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**SFA****BILL ANALYSIS**

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Senate Bill 366 (S-1 as passed by the Senate)  
Committee: Appropriations

### OVERVIEW

The General Government Appropriations Bill contains appropriations for the Attorney General, Civil Rights, Civil Service, Executive, Legislative Auditor General, Legislature, Library of Michigan, Management and Budget, State, and Treasury. The following pages provide a summary of changes to FY 1998-99. The Senate Substitute is \$46,233,900 Gross/\$6,947,400 GF/GP over the Governor's recommendation. Statutory Revenue Sharing accounts for \$37,700,000 of the total amount over the Governor's recommendation. While the funding source for statutory revenue sharing is sales tax revenue, and does not impact the general fund appropriation in this bill, it does reduce funding that would go to the State General Fund to be available for other State appropriations.

The following boilerplate changes are included in the general boilerplate section of the bill:

1. **Abortion Services.** The Governor eliminated language that prohibits the use of funds to provide coverage to State employees, or their dependents, for abortion services if those services are not required by Civil Service or collective bargaining agreements. The language also directed the State Employer to negotiate the elimination of coverage through the collective bargaining process. The Senate Substitute restores the language with additional reporting requirements for current semiannual status reports. (Sec. 215)
2. **Buy American Intent Language/Deprived and Depressed Communities Language.** Buy American intent language and language regarding deprived and depressed communities eliminated by the Governor was restored by the Senate Substitute (Sec. 207 and 208).
3. **Casino Investment.** The Governor eliminated current year reporting language that prohibits appropriations in the bill from being used by a department or agency to purchase an ownership interest in a casino. The Senate restored this language (Sec. 210).
4. **Year 2000.** The Governor eliminated current year language regarding Year 2000 computer costs. The Senate Substitute restores the language (Sec. 209).
5. **Privatization Projects.** The Governor eliminated language that requires departments to submit a complete project plan to House and Senate appropriation subcommittees and fiscal agencies 60 days prior to beginning any privatization efforts. The completed evaluations are to be submitted within 30 months. The Senate Substitute restores that section (Sec. 211).
6. **Budget Stabilization Language.** The Governor and Senate Substitute eliminate language that appropriated unreserved general fund/general purpose balances at the close of the fiscal year to the Budget Stabilization Fund. A new section is included which lists a statutory estimated payment of \$0 to the BSF. (Sec. 212)
7. **Internet Access for Reports.** The Senate Substitute includes new language that provides for all reports required by this Act to be made available to the public through the Internet. (Sec. 213)
8. **Retain Copies of Reports.** The Senate Substitute includes language that requires departments to receive and retain copies of reports funded from appropriations in this bill. (Sec. 214)
9. **Other Changes.** The Governor and Senate Substitute eliminate reporting sections on personal service contracts and identification of Federal and special revenue funds that are included in amendments to Public Act 431 of 1984 (Enrolled Senate Bill 259). The Senate Substitute restores language eliminated by Governor requiring departments to file reports regarding implementation of Auditor General recommendations and monthly reports for hiring freeze exceptions. (Sec. 204, 205)

Date Completed: 3/26/99

B. Bowerman  
E. Limbs

Senate Bill 366 (S-1 as passed by the Senate))

