists, tracks, and updates metrics that represent the Department's performance. The Senate concurred. The House did not include. Conference concurred with the Senate. (Sec. 2-219/Sec. 219)
7. **Limitations on Contract Approval.** Senate added a requirement that prior to approval of any contract in excess of \$1.0 million or issuing request for proposals (RFP) for such a contract, a department or agency is required to issue and receive a request for information (RFI) or request for qualifications (RFQ), provide the results to the Legislature, and post a summary of the results on the department's or agency's webpage. The House did not include. Conference modified to require an RFI or RFQ to be considered for any contract over \$5.0 million. (Sec. 235)
8. **Intent Language on Retirement Costs.** The Senate added a statement of intent that the FY 2014-15 budget should identify normal retirement costs and legacy retirement costs by line item. The House did not include. Conference concurred with the Senate. (Sec. 1202)



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FY 2012-13 Year-to-Date Gross Appropriation	\$85,082,500
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Changes from FY 2012-13 Year-to-Date:

Items Included by the Senate and House

- | | |
|---|-------------|
| 1. Remove One-time Payments. The Governor eliminated funding for one-time lump sum payments to State employees in FY 2012-13. The Senate and House concurred. | (1,025,900) |
| 2. Economic Adjustments. Includes \$2,054,400 Gross and \$800,500 GF/GP for OPEB and \$518,600 Gross and \$195,200 GF/GP for other economic adjustments. The Senate and House concurred. | 2,573,000 |

Conference Agreement on Items of Difference

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|--|-----------|
| 3. Operations. The Governor recommended increasing the operations line by \$2,124,200 to \$80,627,700 to reflect the costs of legal services provided pursuant to the current memoranda of understanding between the Attorney General and the Department of Human Services (DHS) and the Department of Licensing and Regulatory Affairs. This increase would be funded from interdepartmental grants from the departments. The Senate concurred. The House reduced the operations line by \$217,400, which is 0.75% of the GF/GP revenue in the line. The Conference concurred with the Senate. | 2,124,200 |
| 4. Fraud Prevention Activities for DHS. The Governor recommended \$500,000 and 3.0 full-time equated (FTE) employees to investigate and prosecute fraud in the programs offered by DHS. The Senate and House concurred. The Conference reduced by \$167,000 in accordance with decisions in the DHS budget. | 333,000 |
| 5. Information Technology (IT). The Governor recommended \$1,448,400 for IT including an increase in IT charges for wireless infrastructure, bandwidth expansion, and the Microsoft enterprise agreement. The Senate concurred. The House reduced by \$8,600. The Conference concurred with the Senate. | 53,100 |
| 6. Child Support Enforcement. The Governor and Senate approved \$3,427,800 for child support enforcement. The House made a reduction of \$6,400. The Conference concurred with the Senate. | 0 |
| 7. Public Safety Initiative. The Governor and Senate recommending funding of \$902,800 for this project to assist prosecutors in Flint, Saginaw, Pontiac, and Detroit in reducing the number of outstanding warrants. The House reduced by \$8,600. Conference concurred with the Senate. | 0 |
| 8. Prosecuting Attorneys Coordinating Council. The Governor and Senate recommended \$2,074,300 for PACC. The House reduced by \$10,500. The Conference concurred with the Senate. | 0 |

Total Changes	\$4,057,400
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FY 2013-14 Conference Report Ongoing/One-Time Gross Appropriation.	\$89,139,900
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Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2012-13 Year-to-Date:Items Included by the Senate and House

1. **Line Item Structure.** The Governor separated the General Government departments into separate articles within his proposed budget. The budget for the Attorney General is in Article 2. The Governor combined the existing seven line items into two lines, one for operations and one for Prosecuting Attorneys Coordinating Council. Fund source details would not be included. The Senate and House maintained the current bill structure.
2. **Boilerplate Structure.** The Governor moved boilerplate from the FY 2012-13 general sections that applied to all General Government budgets to the Article for the Department of Attorney General. These sections included:
 - Report on total State spending for the Department. (Sec. 2-201)
 - Definitions. Many were eliminated due to the deletion of fund source detail. (Sec. 2-203)
 - Report on out-of-state travel. (Sec. 2-216)
 - Prohibition on outside legal services. (Sec. 2-226)
 - Restricted Revenue Report. (Sec. 2-218)
 - Lapse Report. The Governor changed the report date from November 15 to November 30. (Sec. 2-217)

The Senate and House maintained these sections as general sections that apply to all of the departments in the bill.

Conference Agreement on Items of Difference

3. **Use of Litigation Expense Reimbursements.** The Governor expanded the use of a limited amount of litigation expense reimbursements to allow them to be used for the payment of salaries and support costs. Currently these funds can be used for payment of court judgments, settlements, arbitration awards, and attorney fees and certain litigation costs. As in the current year, a maximum of \$500,000 could be appropriated from litigation awards for all of the named purposes. The Senate concurred. The House did not include. Conference concurred with the Senate. (Sec. 2-308/Sec. 308)

Date Completed: 5-27-13

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FY 2012-13 Year-to-Date Gross Appropriation	\$14,765,500
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Changes from FY 2012-13 Year-to-Date:

Items Included by the Senate and House

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|---|-----------|
| 1. Division on Deaf and Hard of Hearing. The Governor added \$100,000 GF/GP and 1.0 full-time equated (FTE) position for an employee on leave who is returning from military service. This would increase the line item to \$771,300 in FY 2013-14. The Senate and House concurred. | 100,000 |
| 2. Hispanic/Latino Commission of Michigan. The Governor recommended an additional \$54,000 GF/GP to increase the line item to \$255,600 in FY 2013-14. This would support the Commission's work to enhance the abilities of Michigan Hispanics by improving their economic stability, education, achievement, and participation in government, business and the community. The Senate and House concurred. | 54,000 |
| 3. Remove One-time Funding. The Governor removed funding for one-time payments to employees in FY 2012-13 required by contract. The Senate concurred. | (128,900) |
| 4. Economic Adjustments. Includes \$60,800 Gross and \$48,200 GF/GP for OPEB and \$340,800 Gross and \$279,900 GF/GP for other economic adjustments. The Senate concurred. | 401,600 |

Conference Agreement on Items of Difference

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|---|-------|
| 5. Operations. The Governor and Senate included operations funding of \$12,683,300. The House reduced to \$11,876,700 due to a reduction of \$556,600 and a transfer of \$250,000 to a new line for the Michigan Women's Commission. Conference concurred with the Senate which provided economics only. | 0 |
| 6. Michigan Women's Commission. In the current year the operations of the Michigan Women's Commission are funded from the department's operations line. The salary for the director of the Michigan Women's Commission is part of the unclassified line. The Senate maintained the funding for the commission in the operations line. The House transferred \$250,000 to a separate line item for the Michigan Women's Commission. Conference included funding in operations line. | 0 |
| 7. Information Technology. The Senate included \$667,900 for information technology. The House reduced by \$9,400. Conference concurred with the Senate. | 6,100 |

Total Changes	\$432,800
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FY 2013-14 Conference Report Ongoing/One-Time Gross Appropriation	\$15,198,300
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Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2012-13 Year-to-Date:Items Included by the Senate and House

1. **Line Item Structure.** The Governor separated the General Government departments into separate articles within his proposed budget. The Civil Rights budget is in Article 3. The Governor combined the existing 6 line items into 1 line for civil rights operations. Fund source details would not be included. The Senate and House maintained the current bill structure.
2. **Boilerplate Structure.** The Governor moved boilerplate from the FY 2012-13 general sections that applied to all General Government budgets to the Article for the Department of Civil Rights. These sections included:
 - Report on total State spending for the Department. (Sec. 3-201)
 - Report on out-of-state travel. (Sec. 2-216)
 - Prohibition on outside legal services. (Sec. 3-226)
 - Restricted Revenue Report. (Sec. 3-227)
 - Lapse Report. The Governor changed the report date from November 15 to November 30. (Sec. 3-228)

The Senate and House retained the current language and bill structure.

Conference Agreement on Items of Difference

3. **Department Scorecard.** The Governor added language to direct the Department to maintain a publicly accessible website that shows a scorecard that lists, tracks, and updates metrics that represent the department's performance. The Senate concurred. The House did not include. The Conference included in General Sections. (Sec. 2-233/Sec. 219)
4. **State Transparency Reporting.** The Governor required the Department to cooperate with the Department of Technology, Management, and Budget to maintain a searchable website of spending, vendors, job specifications, wage rates, and FTE data that is freely available to the public. Currently, DTMB is directed to maintain this website statewide. The Governor deleted the current requirement to update the website at least quarterly. The Senate retained current language. The House did not include. The Conference included in General Sections. (Sec. 2-235/Sec. 206)
5. **Department Report.** The House added a requirement for a detailed report that would cover the following items:
 - Detailed description of departmental operations
 - Detailed description of subunits in the department; responsibilities, positions, revenue, and spending for each subunit.
 - Number of complaints by type.
 - Average cost per complaint investigation and average investigative time spent per complaint.
 - Percent of complaints that are meritorious and worthy of investigation or settlement and the percentage of complaints that have no merit.
 - List of amounts awarded to claimants.
 - Expenditures on complaint investigation and enforcement.
 - Complaint investigations closed per FTE for the past 5 years.The report would be due November 30 and cover data for the prior fiscal year. The Conference concurred with the House. (Sec. 404)
6. **Notification Prior to Filing Federal Complaints or Reports.** The House required the department to notify the Office of the State Budget, the Senate and House appropriations committees, and the House and Senate fiscal agencies prior to submitting a report or complaint to the U.S. Commission on Civil Rights or other federal department. The Conference concurred with the House. (Sec. 405)

Date Completed: 5-27-13

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FY 2012-13 Year-to-Date Gross Appropriation	\$4,887,900
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Changes from FY 2012-13 Year-to-Date:

Items Included by the Senate and House

- | | |
|--|----------|
| 1. Removal of FY 2012-13 One-Time Funding. Governor eliminated the FY 2012-13 one-time appropriations for State employee lump-sum payments. The Senate and House concurred. | (58,700) |
| 2. Executive Office. Governor included a 2% increase to reflect actual costs of operation. The Senate and House concurred. | 97,800 |
| 3. Economic Adjustments. Includes \$0 for other post-employment benefits (OPEB) and \$43,000 for other economic adjustments. | 43,000 |

Conference Agreement on Items of Difference

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| 4. Unclassified Salaries. The Conference added funding to the unclassified position's line item for salaries and wages. | 400,000 |
|--|---------|

Total Changes	\$482,100
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FY 2013-14 Conference Report Ongoing/One-Time Gross Appropriation	\$5,370,000
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Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2012-13 Year to Date:

1. There previously were no boilerplate sections for the Executive Office. The Governor added one general section listing the total State spending from State resources and the payments to local units of government. The Senate and House moved to General Section 201. (Sec. 8-201)

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FY 2012-13 Year-to-Date Gross Appropriation	\$129,610,200
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Changes from FY 2012-13 Year-to-Date:

Items Included by the Senate and House

- | | |
|--|------------|
| 1. Auditor General - Removal of FY 2012-13 One-time Funding. Governor eliminated the FY 2012-13 one-time appropriations for State employee lump-sum payments. The Senate and House concurred. | (270,900) |
| 2. Auditor General - Augmented Funding. The Governor increased funding so that the Auditor General can enhance audit oversight and service delivery, including the annual Comprehensive Annual Financial Report (CAFR). The Senate and House concurred. | 250,000 |
| 3. Auditor General - Technical Adjustment. The Governor moved boilerplate authorization that allows the Auditor General to receive and expend funds for additional audits to the line items section in Part 1. Though this increased the total appropriation, this is NOT NEW funding as previous boilerplate language allowed for the receipt and expenditure of these funds. The Senate and House concurred. | 1,255,200 |
| 4. Legislative Adjustment. The Governor increased funding by a total of 11.6%. Funding will primarily be used to cover increased other post-employment benefits (OPEB) and other unfunded retirement costs. These increased costs affect only Legislative staff as current Legislators are not eligible for pensions or retirement health care benefits. The Senate and House concurred. | 12,896,800 |
| 5. Economic Adjustments - Auditor General. Includes \$92,400 for OPEB and \$540,000 for other economic adjustments. | 632,400 |

