



**HB 4032 Conference Committee
Summary of Report
FY 2002-03 Supplemental**

SENATE CONFEREES

Senator Ken Sikkema
Senator Shirley Johnson
Senator Mike Prusi

HOUSE CONFEREES

Representative Marc Shulman, Chair
Representative Judy Emmons
Representative Gretchen Whitmer

	House Passed		Senate Passed		Conference Committee	
DEPARTMENT/BUDGET	GF/GP	GROSS	GF/GP	GROSS	GF/GP	GROSS
Agriculture	\$0	\$0	\$0	\$7,250,000	\$0	\$7,250,000
Capital Outlay	\$0	\$12,000,000	\$0	\$12,000,000	\$0	\$12,000,000
Career Development	\$0	\$0	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)
Community Health	(\$4,900,000)	\$8,841,600	(\$4,900,000)	\$228,173,200	(\$4,900,000)	\$228,173,200
FIA	\$0	\$0	\$0	\$8,400,000	\$0	\$8,400,000
HAL	\$0	\$0	\$0	\$26,900	\$0	\$26,900
Judiciary	(\$1,101,900)	(\$1,103,700)	(\$1,101,900)	(\$1,103,700)	(\$1,101,900)	(\$1,103,700)
Legislature	(\$1,843,200)	(\$1,843,200)	(\$1,843,200)	(\$1,843,200)	(\$1,843,200)	(\$1,843,200)
Military & Veterans'	\$0	\$0	\$50,000	\$50,000	\$50,000	\$50,000
Natural Resources	\$0	\$0	\$0	\$3,500,000	\$0	\$3,500,000
State	\$0	\$0	\$0	\$14,144,000	\$0	\$16,700,000
State Police	\$0	\$0	\$2,200,000	\$60,282,000	\$2,200,000	\$60,282,000
Transportation	\$0	\$24,000,000	\$0	\$0	\$0	\$24,000,000
TOTALS	(\$7,845,100)	\$41,894,700	(\$5,645,100)	\$330,829,200	(\$5,645,100)	\$357,385,200

Budgetary Issues:**AGRICULTURE****Emerald Ash Borer Program.**

Provides federal funds to help eradication efforts in SE Michigan and for prevention activities to avoid spread of the insect to other wood products.

Conference Committee concurs with the Senate, but reduces FTEs to 10.

	<u>House</u>	<u>Senate</u>	<u>Conference</u>
FTE	0.0	100.0	10.0
Gross	\$0	\$7,250,000	\$7,250,000
Federal	0	7,250,000	7,250,000
GF/GP	\$0	\$0	\$0

CAPITAL OUTLAY**Detroit Metro Airport – Northwest Midfield Terminal Project.**

Executive Order 2003-3 eliminated General Fund support for the last payment toward the State's commitment for this project. However, the funds had already been expended resulting in the need for an alternative funding source. That source is Comprehensive Transportation Fund Bond Proceeds.

Conference Committee concurs with the House.

Gross	\$12,000,000	\$0	\$12,000,000
Restr.	12,000,000	0	12,000,000
GF/GP	\$0	\$0	\$0

CAREER DEVELOPMENT**Focus: HOPE.**

Unspecified reduction in funding.

Conference Committee concurs with the Senate.

Gross	\$0	(\$50,000)	(\$50,000)
GF/GP	\$0	(\$50,000)	(\$50,000)

COMMUNITY HEALTH**Medicaid Special Adjustor Payments.**

Increases funding to authorize a new Medicaid special financing payment to practitioner groups affiliated with public hospitals that would result in GF/GP savings of \$4.9 million in FY 2002-03.

Conference Committee concurs with the House.

Gross	\$8,841,600	\$0	\$8,841,600
Federal	4,900,000	0	4,900,000
Local	8,841,600	0	8,841,600
GF/GP	(\$4,900,000)	\$0	(\$4,900,000)

COMMUNITY HEALTH**Bioterrorism Preparedness Funding.**

The funding will be used for public health bioterrorism preparedness planning and readiness assessment, surveillance and epidemiology capacity, laboratory capacity for biologic and chemical agents, communications including a health alert network, risk communication and health information dissemination, education and training, and upgrades for hospital and health care entity bioterrorism preparedness.

Conference Committee concurs with the Senate.

Gross	\$0	\$23,300,000	\$23,300,000
Federal	0	23,300,000	23,300,000
GF/GP	\$0	\$0	\$0

COMMUNITY HEALTH**Medicaid Hospital, Long-Term Care, and Health Plan Services**

Restores funds that were eliminated when the Medicaid Long-Term Care Services and Health Maintenance Organizations line items were vetoed by the Governor in the FY 2002-03 Community Health Appropriations Act. Of the restored funding, \$48.0 million is shifted to the Hospital Services line to reflect anticipated expenditure needs.

Conference Committee concurs with the Senate.

Gross	\$0	\$196,031,600	\$196,031,600
Federal	0	86,187,400	86,187,400
Local	0	109,844,200	109,844,200
GF/GP	\$0	\$0	\$0

Budgetary Issues:**FAMILY INDEPENDENCE AGENCY****Low-Income Energy Assistance Program.**

Recognition of available federal Low-Income Energy Assistance Program funding consistent with current FIA FY 2003 spending plan.

Conference Committee concurs with the Senate.

	<u>House</u>	<u>Senate</u>	<u>Conference</u>
Gross	\$0	\$8,400,000	\$8,400,000
Federal	0	8,400,000	8,400,000
GF/GP	\$0	\$0	\$0

HISTORY, ARTS & LIBRARIES**Reed Act Funds.**

Funds to be awarded on a competitive basis to eligible libraries for computers and training to assist claimants in accessing unemployment agency websites.

Conference Committee concurs with the Senate.

Gross	\$0	\$26,900	\$26,900
Federal	0	26,900	26,900
GF/GP	\$0	\$0	\$0

JUDICIARY**Executive Order 2003-03 Reductions.**

Includes \$1.1 million GF/GP reduction for the Judiciary budget recommended by the Executive, corresponding to Executive Order 2003-3 reductions in other budget areas. Boilerplate language states that reductions are to be applied to specific line items by authorized agent of Judiciary. Reduction equates to 0.6% of total year-to-date GF/GP appropriation for Judiciary budget. Small reduction to Local User Fees revenue line item is tied to underutilized fleet savings.

Conference Committee concurs.

Gross	(\$1,103,700)	(\$1,103,700)	(\$1,103,700)
Local	(1,800)	(1,800)	(1,800)
GF/GP	(\$1,101,900)	(\$1,101,900)	(\$1,101,900)

LEGISLATURE**Executive Order 2003-03 Reductions.**

Includes \$1.8 million GF/GP reduction for the Legislative budgets recommended by the Executive, corresponding to Executive Order 2003-3 reductions in other budget areas. It is a net reduction of 2% after deducting SOCC expenses.

Conference Committee concurs.

Gross	(\$1,843,200)	(\$1,843,200)	(\$1,843,200)
GF/GP	(\$1,843,200)	(\$1,843,200)	(\$1,843,200)

MILITARY & VETERANS' AFFAIRS**Family Support Services.**

Provide financial support to families of National Guard members who have been recently called to active duty.

Conference Committee concurs with the Senate.

Gross	\$0	\$50,000	\$50,000
GF/GP	\$0	\$50,000	\$50,000

NATURAL RESOURCES**Emerald Ash Borer Program.**

Provide funds to support tree restoration activities and public outreach efforts associated with this insect that is causing destruction of numerous ash trees in SE Michigan.

Conference Committee concurs with the Senate.

FTE	0.0	5.0	5.0
Gross	\$0	\$2,000,000	\$2,000,000
Federal	0	2,000,000	2,000,000
GF/GP	\$0	\$0	\$0

NATURAL RESOURCES**Payments In Lieu of Taxes.**

Appropriates sufficient funds to pay summer property taxes on departmentally-owned properties.

Conference Committee concurs with the Senate.

Gross	\$0	\$1,500,000	\$1,500,000
Restr.	0	1,500,000	1,500,000
GF/GP	\$0	\$0	\$0

Budgetary Issues:**STATE****Federal Election Reform Funding.**

Provides appropriation of federal revenue to implement Title I and Title II provisions of the Help America Vote Act of 2002 (Public Law 107-252), state election reform initiatives including expenses for administration and enforcement.

Conference Committee recommends higher amount.

	<u>House</u>	<u>Senate</u>	<u>Conference</u>
Gross	\$0	\$14,144,000	\$16,700,000
Federal	0	14,144,000	16,700,000
GF/GP	\$0	\$0	\$0

STATE POLICE**Homeland Security Grants.**

Though the actual award to the state is still pending, this amount has been placed in the bill as a reasonable estimate. At least 80% of these monies will be awarded to local units.

Conference Committee concurs with the Senate.

Gross	\$0	\$42,164,000	\$42,164,000
Federal	0	42,164,000	42,164,000
GF/GP	\$0	\$0	\$0

STATE POLICE**Homeland Security Grants – Hazardous Materials Program.**

Federal funds for equipment, training, planning and exercises. More than half of these monies will be awarded to local units.

Conference Committee concurs with the Senate.

Gross	\$0	\$15,918,000	\$15,918,000
Federal	0	15,918,000	15,918,000
GF/GP	\$0	\$0	\$0

STATE POLICE**Disaster Assistance Grants.**

Provides reimbursement funds to local units in Oakland County for costs incurred as a result of damages from the 2003 ice storm.

Conference Committee concurs with the Senate.

Gross	\$0	\$2,200,000	\$2,200,000
GF/GP	\$0	\$2,200,000	\$2,200,000

TRANSPORTATION**Critical Bridge Fund.**

The House would restore \$24.0 million in federal bridge funds to the Critical Bridge Program for local road agency bridge projects. The House bill also includes related boilerplate, Sec. 801. This legislative earmark had been vetoed by Governor Engler from enrolled House Bill 5651 of the 2002 Session.

The Senate bill does not include the line item or boilerplate section.

Conference Committee recommendation restores two line items; \$6 million for state road/bridge construction, and \$18 million for local road/bridge construction.

Gross	\$24,000,000	\$0	\$24,000,000
Federal	24,000,000	0	24,000,000
GF/GP	\$0	\$0	\$0

TRANSPORTATION**New Construction Projects**

The Conference Committee version line item appropriates all 34 new construction projects as identified in the department's five-year plan and reduces the lump-sum account by an equal amount. The amount for all the projects is \$181.2 million.

Gross	\$0	\$0	\$0
GF/GP	\$0	\$0	\$0

FY 2002-03 Boilerplate Issues:

	<u>House</u>	<u>Senate</u>	<u>Conference</u>
1. Sec. 203. Tobacco Settlement Trust Fund. Transfers \$14.6 million from this fund to the General Fund. Conference Committee concurs.	Included	Included	Included
2. Sec. 204. Merit Award Trust Fund. Transfers \$1.3 million from this fund to the General Fund.	Included	Included	Included
3. Sec. 205. Department of Management and Budget, Debarment Reports. Requires the Department of Management and Budget to provide a monthly report on vendors that are prohibited from doing business with the state pursuant to Executive Order 2003-01; the report is required to include the name of the vendor, the reason for exclusion, and the time period of exclusion. Conference Committee concurs with the Senate.	Not Included	Included	Included
4. Sec. 206. Year End General Fund Balances to Budget Stabilization Fund. Requires all FY 2003 year end General Fund balances to be deposited into the Budget Stabilization Fund. Conference Committee does not concur.	Not Included	Included	Not Included
5. Sec. 251. Agriculture, Unclaimed Winnings Provides for the disbursement of uncollected winning ticket revenue to county fairs on or before May 31, 2003. Section 811 of the FY 2002-03 Agriculture budget would be repealed. This section provides for the transfer of appropriated ticket revenue to line items from which these county fair payments would be made. Total estimated revenue in FY 2002-03 is \$692,000. Conference Committee concurs.	Included	Included	Included
6. Sec. 275. Attorney General, Prisoner Reimbursement Revenue Authorizes the Department to spend up to \$301,700 of prisoner reimbursement revenue on activities related to the State Correctional Facilities Reimbursement Act; authorizes the Department to spend up to \$800,000 of excess collections, if the Department collects in excess of \$1,131,000, on defense of litigation against the state, its departments, or employees in civil actions filed by prisoners. Conference Committee concurs.	Included	Included	Included
7. Sec. 301. Capital Outlay, Northwest Midfield Terminal Project. Clarifies that the Part 1 appropriation is for the state-funded components of this project. Conference Committee concurs.	Included	Included	Included
8. Sec. 315. Department of Community Health, Harbor Light. Mandates that DCH is to contract directly with the Salvation Army Harbor Light Program for substance abuse services. Conference Committee concurs with the Senate.	Not-Included	Included	Included
9. Sec. 316. Department of Community Health, Bioterrorism Preparedness. This section establishes Legislative intent that bioterrorism funding allocations assure local public health ability to detect and respond to bioterrorism events. The section also requires the Department of Community Health to document to the Legislature the direct collaborative participation of local public health departments with the state in bioterrorism preparedness plan development and local funding allocation formulation, and that the approved plans and fund allocations reflect a majority consensus of the state and local public health departments. Conference Committee concurs with the Senate.	Not-Included	Included	Included

FY 2002-03 Boilerplate Issues:

	<u>House</u>	<u>Senate</u>	<u>Conference</u>
10. Sec. 325. Consumer and Industry Services, Broadband Authority Location. Legislative intent language that the headquarters of the Broadband Authority remain in Ann Arbor. Conference Committee concurs.	Included	Included	Included
11. Sec. 351. Department of Education, Reporting Penalty. Requires the department to include certain data when determining a school district's Adequate Yearly Progress (AYP) required by the federal "No Child Left Behind" Act, or risk losing \$1 million of GF/GP appropriations if the data are not included. Conference Committee concurs but changes "June 2003" AYP Status Report to "September 30, 2003" AYP Status Report.	Not Included	Included	Included
12. Sec. 402. History, Arts, and Libraries, Reed Act Funds. Funds in Part 1 to be awarded on a competitive basis to eligible libraries for computers and training to assist claimants in accessing unemployment agency websites. Conference Committee concurs with the Senate.	Not Included	Included	Included
13. Sec. 501. Judiciary, Transfer of Funds. Authorizes chief financial officer to implement transfers to achieve reductions in Part 1. Conference Committee concurs.	Included	Included	Included
14. Sec. 601. Michigan Strategic Fund, Life Sciences Corridor. The Senate corrects language in the enacted Michigan Strategic Fund appropriation bill due to the \$12.5 million reduction to the Life Sciences Corridor appropriation resulting from DMB letter dated 2/19/03. Conference Committee concurs with the Senate.	Not Included	Included	Included
15. Sec. 701. Military & Veterans' Affairs, Family Support Funds. Funds appropriated in Part1 to financially assist National Guard members who have been called to active duty. Conference Committee concurs with the Senate.	Not-Included	Included	Included
16. Sec. 752. Department of State, Help America Vote Act. Appropriates funding collected and received under the Help America Vote Act of 2002 to the Department of State for the purpose of implementing Title I and Title II of the Act, to include necessary expenses for administration, and enforcement; requires the Secretary of State to submit a copy of the annual report of the Help America Vote Act expenditures, required to be filed with the federal Elections Assistance Commission, to the House and Senate Appropriations Committees, House and Senate Fiscal Agencies, and the Governor. Senate eliminates the reporting requirement. Conference Committee concurs with Senate version and corrects dollar amount reference and adds an additional year to the work project status.	Included as Sec. 601.	Included	Included, but modified

FY 2002-03 Boilerplate Issues:

	<u>House</u>	<u>Senate</u>	<u>Conference</u>
17. Sec. 751. Department of State, Credit Card Transactions. Appropriates service assessments collected by the Department of State to be used for expenses related to credit and debit card services; authorizes the Department to base service assessments on either a percentage of each transaction or on a flat rate per transaction, or both; prohibits the Department from charging an amount which exceeds the costs billable to the Department; authorizes carryforward of service assessment balances; and defines "service assessment" to mean costs associated with service fees imposed by credit and debit card companies and processing fees imposed by banks and other financial institutions. Conference Committee concurs with the Senate.	Not Included	Included	Included
18. Sec. 775. State Police, Disaster Assistance Grants. Specifies funds in Part 1 are to assist local governments for costs incurred as a result of the April 4, 2003 storm in Oakland County. Conference Committee concurs with the Senate.	Not Included	Included	Included
19. Sec. 776. State Police, Homeland Security Grants - Hazardous Materials. Federal funds for equipment, training, planning and exercises. At least 80% of these monies must, under the Senate version, be awarded to local units. Conference Committee language merely provides that funds will distributed according to federal guidelines and regulations.	Not Included	Included	Included, but modified
20. Sec. 800. Transportation, New Construction Projects. On April 4, 2003, the department announced that certain work elements would be deferred on 34 road projects previously identified in the department's 2002-2006 five-year master plan. The Senate includes a section which directs the department to " <i>complete the phase(s) as scheduled for the following projects as identified in the department's 5-year road and bridge program volume IV - 2002-2006.</i> " However, the list of projects which had been included in the committee substitute was not included in the bill as passed the Senate. Conference Committee directs MDOT to expend funds to complete the new projects as originally scheduled.	Not Included	Included	Included, but modified
21. Sec. 801. Transportation, Critical Bridge Fund. (See TRANSPORTATION under Budgetary Issues) Conference Committee concurs with the Senate.	Included	Not Included	Not Included