
Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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OVERVIEW

The General Government Appropriations Bill contains appropriations for Attorney General, Civil Rights, Civil Service, Executive, Legislature, Library of Michigan, Management and Budget, State, and Treasury. The following pages provide a summary of the changes for FY 2001-02. The enacted budget is \$13,356,700 Gross and \$12,584,100 GF/GP over the FY 2000-01 budget. This is a 0.5% Gross increase and a 2.6% GF/GP increase.

General Boilerplate Sections:

Items Included by the Senate and House

1. **Privatization Evaluation.** The Governor eliminated this section that requires departments to submit a complete project plan to the appropriate House and Senate appropriation subcommittees and fiscal agencies 60 days prior to beginning any privatization efforts. The plan is required to include criteria under which the privatization initiative will be evaluated. The Senate and House restored this section. (Sec. 207)
2. **Internet Reports.** The Governor's recommendation required use of the Internet to fulfill all reporting requirements unless otherwise specified, removes the option of receiving reports in printed format, and requires the quarterly report to include only those reports from the previous quarter. The Senate and House concurred with the Governor. (Sec. 208)
3. **Buy American Intent Language.** The Governor eliminated this section that prohibits the use of funds for purchase of foreign goods or services if competitively priced and comparable quality American goods or services are available. The Senate and House restored the section. (Sec. 209)
4. **Depressed and Deprived Communities.** The Senate and House restored language, eliminated by the Governor, that requires department directors to take all reasonable steps necessary to ensure businesses in deprived and depressed communities compete for and perform State contracts. (Sec. 210).
5. **Retention of Reports.** The Senate and House restored language, eliminated by the Governor, that requires departments and agencies receiving appropriations under this Act to receive and retain copies of all reports funded in the Act. Federal and State guidelines for retention of records shall be followed. (Sec. 212)
6. **Budgetary Savings.** This new section recommended by the Governor provides that negative appropriations for budgetary savings in Part 1 shall be accomplished through the hiring freeze and, if necessary, other savings approved by the State Budget Director. Adjustments to appropriation authorizations are subject to legislative approval through the transfer process. The Senate and House concurred with the Governor. (Sec. 213)

Conference Agreement on Items of Difference

7. **Hiring Freeze.** This section imposes a hiring freeze on the State classified civil service, provides for exceptions, and requires monthly reports to the chairs of appropriations committees regarding exceptions to the hiring freeze. The Governor's recommendation removed the exclusion for positions that are funded with 80% or more of the Federal or restricted funds. The Governor also expands the list of reasons for exceptions to include; loss of revenue, inability to receive Federal funds, or resulting costs exceeding savings from the vacancy. The Senate concurs with the Governor. The House and Conference Committee concurred but changed the report due date to the last day of the month. (Sec. 205)
8. **Casino Investment.** The Governor eliminated this section that prohibits use of funds appropriated in Part 1 from being used by a department or agency to purchase an ownership interest in a casino. The Senate concurs with the Governor. The House and Conference Committee restored this section. (Sec. 214)
9. **Privacy Policy.** The House and Conference Committee included a new section directing departments to adhere to the privacy policy adopted by the e-Michigan office. (Sec. 215)

FY 2000-01 Year-to-Date Gross Appropriation	\$61,393,500
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Changes from FY 2000-01 Year-to-Date:Items Included by the Senate and House

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| 1. Technology Improvements. The budget includes \$170,000 for the Department's technology improvements that were initially funded in an FY 1998-99 supplemental (Public Act 69 of 1999) and in the FY 2000-01 budget (Public Act 276 of 2000). The additional funding will be used to fund part of the costs for operating software, wireless networking, a storage subsystem, and other improvements that will allow the Department to continually maintain and upgrade workstations from a central location. | 170,000 |
| 2. Private Rent Adjustment. The FY 2001-02 budget includes funding to reflect additional private space lease costs related to One Michigan Avenue, \$158,300; the Samuel Ingham Building, \$37,100; and the Eye Parkway, \$214,500. The budget also includes an adjustment of \$127,800 related to utility costs for private leased property. | 537,700 |
| 3. Antitrust Enforcement Collections. The Senate and House increased the funding authorization for antitrust enforcement revenue based on workload requirements. | 250,000 |
| 4. Michigan Justice Training Fund (MJTF). The Senate and House increased the MJTF authorization for the Prosecuting Attorneys Coordinating Council Training Project, from \$300,000 to \$325,000, based on expected grant awards. | 25,000 |
| 5. Budgetary Savings. Due to reduced revenue estimates, the Governor's original budget recommendation required State departments to reduce their GF/GP spending by 0.5%. | (191,400) |
| 6. Other Issues. Other changes include a \$10,000 funding shift from Michigan Transportation Fund revenue to State General Fund support. | 0 |

