

**FY 2007-08 AND FY 2008-09
SUPPLEMENTAL APPROPRIATIONS
As Reported by the House Committee
Senate Bill 1111 (H-3)**



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OVERVIEW

As passed by the Senate, Senate Bill (S-4) contained all pending supplemental requests received from the State Budget Office (SBO) for FY 2007-08.

The (H-3) version of the bill reported by the House Appropriations Committee is a multi-year supplemental appropriations bill, containing all pending supplemental requests received from the SBO for both FY 2007-08 and FY 2008-09, as well as additional legislative priorities for both fiscal years. Brief overviews of the supplemental adjustments in the bill are included below. Attached tables provide more detailed information on those adjustments.

FY 2007-08

Senate Bill 1111 (H-3) contains a total net Gross appropriation of negative \$53.6 million and a total net GF/GP appropriation of positive \$72.3 million for FY 2007-08. **Table 1** shows FY 2007-08 appropriation items in the bill by budget area, indicating which items reflect requests submitted by the SBO.

Major SBO-requested adjustments include consensus and fund source adjustments (replacing unavailable Merit Award and Medicaid Benefits Trust Fund revenue with GF/GP revenue) for the Medicaid program in the Community Health budget and fund source shifts in the Higher Education and Human Services budgets for the purpose of drawing down an available increase in federal TANF funding.

Additionally, a boilerplate appropriation of \$21.5 million GF/GP (not reflected in Table 1) is recommended for the Department of Management and Budget for a federally-required reimbursement to the State Sponsored Group Insurance Fund; the appropriation is to be funded from associated state employee health care rate reductions (see section 251).

Table 2 shows all FY 2007-08 boilerplate sections included in the bill.

In addition to SBO-requested items, the bill contains the following FY 2007-08 supplemental adjustments:

- \$2,300 GF/GP for 23 Capital Outlay planning and construction authorizations (see **Table 6**).
- Foster Care-related adjustments in the Human Services budget, including a net appropriation increase of \$10.8 million GF/GP.
- A shift of \$6.5 million between Transportation Economic Development line items (no net appropriation change).
- Boilerplate language that would appropriate up to \$47.4 million GF/GP for various purposes, contingent on the existence of unreserved balances of at least \$190.0 million GF/GP and \$68.7 million School Aid Fund at the close of FY 2007-08 (see section 203 and **Table 3**). (If insufficient funds are available, the specified amounts would be reduced proportionally to the available funds above those fund balances.)
- Boilerplate language related to the Workforce Training Program in the Labor and Economic Growth budget.
- Boilerplate language recognizing the previous appropriation of \$50.0 million for the Michigan Promotion Program in the Treasury budget.

FY 2008-09

Senate Bill 1111 (H-3) contains a total Gross appropriation of \$35.1 million and a total GF/GP appropriation of \$11.1 million for FY 2008-09. **Table 4** shows FY 2008-09 appropriation items in the bill by budget area; **Table 5** shows FY 2008-09 boilerplate sections included in the bill.

In addition to SBO-requested items, the bill includes FY 2008-09 Foster Care-related adjustments in the Human Services budget, including a net appropriation increase of \$10.8 million GF/GP.

Table 1
FY 2007-08 Supplemental Appropriations: SB 1111 (H-3)

<u>Budget Area/Appropriation Item</u>	Executive		*Senate		House	
	<u>Gross</u>	<u>GF/GP</u>	<u>Gross</u>	<u>GF/GP</u>	<u>Gross</u>	<u>GF/GP</u>
Agriculture						
Pseudorabies Outbreak	\$415,000	\$415,000	\$415,000	\$415,000	\$200,000	\$200,000
Capital Outlay						
Planning and construction authorizations (see Table 6)	--	--	--	--	2,300	2,300
Community Colleges						
Renaissance Zone Tax Reimbursement Funding	10,000	10,000	10,000	10,000	10,000	10,000
Community Health						
Medicaid Consensus Adjustments	(82,986,000)	(26,944,000)	(82,986,000)	(26,944,000)	(82,986,000)	(26,944,000)
Medicaid Fund Source Adjustments	0	83,300,000	0	83,300,000	0	83,300,000
Environmental Quality						
Water Withdrawal Legislation	250,000	0	250,000	0	250,000	0
Higher Education						
Financial Aid Fund Shifts (replace GF/MATF with TANF)	0	(91,948,600)	0	(91,948,600)	0	(91,948,600)
Human Services						
TANF Program Fund Shifts (replace TANF with GF/MATF)	0	91,948,600	0	91,948,600	0	91,948,600
Community Services Block Grant fund shift (\$300,000)	0	0	0	0	0	0
Foster Care/Private Agency Rate Increase	--	--	--	--	17,601,000	10,759,600
Foster Care Case Shift	--	--	--	--	750,000	0
Management and Budget						
Detroit Zoo Transitional Funding	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
Military and Veterans Affairs						
Starbase Grant	1,045,700	0	1,045,700	0	1,045,700	0
State						
Real ID Act	2,495,000	0	2,495,000	0	2,495,000	0
State Police						
Hart Post Acquisition and Relocation	450,000	450,000	450,000	450,000	450,000	450,000
Transportation						
Transportation Economic Development Fund: Shift \$6.5M	--	--	--	--	0	0
Treasury						
College Access Challenge Grant Program	2,100,000	0	2,100,000	0	2,100,000	0
TOTAL	(\$71,720,300)	\$61,731,000	(\$71,720,300)	\$61,731,000	(\$53,582,000)	\$72,277,900

