



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 277 (S-2 as passed by the Senate)

Committee: Appropriations

FY 2004-05 Year-to-Date Gross Appropriation	\$113,114,300
Changes from FY 2004-05 Year-to-Date:	
1. Armory Closures. The Governor recommends the closure of the Charlotte, Lansing Maintenance, Manistique, Menominee, Saginaw and Three Rivers Armories.	(300,000)
2. Family Relief Fund. The Senate added restricted revenue funding to reflect a new program which assists families of those in military service.	750,000
3. Federal Funds for Training Sites. The Governor recommends the appropriation of additional Federal revenue for Military Training sites (\$2.0 million) and for Headquarters and Armories (\$200,000).	2,200,000
4. Homeland Security. The Governor provided additional Federal Homeland Security funds for training and equipment to be received via a pass-through grant from the Department of State Police. The Senate added another \$400,000.	600,000
5. Military Retirement. The Governor recommends the inclusion of addition GF/GP to pay for anticipated payments to retired Michigan Army and Air National Guard per P.A. 150 of 1967.	131,000
6. Veterans Homes. The Governor recommends additional Medicaid/Medicare revenue (\$128,000) for the D.J. Jacobetti Home and additional Private Fund donations (\$40,000) for the Grand Rapids Veterans Home. The Senate reduced GF/GP by \$359,100 in anticipation of partial-year savings from privatization.	(191,100)
7. Starbase Grant. The Governor recommends additional Federal funds available for the 100% Federally-funded educational program for elementary school students.	40,000
8. National Guard Tuition Program Adjustment. The Governor recommends a decrease in necessary GF/GP expenditures for the program due to a new Federal educational program that helps pay for Army Guard tuitions.	(200,000)
9. Technology Adjustments. The Governor recommends a reduction of \$57,000 Federal to reflect technology cost distribution and a reduction of \$13,900 GF/GP to reflect changes in DIT rates to agencies. The Senate added a reduction to DIT of \$8,600 GF/GP.	(80,300)
10. Adjustments. The Governor recommends an additional \$14,700 to reflect HR optimization efforts and \$15,000 in additional Mackinac Bridge Walk funding.	29,700
11. Other Adjustments. Adjustment for Executive Order 2005-7 which cut \$714,100 and supplemental appropriations contained in P.A. 11 of 2005 which added \$3,115,900.	(2,400,900)
12. Economic Adjustments. Restores FY 2004-05 employee concessions and applies standard economic adjustments to all but employee-related FY 2005-06 salary increases..	4,198,100
13. Comparison to Governor's Recommendation. The Senate bill totals \$367,700 GF/GP less than the Governor's recommendation.	
Total Changes.....	\$4,776,500
FY 2005-06 Senate Gross Appropriation	\$117,890,800

Changes from FY 2004-05 Year to Date:**Amended Boilerplate Sections**

1. **National Guard Tuition Program.** The Governor changed the maximum amount of permissible expenditure from \$1.3 to \$1.1 million. (Sec. 213-Gov)
2. **Veteran Service Organizations.** The Senate added language which would replace current Sec. 501 with a requirement that the Department, along with members of the Veterans Service Directors Committee, evaluate the State's veterans benefits counseling efforts and make recommendations to the Legislature for a plan that ensures that every veteran in the State is served. (Sec. 501)

New Boilerplate Sections

3. **Sale of Property.** The Senate added new boilerplate which would require the Department to give 60 days prior notice to the Legislature of the sale of any department property. (Sec. 226)
4. **Employee Discipline.** The Senate added new language requiring the Department of not to take disciplinary action against an employee for communicating with a member of the Legislature or his or her staff. (Sec. 227)
5. **Veterans Homes.** The Senate added language requiring the Department to obtain bids for privatization of resident care aides' services at the homes and provided that any new privatization plan can only be employed if the Department is able to demonstrate a minimum savings of 5% over current year costs. (Sec. 604)

Date Completed: 6-15-05

Fiscal Analyst: Bruce Baker