Conference Agreement on Items of Difference

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| 7. Unclassified Salaries. The Senate increased the line item that funds 5.0 FTE unclassified positions by 2.0%, from \$457,800 to \$467,000. The Governor's budget revision (4/27/01) and the House removed this increase. The Conference Committee concurred with the Senate. | 9,200 |
| 8. Economic Adjustments. The Senate included \$3,329,100 based on the Governor's original budget recommendation. The House reduced economics by \$1,004,100 pursuant to the Governor's revised recommendation. The Conference Committee reduced economics by \$762,000 to meet the General Fund Target. | 2,567,100 |
| 9. Tobacco Settlement Trust Fund. Based on Leadership Target, the Conference Committee did not include 3.0 FTES/\$346,300 funded by the Tobacco Settlement Trust Fund for ongoing legal work associated with the Tobacco Master Settlement Agreement. | 0 |

Total Changes	3,367,600
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FY 2001-02 Enacted Gross Appropriation	\$64,761,100
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Changes from FY 2000-01 Year to Date:Items Included by the Senate and House

1. **Attorney General Responsibilities.** This section was first included in FY 1973-74. It provides that Attorney General shall perform all legal services to principal executive departments and State agencies. Executive departments and agencies are prohibited from employing or contracting with other persons for legal services. The Governor's recommendation removes the word "all" which precedes legal services in the current year section. The Senate and House restored the current year version of this section. (Sec. 301(1))
2. **Tobacco Litigation.** Provides that any proceeds from a lawsuit or settlement agreement initiated by the State against a manufacturer of tobacco products are State funds and subject to the appropriations process. The Governor removed this section. The Senate and House restored the language. (Sec. 305).
3. **Anti-Trust Enforcement Revenue.** The Governor included new language that provides that any unobligated anti-trust enforcement revenue in excess of the amount appropriated, limited to \$250,000, may be carried forward for appropriation in the next fiscal year. The Senate and House concurred with the Governor. (Sec. 306)

Conference Agreement on Items of Difference

None.

Date Completed: 8-8-01

Fiscal Analyst: B. Bowerman

FY 2000-01 Year-to-Date Gross Appropriation	\$15,272,500
Changes from FY 2000-01 Year-to-Date:	
<u>Items Included by the Senate and House</u>	
1. Budgetary Savings. In order to meet reduced revenue estimates, the budget includes a departmentwide reduction of GF/GP appropriations by 0.5%.	(74,800)
2. Transfer of Spanish-Speaking Affairs. The Spanish Speaking Affairs Commission is transferred to the Department of Career Development pursuant to Executive Order 2000-5.	(211,300)
3. Economic Adjustments.	830,900
<u>Conference Agreement on Items of Difference</u>	
4. Unclassified Salaries The Governor and House include no increase for this line item that funds 5.0 FTE unclassified positions. The Senate increases it by 2.0% to \$381,600. The enacted budget does not increase the line.	0
5. 2% General Fund Reduction. Pursuant to Target agreement, reductions are taken from the Operations line item.	(290,300)
Total Changes	254,500
FY 2001-02 Enacted Gross Appropriation	\$15,527,000

Changes from FY 2000-01 Year to Date:

There are no changes from the current year boilerplate language.

Date Completed: 8-8-01

Fiscal Analyst: J. Runnels

FY 2000-01 Year-to-Date Gross Appropriation	\$30,405,600
Changes from FY 2000-01 Year-to-Date:	
<u>Items Included by the Senate and House</u>	
1. State Officers Compensation Commission. This Commission will not meet during the 2001-02 fiscal year, so the appropriation to fund its activities is removed.	(15,000)
2. Budgetary Savings. In order to meet reduced revenue estimates, the budget includes a recommendation to reduce departmentwide GF/GP appropriations by 0.5%.	(57,500)
3. Economic Adjustments.	545,000
<u>Conference Agreement on Items of Difference</u>	
4. 2% General Fund Reduction. Pursuant to Target agreement, reductions are taken from the Operations line item.	(228,900)
Total Changes	243,600
FY 2001-02 Enacted Gross Appropriation	\$30,649,200

Changes from FY 2000-01 Year to Date:

There are no changes from the current year boilerplate language.