Committee: Appropriations

<b>FY 1998-99 Year-to-Date Gross Appropriation</b> .....	<b>\$52,683,500</b>
<b>Changes from FY 1998-99 Year-to-Date:</b>	
1. <b>Casino Gaming.</b> The FY 1998-99 budget included 6.0 FTEs and \$579,500 IDG (4.0 attorneys and 2.0 clerical) for the Casino Control Division. This division is legal counsel to the Michigan Gaming Control Board. The workload of the Casino Control Division has increased due to the authorization of interim casino facilities during the construction of permanent casinos. The budget includes funding for an additional attorney and clerical position.	163,900
2. <b>Retirement Division.</b> The budget includes funding for an additional attorney position and a secretary for the Retirement Division. The current staff includes 4.0 FTEs/\$392,400 Restricted. The Retirement Division provides legal services regarding defined benefit retirement, defined contribution retirement, early retirement, and other retirement issues.	163,900
3. <b>Funding Shift.</b> The Governor's recommendation shifts \$2,246,400 in support from the State Trunkline Fund to the Michigan Transportation Fund. The revenue supports legal services to the Michigan Transportation Department for State highway negligence cases and legal work associated with State Trunkline roads. The budget also shifts \$116,600 from the Comprehensive Transportation Fund to the Michigan Transportation Fund. The Senate Substitute concurs with the Governor.	0
4. <b>Unclassified Salaries.</b> The Governor's recommendation for the line item that funds 5.0 FTE unclassified positions provides a 3.0% increase (from \$431,600 to \$444,500). The Senate Substitute concurs with the Governor.	12,900
5. <b>Economic Adjustments.</b>	2,029,400
6. <b>Other Changes.</b> The budget includes a funding shift of \$73,400 from Federal funds to GF/GP for the Prosecuting Attorney's Brief Bank project to reflect Federal/State Match requirements. There is also an adjustment to the Prosecutor's Information Exchange Project (\$17,600 Gross/\$39,400 GF/GP) to reflect Federal/State match requirements. An increase of \$61,100 GF/GP is included to reflect current baseline costs.	78,700
7. <b>Comparison to Governor's Recommendation.</b> The Senate Substitute is at the Governor's recommended funding level.	
Total Changes .....	\$2,448,800
<b>FY 1999-2000 Senate Gross Appropriation</b> .....	<b>\$55,132,300</b>

**Changes from FY 1998-99 Year-to-Date:**

1. **Contingency Funds.** The Governor's recommendation increased Federal and Restricted Contingency Funds to a maximum of \$1,500,000. The Senate Substitute concurs with the Governor. (Sec. 300)
2. **Casino Gaming.** The Governor eliminated language that prohibits individuals assigned to casino gaming oversight from being employed by a gaming establishment until two years after termination of employment with the department. The Senate Substitute restores the language. (Sec. 304)
3. **Student Loan Collection Costs.** The Governor eliminated language that requires the Attorney General to limit collection costs for Federal student loans to the amount the Federal government reimburses the State for collection costs. The Senate Substitute concurs with the Governor.
4. **Actions Against Firearm Manufacturers.** The Senate Substitute includes new language that prohibits the Attorney General from bringing actions in cases that involve claims against a firearms manufacturer based on the use of a firearm by an individual that results in an injury to persons or property. The prohibition does not apply to claims involving defective design or defective manufacturing. (Sec. 307)

Date Completed: 3/26/99

Fiscal Analyst: B. Bowerman

Senate Bill 366 (S-1 as passed by the Senate))

Committee: Appropriations

<b>FY 1998-99 Year-to-Date Gross Appropriation</b> .....	<b>\$14,104,800</b>
<b>Changes from FY 1998-99 Year-to-Date:</b>	
1. <b>Housing and Urban Development (HUD) Grants.</b> The Governor's recommendation reflects an increase in the Federal HUD grant from \$100,000 to \$134,000. These funds are used to investigate housing discrimination cases. The Senate Substitute concurs with the Governor.	34,000
2. <b>Unclassified Salaries.</b> The budget includes a 3% increase for the unclassified salaries line item. The Senate Substitute concurs with the Governor.	9,700
3. <b>Economic Adjustments.</b>	474,800
4. <b>Comparison to Governor's Recommendation.</b> The Senate Substitute is at the Governor's recommended funding level.	
Total Changes .....	\$518,500
<b>FY 1999-2000 Senate Gross Appropriation</b> .....	<b>\$14,623,300</b>

**Changes from FY 1998-99 Year-to-Date:**

There are no changes in the Executive Recommendation or the Senate Substitute from the current year boilerplate language.