Conference Agreement on Items of Difference

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|---|---------|
| 6. Auditor General - Information Technology (IT) Auditors. The Senate and House added \$1.2 million in additional funding for the Auditor General to hire additional auditors to perform IT audits. The Conference reduced the funding by \$800,000. | 400,000 |
| 7. Michigan Veterans' Facility Ombudsman. The House added funding to create an Office of the Michigan Veterans Facility Ombudsman within the Legislative Council to investigate complaints against the Michigan Department of Military and Veterans Affairs or at a Michigan veterans' facility. The Conference did not include. | 0 |

Total Changes	\$15,163,500
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FY 2013-14 Conference Report Ongoing/One-Time Gross Appropriation	\$144,773,700
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Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2012-13 Year to Date:Items Included by the Senate and House

1. **Total State Spending.** The Governor added one general section listing the total State spending from State resources and the payments to local units of government. (Sec. 11-201) Senate and House retained as Sec. 201.
2. **Re-numbering of Sections.** Sections of boilerplate that have been retained in the Governor's budget are re-numbered accordingly for Article 11. The Senate and House retained current-year format for the budget.
3. **Date Changes.** The Governor extended the work project dates to September 30, 2018, for Property Management and Legislative Automated Processing. The Senate and House concurred with the Governor. (Secs. 606 and 607)

Conference Agreement on Items of Difference

4. **Veterans' Facility Ombudsman.** The House added new language creating the Office of the Michigan Veteran's Facility Ombudsman and specifies duties and responsibilities of the Ombudsman. The Conference did not include.

Date Completed: 5-27-13

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FY 2012-13 Year-to-Date Gross Appropriation	\$220,669,300
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Changes from FY 2012-13 Year-to-Date:

Items Included by the Senate and House

- | | |
|---|-------------|
| 1. Removal of FY 2012-13 One-time Funding. Governor eliminated the FY 2012-13 one-time appropriations of \$1.5 million for employee lump-sum payments, \$150,000 for Executive Direction and \$600,000 for Central Operations. Senate and House concurred. | (2,294,400) |
| 2. Anatomical Gift Registry. Governor, Senate, and House included funding to promote organ donation. | 50,000 |
| 3. Microsoft Enterprise Agreement. Governor included funding to upgrade the Department's current Windows XP operating system with the Windows 7 operating system as the XP system will no longer be supported by Microsoft after April 8, 2014. The Senate and House concurred. | 53,400 |
| 4. Center for Shared Solutions. The Governor included funding to cover increased staffing costs associated with this program which provides base geospatial mapping services to State departments and agencies as well as local entities. The Senate and House concurred. | 39,000 |
| 5. Transportation Administration Collection Fund (TACF). Governor, Senate, and House adjusted the source of funding from this fund to reflect actual revenue. | (8,000,000) |
| 6. Fund Shift. The Governor replaced Michigan Transportation Fund (MTF) funding with GF/GP due to the capped amount of MTF funds that can be transferred to the Department. The shift increases GF/GP expenditures by \$606,300 while having a zero effect on the gross appropriation. The Senate and House concurred. | 0 |
| 7. Olympic Fundraising Plate. Governor, Senate and House eliminated this line item as the Department no longer collects the fee for this license plate. | (75,700) |
| 8. Assigned Claims Assessments. The Governor eliminated this funding as the services provided regarding assigned claims (uninsured drivers) was transferred to a private entity on January 1, 2013, per P.A. 204 of 2012. Senate and House concurred. | (1,098,600) |
| 9. Driver Look-Up Fees. Gov. included the additional revenue resulting from the \$1 increase in the fee from \$7 to \$8 for each driver record that is requested. Senate and House concurred. | 4,700,000 |
| 10. Economic Adjustments. Includes \$661,700 for other post-employment benefits (OPEB) and \$4.3 million for Department economic adjustments. | 4,938,300 |

Conference Agreement on Items of Difference

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|--|---------|
| 11. Contractual Services. Governor and Senate increased funding for costs associated with the Department's servicing of over 20 million customer documents. The House did not include Conference included the increased funding. | 500,000 |
| 12. Wireless Infrastructure and Bandwidth Expansion. Governor and Senate included funding to upgrade the State's wireless infrastructure and to expand bandwidth to accommodate the ever-increasing use of wireless devices around the Capitol and State departments and agencies. House reduced GF funding by \$4,900. Conference concurred with Senate. | 67,600 |

Total Changes	(\$1,120,400)
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FY 2013-14 Conference Report Ongoing/One-Time Gross Appropriation	\$219,548,900
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Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2012-13 Year to Date:Items Included by the Senate and House

1. **Re-numbering of Sections.** Sections of boilerplate that have been retained in the Governor's budget are re-numbered accordingly for Article 15. The Senate and House retained current-year format for the budget.
2. **ATM.** Governor included definition for ATM. (Sec. 15-203) Senate and House retained as Sec. 203.
3. **Out-of-State Travel Report.** Governor included new language requiring the Department to report to the Legislature detailing the Department's out-of-state travel expenses. (Sec. 15-216) Senate and House retained as Sec. 216.
4. **Public Scorecard and Metrics.** Governor included new language requiring the Department to maintain a publicly accessible website that provides a scorecard that identifies, tracks, and regularly updates key metrics. (Sec. 15-233) Senate and House retained as Sec. 219.
5. **Assigned Claims.** Governor removed language allowing the Department to receive and expend funds regarding the settlement of assigned claims (uninsured motorists) as this service will now be done through a private entity per P.A. 204 of 2012. The Senate and House concurred with the Governor. (Current Law Sec. 702)
6. **Driver Look-Up Fees.** Governor included language increasing the fee from \$7 to \$8 for each driver record that is requested. The Senate and House concurred with the Governor. (Sec. 703)
7. **Business Application Modernization (BAM) Project.** The Governor removed language requiring the Department to report the total amount of funds spent on the BAM project from its inception. The Senate and House retained this section. (Sec. 716b)
8. **Buena Vista Branch Office.** Requires the Department to maintain a full service branch office in Buena Vista Township. The Governor removed this section. The Senate and House retained this section. (Sec. 718)

Conference Agreement on Items of Difference

9. **Branch Office Closings.** The Senate added an exemption from the required notification to the Legislature when a branch office closes, relocates, or consolidates, for branch offices that consolidate or relocate within the same local unit of government. The House did not concur with the Senate change. The Conference retained. (Sec. 714)
10. **General Fund Expenditures.** Requires the Department to use restricted funds before using general fund dollars. **Senate:** Concurred with Governor and removed language. **House:** Retained current year language. **Conference** did not include.

Date Completed: 5-27-13

Fiscal Analyst: Joe Carrasco, Jr.



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FY 2012-13 Year-to-Date Gross Appropriation	\$1,142,973,600
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Changes from FY 2012-13 Year-to-Date:

Items Included by the Senate and House

- | | |
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| 1. Removal of One-Time Funding. Governor, Senate and House excluded FY 2012-13 one-time funding of \$4.7 million for employee lump-sum payments; \$10.0 million for special maintenance; \$7.0 million for space consolidation and \$4.0 million for Teacher Evaluation Pilot Project. | (25,680,200) |
| 2. Microsoft Enterprise Agreement. Gov. included funding to upgrade the Department's current Windows XP operating system with the Windows 7 operating system. Senate and House concurred. | 1,423,600 |
| 3. Information Technology (IT) - Alignment of IDG Funding. Governor aligned its IDG funding with enacted FY 2013 appropriations for all departments. Senate and House concurred. | 4,385,700 |
| 4. IT Adjustments. Governor increased funding in IT appropriations in various departmental IT line items. The Senate and House concurred. | 3,051,300 |
| 5. Motor Vehicle Fleet. Gov. increased funding to account for higher fuel, maintenance, and vehicle leasing costs. Senate and House concurred. | 1,500,000 |
| 6. Professional Development Funds. Governor included funding to provide professional development and trainings for NEREs per contract requirements. Senate and House concurred. | 200,000 |
| 7. Civil Service Fund Shift. Gov. transferred 4.0 FTE positions and associated funding to the Department of Human Services to provide trainings specific to DHS. Senate and House concurred. | (465,600) |
| 8. Military Retirement Program. Gov. increased funding for Military Retirement Program to cover unfunded costs associated with prefunding of pensions. Senate & House concurred. Conf. concurred with Senate & House. | 826,100 |
| 9. Economic Adjustments. Includes \$2.2 million other post-employment benefits (OPEB) and \$10.8 million for Department economic adjustments. | 12,980,200 |
| 10. Other Changes. Miscellaneous adjustments were made to various line items, including: a net zero SWCAP adjustment resulting in a negative adjustment to GF/GP funding of \$481,000; a negative \$120,000 adjustment for accounting services for the MSP; and an increase of \$300,000 for Administrative Services to hire 1.0 FTE; \$1.0 million for MSP mobile computing, \$936,500 for geospatial mapping. | 2,116,500 |

Conference Agreement on Items of Difference

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| 11. Wireless Infrastructure and Bandwidth Expansion. Governor and Senate included funding to upgrade the State's wireless infrastructure and to expand bandwidth. House reduced funding by \$63,500. Conference concurred with Senate. | 3,163,900 |
| 12. Regional Prosperity Grants. Gov. included \$5.0 million in one-time funding for these grants. House eliminated the entire one-time funding of \$5.0 million while the Senate funded the grants at \$1.0 million. Conf. funded at \$2.5 million. | 2,500,000 |
| 13. Target Agreements. Conf. included \$500,000 for project management; \$600,000 for Labor Market Information Strategies; \$300,000 for increased fringe benefit costs; \$2.0 million for litigation costs anticipated by the Department to be incurred in FY 2013-14; \$2.0 million for increased cyber security. | 5,400,000 |
| 14. Public-Private Partnership. Conf. transferred from Treasury the spending authority for a new line item for Public Private Partnerships. | 1,500,000 |
| 15. One-Time Appropriations. Gov. included the following one-time funding: \$1.5 million Delta County bridge removal; \$10.0 million for special maintenance for State-owned facilities; \$21.3 million for Technology Investments; and \$100 for construction authorization of \$20.2 million for SEOC Project. Conference concurred with Governor on all except \$100 construction authority. | 32,800,000 |
| 16. State Building Authority (SBA) Rent Adjustments. Gov. and Senate increased funding for SBA line item for State Agencies to reflect increased debt service costs. House did not include. Conference concurred with Senate. | 1,700,000 |

Total Changes	\$47,401,500
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FY 2013-14 Conference Report Ongoing/One-Time Gross Appropriation	\$1,190,375,100
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Amount Over/(Under) GF/GP Target: (\$100)

Changes from FY 2012-13 Year to Date:Items Included by the Senate and House

1. **Statewide State-Owned Inventory System.** Governor and Senate deleted current language requiring the Department to develop a plan regarding a Statewide State-owned inventory management system and submit this plan to the Legislature by February 1. The House retained. Conference concurred with Senate. (Sec. 803(5))
2. **Vendor Call or Contact Centers.** The Governor removed current year language requiring disclosure of location of call/contact centers. The Senate and House retained. (Sec. 817)
3. **Unclassified Salaries.** Language required the Department to compile a report by January 1 pertaining to the salaries of unclassified employees and gubernatorial appointees. Gov. removed this section. Senate and House retained. (Sec. 822)