Date Completed: 6-26-01

Fiscal Analyst: J. Runnels

FY 2000-01 Year-to-Date Gross Appropriation	\$5,679,600
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Changes from FY 2000-01 Year-to-Date:Items Included by the Senate and House

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| 1. Governor and Lt. Governor-Salary and Expense Adjustments. The Governor's recommendation includes adjustments to fully fund FY 2001-02 salary and expense allowances for the Governor and Lt. Governor. The Senate and House concur with the Governor. | 58,100 |
| 2. Budgetary Savings. The budget includes a recommendation to reduce departmentwide GF/GP appropriations by 0.5%. | (29,200) |

Conference Agreement on Items of Difference

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| 3. Unclassified Salaries. The Governor's original budget recommendation and the Senate increased the line item that funds 8.0 FTE unclassified positions by 2.0%, from \$833,100 to \$849,800. The Governor's revised recommendation and the House eliminated the proposed increase. The Conference Committee concurred with the House. | 0 |
| 4. Economic Adjustments. The Governor's original recommendation and the Senate included \$94,700. The Governor's revised recommendation and the House eliminated the increase. The Conference Committee reduced economics by \$93,400 to meet the General Fund Target. | 1,300 |

Total Changes	30,200
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FY 2001-02 Enacted Gross Appropriation	\$5,709,800
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Changes from FY 2000-01 Year to Date:

The Governor's recommendation, Senate, and House included no changes to current year boilerplate for the Executive Office.

Date Completed: 8-8-01

Fiscal Analyst: B. Bowerman

FY 2000-01 Year-to-Date Gross Appropriation¹⁾	\$121,480,400
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Changes from FY 2000-01 Year-to-Date:Items Included by the Senate and House

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| 1. Legislator Salary and Expense Adjustments. The Governor's recommendation includes adjustments to fully fund FY 2001-02 salary and expense allowances for Legislators. The Senate and House concurred with the Governor. | 3,927,900 |
| 2. Worker's Compensation. The Senate and House increased funding from \$154,800 to \$160,000 based on projected costs. | 5,200 |
| 3. National Association Dues. The Senate and House increased funding from \$388,400 to \$405,800 based on actual costs. | 17,400 |

Conference Agreement on Items of Difference

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| 4. Legislative Auditor General. The Senate and House transferred the appropriation for the Auditor General to a line item under the Legislature. The Governor recommended an increase of \$547,700 for the Legislative Auditor General. The Senate added \$1,614,600 for current baseline costs, \$271,000 for 5.0 FTE auditor positions, and \$15,700 to provide a total increase of 8% for the unclassified positions. The House reduced unclassifieds to a 2.0% increase. The Conference Committee concurred with the House on the unclassified salaries. The Conference Committee adjusted funding based on the General Fund Target. | 377,900 |
| 5. E-Law, Legislative Council Technology Project. The Conference Committee increased funding for this line from \$1,000 to \$2,505,000 based on Leadership Agreement. | 2,504,000 |
| 6. Reductions to Meet General Fund Target. A 2.0% reduction was applied to most lines, with the exception of 1.5% reduction to House Operations, to meet the General Fund Target. | (1,795,800) |
| 7. Economics. The budget includes economic adjustments that are partially offset by reductions to meet the General Fund Target (Item #6). | 2,965,800 |
| 8. Other Adjustments. Other changes include an adjustment for the House Office Building lease costs and other technical changes. | 290,500 |

Total Changes	8,292,900
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FY 2001-02 Enacted Gross Appropriation	\$129,773,300
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¹⁾ Includes Auditor General.

Changes from FY 2000-01 Year to Date:Items Included by the Senate and House

1. **National Association Dues.** Allocates funding for national association dues to the National Conference of State Legislatures (NCSL), Council of State Governments (CSG), National Council of Insurance Legislators (NCIL), and National Conference of Commissioners on Uniform State Laws (NCCUSL). The Senate and House updated this section based on FY 2001-02 costs. (Sec. 603)
2. **Contract Audits.** Requires Auditor General to take reasonable steps to insure that certified minority, women, and firms owned and operated by persons with disabilities, participate in contract audits. Includes annual reporting requirement to the House and Senate General Government Subcommittees. The Governor's recommendation includes State Budget Director as a recipient of the report. The Senate and House concurred with the Governor. (Sec. 613)
3. **Audit Compliance.** Requires Auditor General to report to appropriations committees and fiscal agencies all recommendations in audit reports that were not complied with by audited entities. The Governor's recommendation includes State Budget Director as a recipient of the report. The Senate and House concurred with the Governor. (Sec. 615)
4. **Format Changes.** The boilerplate sections for the Legislative Auditor General are moved to the sections under the Legislature.