Date Completed: 3/26/99

Fiscal Analyst: E. Limbs

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

Senate Bill 366 (S-1 as passed by the Senate))

Committee: Appropriations

<b>FY 1998-99 Year-to-Date Gross Appropriation</b> .....	<b>\$27,415,600</b>
<b>Changes from FY 1998-99 Year-to-Date:</b>	
1. <b>Training Revenue.</b> The Governor's recommendation increases the anticipated revenues to be received from training State employees from \$575,000 to \$1,000,000. The Senate Substitute concurs with the Governor.	425,000
2. <b>One Percent Funding Adjustments.</b> The Governor's recommendation shifts financing from the General Fund to the 1% assessment funds in the Department. This funding adjustment is made in anticipation of new charges that will be placed on the Family Independence Agency (FIA) for the functions that the Department of Civil Service performs for the FIA. The funding adjustment decreases GF/GP recommended appropriation by \$2,336,500. The Senate Substitute concurs with the Governor.	0
3. <b>Computer Software.</b> The Senate Subcommittee recommends a GF/GP increase for base costs for computer maintenance.	250,000
4. <b>Economic Adjustments.</b>	744,900
5. <b>Comparison to Governor's Recommendation.</b> The Senate Substitute is \$250,000 Gross/\$250,000 GF/GP over the Governor's recommendation.	
Total Changes .....	\$1,419,900
<b>FY 1999-2000 Senate Gross Appropriation</b> .....	<b>\$28,835,500</b>

**Changes from FY 1998-99 Year-to-Date:**

1. **Contingency Funds.** The Governor's recommendation increases contingency fund maximum to \$2,000,000 for Federal contingency funds. The Senate Substitute concurs with the Governor. (Sec. 500)
2. **One Percent Funds.** The Governor's recommendation includes new language that provides that General Fund dollars are authorized to be appropriated for any shortfall in 1% restricted resource assessments for aggregate payroll of the classified Civil Service. This boilerplate also provides that shortages shall also be taken from carry-forward balances of the funding sources used for payroll. The Senate Substitute concurs with the Governor. (Sec. 503)

Date Completed: 3/26/99

Fiscal Analyst: E. Limbs

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Senate Bill 366 (S-1 as passed by the Senate))

Committee: Appropriations

<b>FY 1998-99 Year-to-Date Gross Appropriation</b> .....	<b>\$5,100,400</b>
<b>Changes from FY 1998-99 Year-to-Date:</b>	
1. <b>State Officers Compensation Commission (SOCC).</b> The budget includes funding for 1999 and 2000 adjustments for the Governor and Lieutenant Governor pursuant to SOCC determinations.	35,000
2. <b>Unclassified Salaries.</b> The budget increases the line item that funds 8.0 FTE unclassified positions by 18% (from \$685,200 to \$808,800).	123,600
3. <b>Economic Adjustments.</b>	166,100
4. <b>Comparison to Governor's Recommendation.</b> The Senate Substitute is at the Governor's recommended funding level.	
Total Changes .....	\$324,700
<b>FY 1999-2000 Senate Gross Appropriation</b> .....	<b>\$5,425,100</b>



**Changes from FY 1998-99 Year-to-Date:**

No boilerplate sections are included for the Executive Office.

Date Completed: 3/26/99

Fiscal Analyst: B. Bowerman

Senate Bill 366 (S-1 as passed by the Senate))

Committee: Appropriations

<b>FY 1998-99 Year-to-Date Gross Appropriation</b> .....	<b>\$13,804,300</b>
<b>Changes from FY 1998-99 Year-to-Date:</b>	
1. <b>Auditor General.</b> The Governor's recommendation included no increase for the separate line item that funds the salary of the Auditor General, which is currently set at \$106,000. The Senate Substitute increases the salary for the Auditor General to \$118,000.	12,000
2. <b>Unclassified Salaries.</b> The Governor included a 3% increase for the unclassified salary line item that funds 2.0 unclassified FTE positions. The Senate Substitute provides for an 11.3% increase, from \$115,200 to \$128,200.	13,000
3. <b>Field Operations.</b> The Senate Substitute added: \$145,800 to fully fund 3.0 FTE of the 8.0 FTE that were included in the FY 1998-99 budget. \$243,000 for 5.0FTE auditor positions. \$160,000 to replace one-third of the computers for audit field staff. \$151,700 for step increases. \$61,200 GF/GP to offset reductions to restricted fund charges.	700,500
3. <b>Economic Adjustments.</b> The Governor included \$514,100 for economic adjustments. The Senate Substitute provides an additional \$53,100 based on the Auditor General's request.	567,200
4. <b>Comparison to Governor's Recommendation.</b> The Senate Substitute is \$775,100 Gross/\$836,300 GF/GP over the Governor's recommendation.	
Total Changes .....	\$1,292,700
<b>FY 1999-2000 Senate Gross Appropriation</b> .....	<b>\$15,097,000</b>

