



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 276 (S-1, Draft 1, as reported)  
Committee: Appropriations

<b>FY 2004-05 Year-to-Date Gross Appropriation .....</b>	<b>\$1,253,871,000</b>
<b>Changes from FY 2004-05 Year-to-Date:</b>	
1. <b>Michigan 21<sup>st</sup> Century Jobs Initiative.</b> The Governor recommends creation of the 21 <sup>st</sup> Century Jobs Initiative which would provide \$200,000,000 of bond proceeds for high technology job creation programs, replacing the \$30,000,000 Technology Tri-Corridor Life Sciences Initiative. The Senate recommends \$100,000,000 in bond proceeds.	70,000,000
2. <b>Low Income Energy Efficiency Fund.</b> The Governor recommends increasing this grant program to \$60,000,000 in FY 2005-06. The Senate concurs	5,000,000
3. <b>Economic Development Job Training.</b> The Governor maintains current year funding. The Senate provides an increase of \$2,000,000 to \$11,798,000.	2,000,000
4. <b>Defense Contract Coordination Center.</b> The Senate provides \$1,000,000 for this new activity.	1,000,000
5. <b>Procurement Tech. Assistance Centers.</b> The Senate increases funding by \$1,000,000.	1,000,000
6. <b>Michigan Promotion Program.</b> The Governor maintains current funding. The Senate proposes increasing funding by \$684,300 to \$6,401,800.	684,300
7. <b>Fire Protection Grants.</b> The Governor recommends increasing funding to \$10,921,000 in FY 2005-06. The Senate includes General Fund to support this increase.	3,710,500
8. <b>Liquor Law Enforcement Grants.</b> The Governor increases these grants to \$12,201,000 in FY 2005-06. The Senate includes General Fund to support this increase.	6,201,100
9. <b>Federal Funds.</b> The Governor recommends and the Senate concurs in the anticipated changes in Federal funding.	10,831,700
10. <b>Remonumentation Grants.</b> The Gov. and Senate recommend funding of \$14,000,000.	4,000,000
11. <b>Office of Financial and Insurance Services.</b> The Governor recommends an increase of 6.0 FTE employees for additional examinations of regulated institutions and anti-predatory lending investigations. The Senate concurs.	1,445,500
12. <b>Occupational Regulation.</b> The Governor recommends using restricted revenues to provide an additional 10.0 FTEs for regulatory activities. The Senate concurs.	1,214,500
13. <b>Program Transfers.</b> The Governor transfers \$1,000,000 for the Michigan Virtual University to the School Aid Budget and \$457,200 for the Wine Industry Council to the Department of Agriculture. The Senate concurs.	(1,457,200)
14. <b>Continue Executive Order Reductions.</b> The Governor and the Senate agree.	(1,051,700)
15. <b>Economic Adjustments.</b> Restores FY 2004-05 concessions; add standard adjustments.	25,673,100
16. <b>Other Changes.</b> The Governor proposes in administrative costs for the following programs: Liquor Licensing and Enforcement, Department of Information Technology, Job Creation Services, and several other programs.	(3,300,100)
17. <b>Comparison to Governor's Recommendation.</b> The bill is \$95,315,700 Gross under and \$14,595,900 GF/GP over the Governor's recommendation.	
<b>Total Changes.....</b>	<b>\$126,951,700</b>
<b>FY 2005-06 Subcommittee Chair's Recommendation.....</b>	<b>\$1,380,822,700</b>

**Changes from FY 2004-05 Year to Date:**

1. **Contingency Funds.** Governor proposes contingency fund appropriations. (Sec. 218) The Senate has no provision.
2. **Increase Fire Inspection and Plan Review Fees.** Governor recommends increasing the plan review fees for hospitals from \$8 per bed to \$10 per bed. Fees are restructured and extended to adult foster care facilities, homes for the aged, nursing homes, and penal institutions. Senate maintained current-year language. (Sec. 310)
3. **Limit to Carryforward.** Senate recommends limiting the carryforward from insurance licensing fees to \$7,000,000, generating a lapse of \$8,000,000 to the General Fund. (Sec. 313)
4. **Credit Scoring.** Senate added new language prohibiting use of funds appropriated to OFIS to implement credit scoring until there is a statute authorizing the procedure. (Sec. 337)
5. **Ergonomics Guidelines.** Of the funds appropriated in part 1, no funds shall be used to support the development of, or activities that promote the development of guidelines, rules, standards, protocols, or other similar mandates that are more stringent than Federal voluntary ergonomics guidelines. This section does not prohibit any person from adopting or working with the State to develop voluntary ergonomics standards. (Sec. 355)
6. **Training Grant.** Subcommittee proposes that not less than \$40,000 of the Michigan occupational safety and health administration consultation education and training grants be allocated to nonprofit organizations representing the aggregate industry. (Sec. 365)
7. **Licensed Builder Website.** Senate added new language requiring the Department to create a site to research the performance of a licensed builder. (Sec. 366)
8. **Funding for Workers' Compensation.** Senate added intent language to fund the Administration with General Fund. (Sec. 367)
9. **Welfare-to-Work.** Governor recommends language that mirrors Federal regulations regarding work requirements. Specifies activities that count towards participation requirements. Deletes language that allows one year of postsecondary education. Limits vocational training to 12 months. Senate retained current year. (Sec. 402)
10. **State Employee Discipline.** Senate adds language to prohibit the Department from taking disciplinary action against an employee for communicating with a member of the Legislature or his or her staff. (Sec. 407)
11. **King-Chavez-Parks Initiative.** Governor recommends that the Dept. administer the program as a competitive grant program. Support for some current projects may be discontinued. Senate retains current-year language. (Sec. 418)
12. **Michigan 21<sup>st</sup> Century Jobs Initiative.** Governor proposes deleting existing Technology Tri-Corridor: Life Sciences Initiative language and creates general language on using bond proceeds for increasing research and development. Senate reduces to \$100,000,000 with distribution by the Technology Tri-Corridor Steering Committee with \$50,000,000 to the Life Sciences Initiative, \$20,000,000 for Advanced Automotive Technology, \$20,000,000 for homeland security, and \$10,000,000 for discretionary grants. (Sec. 510)
13. **Job Creation Services.** Senate added language allocating \$1 million additional for Procurement Technical Assistance Centers (PTACs) and \$1 million and 5.0 FTEs for a Defense Contract Coordination Center. (Secs. 523 and 524)
14. **Deleted Sections.** Governor recommends deleting following sections from 2004 PA 354: Public service announcements on Utility Consumer Representation (322), Privatization evaluations (207), Affirmative Action (211), directions regarding the Remote Initial Claims System for unemployment (330), intent language on the location of administrative hearings (332), contingency language on additional revenue for Fire Protection Grants from certain sales of State property (347), intent language regarding Michigan State Housing Development Authority (MSHDA) work on senior citizen assisted living (349), real estate continuing education course approval, website and credit tracking (351, 358 & 360), intent language that the next vacancy in the Workers' Compensation Board of Magistrates should be filled by someone who resides in the Upper Peninsula (363). Senate concurred with the Governor on deleting the following sections: 330, 347, 363, and retained current-year language on all others.
15. **Deleted Reports.** Among deleted reports are the following: MSHDA Housing Production Report (306), Elevator Regulation Report (308), Low Income Energy Efficiency Program grant report (335), Office of Financial and Insurance Services spending by unit (336), Broadband Authority report of its costs and payments to MSHDA (364). Senate retained current-year language on all sections.

Date Completed: 5-5-05

Fiscal Analyst: Maria Tyszkiewicz and Elizabeth Pratt