*Excludes line item appropriation of \$21.3 million GF/GP included in Senate-passed version of bill to reflect SBO-recommended boilerplate appropriation.

Table 2
FY 2007-08 Boilerplate Sections: SB 1111 (H-3)

Budget Area/Boilerplate Item

General Sections

Provides for GF/GP appropriations of \$44.5 million based on year-end balances (see **Table 3**)

Human Services

Designates \$300,000 for Newberry Community Action Agency

Increases private placing agency administrative rate to \$37/day

Labor and Economic Growth

States intent that workforce training funds be allocated to Michigan Energy Trades Institute

Management and Budget

Appropriates up to \$21.5 million GF/GP to reimburse State Sponsored Group Insurance Fund

State

Designates unexpended appropriations for REAL ID act as multi-year work project

Treasury

Recognizes previous appropriation of \$50.0 million for Michigan Promotion Program

Designates unexpended appropriations for College Access Grant as multi-year work project

Executive	Senate	House
--	--	Sec. 203
Included	Sec. 251	Sec. 221
--	--	Sec. 222
--	--	Sec. 241
Included	Sec. 301 (Revised)	Sec. 251
Included	Sec. 401	Sec. 351 (Revised)
--	--	Sec. 501
Included	Sec. 501	Sec. 502

Table 3
FY 2007-08 GF/GP Appropriations Contingent on Year-End Balances: SB 1111 (H-3)

<u>Budget Area/Appropriation Item</u>	<u>GF/GP Approp</u>
Community Health	
Diabetes and kidney program	\$250,000
Multicultural services	320,000
Education	
Center for advanced studies and the arts	250,000
Conductive learning center	150,000
Cultural access grants	700,000
Pre-college engineering program	400,000
Science, engineering, mathematics, aerospace academy	100,000
Human Services	
Legal support contracts (replace child support fee revenue)	2,734,500
Natural Resources	
Cormorant population control	150,000
State Police	
Grant to Detroit metropolitan airport	175,000
Treasury	
21st century libraries program	5,000,000
Arab American national museum	2,700,000
Bloomfield Township - PGA event	300,000
Charles Wright museum of African-American history	200,000
City of McBain, Missaukee County	3,000,000
Detroit festival of arts/MACK alive	350,000
Detroit historical society	1,900,000
Detroit institute of arts	10,000,000
Detroit river regatta association - Detroit gold cup	200,000
Downtown Detroit partnership - Detroit grand prix	400,000
Edison museum	250,000
Grand Rapids art museum	2,000,000
Grand Rapids public museum	600,000
Henry Ford museum	1,800,000
John Ball zoological museum	600,000
Kalamazoo aerospace museum	800,000
Lansing amphitheatre	1,700,000
Millennium park amphitheatre	2,000,000
Mining museum of Marquette	250,000
Monroe County historical museum	100,000
Motown museum	100,000
Regional intergovernmental centers	4,000,000
Soo locks museum	200,000
Telephone/telegraph reappraisals	750,000
Watervliet Township - brownfield redevelopment centers	3,000,000
TOTAL	\$47,429,500

Table 4
FY 2008-09 Supplemental Appropriations: SB 1111 (H-3)

