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SFA BILL ANALYSIS

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Senate Bill 234 (S-1 as passed by the Senate)
Committee: Appropriations

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 Senate Substitute is $18,757,700 Gross/$8,731,600 GF/GP over the Governor's recommendation.

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

1. **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 removes 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. (Sec. 205)
2. **Privatization Evaluation.** The Governor eliminates 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 completed evaluations are to be submitted within 30 months. The Senate restores this section. (Sec. 207)
3. **Internet Reports.** The Governor's recommendation requires 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 concurs with the Governor. (Sec. 208)
4. **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 restores the section. (Sec. 209)
5. **Depressed and Deprived Communities.** The Governor eliminated this section that requires department directors to take all reasonable steps necessary to ensure businesses in deprived and depressed communities compete for and perform State contracts. The Senate restores the section. (Sec. 210)
6. **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.
7. **Retention of Reports.** The Governor eliminated this section 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. The Senate restores the language. (Sec. 212)
8. **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 concurs with the Governor. (Sec. 213)

Date Completed: 3-27-01

B. Bowerman
J. Runnels

Senate Bill 234 (S-1 as passed by the Senate)
Committee: Appropriations

FY 2000-01 Year-to-Date Gross Appropriation	**$61,393,500**
Changes from FY 2000-01 Year-to-Date:	
1. **Technology Improvements.** The Governor's recommendation includes funding 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. The Senate concurs with the Governor.	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 Eyde Parkway, $214,500. The budget also includes an adjustment of $127,800 related to utility costs for private leased property.	537,700
3. **Tobacco Settlement Trust Fund.** The Senate added 3.0 FTE/$346,300 funded by the Tobacco Settlement Trust Fund for ongoing legal work associated with the Tobacco Master Settlement Agreement.	346,300
4. **Antitrust Enforcement Collections.** The Senate increased the funding authorization for antitrust enforcement revenue based on workload requirements.	250,000
5. **Michigan Justice Training Fund (MJTF).** The Senate 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
6. **Budgetary Savings.** Due to reduced revenue estimates, State departments must reduce their GF/GP spending by 0.5%. Each department will create a detailed plan of where the cuts will be made for approval by the State Budget Director in April.	(191,400)
7. **Unclassified Salaries.** The Governor's recommendation increases the line item that funds 5.0 FTE unclassified positions by 2.0%, from $457,800 to $467,000.	9,200
8. **Economic Adjustments.**	3,329,100
9. **Other Issues.** Other changes include a $10,000 funding shift from Michigan Transportation Fund revenue to State General Fund support.	0
10. **Comparison to Governor's Recommendation.** The Senate Substitute is $621,300 Gross, $0 GF/GP over the Governor's Recommendation.	
Total Changes	4,475,900
FY 2001-02 Senate Gross Appropriation	**$65,869,400**

Changes from FY 2000-01 Year-to-Date:

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 restores 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 restores 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 concurs with the Governor. (Sec. 306)

Date Completed: 3/28/01 Fiscal Analyst: B. Bowerman

Senate Bill 234 (S-1 as passed by the Senate)
Committee: Appropriations

FY 2000-01 Year-to-Date Gross Appropriation	**$15,272,500**
Changes from FY 2000-01 Year-to-Date:	
1. **Budgetary Savings** The budget includes a recommendation to reduce departmentwide GF/GP appropriations by 0.5%. This negative appropriation will be implemented at a later date by specific reductions in the appropriation line items within the department.	(74,800)
2. **Transfer of Spanish-Speaking Affairs** The Governor transfers the Spanish Speaking Affairs Commission to the Department of Career Development pursuant to Executive Order 2000-5.	(211,300)
3. **Unclassified Salaries** The Governor increases the line item that funds 5.0 FTE unclassified positions by 2.0%, from $374,100 to $381,600. The Senate concurs with the Governor.	7,500
4. **Economic Adjustments.**	830,900
5. **Comparison to Governor's Recommendation.** The Senate Substitute has no changes to the Governor's Recommendation.	0
Total Changes	552,300
FY 2001-02 Senate Gross Appropriation	**$15,824,800**

Changes from FY 2000-01 Year-to-Date:

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

Date Completed: 3/28/01 Fiscal Analyst: J. Runnels

Senate Bill 234 (S-1 as passed by the Senate)
Committee: Appropriations

FY 2000-01 Year-to-Date Gross Appropriation	**$30,405,600**
Changes from FY 2000-01 Year-to-Date:	
1. **State Officers Compensation Commission.** This Commission will not meet during the 2001-02 fiscal year, so the Governor removed the appropriation to fund its activities. The Senate concurs with the Governor.	(15,000)
2. **Budgetary Savings** The budget includes a recommendation to reduce departmentwide GF/GP appropriations by 0.5%. This negative appropriation will be implemented at a later date by specific reductions in the appropriation line items within the department.	(57,500)
3. **Economic Adjustments.**	545,000
4. **Comparison to Governor's Recommendation.** The Senate Substitute has no changes to the Governor's Recommendation.	
Total Changes	472,500
FY 2001-02 Senate Gross Appropriation	**$30,878,100**

Changes from FY 2000-01 Year-to-Date:

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

Date Completed: 3/28/01 Fiscal Analyst: J. Runnels

Senate Bill 234 (S-1 as passed by the Senate)
Committee: Appropriations

FY 2000-01 Year-to-Date Gross Appropriation	**$5,679,600**
Changes from FY 2000-01 Year-to-Date:	
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 concurs with the Governor.	58,100
2. **Undesignated Budgetary Savings.** The budget includes a recommendation to reduce departmentwide GF/GP appropriations by 0.5%. This negative appropriation will be implemented at a later date by specific reductions in the appropriation line items within the budget.	(29,200)
3. **Unclassified Salaries.** The Governor's recommendation increases the line item that funds 8.0 FTE unclassified positions by 2.0%, from $833,100 to $849,800.	16,700
4. **Economic Adjustments.** Standard economic adjustments are applied for salaries and wages, retirement, and insurance consistent with factors applied to all budgets.	94,700
5. **Comparison to Governor's Recommendation.** The Senate Substitute is at the Governor's recommended level of funding.	
Total Changes	140,300
FY 2001-02 Senate Gross Appropriation	**$5,819,900**

Changes from FY 2000-01 Year-to-Date:

The Governor's recommendation and Senate Substitute include no changes to current year boilerplate for the Executive Office.

Date Completed: 3/28/01 Fiscal Analyst: B. Bowerman

Senate Bill 234 (S-1 as passed by the Senate)
Committee: Appropriations

FY 2000-01 Year-to-Date Gross Appropriation[1])	**$121,480,400**
Changes from FY 2000-01 Year-to-Date:	
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 concurs with the Governor.	3,927,900
2. **Legislative Auditor General.** The Senate Substitute transfers 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.	2,449,000
3. **House Office Building.** The Governor's recommendation includes additional funds for costs associated with the lease for the House Office Building. The FY 2000-01 appropriation is $6,826,100.	142,500
4. **Legislative Council Request.** The Senate adjusts funding based on the budget approved by the Legislative Council. Adjustments include FY 2000-01 Council allocations and projected costs for the Legislative Council line item, Service Bureau automated data processing, Corrections Ombudsman, workers' compensation, and national association dues.	178,600
5. **Corrections Ombudsman.** The Senate added funding in addition to the Legislative Council request for 2.0 FTE corrections ombudsman investigators based on workload requirements.	128,400
6. **Economic Adjustments**.	2,965,800
7. **Comparison to Governor's Recommendation.** The Senate Substitute is $2,208,300 Gross, $2,103,500 GF/GP over the Governor's recommendation.	
Total Changes	9,792,200
FY 2001-02 Senate Gross Appropriation	**$131,272,600**

[1]) Includes Auditor General.

Changes from FY 2000-01 Year-to-Date:

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 updates 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 concurs 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 concurs with the Governor. (Sec. 615)
4. **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. (Sec. 616)
5. **Format Changes.** The boilerplate sections for the Legislative Auditor General are moved to the sections under the Legislature.

