

**ALL GENERAL GOVERNMENT  
FY 2007-08  
Summary: SB 229 H-1**

**Analysts: Al Valenzio, Mark Wolf, and Kim O'Berry**

	FY 2006-07 Enacted	FY 2007-08 Executive	FY 2007-08 Senate	FY 2007-08 House	Difference: House from FY 2006-07 Enacted	
					Amount	%
<b>Gross</b>	<b>\$2,993,657,000</b>	<b>\$3,172,936,600</b>	<b>\$3,061,156,300</b>	<b>\$3,170,398,600</b>	<b>176,741,600</b>	5.9
<b>IDG/IDT</b>	588,846,200	631,919,000	619,593,900	622,411,800	33,565,600	5.4
<b>Federal</b>	103,227,200	108,144,700	110,410,100	109,242,700	6,015,500	5.5
<b>Local</b>	2,766,200	2,800,700	2,800,700	2,800,700	34,500	1.2
<b>Private</b>	1,250,100	1,262,900	1,262,900	1,262,900	12,800	1.0
<b>Restricted</b>	1,658,253,000	1,747,799,800	1,678,870,200	1,747,396,800	89,143,800	5.4
<b>GF/GP</b>	\$639,314,300	\$681,009,500	\$648,218,500	\$687,283,700	\$47,969,400	7.5
<b>FTEs</b>	7,290.4	7,280.9	7,280.9	7,300.3	9.9	0.1

*The totals above include the Michigan Strategic Fund budget which was not included in the FY 2007 General Government Act and which is not included in the Senate version of the General Government bill.*

Departments and agencies included under this budget bill are the Executive Office, the Legislature, and the departments of Attorney General, Civil Rights, Information Technology, Management and Budget (including Civil Service), State, and Treasury (including Lottery, the Gaming Control Board, and the Michigan Strategic Fund). The Department of Treasury budget also includes revenue sharing payments to local units of government.

The House budget is \$176.7 million Gross, or 5.9%, and \$48.0 million GF/GP, or 7.5%, over FY 2007 enacted appropriated levels. 84% of the increase in the Gross Appropriation (\$163.5 million) is attributable to three areas: (1) additional revenue sharing funds for collaborative efforts (\$54.3 million); (2) increased general obligation debt service (\$19.8 million); (3) funding from the 21<sup>st</sup> Century Fund (\$75 million).

**ATTORNEY GENERAL**  
**Summary: SB 229 H-1**  
**FY 2007-08**

**Analyst: Mark Wolf**

	FY 2006-07 Enacted	FY 2007-08 Executive	FY 2007-08 Senate	FY 2007-08 House	<i>Difference: House from FY 2006-07 Enacted</i>	
					<i>Amount</i>	<i>%</i>
<b>Gross</b>	<b>\$68,532,300</b>	<b>\$76,232,400</b>	<b>\$68,910,800</b>	<b>\$73,630,800</b>	<b>\$5,098,500</b>	<b>7.4</b>
<b>IDG/IDT</b>	13,914,300	25,839,900	14,364,500	21,780,300	7,866,000	56.5
<b>Federal</b>	10,236,500	7,913,900	10,179,300	7,816,000	(2,420,500)	(23.6)
<b>Local</b>	0	0	0	0	0	0.0
<b>Private</b>	0	0	0	0	0	0.0
<b>Restricted</b>	11,485,500	9,613,100	12,173,500	11,169,000	(316,500)	(2.8)
<b>GF/GP</b>	\$32,896,000	\$32,865,500	\$32,193,500	\$32,865,500	(\$30,500)	(0.1)
<b>FTEs</b>	565.0	562.0	562.0	562.0	(3.0)	(0.5)

**Overview**

The Attorney General serves as legal counsel for state departments, agencies, boards, commissions, and their officers; brings actions and intervenes in cases on the state's behalf; and represents legislators and judges who may be sued while acting in their official capacities. The Attorney General issues opinions on questions of law submitted by members of the Legislature and others; serves as chief law enforcement officer of the state; and has supervisory powers over all local prosecuting attorneys. The Department's mission is to protect the common legal rights of citizens; defend the Constitution and the laws of the state; and represent the legal interests of government. The Department's goals are to make the state a safe place for its citizens; offer justice to the victims of crime; defend common natural resources and monetary assets of the state; and deliver excellent legal services at a minimum cost to taxpayers.

<b><u>Major Budget Changes From FY 2006-07 Enacted Appropriations</u></b>		<b><u>Executive Change</u></b>	<b><u>Senate Change</u></b>	<b><u>House Change</u></b>
<b>1. Fund Source Adjustments</b>	<b>Gross</b>	<b>\$4,052,900</b>	<b>\$0</b>	<b>\$4,052,900</b>
Adjusts IDG, federal, and state restricted fund sources in order to more accurately reflect how legal services provided by the Department of Attorney General are paid for.	IDG	7,098,400	0	7,098,400
	Federal	(2,443,400)	0	(2,443,400)
	Restricted	(602,100)	0	(602,100)
	GF/GP	\$0	\$0	\$0
<b>2. Administrative Reductions</b>	<b>Gross</b>	<b>(\$1,303,100)</b>	<b>(\$1,303,100)</b>	<b>(\$1,303,100)</b>
Reduces amount of funding available for administrative expenses by \$1.3 million. Savings are anticipated to be generated through administrative efficiencies.	GF/GP	(\$1,303,100)	(\$1,303,100)	(\$1,303,100)
<b>3. Eliminate Byrne Grant Funding (PACC)</b>	FTEs	(3.0)	(3.0)	(3.0)
Reflects elimination of Byrne grant funding that has been made available to the department from the federal government.	<b>Gross</b>	<b>(\$225,000)</b>	<b>(\$225,000)</b>	<b>(\$225,000)</b>
	Federal	(225,000)	(225,000)	(225,000)
	GF/GP	\$0	\$0	\$0
<b>4. Eliminate Funding for Early Retirement Sick Leave Payouts</b>	<b>Gross</b>	<b>(\$71,300)</b>	<b>(\$71,300)</b>	<b>(\$71,300)</b>
Eliminates \$71,300 associated with early retirement sick leave payouts. Employees who retired under the Early Out in 2002 received sick leave payouts over a 5-year period of time. FY 2007 was the last year of the payments.	GF/GP	(\$71,300)	(\$71,300)	(\$71,300)

<b>Major Budget Changes From FY 2006-07 Enacted Appropriations</b>		<b>Executive Change</b>	<b>Senate Change</b>	<b>House Change</b>
<b>5. Real Estate Fraud Investigations</b>	<b>Gross</b>	<b>\$0</b>	<b>\$322,300</b>	<b>\$0</b>
The Senate includes additional funding for real estate fraud investigations.		GF/GP \$0	\$322,300	\$0
<b>6. Economic Adjustments</b>	<b>Gross</b>	<b>\$2,645,000</b>	<b>\$2,327,600</b>	<b>\$2,645,000</b>
Includes additional funding for salaries and wages, insurances, retirement, worker's compensation, and building occupancy charges. The Senate includes addition funding for economic adjustments, but to a lesser extent due to not included the fund source adjustments.		IDG 767,600	450,200	767,600
	Federal	247,900	167,800	247,900
	Restricted	285,600	365,700	285,600
	GF/GP	\$1,343,900	\$1,343,900	\$1,343,900
<b>7. Budgetary Savings</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$672,000)</b>	<b>\$0</b>
The Senate includes a new appropriation unit for budgetary savings to be taken at the discretion of the department.		GF/GP \$0	(\$672,000)	\$0

### **Major Boilerplate Changes From FY 2006-07**

#### ***Sec. 301. Contingency Funding – NEW***

**Executive** and **House Committee** include language which appropriates federal, state restricted, local, and private contingency funding that can be expended only upon legislative transfer to a specific line item.

#### ***Sec. 307. Antitrust Revenue – DELETED***

The **Senate** added language that was previously vetoed by the Governor in the FY 2007 Act that appropriates up to \$250,000 of the revenue received by the department for antitrust, securities fraud, consumer protection, class action enforcement, or attorneys fees recovered by the department to litigate such cases. The **Executive** and **House Committee** did not include this language.

#### ***Sec. 310. Proceeds Received by the Attorney General – NEW***

**Executive** and **House Committee** include language which require all money or other proceeds received by the Department of Attorney General for debts due or penalties forfeited to the people of this state, or deriving from settlement of any lawsuit against a private individual or business or any other private organization, to be deposited to the state Treasury into a restricted fund to be used as provided by law; requires a quarterly report on case names, case file numbers, court docket numbers, and presiding courts for every matter the Department of Attorney General settles in the preceding fiscal quarter. The **Senate** does not include this language.

#### ***Sec. 310. Child Support Enforcement Funding – DELETED***

**Executive** and **House Committee** do not include language which requires the Department of Human Services to maintain a cooperative agreement with the Department of Attorney General for federal Title IV-D funding to be used to support child support enforcement activities and authorizes access for the Attorney General to information used to locate parents who fail to pay court ordered support. The **Senate** retains this section.

#### ***Sec. 310a. Prohibit the Attorney General's Image or Likeness on Advertising – NEW***

The **House Committee** adds a section prohibiting the department from using the proceeds of a settlement on advertising and public service messages using a reference to, or the image or voice of, the attorney general. The **Executive** and **Senate** do not include this section.

#### ***Sec. 311. Prohibitions on Expenditure of Funding – NEW***

**Executive** and **House Committee** include language which prohibits the Department of Attorney General from receiving and expending funds, in addition to those appropriated, for legal services provided to other state departments except for expert witnesses, court costs, or other non-salary litigation expenses associated with pending legal actions. The **Senate** does not include this section.

#### ***Sec. 311. Medicaid Fraud Awards - DELETED***

The **Senate** added a section allowing funds received by the department for violations of the Medicaid False Claim Act to be appropriated to the department. The **Executive** and **House Committee** do not include this section.

**CIVIL RIGHTS**  
**Summary: SB 229 H-1**  
**FY 2007-08**

**Analyst: Kim O'Berry**

	FY 2006-07 Enacted	FY 2007-08 Executive	FY 2007-08 Senate	FY 2007-08 House	Difference: House from FY 2006-07 Enacted	
					Amount	%
<b>Gross</b>	<b>\$14,020,200</b>	<b>\$14,490,700</b>	<b>\$13,759,400</b>	<b>\$14,942,000</b>	<b>\$921,800</b>	<b>6.6</b>
IDG/IDT	0	0	0	0	0	0.0
Federal	1,566,200	2,054,100	2,054,100	2,054,100	487,900	31.2
Local	0	0	0	0	0	0.0
Private	0	0	0	0	0	0.0
Restricted	0	0	0	0	0	0.0
<b>GF/GP</b>	<b>\$12,454,000</b>	<b>\$12,436,600</b>	<b>\$11,705,300</b>	<b>\$12,887,900</b>	<b>\$433,900</b>	<b>3.5</b>
FTEs	141.0	141.0	141.0	141.0	0.0	0.0

**Overview**

The Michigan Civil Rights Commission is charged with investigating alleged discrimination against any person because of religion, race, color, or national origin and is directed to "secure the equal protection of such civil rights without such discrimination." The Michigan Department of Civil Rights serves as the administrative arm charged with implementing policies of the Commission. The Department provides educational programs that promote voluntary compliance with civil rights laws, investigates and resolves discrimination complaints, disseminates information that explains the rights and responsibilities of Michigan citizens as provided by law, and provides information and services to businesses on diversity initiatives, equal employment law, procurement opportunities, feasibility studies, and joint venture/strategic alliance matchmaking.