Conference Agreement on Items of Difference

4. **Motor Vehicle Fleet.** House included language that was deleted by the Senate that requires the Department to maintain a plan regarding the number of vehicles assigned to each department, total number of cars in the fleet, and the number of miles driven each year. Conference concurred with House. (Sec. 813(3))
5. **Privatization RFP Factors.** House added new language stipulating that the DTMB shall include factors that will be used to evaluate and determine price related to requests for proposals issued for the purpose of privatization. Conference concurred. (Sec. 816)
6. **Space Consolidation Plan.** Governor and Senate removed current year language requiring the Department to develop a plan regarding the use of funds for consolidation of space in State-owned or leased facilities across the State. The House and Conference retained. (Sec. 821)
7. **Former State Police Headquarters.** Senate added exemption for FY 2010-11 funding for MSU asbestos abatement funds to be used to connect the former State Police Headquarters site to municipal sewer system. House did not include. Conference concurred with the Senate but with revised language. (Sec. 822c)
8. **ICT Innovation Fund.** House added new language stipulating that the Information, Communications, and Technology (ICT) Innovation Fund shall be administered by the Department for the purpose of providing a revolving, self-sustaining resource for financing ICT innovation projects for state agencies, local units of government, educational institutions, and nonprofit organizations, in addition to permitting outside contributions to the fund and carry forward of money within the fund. Conference concurred with House. (Sec. 831)
9. **Required Reports.** Senate retained language requiring DTMB to provide various detailed reports to JCOS and fiscal agencies with status of each planning or construction project financed with SBA funds. House did not include. Conference concurred with the Senate. (Sec. 862)
10. **One-time Appropriations.** Governor and Senate provided boilerplate language describing the qualification process for the new proposed Regional Prosperity Grant Program. House did not include. Conf. concurred with Senate. (Sec. 890)
11. **Statement of Proposed Operating Cost.** Senate retained language that requires operating costs to be included with submitted planning documents. The House did not include. Conference concurred with House.
12. **Final Planning and Construction.** Senate retained language that outlines certain administrative procedures required before community college or university projects can move to planning stage. House did not include. Conference concurred with House.
13. **Match Requirements.** Senate retained language that provides that the purpose, scope, and cost of a project may not be altered to meet match requirements. Language also states that any Federal matching funds shall be applied to the total authorized project cost. The House did not include. Conference concurred with House.

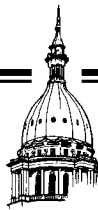
Date Completed: 5-27-13

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FY 2012-13 Year-to-Date Gross Appropriation	\$140,554,900
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Changes from FY 2012-13 Year-to-Date:Items Included by the Senate and House

- | | |
|--|-----------|
| 1. Water Pollution Control Bond and Interest Redemption. The Governor recommended a decrease of \$921,400 GF/GP in the appropriation for debt service on these bonds. The appropriation would be \$1,132,700 in FY 2013-14. This is expected to be the last year of debt service payments on these bonds. The Senate and House concurred. | (921,400) |
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Conference Agreement on Items of Difference

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| 2. Great Lakes Water Quality Bond. The Governor recommended increasing appropriations for debt service payments by \$9,411,500 GF/GP to \$15,916,000 in FY 2013-14. This would cover debt service on existing bonds and the additional costs of a proposed \$100.0 million bond issue. The Governor proposed using the bond proceeds for grants and loans to local governments for sanitary sewer and storm sewer improvements, stormwater management plans or programs, and establishing wetland mitigation banks. The voters approved the issuance of Great Lakes Water Quality Bonds in 2002. The Senate concurred. The House did not include debt service for a proposed new \$100.0 million bond issue from existing bond authority approved by the voters in 2002. Conference concurred with the Senate. | 9,411,500 |
| 3. Clean Michigan Initiative. The Governor recommended an increase in debt service of \$2,886,500 to \$57,187,400 GF/GP in FY 2013-14 to cover the cost of scheduled payments. The Senate concurred. The House reduced by \$69,200. The Conference concurred with the Senate. | 2,886,500 |
| 4. Quality of Life Bond. The Governor recommended an increasing the debt service line for this program to \$79,965,800 in FY 2013-14. This consists of an increase in scheduled payments of \$2,271,000 GF/GP and an addition \$2.5 million GF/GP in a fund shift that replaces \$2.5 million from the Refined Petroleum Fund. The Senate concurred. The House did not include the fund shift from Refined Petroleum Fund to GF/GP revenue. The Conference concurred with the Senate. | 2,271,000 |

Total Changes	\$13,647,600
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FY 2013-14 Conference Report Ongoing/One-Time Gross Appropriation	\$154,202,500
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Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2012-13 Year-to-Date:Items Included by the Senate and House

1. **Boilerplate Changes.** There are no boilerplate changes related to Treasury - Debt Service.

Date Completed: 5-27-13

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FY 2012-13 Year-to-Date Gross Appropriation	\$512,424,800
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Changes from FY 2012-13 Year-to-Date:Items Included by the Senate and House

- | | |
|--|--------------|
| 1. Sales, Use, and Withholding System. The Governor recommended \$1,763,300 in one-time GF/GP to develop system requirements for replacing the business tax registration and sales, use, and withholding IT systems. Total cost is estimated at \$23.1 million over 3 years in the DTMB and Treasury budgets. The Senate and House concurred. | 1,763,300 |
| 2. Digital Tobacco Stamps. The Governor recommended \$3.0 million from tobacco tax revenue for the cost of implementing digital tax stamps for cigarettes. The Senate and House concurred. | 3,000,000 |
| 3. Casino Gaming Control Board IT System. The Governor recommended a one-time appropriation of \$3.0 million to replace IT systems. Funding would consist of \$2.3 million from the Casino Gaming Fund and \$700,000 from the State Services Fee Fund. The Senate and House concurred. | 3,000,000 |
| 4. Payments in Lieu of Taxes (PILT). Governor increased PILT funding by \$1,734,500 to provide full funding in compliance with 2012 PA 603 and 2012 PA 604. The Senate and House concurred. | 1,734,500 |
| 5. Economic Adjustments. Includes \$1,056,800 Gross and \$158,500 GF/GP for OPEB and \$6,186,600 Gross and \$1,143,800 GF/GP for other economic adjustments. | 7,243,400 |
| 6. Other Changes. The Governor recommended and the Senate and House concurred in the removal of one-time and supplemental funding of \$20,742,700, transferring out \$3.5 million, removing unrealized federal funds of \$1,243,300, and information technology and fund source adjustments. | (24,598,900) |

Conference Agreement on Items of Difference

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| 7. Distressed Communities. The Governor recommended \$5.0 million in one-time GF/GP funding for financial consulting services and emergency manager salaries for financially distressed communities. This offsets the removal of \$5,780,000 in supplemental funding for FY 2012-13 provided in the Local Financial Stability and Choice Act, 2012 PA 436. The Senate concurred. The House did not include. Conference concurred with the Senate. | (780,000) |
| 8. iLottery. The Governor increased funding by \$3,350,000 and 10.0 FTEs for the implementation of lottery sales on the Internet. The Senate did not include. The House concurred with the Governor. The Conference did not include. | 0 |
| 9. Operations Reductions. The Senate provided GF/GP appropriations for administrative and operations lines at the Governor's recommendation. The House made GF/GP reductions in many line items. These reductions totaled \$277,000. Conference concurred with the Senate. | 0 |
| 10. Dual Enrollment. Governor reduced funding for tuition payments for nonpublic school students dually enrolled in postsecondary courses from \$10.0 million in FY 2012-13 to \$1.0 million in FY 2013-14 based on previous reimbursement costs. Senate concurred. House reduced by \$7,500. Conference concurred with the Senate. | (9,000,000) |
| 11. Facility for Rare Isotope Beams (FRIB). Governor included \$7.3 million GF/GP for debt service on the community share of this project in the MSF budget. Senate and House concurred. Conference included this funding in Treasury. The FY 2012-13 Treasury budget included FRIB funding of \$2,339,900 making the increment \$4,960,100. | 4,960,100 |
| 12. Public Private Partnership. The Conference transferred this program to DTMB and removed \$1,513,700 in spending authority. | (1,513,700) |

Total Changes	(\$14,191,300)
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FY 2013-14 Conference Report Ongoing/One-Time Gross Appropriation	\$498,233,500
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Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2012-13 Year-to-Date:Items Included by the Senate and House

1. **Deleted Reports.** The Governor recommended deleting the following reports: bond restructuring (Sec. 902a), cost of collections of unpaid taxes and loans (Sec. 903(3)), senior citizens' cooperative housing tax exemption audit report (Sec. 913(2)), public private partnership (Sec. 925(5)), costs of collections for State departments (Sec. 930(2)), restricted fund management fees (Sec. 931), Municipal Finance Authority unappropriated revenue and spending (Sec. 934(2)), and pension consultant report (Sec. 944). The Senate and House retained these sections.

Conference Agreement on Items of Difference

2. **Assessor Certification and Training Fees.** The Governor deleted the schedule of fees for property assessor examinations, initial certifications, and renewal fees and recommended that the State Tax Commission determine these fees annually. Current fees are set in boilerplate as follows: examination fee, \$50; initial certification fee, \$50; annual renewal fee for level 1 and 2 assessors, \$75; and annual renewal fee for level 3 and 4 assessors, \$125. Revenue from the fees is used to offset the costs of the training and certification program. The Senate concurred. The House retained the section. Conference limited examination fees to \$50 and certification fees to \$175. (Sec. 907)
3. **Unclaimed Property Report.** Governor deleted the report on private auditors used for unclaimed property audits and the revenue received. The Senate retained. The House deleted the section which provides spend and receive authority for revenue collected by private auditors, limit auditor reimbursement, and provides for a report. The Conference retained the section. (Sec. 919)
4. **Public Private Partnership.** The Governor deleted the current prohibition against support for the Detroit River International Crossing or any successor project by the Department or the Public Private Partnership Fund. The Senate and House maintained current law. Conference moved these sections to the DTMB budget. (Sec. 925 and 925a/Sec. 822 and 822e)
5. **Dual Enrollment.** The Governor added language that ties the appropriation to the statutory authority. The Senate did not include. The House concurred with the Governor. The Conference concurred with the House. (Sec. 935)
6. **Lottery Information for Retailers.** The Governor deleted a requirement for the Bureau of the State Lottery to inform retailers that cash on a Bridge Card cannot be used to purchase lottery tickets. The Senate concurred. The House retained. The Conference concurred with the House. (Sec. 963)
7. **iLottery Prohibition.** Senate added new language prohibiting the Bureau of State Lottery from expending any funds on iLottery. The House did not include. The Conference concurred with the House. (Sec. 963)
8. **iLottery Limitation.** The Senate did not authorize iLottery. The House limited iLottery to offering only those games in existence as of January 1, 2004. The Conference did not include. (Sec. 965).

