



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 231 (S-1 as passed by the Senate)
Committee: Appropriations

FY 2006-07 Year-to-Date Gross Appropriation	\$50,309,300
Changes from FY 2006-07 Year-to-Date:	
1. State Aid to Libraries. The Governor recommended a 50.0% reduction to this grant line, from \$12,143,000 to \$6,071,500. The Senate concurred in the total reduction and added boilerplate to maintain State aid to cooperative libraries at 75.7% of the FY 2006-07 level.	(6,071,500)
2. Arts and Cultural Grants. The Governor maintained arts grants at \$10,144,300, the original FY 2006-07 level. The Senate funded arts grants at \$6,519,300, an amount (\$25,000) below the revised FY 2006-07 year-to-date appropriation.	(25,000)
3. Book Distribution Centers. The Governor recommended the elimination of this line. The Senate included a \$100 placeholder.	(349,900)
4. Library of Michigan Operations. The Governor recommended an 11.5% reduction to this line. Of this reduction \$300,000 would be transferred into the Management Services line and \$200,000 would be transferred to the Historical Administration Services line to help cover administrative costs. The remaining reduction would be achieved through reduced collection purchases. The Senate concurred.	(126,400)
5. Administrative Reductions. The Governor recommended administrative reductions to the MCACA Administration line (\$62,500) and (4.0) FTEs which may result in 2.0 lay-offs, the Management Services line (\$18,900), and the Mackinac Island Facilities System line (\$13,900). These reductions will be achieved through administrative efficiencies. The Senate concurred.	(95,300)
6. Rent. The Governor recommended a GF/GP increase to support the costs of relocating the Historical Museum artifacts into new leased space. The Senate concurred.	171,000
7. DIT Web Portal. The Governor recommended a GF/GP increase in the Information Technology line item to fully support the costs of the Department's web portal. The Senate concurred.	140,000
8. Michigan History Day. The Senate added \$25,000 for Michigan History Day.	25,000
9. Economic Adjustments.	688,900
10. Budgetary Savings. The Senate included this line item.	(298,400)
11. Other Changes. The Governor recommended various Federal and restricted fund source adjustments (\$779,100), adjustments to the Human Resources Optimization User Charges (\$14,300), a reduction of (\$11,000) for final year of sick leave payouts due to early retirements, and a Department of Information Technology reduction of (\$8,200). The Senate concurred.	(812,600)
12. Comparison to Governor's Recommendation. The Senate is (\$3,898,300) Gross and (\$3,898,300) GF/GP under the Governor.	
Total Changes.....	(\$6,754,200)
FY 2007-08 Senate Gross Appropriations	\$43,555,100

Changes from FY 2006-07 Year to Date:

1. **Deleted Language.** The Governor recommended deleting and the Senate retained the privatization plan report (Sec. 207), the History, Arts, and Libraries Fund report (Sec. 216), intent language on supplemental funding (Sec. 218), communication with Legislature (Sec. 219), Film Advisory Commission minutes (Sec. 220), notification prior to sale of artifacts (Sec. 506), and sale of subscriber mailing list (Sec. 507). The Senate concurred with the Governor in deletion of the following: intent language on satellite film offices, intent language on an income tax check-off, and optional priority for cultural and ethnic heritage centers and museums.
2. **New Standard Language.** The Senate revised the hiring freeze language (Sec. 205) and added veteran-owned businesses to Buy American language. (Sec. 209)
3. **Report on Implementation of Legislation; Limitation on Rules.** The Senate added a report on policy changes made to implement legislation, and prohibited use of funds for administrative rules, unless rules reduce the disproportionate impact on small businesses. (Sec. 210)
4. **Deprived and Depressed Communities.** The Governor recommended encouraging state contracts with businesses in deprived and depressed communities. The Senate concurred. (Sec. 222)
5. **Contingency Funds.** The Governor reinstated contingency fund language to permit limited Federal, restricted, and private funds received mid-year to be appropriated via the legislative transfer process. The Senate did not include. (Sec. 223)
6. **Limitation on Legal Services.** The Senate added a requirement that appropriated funds shall not be used to hire a person to provide legal services that are the responsibility of the Attorney General. (Sec. 223)
7. **After-School Programs.** The Senate included language that directs the Department to collaborate with several other State departments to extend the duration of the Michigan After-School Partnership. The Department may use \$25,000 to support the Michigan After-School Partnership. (Sec. 224)
8. **Budgetary Savings.** The Senate specified that the negative appropriation for budgetary savings would be made only after approval of appropriation transfers by the House and Senate committees on appropriations. (Sec. 225)
9. **Michigan Arts and Cultural Grants.** The Governor combined "Cultural projects" and "Historical projects" into one category (Sec. 402), maintained the maximum percentage that can be granted to any one institution at 16.0% and removed intent language on reducing the percentage to 15.0% (Sec. 403), deleted outcomes reporting (Sec. 405), deleted arts grant outcomes reporting, deleted reporting of available discretionary funds, and deleted prohibition on redistribution of grant funds during the fiscal year without notifying subcommittees (Sec. 406). The Senate concurred in deletion of outcomes reporting, maintained "cultural projects" as a separate category, changed the "Historical Projects" category to the "Historical Society Projects" category, followed intent language to reduce to 15.0% the maximum percentage of funds that any one organization can receive, and retained the discretionary funds reports and the notification of subcommittees prior to redistribution of grant funds.
10. **Michigan Freedom Trail.** The Governor recommended making the allocation of \$25,000 for the operation of the Michigan Freedom Trail permissive instead required. The Senate retained current language. (Sec. 505)
11. **State Aid to Libraries.** The Senate added a requirement that of the funds appropriated for State Aid to Libraries, payments to cooperative libraries shall be paid at 75.7% of the FY 2006-07 payment to cooperative libraries, and other distributions from the line shall be adjusted accordingly. (Sec. 603)
12. **Book Distribution Centers.** The Governor recommended eliminating the program. The Senate retained the program with a \$100 placeholder. (Sec. 607)
13. **Mackinac Island State Park Commission Maintenance Projects.** The Senate added language to appropriate \$200,000 from the Mackinac Island Park Operations Fees Fund to the Park Commission Revenue Bond Fund for road repairs on Mackinac Island, to match Federal funds to acquire two snowplow trucks, and to conduct maintenance projects at Historic Mill Creek, Fort Mackinac, and Colonial Michilimackinac. (Sec. 701)

Date Completed: 8-27-07

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