<b>Major Budget Changes From FY 2006-07 Enacted Appropriations</b>		<b>Executive Change</b>	<b>Senate Change</b>	<b>House Change</b>
<b>1. Increased Federal Funding</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>\$400,000</b>
Includes authorization for the Department to receive additional federal grant funding made available from the United States Department of Housing and Urban Development (\$200,000) and the Equal Employment Opportunity Commission (\$200,000). As a result of the additional federal grant funding, GF/GP is reduced by a like amount.	Federal	400,000	400,000	400,000
	GF/GP	(\$400,000)	(\$400,000)	\$0
<b>2. Administrative Reductions</b>	<b>Gross</b>	<b>(\$51,300)</b>	<b>(\$51,300)</b>	<b>\$0</b>
Reduces amount of funding available for administrative expenses by \$51,300. Savings are anticipated to be generated through administrative efficiencies.	GF/GP	(\$51,300)	(\$51,300)	\$0
<b>3. Economic Adjustments</b>	<b>Gross</b>	<b>\$605,500</b>	<b>\$605,500</b>	<b>\$605,500</b>
Includes additional funding for salaries and wages, insurances, retirement, and worker's compensation; reduces funding for building occupancy charges.	Federal	87,900	87,900	87,900
	GF/GP	\$517,600	\$517,600	\$517,600
<b>4. GF/GP Reduction</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$472,500)</b>	<b>\$0</b>
The <b>Senate</b> reduces the Civil Rights Operations line by (\$442,000) and Information Technology Services and Projects line by (\$30,500). The <b>Executive</b> and <b>House Committee</b> do not make this recommendation.	GF/GP	\$0	(\$472,500)	\$0
<b>5. Budgetary Savings</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$258,800)</b>	<b>\$0</b>
The <b>Senate</b> includes a new appropriation unit for budgetary savings to be taken at the discretion of the department. The <b>Executive</b> and <b>House Committee</b> do not make this recommendation.	GF/GP	\$0	(\$258,800)	\$0

### **Major Boilerplate Changes From FY 2006-07**

#### ***Sec. 401. Contingency Funding – NEW***

**Executive** and **House Committee** include language which appropriates \$2.0 million for federal contingency funding that can be expended only upon legislative transfer to a specific line item. The **Senate** does not include this language.

#### ***Sec. 404. Use of Appropriated Funds to Provide Legal Services – NOT INCLUDED***

**Executive** and **House Committee** do not include language which states funds appropriated in part 1 shall not be used to hire a person to provide legal services that are the responsibility of the attorney general. **Senate** includes the new language.

**EXECUTIVE OFFICE**  
**Summary: SB 229 H-1**  
**FY 2007-08**

**Analyst: Al Valenzio**

	FY 2006-07 Enacted	FY 2007-08 Executive	FY 2007-08 Senate	FY 2007-08 House	<i>Difference:</i> <i>House from FY 2006-07 Enacted</i>	
					<i>Amount</i>	<i>%</i>
<b>Gross</b>	<b>\$5,509,900</b>	<b>\$5,509,900</b>	<b>\$5,305,600</b>	<b>\$5,575,300</b>	<b>\$65,400</b>	<b>1.2</b>
IDG/IDT	0	0	0	0	0	0.0
Federal	0	0	0	0	0	0.0
Local	0	0	0	0	0	0.0
Private	0	0	0	0	0	0.0
Restricted	0	0	0	0	0	0.0
<b>GF/GP</b>	<b>\$5,509,900</b>	<b>\$5,509,900</b>	<b>\$5,305,600</b>	<b>\$5,575,300</b>	<b>\$65,400</b>	<b>1.2</b>
<b>FTEs</b>	<b>84.2</b>	<b>84.2</b>	<b>84.2</b>	<b>84.2</b>	<b>0.0</b>	<b>0.0</b>

**Overview**

The Executive Office budget provides funding for the Governor, the Lieutenant Governor, and their staffs. Major constitutionally-specified responsibilities include organization and supervision of the Executive branch and annual preparation and submission of the Executive budget. Divisions within the Governor's Office include: Legal, Operations, Community-Based Initiatives, Appointments, Constituent Services, Policy, Communications, Legislative Affairs, Scheduling, Special Projects, and the Governor's Washington D.C., Southeastern Michigan, and Upper Peninsula Offices.

**Major Budget Changes From FY 2006-07 Enacted Appropriations**

		<b><u>Executive Change</u></b>	<b><u>Senate Change</u></b>	<b><u>House Change</u></b>
<b>1. Economic Adjustments</b>	<b>Gross</b>	<b>\$0</b>		<b>\$65,400</b>
Includes additional funding for salaries and wages, insurances, retirement, worker's compensation, and building occupancy charges.	GF/GP	\$0		\$65,400
<b>2. Budgetary Savings</b>	<b>Gross</b>	<b>\$0 (\$204,300)</b>		<b>\$0</b>
The Senate includes an unspecified budgetary savings reduction.	GF/GP	\$0 (\$204,300)		\$0
The Executive and House do not make this recommendation.				

**Major Boilerplate Changes From FY 2006-07**

There is no boilerplate for the Executive office.

# INFORMATION TECHNOLOGY

## Summary: SB 229 H-1

FY 2007-08

Analyst: Mark Wolf

	FY 2006-07 Enacted	FY 2007-08 Executive	FY 2007-08 Senate	FY 2007-08 House	<i>Difference:</i> <i>House from FY 2006-07 Enacted</i>	
					<i>Amount</i>	<i>%</i>
<b>Gross</b>	<b>\$378,222,000</b>	<b>\$409,955,600</b>	<b>\$409,110,400</b>	<b>\$402,759,900</b>	<b>\$24,537,900</b>	<b>6.5</b>
<b>IDG/IDT</b>	378,222,000	409,955,600	409,110,400	402,759,900	24,537,900	6.5
<b>Federal</b>	0	0	0	0	0	0.0
<b>Local</b>	0	0	0	0	0	0.0
<b>Private</b>	0	0	0	0	0	0.0
<b>Restricted</b>	0	0	0	0	0	0.0
<b>GF/GP</b>	\$0	\$0	0	\$0	\$0	0.0
<b>FTEs</b>	1,782.4	1,780.4	1,780.4	1,780.4	(2.0)	(0.1)

### Overview

The Department of Information Technology (DIT) acts as a general contractor between the state's information technology users and private sector providers of information technology (IT) products and services. The Department's services include application development and maintenance; desktop, mainframe, server, and local area network computer support and management; contract, project, and procurement planning; telecommunication services; security; and software and software licensing. The Department utilizes existing technology funding and state employees from within the other 19 executive branch departments and agencies. Each state department and agency requests spending authority to fund IT-related activities and pays for technology services rendered by DIT through an interdepartmental grant. Administration of fund sources remains with each state department/agency.

<b>Major Budget Changes From FY 2006-07 Enacted Appropriations</b>		<b>Executive Change</b>	<b>Senate Change</b>	<b>House Change</b>
<b>1. Economic Adjustments</b>	<b>Gross</b>	<b>\$6,342,100</b>	<b>\$6,342,100</b>	<b>\$6,342,100</b>
Includes additional funding for salaries and wages, insurances, retirement, worker's compensation, and building occupancy charges.	IDG	6,342,100	6,342,100	6,342,100
	GF/GP	\$0	\$0	\$0
<b>2. Program Enhancements</b>	FTEs	1.0	1.0	1.0
Makes the following adjustments to reflect appropriations for program enhancements made in other state department budgets: \$712,000 and 1.0 FTE position to the Department of Management and Budget for security and disaster recovery efforts, to implement electronic deposit of retirement payments from public schools, and to expand customer contact and quality management software; \$560,300 to the Department of Human Services for Children's Welfare system improvements and the Daycare Case Review project; \$500,000 to the Department of Environmental Quality for the Information Lifecycle Management System; \$400,000 to the Department of Transportation for replacement of the PowerBuilder development program; and \$176,000 to the Department of Education for additional security controls as a result of audit findings.	<b>Gross</b>	<b>\$2,348,300</b>	<b>\$2,348,300</b>	<b>\$2,348,300</b>
	IDG	2,348,300	2,348,300	2,348,300
	GF/GP	\$0	\$0	\$0

### **Major Budget Changes From FY 2006-07 Enacted Appropriations**

		<b><u>Executive Change</u></b>	<b><u>Senate Change</u></b>	<b><u>House Change</u></b>
<b>3. Base Adjustments and Administrative Reductions</b>	FTEs	(3.0)	(3.0)	(3.0)
Makes the following adjustments to more accurately reflect what has been appropriated for information technology services and projects in other state department budgets:	<b>Gross</b>	<b>\$24,805,400</b>	<b>\$24,809,900</b>	<b>\$24,805,400</b>
	IDG	24,805,400	24,809,900	24,805,400
	GF/GP	\$0	\$0	\$0
<ul style="list-style-type: none"> <li>• Adds \$17.0 million to the Department of Human Services to reflect transfer of the Juvenile Justice Information System, reflect transfer of 2.0 system security FTE positions, reflect fund source shift from federal funds to GF/GP for elimination of child support incentives, for on-going development of the Integrated Service Delivery Project, and to properly align federal authorization for Child Support Automation.</li> <li>• Adds \$7.0 million to the Department of State Police to assist with the projected shortfall in the IT line item, reflect increase in local subscriber fees for the Michigan Public Safety Communication System, and reflect transfer of IT costs currently being paid outside of the IDG.</li> <li>• Adds \$1.3 million to the Department of Community Health to reflect the transfer of building lease costs and contractual savings to the IT line item, restore unrealized savings for price reductions, and reflect additional federal grant funding for the WIC pilot program.</li> <li>• Adds \$1.2 million to the Department of Corrections for desktop maintenance and one-time computer costs, upgrading telecommunications infrastructure, and upgrading current stand-alone timekeeping system.</li> <li>• Adds \$500,000 to the Department of State to reflect transfer of equipment and maintenance for the Uniform Commercial Code program to the IT line item.</li> <li>• Adds \$140,000 to the Department of History, Arts, and Libraries to cover web portal expenses.</li> <li>• Removes \$1.0 million from the Department of Labor and Economic Growth to reflect a portion of the savings taken as a part of their administrative reduction plan.</li> <li>• Removes \$580,000 in one-time funding from the Department of Management and Budget for system changes to the retirement systems and \$150,000 to reflect savings that are expected to be achieved in MAIN through vacancy management and administrative efficiencies.</li> <li>• Removes \$500,000 in one-time funding from the Department of Corrections for migration to the OMNI system and \$300,000 in one-time funding for OMNI server replacement.</li> <li>• Removes \$443,700 from the Department of Information Technology to reflect their portion of savings taken as part of the 5% administrative reduction plan.</li> <li>• Removes \$145,000 from the Department of Treasury to reflect transfer of 1.0 FTE position out of the Department of Information Technology to the Tax Processing unit in Treasury and reduction of available funding from the Land Reutilization Fund.</li> <li>• Removes \$50,000 from the Department of Transportation to properly reflect anticipated revenues.</li> <li>• Reduces the funding for the Department of Natural Resources by \$4,500 to reflect the loss of funding from the Michigan Civilian Conservation Corps Endowment Fund, which was transferred to the General Fund.</li> </ul>				