Date Completed: 5-27-13

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FY 2012-13 Year-to-Date Gross Appropriation	\$1,087,251,000
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Changes from FY 2012-13 Year-to-Date:

Items Included by the Senate and House

- | | |
|--|------------|
| 1. Constitutional Revenue Sharing. The Governor recommended an increase in constitutional revenue sharing payments of \$29,450,200 or 4.1% based on the sales tax estimate from the January 2013 consensus revenue estimating conference (CREC). The Michigan Constitution requires the distribution of 15% of the sales tax revenue collected at a rate of 4% to cities, villages, and townships on a per capita basis. The Senate and House concurred. Conference included the revised estimate from the May 2013 CREC. Based on the new estimates, Constitutional revenue sharing is approximately \$716,651,000 in FY 2012-13 and \$737,257,700 in FY 2013-14, a 2.9% increase. | 20,606,700 |
| 2. Competitive Grant Assistance Program. The Governor recommended funding this program at \$15.0 million in FY 2013-14, the same amount as in the current year. This consists of \$5.0 million in ongoing and \$10.0 million in one-time appropriations. The Senate and House concurred. | 0 |

Conference Agreement on Items of Difference

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|---|------------|
| 3. County Revenue Sharing. The Governor increased funding for county revenue sharing by \$8.0 million to \$112,480,000 in FY 2013-14. This would provide a 1.1% increase to existing recipients and cover the cost of a county projected to re-enter State-paid county revenue sharing program next year and the 11 counties that received part-year State payments in FY 2012-13 and will increase to full-year State-paid funding in FY 2013-14. County Revenue Sharing provides State payments to any county that has completed withdrawals from its revenue sharing reserve fund created by acceleration of property tax collections in 2005. The Senate increased funding by \$12,128,000 to \$116,608,000. This would provide a 4.8% increase and cover the cost of additional counties entering the program. House concurred with the Governor. Conference concurred with the Senate. | 12,128,000 |
| 4. County Incentive Program. The Governor increased funding for the County Incentive Program by \$2.0 million to provide a 1.1 % increase and to cover the cost of the additional counties that receive County Revenue Sharing and thus become eligible for the incentive program. The Senate increased by 4.8% to \$29,152,000. This consists of \$22,652,000 in ongoing appropriations and \$6.5 million in one-time appropriations. The House concurred with the Governor. Conference concurred with the Senate. | 3,032,000 |
| 5. Economic Vitality Incentive Program. The Governor continued funding for this program at \$225.0 million in FY 2013-14, the same amount as in the current year. The Senate increased funding by 4.8% to \$235,840,000. This consists of \$226,340,000 in ongoing appropriations and \$9.5 million in one-time funding. The House concurred with the Governor. Conference concurred with the Senate. | 10,840,000 |

Total Changes	\$46,606,700
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FY 2013-14 Conference Report Ongoing/One-Time Gross Appropriation	\$1,133,857,700
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Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2012-13 Year-to-Date:Conference Agreement on Items of Difference

1. **Economic Vitality Incentive Program (EVIP) and County Incentive Program.** The Governor recommended changes to each of the incentive categories:
 - Category 1 - Accountability and Transparency: The Governor specified the requirements for the debt service report that is currently part of the budget report. This would consist of a statement of issuance dates, issuance amounts, and a listing of annual debt service payments. The Senate and House added the type of debt service instrument and funds dedicated for debt repayment. The House added monthly posting of salaries by job type, severance packages, and contracts over \$25,000. Conference did not include the salary, contract, and severance reporting.
 - Category 2 - Consolidation of Services: The Governor required participants to report on the status of previous proposals and add a new proposal for consolidation, collaboration, or cooperation with potential savings and a timeline for implementation. The Senate did not require a new proposal for previous participants. It added options for innovation and privatization projects in the consolidation plan. The House and Conference concurred with the Governor. Conference specified that the timelines are estimated timelines and required the plan to be publicly available.
 - Category 3 - Employment Compensation: The Governor increased the requirements in this area to require that a recipient establish an employment compensation plan that meets the required criteria *and* comply with the requirements of the Publicly Funded Health Insurance Contribution Act, Public Act 152 of 2011. The compensation plan would have the same elements as in the current year in that it would be a plan that the local government intends to implement with any new, modified, or extended employee contract or employment agreement and would be required to comply with specific limits regarding retirement plans costs and multipliers. The Senate and House changed the category to Unfunded Accrued Liabilities and required participants to submit a plan to reduce unfunded accrued liabilities. The plan would be required to include a list of previous actions taken to reduce those liabilities with estimated cost savings and a detailed description of additional actions that could be taken.
 - Source of Flags. The Senate required cities, villages, townships, and counties to post on the Internet the country of origin of all flags purchased or displayed in order to qualify for EVIP or County Incentive Program payments. The House did not include. Conference concurred with the House. (Sec. 19-952/Sec. 952)
2. **Competitive Grant Assistance Program (CGAP).** The Governor recommended that \$7.5 million of the \$15.0 million appropriation be allocated for projects to combine public safety operations. He also recommended expanding eligibility to authorities that combine operations with a city, village, township, or county. The Senate and House did not include the proposed public safety earmark. The Senate expanded eligibility to authorities, public community colleges, and public universities that combine operations with a city, village, township, or county. The House expanded eligibility to universities and community colleges. Conference concurred with the Senate. (Sec. 19-951/Sec. 951)

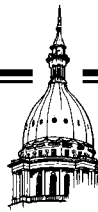
Date Completed: 5-27-13

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FY 2012-13 Year-to-Date Gross Appropriation	\$984,234,400
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Changes from FY 2012-13 Year-to-Date:Items Included by the Senate and House

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|--|--------------|
| 1. Pure Michigan. The Governor increased to \$29.0 million to support international tourism marketing. The Senate and House concurred. | 4,000,000 |
| 2. Economic Adjustments. Includes \$365,500 Gross and \$66,000 GF/GP for OPEB and \$2,332,500 Gross and \$409,500 GF/GP for other economic adjustments. | 2,698,000 |
| 3. Other Changes. The Governor, Senate, and House added \$1,730,700 in Federal GEAR-UP funding, removed \$21,894,100 in unused Federal spending authority, removed one-time lump sum payments of \$1,135,700, transferred \$132,300 for the wage and hour unit to DLARA per E.O. 2012-9, and adjusted other fund sources. | (21,267,100) |

Conference Agreement on Items of Difference

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| 4. Business Attraction & Community Revitalization. Gov. increased by \$20.0 million GF/GP to \$120.0 million, of which \$27.5 million was one-time funding. Senate increased by \$10.0 million to \$110.0 million, of which \$17.5 million was one-time funding. House provided \$66,983,000 in ongoing funding. Conf. provided \$120.0 million of which \$24.8 million is one-time and \$95.2 million is ongoing. | 20,000,000 |
| 5. Film Incentives. Gov. reduced from \$50.0 million in one-time GF/GP in FY 2012-13 to \$25.0 million in FY 2013-14. Senate maintained at \$50.0 million in one-time funding. House did not include. Conference concurred with Senate. | 0 |
| 6. Job Creation Services. Conference added \$4,575,000 for special projects consisting of \$2.0 million for the Kalamazoo Community College Health Living Program, \$2.0 million for the Grand Rapids Public Museum, \$370,000 for the Holland windmill, and \$200,000 for refugee job training by the Chaldean Community Foundation. Conference also added \$385,000 for operations. | 4,960,000 |
| 7. Land Bank Fast Track Authority. Governor increased funding for the Land Bank by \$14,109,800 and 16.0 FTEs. Senate funded at \$13,642,600. House maintained current-year funding of \$2,993,900. Conference did not include GF/GP for Land Bank and eliminated unrealized restricted funds. | (1,851,400) |
| 8. Skilled Trades Training Program. Gov. recommended \$10.0 million in one-time GF/GP for training grants to businesses. Senate set at \$5.0 million in one-time GF/GP. House provided a boilerplate earmark. Conference concurred with the Governor | 10,000,000 |
| 9. Innovation and Entrepreneurship. Governor increased from \$25.0 million to \$28.5 million. The Senate maintained the program at \$25.0 million. House and Conference concurred with Governor. | 3,500,000 |
| 10. Precollege Engineering. Governor did not include. Senate added \$340,000 GF/GP for precollege programs in the engineering & sciences for Detroit and Grand Rapids. House did not include. Conference concurred with the Senate. | 340,000 |
| 11. Arts and Cultural Grants. Gov. increased funding to \$6,650,000. Senate maintained current year funding of \$6,150,000. House increased to \$7,150,000. Conference increased to \$8,150,000. | 2,000,000 |
| 12. Facility for Rare Isotope Beams (FRIB) Debt Service. Conference funded this project in Treasury-Operations. | 0 |
| 13. Operations Reductions. House made GF/GP operations reductions of \$253,400. Conference did not include. | 0 |

Total Changes	\$24,379,500
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FY 2013-14 Conference Report Ongoing/One-Time Gross Appropriation	\$1,008,613,900
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Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2012-13 Year-to-Date:Items Included by the Senate and House

1. **Van Andel Institute Allocation.** The Governor deleted a \$500,000 allocation to the Van Andel Institute for match for Federal research grants. The Senate and House retained. (Sec. 1034b)
2. **FRIB.** The Governor added requirements for issuance of bonds to fund FRIB construction. Prior to issuing bonds, the MSF and the State Budget Director must determine that all construction approvals have been obtained and Federal construction funds are available. The bond proceeds used for construction are limited to \$90,960,100, the remaining amount of the community share. Funds would be distributed to MSU on a reimbursement basis. The State Budget Director would retain the authority and fiduciary responsibility necessary to protect the public's financial and policy interests. Any actions under that authority, such as rescinding payments, would be reported to the Legislature within 10 days of the exercise of that authority. The Senate and House concurred. (Sec. 1037)

Conference Agreement on Items of Difference

3. **Limit on Fundraising Activities.** The Governor expanded the prohibition on private fund raising by MEDC staff to apply to staff involved in the award of incentives, in addition to the current grants and tax abatements. The Senate concurred. House did not include. Conference concurred with the Senate. (Sec. 1013)
4. **Allocation of Business Attraction Funding.** The Governor revised the requirement on allocation of the appropriation for Business Attraction and Community Revitalization to state that \$20.0 million must be granted for community revitalization. House maintained current language. The Senate and Conference modified to say that the \$20.0 million is for brownfield and historic preservation projects in the community revitalization program. (Sec. 1024)
5. **Business Incubators.** Governor deleted new allocations for business incubators and accelerators. The Senate concurred and retained reporting language. House did not include. Conference concurred with Senate. (Sec. 1034)
6. **Arts and Cultural Grant Administration.** The Governor deleted the current \$100,000 cap on use of funds from the arts grants line for program administration. The Senate prohibited use of the grant line for administration. House maintained the current \$100,000 cap. Conference concurred with the Senate. (Sec. 1035)
7. **Refugee Work Assistance.** The Governor and House deleted previously vetoed language that allocated \$200,000 for a refugee assistance and sustainability training program. The Senate retained as an allocation from the community ventures line. Conference removed language and funded from Job Creation Services.
8. **Precollege Engineering.** Governor and House deleted an allocation of \$340,000 from the line item for Community Ventures to Precollege Program for precollege engineering and sciences programs in Detroit and Grand Rapids. The Senate and Conference retained funding at \$340,000 in a separate line item. (Sec. 1053)
9. **Transfer of GF/GP Appropriations to Other Funds.** The Senate required the transfer of \$50.0 million in GF/GP appropriations for film incentives to the Michigan Film Promotion Fund and stated that the funds are appropriated and available for expenditures from that fund. The House included the Governor's recommended language that directs that GF/GP appropriations for business attraction and community revitalization shall be transferred to the 21st Century Jobs Trust Fund per MCL 125.2090b and requires that any film incentive appropriations be transferred to the Michigan Film Promotion Fund in compliance with MCL 125.2029d. Conference concurred with the House. (Sec. 1036)
10. **Food and Agriculture Industry Growth Initiative Loan Program.** The House stated its intent that \$2.0 million of the funding for business attraction and community revitalization be used for a food and agriculture industry growth initiative loan program administered by the MSF and the Michigan Department of Agriculture and Rural Development. The Senate and Conference did not include.
11. **Skilled Trades Training Program.** House allocated \$5.0 million from innovation and entrepreneurship for the Skilled Trades Training Program. Senate and Conference included a separate line. (Sec. 1039)
12. **Use of State Accounting System.** Conference required MSF to utilize a DTMB administrative accounting system used across State Government to track all financial transactions. (Sec. 1040)
13. **Limit on Transfer of Funds.** Conference provided that for the business attraction and community revitalization line, the MSF shall request the transfer by the State Treasurer of no more than 60% of the funds prior to April 1, 2014. (Sec. 1041)

Date Completed: 5-27-13

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FY 2012-13 Year-to-Date Gross Appropriation	\$6,704,093,700
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Changes from FY 2012-13 Year-to-Date:

