



Senate Fiscal Agency  
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# BILL ANALYSIS



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House Bill 5521 (S-1 as reported)

Committee: Appropriations

FY 2003-04 Year-to-Date Gross Appropriation .....		\$0
1. <b>Executive Order 2003-18.</b> This E.O. consolidated the former Departments of CIS and DCD and transferred the Michigan Strategic Fund from DMB. The House and Senate concurred.	1,126,994,200	
2. <b>Commission for the Blind.</b> The Governor recommended a \$425,000 increase in local authorization to maximize Federal funds. The House did not include the local funding but increased GF/GP funding to support increased Federal match. The Senate concurred with Governor.	425,000	
3. <b>Fire Protection Grants.</b> The Governor proposed fully funding these grants with \$3.7 million in new Liquor Purchase Revolving Fund revenue through a statutory change to increase the mark-up from 65% to 74%. Additionally, \$8.5 million in anticipated revenue from 2003 changes to the Michigan Vehicle Code, which created a Fire Protection Fund, will be used to support these grants. The House concurred. The Senate created a point of difference.	82,100	
4. <b>Work First.</b> The Governor proposed replacing \$20,000,000 in US DOL Welfare-to-Work funds and \$66.1 million in Reed Act funding from an FY 2001-02 account which is no longer available. The proposal appropriates \$39.9 million GF/GP, \$15.3 million carryforward Reed Act funds from the Unemployment Agency and the Employment Service Agency, and \$10.9 million TANF funding transferred from the FIA. The proposal replaces the \$66.1 million negative adjustment made to the line item in FY 2001-02. The House reduced this funding by \$10,000,000 GF/GP. The Senate increased TANF by \$10,000,000.	46,100,000	
5. <b>Job Training Programs Subgrantees.</b> The Governor proposed using Federal Reed Act carryforward revenue for Michigan Works! and increasing the WIA authorization by \$15 million. The House concurred with the Reed Act funding. The Senate concurred with the Governor.	21,000,000	
6. <b>Volunteer Investment Grants.</b> The House eliminated funding for these grants. The Senate created an item of difference.	(280,000)	
7. <b>Technology Tri-Corridor.</b> The House created two separate line items for the Automotive Initiative and the Homeland Security Initiative, funding each with \$5,000,000 GF/GP. The Senate reduced each line to \$1 million and increased the Life Sciences Initiative by \$5 million.	7,000,000	
8. <b>Items of Difference.</b> The Senate created \$100 items of difference in all lines that affect the GF.	(2,600)	
9. <b>Information Technology.</b> The Senate reduced this appropriation by 7%.	(2,961,600)	
10. <b>Michigan Center for Excellence in Manufacturing.</b> The Senate created this new line.	5,000,000	
11. <b>Pre-College Programs.</b> The Senate increased this line.	280,100	
12. <b>Broadband Authority.</b> The Senate created this new line item and appropriated 10 FTEs.	1,296,600	
13. <b>Human Resources Optimization Savings.</b>	(117,300)	
14. <b>Economic and Other Adjustments.</b> These adjustments include a base adjustment for FY 2003-04 and FY 2004-05, a reduction for anticipated employee-related savings, and other economic and spending authority adjustments. The House concurred and made requested technical changes.	40,167,700	
15. <b>Comparison to Governor's Recommendation.</b> The Senate Chair recommendation is \$10,282,600 Gross and \$1,987,100 GF/GP over the Governor.		
Total Changes .....	\$1,244,984,200	
<b>FY 2004-05 Senate Appropriations Committee Gross Appropriation.....</b>	<b>\$1,244,984,200</b>	

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

1. **Standard Language.** The Governor proposed deleting the following language sections: Hiring Freeze, Privatization, Deprived and Depressed, Affirmative Action, Receive and Retain Reports; and reinserted the Contingency Fund Language. The House retained the deleted sections, concurred on Contingency Funds, and added language regarding maintaining the fund source detail. The Senate changed hiring freeze; deleted contingency funds, affirmative action, and DIT user fees; and added travel language.
2. **Deleted Sections.** The Governor recommended deleting the following language sections: a) Maintaining satellite Unemployment Agency offices during transition to RICs. House and Senate concurred. b) Remote Initial Claims System guidelines for the phone system. House concurred and Senate included. c) Low-Income Energy Efficiency Grants report and set aside for CAAs. House included. Senate did not include CAA language and added language allocating all funds to Detroit Edison Service Territory. d) Workers' Compensation Board of Magistrates vacancy. House concurred, Senate included. e) Disabled Veteran's Outreach Program Specialist. House concurred, Senate included.
3. **Fire Protection Grants.** The Governor changed the language making the \$3.7 million appropriation contingent upon the deposit into the Liquor Purchase Revolving Fund being greater than \$30 million. The House added language requiring the contingency also cover any deficiency in the Fire Protection Fund. The Senate concurred with Governor. (Sec. 347)
4. **Ergonomics.** The House and Senate added language prohibiting funding for ergonomic guidelines. (Sec. 355)
5. **Commission for the Blind.** The House and Senate added intent language to maximize Federal funds. (Sec. 357)
6. **Real Estate Licensure.** The Senate added new sections that would allow for on-line courses and grants from the Education fund to set up these courses; intent language regarding 30-day application processing and the issuance of temporary licenses for 60 days; and requiring the creation of a tracking system for Continuing Education Credits. (Sec. 358-360)
7. **Land Bank Authority.** Governor recommended receive and expend language. The Senate concurred. (Sec. 361)
8. **Boxing Regulation.** The House added language allocating \$200,000 of the Michigan Promotion funding for administration and regulation of boxing in the State. The Senate changed this to intent language that additional enforcement responsibilities be funded with adequate fee revenue. (Sec. 362)
9. **Broadband Authority.** The Senate changed to require a report on administrative costs. (Sec. 364)
10. **Work First.** The House added language requiring the Department to develop a Memorandum of Understanding with FIA regarding the TANF funding that is included in FIA budget for this program. Senate did not include. (Sec. 405)
11. **EDJT.** Senate retained current year 75% for community colleges and reduced match amount to 20%. (Sec. 501)
12. **Life Sciences and Technology Tri-Corridor.** The Governor renamed this initiative the Technology Tri-Corridor; deleted requirement that Indian Casino revenue be used to fund the homeland security and automotive initiative; deleted language allocating funding for basic research and collaborative research; added language stating the primary focus of the initiative is to support a Commercial Development Fund and allocated all of the funding for this purpose. The House concurred with renaming and elimination of reference to the Casino funding, but reinserted basic and collaborative research category language, reinserted \$5 million cap on the Life Science funding for a Commercial Development fund, and allocated a \$2.5 million minimum for each of the Homeland and Automotive initiatives for commercial development. Senate concurred with House but changed \$2.5 million for homeland and auto to \$500,000; reinserted (4) with reference to MCEM and added language that the Steering Committee create a proposal to allow each higher education institution not identified in sub(2) with opportunity to serve on a rotating basis. (Sec. 510)
13. **State Clearinghouse on Entrepreneurship.** The Governor proposed new language to set aside \$100,000 from available resources for the creation of this clearinghouse on the Internet. The House concurred. The Senate changed to "from available resources" to Indian Casino revenue. (Sec. 521)
14. **Michigan Center for Excellence in Manufacturing.** The Senate added new language creating this initiative in the MSF. (Sec. 522)

Date Completed: 5-27-04

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