Date Completed: 3/28/01 Fiscal Analyst: B. Bowerman

Senate Bill 234 (S-1 as passed by the Senate)
Committee: Appropriations

FY 2000-01 Year-to-Date Gross Appropriation	**$39,916,700**
Changes from FY 2000-01 Year-to-Date:	
1. **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.	961,900
2. **Statewide Database.** The Senate added funding to continue subscriptions for children's databases and replacement of Federal Department of Education funds.	168,500
3. **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.	16,600
4. **Subregional State Aid.** The Senate increased funding from $604,300 to $659,300 to offset reductions in Federal support.	55,000
5. **Renaissance Zone Reimbursement.** The Governor's recommendation 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. The Senate concurs with the Governor.	(87,100)
6. **Economic Adjustments.**	166,000
7. **Other Changes.** The Senate increased funding for the Michigan Library and Historical Center by $9,600 for actual baseline costs and increased Library Automation by $22,500 for hardware maintenance and software licenses.	32,100
4. **Comparison to Governor's Recommendation.** The Senate Substitute is $1,234,100 GF/GP over the Governor's recommendation.	
Total Changes	1,313,000
FY 2001-02 Senate Gross Appropriation	**$41,229,700**

Changes from FY 2000-01 Year-to-Date:

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 removes the entire section.

Date Completed: 3/28/01 Fiscal Analyst: B. Bowerman

Senate Bill 234 (S-1 as passed by the Senate)
Committee: Appropriations

FY 2000-01 Year-to-Date Gross Appropriation	**$163,529,800**
Changes from FY 2000-01 Year-to-Date:	
1. **Budgetary Savings** The budget includes a recommendation to reduce departmentwide GF/GP appropriations by 0.5%. This negative appropriation will be implemented at a later date by specific reductions in the appropriation line items within the department.	(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 concurs 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 concurs 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 concurs 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 concurs with the Governor.	(258,100)
6. **Unclassified Salaries** The Governor increases the line item that funds 6.0 FTE unclassified positions by 2.0%, from $548,600 to $559,600. The Senate concurs with the Governor.	11,000
7. **Economic Adjustments.**	2,338,300
8. **Other changes.** Other changes include 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).	(66,900)
9. **Comparison to Governor's Recommendation.** The Senate Substitute has no changes to the Governor's Recommendation.	
Total Changes	12,406,800
FY 2001-02 Senate Gross Appropriation	**$175,936,600**

Changes from FY 2000-01 Year-to-Date:

1. **Contingency Fund Authorization.** The Governor includes private contingency fund authorization of $50,000. The Senate concurs 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 concurs 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 concurs with the Governor. (Sec. 712)

4. **Computer Contract Adjustments.** The Governor removed this section that requires notification to the Legislature on computer contract revisions exceeding $500,000. The Senate concurs with the Governor.

5. **Child Support Enhancement System Expenditures.** The Governor removed this section that requires reporting from the Department of Management and Budget on expenditures incurred for the Child Support Enforcement System. The Senate concurs with the Governor.

6. **Request for Proposals Website.** The Governor removed this section that requires the Department of Management and Budget to maintain a website posting all Requests for Proposals for contracts over $50,000 for a minimum of 14 days. The Senate concurs with the Governor.

7. **Emergency Responder Kits.** The Governor removed this language that requires the Department of Management and Budget to conduct a feasibility study regarding the placement of emergency first responder kits and automated external defibrillators on each floor of buildings utilized by a State agency that houses State employees or is open to the public for State business. The Senate concurs with the Governor.

8. **Internet Privacy.** The Governor removed this language that requires the Department of Management and Budget to create a technology privacy policy. The Senate concurs with the Governor.

9. **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. (Sec. 715)