Items Included by the Senate and House

- | | |
|--|---------------|
| 1. Caseload Adjustments. Total GF/GP savings for caseload adjustments were \$30,551,700. | (767,237,700) |
| 2. Funding Offsets and Other Adjustments. The budget recognized changes in Federal and restricted fund authorization, funding shifts, FTE alignments, and new FMAP rate. | (15,087,100) |
| 3. Governor's Programs. The budget funded FIP time limit exemptions, local juvenile justice services, fraud prevention, unclassified salaries, and State supplement administration. | 7,790,400 |
| 4. Removal of One-Time Funding. Budget removed one-time program and economics funding. | (74,946,500) |
| 5. Economic Adjustments. Economics adjustments included \$4.8 million in OPEB costs. | 40,323,600 |

Conference Agreement on Items of Difference

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| 6. Full Concurrence with Governor's Recommendation. Conference funded Governor's increases for phones, wireless and broadband expansion, FTEs for child support and Child Welfare Institute. | 5,882,600 |
| 7. Partial Concurrence with Governor's Recommendation. Conference partially concurred with Governor's increase for Disability Determination, State Disbursement Unit, Attorney General, and FTEs for MRT and Office of Professional Development. | 6,928,400 |
| 8. Targets and Other Adjustments. Conference included line item rebasing, \$3 adoption subsidy increase, IDG adjustment, and funded Title IV-E Waiver and Sexual Abuse Taskforce. | 45,039,500 |
| 9. Staffing Changes. Conference reduced 577.0 FTEs for child welfare staff by 80.0 FTEs, included negative appropriation for administrative staff, shifted funding for SSI Advocates, and concurred with House to reduce Permanency Planning Assistants by 30.5 FTEs. | 13,426,300 |
| 10. Juvenile Justice. Conference reduced Maxey Training School by \$300,000 GF/GP, concurred with Governor's proposed 1.0 FTE Juvenile Justice Analyst, retained public facilities, and continued funding for juvenile justice behavioral study. | 66,000 |
| 11. Low-Income Energy Assistance. Conference concurred with Governor's restricted funding source and shifted \$25.0 million in Federal LIHEAP to Energy Self-Sufficiency Fund. | 60,000,000 |
| 12. Other Senate Items. Conference recognized Senate savings for Child Care Fund audits, reduced computers by 3,000, and reduced Rent line item due to mobile workers. Conference added In-Home Community Care grants for rural juvenile justice programs and Gentle Teaching Methods for Field Staff Workers. | (13,950,900) |
| 13. Other House Items. Conference reduced EBT contract, Employment Training Support Services, Emergency Services Local Office Allocations, and Family Preservation Programs. Conference funded Campus Coaches, Jewish Federation, Centers for Independent Living pilot, and \$3 increase for private child placing agencies. | 2,555,100 |
| 14. Rejected Senate and House Items. Conference rejected tuition reimbursements, FIP drug testing, Human Trafficking placeholder, DV and foster care pilot, and other programs. | 0 |
| 15. Other Changes. Conference unrolled Federal TANF fund sourcing, rolled up child welfare staffing lines, and rejected unrolling of Information Technology and LIHEAP line items. | 0 |
| 16. FY 2013-14 One-Time Appropriations. Total GF/GP spending was \$2,039,600. | 3,500,000 |

Total Changes	(\$685,710,300)
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FY 2013-14 Conference Report Ongoing/One-Time Gross Appropriation	\$6,018,383,400
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Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2012-13 Year-to-Date:Items Included by the Senate and House

1. **Department Scorecard.** Senate and House included Governor's proposed Department scorecard, which must be posted on website and display key performance metrics and progress. (Sec. 299)
2. **Title IV-E Waiver.** Senate and House concurred with Governor's proposed language to require that any savings that results from the Title IV-E Waiver must be reinvested in child welfare programming. (Sec. 526)

Conference Agreement on Items of Difference

3. **Negative Appropriation.** Conference included guidelines for negative appropriation and savings target. (Sec. 275)
4. **Centers for Independent Living Pilot Program.** Conference provided \$1.5 million for pilot program. (Sec. 404)
5. **Adult and Family Services.** Conference revised Michigan Rehabilitative Services language. (Secs. 401, 402, and 403)
6. **Foster Care Over 24 Months.** Reduced maximum percentage of children in care over 24 months to 31%. (Sec. 501)
7. **Children's Services Performance-Based Funding and Contracts.** Established work group for child welfare services performance-based funding and contracts. Language on foster family group homes and private case management. (Secs. 503, 510, 520, 533, and 589)
8. **Medicaid and Psychotropic Medication.** Revised report on Medicaid coverage for foster children and guidelines for psychotropic medication, work group to maximize Medicaid claims, and Medicaid eligibility. (Secs. 506, 540, 603, and 620)
9. **Programs.** Appropriated \$250,000 to juvenile justice behavioral study, \$100,000 for gentle teaching methods, \$750,000 to Campus Coaches, \$30,000 to Taskforce, \$1.0 million to in-home community care, and \$500,000 to Jewish Federation. (Secs. 252, 509, 522, 587, 590, and 695)
10. **Assessments.** Language required timely assessments of children placed in state care. (Sec. 511)
11. **Recidivism.** Intent language to require the Department to work with the courts on juvenile justice data collection. (Sec. 513)
12. **Kent County Privatization.** Required privatization of child welfare services based on work group findings. (Sec. 515)
13. **Private Child Placing Agencies.** Conference included \$3 per diem increase for private agencies and required Department to hold one or more trainings per month for private agencies. (Secs. 546 and 585)
14. **Adoption and Guardianship.** Language and required minimum payment for guardianship assistance and allowed Department to pay nonrecurring adoption expenses. (Secs. 547 and 557)
15. **Foster Parents.** Revised report on foster parents who dropped out of program. (Sec. 583)
16. **Disability Services.** Conference retained current law on Federal Supplemental Security Income. (Secs. 609 and 611)
17. **Other Public Assistance.** Conference revised language on Indigent Burial and set an asset limit of \$250,000 for eligibility for public assistance. (Secs. 613 and 686)
18. **Disability Redetermination Application.** Conference established 1-page disability redetermination application. (Sec. 622)
19. **Energy Assistance.** Conference created Energy Self-Sufficiency Fund. Conference required annual report on LIHEAP spending plan. (Secs. 621 and 655)
20. **FIP Clothing Allowance.** Revised language to require that \$2.9 million is set aside for clothing allowance. (Sec. 669)
21. **Job Readiness and Employment Program Goals.** Conference established new long-term employment goals for public assistance recipients taking part in work readiness programs. Language also required a work group to determine feasibility of a performance-based job readiness program. (Sec. 677)
22. **Public Assistance Statistics and Reporting.** Conference required new data and statistical reporting requirements on public assistance caseloads. (Sec. 687)
23. **Chaldean Community Foundation.** Language appropriated \$1.0 million to the Foundation. (Sec. 696)
24. **Child Care Fund Audit.** Conference required annual audit of expenditures and claims from counties. (Sec. 709)
25. **Public School Academy Work Group.** Required work group on feasibility of public school academy for at-risk youth. (Sec. 710)

Date Completed: 5-30-2013

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FY 2012-13 Year-to-Date Gross Appropriation	\$0
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Changes from FY 2012-13 Year-to-Date:

Conference Agreement on Items of Difference

- | | |
|---|-------------|
| 1. Autism Coverage Reimbursement Fund. The Senate reduced new GF/GP appropriations to this fund from \$15.0 million to \$12.0 million. The House did not include this reduction in its LARA budget. The Conference included an additional \$1.0 million reduction on top of the reduction included in the Senate bill. | (4,000,000) |
| 2. Creation of DIFS. The House did not separate DIFS from LARA. All of the appropriations that the Governor and Senate included in their respective DIFS budgets were included by the House in its LARA budget. The Conference included these programs in the DIFS budget. | 77,289,500 |
| 3. Interdepartmental Grant for Debt Management Regulation. The Governor and Senate included an interdepartmental grant from LARA to pay for services provided by DIFS for the regulation of entities engaged in the debt management business. Since the House did not separate DIFS from LARA, this IDG was not included. Conference included this item. | 707,600 |
| 4. Economic Adjustments. The House did not include any positive economics adjustments in the components of the LARA budget that the Governor and Senate transferred to DIFS. The Conference included these adjustments. | 1,338,400 |
| 5. Line Item Rollups. The Governor provided one program line item in the DIFS budget. The Conference expanded this item into five line items and created three additional line items in the Administration unit of the budget. These line item changes resulted in no net funding change to the Department. | 0 |

Total Changes	\$75,335,500
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FY 2013-14 Conference Report Ongoing/One-Time Gross Appropriation	\$75,335,500
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Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2012-13 Year-to-Date:Conference Agreement on Items of Difference

1. **Contracts Language.** The Conference included a new section requiring the Department to use a certain Request for Information process when entering into contracts above \$5.0 million. (Sec. 238 of Conference Report)
2. **Proper Accounting.** The House and Conference included a new section requiring the Department to use proper accounting for spending and forbidding the Department from using FTEs as spending placeholders. Also requires a report on the number of FTEs in pay status. (Sec. 240 of Conference Report)
3. **Rule Stringency.** The Governor and Senate removed and House and Conference retained a section prohibiting the promulgation of rules that are more stringent than applicable Federal standards. (Sec. 341 of Conference Report)
4. **Identification of Retirement Costs.** The Senate and Conference included a new section stating the intent of the Legislature that the Department identify normal and legacy retirement costs for FY 2014-15. (Sec. 1202 of Conference Report)
5. **Economic Development Expenditures.** The Conference included a new section requiring a report on any expenditures for economic development made by the Department. (Sec. 310 of Conference Report)

Date Completed: 5-23-13

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FY 2012-13 Year-to-Date Gross Appropriation

Changes from FY 2012-13 Year-to-Date:

Items Included by the Senate and House

1. **Regionalization and Expansion of Drug, DWI, and Veterans Mental Health Courts.** 0
Governor provided \$3.0 million in GF/GP funding for drug courts, DWI/sobriety courts, and veterans' treatment courts. Funding would also be used to encourage regional collaboration for DWI/sobriety courts; currently existing but not previously state-funded veterans' courts would also have an opportunity for grant funding. Senate did not include.
2. **Trial Court Performance Innovations Fund.** The Governor created a new fund (\$4.0 million GF/GP) to incentivize courts to adopt best practices. Senate did not include. 0
3. **Implementation of Case Management System.** The SCAO is leading the implementation of a new unified case management information system called Michigan Court System (MiCS). \$2.5 million GF/GP funding would train 3,600 system users to begin the transition. Senate did not include. 0
4. **SADO Staff Increase.** State Appellate Defender Office (SADO) is statutorily required to handle 25% of the State's criminal defense appellate cases, but in the current fiscal year they are expected to only achieve 22%. The Governor added 1.0 FTE using GF/GP funds to enable the office to fulfill its caseload mandate. Senate did not include. 0
5. **Other Technical Changes.** In accordance with the 2011 Judicial Resource Recommendation, the Legislature passed a package of bills reducing approximately 40 judgeships by attrition; associated with these reductions the Governor reflected GF/GP savings that will be achieved by the attrition of 5.0 judgeships. This number does not reflect full year savings for all positions as partial savings were recognized in FY 2012-13. Senate concurred.
6. **Remove One-time Funding for FY 2012-13 Employee Lump-sum Payments.** Payment (827,200)
was drawn proportionally from various funding sources; reduction of \$636,900 GF/GP.
7. **Economic Adjustments.** Includes \$265,000 Gross and \$218,000 GF/GP for OPEB and 2,452,100
\$2,187,100 Gross and \$1,893,000 GF/GP for other economic adjustments.