**Changes from FY 1998-99 Year-to-Date:**

1. **Contingency Funds.** The Senate Substitute restores language eliminated by the Governor that provides for contingency funds and requires legislative transfers prior to expenditures. (Sec. 600)

Date Completed: 3/26/99

Fiscal Analyst: B. Bowerman

Senate Bill 366 (S-1 as passed by the Senate))

Committee: Appropriations

<b>FY 1998-99 Year-to-Date Gross Appropriation</b> .....	<b>\$92,837,000</b>
<b>Changes from FY 1998-99 Year-to-Date:</b>	
1. <b>House Office Building.</b> The budget includes \$5,412,500 for a new line item that will fund lease costs for the new House Office Building. The budget also includes \$837,500 for lease furnishing costs.	6,250,000
2. <b>Trial Court Assessment Commission.</b> Pursuant to statute, the Trial Court Assessment Commission was abolished effective January 1, 1999.	(279,900)
3. <b>Roosevelt Building.</b> The Capital Outlay Budget recommendation includes funding to demolish the Roosevelt Building. The budget therefore eliminates property management costs associated with the Roosevelt Building.	(564,700)
4. <b>State Officers Comprehensive Commission (SOCC).</b> The budget includes funding for 1999 and 2000 increases related to SOCC determinations.	441,100
5. <b>Legislative Service Bureau ADP.</b> The budget includes increased funding for the Legislative Service Bureau ADP line item to fund current costs and additional responsibilities associated with the Legislative Session Integration System.	326,600
6. <b>Health Care Reserve Fund.</b> The Governor reduced the amount allocated to the Health Care Reserve Fund by \$466,700. The Senate Substitute restores the funding and adds \$388,900 based on estimates provided by the Legislative Retirement System.	388,900
7. <b>National Association Dues.</b> The budget increases funding from \$374,400 to \$396,100 for dues to national associations.	21,700
8. <b>Capitol Building.</b> The Governor included \$65,100 in additional funding for property management costs. The Senate Substitute adds \$227,500 to construct handrails for the exterior steps of the Capitol and \$568,000 for an emergency generator.	860,600
9. <b>Senate Adjustment.</b> The Senate Substitute includes additional funding for the Senate including \$1,000,000 for furniture, \$559,900 for additional economic adjustments, \$777,200 for automated data processing, and \$100,000 for Farnum Building costs.	2,437,100
10. <b>Corrections Ombudsman.</b> The Senate Substitute increases the budget for the Legislative Corrections Ombudsman from \$325,000 to \$563,300.	238,300
11. <b>Legislative Session Integration System (LSIS).</b> The Senate Substitute removes \$764,000 from the LSIS line item. The FY 1998-99 appropriation was \$764,900.	(764,000)
12. <b>Economic Adjustments.</b>	2,756,300
13. <b>Comparison to Governor's Recommendation.</b> The Senate Substitute is \$3,562,500, all GF/GP, over the Governor's recommendation.	
Total Changes .....	\$12,112,000
<b>FY 1999-2000 Senate Gross Appropriation</b> .....	<b>\$104,949,000</b>

**Changes from FY 1998-99 Year-to-Date:**

1. **Unmarried Domestic Partners Health Insurance.** The Governor eliminated language that prohibits funds appropriated to the Legislature from being used to pay for health insurance benefits for unmarried domestic partners of legislators or legislative staff. The Senate Substitute restores the language. (Sec. 630)

Date Completed: 3/26/99

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Senate Bill 366 (S-1 as passed by the Senate))