<u>Major Budget Changes From FY 2006-07 Enacted Appropriations</u>		<u>Executive Change</u>	<u>Senate Change</u>	<u>House Change</u>
This reduction was included as part of the Executive Revision dated 6/25/2007. The <b>Senate</b> does not include this reduction, the <b>House Committee</b> does.				
The <b>Senate</b> included additional IT reductions for Civil Rights (\$30,500), Civil Service (\$9,500), DMB (597,100), and Treasury (\$212,000). I	<b>Gross</b>	<b>\$0</b>	<b>(\$849,700)</b>	<b>(\$7,300,800)</b>
	IDG	0	(849,700)	(7,300,800)
	GF/GP	\$0	\$0	\$0

The **House Committee** does not include the Executive's administrative reductions for the General Government agencies of Civil Rights (\$1,300), Lottery (\$51,700), DMB (\$165,700), Civil Service (\$12,500), MCGB (\$2,300), and Treasury (\$40,200).

The **House Committee** also includes reductions for DLEG (\$100,000); Education (\$101,300); and DHS (\$7,373,200).

<b>4. Eliminate Early Retirement Sick Leave Payouts</b>	<b>Gross</b>	<b>(\$281,200)</b>	<b>(\$281,200)</b>	<b>(\$281,200)</b>
Eliminates \$281,200 associated with early retirement sick leave payouts. Employees who retired under the Early Out in 2002 received sick leave payouts over a 5-year period of time. FY 2007 was the last year of payments.	IDG	(281,200)	(281,200)	(281,200)
	GF/GP	\$0	\$0	\$0

<b>5. Human Resources Optimization Project</b>	<b>Gross</b>	<b>(\$1,481,000)</b>	<b>(\$1,481,000)</b>	<b>(\$1,481,000)</b>
Reduces funding by \$1.5 million in order to more accurately reflect the Department's portion of Human Resources Optimization user charges paid to the Department of Civil Service.	IDG	(1,481,000)	(1,481,000)	(1,481,000)
	GF/GP	\$0	\$0	\$0

#### Major Boilerplate Changes From FY 2006-07

##### **Sec. 573. Sale of Paid Advertising – REVISED**

The **House Committee** and **Senate** include language placing a \$250,000 limit on Department collections for the sale of paid advertising and add carryforward authorization for revenues collected. **Executive** deletes \$250,000 limit.

The **Executive** and **House Committee** permitting the Department to accept gifts, bequests, donations, grants, and other contributions to support the cost of the state website or services. The **Senate** does not include this language.

The **Executive** added language authorizing the carryforward of funds received under this section. The **House Committee** and **Senate** do not include this language.

##### **Sec. 574. Report on Expenditures Made for Provision of Services – RETAINED**

The **House Committee** and **Senate** include language which requires a report on expenditures made for providing information and technical services, publications, maps, and other products. **Executive** does not include reporting requirement language.

##### **Sec. 578. Report on Amounts Appropriated by Fund Source – RETAINED**

The **House Committee** and **Senate** include language that requires a report on the amounts appropriated by fund source for each department and a listing of expenditures made from those appropriations. **Executive** deletes this language.

##### **Sec. 579. Report on Life-Cycle of IT Hardware and Software – RETAINED**

The **House Committee** and **Senate** include language that requires a report on the life-cycle of information technology-related hardware and software. The **Executive** deletes this language.

##### **Sec. 581. Report on Technology Assets of the State – REVISED**

The **Executive** and **House Committee** do not include requirement to report on state's technology assets and initiatives that the state could benefit from. The **Executive** and **House Committee** retain language requiring the Department to assess the state's information technology assets. The **Senate** deletes this section.

## **Major Boilerplate Changes From FY 2006-07**

### ***Sec. 584. Report on Information and Referral Services – DELETED***

The **Executive** and **House Committee** delete the requirement that the department report on all information and referral services that exist for certain state departments that would result from 211 service. The **Senate** retains the reporting requirement, and expands the report to include all state departments.

### ***Sec. 585. Report on Child Support Enforcement System – RETAINED***

The **House Committee** and **Senate** include a requirement for a report on amount expended for Child Support Enforcement System, revisions made to spending plans, and amount of penalties paid to federal government. **Executive** does not include language.

### ***Sec. 586. Adjustment of Appropriation Line Items – NEW***

The **Executive** and **House Committee** include language which authorizes adjustment of appropriation line items in the DIT budget when corresponding adjustments are made in the other state department budgets. The **Senate** deletes this section.

**LEGISLATURE**  
**Summary: SB 229 H-1**  
**FY 2007-08**

**Analyst: Al Valenzio**

	FY 2006-07 Enacted	FY 2007-08 Executive	FY 2007-08 Senate	FY 2007-08 House	Difference: House from FY 2006-07 Enacted	
					Amount	%
<b>Gross</b>	<b>\$116,576,400</b>	<b>\$116,576,400</b>	<b>\$112,576,400</b>	<b>\$119,984,300</b>	<b>\$3,407,900</b>	<b>2.9</b>
<b>IDG/IDT</b>	0	0	0	1,750,000	1,750,000	100.0
<b>Federal</b>	0	0	0	0	0	0.0
<b>Local</b>	0	0	0	0	0	0.0
<b>Private</b>	400,000	400,000	400,000	400,000	0	0.0
<b>Restricted</b>	1,109,800	1,109,800	1,109,800	1,109,800	0	0.0
<b>GF/GP</b>	<b>\$115,066,600</b>	<b>\$115,066,600</b>	<b>\$111,066,600</b>	<b>\$116,724,500</b>	<b>\$1,657,900</b>	<b>1.4</b>
<b>FTEs</b>	0.0	0.0	0.0	0.0	0.0	0.0

**Overview**

The Legislature budget provides funding for the Legislative branch of state government, including the Legislative Council and agencies it governs, Legislative Retirement System, and Property Management. The Legislative Council provides a wide variety of essential services to members and staff of the Legislature. The Michigan Legislative Retirement System provides retirement allowances, survivors' allowances, and other benefits for members of the Legislature and their spouses, dependents, survivors, and beneficiaries. Property Management employees maintain, operate, and repair the Capitol Building, House of Representatives Office Building, and Farnum Building.

<b><u>Major Budget Changes From FY 2006-07 Enacted Appropriations</u></b>		<b><u>Executive Change</u></b>	<b><u>Senate Change</u></b>	<b><u>House Change</u></b>
<b>1. Legislative Corrections Ombudsman</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,250,000</b>
House recommendation provides funding from an IDG from the Department of Corrections.	IDG	0	0	1,250,000
	GF/GP	\$0	\$0	\$0
<b>2. Sentencing Guidelines Commission</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>\$500,000</b>
House recommendation provides funding from an IDG from the Department of Corrections.	IDG	0	0	500,000
	GF/GP	\$0	\$0	\$0
<b>3. Economic Adjustments</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,657,900</b>
Includes additional funding for salaries and wages, insurances, retirement, worker's compensation, and Anderson Building rent.	GF/GP	\$0	\$0	\$1,657,900
<b>4. Budgetary Savings</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$4,000,000)</b>	<b>\$0</b>
The Senate includes an unspecified budgetary savings reduction. The Executive and House do not make this recommendation.	GF/GP	\$0	(\$4,000,000)	\$0

**Major Boilerplate Changes From FY 2006-07**

No changes made to current-year boilerplate.

# LEGISLATIVE AUDITOR GENERAL

## Summary: SB 229 H-1

FY 2007-08

Analyst: Al Valenzio

	FY 2006-07 Enacted	FY 2007-08 Executive	FY 2007-08 Senate	FY 2007-08 House	Difference: House from FY 2006-07 Enacted	
					Amount	%
<b>Gross</b>	<b>\$16,347,500</b>	<b>\$16,347,500</b>	<b>\$16,636,900</b>	<b>\$16,799,800</b>	<b>\$452,300</b>	<b>2.8</b>
<b>IDG/IDT</b>	1,801,500	1,801,500	1,801,500	1,801,500	0	0.0
<b>Federal</b>	0	0	0	0	0	0.0
<b>Local</b>	0	0	0	0	0	0.0
<b>Private</b>	0	0	0	0	0	0.0
<b>Restricted</b>	1,539,900	1,539,900	1,539,900	1,540,000	100	0.0
<b>GF/GP</b>	\$13,006,100	\$13,006,100	\$13,295,500	\$13,458,300	\$452,200	3.5
<b>FTEs</b>	0.0	0.0	0.0	0.0	0.0	0.0

### Overview

The Legislative Auditor General (LAG) is responsible for conducting post financial and performance audits of state government operations. Audit reports provide a continuing flow of information to assist the Legislature in its oversight of approximately 100 individual state funds and an annual budget of over \$27.0 billion. Audit reports provide citizens with a measure of accountability and assist state departments/agencies in improving financial management of their operations. The LAG's goal is to improve accounting and financial reporting practices and promote effectiveness, efficiency, and economy in state government. The LAG's mission is to improve the accountability of public funds and to improve the operations of state government for the benefit of the citizens of the state.

<b>Major Budget Changes From FY 2006-07 Enacted Appropriations</b>		<b>Executive Change</b>	<b>Senate Change</b>	<b>House Change</b>
<b>1. Economic Adjustments</b>	<b>Gross</b>	<b>\$0</b>	<b>\$452,000</b>	<b>\$452,200</b>
Includes additional funding for salaries and wages, insurances, retirement, worker's compensation, and building rent.	GF/GP	\$0	\$452,000	\$452,200
<b>2. Budgetary Savings</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$162,600)</b>	<b>\$0</b>
The Senate includes a new appropriation unit for budgetary savings to be taken at the discretion of the department. The Executive and House do not make this recommendation.	GF/GP	\$0	(\$162,600)	\$0
<b>2. Legislative Retirement System Audit</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>\$100</b>
The <b>House Committee</b> adds a \$100 placeholder using restricted funds to fund an audit of the Legislative Retirement System.	Restricted	0	0	100

### Major Boilerplate Changes From FY 2006-07

#### Sec. 624. Audit of Legislative Retirement System – NEW

The **House Committee** adds a new section requiring the Auditor General to audit the legislative retirement system, and complete the audit by March 30, 2008. The **Executive** and **Senate** do not include this language.