Conference Agreement on Items of Difference

5. **Auditor General-Unclassified Salaries.** The Senate added this new section that provides that Auditor General's salary for FY 2001-02 shall be \$134,900, and limits funding for 2.0 other unclassified positions to a combined total of \$146,600. The House reduced the 8% salary increase to 2.0% over current year. The Conference Committee concurred with the House. (Sec. 616)
6. **Auditor General Hiring Freeze.** The House added language that imposes an FTE limit, after the additional 5.0 FTEs included in the budget are hired. Provides that Legislative Leadership may grant exceptions to the hiring freeze. The Conference Committee included this section, modified to reflect no funding for additional positions.
7. **Audit Prioritization.** The House added language that requires Auditor General to prepare a list of audit priorities and submit the list to Legislative Leadership for review. The Conference Committee eliminated this section.

Date Completed: 07-30-01

Fiscal Analyst: B. Bowerman

FY 2000-01 Year-to-Date Gross Appropriation \$39,916,700

Changes from FY 2000-01 Year-to-Date:Items Included by the Senate and House

1. **Renaissance Zone Reimbursement.** The budget reduces the appropriation for Renaissance Zone Reimbursement from \$501,000 to \$413,900 based on estimates to fund actual costs pursuant to the Michigan Renaissance Zone Act. (87,100)

Conference Agreement on Items of Difference

2. **Library Operations.** The Senate added \$453,800 based on the FY 2000-01 Legislative Council allocation to this line item and actual FY 2001-02 projected costs, \$208,150 for ongoing operational support costs (collections, materials, preservation supplies, printing, postage, etc.), \$174,450 for equipment, and \$125,500 for collection management projects. The Conference Committee reduced this increase based on the General Fund Target. 544,800
3. **Library and Historical Center Facilities.** The Senate included \$39,100 to cover baseline costs and economics. The Conference Committee reduced funding based on the General Fund Target. (28,000)
4. **Statewide Database.** The Senate added \$168,500 to continue subscriptions for children's databases and replacement of Federal Department of Education funds. The Conference Committee reduced funding based on the General Fund Target. (20,100)
5. **Book Distribution Centers.** The Senate increased funding for book distribution centers from \$332,000 to \$348,600 for economics associated with salaries, rent, and utilities. The Conference Committee reduced funding based on the General Fund Target. (6,600)
6. **Library Automation.** The Senate added \$22,500 for hardware maintenance and software licenses. The Conference Committee removed the increase and reduced funding based on the General Fund Target. (15,000)
7. **State Aid to Libraries.** The Conference Committee reduced funding from \$14,350,700 to \$14,063,700 to meet the General Fund Target. (287,000)
8. **Detroit Public Library.** The Conference Committee reduced funding from \$5,871,600 to \$5,754,200 to meet the General Fund Target. (117,400)
9. **Grand Rapids Public Library.** The Conference Committee reduced funding from \$406,400 to \$398,300 to meet the General Fund Target. (8,100)
10. **Subregional State Aid.** The Senate increased funding from \$604,300 to \$659,300 to offset reductions in Federal support. The Conference Committee reduced funding based on the General Fund Target. (12,100)

Total Changes (36,600)

FY 2001-02 Enacted Gross Appropriation \$39,880,100

Changes from FY 2000-01 Year to Date:Items Included by the Senate and House

1. **Detroit Public Library and Grand Rapids Public Library Report.** Requires Detroit Public Library and Grand Rapids Public Library to submit a report by April 1, on unique services provided to the public and the State, and the funds associated with those services. The Governor's recommendation includes the State Budget Director as a recipient of the report. The Senate and House removed the entire section.