Committee: Appropriations

<b>FY 1998-99 Year-to-Date Gross Appropriation</b> .....	<b>\$37,249,100</b>
<b>Changes from FY 1998-99 Year-to-Date:</b>	
1. <b>Library Automation.</b> The budget increases funding for automation to fund legislative database programming, an auxiliary computer backup system, an additional Internet connection, and additional funding for hardware and software maintenance.	191,800
2. <b>Library Operations.</b> The Governor added \$82,700 to Library Operations to cover costs of subscriptions, printing, binding, and other overhead costs. The Senate Substitute provides an additional \$199,600 to fund 1.0 FTE preservation specialist, 1.0 FTE programmer, and 1.0 FTE network administrator.	282,300
3. <b>Statewide Database Access.</b> The budget includes funding for additional access points related to local libraries participating in the Gates Library Foundation Grants Program.	150,000
4. <b>State Aid to Libraries.</b> The Senate Substitute increases State Aid to Libraries from \$14,210,700 to \$14,350,700 to fully fund estimated payments pursuant to Public Act 89 of 1977.	140,000
5. <b>Library Services and Technology Act.</b> The Senate Substitute increases Federal funding from \$4,109,800 to \$4,557,400 pursuant to the current contract amount.	447,600
6. <b>Book Distribution Centers.</b> The budget increases funding for two book distribution centers from \$285,000 to \$313,000. The centers are 501c(3) organizations that obtain donations of publications and distribute the materials to child care centers, shelters, literacy programs, hospitals, nursing homes, and other groups.	28,500
7. <b>Renaissance Zone Reimbursement.</b> The Renaissance Zone Act (Public Act 376 of 1996) provides that public libraries shall be reimbursed for tax revenues lost due to exemption of property under the Act. The Governor's recommendation increases funding from \$300,000 to \$428,800.	128,800
8. <b>Economic Adjustments.</b>	359,300
9. <b>Comparison to Governor's Recommendation.</b> The Senate Substitute is \$787,200 Gross/\$339,600 GF/GP over the Governor's recommendation.	
Total Changes .....	\$1,728,300
<b>FY 1999-2000 Senate Gross Appropriation</b> .....	<b>\$38,977,400</b>

**Changes from FY 1998-99 Year-to-Date:**

There are no changes in the Executive Recommendation or Senate Substitute to current year boilerplate language for the Library of Michigan.

Date Completed: 3/26/99

Fiscal Analyst: B. Bowerman

Senate Bill 366 (S-1 as passed by the Senate))

Committee: Appropriations

<b>FY 1998-99 Year-to-Date Gross Appropriation</b> .....	<b>\$133,640,200</b>
<b>Changes from FY 1998-99 Year-to-Date:</b>	
1. <b>Building Occupancy Adjustment.</b> The Executive budget recommends a gross increase in building occupancy charges. The Department of Management and Budget will close the Hosmer warehouse – a warehouse used for surplus storage. The Department will maintain the old YWCA building. The Hosmer warehouse transaction reduces the gross appropriation by \$606,000, while the YWCA occupancy charges increase the gross appropriation by \$645,000. The Senate Substitute concurs with the Governor.	38,900
2. <b>Statewide Cost Allocation Plan (SWCAP).</b> This is a mechanism by which the State identifies and allocates costs incurred for a joint purpose that benefits more than one program or function. The Governor's budget reflects operating and program adjustments for the Department including restricted fund adjustments to reflect the most recent SWCAP adjustments. These adjustments reduce GF/GP by \$1,470,000. The Senate Substitute concurs with the Governor.	54,300
3. <b>Statewide Land Database.</b> The Governor requests GF/GP funding to complete the design and implementation of the Statewide Land Database. The Senate Substitute concurs with the Governor.	550,000
4. <b>Department of Transportation – Act 51 Compliance.</b> Statutory language contained in Public Act 51 of 1951, as amended, requires the phase-out of Michigan Transportation Fund (MTF)-supported interdepartmental grants by FY 2000-01. In the Governor's FY 1999-2000 budget, he recommends replacing MTF funding in the Department of Management and Budget with General Fund support. These adjustments shift \$340,900 from interdepartmental grant to GF/GP. The Senate Substitute concurs with the Governor.	0
5. <b>Unclassified Salaries.</b> The budget includes a 3% increase for the line item that funds 6.0 FTE unclassified positions. The recommendation increases the appropriation for the unclassified positions line from \$500,700 to \$515,700.	15,000
6. <b>Economic Adjustments.</b>	2,807,700
7. <b>Other Changes.</b> The Governor's recommendation and Senate Substitute includes increases for ongoing costs for the Michigan Geographic Framework (\$150,000), State Building Authority staff (\$125,000), and other miscellaneous adjustments.	294,700
8. <b>Comparison to Governor's Recommendation.</b> The Senate Substitute is at the Governor's recommended funding level.	
Total Changes .....	\$3,760,600
<b>FY 1999-2000 Senate Gross Appropriation</b> .....	<b>\$137,400,800</b>