# MANAGEMENT AND BUDGET

## Summary: SB 229 H-1

FY 2007-08

Analyst: Kim O'Berry

	FY 2006-07 Enacted	FY 2007-08 Executive	FY 2007-08 Senate	FY 2007-08 House	Difference: House from FY 2006-07 Enacted	
					Amount	%
<b>Gross</b>	<b>\$512,689,100</b>	<b>\$511,806,400</b>	<b>\$509,257,300</b>	<b>\$513,963,200</b>	<b>\$1,274,100</b>	<b>0.2</b>
<b>IDG/IDT</b>	161,081,600	162,686,100	162,686,100	162,687,700	1,606,100	1.0
<b>Federal</b>	4,779,100	4,779,100	4,779,100	5,623,600	844,500	17.7
<b>Local</b>	1,700,000	1,700,000	1,700,000	1,700,000	0	0.0
<b>Private</b>	150,000	150,000	150,000	150,000	0	0.0
<b>Restricted</b>	69,596,400	67,824,000	67,824,000	67,847,000	(1,749,400)	(2.5)
<b>GF/GP</b>	<b>\$275,382,000</b>	<b>\$274,667,200</b>	<b>\$272,118,100</b>	<b>\$275,954,900</b>	<b>\$572,900</b>	<b>0.2</b>

FTEs 995.5 995.0 995.0 1,009.4 13.9 1.4

All numbers have been adjusted to reflect the transfer of the Department of Civil Service to the Department of Management and Budget as a result of Executive Order 2007-30.

### Overview

The Department of Management and Budget (DMB) is the interdepartmental service and management agency responsible for ensuring proper financial record keeping for state agencies; managing capital outlay projects, state property, state purchasing programs, and the state's retirement systems; supervising the state motor vehicle fleet, and providing office support services to state agencies. The Office of the State Budget, housed within DMB, prepares, presents, and executes the state budget on behalf of the Governor. The Department has several autonomous units, including Office of the State Employer, Office of the Children's Ombudsman, Office of Regulatory Reform, Michigan State Fair, and State Building Authority.

Major Budget Changes From FY 2006-07 Enacted Appropriations		Executive Change	Senate Change	House Change
<b>DEPARTMENT OF MANAGEMENT AND BUDGET</b>				
<b>1. Office of Retirement Services – IT Adjustments</b>	<b>Gross</b>	<b>\$1,012,000</b>	<b>\$1,012,000</b>	<b>\$1,012,000</b>
Includes additional funding for the following program enhancements: \$300,000 to provide the system the ability to add a new spouse for an existing retiree as a pension beneficiary; \$150,000 to hire a full-time security officer for retirement-related information technology systems; \$150,000 to implement the electronic deposit of retirement payments to the state from public schools; and \$412,000 for software to record customer contacts and improve quality.	Restricted	1,012,000	1,012,000	1,012,000
	GF/GP	\$0	\$0	\$0
<b>2. Eliminate One-Time Appropriations</b>	<b>Gross</b>	<b>(\$580,000)</b>	<b>(\$580,000)</b>	<b>(\$580,000)</b>
Eliminates one-time appropriation of \$370,000 as a result of completion of the Social Security Number Privacy project and \$210,000 used to purchase inter-active voice equipment at the customer call center.	Restricted	(580,000)	(580,000)	(580,000)
	GF/GP	\$0	\$0	\$0
<b>3. State Building Authority Rent</b>	<b>Gross</b>	<b>(\$4,575,000)</b>	<b>(\$4,575,000)</b>	<b>(\$4,575,000)</b>
Reflects adjustments made for projected rent payments, consistent with anticipated rent payments for previously constructed projects.	Restricted	(3,575,000)	(3,575,000)	(3,575,000)
	GF/GP	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)

<b>Major Budget Changes From FY 2006-07 Enacted Appropriations</b>		<b>Executive Change</b>	<b>Senate Change</b>	<b>House Change</b>
<b>4. Building Occupancy Adjustments</b>	<b>Gross</b>	<b>\$406,600</b>	<b>\$406,600</b>	<b>\$406,600</b>
Includes an additional \$335,300 to cover costs of increased rent payments for leased facilities and \$71,300 to cover operational costs of new Joint Operations Center (building in downtown Lansing).	IDG	406,600	406,600	406,600
	GF/GP	\$0	\$0	\$0
<b>5. Professional Development Funds</b>	<b>Gross</b>	<b>\$154,000</b>	<b>\$154,000</b>	<b>\$154,000</b>
Includes additional funding to cover costs of agreements reached and approved by the Civil Service Commission on professional development funds. These appropriations are funded through charges to other state departments based on their proportionate share of employees in each of the groups.	IDG	154,000	154,000	154,000
	GF/GP	\$0	\$0	\$0
<b>6. Administrative Reductions</b>	FTEs	(4.5)	(4.5)	0.0
Reduces amount of funding available for administrative expenses by \$952,200. Savings are anticipated to be generated through staffing reductions, fund source shifts, real estate optimization, changes to building security, and changes to the ID Mail Delivery Program.	<b>Gross</b>	<b>(\$952,200)</b>	<b>(\$952,200)</b>	<b>\$0</b>
	IDG	(439,900)	(439,900)	0
	Restricted	(12,500)	(12,500)	0
	GF/GP	(\$499,800)	(\$499,800)	\$0
<b>7. Economic Adjustments</b>	<b>Gross</b>	<b>\$3,381,900</b>	<b>\$3,381,900</b>	<b>\$3,381,900</b>
Includes additional funding for salaries and wages, insurances, retirement, and worker's compensation; reduces funding for building occupancy charges.	IDG	1,187,100	1,187,100	1,187,100
	Restricted	703,300	703,300	703,300
	GF/GP	\$1,239,100	\$1,239,100	\$1,239,100
<b>8. Department of Human Services – Internal Audit</b>	FTEs	0.0	0.0	11.9
Reflects transfer of Internal Audit line item from Department of Human Services to Department of Management and Budget as a result of Executive Order 2007-31.	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,400,000</b>
	Federal	0	0	844,500
	GF/GP	\$0	\$0	\$555,500
<b>9. GF/GP Reduction</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$1,141,900)</b>	<b>\$0</b>
The Senate includes a reduction in the following lines: Executive Operations (\$41,900); Administrative Services (\$51,800); Budget and Financial Management (\$835,100); Office of the State Employer (\$35,900); Business Support Services (\$167,700); and the Information Technology line by (\$9,500). The Executive and House do not make this recommendation.	GF/GP	\$0	(\$1,141,900)	\$0
<b>10. Budgetary Savings</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$620,500)</b>	<b>\$0</b>
The Senate includes a new appropriation unit for budgetary savings to be taken at the discretion of the department. The Executive and House do not make this recommendation.	GF/GP	\$0	(\$620,500)	\$0
<b>CIVIL SERVICE</b>				
<b>11. Administrative Reductions</b>	<b>Gross</b>	<b>(\$361,100)</b>	<b>(\$361,100)</b>	<b>\$0</b>
Reduces amount of funding available for administrative expenses by \$361,100. Savings are anticipated to be generated through administrative efficiencies.	Restricted	(10,500)	(10,500)	0
	GF/GP	(\$350,600)	(\$350,600)	\$0
<b>12. Economic Adjustments</b>	<b>Gross</b>	<b>\$818,300</b>	<b>\$818,300</b>	<b>\$818,300</b>
Includes additional funding for salaries and wages, insurances, and retirement; reduces funding for worker's compensation and building occupancy charges.	IDG	87,800	87,800	87,800
	Restricted	539,500	539,500	539,500
	GF/GP	\$191,000	\$191,000	\$191,000

<u>Major Budget Changes From FY 2006-07 Enacted Appropriations</u>		<u>Executive Change</u>	<u>Senate Change</u>	<u>House Change</u>
<b>13. GF/GP Reduction</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$103,600)</b>	<b>\$0</b>
The Senate reduces the Civil Service Operations line by (\$94,100) and the Information Technology line by (\$9,500). The Executive and House do not make this recommendation.	GF/GP	\$0	(\$103,600)	\$0
<b>14. Budgetary Savings</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$95,500)</b>	<b>\$0</b>
The Senate includes a new appropriation unit for budgetary savings to be taken at the discretion of the department. The Executive and House do not make this recommendation.	GF/GP	\$0	(\$95,500)	\$0

#### Major Boilerplate Changes From FY 2006-07

##### GENERAL SECTIONS OF BOILERPLATE

###### **Sec. 205. Hiring Freeze – RETAINED**

**Executive** and **House Committee** retain current year language by requiring the creation of a position or filling of any vacant position by any method necessary to provide for the basic daily living requirements of residents of the state institution or facility. **Senate** modifies current year language.

###### **Sec. 209. Purchase of Foreign Goods – MODIFIED**

**House Committee** and **Senate** modifies current year language by including that preference should be given to goods and services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality. **Executive** retains current year language.

###### **Sec. 212. Retention of Reports – RETAINED**

**House Committee** and **Senate** include current year language which requires departments to receive and retain copies of all reports funded from appropriations in the bill. **Executive** does not include the language.

###### **Sec. 215. Communications with Legislators – RETAINED**

**House Committee** and **Senate** include current year language which prohibits departments from taking disciplinary action against employees for communicating with Legislators or their staff. **Executive** does not include the language.

###### **Sec. 217. General Fund Restrictions – RETAINED**

**House Committee** and **Senate** include current year language which prohibits expenditure of general fund appropriations when federal funding is available. **Executive** does not include the language.

###### **Sec. 220. Contributions to Political Organizations – DELETED**

**Executive** and **House Committee** delete language that prohibits funding from being used to establish, operate, or administer a payroll deduction plan that enables classified state employees to make contributions to either a political organization or committee. **Senate** includes current year language.

###### **Sec. 218. Information Technology Appropriations as Work Projects – NOT INCLUDED**

**House Committee** and **Senate** do not include language that designates appropriations for information technology as work project accounts and authorizes available balances to be carried forward. **Executive** includes new language.

###### **Sec. 221. Reporting Requirement on Specific Policy Change – NOT INCLUDED**

**Executive** and **House Committee** do not include new language requiring departments to report no later than April 1, 2008 on each specific policy change made to implement enacted legislation. **Senate** includes the language.

###### **Sec. 222. Budgetary Savings Appropriation Authorization – NOT INCLUDED**

**Executive** and **House Committee** do not include new language that requires appropriation authorization adjustments due to negative appropriations for budgetary savings shall be made only after the approval of transfers by the legislature. **Senate** includes new language.

##### DEPARTMENT OF MANAGEMENT AND BUDGET

###### **Sec. 701. Contingency Funding – NEW**

**Executive** and **House Committee** include language which appropriates federal, state restricted, and local contingency funding that can be expended only upon legislative transfer to a specific line item. **Senate** does not include language.

## **Major Boilerplate Changes From FY 2006-07**

### ***Sec. 710. Revisions to Computer Contracts – RETAINED***

**House Committee** and **Senate** include current year language which requires DMB to report on any revisions that increase or decrease current computer contracts by more than \$500,000 at least 14 days prior to finalization of revisions. **Executive** does not include the language.