Conference Agreement on Items of Difference

2. **Board Room Naming.** The House included new language added by the House provides that the chair and vice chair of the Legislative Council have approval authority over the recommendations of the Library of Michigan Foundation and the State Librarian for naming the board room and rare book room. The Conference Committee concurred with the House. (Sec. 656)

Date Completed: 07-30-01

Fiscal Analyst: B. Bowerman

FY 2000-01 Year-to-Date Gross Appropriation	\$163,529,800
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Changes from FY 2000-01 Year-to-Date:Items Included by the Senate and House

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| 1. Budgetary Savings. In order to meet reduced revenue estimates, the budget includes a recommendation to reduce departmentwide GF/GP appropriations by 0.5%. | (238,300) |
| 2. State Space Plan. FY 2001-02 is a transitional year for many State departments as they move to new locations and shift between private leases and State office space. The Governor recommends an increase in GF/GP to cover these costs. Additionally, the closing of two State-owned buildings in Detroit results in a decrease of 24.0 FTEs. This funding is seen in economic adjustments for building occupancy charges in State departments. The Senate and House concur with the Governor. | 11,370,200 |
| 3. Office of Design and Construction. The Governor's recommendation includes an increase of 8.0 FTEs and \$750,600 for the Office of Design and Construction. The FTEs are divided into 6.0 FTEs for additional capital outlay staff and 2.0 FTEs for soil erosion and sedimentation control staff to ensure compliance with the Natural Resources and Environmental Control Act of 1994. The Senate and House concur with the Governor. | 750,600 |
| 4. Office of Retirement Services. The Governor reduces this appropriation because the transfer of the administration of the Deferred Compensation and Defined Contribution pension plans to the Office of Retirement Services has resulted in administrative efficiencies. The Senate and House concur with the Governor. | (1,500,000) |
| 5. Health Insurance Reserve Fund Payment. The Governor recommends reducing this payment compared to FY 2000-01 due to lower savings from the Defined Benefit plan. The Senate and House concur with the Governor. | (258,100) |
| 6. Other Changes. Other changes include economic adjustments, increases in printing costs for the Office of Retirement Services, efficiencies in the Office of Property Services, and adjustments made due to the Statewide Cost Allocation Plan (SWCAP). | 2,282,400 |

Conference Agreement on Items of Difference

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| 7. 2% General Fund Reduction. Pursuant to Target agreement, reductions are taken from various line items within the Department. | (942,400) |
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Total Changes	11,464,400
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FY 2001-02 Enacted Gross Appropriation	\$174,994,200
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Changes from FY 2000-01 Year to Date:Items Included by the Senate and House

1. **Contingency Fund Authorization.** The Governor includes private contingency fund authorization of \$50,000. The Senate and House concur with the Governor. (Sec. 700)
2. **Census and Related Information.** The Governor adds the description of "spatial information" to describe the services the Michigan Information Center may provide to State agencies. The Senate and House concur with the Governor. (Sec.704)
3. **Building Occupancy and Parking Charges.** The Governor includes the Judiciary with the State agencies for collection of Building Occupancy charges and parking deposits. The Senate and House concur with the Governor. (Sec. 712)

Conference Agreement on Items of Difference

4. **e-Michigan.** The Governor includes this new section allowing the e-Michigan office to accept advertising for the State website. The revenues from the advertising and other donations are authorized for expenditure for operating costs. Additionally, the office may provide services to other State agencies. Unexpended revenue will not lapse, but will remain available and must be re-appropriated. The Senate limits advertising revenue to \$250,000, with any additional revenue credited to the General Fund and adds the requirement for the e-Michigan office to place a search function on the front page of the State's website. The Senate also requires the privacy policy adopted by the e-Michigan office to provide instructions to visitors on how to be warned, view, and remove cookies on their personal computer. The House added 3 subsections to the e-Michigan language: an annual reporting requirement on the revenue received from advertising, gifts, and donations; the firm maintaining the Internet portal shall be located in Michigan; and established advertising protocol. The Conference Committee removes all sections added by the House except the report. (Sec. 715)
5. **Computer Contract Revisions.** The Senate eliminated a section that requires a notification to the legislature on computer contract revisions exceeding \$500,000. The House restored this language. The Conference Committee concurs. (Sec. 716)
6. **Child Support Enforcement System.** The Senate eliminated language that required a report on amounts received by the Department of Management and Budget from FIA for expenditure on the Child Support Enforcement System. The House restored this section and expands it to include an initial report on historic expenditures by the Department on this system. The Conference Committee removes this section.
7. **Restricted Fund Balances.** The House included a section that requires a report on restricted fund balances, and projected revenues and expenditures. The Conference Committee concurs. (Sec. 718)
8. **New Lease Priorities.** The House adopted a section that requires the Department of Management and Budget to retain leased or purchased noninstitutional facilities and locate new leases in city centers or core areas. The Conference Committee removes this section.
9. **Fuel Efficient Vehicles.** The House included a section directing the Department of Management and Budget to give priority to purchasing fuel efficient vehicles when the vehicles are to be used by state employees. The Conference Committee removes this section.
10. **Requests for Proposals Website.** The House reinstated a section that requires all invitations for bids and requests for proposals over \$50,000 to be posted on the Internet for at least 14 days. The Conference Committee concurs. (Sec. 721)
11. **Children's Ombudsman.** The House added a section that requires the Office of the Children's Ombudsman to submit a report detailing the criteria for processing complaints, conducting investigations, and reporting the findings. The section also requires a report on the activities of the Ombudsman and any recommendations for improvements. The Conference Committee removes this section.