**Changes from FY 1998-99 Year-to-Date:**

1. **Contingency Funds.** The Governor's recommendation removed local and private funds from contingency fund appropriations. The Senate Substitute concurs with the Governor. (Sec. 700)
2. **Reporting Requirements.** The Governor's recommendation removed the reporting requirements on training and orientation workshops expenditures, quarterly MAIN billing statements, and for Child Support Enforcement System expenditures. The Senate Substitute concurs with the Governor on quarterly MAIN billing statements. The Senate Substitute restores reporting for training and workshop expenditures, and Child Support Enforcement System. (Sec. 702, 715)
3. **Services to Departments and Legislature.** The Governor's recommendation adds the judicial branch to language that authorizes the Department of Management and Budget to perform specific functions for other departments and the Legislature. The Senate Substitute concurs with the Governor. (Sec. 703)
4. **Per Diem Amounts.** The Governor's recommendation increases per diem amounts from \$35 to \$50 for the Judges Retirement Board, the Public School Employees Retirement Board, and the State Police Retirement Board. The Executive recommendation removes the amount for the State Employees Retirement Board because that per diem is set by statute. The Senate Substitute concurs with the Governor. (Sec. 708)
5. **Computer Contract Revisions.** The Governor's recommendation removed the provision requiring the department to notify the Legislature of contract revisions exceeding \$500,000. The Senate Substitute includes this boilerplate. (Sec. 713)
6. **State Sponsored Group Insurance, Flexible Spending Accounts, and COBRA Fund.** The Governor removed the language that unused funds shall lapse to the Healthy Michigan Fund unless prohibited by Federal law. The Senate Substitute concurs with the Governor. (Sec. 714)
7. **Notice of Bids or Requests for Proposal.** The Senate includes language that requires the Department to publish, or cause to be published, a monthly newsletter to the public or maintain an Internet website that contains notice of all invitations for bids and requests for proposal. This section states that a department shall not accept an invitation for bid or request for proposal less than 15 days after the bid or proposal was published in the newsletter or less than 30 days after the notice was made available on the website. The language authorizes the Department of Management and Budget to charge a fee for the newsletter not to exceed the cost of preparing, publishing, or circulating the newsletter. (Sec. 716)

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Senate Bill 366 (S-1 as passed by the Senate))

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<b>FY 1998-99 Year-to-Date Gross Appropriation</b> .....	<b>\$170,157,900</b>
<b>Changes from FY 1998-99 Year-to-Date:</b>	
1. <b>Unclassified Salaries.</b> The budget includes an increase from \$431,600 to \$444,500. This change reflects a 3% increase over the current fiscal year.	12,900
2. <b>Repeat Offender Legislation.</b> The Governor requested \$1,240,000 GF/GP and 15.4 FTE's for first-year ongoing costs for the implementation of the program. The Senate Substitute includes \$2,479,000 GF/GP and 30.7 FTE's for the program.	2,479,000
3. <b>Document Management System.</b> The Governor included funds to complete the final two phases of the technology improvements for the Department's document management system. The Senate Substitute concurs with the Governor.	1,600,000
4. <b>Social Security Number Verification.</b> Public Act 330 of 1998 was enacted in response to the Federal Illegal Immigration Reform and Immigrant Responsibility Act of 1996. The Federal Act requires states to collect and verify Social Security numbers from all drivers and personal identification card applicants beginning on October 1, 2000. The Governor requests funds for start-up costs to implement the verification process. The Senate Substitute concurs with the Governor.	1,712,200
5. <b>Public Act 51 Compliance.</b> Public Act 51, as amended, requires the phase-out of certain Michigan Transportation Fund (MTF) supported interdepartmental grants by FY 2000-01. The Department of State is exempted from this provision in the Act. A shift from the General Fund, \$7,962,900 to MTF is requested by the Governor. The Senate Substitute concurs with the Governor's recommendation.	0
6. <b>Snowmobile Decals.</b> The Governor included funds for the design, creation, and distribution of new snowmobile registration number decals. The Senate Substitute concurs with the Governor.	42,000
7. <b>Lighthouse Program.</b> The Senate Substitute includes GF/GP funds for administration and grants to preserve lighthouses in Michigan.	150,000
8. <b>State Tax Credit.</b> The Senate Substitute includes 1.0 FTE for administration of a program to determine eligibility for a State tax credit for historic sites.	70,000
9. <b>Economic Adjustments.</b>	5,446,400
10. <b>Other Changes.</b> The budget includes base reductions for staff realignments.	(15,100)
11. <b>Comparison to Governor's Recommendation.</b> The Senate Substitute is \$1,459,000 Gross/GF/GP over the Governor's recommendation.	
Total Changes .....	\$11,357,400
<b>FY 1999-2000 Senate Gross Appropriation</b> .....	<b>\$181,515,300</b>