### ***Sec. 715.(3) Motor Vehicle Fleet Assignment – DELETED***

**Executive** and **House Committee** delete language that expresses legislative intent that DMB have the authority to determine appropriateness of vehicle assignment. **Senate** includes current year language.

### ***Sec. 715.(4) Motor Vehicle Fleet Plan – RETAINED***

**House Committee** and **Senate** include current year language that requires DMB to maintain a plan regarding the state's motor vehicle fleet and lists specific information that is to be included in the plan. **Executive** does not include the language.

### ***Sec. 716. Purchasing From Michigan-Based Firms – RETAINED***

**House Committee** and **Senate** include current year language that requires DMB to adopt policies and procedures necessary to provide a purchasing preference for products manufactured or services offered by Michigan-based firms. **Executive** does not include the language.

### ***Sec. 717. Purchasing Decisions – RETAINED***

**House Committee** and **Senate** include current year language that establishes guidelines for DMB to follow when determining whether a purchase, contract, or provision of supplies, materials, services, insurance, utilities, third party financing, equipment, printing, and other items needed by state departments is in the best interests of the state. **Executive** does not include the language.

### ***Sec. 718. Vendor Disclosure Information to Collect – RETAINED***

**House Committee** and **Senate** include language that lists information DMB is authorized to collect from vendors in an effort to ensure compliance with procurement of goods and services from Michigan-based providers. **Executive** does not include the language.

### ***Sec. 719. Vendor Disclosure Call Centers – RETAINED***

**House Committee** and **Senate** include language that authorizes DMB to require any vendor or subcontractor, who provides call or contact center services to the state, to disclose the location from which the call or contact center services are being provided, to the inbound caller. **Executive** does not include current year language.

### ***Sec. 723. State Property – RETAINED***

**House Committee** and **Senate** include current year language which requires DMB to make available to the public on the Internet a listing of all parcels of real estate that are available for purchase from the state. **Executive** does not include the language.

### ***Sec. 724. Appropriations for Retirement System Changes – NEW***

**Executive**, **House Committee** and **Senate** include new language which authorizes appropriations for implementing changes made to the Public School Employees Retirement Act which allows a retiree to add a new spouse as their pension beneficiary when their previous spouse dies or if the retiree was not married at the time of retirement; designates the appropriations as work project appropriations.

### ***Sec. 724a. Existing 2-1-1 Capacities – NOT INCLUDED***

**Executive** and **House Committee** do not include new language which requires DMB to assist DIT in determining how existing 2-1-1 capacities will be utilized by each department with community resource information and referral service. **Senate** includes new language.

### ***Sec. 724b. Restriction on Fund Use for Hiring (DMB) – NOT INCLUDED***

**Executive** and **House Committee** do not include new language which restricts the use of funds to be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. **Senate** includes new language.

### ***Sec. 724b. Appraisal and Market Analysis – NEW***

**House Committee** includes new language which requires DMB conduct an independent appraisal and market analysis of the Calumet State Police Post for the purpose of potential acquisition of the property by the state. **Executive** and **Senate** do not include language.



## **Major Boilerplate Changes From FY 2006-07**

### ***Sec. 729. Restriction on Fund Use for Hiring (SBA) – NOT INCLUDED***

**Executive** and **House Committee** do not include new language which restricts the use of funds to be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. **Senate** includes new language.

## **CIVIL SERVICE**

### ***Sec. 741. Contingency Funding – NEW***

**Executive** and **House Committee** include language which appropriates federal, state restricted, local, and private contingency funding that can be expended only upon legislative transfer to a specific line item. **Senate** does not include the language.

### ***Sec. 505. Hiring of Individual to Provide Legal Services – NOT INCLUDED***

**Executive** and **House Committee** do not include new language which prohibits the use of appropriated funds to be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. **Senate** includes new language.

**STATE**  
**Summary: SB 229 H-1**  
**FY 2007-08**

**Analyst: Mark Wolf**

	FY 2006-07 Enacted	FY 2007-08 Executive	FY 2007-08 Senate	FY 2007-08 House	<i>Difference:</i> <i>House from FY 2006-07 Enacted</i>	
					<i>Amount</i>	<i>%</i>
<b>Gross</b>	<b>\$204,793,500</b>	<b>\$208,221,200</b>	<b>\$204,529,300</b>	<b>\$208,221,200</b>	<b>\$3,427,700</b>	<b>1.7</b>
<b>IDG/IDT</b>	20,000,000	20,000,000	20,000,000	20,000,000	0	0.0
<b>Federal</b>	3,052,100	1,991,200	1,561,200	1,911,200	(1,140,900)	(37.4)
<b>Local</b>	0	0	0	0	0	0.0
<b>Private</b>	100	100	100	100	0	0.0
<b>Restricted</b>	162,608,600	156,972,900	156,972,900	156,972,900	(5,635,700)	(3.5)
<b>GF/GP</b>	\$19,132,700	\$29,337,000	\$25,995,100	\$29,337,000	\$10,204,300	53.3
<b>FTEs</b>	1,859.8	1,859.8	1,859.8	1,859.8	0.0	0.0

**Overview**

The Department of State administers programs in eight areas: Driver Licensing and Vehicle Registration, which includes titling and registering vehicles; Elections and Campaign Finance Administration, which includes training local election officials and monitoring campaign finance; Regulatory and Consumer Protection, which includes inspecting and licensing automotive repair facilities; Traffic Safety which includes driver testing; Office of the Great Seal; Assigned Claims Facility; Uniform Commercial Code; and Executive Direction and Central Support.

<b>Major Budget Changes From FY 2006-07 Enacted Appropriations</b>		<b>Executive Change</b>	<b>Senate Change</b>	<b>House Change</b>
<b>1. Transportation Administration Collection Fund</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Reduces state restricted funding authorized in the TACF and includes additional GF/GP to cover the anticipated shortfall in collection of TACF revenue.	Restricted	(6,000,000)	(6,000,000)	(6,000,000)
	GF/GP	\$6,000,000	\$6,000,000	\$6,000,000
<b>2. Branch Operations</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
In addition to the baseline funding adjustments, the House reorganizes the branch operations line into its own appropriation unit with separate lines for branch office services administration (\$9.4 million); the mobile branch office (\$9,100); branch office renovations (\$271,200); and listing all 153 branches currently open (\$62,893,500).	Restricted	0	0	0
	GF/GP	\$0	\$0	\$0
<b>3. Increased Funding for Fees to Local Units</b>	<b>Gross</b>	<b>\$40,000</b>	<b>\$40,000</b>	<b>\$40,000</b>
Includes additional funding to reimburse counties for their costs associated with training deputy registrars and processing voter registration applications.	GF/GP	\$40,000	\$40,000	\$40,000
<b>4. Fund Source Adjustments</b>	<b>Gross</b>	<b>(\$950,000)</b>	<b>(\$950,000)</b>	<b>(\$950,000)</b>
Adjusts the following state restricted fund sources in order to more accurately reflect the amount of revenues actually collected: Auto Repair Facilities Fees, Vehicle Theft Prevention Fees, Parking Ticket Court Fines, Mobile Home Commission Fees, and Child Support Clearance Fees.	Restricted	(950,000)	(950,000)	(950,000)
	GF/GP	\$0	\$0	\$0
<b>5. Administrative Reductions</b>	<b>Gross</b>	<b>(\$2,583,000)</b>	<b>(\$2,583,000)</b>	<b>(\$2,583,000)</b>
Reduces amount of funding available for administrative expenses by \$2.6 million. Savings are anticipated to be generated through administrative efficiencies.	Federal	(1,489,600)	(1,489,600)	(1,489,600)
	Restricted	(134,500)	(134,500)	(134,500)
	GF/GP	(\$958,900)	(\$958,900)	(\$958,900)

<b>Major Budget Changes From FY 2006-07 Enacted Appropriations</b>		<b>Executive Change</b>	<b>Senate Change</b>	<b>House Change</b>
<b>6. GF/GP Reductions</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$757,900)</b>	<b>\$0</b>
The <b>Senate</b> provides for further GF/GP reductions for Executive Direction Operations (\$15,800); Department Services Operations (\$93,600); Regulatory Services Operations (\$74,100); Branch Operations (\$385,600); Central Operations (\$183,200); and Worker's Compensation (\$5,600)		GF/GP \$0	(\$757,900)	\$0
<b>7. Budgetary Savings</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$2,584,000)</b>	<b>\$0</b>
The <b>Senate</b> includes a new appropriation unit for budgetary savings to be taken at the discretion of the department.		GF/GP \$0	(\$2,584,000)	\$0
<b>8. Help America Vote Act</b>	<b>Gross</b>	<b>\$350,000</b>	<b>\$0</b>	<b>\$350,000</b>
The <b>Executive</b> (revised August 16, 2007) and the <b>House Committee</b> include \$350,000 in federal funds to implement the federal Help America Vote Act.		Federal 350,000	\$0	350,000
<b>9. Economic Adjustments</b>	<b>Gross</b>	<b>\$6,615,400</b>	<b>\$6,615,400</b>	<b>\$6,615,400</b>
Includes additional funding for salaries and wages, insurances, retirement, and building occupancy charges; reduces funding for worker's compensation.		Federal 101,200	101,200	101,200
		Restricted 1,346,300	1,346,300	1,346,300
		GF/GP \$5,167,900	\$5,167,900	\$5,167,900

#### **Major Boilerplate Changes From FY 2006-07**

##### ***Sec. 801. Contingency Funding – NEW***

The **Executive** and **House Committee** include language which appropriates federal, state restricted, local, and private contingency funding that can be expended only upon legislative transfer to a specific line item. The **Senate** does not include this section.

##### ***Sec. 815. Branch Office Closings or Consolidations – RETAINED***

The **House Committee** and **Senate** include language which requires a 60 day notice of branch office closings, consolidations, or relocations to be given to the appropriations committees and to legislators who represent the affected areas. **Executive** does not include language.

##### ***Sec. 815a. Report on Branch Office Transactions – RETAINED***

The **House Committee** and **Senate** include language which requires the Department to report on the number of branch office transactions completed online. **Executive** deletes this section.

##### ***Sec. 818. Motorcycle Safety Education Program – RETAINED***

The **House Committee** and **Senate** include language which requires funds appropriated for Motorcycle Safety Education Grants and Administration to be used for program operation; requires funding to be derived from license endorsements and registration and testing fees; authorizes funds for grants to help subsidize safety training courses for individuals interested in operating motorcycles; and authorizes funds to be used for administrative costs. The **Executive** deletes this section.

##### ***Sec. 819. Business Application Modernization Project – RETAINED***

The **House Committee** and **Senate** includes language which requires funds appropriated for the Business Application Modernization project to be used for development, implementation, and maintenance of the business application modernization project; designates unexpended funds as a work project account and authorizes unexpended funding to be carried forward. The **Executive** deletes this section.

##### ***Sec. 820. Restriction on Fund Use for Hiring – NOT INCLUDED***

**Senate** includes new language which restricts the use of funds to be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. **Executive** and **House Committee** do not include language.

