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Senate Bill 270 (H-1 as passed)
Committee: Appropriations

OVERVIEW

The General Government Appropriations Bill contains appropriations for Attorney General, Civil Rights, Civil Service, Executive, Information Technology, Legislature, Management and Budget, State, and Treasury. The following pages provide a summary of the changes that the House made to the Senate passed version of the bill. The House version of the bill is \$104,004,400 Gross over; \$14,435,300 GF/GP under the Senate passed version of the bill.

Date Completed: 6-18-03

Bill Bowerman

FY 2003-04 Senate-Passed Gross Appropriations		\$60,517,600
House Changes to Senate-Passed:		
1.	Prisoner Reimbursement. The Attorney General currently receives \$301,700 for costs incurred related to obtaining reimbursements from prisoners pursuant to the State Correctional Facility Reimbursement Act (MCL 800.401 et seq.). The Governor's recommendation increases this funding by up to \$800,000, and reduces State General Fund support by the same amount. Boilerplate included by the Governor (Section 308) limits the additional \$800,000 to amounts collected in excess of \$1,131,000. The language also allows the Attorney General to use the \$800,000 for expenses of defending the State in civil actions filed by prisoners. The Senate increased the Prisoner Reimbursement funding \$200,000 over the Governor, and also restored the \$800,000 General Fund that was removed by the Governor. This results in a \$1,000,000 increase for the Attorney General instead of the funding shift recommended by the Governor. The House removed the additional \$1,000,000 in Prisoner Reimbursement Revenue and instead included the authorization for additional funding in boilerplate, thereby reflecting a lower spending level in the appropriation line items.	(1,000,000)
2.	Health Professional Division. This division provides legal services related to licensing and regulation of health care professionals. Funding for the division comes from an IDG of \$1,171,400 from the Department of Consumer and Services (health professional licensing fees) and the balance comes from the State General Fund. The additional funding would replace current General Fund support and give the Attorney General the ability to use the replaced General Fund in other legal divisions.	408,800
3.	Insurance and Banking Division. This division provides legal services to the Office of Financial and Insurance Services in the Department of Consumer and Industry Services. The legal division is funded from an IDG from the Department of Consumer and Industry Services, Corporate and Security Fees, and State General Fund. The House increased IDG funding to replace General Fund support, which would result in the Attorney General being able to divert the replaced General Fund to other legal needs.	689,600
4.	Bovine Research. The House eliminated IDG funding from the Department of Agriculture related to an FY 1999-2000 supplemental for the Department of Agriculture related to Bovine TB. The Department of Attorney General requested funding from the Department of Agriculture based on anticipated increased legal services related to the Bovine TB. The additional workload did not materialize and this funding source was never used by the Department of Attorney General.	(308,600)
5.	Unclassified Positions. The Senate included separate line items for individual unclassified positions and reduced funding to reflect current salaries. The House maintained the current year roll-up line item structure and restored the funding to the Governor's recommendation.	121,000
6.	Drug Testing of Welfare Recipients. The House added funding for litigation related to the constitutionality of drug testing welfare recipients.	150,000
7.	Child Support Enforcement Match. The House included funding to leave open the issue of general fund match for Federal Child Support funding.	100
8.	Points of Difference. Create \$100 points of difference with the Senate.	(300)
Total Changes		\$60,600
FY 2003-04 House-Passed Gross Appropriation		\$60,578,200

Changes from FY 2003-04 Senate-Passed:

1. **Anti-Trust Enforcement Revenue.** Provides that any unobligated anti-trust enforcement revenue in excess of the amount appropriated, limited to \$250,000, is carried forward for appropriation in the next fiscal year. The Governor's recommendation removes "in excess of funds appropriated" and changes "is" to "may" be carried forward. The Senate Substitute increased the amount from \$250,000 to \$500,000, and maintained "is" carried forward language. The House maintained the Governor's proposal. (Sec. 306)
2. **Litigation Expense Reimbursement.** Appropriates up to \$500,000 from litigation expense reimbursements awarded to the State. Provides that funds may be used to pay attorney fees assessed against the State and for State costs incurred pursuant to MCL 770.16 (DNA testing). Allows for carryforward of unexpended funds. The Senate increased the appropriation from \$500,000 to \$1,000,000 and would allocate the first \$500,000 for Department of Attorney General salaries and wages, contractual services, supplies and materials, information technology expenses, and program operating costs. The remaining \$500,000 would be allocated for the payment of attorney fees assessed against the Governor or the Attorney General when acting in an official capacity as the named party in litigation against the State. The remaining \$500,000 may also be used for costs incurred pursuant to MCL 770.16. The House restored current year language. (Sec. 307)
3. **Prisoner Reimbursement.** The Attorney General currently receives \$301,700 for costs incurred related to obtaining reimbursements from prisoners pursuant to the State Correctional Facility Reimbursement Act (MCL 800.401 et seq.). The Governor's recommendation increases this funding by up to \$800,000, and reduces State General Fund support by the same amount. Boilerplate included by the Governor (Section 308) limits the additional \$800,000 to amounts collected in excess of \$1,131,000. The language also allows the Attorney General to use the \$800,000 for expenses of defending the State in civil actions filed by prisoners. This use of funds is inconsistent with Section 6 of the State Correctional Facility Reimbursement Act, which provides that reimbursements must fund costs of investigations under the Act, and the balance must be credited to the State General Fund. The Senate increased the Prisoner Reimbursement funding \$200,000 over the Governor, and also restored the \$800,000 General Fund that was removed by the Governor. This results in a \$1,000,000 increase for the Attorney General instead of the funding shift recommended by the Governor. The House concurred with the Senate regarding the level of spending, however the authorization for additional Prisoner Reimbursement was only included in boilerplate. The House did not reflect the additional \$1,000,000 in appropriation line items. The House also modified the wording of this section to circumvent the need for amendments to the State Correctional Facility Reimbursement Act. (Sec. 308)

Date Completed: 6-18-03

Fiscal Analyst: Bill Bowerman

FY 2003-04 Senate-Passed Gross Appropriations	\$13,101,000
House Changes to Senate-Passed:	
1. Unclassified Positions. The Senate included separate line items for individual unclassified positions. The House maintained the current year roll-up line item structure.	0
2. Points of Difference. The House adjusted other line items by \$100 to create points of difference with the Senate.	(200)
Total Changes	(\$200)
FY 2003-04 House-Passed Gross Appropriation	\$13,100,800

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

Changes from FY 2003-04 Senate-Passed:

1. None.

Date Completed: 6-18-03

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FY 2003-04 Senate-Passed Gross Appropriations	\$33,853,900
House Changes to Senate-Passed:	
1. Training Reduction. Training provided by the Department of Civil Service is funded by interdepartmental grant charges to State departments. Due to overall reductions in the State budget, funding from departments for training has been reduced. The reduction in Civil Service training recommended by the Governor and the Senate reflected the decreased funding available from State departments for training. The House reduced training by an additional \$2,000,000, leaving an appropriation of \$1,000,000.	(2,000,000)
2. Points of Difference. The House adjusted other line items by \$100 to create points of difference with the Senate.	(300)
3. Bill Format. The Senate unrolled the operations line item into; Agency Services, Human Resources/Administrative Support, Employee Benefits, and Employee Development. The House concurred with the Senate except for Employee Development, which the House split into two lines (Audit and Compliance, and Training).	0
Total Changes	(\$2,000,300)
FY 2003-04 House-Passed Gross Appropriation	\$31,853,600

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Changes from FY 2003-04 Senate-Passed:

1. **Human Resource Offices.** Requires the Department to compile a report detailing position descriptions and functions of human resource offices in executive branch departments. Requires report to include recommendations for consolidating human resource functions into one department and estimate cost savings that would be realized from the consolidation. (504)

Date Completed: 6-18-03

Fiscal Analyst: Bill Bowerman

FY 2003-04 Senate-Passed Gross Appropriations	\$4,859,500
House Changes to Senate-Passed:	
1. Points of Difference. The House adjusted line items by \$100 to create points of difference with the Senate.	(200)
Total Changes	(\$200)
FY 2003-04 House-Passed Gross Appropriation	\$4,859,300

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Changes from FY 2003-04 Senate-Passed:

1. None.

Date Completed: 6-18-03

Fiscal Analyst: Bill Bowerman

FY 2003-04 Senate-Passed Gross Appropriations	\$355,689,300
House Changes to Senate-Passed:	
1. Bill Format. The House eliminated the current line item structure and replaced it with appropriation lines consistent with IDG funding from State departments.	0
2. Department of State Mainframe. The House included funding included in the Department of State's budget to begin replacement of the Department of State's computer mainframe.	800,000
3. Unclassified Positions. The Senate included separate line items for individual unclassified positions. The House maintained the current year roll-up line item structure.	0
Total Changes	\$800,000
FY 2003-04 House-Passed Gross Appropriation	\$356,489,300

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Changes from FY 2003-04 Senate-Passed:

1. **Michigan Public Safety Communications System.** Provides that money appropriated in Part 1 for the Michigan Public Safety Communications System shall be expended upon approval of an expenditure plan by the State Budget Director. Provides for assessment of access and maintenance fees. Similar language was included in the FY 2002-03 Department of State Police budget. However, that language also included provisions that money received under this section shall be deposited in the State General Fund and also included a reporting requirement on revenue received. The Senate restored the language included in the FY 2002-03 State Police Budget. The House concurred with the Senate with the exception of the biannual reporting requirement, the House eliminated the October report. (Sec. 577)
2. **Annual Report.** The House included new language that requires an annual report from the Department of Information Technology that lists the total amount of funding appropriated and corresponding expenditures for information technology services and projects by funding source for all departments and agencies. (Sec.578)
3. **Life-Cycle of Hardware and Software.** The House added language that requires the Department to provide a report by March 1, 2004 that analyzes and makes recommendations on the life-cycle of information technology hardware and software. (Sec. 579)

Date Completed: 6-18-03

Fiscal Analyst: Bill Bowerman

FY 2003-04 Senate-Passed Gross Appropriations	\$120,511,800
House Changes to Senate-Passed:	
1. Senate Line Items. The Senate reduced the General Fund appropriation for Senate line items by 5.5% from the Governor's recommendation. Costs in the Senate Operations line item related to SOCC were excluded from the reduction.	300
2. House Line Items. The House reduced the General Fund appropriation for House line items by 3.0% from the Governor's recommendation. Costs in the House line item related to SOCC were excluded from the reduction.	(1,023,200)
3. Legislative Council. The Senate reduced the General Fund appropriation for Legislative Council line items by 5.5% from the Governor's recommendation.	(400)
4. Auditor General. The Senate reduced the General Fund appropriation for the Auditor General by 5.5% from the Governor's recommendation. The House created a \$100 point of difference for this line item.	(100)
Total Changes	(\$1,023,400)
FY 2003-04 House-Passed Gross Appropriation	\$119,488,400

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Changes from FY 2003-04 Senate-Passed:

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 House adjusted this section based on appropriations in Part 1. (Sec. 603)
2. **Audit Compliance.** Requires Auditor General to report to the State Budget Director, the appropriations committees, and fiscal agencies all recommendations in audit reports that were not complied with by audited entities. The House removed this section.

Date Completed: 6-18-03

Fiscal Analyst: Bill Bowerman

FY 2003-04 Senate-Passed Gross Appropriations	\$170,687,800
House Changes to Senate-Passed:	
1. Bill Format. The Senate unrolled current year line items in Department Services, Statewide Administrative Services, and Statewide Support Services to provide more detail in the appropriation bill. The Governor recommended the consolidation of all of the above lines into a single line item entitled Management and Budget Services Operations. The House concurred with the Governor.	0
2. Budget and Financial Management. The Senate reduced this line item from \$9,018,500 to \$8,018,500. The House restored the funding, rolled into the bill format recommended by the Governor (Item 1).	1,000,000
3. Motor Vehicle Fleet. The House included a new line item for the Motor Vehicle Fleet funded from the Motor Transport Revolving Fund. The amount included by the House reflects a \$12,500,000 reduction.	58,500,000
4. Unclassified Positions. The Senate included separate line items for individual unclassified positions. The House maintained the current year roll-up line item structure.	0
5. Points of Difference. The House adjusted other line items by \$100 to create points of difference with the Senate.	(300)
Total Changes	\$59,499,700
FY 2003-04 House-Passed Gross Appropriation	\$230,187,500

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Changes from FY 2003-04 Senate-Passed:

1. **Motor Vehicle Fleet.** The House included a new section regarding administration of the State Motor Vehicle Fleet. States legislative intent that the Department of Management has the authority to determine the appropriateness of vehicle assignments. Requires the Department of Management and Budget to complete a project plan that results in the reduction of expenditures related to vehicle services and a reduction the number of State vehicles in the Motor Vehicle Fleet. Requires quarterly report on the status of the project plan. (Sec. 719)

Date Completed: 6-18-03

Fiscal Analyst: Bill Bowerman

FY 2003-04 Senate-Passed Gross Appropriations		\$177,475,600
House Changes to Senate-Passed:		
1.	Help America Vote Act. The House included Federal funding that will be allocated to the State of Michigan as a result of the Help America Vote Act. House Bill 4032 (FY 2002-03 Supplemental) includes the first allocation of Federal funds. The FY 2003-04 Federal funding requires a 5% State match (\$2,265,000) which was not included by the House.	45,300,000
2.	Michigan Transportation Fund (MTF) - Funding Shift. The Senate reduced the MTF grant to the Department of State by \$20,827,000. Of that amount, the Senate replaced \$16,000,000 with State GF/GP which was to be made available by appropriating \$16,000,000 of Comprehensive Transportation Fund revenue to the State General Fund, and the balance was covered with a \$4,827,000 increase in the Driver Fees revenue source. The House rejected the GF/GP portion of the funding shift and maintained the \$4,827,000 shift from MTF to Driver Fees.	0
3.	Unclassified Positions. The Senate included separate line items for individual unclassified positions and reduced funding to reflect current salaries. The House maintained the current year roll-up line item structure and restored the funding to the Governor's recommendation.	169,200
4.	Motorcycle Safety Education Grants and Administration. The Senate included funding for this program which was previously appropriated in the Department of Education budget. The House also included the funding, however they combined the grants and administration for the program into one line item.	0
5.	Points of Difference. The House adjusted other line items by \$100 to create points of difference with the Senate.	(800)
Total Changes		\$45,468,400
FY 2003-04 House-Passed Gross Appropriation		\$222,944,000

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Changes from FY 2003-04 Senate-Passed:

1. **Motorcycle Safety Education Grants and Administration.** The Senate added language stating legislative intent regarding continuation of the Motorcycle Safety Program in the same manner as was provided by the Department of Education. The House added language listing revenue sources for the program, listing criteria for grants, and detailing appropriate charges for administrative costs by the Department of State. (Sec. 817)
2. **Help America Vote Act.** The House included new language establishing funding for the Help America Vote Act as a work project. (Sec. 818)

Date Completed: 6-18-03

Fiscal Analyst: Bill Bowerman

FY 2003-04 Senate-Passed Gross Appropriations	\$1,847,917,000
House Changes to Senate-Passed:	
1. Lottery Advertising. The Senate reduced this item by \$2,000,000. The House restored \$50,000 of the Senate reduction.	50,000
2. Program Reductions. Savings in the Governor's recommendation include: eliminating seasonal employees in the revenue division, \$1,400,000; training reductions, \$500,000; reduction of individual income tax form notification distribution, \$600,000; travel savings, \$100,000; shifting local unit mailings to the Internet, \$100,000; removing one-time costs for the motor fuel tax electronic reporting system, \$1,664,000; and administrative reductions, \$700,000. The Senate reduced travel by an additional \$627,400, reduced human resources/program management/purchasing by \$472,600, and various other lines by an additional \$330,000. The House restored the \$627,500 in travel and \$472,700 in the human resources/program management/purchasing line item.	1,100,200
3. Unclassified Positions. The Senate included separate line items for individual unclassified positions and reduced funding to reflect current salaries. The House maintained the current year roll-up line item structure and restored the funding to the Governor's recommendation.	52,300
4. Points of Difference. The House adjusted other line items by \$100 to create points of difference with the Senate.	(2,700)
Total Changes	\$1,199,800
FY 2003-04 House-Passed Gross Appropriation	\$1,849,116,800

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Changes from FY 2003-04 Senate-Passed:

1. **Renaissance Zone Reimbursements.** Provides for reimbursement to public libraries for property taxes levied pursuant to the Michigan Renaissance Zone Act (1996 PA 376). The Senate included this section consistent with the transfer of this item from HAL to General Government. The House modified this section based on the funding point of difference contained in Part 1 of the bill. (Sec. 922)
2. **Michigan Transportation Fund.** The House added a new section that requires the Department of Treasury to submit a report for the previous fiscal year regarding the amount of Michigan Transportation Fund revenue collected and the cost of collection. (Sec. 923)
3. **Audit Collection Procedures Handbook.** Prohibits the Department from expending funds on initiating a new audit of any taxpayer until the Department fully complies with MCL 205.4(3). The required handbook shall inform tax payers and tax preparers of audit and collection procedures. Allows compliance with this section by making audit information available through the Department's Website. (Sec. 924)
4. **MEAP Test Administration.** (1) Requires the Department to provide tests to non-public schools and home-schooled students upon request and notify them that they are eligible to receive the tests. (2) Provides for release of public and private school test results at same time. The House added a new subsection (3) that requires the results of each test to include an item analysis that lists all items that are counted for individual student scores and the percentage of students choosing each possible response. (Sec. 951)
5. **Lottery Sales Strategies.** The House included new language that requires the Bureau of State Lottery to complete a project plan which includes new strategies to use in its efforts to increase lottery ticket sales through promotion and advertising. Requires quarterly report on status of project plan. (Sec. 983)
6. **Lottery Sales Incentives.** The House added language that requires the Bureau of State Lottery to complete a project plan that includes incentives to be offered to lottery sales agents in an effort to increase lottery ticket sales. Requires quarterly report on status of project plan. (Sec. 984)

Date Completed: 6-18-03

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