Date Completed: 3/28/01 Fiscal Analyst: J. Runnels

Senate Bill 234 (S-1 as passed by the Senate)
Committee: Appropriations

FY 2000-01 Year-to-Date Gross Appropriation	**$186,385,200**
Changes from FY 2000-01 Year-to-Date:	
1. **Budgetary Savings.** The budget includes a recommendation to reduce departmentwide GF/GP appropriations by 0.5%. This negative appropriation will be implemented at a later date by specific reductions in the appropriation line items within the department.	(340,200)
2. **Qualified Voter File.** The Governor increases funding for the Qualified Voter File for hardware, software, and yearly licensing fees. The Senate concurs with the Governor and adds funding to reimburse 115 municipalities with voting populations between 3,000 and 5,000 for QVF equipment costs incurred prior to FY 2000-01.	575,900
3. **Thunder Bay National Marine Sanctuary.** The Governor includes funding to create a sanctuary for the preservation of shipwrecks at the bottom of Thunder Bay. This is a partnership with the National Oceanic and Atmospheric Administration. This is the first year of a five year commitment. The Senate concurs with the Governor.	200,000
4. **Historic State Preservation Authorization Increase.** The Governor includes an increase in federal funds for historic preservation. The Senate concurs with the Governor.	400,400
5. **Postage Increase.** The Senate includes a GF/GP increase to reflect the postage increase effective on January 7, 2001 and one anticipated in Summer 2001.	413,000
6. **Driver License Appeal Division.** The Senate includes one-time GF/GP funds for a software conversion in the Drive License Appeal Division to update their computer programs.	1,778,000
7. **Branch Office Training and Work Station Improvements.** The Senate includes one-time GF/GP funds for training and work station improvements related to new customer service hardware and software.	892,000
8. **Grants to County Register of Deeds.** The Senate includes GF/GP funding for grants to County Registers of Deeds for technology improvements.	2,075,000
9. **Unclassified Salaries** The Governor increases the line item that funds 5.0 FTE unclassified positions by 2.0%, from $457,800 to $467,000. The Senate concurs with the Governor.	9,200
10. **Economic Adjustments.**	4,686,200
11. **Comparison to Governor's Recommendation.** The Senate Substitute has an increase of $5,394,000 GF/GP over the Governor's Recommendation.	
Total Changes	10,689,500
FY 2001-02 Senate Gross Appropriation	**$197,074,700**

Changes from FY 2000-01 Year-to-Date:

1. **Automobile Insurance Territorial Base Rates.** The Governor removes this section that requires Secretary of State branch offices to make available information regarding automobile insurance base rates. The Senate concurs with the Governor.

2. **Organ Donor Program.** The Governor removes this section that details how the appropriation for the organ donor program must be divided. The Senate concurs with the Governor.

3. **Collector and Fundraising Plates.** The Governor removes a tir-bar to legislation that passed in the 1999-2000 legislative session. The Senate concurs with the Governor.

4. **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 concurs with the Governor.

5. **Driver Tests.** The Governor removes this section that requires truck tractor questions on driver license exams. The Senate concurs with the Governor.

6. **Grants to County Register of Deeds.** The Senate adds a new section establishing a grant program to County Register of Deeds for technology improvements. The grants are limited to $25,000, unless the application is from a regional collaborative of counties each with a population less than 25,000 and require a 50/50 match from the county. (Sec. 821)

7. **Qualified Voter File Reimbursement.** The Senate adds a new section directing the funding in Part 1 for the reimbursement of municipalities with voting populations between 3,000 and 5,000 to be distributed with no municipality receiving more than $2,050. (Sec. 822)

Date Completed: 3/28/01 Fiscal Analyst: J. Runnels

Senate Bill 234 (S-1 as passed by the Senate)
Committee: Appropriations

FY 2000-01 Year-to-Date Gross Appropriation		**$2,047,482,900**
Changes from FY 2000-01 Year-to-Date:		
1.	**Budgetary Savings.** The budget includes a recommendation to reduce departmentwide GF/GP appropriations by 0.5%. This negative appropriation will be implemented at a later date by specific reductions in the appropriation line items within the department.	(408,700)
2.	**Revenue Sharing.** The Governor includes an increase based on the January Revenue Estimating Conference. Constitutional Revenue Sharing increases by $22,482,000, from $661,400,000 to $683,882,000. Statutory Revenue Sharing increases by $31,918,000, from $939,200,000 to $971,118,000. The Senate concurs with the Governor.	54,400,000
3.	**Debt Service.** The Governor includes an increase of $1,000,000 in new Clean Michigan Initiative payments and $14,000,000 in new School Bond Loan payments. The Senate concurs with the Governor.	20,424,500
4.	**Tax Technology Investment Plan.** The Governor includes an increase to the appropriation for this plan from $5,000,000 GF/GP to $9,000,000 Gross. That amount is divided between $8,000,000 in Delinquent tax collection revenue and $1,000,000 GF/GP. The Senate concurs with the Governor.	4,000,000
5.	**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 concurs with the Governor.	(3,500,000)
6.	**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 concurs with the Governor.	2,500,000
7.	**Michigan Education Savings Plan**. The Governor recommended a decrease in funding to $2,000,000, down from $10,000,000, and changes in the eligibility criteria. The Senate restores the current year funding level and eligibility. The funding source is shifted from the Tobacco Settlement Trust Fund to the Merit Award Trust Fund.	0
8.	**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.	1,300,000
9.	**Unclassified Salaries.** The Governor increases the line item that funds 9.0 FTE unclassified positions by 2.0%, from $770,400 to $785,800. The Senate concurs with the Governor.	15,400
10.	**Economic Adjustments.**	3,947,300
11.	**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.	(412,100)
12.	**Comparison to Governor's Recommendation.** The Senate Substitute has an increase of $9,300,000 Restricted over the Governor's Recommendation.	
Total Changes		82,266,400
FY 2001-02 Senate Gross Appropriation		**$2,129,749,300**

