

FY 2009-10 SUPPLEMENTAL APPROPRIATIONS

Summary: As Passed by the Senate Senate Bill 797 (S-1) as Amended



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OVERVIEW

In a letter dated June 2, 2010, the State Budget Office (SBO) recommended negative adjustments to FY 2009-10 appropriations for all state departments to reflect estimated savings from state employee concessions. The table below shows recommended adjustments by department and fund source, which are incorporated into Senate Bill 797 (S-1). Gross savings total \$46.6 million; GF/GP savings total \$23.4 million.

The savings reflected in the bill are the result of the following employee concession measures:

- Banked Leave Time - number of hours varies by bargaining unit; 47,587 employees affected.
- Furlough Days - 5 days for 3,396 employees.
- Elimination of overtime paid for Department of Corrections employees who attend pre-shift meetings.

In addition to the savings included in this bill, the SBO anticipates lapsing \$5.1 million Gross and \$2.3 million GF/GP in professional development funds. As part of the UAW's negotiated concessions, they agreed to forfeit \$5.1 million in available professional development funds, which are collected pursuant to their collective bargaining agreement and are used to pay for various training programs for employees.

Additionally, Senate Bill 797 (S-1) includes supplemental appropriations for certain time-sensitive items in the Department of Human Services budget—including federal American Recovery and Reinvestment Act funding for food assistance costs—and disaster assistance funding in the Department of State Police budget. Those adjustments are summarized in the tables on page 2 of this document.

The total net impact of all appropriation adjustments contained in the Senate-passed version of Senate Bill 797 is an increase of \$75.3 million in Gross appropriations and a reduction of \$23.1 million in GF/GP appropriations in the FY 2009-10 state budget.

Summary: FY 2009-10 Appropriation Adjustments Related to Employee Concessions

Department	Gross	IDG/IDT	Federal	Private/ Local	Restricted	GF/GP
Agriculture	(\$450,900)	\$0	(\$100,000)	\$0	(\$128,700)	(\$222,200)
Attorney General	(502,100)	(148,000)	(47,400)	0	(99,500)	(207,200)
Civil Rights	(89,000)	0	(13,700)	0	0	(75,300)
Community Health	(4,535,300)	(339,800)	(871,900)	(1,104,700)	(402,000)	(1,816,900)
Corrections	(14,628,200)	0	(2,600)	0	(119,200)	(14,506,400)
Education	(438,200)	0	(304,000)	(37,100)	(29,900)	(67,200)
Energy, Labor, Econ Growth	(3,934,000)	(170,300)	(2,060,100)	0	(1,509,900)	(193,700)
Executive Office	(39,000)	0	0	0	0	(39,000)
Human Services	(7,600,600)	0	(4,754,100)	0	0	(2,846,500)
Legislative Auditor General	(142,800)	0	0	0	0	(142,800)
Military & Veterans Affairs	(829,100)	0	(474,000)	(5,600)	(169,000)	(180,500)
Natural Resources & Environ	(2,869,200)	(27,000)	(633,200)	(295,900)	(1,515,300)	(397,800)
State	(1,046,100)	0	0	0	(871,300)	(174,800)
State Police	(2,488,300)	(108,800)	(123,600)	(42,800)	(460,300)	(1,752,800)
Tech, Management, Budget	(2,734,100)	(1,767,400)	(159,600)	0	(351,100)	(456,000)
Transportation	(2,695,600)	0	0	0	(2,695,600)	0
Treasury	(1,565,600)	(54,300)	(87,000)	(4,500)	(1,127,000)	(292,800)
TOTAL	(\$46,588,100)	(\$2,615,600)	(\$9,631,200)	(\$1,490,600)	(\$9,478,800)	(\$23,371,900)

**Summary: FY 2009-10 Appropriation Adjustments
Excluding Employee Concession-Related Adjustments**

	Executive*		Senate		House	
Budget Area	Gross	GF/GP	Gross	GF/GP	Gross	GF/GP
Human Services	\$121,745,700	\$103,600	\$121,745,700	\$103,600		
State Police	0	0	134,600	134,600		
TOTAL	\$121,745,700	\$103,600	\$121,880,300	\$238,200		

*Reflects SBO letter dated 6/2/10 (partial)

FY 2009-10 Appropriation Items:

HUMAN SERVICES

1. Food Assistance Program (ARRA)

Increases federal funding for food assistance program (FAP) by \$117.2 million to increase caseload by 36,250 to 870,390 cases at an average monthly benefit of \$269.42. (6/2/10 SBO letter)

	<u>Executive</u>	<u>Senate</u>	<u>House</u>
Gross	\$117,193,000	\$117,193,000	
ARRA	100,855,800	100,855,800	
Federal	16,337,200	16,337,200	

2. Electronic Benefit Transfer (EBT) (ARRA)

Increases contractual payments to administer EBT payments for food and cash assistance. FAP transaction activity has increased, resulting in higher costs related to administering EBT payments. Request includes \$4.1 million in food assistance administration funding available through ARRA. (6/2/10 SBO letter)

Gross	\$4,552,700	\$4,552,700
Federal	366,900	366,900
ARRA	4,082,200	4,082,200
GF/GP	\$103,600	\$103,600

STATE POLICE

3. Disaster Assistance

Disaster relief funding for the June 6, 2010 storms in Monroe County. Based on State Police evaluations of the storm damage, Dundee Township, the Village of Dundee, Frenchtown Charter Township, and Monroe County are eligible to receive \$30,000 each, while the Village of Estral Beach is eligible to receive \$14,627

Gross	--	\$134,600
GF/GP	--	\$134,600

FY 2009-10 Boilerplate Items:

HUMAN SERVICES

1. Lease Cancellation

Requires the department to cancel the lease at 14000 Schoolcraft Ave. Detroit, MI upon notice to the lessor. (6/2/10 SBO letter)

	<u>Executive</u>	<u>Senate</u>	<u>House</u>
	Included	Sec. 301	