## **Major Boilerplate Changes From FY 2006-07**

### **Sec. 821. Keweenaw County Branch Office – DELETED**

The **Executive**, **Senate**, and **House Committee** do not include language which requires the Department to complete cost/benefit analysis on feasibility of locating Keweenaw County Secretary of State branch office with Keweenaw County Department of Human Services office and specifies information that is to be provided.

### **Sec. 821. Branch Office Staffing Levels – NEW**

The **House Committee** adds a section that provides that the 933.9 FTE positions authorized for branch office services administration may be allocated at the discretion of the Secretary of State among the department's statewide branch offices and the central office of the Bureau of Branch Office Services based on staffing requirements. The **Executive** and **Senate** do not include this language.

### **Sec. 824. Buena Vista Township Branch Office – NEW**

The **House Committee** and **Senate** add a section that requires the department to maintain a full service branch office in the Buena Vista Township. The **Executive** does not include this section.

### **Sec. 825. Milan Branch Office – NEW**

The **House Committee** and **Senate** add a section that requires the department to maintain a full service branch office in the City of Milan. The **Executive** does not include this section.

### **Sec. 826. Branch Office Locations – NEW**

The **House Committee** adds a section that requires the department to the same number of branch offices in each municipality that existed on August 1, 2007. The **Senate** includes similar language requiring a branch office for each location that existed on August 1, 2007. The **Executive** does not include any language.

### **Sec. 827. Branch Office Lapses – NEW**

The **House Committee** adds a section that provides that the unexpended and unencumbered balance for each individual branch office appropriation shall lapse at the close of the year shall lapse to the fund from which it was appropriated. The **Executive** and **Senate** do not include this section.

### **Sec. 828. Branch Office Locations in Urban Areas – NEW**

The **House Committee** adds a section that provides guidelines to the department in locating branch offices, encouraging offices to be located in downtown areas, town centers, central business districts, and brownfield sites rather than greenfields and open space sites. The **Executive** and **Senate** do not include this section.

# TREASURY

## Summary: SB 229 H-1

### FY 2007-08

Analyst: Mark Wolf

	FY 2006-07 Enacted	FY 2007-08 Executive	FY 2007-08 Senate	FY 2007-08 House	FY 2007-08 Enacted	Difference: House From FY 2006-07 Enacted	
						Amount	%
<b>IDG/IDT</b>	\$13,826,800	\$11,631,400	\$11,631,400	\$11,632,400		(\$2,194,400)	(15.9)
<b>Federal</b>	83,593,300	91,836,400	91,836,400	91,837,800		8,244,500	9.9
<b>Local</b>	1,066,200	1,100,700	1,100,700	1,100,700		34,500	3.2
<b>Private</b>	700,000	712,800	712,800	712,800		12,800	1.8
<b>Restricted</b>	1,411,912,800	1,510,740,100	1,439,250,100	1,508,758,200		96,845,400	6.9
<b>GF/GP</b>	165,867,000	198,120,600	176,538,800	200,480,500		34,613,500	20.9
<b>Gross</b>	<b>\$1,676,966,100</b>	<b>\$1,814,142,000</b>	<b>\$1,721,070,200</b>	<b>\$1,814,522,400</b>		<b>\$137,556,300</b>	<b>8.2</b>
<b>FTEs</b>	1,858.5	1,858.5	1,858.5	1863.5		5.0	0.3

Note: FY 2006-07 figures include the results of supplementals and Executive Order (EO) actions through January 31, 2007, and also include the Michigan Strategic Fund, which was a separate article in the FY 2007 appropriations act (2006 PA 345, Article 13). The Senate places the MSF into its own separate bill (SB 239), although the Senate figures above include both Treasury and the MSF.

#### Overview

The Department of Treasury is the chief fiscal agency of the state and the primary source of advice to the Governor on tax and fiscal policy issues. The Department's mission is to collect state taxes, to invest, control, and disburse state monies, and to protect the state's credit rating and that of its cities. The Department manages one of the nation's largest pension funds, administers revenue sharing, and administers the student financial aid programs. It also investigates fraudulent financial activity, provides assistance on all property tax-related issues, advises issuers of municipal obligations. The Bureau of State Lottery and the Michigan Gaming Control Board are autonomous agencies housed within the Department of Treasury. The Michigan Strategic Fund is an autonomous agency transferred from the Department of Labor and Economic Growth with the enactment of 2005 PA 225. The fund and programs of the MSF are administered by the Michigan Economic Development Corporation (MEDC). The MEDC also administers the 21<sup>st</sup> Century Jobs Fund, which is intended to diversify Michigan's economy in four competitive edge technologies: alternative energy, life sciences, advanced manufacturing, and homeland security.

<b>Major Budget Changes From FY 2006-07 YTD Appropriations</b>		<b>Executive Change</b>	<b>Senate Change</b>	<b>House Change</b>
<b>TREASURY OPERATIONS</b>				
<b>1. Treasury Operations</b>	FTEs	0.0	0.0	5.0
The <b>House Committee</b> recommendation for Department of Treasury operations (excluding revenue sharing, debt service, and the MSF) is \$353.9.0 million	<b>Gross</b>	<b>\$12,853,400</b>	<b>(\$38,759,500)</b>	<b>(\$34,876,800)</b>
Gross: \$11.6 million – IDG/IDT; \$36.4 million – Federal; \$1.1 million – Local; \$241.5 million – Restricted; and \$55.8 million GF/GP.	IDG	(2,196,800)	(2,196,800)	(2,195,800)
	Federal	499,400	499,400	500,800
	Local	34,500	34,500	34,500
	Restricted	16,725,100	(32,570,400)	(\$32,474,900)
	GF/GP	(\$2,208,800)	(\$4,491,700)	(741,400)

## **Major Budget Changes From FY 2006-07 YTD Appropriations**

		<b><u>Executive Change</u></b>	<b><u>Senate Change</u></b>	<b><u>House Change</u></b>
<b>2. Administrative Reductions</b>				
The <b>Executive</b> recommended a number of administrative reductions totaling \$1.6 million Gross for the revenue enhancement program (\$1.2 million, \$500,000 of which is consistent with the program's 3-year funding plan); mail operations (\$100,000); collections (\$100,000); merit award administration (\$100,000); lottery information technology (\$37,000); casino gaming information technology (\$2,300); and Treasury information technology (\$40,200). The <b>Senate</b> concurs with this change. The <b>House Committee</b> does not include these reductions.	FTEs	0.0	0.0	0.0
	<b>Gross</b>	<b>(\$1,579,500)</b>	<b>(\$1,579,500)</b>	<b>\$0</b>
	IDG	(1,000)	(1,000)	0
	Federal	(1,400)	(1,400)	0
	Restricted	(166,300)	(166,300)	0
	GF/GP	(1,410,800)	(1,410,800)	0
				\$0
<b>3. Local Gov't Programs GF/GP Reduction</b>				
In addition to other baseline adjustments, the <b>Senate</b> reduces funding for supervision of property tax (\$314,000) and local finance (\$63,800). The <b>Executive</b> and <b>House Committee</b> do not include these reductions.	FTEs	0.0	0.0	0.0
	<b>Gross</b>	<b>\$0</b>	<b>(\$377,800)</b>	<b>\$0</b>
	GF/GP	\$0	(\$377,800)	\$0
<b>4. Tax and Economic Policy GF/GP Reduction</b>				
In addition to other baseline adjustments, the <b>Senate</b> reduces funding for the tax and economic policy line by \$66,900). The <b>Executive</b> and <b>House Committee</b> do not include these reductions.	FTEs	0.0	0.0	0.0
	<b>Gross</b>	<b>\$0</b>	<b>(\$66,900)</b>	<b>\$0</b>
	GF/GP	\$0	(\$66,900)	\$0
<b>5. Banking and Management GF/GP Reduction</b>				
In addition to other baseline adjustments, the <b>Senate</b> reduces funding for program management (\$26,200), HR and purchasing (\$118,000), and receipts processing (\$23,800). The <b>Executive</b> and <b>House Committee</b> do not include these reductions.	FTEs	0.0	0.0	0.0
	<b>Gross</b>	<b>\$0</b>	<b>(\$168,000)</b>	<b>\$0</b>
	GF/GP	\$0	(\$168,000)	\$0
<b>6. Financial Programs GF/GP Reduction</b>				
In addition to other baseline adjustments, the <b>Senate</b> reduces funding for common cash and debt management (\$13,800) and student financial assistance programs (\$73,500). The <b>Executive</b> and <b>House Committee</b> do not include these reductions.	FTEs	0.0	0.0	0.0
	<b>Gross</b>	<b>\$0</b>	<b>(\$87,300)</b>	<b>\$0</b>
	GF/GP	\$0	(\$87,300)	\$0
<b>7. Information Technology GF/GP Reduction</b>				
In addition to other baseline adjustments, the <b>Senate</b> reduces funding for information technology by \$212,000. The <b>Executive</b> and <b>House Committee</b> do not include these reductions.	FTEs	0.0	0.0	0.0
	<b>Gross</b>	<b>\$0</b>	<b>(\$212,000)</b>	<b>\$0</b>
	GF/GP	\$0	(\$212,000)	\$0
<b>8. Senior Citizen Co-op Housing Tax Exemption</b>				
The <b>Senate</b> reduces funding for the senior citizen cooperative housing tax exemption payments to local units by \$877,100 GF/GP. The <b>Executive</b> and <b>House</b> maintain FY 2007 enacted funding levels. The <b>Executive</b> and <b>House Committee</b> do not include these reductions.	<b>Gross</b>	<b>\$0</b>	<b>(\$877,100)</b>	<b>\$0</b>
	GF/GP	\$0	(\$877,100)	\$0