Conference Agreement on Items of Difference

8. **Legacy Costs Separation.** The Senate removed legacy costs for health care and pension from the individual lines items and centralized them in two new line items in the Supreme Court section of the bill. Legacy costs for health care are approximately \$6.4 million and legacy costs for pension are approximately \$7.3 million. Overall, the two legacy items are equivalent to 42.75% of payroll. The House did not adopt this alternative bill format. 0

Total Changes

FY 2013-14 Conference Report Ongoing/One-Time Gross Appropriation

Amount Over/(Under) GF/GP Target: \$

Changes from FY 2012-13 Year-to-Date:Items Included by the Senate and House

1. **Deletions.** In keeping with the condensed structure of the Governor's budget, the following current-year language sections were not included: 204, 212, 214, 306, 309, 310, 312, and 321. All were proposed to be deleted in last year's Governor's Recommendation but were subsequently added back by the Legislature. The subjects of these sections included not taking disciplinary action against an employee for communicating with the Legislature; the preference for buying American, Michigan and veteran-owned goods and services; reporting requirements for mental health courts, drug courts and the Parental Rights Restoration Act; and the creation of a legal self-help website. Senate retained all sections proposed for deletion.
2. **Definitions.** The Governor eliminated a number of definitions that would no longer be used in the bill. Senate retained all definitions. (Sec. 203)
3. **Performance Scorecard Website.** Governor proposed a new section stating that the Judiciary shall maintain a publicly accessible website that tracks key performance metrics. Senate concurred. (Sec. 223)
4. **Adjust Byrne Grant.** The grant amount the Judiciary is expected to receive as an IDG from the Department of State Police to support drug courts was reduced from \$1.8 million to \$1.5 million. Senate concurred. (Sec. 311(4))
5. **Swift-and-Sure Sanctions - Revise.** The Governor's proposed revision would delete subsection (2) which previously limited participation in the program to only courts that operated a drug court or had a unified trial court. The new language would open up the grant application process to any court that hears felony criminal cases. The new language also does not include subsections (3) and (4) which provided grant preference guidelines and reporting requirements. Additionally, the swift-and-sure sanctions program funding had previously been included in the drug court line item, but under the Governor's proposed budget it is included as a new line item. The associated boilerplate section is updated to reflect the new bill structure. Lastly, the revised language now also states that the funds shall be administered in accordance with the Probation Swift-and-Sure Sanctions Act (P.A. 616 of 2012). Because the grant administration would be done in accordance with P.A. 616 of 2012, there would still be a reporting requirement, but the requirements listed in statute are not the same as those required in current boilerplate. Senate concurred with Governor's revisions to subsection (1), and concurred with the deletions of subsections (2) and (3), but retained the reporting requirement in subsection (4). (Sec. 320)
6. **Evaluation of Legal Self-Help Site.** Current language requires the judicial branch to support the creation of a legal self-help website. Senate added language to amend a section to require a report from the State Court Administrative Office on the costs, effectiveness, and potential savings associated with the website. (Sec. 321)
7. **Federal Grant Funding.** New language states that if the State Appellate Defender Office (SADO) receives Federal grant funding exceeding the amount allotted in Part 1, SADO may expend up to \$300,000 in grant funds as "other Federal grants." Senate concurred. (Sec. 322)
8. **Info on Juvenile Placements.** Senate added language to require that the State Court Administrative Office provide courts with information on the number of out-of-state juvenile placements and a listing of the per diem costs of all public and private in-state facilities. (Sec. 323)

Conference Agreement on Items of Difference

9. **State Restricted Fund Reporting.** The Governor revised section to state that the Judiciary shall cooperate with the State Budget Office to provide a report to the Legislature on state restricted funds, instead of having the Judiciary provide the report. Senate concurred with Governor's changes, but the House retained current law. (Sec. 222)
10. **Drug Court Evaluation.** The Senate removed subsection (3) which called for the drug court programming evaluation called for in this section to be consistent with the requirements of the Federal Byrne Grant for that program. The State Court Administrative Office (SCAO) indicated that the Byrne Grant flows through the Department of Michigan State Police and has its own evaluation requirements, so SCAO asked that the reference to the Byrne Grant in this section be removed. The House retained current law. (Sec. 310)

Date Completed: 5-21-13

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FY 2012-13 Year-to-Date Gross Appropriation	\$645,901,800
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Changes from FY 2012-13 Year-to-Date:

Items Included by the Senate and House

- | | |
|--|--------------|
| 1. Unemployment Insurance (UI) Agency Reduction. The Governor, Senate, House, and Conference removed Federal authorization and 470.0 FTEs to reflect a loss in Federal UI administration block grants. The block grants are given to states by a formula based on the number of residents receiving UI benefit payments. | (67,161,900) |
| 2. Other Changes. The Governor, Senate, House, and Conference included other changes including rebasing of Michigan Administrative Hearing System IDGs, rent reductions, removal of one-time and supplemental funding, IT upgrades, removal of excess restricted and Federal appropriation authority, transfer of the prevailing wage section of the Michigan Strategic Fund to LARA under E.O. 2012-9, moving the storage tank programs from DEQ to LARA under E.O. 2012-14 and increases for liquor law enforcement grants. | (14,775,000) |

Conference Agreement on Items of Difference

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|---|--------------|
| 3. Economic Adjustments. The House did not include any positive economic adjustments. The Governor, Senate and Conference included \$2,125,800 Gross and \$236,800 GF/GP for OPEB and \$8,300,900 Gross and a negative \$31,900 GF/GP for other economic adjustments. | 10,426,700 |
| 4. Fireworks Safety Grants. The House and Conference included Fireworks Safety Fund revenue for a new grant program for local units of government. The Governor and Senate did not include this item. | 1,000,000 |
| 5. Transfer of OFIR and Autism Coverage Reimbursement Program to DIFS. The House did not transfer appropriations that now support the new Department of Insurance and Financial Services to a separate appropriations article for the new department. | (77,289,500) |
| 6. Liquor Control Commission IT Upgrades. The Governor and Senate removed funding for these upgrades; the House and Conference retained them. | 0 |
| 7. Medical Marijuana Operation and Oversight Grants. The Conference included \$3.0 million in funding from the Medical Marijuana Fund for grants to county law enforcement. | 3,000,000 |
| 8. Unclassified Salaries. The Governor, Senate, and Conference included additional restricted funding for targeted salary increases for certain administrative law positions. The House did not include these increases. | 176,300 |
| 9. GF/GP Offset for Veterans' Exemptions. The Governor and House included an additional \$3.7 million in GF/GP revenue to replace restricted funds that are projected to see reduced revenue due to exemptions for veterans from various licensing fees. The Senate and Conference reduced this amount by \$940,300, but included additional restricted funds so that there was no change in gross appropriations. | 0 |
| 10. Restricted Fund Reduction. The Conference included a \$500,000 reduction to various restricted fund sources. | (500,000) |
| 11. FY 2013-14 One-Time Appropriations. The Conference included \$2.1 million for a nursing home survey project. | 2,140,300 |

Total Changes	(\$142,983,100)
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FY 2013-14 Conference Report Ongoing/One-Time Gross Appropriation	\$502,918,700
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Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2012-13 Year-to-Date:Conference Agreement on Items of Difference

1. **Office Consolidation Plan.** The Governor and Senate removed and House retained a section requiring the department to work with DTMB on an office consolidation plan. The Conference reworked this section into a report on office space utilization. (Sec. 219 of Conference Report)
2. **Principal Measurable Outcomes.** The Governor, Senate and Conference removed and House retained a section requiring that the department identify and report on ten principal measurable outcomes. (Sec. 230 of House Bill)
3. **Proper Accounting.** The House and Conference included a new section requiring the department to use proper accounting for spending and forbidding the department from using FTEs as spending placeholders. Also requires a report on the number of FTEs in pay status. (Sec. 240 of Conference Report)
4. **OPEB Prefunding.** The House and Conference included a new section stating the intent of the Legislature that the department continue prefunding other post-employment benefits. (Sec. 250 of Conference Report)
5. **Fireworks Safety Grants.** The House and Conference included a new section stating the intent of the Legislature that the department distribute grants to local units of government to help defray costs related to inspection and enforcement related to the Michigan Fireworks Safety Act. (Sec. 305 of Conference Report)
6. **Commercial Services Fees Carryforward.** The Governor and Senate retained, and House and Conference removed a section allowing these fees to be carried-forward into the next fiscal year. (Sec 320 of Senate Bill)
7. **Veterans' Exemption Report.** The House and Conference included a new section requiring a report on various metrics related to fee exemptions for veterans. (Sec. 325 of Conference Report)
8. **MIOSHA Report.** The Governor, Senate and Conference removed, and House retained a report on the number of individuals injured or killed on the job. (Sec. 340 of House Bill)
9. **Rule Stringency.** The Governor and Senate removed and House and Conference retained a section prohibiting the promulgation of rules that are more stringent than applicable Federal standards. (Sec. 341 of Conference Report)
10. **Regulatory Statistic Report.** The Conference expanded a report on certain measures related to all of the regulatory activities undertaken by the Department. (Sec. 368 of Conference Report)
11. **Fee Carryforward Language.** The House and Conference included a new section allowing the department to carry-forward securities fees. (Sec. 375 of Conference Report)
12. **Federal Fund Match.** The Governor and House removed and Senate and Conference retained a section requiring the Michigan Commission for the Blind to work to maximize the amount of Federal vocational rehabilitation funds received. (Sec. 611 of Conference Report)
13. **Training Fees.** The Governor and Senate removed and House and Conference retained a section allowing the department to charge fees for various services provided to other State agencies and other entities. (Sec. 615 of Conference Report)
14. **Medical Marihuana Enforcement Grants.** The Senate and Conference included a new section allowing the department to expend up to \$3.0 million on grants to county law enforcement for costs related to operation and oversight of the Michigan Medical Marihuana Act. (Sec. 728 of Conference Report)
15. **Health Systems Report.** The Governor and House removed and Senate and Conference retained a report requirement detailing the facilities regulated by the Bureau of Health Systems. The Senate expanded the section to include freestanding surgical outpatient facilities. (Sec. 731 of Conference Report)
16. **Identification of Retirement Costs.** The Senate and Conference included a new section stating the intent of the Legislature that the department identify normal and legacy retirement costs for fiscal year 2014-15. (Sec. 1202 of Senate Bill)

Date Completed: 5-23-13

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FY 2012-13 Year-to-Date Gross Appropriation	\$175,071,100
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Changes from FY 2012-13 Year-to-Date:Items Included by the Senate and House

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|---|--------------|
| 1. Veterans Service Delivery Enhancements — Veterans Affairs Agency. Governor, Senate, and House included \$4.0 million GF/GP in on-going funds to provide for the operation of a new Michigan Veterans Affairs Agency, created by Executive Order 2013-2. | 4,000,000 |
| 2. State Veterans Service Officers. Governor, Senate, and House included 5.0 FTEs and \$600,000 GF/GP to pay for costs of state employees who will become VA accredited to assist veterans and to train county veterans' service officers and counselors. | 600,000 |
| 3. Grand Rapids Veterans Home-Laundry Costs. Governor, Senate, and House included \$60,000 GF/GP to reflect increased costs and expansion/upgrade of services. | 60,000 |
| 4. One-time Appropriations for FY13. Removal of one-time appropriations from FY13 including \$12.0 million for new Flint Armory, and \$6.0 million for Lump-Sum payments. | (18,607,900) |
| 5. Federal/State Projects Adjustment and for Restricted Revenues Received. | (3,425,300) |
| 6. Economic Adjustments. Includes \$617,500 Gross and \$231,600 GF/GP for OPEB and \$2,764,100 Gross and \$808,400 GF/GP for other economic adjustments. | 3,381,600 |
| 7. Other Adjustments. | (2,147,500) |