**Changes from FY 1998-99 Year-to-Date:**

1. **Contingency Funds.** The Governor's recommendation increases local contingency funds and private contingency funds authorization to \$50,000 and \$100,000 respectively. The Senate Substitute concurs with the Governor. (Sec. 800)
2. **Federal Funds for Historic Site Preservation.** The Governor's recommendation revises language on method used to accomplish work projects. The Senate Substitute restores modified current-year language. (Sec. 804)
3. **Gift, Donations, and Contributions.** The Governor removed reporting requirement for receipts and expenditures of gifts, donations, and contributions. The Senate Substitute restores the reporting section. (Sec. 805)
4. **Commemorative and Specialty Plates.** The Governor removed language that conditions appropriations for commemorative or specialty plates on enactment of enabling legislation. The Senate Substitute concurs with the Governor.
5. **Military and Space Museum Grant.** The Governor removed language authorizing the one-time grant to the Military and Space Museum. The Senate Substitute concurs with the Governor. (Sec. 817 in current year)
6. **State Tax Credit.** The Governor included language that provides for funds collected to process applications for the eligibility for State tax credits. Because the Senate Subcommittee included funding and a position for this function, this language is removed from the Senate Substitute.
7. **Designation of Property as Historic Site.** The Governor included language that establishes an application fee for applications to designate property as a historic site. The language provides that the fees be deposited into a revolving fund. The Senate Substitute concurs with the Governor. (Sec. 819)
8. **Organ Donor Public Information Program.** The Governor's recommendation included that the Department may develop and administer a public information campaign concerning the Michigan Organ Donor Program. The language provides for a carryforward of funds. The Senate Substitute concurs with the Governor. (Sec. 820)
9. **Lighthouse Program.** The Senate Substitute includes new language providing criteria for the Lighthouse Program. (Sec. 813)

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Senate Bill 366 (S-1 as passed by the Senate))