<b>Major Budget Changes From FY 2006-07 YTD Appropriations</b>		<b>Executive Change</b>	<b>Senate Change</b>	<b>House Change</b>
<b>9. Convention Facility Development Fund</b>		<b>\$0</b>	<b>(\$35,000,000)</b>	<b>(\$35,000,000)</b>
The <b>Senate</b> and <b>House Committee</b> reduce funding by \$35.0 million to reflect the FY 2007 budget balancing agreement to use \$35 million in convention facility funds collected in FY 2007 that would otherwise be distributed to counties in FY 2008.	Gross Restricted	0	(35,000,000)	(35,000,000)
<b>10. Tuscola County – Convention Facility Reimbursement</b>		<b>\$0</b>	<b>\$0</b>	<b>\$56,600</b>
The <b>House Committee</b> adds \$56,600 for a grant to Tuscola County equal to one-half the amount it would have received in FY 2008 in convention facility funds were it not for the FY 2007 budget balancing agreement. The <b>Senate</b> does not provide a line item, but provides a boilerplate appropriation for the full amount.	Gross GF/GP	\$0	\$0	\$56,600
<b>11. Local Public Safety Grants</b>		<b>\$14,381,000</b>	<b>\$0</b>	<b>\$100</b>
The <b>Executive</b> creates a new grant program for local law enforcement and fire protection services using increased liquor license fees. The <b>Senate</b> does not include this program. The <b>House Committee</b> includes a \$100 placeholder.	Gross Restricted	14,381,000	0	100
<b>12. Qualified Agricultural Loan Payments</b>		<b>\$0</b>	<b>\$0</b>	<b>\$100</b>
The <b>House Committee</b> adds a \$100 (GF/GP) placeholder for the qualified agricultural loan program whereby the department subsidizes zero-interest loans to farmers suffering significant crop damage. Current loans are to be repaid by October 1, 2007. The <b>Executive</b> and <b>Senate</b> do not include this section.	Gross GF/GP	\$0	\$0	\$100
<b>12. Economic Adjustments</b>		<b>\$7,116,300</b>	<b>\$7,116,300</b>	<b>\$7,116,300</b>
Funds 4.0% contractual pay increases, 7.2% increase in employee benefits, and increases in retirement and self-insured worker's compensation, and reflects decrease in rent and building occupancy costs.	IDG	380,200	380,200	380,200
	Federal	500,800	500,800	500,800
	Local	34,500	34,500	34,500
	Restricted	5,245,100	5,245,100	5,245,100
	Gross GF/GP	\$955,700	\$955,700	\$955,700
<b>13. Budgetary Savings</b>		<b>\$0</b>	<b>(\$477,900)</b>	<b>\$0</b>
The <b>Senate</b> includes a new appropriation unit for budgetary savings to be taken at the discretion of the department.	Gross GF/GP	\$0	(\$477,900)	\$0
<b>REVENUE SHARING</b>				
<b>14. Constitutional Revenue Sharing</b>		<b>\$19,490,237</b>	<b>\$19,490,237</b>	<b>\$0</b>
The <b>Executive</b> and <b>Senate</b> increase constitutional revenue sharing by \$19.5 million over actual FY 2007 payments. (From the enacted appropriation of \$698.9 million, this is a reduction of \$13.5 million.) The amount is derived from projections of FY 2007 payments and FY 2008 revenue from the January 2007 Revenue Estimating Conference.	Gross Restricted	19,490,237	19,490,237	0

<b>Major Budget Changes From FY 2006-07 YTD Appropriations</b>		<b>Executive Change</b>	<b>Senate Change</b>	<b>House Change</b>
<b>15. Statutory Revenue Sharing</b>	<b>Gross</b>	<b>(\$4,030,578)</b>	<b>(\$4,030,578)</b>	<b>\$0</b>
The <b>Executive</b> and <b>Senate</b> decrease statutory revenue sharing by \$4.0 million from actual FY 2007 payments. (From the enacted appropriation of \$407.5 million, this is a reduction of \$6.6 million.) The amount is derived from projection of FY 2007 payments and FY 2008 revenue from the January 2007 Revenue Estimating Conference.		Restricted (4,030,578)	(4,030,578)	0
<b>16. Revenue Sharing</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>\$35,517,659</b>
The <b>House Committee</b> combines constitutional and statutory revenue sharing into one line item. The appropriation is an increase of \$35.5 million over actual FY 2007 payments, but is even with the FY 2007 enacted appropriation.		Restricted 0	0	35,517,659
<b>16. Special Census Revenue Sharing</b>	<b>Gross</b>	<b>(\$892,400)</b>	<b>(\$892,400)</b>	<b>\$0</b>
The <b>Executive</b> and <b>Senate</b> eliminate funding for special census revenue sharing payments. (This funding was eliminated in FY 2007 by EO 2007-3). The House retains this funding.		GF/GP (\$892,400)	(\$892,400)	\$0
<b>17. Local Government Collaborative Efforts</b>	<b>Gross</b>	<b>\$27,160,000</b>	<b>\$0</b>	<b>\$54,320,000</b>
The <b>Executive</b> provide grants to cities, villages, and townships that share services, merge, or consolidate activities with other governmental entities. The <b>House Committee</b> doubles the amount recommended by the Executive. The <b>Senate</b> does not include this funding.		Restricted 27,160,000	0	54,320,000
<b>18. County Revenue Sharing Payments</b>	<b>Gross</b>	<b>\$113,600</b>	<b>\$113,600</b>	<b>\$113,600</b>
The <b>Executive</b> , <b>Senate</b> , and <b>House Committee</b> provide revenue sharing funding to Tuscola County, the first county to exhaust its Revenue Sharing Reserve Fund.		GF/GP \$113,600	\$113,600	\$113,600
<b>DEBT SERVICE</b>	<b>Gross</b>	<b>\$19,828,200</b>	<b>\$19,828,200</b>	<b>\$19,828,200</b>
<b>19. Debt Service</b>	Restricted	0	0	0
The <b>Executive</b> , <b>Senate</b> , and <b>House Committee</b> add \$13.1 million for Clean Michigan Initiative debt service; add \$1.6 million for Quality of Life bonds debt service; add \$5.2 million for Great Lakes Water Quality bond debt service; and reduce Water Pollution Control bond debt service by \$71,800.		GF/GP \$19,828,200	\$19,828,200	\$19,828,200
<b>Michigan Strategic Fund (MSF)</b>	FTEs	0.0	0.0	0.0
<b>20. Michigan Strategic Fund</b>	<b>Gross</b>	<b>\$98,171,100</b>	<b>\$83,872,200</b>	<b>\$98,171,300</b>
The <b>House Committee</b> recommendation for the MSF \$178.7 million – Gross; \$80,000 – IDG; \$55.4 million – Federal; \$712,800 – Private; \$75.0 million – Restricted; and \$47.4 million – GF/GP.		IDG 1,400	1,400	1,400
		Federal 7,743,700	7,743,700	7,743,700
		Private 12,800	12,800	12,800
		Restricted 75,000,200	80,000,200	75,000,200
		GF/GP \$15,413,000	(\$3,885,900)	\$15,413,100
<b>21. 21<sup>st</sup> Century Jobs Fund</b>	<b>Gross</b>	<b>\$75,000,000</b>	<b>\$75,000,000</b>	<b>\$75,000,000</b>
Uses \$75.0 million in remaining tobacco settlement revenue to continue 21 <sup>st</sup> Century Jobs Fund programs to diversify Michigan's economy.		Restricted 75,000,000	75,000,000	75,000,000



<b>Major Budget Changes From FY 2006-07 YTD Appropriations</b>		<b>Executive Change</b>	<b>Senate Change</b>	<b>House Change</b>
<b>20. Michigan Promotion Program</b>	<b>Gross</b>	<b>\$10,000,000</b>	<b>\$1,000,000</b>	<b>\$10,000,000</b>
The <b>Executive</b> and <b>House Committee</b> add \$10.0 million to expand advertising of Michigan as a tourist destination, and promote Michigan as a business location. The <b>Senate</b> adds \$1 million and alters funding sources.	Restricted	0	3,621,500	0
	GF/GP	\$10,000,000	(\$2,621,500)	\$10,000,000
<b>21. Community Development Block Grants</b>	<b>Gross</b>	<b>\$8,000,000</b>	<b>\$8,000,000</b>	<b>\$8,000,000</b>
Recognizes \$8.0 million in additional federal funds.	Federal	8,000,000	8,000,000	8,000,000
<b>22. Alternative Energy Initiative</b>	<b>Gross</b>	<b>\$7,000,000</b>	<b>\$100</b>	<b>\$7,000,000</b>
Creates competitive grant program for gas stations adding ethanol pumps. The <b>Senate</b> leaves a \$100 placeholder.	GF/GP	\$7,000,000	\$100	\$7,000,000
<b>23. Economic Development Job Training Grants</b>	<b>Gross</b>	<b>(\$1,600,500)</b>	<b>(\$1,600,500)</b>	<b>(\$1,600,500)</b>
Reduces funding for economic development job training grants.	GF/GP	(\$1,600,500)	(\$1,600,500)	(\$1,600,500)
<b>24. Small Business Innovation Research (SBIR) and Small Business Technical Transfer (STTR)</b>	<b>Gross</b>	<b>\$0</b>	<b>\$1,378,500</b>	<b>\$0</b>
The <b>Senate</b> adds a new line item for the SBIR/STTR matching grant program to spur R&D among small businesses.	Restricted	0	1,378,500	0
<b>25. Tool and Die Aeronautics Certification Grants</b>	<b>Gross</b>	<b>\$0</b>	<b>\$500,000</b>	<b>\$0</b>
The <b>Senate</b> adds a new line item for tool and die aeronautics certification grants to reimburse companies for eligible costs incurred in achieving aeronautics manufacturing certification.	GF/GP	0	\$500,000	0
<b>26. Entrepreneurial Training and Mentoring</b>	<b>Gross</b>	<b>\$0</b>	<b>\$100</b>	<b>\$100</b>
The <b>Senate</b> adds a \$100 place holder for the entrepreneurial training and mentoring program between the MSF, Michigan Works!, and the Department of Labor and Economic growth for students in secondary and post-secondary education. The <b>House Committee</b> concurs with this change.	GF/GP	0	\$100	100
<b>27. Business Incubator Program</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>\$100</b>
The <b>House Committee</b> adds a \$100 placeholder to fund a business incubator program to provide grants and loans to competitive edge technology businesses located in economically depressed areas.	Restricted	0	0	100
<b>28. Budgetary Savings</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$177,500)</b>	<b>\$0</b>
The <b>Senate</b> includes a new appropriation unit for budgetary savings to be taken at the discretion of the department.	GF/GP	0	(\$177,500)	0
<b>29. MSF Economics</b>	<b>Gross</b>	<b>\$413,000</b>	<b>\$413,000</b>	<b>\$413,000</b>
Funds 4.0% contractual pay increases, 7.2% increase in employee benefits, and decreases in retirement and self-insured worker's compensation.	IDG	1,400	1,400	1,400
	Federal	43,700	43,700	43,700
	Private	12,800	12,800	12,800
	Restricted	200	200	200
	GF/GP	\$354,900	\$354,900	\$354,900

## **Major Boilerplate Changes From FY 2006-07**

### **DEPARTMENT OF TREASURY**

#### ***Sec. 901. Contingency Funds – NEW***

The **Executive** and **House Committee** appropriate up to \$1.0 million for federal contingency funds, up to \$10.0 million for state restricted contingency funds, up to \$200,000 for local contingency funds, and \$40,000 for federal contingency funds. The **Senate** does not include this section.

#### ***Sec. 941. Standardized Audit Schedules – DELETED***

The **Executive** and **House Committee** delete a provision that appropriates up to \$570,000 from standardized audit schedules recovered delinquent tax collection revenue for the support of standardized audit schedule project expenses related to business tax audits concerning sales tax, use tax, withholding, single business tax, and motor fuel tax obligations. The **Senate** retains this section.

#### ***Sec. 941. Local Public Safety Grants – NEW***

The **Executive** and **House Committee** add language providing that the local public safety grants are to be distributed to cities, village, and townships for local law enforcement and fire protection services with funding based on Department of Corrections prisoner intake data on the number of prisoners residing in a local unit to prior incarceration. The minimum grant award must be \$100,000, with funding contingent on an increase in liquor license fees.

#### ***Sec. 943. Social Security Numbers – RETAINED***

The **House Committee** and **Senate** retain a provision that prohibits the department from including complete social security numbers in Form 1099-G mailings. The **Executive** deletes this section.