Conference Agreement on Items of Difference

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|---|-----------|
| 8. Grand Rapids Veterans Home Care Enhancements. Conference added \$1,772,000 GF/GP and 12.0 FTEs for psychiatric/behavior care and for additional nursing positions. | 1,772,000 |
| 9. D.J. Jacobetti Veterans Home Care Enhancements. Conference added \$850,000 GF/GP and 6.5 FTEs for psychiatric/behavior care and for additional nursing positions. | 850,000 |
| 10. Veterans Service Agency—One-Time Start-up Costs. Governor and Senate included \$4.0 million GF/GP. House included \$3,955,000. Conference concurred with House. | 3,955,000 |
| 11. Support for County Veterans Counselor National Training Convention. House added \$45,000 GF/GP. Senate did not include. Conference concurred with House. | 45,000 |
| 12. Veterans Homes Special Maintenance. Governor and Senate added \$500,000 GF/GP for on-going maintenance needs at the Grand Rapids and D.J. Jacobetti Veterans Homes. House added \$400,000. Conference concurred with Senate. | 500,000 |
| 13. Information Technology. Governor and Senate added \$26,000 Gross (\$3,800 GF/GP). House included \$8,100 Gross (\$1,200 GF/GP). Conference concurred with Senate. | 26,000 |
| 14. Veterans Facilities Ombudsman Position. House included funding for position. Senate did not. Conference concurred with Senate. | 0 |
| 15. FY 2013-14 One-Time Appropriations. One-time appropriations total: \$5.5 million GF/GP. | |

Total Changes	(\$8,991,100)
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FY 2013-14 Conference Report Ongoing/One-Time Gross Appropriation	\$166,080,000
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Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2012-13 Year-to-Date:Items Included by the Senate and House

1. **Scorecard.** The Governor, Senate, and House included language requiring the Department to display on a website the identification and tracking of key performance metrics. (Sec. 230)

Conference Agreement on Items of Difference

2. **Boilerplate Included by House, Not by Senate, But Included by Conference.** County Counselor Training and Education (with new language for national conference). (Sec. 701)
3. **Boilerplate Included by House, Not by Senate, and Not by Conference.** Information Technology Work Projects (Sec. 211), Information Technology Fees (Sec. 214), College Campus Grant (Sec. 405), Michigan Veterans Affairs Agency Strategic Plan (Sec. 406), Veterans Service Delivery System (Sec. 407), Ombudsman (Sec. 602), Capital Outlay Lump Sum Appropriations (Sec. 701).
4. **Boilerplate Included by Senate, Not by House, But Included by Conference.** IDG Funding Received (Sec. 204), Budgetary Efficiency (Sec. 217), Notice of Sale of Property (Sec. 223), Administrative Support Required (Sec. 301), FY15 Normal and Legacy Retirement Costs (Sec. 1202), Veterans Outreach Target of 100% for FY15 (Sec. 1203).
5. **Boilerplate Included by Senate, Not by House, and Not Included by Conference.** Colocation of Facilities with Other Armed Services. (Sec. 226)
6. **Boilerplate with Changes to Required Metrics.** Quarterly Department Reports (Sec. 219), Annual Report on Services to Veterans (Sec. 220), Youth Challenge Program (Sec. 307), Military Family Relief Fund (Sec. 308), County Veterans Counselors (Sec. 401), Veterans Advice, Advocacy and Assistance Grants (Sec. 402), Veterans Trust Fund Administration (Sec. 405).
7. **New Boilerplate Added.** Grand Rapids Veterans Home Complaints (Sec. 501), Grand Rapids Veterans Home Performance Standards (Sec. 501), Michigan Veterans Affairs Agency One-Time Funds Guidelines (Sec. 702).

Date Completed: 5-28-13

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FY 2012-13 Year-to-Date Gross Appropriation	\$358,843,800
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Changes from FY 2012-13 Year-to-Date:

Items Included by the Senate and House

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| 1. Increase Hunting and Fishing License Fees. The Governor, Senate, House, and Conference included additional funding reflecting the increase of hunting and fishing license fees. | 11,365,000 |
| 2. Off-Road Vehicle License Fee Increase. The Governor, Senate, House, and Conference included additional funding reflecting the increase of ORV license fees. These fees would increase from \$16.25 per year to \$26.25 per year with an additional \$10 fee for users wishing to use State trails. | 2,700,000 |
| 3. Economic Adjustments. Includes \$874,000 Gross and \$44,900 GF/GP for OPEB and \$3,200,300 Gross and \$232,100 GF/GP for other economic adjustments. | 4,074,300 |
| 4. Other Changes. The Governor, Senate, House and Conference made other various changes include capital outlay adjustments, reducing excess restricted fund authorization, removing one-time funding from the previous year, and removing supplemental appropriations. | (41,504,400) |

Conference Agreement on Items of Difference

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| 5. Conservation Officers. The Governor, Senate and Conference included GF/GP funding to hire additional conservation officers. | 4,000,000 |
| 6. Belle Isle Management. The Governor included \$3.7 million in GF/GP funding for the DNR's duties under potential State management of Belle Isle. The House and Senate rejected this item, but the Conference included a reduced amount for this item. | 2,500,000 |
| 7. Summer Youth Initiative. The Senate and House eliminated this program. The Governor funded it at \$3.0 million, and the Conference included \$2.5 million. | (500,000) |
| 8. Wildfire Protection. The Senate and House included additional GF/GP funding to support the DNR's efforts to control wildfires, but in differing amounts. The Conference included \$750,000. | 750,000 |
| 9. Replace Great Lakes Research Vessel. The Governor and Senate included one-time funding to replace the Lake Huron Research Vessel <i>Chinook</i> . The House and Conference did not include funding for this purpose. | 0 |
| 10. Accounting and IT Adjustments. The Governor, Senate, and Conference included additional funds to reflect increases in Accounting Service Center costs, as well as IT rate increases and the upgrade of wireless infrastructure and Internet bandwidth. | 160,200 |
| 11. Aquatic Invasive Species Specialist. The Governor and Senate included additional funding to support hiring an aquatic invasive species specialist. The House and Conference did not include this position. | 0 |
| 12. FY 2013-14 One-Time Appropriations. The Governor, Senate and Conference included funding for the training of new conservation officers | 600,000 |

Total Changes	(\$15,854,900)
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FY 2013-14 Conference Report Ongoing/One-Time Gross Appropriation	\$342,988,900
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Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2012-13 Year-to-Date:Items Included by the Senate and House

1. **Timber Marking.** The Governor removed and Senate, House and Conference retained two sections that prescribed minimum amounts of timber to be prepared for harvest, and that a sufficient number of foresters be hired to do so. (Sec. 802 & 805 of Conference Report)
2. **Land Transaction Report.** The Governor removed and Senate, House and Conference retained a report on land transactions from the previous year. (Sec. 408 of Conference Report)
3. **Oil and Gas Lease Report.** The Governor removed and Senate, House and Conference retained a report on certain types of gas leases where acreage held in a producing unit is less than $\frac{1}{4}$ of the lease acreage. (Sec. 409 of Conference Report)
4. **Marine Safety Grant Report.** The Governor removed and Senate, House and Conference retained a report on these grants and funds used for them. (Sec. 902 of Conference Report)
5. **ORV Trail Improvement Grants.** The Governor removed and Senate, House and Conference retained a requirement that at least \$980,000 of these grants be used for new trails. (Sec. 1002 of Conference Report)

Conference Agreement on Items of Difference

6. **IT Work Project Designation.** The Governor and Senate removed and House and Conference retained a section which designated IT appropriations as work a project. (Sec. 216 of Conference Report)
7. **Michigan Historical Museum Admission Fees.** The Governor, Senate and Conference modified a section allowing the collection of admission fees by deleting a provision that provided free entry to children under the age of 18 provided the museum had sufficient revenue to do so. The House did not delete this language. (Sec. 406 of Conference Report)
8. **Turkey Fund Report.** The Senate included a new section requiring a report on the use of the turkey subfund of the Game and Fish Protection Fund. The Conference did not include this item. (Sec. 505 of Senate Bill)
9. **Swimmer's Itch.** The Senate included a new section requiring the DNR to create a pilot program at Higgins Lake to combat swimmer's itch. The Conference did not include this item. (Sec. 506 of Senate Bill)
10. **Water Control Structure Certification.** The Governor and Senate removed and House and Conference retained a section prohibiting the department from impeding the certification of water control structures. (Sec. 602 of Conference Report)
11. **Grand River Waterway Study.** The Senate included a new section requiring that the DNR fund a depth study of the Grand River from Grand Rapids to Lake Michigan. The Conference did not retain this item. (Sec. 703 of Senate Bill)
12. **Mine Collapse Emergency Funding.** The Governor, House and Conference removed and Senate retained a section allowing the DNR to spend up to \$350,000 to cover costs related to a mine collapse on State land. (Sec. 801 of Senate Bill)
13. **Disaster and Emergency Contingency Fund.** The Governor, House, Senate and Conference all included this section which would allow the DNR to spend a certain amount on emergencies. The House language allowed \$500,000, and the Governor, Senate and Conference language allowed \$800,000. (Sec. 807 of Conference Report)
14. **Forest Resources Division Appropriations.** The House included a new section requiring certain amounts of appropriations in part 1 for particular line-items be paid from specific funding sources. The Conference did not include this item. (Sec. 808 of House Bill)
15. **Sustainable Forestry Initiative.** The House included a new section stating the intent to provide grant funding to a non-profit to do an audit of statewide best management practices. The Conference did not include this item. (Sec. 1004 of House Bill)
16. **OPEB Costs.** The Senate and Conference included a new section requiring the DNR to identify normal and legacy retirement costs for FY 15. (Sec. 1202)

Date Completed: 5-24-13

Fiscal Analyst: Josh Sefton



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FY 2012-13 Year-to-Date Gross Appropriation	\$577,982,700
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Changes from FY 2012-13 Year-to-Date:

Items Included by the Senate and House

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| 1. Phase 2 of Public Safety Initiative — Trooper School Ongoing Costs. Governor, Senate, and House included \$11.0 million GF/GP to pay full-year salary costs of FY13 trooper school and for new trooper school to graduate 107 to begin January, 2014. | 11,000,000 |
| 2. Mobile Computer Data Support and Technology Costs. Governor, Senate, and House included \$2,004,000 for data costs, mobile installation, maintenance and communications support, and \$363,300 for other technology costs. | 2,367,300 |
| 3. Specialty Vehicle Replacement/Fleet Leasing. Governor, Senate, and House included costs for vehicle (2) replacement of \$350,000, and additional Fleet costs of \$1,122,400. | 1,472,400 |
| 4. Fund Shift. Governor, Senate, and House provided \$2,094,800 GF/GP to supplant expired Federal grant funds which had supported 21 community police troopers. | 0 |
| 5. One-Time FY13 Appropriations. Reduction to reflect former one-time appropriations. | (4,843,700) |
| 6. Adjustment to Reflect Funds Received. Reflection of anticipated funds for FY14. | (10,328,800) |
| 7. Unclassified Salaries. Governor, Senate, and House included \$7,000 increase within economic adjustment totals. | 0 |
| 8. Economic Adjustments. Includes \$4,135,400 Gross and \$2,978,500 GF/GP for OPEB and \$14,954,500 Gross and \$10,377,000 GF/GP for other economic adjustments. | 19,089,900 |

Conference Agreement on Items of Difference

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| 9. Trooper School One-Time Costs. Senate and House included \$3.5 million GF/GP; Conference included \$3.7 million for trooper school starting January, 2014. | 3,661,900 |
| 10. Disaster and Emergency Contingency Fund. Senate included \$0, House \$1.0 million GF/GP and the Conference included \$2.0 million in one-time appropriations. | 2,000,000 |
| 11. Homeland Security Initiative. Conference included \$1.2 million GF/GP for overtime and other costs associated with security at public events and incidents, and 17.0 FTE and \$1.8 million GF/GP to increase capital complex security. | 3,000,000 |
| 12. Collins Road Emergency Management Division Rent. Senate and House added \$400,000 GF/GP and Conference chose to add \$350,000. | 350,000 |
| 13. Grand Rapids MSP Crime Lab. Conference added \$400,000 GF/GP for HVAC costs. | 400,000 |
| 14. Secondary Road Patrol Grants. Conference added \$150,000 GF/GP. | 150,000 |
| 15. Nuclear Emergency Planning. House and Conference included funding adjustment. | 517,300 |
| 16. MIS Traffic Control Support. The Senate and Conference included continued FY13 support of \$800,000 GF/GP. | 0 |
| 17. FY 2013-14 One-Time Appropriations. One-time appropriations total: \$6,561,900 GF/GP. | |

