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BILL ANALYSIS

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Senate Bill 276 (S-2 as passed by the Senate)
Committee: Appropriations

FY 2004-05 Year-to-Date Gross Appropriation	**$1,253,871,000**

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

1.	**Michigan 21st Century Jobs Initiative.** Governor recommends creation of this 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. Senate renames this the Strategic Economic Investment Board and recommends $100,000,000 in bond proceeds.	70,000,000
2.	**Low Income Energy Efficiency Fund.** Governor recommends increasing this grant program to $60,000,000 in FY 2005-06. Senate concurs	5,000,000
3.	**Economic Development Job Training.** Governor maintains current year funding. Senate provides an increase of $2,000,000 to $11,798,000.	2,000,000
4.	**Defense Contract Coordination Center.** Senate provides $500,000 for this new activity.	500,000
5.	**Procurement Tech. Assistance Centers.** Senate increases funding by $1,000,000.	1,000,000
6.	**Michigan Promotion Program.** Governor maintains current funding. Senate proposes increasing funding by $684,300 to $6,401,800.	684,300
7.	**Fire Protection Grants.** Governor recommends increasing funding to $10,921,000 in FY 2005-06. Senate includes General Fund to support this increase.	3,710,500
8.	**Liquor Law Enforcement Grants.** Governor increases these grants to $12,201,000 in FY 2005-06. Senate includes General Fund to support this increase.	6,201,100
9.	**Federal Funds.** Governor recommends; Senate concurs in the anticipated changes in Federal funding.	10,831,700
10.	**Remonumentation Grants.** Governor and Senate recommend funding of $14,000,000.	4,000,000
11.	**Increased Staff for Regulation.** Governor recommends an increase of 6.0 FTEs for anti-predatory lending investigations and 10.0 FTEs for occupational regulation. Senate reduces 2.0 FTEs and $170,000 securities fees.	2,490,000
12.	**Program Transfers.** Governor transfers out $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. Governor transfers in $250,000 for the Children's Protection Registry and $9,532,700 for the State Office of Administrative Hearings and Rules. Senate concurs.	8,325,500
13.	**Administrative Cuts.** Senate reduces Strategic Fund Administration by $143,400, Rent by $125,200.	(168,600)
14.	**Continue Executive Order Reductions**. Governor and the Senate agree.	(1,051,700)
15.	**Economic Adjustments.** Restores FY 2004-05 concessions; add standard adjustments.	25,673,100
16.	**Other Changes.** Governor proposes reductions in administrative costs for Liquor Licensing and Enforcement, Dept. of Information Technology, Job creation Services, and several other programs.	(3,300,100)
17.	**Comparison to Governor's Recommendation.** The bill is $96,154,300 Gross under and $13,927,300 GF/GP over the Governor's revised recommendation.	

Total Changes	$135,895,800
FY 2005-06 Senate Gross Appropriation	**$1,389,766,800**

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 maintains current-year language. (Sec. 310)
3. **Deposit into General Fund.** Senate recommends transferring $15.0 million carryforward balance from the insurance license fees to the General Fund. (Sec. 313)
4. **Credit Scoring.** Senate adds 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.** Senate adds language prohibiting the use of funds to develop ergonomics guidelines more stringent than Federal guidelines. (Sec. 355)
6. **Training Grant.** Senate 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 adds 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 states intent to use General Fund for administrative expenses. (Sec. 367)
9. **Office of Administrative Hearings and Rules.** Governor recommends transfer language from DMB. Senate concurs.
10. **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 retains current year. (Sec. 402)
11. **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)
12. **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)
13. **Michigan 21st 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 Strategic Economic Investment Board with not less than 50% for Life Sciences technology, of which $1,500,000 shall be allocated to the Van Andel Institute with the balance available for advanced automotive, homeland security, manufacturing and materials, and alternative energy technology. (Sec. 510)
14. **Job Creation Services.** Senate adds language allocating $1 million additional for Procurement Technical Assistance Centers (PTACs) and $500,000 and 5.0 FTEs for a Defense Contract Coordination Center. (Secs. 523 and 524)
15. **General Fund for Life Sciences.** Senate adds contingency language appropriating $30.0 million GF/GP if SJR C fails to be ratified by voters and maintains current-year language without percentage caps on basic and applied research. (Sec. 525)
16. **Deleted Sections.** Governor recommends deleting following sections: 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 (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 on the Board of Magistrates be filled by a resident of the Upper Peninsula (363). Senate concurs with the Governor on deleting the following sections: 330, 347, 363, and retains current-year language on all others.
17. **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 retains current-year language on all sections.

Date Completed: 6-20-05 Fiscal Analyst: Maria Tyszkiewicz and Elizabeth Pratt