Date Completed: 6-26-01

Fiscal Analyst: J. Runnels

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

FY 2000-01 Year-to-Date Gross Appropriation	\$186,385,200
Changes from FY 2000-01 Year-to-Date:	
<u>Items Included by the Senate and House</u>	
1. Budgetary Savings. In order to meet reduced revenue estimates, the budget includes a recommendation to reduce departmentwide GF/GP appropriations by 0.5%.	(340,200)
2. Historic State Preservation Authorization Increase. The Governor includes an increase in federal funds for historic preservation. The Senate and House concur with the Governor.	400,400
3. Economic Adjustments.	4,695,400
<u>Conference Agreement on Items of Difference</u>	
4. Thunder Bay National Marine Sanctuary. The House removes funding of \$200,000 GF for this project that was included in the Governor's original recommendation and the Senate. The Conference Committee concurs with the removal of the item.	0
5. Qualified Voter File (QVF). The House removes funding of \$339,900 GF included in the Governor's original recommendation and the Senate for additional software and licensing fees for the QVF. The Conference Committee concurs with removal of the item.	0
6. Uniform Commercial Code Filings. The House incorporated the Governor's revised recommendation to increase this line item. These funds are collected from filing fees. The Conference Committee concurs.	850,000
7. Historical Program Transfer. In execution of Executive Order 2001-01, the Historical program is transferred to the new Department of History, Arts, and Culture. \$5,367,900 GF/GP is included in the transfer.	(8,424,700)
8. 2% General Fund Reduction. Pursuant to Target agreement, reductions are taken from various line items within the Department.	(1,239,900)
Total Changes	(4,059,000)
FY 2001-02 Enacted Gross Appropriation	\$182,326,200

Changes from FY 2000-01 Year to Date:Items Included by the Senate and House

1. **Collector and Fundraising Plates.** The Governor removes a tie-bar to legislation that passed in the 1999-2000 legislative session. The Senate and House concur with the Governor.
2. **Motor Vehicle Accident Claims Fund (MVAC).** The Governor removes this section that directs the MVAC to lapse to the General Fund at the end of the fiscal year. The Senate and House concur with the Governor.

Conference Agreement on Items of Difference

3. **Organ Donor Program.** The Senate removed this section that specified how much of the appropriation is to be spent on pamphlet and postage costs. The House restored this section but removes the specific spending amount for each activity. The Conference Committee concurs with the House. (Sec. 823)
4. **Grants to County Register of Deeds.** The House removed a section included by the Senate that established criteria for grants to County Registers of Deeds for technology improvements. The Conference Committee concurs with the House.
5. **Qualified Voter File Reimbursement.** The House removed language included by the Senate that limited the amount of the reimbursement that could be received by eligible jurisdictions. The Conference Committee concurs with the House.
6. **Municipalities Over 5,000 with the Qualified Voter File.** The House adopted a section that requires the State to reimburse municipalities with a voting population over 5,000 for the Qualified Voter File System, subject to appropriated funds. The Conference Committee concurs with the House. (Sec. 824)