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

Changes from FY 2000-01 Year-to-Date:

1. **Contingency Fund Authorization.** The Governor recommended an increase in Federal contingency fund authorization from $1,000,000 to $10,000,000. The Senate restores current year levels. (Sec. 900)
2. **Services to State Department and Agencies.** The Governor removes the requirement of a contract when the Department of Treasury provides certain services to other State agencies. The Senate concurs with the Governor. (Sec. 905)
3. **Audit Charges.** The Governor removes the specification that a report detailing completed audits be only for the preceding fiscal year. The Senate concurs with the Governor. (Sec. 906)
4. **Assessor Certification and Training Fund.** The Governor replaces the current year language with the original language establishing this fund. The Senate concurs with the Governor. (Sec. 907)
5. **Home Heating Assistance Program.** The Governor removes this section instructing the appropriation to be used for administration of the program. The Senate restores current year language. (Sec. 910)
6. **Michigan Education Trust Challenge Grants.** The Governor and Senate remove this section.
7. **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 concurs with the Governor. (Sec. 919(a)).
8. **Casino Gaming Financing.** The Governor removes this section that allows General Fund to supplement the State Services Fee Fund if insufficient funds exist. The Senate concurs with the Governor.
9. **Pharmaceutical Assistance Fund.** The Governor included carry forward language for the appropriation to this fund. The Senate restores current year language. (Sec.927)
10. **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 concurs with the Governor. (Sec. 928)
11. **Private Tax Preparer Notification.** The Governor and Senate remove this section prohibiting advertisement of private tax preparers in tax booklets.
12. **Michigan Merit Award Trust Fund.** The Governor and Senate remove this section designating that the Merit Award Trust Fund is a portion of the tobacco settlement revenue.
13. **Write-offs and Advances.** The Governor includes this new section allowing the Department of Treasury to cover write-offs and advances, not to exceed current year authorizations. The Senate concurs. (Sec. 931)
14. **Revenue Sharing Reporting Condition.** The Governor includes a section prohibiting the distribution of statutory revenue sharing payments to counties if the local units of government have not met reporting requirements of the State School Aid Act. The Senate removes the section.
15. **Statutory Revenue Sharing - Headlee Payments.** The Governor removes this section that states that statutory revenue sharing payment may not be considered as Headlee payments. The Senate concurs with the Governor.
16. **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 restores current year eligibility requirements. (Sec. 953)
17. **Lottery Operations Additional Appropriations.** The Governor removes the authorization to use lottery revenue for courier charges for delivery of tickets to retailers. The Senate concurs with the Governor. (Sec. 970)
18. **Lottery - Prohibition of Marketing to Minors.** The Governor removes the prohibition for the Bureau of Lottery to advertise and promote the lottery to minors. The Senate restores this section. (Sec. 971)
19. **Lottery - Prohibition of Sunday Drawing.** The Governor removes the prohibition for the Bureau of Lottery to conduct a Sunday lottery drawing. The Senate restores this section. (Sec. 972)
20. **Lottery - Prohibitions of Sports Figures in Advertising.** The Governor removes the prohibition for the Bureau of Lottery to use sports figures in advertising. The Senate restores this section. (Sec. 973)

Date Completed: 3/28/01 Fiscal Analyst: J. Runnels

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