Total Changes	\$28,836,300
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FY 2013-14 Conference Report Ongoing/One-Time Gross Appropriation	\$606,819,000
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Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2012-13 Year-to-Date:Items Included by the Senate and House

1. **Scorecard.** The Governor, Senate, and House included language requiring the Department to display on a website identification and tracking of key performance metrics. (Sec. 230)

Conference Agreement on Items of Difference

2. **Boilerplate Included by House, Not by Senate, and Not by Conference.** Information Technology Work Projects (Sec. 211), Information Technology Fees (Sec. 214), Prohibits Subsidizing Contractual Services (Sec. 226), Annual report on School Bus Inspections, Secondary Road Patrol Revenues and Casino Gaming Oversight (Sec. 220), Radio Interoperability (Sec. 227), Sex Offender Compliance Rate (Sec. 304), Homeland Security Grant Restrictions (Sec. 703).
3. **Boilerplate Included by Senate, Not by House, But Included by Conference.** Report of IDGs Received (Sec. 204), Deprived and Depressed Communities (Sec. 210), Budgetary Efficiency (Sec. 217), Privatization Notification (Sec. 223), Listing of Unclassified Positions (Sec. 250), Requires Effective Executive Division Leadership (Sec. 251), Special Operations and Events (Sec. 252), MCOLES Updating of Standards (Sec. 302), Sex Offender Registry Unit Timely Follow-up on Tips Requirement (Sec. 303), Patrol Hours Requirement (Sec. 503), Michigan Intelligence Operations Center Metric (Sec. 601), Motor Carrier Enforcement Requirement (Sec. 604), FY15 Requirement to Disclose Normal and Legacy Retirement Costs (Sec. 1203).
4. **Inclusion of Governor's New Boilerplate.** Provides for Disaster Emergency Contingency Fund and Allowance to Expend up to \$800,000 (Sec. 704).
5. **Boilerplate with Conference Changes to Required Metrics.** Training and Education (Sec. 302), MCOLES Services (Sec. 303), Criminal History Systems (Sec.304), Fingerprint Checks (Sec. 304), LEIN (Sec. 304), Sex Offender Registry (Sec. 304), Forensics (Sec. 401), Traffic Safety and Enforcement Patrol Hours for distressed Cities (Sec. 501), Capital Security (Sec. 505), Specialty Services (Sec. 601), Tobacco Enforcement Hours of Activity (Sec. 602), Fire Investigation (Sec. 603).
6. **New Boilerplate Added by Conference.** Security at Events Guidelines and Metric (Sec. 501), MIS Traffic Enforcement (Sec. 501), Urban Search and Rescue Task Force and Funding (Sec. 703), Secondary Road Patrol Funding and Task Force (Sec. 801), New Trooper School-107 Target Grads (Sec. 802), Grand Rapids Forensic Laboratory Special Maintenance (Sec. 803), Emergency Vehicle Response Team Purchase (Sec. 804).

Date Completed: 5-28-13

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FY 2012-13 Year-to-Date Gross Appropriation	\$3,466,437,500
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Changes from FY 2012-13 Year-to-Date:Items Included by the Senate and House

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| 1. Removal of One-Time Funding. Gov. excluded FY 2012-13 one-time funding. Conf. concurred. | (26,260,800) |
| 2. Governor's Infrastructure Investment Package. The Governor increased funding by \$1.25 billion to realize additional revenue to be raised from the Governor's proposed infrastructure investment package. Senate and House did not realize the additional funding and instead appropriated the additional revenue based on February, 2013 Treasury data. | 8,227,300 |
| 3. Blue Water Bridge Customs Plaza. Governor included additional funding for the expansion of the customs plaza on the Blue Water Bridge. Senate and House concurred. | 25,800,000 |
| 4. Microsoft Enterprise Agreement. Governor upgraded the Department's current Windows XP operating system with the Windows 7 operating system. Senate and House concurred. | 68,000 |
| 5. Center for Shared Solutions. Gov. included funding to provide base geospatial mapping services to State departments and agencies as well as local entities. Senate & House concurred. | 141,100 |
| 6. General Sales Tax Revenue. Governor, Senate and House removed one-time redirection of general sales tax revenue - \$100 million of State Trunkline Fund (STF) funding for Roads and Bridges and \$10.0 million for SAF for Airport Improvements. | (110,000,000) |
| 7. FY 2012-13 Supplemental Funding. Gov. did not include FY 2013 supplemental funding for start-up costs associated with the new Regional Transportation Authority. Senate & House concurred. | (250,000) |
| 8. MAP-21 Federal Reauthorization. Governor adjusted Federal funding due to changes in Federal reauthorization under a new Federal program known as MAP-21 (Moving Ahead for Progress in the 21 st Century) which is intended to transform the growth and development of the country's vital transportation infrastructure. Senate and House concurred. | (31,177,900) |
| 9. Debt Service. Gov. included increased funding for scheduled debt service payments. Senate and House concurred. | 2,046,600 |
| 10. Interdepartmental Grants (IDGs). Governor, Senate, and House adjusted funding for grants to several other departments. The Senate concurred. | 207,800 |
| 11. Economic Adjustments. Includes \$1.4 million for other post-employment benefits (OPEB) and a \$9.8 million for Department economic adjustments (of which \$7,000 is for unclassified personnel). | 11,230,400 |
| 12. Other Changes. Governor, Senate & House recommended miscellaneous adjustments to reflect changes in State restricted and Federal revenue estimates: reductions of \$4.4 million for Airport Improvements and \$779,200 for Aeronautics Program revenue. | (5,201,000) |

Conference Agreement on Items of Difference

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| 13. Wireless Infrastructure and Bandwidth Expansion. Governor & Senate included funding to upgrade the State's wireless infrastructure and to expand bandwidth. House did not include. Conference concurred with Senate. | 214,700 |
| 14. Rail Crossing Pilot Project. Senate added \$3.0 Million for a new pilot project for testing safety devices at high-speed rail crossings. Conference reduced funding by \$1.5 million. | 1,500,000 |
| 15. Amtrak Wolverine Rail Line. The House did not include funding provided by the Governor and Senate to cover the costs of the State's takeover of the operation and maintenance of the Wolverine Rail line between Pontiac and Chicago. Conference included the funding. | 19,333,000 |
| 16. Federal Aid Match Requirement. The House included \$100 million in GF/GP funding to ensure that the State meets its Federal aid match requirement. The Senate included \$130 million to meet the Federal aid match requirement by diverting general sales tax revenue to the State Trunkline Fund. Conference provided one-time GF/GP funding of \$121.3 million. | 121,300,000 |
| 17. Priority Roads Investment Program. Conference provides one-time restricted funds for road and bridge construction programs | 115,000,000 |

Total Changes	\$132,179,200
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FY 2013-14 Conference Report Ongoing/One-Time Gross Appropriation	\$3,598,616,700
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Amount Over/(Under GF/GP Target: \$0

Changes from FY 2012-13 Year to Date:Items Included by the Senate and House

1. **Deletions.** The following current-year language sections and/or subsections were not included in the Governor's budget: 202, 208, 209, 211, 212, 214, 215, 219, 230, 260 (replaced with new section 18-208), 263, 270, 303, 305, 307, 308, 310, 313, 319, 353, 357, 375, 381, 383, 384, 385, 395, 401, 503, 601, 603, 610, 612, 660, 661, 703, 708, 711, 731, 740, 741, 902, 904, 905, 1001 and 1201. The majority of these sections required the Department to provide either reports or notifications to the Legislature. Senate and House retained many of these sections. The sections deleted by the Conference include: 211, 214, 219, 395, 731, 741, 904, 905, and 1002.

Conference Agreement on Items of Difference

2. **Definitions.** Governor and House deleted a number of definitions that are no longer used in the bill. The Senate retained current definitions. Conference concurred with Senate. (Sec. 203).
3. **Records Retention.** Senate concurred with the Governor and deleted language that specifies guidelines for retention of records. House retained. Conference concurred with House. (Sec. 212)
4. **Administration and Planning.** Senate added new language requiring the Department to report to the Legislature on the Department's portion of expenditures regarding administration and planning related to the distribution of local funds. Conference concurred with Senate. (Sec. 233)
5. **Publically Accessible Website.** Senate concurred with Gov. and included language that directs department to maintain a publicly accessible website with a scorecard that identifies, tracks, and updates key metrics used to monitor and improve the agency's performance. House did not include. Conference concurred with Senate. (Sec. 235)
6. **Out-of-State Travel Report.** Governor and Senate included revised language requiring the Department to report to the Legislature detailing the Department's out-of-state travel expenses. House did not include. Conference concurred with Senate. (Sec. 260)
7. **E-Verify.** Requires the Department to verify that contractors have used the E-Verify system for new hires. Governor and Senate deleted. House retained. Conference concurred with House. (Sec. 381)
8. **DRIC Expenditure Report.** Conference included new language requiring a quarterly report related to all non-construction or construction planning activities related to the DRIC. (Sec. 385)
9. **Principal Measurable Outcomes.** Senate concurred with the Governor and deleted language that directs the Department to identify 10 principal measurable outcomes and submit a report to the Legislature, the fiscal agencies, and the budget director by October 31, 2012. House retained. Conference concurred with Senate.
10. **Detroit River International Crossing (DRIC).** **Senate** included language that disallows any expenditures on DRIC or a renamed successor unless the Legislature adopts legislation allowing for the construction of a new bridge. **House** eliminated current-year language and instead provides for a reporting requirement on department activities related to the NITC as well as the expenditure of any State funds and a listing of those State funds. **Conference** revised language prohibiting use of State funds for construction planning or construction. Any funds expended and reimbursed by Canada shall not be considered an expenditure of transportation revenue. (Sec. 384)
11. **Recycled Materials.** Senate concurred with Governor and deleted language that encourages department to use alternative and recycled materials and develop criteria. Also requires the Department to evaluate the use of a bituminous mix that incorporates crumb rubber from scrap tires. House retained. Conf. concurred with House. (Sec. 660)
12. **Wolverine Rail Line.** House added new language restricting the use of appropriated CTF funds to Port Huron/Chicago and Grand Rapids/Chicago service and rail capital programs; limits use of funds to related Amtrak/Wolverine service. Senate did not include. Conference concurred with Senate.
13. **Rail Crossing Pilot Project.** Senate added new language requiring \$3.0 million in CTF funding be used for a pilot program to test traffic control devices at rail grade crossings on tracks designated as a high-speed rail corridor. House did not include. Conference concurred with Senate but reduced funding to \$1.5 million. (Sec. 732)
14. **State Trunkline Funding.** Language states that of the appropriation from the State Trunkline Fund in Part 1 for state trunkline Federal aid and road and bridge construction, \$100,000,000.00 represents estimated revenue from passage of Senate Bill 351 of the 2011-2012 legislative session and is intended to ensure that the State is able to match all available Federal-aid highway funds. **Senate:** Retained language, changed reference to Senate Bill 6 of the 2013-14 legislative session, and increased the amount of funding to \$130 million. **House:** Revised language to state that the \$100 million GF/GP appropriation in Part 1 is intended to ensure that the State is able to match all available Federal-aid highway funds. **Conference** concurred with House and increased funding to \$121.3 million GF/GP. (Sec. 1001)
15. **Retirement Costs.** Senate added new Legislative intent language stating that the Department shall identify the normal and legacy retirement costs for the fiscal year ending September 30, 2015. House did not include. Conference concurred with Senate. (Sec. 1202)

Date Completed: 5-27-13

Fiscal Analyst: Joe Carrasco, Jr.

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations.