



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-2768
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 1068 (S-1 as reported) Draft 1
Committee: Appropriations

FY 2003-04 Year-to-Date Gross Appropriation	\$253,464,000
---	---------------

Changes from FY 2003-04 Year-to-Date:

- | | |
|---|-------------|
| <p>1. Purchased Land Payments In Lieu of Taxes. The State makes ad valorem payments in lieu of property taxes on land owned by the Department of Natural Resources. The Governor proposes replacing the General Fund and State restricted dollars with a portion of the sales tax revenue used for statutory revenue sharing payments. The proposal would also cap the mills assessed at the 2003 level, freeze the value of the property, and establish a floor of \$500 in order for jurisdictions to receive a payment from the State. There would be a savings of \$2,012,900 GF/GP and \$8,272,500 Gross. The Senate concurs.</p> | (8,272,800) |
| <p>2. Snowmobile Trail Improvement Funds. A \$5 increase in snowmobile trail registration fees is scheduled in statute for July 2004. The Governor recommends increasing the appropriation for trail development and maintenance to reflect the anticipated revenue. The Senate concurs.</p> | 1,042,500 |
| <p>3. Forest Development Fund. The budget appropriates \$1,000,000 from the Forest Development Fund to offset a reduction in General Fund for Forest Fire Equipment. The Senate adds \$50,000 and 1.0 FTE to support a forester in the southwest region of the State.</p> | 50,000 |
| <p>4. Revenue Adjustments. The budget makes adjustments for revenue estimates for the State restricted funds of fisheries settlement, air photo fees, marine safety, and forest land use fees. The Senate concurs, except for replacing the reduction in marine safety grants with \$500,000 from the Michigan State Waterways Fund.</p> | (381,600) |
| <p>5. General Fund Reduction. The Senate removes \$500,000 General Fund for research from the \$2,000,000 recommended by the Governor for Bovine TB Research and testing. The remaining funds are for continued testing activities.</p> | (500,000) |
| <p>6. Travel Reduction. The Senate places all funding for travel in one line for each division and reduces the amount available by half.</p> | (4,568,200) |
| <p>7. Other issues. The Governor recommends changes for the elimination of one-time items in FY 2003-04, revenue bond debt service, incorporation of a grant program previously appropriated through transfers, and a 10% GF/GP reduction for the information technology unit. The Senate provides a grant of \$100,000 to the Sebewaing Harbor Commission.</p> | 347,900 |
| <p>8. Human Resources Consolidation. On a statewide basis, the Governor recommends consolidating human resource functions in the Department of Civil Service. This would result in a small savings and the loss of 3.0 FTEs for the Department of Natural Resources and \$88,900 would be provided to the Department of Civil Service in an IDG.</p> | (58,600) |
| <p>9. Employee-Related Savings. The Governor recommends the removal of 5% of the FY 2003-04 budget. This would remove \$562,000 GF/GP, \$5,005,300 Gross, and 15.0 FTEs.</p> | (5,005,300) |
| <p>10. Economic Adjustments. Funding is provided for adjustments to salaries and wages, workers' compensation, building occupancy, retirement, insurance, and information technology. This increase includes \$1,252,400 GF/GP.</p> | 13,365,000 |
| <p>11. Comparison to Governor's Recommendation. The Subcommittee's recommendation has a difference of (\$4,418,600) Gross and (\$1,246,800) GF/GP from the Governor's recommendation.</p> | |
| Total Changes..... | (3,981,500) |

FY 2004-05 Senate Appropriations Subcommittee Gross Appropriation	\$249,482,500
---	---------------

Changes from FY 2003-04 Year to Date:

1. The Senate restores language removed by the Governor regarding the hiring freeze, a privatization project plan, a report on restricted fund balances, retention of reports, listing of appropriations from the Game and Fish Protection Fund, and the Adopt-a-Forest program; and reporting requirements regarding grant and loan programs, MI State Waterways Commission activities, an administrative cost plan, habitat improvement and treatment projects, fish advisory information, land transactions, travel expenditures, bovine tuberculosis activities, and construction in State parks.
2. The Senate concurs with the Governor in the removal of sections regarding an information technology rate schedule, land occupied by the Roscommon Airport, credit card license sales, trash receptacles in State parks, operations of the Porcupine Mountains Wilderness State Park, operations of farms in State parks, staff for timber marking, composition of the ORV Trails Advisory Board, a prohibition on dispersed camping fees, and criteria for snowmobile local grants.
3. **Contingency Funds.** The Governor includes a section authorizing contingency fund transfers pursuant to the DMB Act. The Senate removes this section.
4. **Buy American Intent.** The Senate removes a section included by the Governor directing the Department to buy American made goods and products if competitively priced and of comparable quality.
5. **Travel Limitations.** The Senate includes a section prohibiting travel outside the State and limiting travel expenditures to 50% of such expenses in FY 2003-04.
6. **Wolf and Coyote Indemnification Payment.** The Governor removes a section requiring the Department to reimburse the Department of Agriculture for indemnification payments for livestock killed by wolves or coyotes. The Senate restores this section. (Sec. 502)
7. **Prohibition to Impede Water Control Structure.** The Governor removes a prohibition on the Department from impeding the certification of water control structures. The Senate includes this section. (Sec. 601)
8. **Defibrillators in State Parks.** The Governor removes a section requiring the Department to accept donations of defibrillators in State parks. The Senate includes this section. (Sec. 703)
9. **Water Trails.** The Governor removes a section removed requiring the Department to collaborate with the Department of History, Arts, and Libraries in establishing a system of water trails. The Senate modifies it to require 2 pilot projects. (Sec. 704)
10. **Misuse of Free Day Passes.** The Senate requires an annual report on the misuse of free or discounted day passes at State recreational facilities. (Sec. 705)
11. **Boating Access Pilot Project.** The Senate adds a section directing the Department to conduct a pilot project on privatizing the management of State boating access sites and requires a report on the project plan. (Sec. 706)
12. **Reservation System Audit Response.** The Senate requires a report on action taken by the Department to address issues raised in an audit of the Central Reservation System. (Sec. 707)
13. **Timber Marking for Harvest.** The Governor removes a section establishing annual timber marking targets. The Senate amends this section to require the Department to follow forest certification criteria. (Sec. 801)
14. **Cooperative Resource Programs.** The Governor removes the requirement that a \$1,000,000 IDG to the Department of Agriculture for a private forest management initiative program occur on October 1 of the fiscal year. The Senate retains the language and amends it to specify the fund source. (Sec. 804)
15. **Southwest Michigan Forester.** The Senate includes a section designating \$50,000 and 1.0 FTE in Part 1 for a forester in the southwest region of the State. Requires a report on recommendations to assign foresters to other parts of the State. (Sec. 805)
16. **Federal Land and Water Conservation Funds.** The Governor removes a section regarding matching grant funds. The Senate restores it. (Sec. 1103)

Date Completed: 3-18-04

Fiscal Analyst: Jessica Runnels