<u>Budget Area/Appropriation Item</u>	Executive		Senate		House	
	<u>Gross</u>	<u>GF/GP</u>	<u>Gross</u>	<u>GF/GP</u>	<u>Gross</u>	<u>GF/GP</u>
Agriculture						
Bovine Tuberculosis Program (restore to Exec. Rec.)	\$1,466,800	\$0	--	--	\$1,466,800	\$0
Horse Racing Programs (partial veto restoration)	10,160,300	0	--	--	10,160,300	0
Corrections						
Prison Store Operations (restore restricted funding)	4,800,000	0	--	--	4,800,000	0
Northern Regional Consolidations (\$100 placeholder)	0	0	--	--	0	0
History, Arts and Libraries						
HAL Record Center Rent (three months)	366,000	366,000	--	--	366,000	366,000
Human Services						
Foster Care/Private Agency Rate Increase	--	--	--	--	17,601,000	10,759,600
Foster Care Case Shift	--	--	--	--	750,000	0
TOTAL	\$16,793,100	\$366,000	\$0	\$0	\$35,144,100	\$11,125,600

Table 5
FY 2008-09 Boilerplate Sections: SB 1111 (H-3)

Budget Area/Boilerplate Item

Agriculture

Horse Race Purses and Supplements (veto restoration)
 Thoroughbred Program Earmark (veto restoration)
 Thoroughbred Owners Awards (veto restoration)
 Purse Supplements (veto restoration)

Human Services

Increases private placing agency administrative rate to \$37/day

Executive	Senate	House
Included	--	Sec. 1302
Included	--	Sec. 1303
Included	--	Sec. 1304
Included	--	Sec. 1307
--	--	Sec. 1401

Table 6
STATE BUILDING AUTHORITY PROJECTS (FY 2007-08): SB 1111 (H-3)

<u>Department/Institution</u>	<u>Project</u>	<u>Total Cost</u>	<u>State Share</u>	<u>School Share</u>
<u>A. Construction Authorizations:</u>				
Natural Resources	State Parks Improvement Projects	\$17,900,000	\$17,900,000	\$0
Natural Resources	Forest Fire Experiment Station Replacement	2,100,000	2,100,000	0
State Police	Battle Creek Post	2,500,000	2,500,000	0
	Subtotal Construction Authorizations	\$22,500,000	\$22,500,000	\$0
<u>B. Planning Authorizations:</u>				
<u>Universities:</u>				
Central Michigan University	Bio-Tech Building	\$75,000,000	\$40,000,000	\$35,000,000
Eastern Michigan University	Pray-Harold Building Expansion & Renovations	57,000,000	40,000,000	17,000,000
Grand Valley State University	Learning & Technology Center Remodeling	70,000,000	40,000,000	30,000,000
Lake Superior State University	School of Business, Economics, & Legal Studies	14,750,000	11,062,500	3,687,500
Michigan Technological University	Center for Integrated Learning & Information Tech.	59,000,000	40,000,000	19,000,000
Northern Michigan University	Bio-Mass Heat & Power Cogeneration Plant	55,000,000	40,000,000	15,000,000
University of Michigan - Dearborn	Science & Computer Center Renovations	36,000,000	27,000,000	9,000,000
University of Michigan - Flint	Murchie Science Lab Renovations	20,800,000	15,600,000	5,200,000
	Subtotal Universities	\$387,550,000	\$253,662,500	\$133,887,500
<u>Community Colleges:</u>				
Alpena Community College	Transportation Center Construction & Renovation	\$7,830,000	\$3,915,000	\$3,915,000
Bay de Noc Community College	Nursing Laboratory & Lecture Hall Remodeling	1,000,000	500,000	500,000
Delta College	Health & Wellness Programs - F Wing	12,800,000	6,400,000	6,400,000
Grand Rapids Community College	Lifelong Learning Center	33,500,000	16,750,000	16,750,000
Kellogg Community College	C Classroom Building Renovations	5,000,000	2,500,000	2,500,000
Lansing Community College	Science Classroom & Laboratory Expansion	47,300,000	23,650,000	23,650,000
Macomb County Community College	Health Science & Technology Building, Phase II	14,500,000	7,250,000	7,250,000
North Central Michigan College	University & Science Center	16,323,800	8,161,900	8,161,900
Northwestern Michigan College	Student Learning Center	13,500,000	6,750,000	6,750,000
Oakland Community College	Auburn Hills Campus, Building A Addition/Renovations	32,065,000	16,032,500	16,032,500
St. Clair County Community College	Health & Human Services Center	7,000,000	3,500,000	3,500,000
Schoolcraft College	Public Safety/Homeland Security Classroom Bldg.	15,000,000	7,500,000	7,500,000
	Subtotal Community Colleges	\$205,818,800	\$102,909,400	\$102,909,400
	Subtotal Planning Authorizations	\$593,368,800	\$356,571,900	\$236,796,900
	Grand Total All Projects	\$615,868,800	\$379,071,900	\$236,796,900