#### ***Sec. 945. Review of Local Assessment Practices – RETAINED***

The **House Committee** and **Senate** retain a provision that permits the Department to review local unit assessment administration, practices, procedures, and records (known as the 14-point review) in at least one assessment jurisdiction per county. The **Executive** deletes this section.

#### ***Sec. 946. State Tax Commission – RETAINED***

The **House Committee** and **Senate** retain a provision that permits State Tax Commission and staff of Assessment and Certification Division to meet with statewide assessment organizations on a quarterly basis to coordinate assessment and training activities; permits recertification and training activities to be conducted at regional locations that maximize participation by local officials. The **Executive** deletes this provision.

#### ***Sec. 948. Electronic Filing – RETAIN***

The **House Committee** and **Senate** retain a provision that requires a report to the Legislature on the number of tax returns filed electronically. The **Executive** deletes this section.

#### ***Sec. 949. Income Tax Check-Offs Initiative – DELETED***

The **Executive**, **Senate**, and **House Committee** delete a provision that requires the department to develop a plan for individual income tax form check-offs to be implemented in tax year 2006.

#### ***Sec. 949. Restriction on Fund Use for Hiring – NOT INCLUDED***

**Senate** includes new language which restricts the use of funds to be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. **Executive** and **House Committee** do not include language.

#### ***Sec. 949b. Tobacco Stamp Technology RFP – NEW***

The **House Committee** adds language requiring the department to issue a competitive bid for new tobacco stamp technology and permits tobacco wholesalers to claim a deduction for costs related to the new technology in their monthly reimbursement under the Tobacco Products Tax Act. The **Executive** and **Senate** do not include this language.

#### ***Sec. 950. Revenue Sharing – REVISED***

The **House Committee** modifies language concerning the distribution of revenue sharing funds to specify from the total amount appropriated in part 1, there is a appropriated the amount required for constitutional revenue sharing under Section 10, Article IX of the State Constitution. The remaining balance is to be distributed in accordance with the Glenn Steil State Revenue Sharing Act. The **Executive** and **Senate** retain the existing language.

## **Major Boilerplate Changes From FY 2006-07**

### ***Sec. 956. Special Census Revenue Sharing Payments - RETAINED***

The **House Committee** retains a provision requiring that special census revenue sharing payments be distributed to eligible local units under the Glenn Steil State Revenue Sharing Act. The **Executive** deletes this section and the line item appropriation. The **Senate** retains this section, but does not provide for a line item appropriation in part 1.

### ***Sec. 957. (1) & (2) Local Government Collaborative Efforts – NEW***

The **Executive** and **House Committee** add a provision that requires that payments to local units for collaborative efforts shall be distributed to units that achieve greater efficiencies in delivering public services using the formulas provided in the Glenn Steil State Revenue Sharing Act; up to \$250,000 of the appropriation shall be expended for community partnerships grants awarded through the Centers for Regional Excellence; unexpended and unencumbered funds remaining at the end of FY 2007-08 lapse to the General Fund. The **Senate** does not include this section.

### ***Sec. 957. (3) Local Government Collaborative Efforts – NEW***

The **House Committee** adds a provision that allocates \$100,000 each to Michigan State University and Wayne State University to create city-university partnerships. The **Senate** does not include this subsection.

## **Lottery**

### ***Sec. 962. Use of Athletes in Advertising – DELETED***

The **Executive**, **Senate**, and **House Committee** delete a provision that prohibits the Bureau of State Lottery from associating professional or amateur sports figures (except for NASCAR drivers) with the lottery or its products; requires report to the Legislature on cost of obtaining use of NASCAR drivers, administrative costs, and net School Aid Fund revenue.

### ***Sec. 963. DHS Bridge Card Use Notification – RETAINED***

The **House Committee** and **Senate** retain a provision that requires Bureau of State Lottery to notify retailers that DHS bridge cards cannot be used to purchase lottery tickets. The **Executive** deletes this provision.

### ***Sec. 964. Restriction on Fund Use for Hiring – NOT INCLUDED***

**Senate** includes new language which restricts the use of funds to be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. **Executive** and **House Committee** do not include language.

## **Casino Gaming**

### ***Sec. 975. Restriction on Fund Use for Hiring – NOT INCLUDED***

**Senate** includes new language which restricts the use of funds to be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. **Executive** and **House Committee** do not include language.

## **MICHIGAN STRATEGIC FUND**

### ***Sec. 1001. Contingency Funds – NEW***

The **Executive** and **House Committee** add a provision that appropriates up to \$10.0 million for federal contingency funds, up to \$1.0 million for state restricted funds, and \$0.7 million for private funds. **Senate** does not include section.

### ***Sec. 1002. Economic Development Job Training (EDJT) Grants***

The **Executive** and **House Committee** earmark \$4.5 million for community colleges rather than the 75% earmark in current law. The **Executive** renames the grants as the "Upper Hand Training Grants"; the **House Committee** and **Senate** retain the current name.

### ***Sec. 1015. Legislative Approval of MEDC Executive Members – DELETED***

The **Executive** and **House Committee** delete a provision stating it is the intent of the Legislature that members of the MEDC Executive Committee be subject to the advice and consent of the Senate. The **Senate** retains this provision.

### ***Sec. 1016. Audit of Jobs Created – RETAINED AND MODIFIED***

The **House Committee** retains a provision that requires the MEDC to develop and implement procedures to audit the number of jobs claims to be created by MEDC grant recipients. The **House Committee** deletes a requirement that the MEDC work with the Office of the Auditor General in auditing job claims. The **Executive** deletes this section. The **Senate** retains this section.

## **Major Boilerplate Changes From FY 2006-07**

### ***Sec. 1017. Report on MEDC Employee Salaries – RETAINED***

The **House Committee** and **Senate** retain a provision that requires the MEDC to report to the legislature and state budget office the name, job title, and job description of employees with a salary of at least \$80,000. The **Executive** deletes this section.

### ***Sec. 1018. Tourism Advertising Return on Investment – RETAINED***

The **House Committee** retains a provision that requires the MEDC to contract with a state research university in Michigan to conduct a scientific study on the return on investment of state tourism advertising expenditures. The **Executive** and **Senate** delete this section

### ***Sec. 1019. Michigan Economic Growth Authority MEGA Tax Credits for Leased Employees – DELETED***

The **Executive** and **House Committee** delete a provision that requires that firms otherwise eligible for MEGA tax credits to qualify if employees hired for new jobs created are leased from a professional employer organization (PEO). The **Senate** retains this section.

### ***Sec. 1021. Michigan Promotion Program – NEW***

The **Executive** and **House Committee** add language specifying that \$10 million of the funds for the Michigan promotion program shall be used to accelerate to promote the state's tourism industry and business marketing activities. The **Senate** does not include this language (see below).

### ***Sec. 1021. Michigan Promotion Program Local Tourism Efforts – DELETED***

The **Senate** adds language that allocates \$1 million for the Michigan promotion program to be used to accelerate efforts to promote the state's tourism industry in coordination with local tourism efforts. The **Executive** and **House Committee** do not include this language.

### ***Sec. 1022. Business Incubator Program – NEW***

The **House Committee** adds a provision concerning the line item appropriation in part 1 for the business incubator program. The program provide grants and loans designed to foster the creation of new jobs in competitive edge technologies, with preference given to grantees located in economically depressed areas. The **Executive** and **Senate** do not include this section or the line item.

### ***Sec. 1022. Small Business Innovation Research/Small Business Technology Transfer Research - DELETED***

The **Senate** includes language that provides funds for the SBIR/STTR matching grant programs from awards from the competitive edge technology grant and loan program that are not accepted by awardees. The **Executive** and **House Committee** do not include this language.

### ***Sec. 1023. Watervliet Township Ethanol Plant – NEW***

The **House Committee** includes language allocating a \$100 placeholder from the appropriation in part 1 for the alternative energy initiative to the Berrien County Brownfield Redevelopment Authority for a brownfield redevelopment project in Watervliet Township to construct an ethanol plant.

### ***Sec. 1023. Jobs Report – DELETED***

The **Senate** added a section requiring the MEDC to only report the actual direct number of jobs projected to be created as a result of any financial or tax incentive package that is offered to a business and to include salaries and employer sponsored benefits in its publications for marketing and public information purposes. The **Executive** and **House Committee** do not include this section.

### ***Sec. 1024. 21<sup>st</sup> Century Allocation for Drug Makers – DELETED***

The **Senate** added a section that allocates \$1.5 million from the 21<sup>st</sup> century programs for a private research institute that has received a federal appropriation prior to 2005 for the creation of a manufacturing facility to produce drugs approved for use in clinical trials. The **Executive** and **House Committee** do not include this section.

### ***Sec. 1024. McBain Township Infrastructure Improvements – NEW***

The **House Committee** includes language allocating a \$100 placeholder from the appropriation in part 1 for the alternative energy initiative to the Missaukee County, McBain Township for infrastructure improvements.

### ***Sec. 1025. 21<sup>st</sup> Century Allocation for Biofuels – DELETED***

The **Senate** added a section that allocates \$2 million from the 21<sup>st</sup> century program to support a biofuels facility that produces biodiesel fuel and fosters the development of new biomass technologies and a biomass research institute. The **Executive** and **House Committee** do not include this language.

## **Major Boilerplate Changes From FY 2006-07**

### ***Sec. 1026. Tool and Die Aeronautics Certification Grants – DELETED***

The **Senate** added a section that specifies that the appropriation in part 1 for tool and die aeronautics certification grants is available to eligible businesses seeking certification in aeronautics manufacturing, and is limited to \$25,000 per grantee. The **Executive** and **House Committee** do not include this section.

### ***Sec. 1027. Entrepreneurial Training and Mentoring Program - INCLUDED***

The **Senate** and **House Committee** add a section specifying that the MSF shall partner with Michigan Works! agencies and the Department of Labor and Economic Growth to implement a training and mentoring program for students enrolled in secondary and post-secondary educational programs. The **Executive** does not include this section.

### ***Sec. 1028. Tax Incentives for Michigan Workers – DELETED***

The **Senate** include statements of legislative intent that tax and other economic development incentives be awarded to businesses that hire only Michigan workers and that for businesses that hire Michigan and non-Michigan workers, the incentives be awarded on a sliding scale. The **Executive** and **House Committee** do not include this section.

### ***Sec. 1028. Intermodal Transportation Centers – NEW***

The **House Committee** includes language allocating a \$100 placeholder from the appropriation in part 1 for Intermodal Transportation Centers for a competitive grant and loan program for new hubs and improvements to existing hubs.

### ***Sec. 1029. Jobs for Michigan Investment Fund Allocation – DELETED***

The **Senate** adds a section that states that the appropriation in part 1 from the jobs for Michigan investment fund – returns shall be expended only for the SBIR/STTR matching grant program and the Michigan promotion program. The 21<sup>st</sup> Century Trust Fund shall be expended only for 21<sup>st</sup> Century programs. The **Executive** and **House Committee** do not include this language.