Committee: Appropriations

<b>FY 1998-99 Year-to-Date Gross Appropriation</b> .....	<b>\$1,758,639,200</b>
<b>Changes from FY 1998-99 Year-to-Date:</b>	
1. <b>Unclassified Salaries.</b> The budget includes an increase from \$726,200 to \$748,600. This change reflects a 3% increase over the current fiscal year.	21,800
2. <b>Tax Technology Investment Plan.</b> The budget includes funding for the second phase of the Tax Technology Investment Plan to improve tax collection technology. The total projected cost of the project is \$73,000,000.	5,000,000
3. <b>Michigan Merit Award Trust Fund Commission.</b> The Governor's recommendation included \$2,000,000 from tobacco settlement proceeds for the administration of the Michigan Merit Award Trust Fund Commission. The Senate reduced the line item by \$1,999,900.	100
4. <b>Casino Gaming Oversight.</b> The budget includes funding and 14.0 FTE's to cover the full-year costs of oversight and control of the casino gaming operations.	3,906,500
5. <b>Constitutional State General Revenue Sharing Grants.</b> The budget includes an increase based on the January revenue estimating conference.	26,300,000
6. <b>Statutory State General Revenue Sharing Grants.</b> The Governor recommended an increase of \$21,000,000. The Senate Substitute adds \$37,700,000 based on the January Revenue Estimating Conference.	58,700,000
7. <b>Special Census Revenue Sharing Grants.</b> The Governor recommended an increase from \$5,500,000 to \$6,500,000. The Senate added \$500,000 based on current projections.	1,500,000
8. <b>Lottery Promotion &amp; Advertising.</b> The Senate Substitute includes an increase of \$3,200,000 over the Governor's recommendation.	3,200,000
9. <b>Economic Adjustments.</b>	4,215,100
10. <b>Other Changes.</b> The budget also includes additional funding for the cigarette stamping program (\$325,000 restricted), administration to meet due process notification requirements (\$250,000 restricted), resources to perform audits of county road commission funds (\$310,000 restricted), increase in convention facility grant distribution (\$4,000,000 restricted), funding for software to enhance retirement funds management (\$500,000 restricted), and other technical adjustments.	7,133,000
11. <b>Comparison to Governor's Recommendation.</b> The Senate Substitute is \$41,400,000 Gross/\$500,000 GF/GP over the Governor's recommendation.	
Total Changes .....	\$109,976,500
<b>FY 1999-2000 Senate Gross Appropriation</b> .....	<b>\$1,868,615,700</b>

**Changes from FY 1998-99 Year-to-Date:**

1. **Management of Retirement Funds.** The Governor's recommendation changes language that provides funds for the prudent management of retirement funds' international investment portfolios. The new language removed the limitation to management of international portfolios. The Senate Substitute concurs with the Governor. (Sec. 903)
2. **Contracting with Environmental Research Institute of Michigan.** The Governor's recommendation removed language allowing departments to contract with the Institute for research and development activities. The Senate Substitute concurs with the Governor. (Sec. 915 in current year)
3. **Higher Education Facilities Authority.** The Senate Substitute moves language from current-year section 928 to section 921 in the Substitute. The language requires treasury to establish a separate account for funds related to the Higher Education Assistance Authority. (Sec. 921)
4. **Report on Investments.** The Governor's recommendation removes a requirement for reporting on investments, including derivatives, held by the Michigan Employees Retirement System. The Senate Substitute concurs with the Governor. (Sec. 927 in current year)
5. **Tax Technology Investment Plan.** The Governor's recommendation includes language providing for the Technology Investment Plan and providing the unexpended appropriations become work project appropriations. The Senate Substitute clarifies the source of the work project. (Sec. 928)
6. **Wagering Tax Revenue.** The Governor's recommendation includes language that provides for the deposit of wagering tax revenue in the State School Aid Fund. The Senate Substitute concurs with the Governor. (Sec. 930)
7. **Compulsive Gaming Prevention Fund.** The Governor's recommendation and Senate Substitute include language that revenue collected from licensee assessments be placed in the Compulsive Gaming Prevention Fund. (Sec. 931)
8. **Revenue Sharing.** The Governor's recommendation included language that stated, "Statutory State General Revenue Sharing Grants to townships, cities, and villages shall be reduced by an amount equal to additional constitutional revenue sharing appropriations authorized in this section." The Senate Substitute returned to current-year language by removing "townships, cities, and villages". (Sec. 959)
9. **Advertising Prohibition - Lottery.** The Governor's recommendation removes language prohibiting appropriation for State Lottery from being used toward promotional efforts directed towards individuals under 18. The Senate Substitute includes the language. (Sec. 970)
10. **Association of Amateur Athletes with Lottery.** The Governor's recommendation removes language prohibiting appropriations for State Lottery from being used for the purpose of associating amateur or professional sports figures with the lottery. The Senate Substitute includes the language. (Sec. 972)
11. **Sunday Drawing.** The Governor removes language prohibiting funds from being used to conduct a drawing held on Sunday. The Senate Substitute concurs with the Governor. (Sec. 974)
12. **Federal Fuel Dye Program.** The Senate Substitute includes language requiring a report on State implementation of the Federal Fuel Dye System Program. (Sec. 934)

Date Completed: 3/26/99

Fiscal Analyst: E. Limbs