Date Completed: 8-8-01

Fiscal Analyst: J. Runnels

FY 2000-01 Year-to-Date Gross Appropriation \$2,047,482,900

Changes from FY 2000-01 Year-to-Date:Items Included by the Senate and House

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| 1. Budgetary Savings. In order to meet reduced revenue estimates, the budget includes a recommendation to reduce departmentwide GF/GP appropriations by 0.5%. | (408,700) |
| 2. Tax Increment Finance Authority Payments. The Governor reduces this line item based on anticipated claims. There is \$500,100 remaining in the line for these payments. The Senate and House concur with the Governor. | (3,500,000) |
| 3. Michigan Merit Award Test and Data Base Development. From the Michigan Merit Award Trust Fund, the Governor includes \$1,500,000 for MEAP test development and \$1,000,000 for Merit Award data base development. The Senate and House concur with the Governor. | 2,500,000 |
| 4. Grant to Department of Agriculture. The Senate includes an appropriation from the State Services Fee Fund for a grant to the Department of Agriculture for the Office of the Racing Commissioner. The House concurs. | 1,300,000 |
| 5. Other Issues. The budget includes other miscellaneous changes, including an increase in convention facility grants, adjustments to Health and Safety grants, and elimination of one-time costs in Casino Gaming and additional lien filings. | (912,100) |

Conference Agreement on Items of Difference

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| 6. Economic Adjustments. The House incorporated the Governor's revised recommendation that eliminated \$977,600 GF/GP for classified and unclassified salary-related economic adjustments. The Conference Committee concurred. | 2,985,100 |
| 7. Michigan Education Savings Program. Pursuant to Target agreement, an appropriation of \$2,000,000 from the Michigan Merit Award Trust Fund is made for matching grants based on information provided by the service provider, TIAA-CREF. | (8,000,000) |
| 8. Debt Service. Pursuant to Target agreement, \$6,000,000 GF is removed from the \$14.0 million originally proposed for new obligations for the School Bond Loan. | 14,424,500 |
| 9. Senior Citizen Cooperative Housing Tax Exemption. The House incorporated the Governor's revised recommendation to remove the originally proposed increase in this line. The Conference Committee concurred. | 0 |
| 10. Commercial Mobile Radio Service Payments. The House included the Governor's revised recommendation to increase this line item. These funds are collected from a fee included on mobile phone bills. The Conference Committee concurred. | 7,000,000 |
| 11. Tax Technology Investment Plan. Pursuant to Target agreement, \$2,500,000 of delinquent tax collection revenue is removed from the Governor's proposed appropriation of \$9,000,000 for this project. | 1,500,000 |
| 12. Revenue Sharing. Pursuant to Target agreement, \$1,577,800,000 is appropriated for constitutional and statutory revenue sharing. This is a decrease from the current year appropriation, but a 1.5% increase from actual revenue collections. | (22,800,000) |
| 13. Funding Reduction. In order to meet the Target appropriation, a reduction is taken from the Revenue line in the Tax Programs unit. | (289,700) |

Total Changes	(6,200,900)
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FY 2001-02 Enacted Gross Appropriation \$2,041,282,000

Changes from FY 2000-01 Year to Date:Items Included by the Senate and House

1. **Senior Citizen Cooperative Housing Assessments.** The Governor changes the funding for the service to savings from the appeals rather than from 1% of the program funds. The Senate and House concur with the Governor. (Sec. 919(a)).
2. **MEAP Test Administration.** The Governor removes subsection (3), (4), and (5). Subsection (3) designated \$200,000 for reporting improvements. Subsections (4) and (5) allowed the use of the General Fund to supplement the tobacco settlement revenue if insufficient funds exist. The Senate and House concur with the Governor. (Sec. 928)
3. **Michigan Education Savings Program.** The Governor changed the eligibility requirements for the matching grant to a child beneficiary of one year old or less and removed the Michigan resident requirement, the match ratio and the match cap. The Senate and House restore current year eligibility requirements. The fund source is shifted from the Tobacco Settlement Trust Fund to the Michigan Merit Award Trust Fund. (Sec. 953)

Conference Agreement on Items of Difference

4. **Michigan Merit Award Trust Fund.** The House restored language stating that the Michigan Merit Award Trust Fund consists of a portion of the tobacco settlement revenue. The Conference Committee concurred. (Sec. 931)
5. **Write-offs and Advances.** The Senate included language appropriating funds for write-offs and advances not to exceed current authorizations. The House removed this language. The Conference Committee included the language and added a reporting requirement. (Sec. 932)
6. **Revenue Sharing Payment Condition.** The Senate eliminated language providing that the statutory revenue sharing payments shall not be made to a county unless it complies with Section 151 of the School Aid Act, except if it is unable to comply due to a failure by a local unit of government. The House restored this language. The Conference Committee modified the language to exempt counties if the Department of Treasury also fails to provide necessary information. (Sec. 954)

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