

FY 2009-10 ONE-MONTH INTERIM BUDGET
Summary: As Passed by the House
Senate Bill 831 (S-2)



Director: Mitchell E. Bean

OVERVIEW

Senate Bill 831 contains a one-month interim state budget for FY 2009-10, effective for the period of October 1, 2009 to October 31, 2009, in order to allow for the continued operations of state government if FY 2009-10 appropriations bills are not signed into law by October 1. The bill contains a total Gross appropriation of \$2.9 billion and a total GF/GP appropriation of \$688.8 million.

The table below summarizes appropriation amounts by funding source for each budget area. General Fund/General Purpose (GF/GP) funding amounts are generally equal to 1/12 of FY 2009-10 legislative leadership target amounts for each budget area. Funding amounts for federal, restricted, and other revenue sources are generally equal to 1/12 of current FY 2008-09 funding amounts. For most budget areas, the bill contains a single generic appropriation for "Operation, grants, and services." Specific appropriations are made for individual legislative agencies, as well as the following items:

- \$37.2 million for State Building Authority rent.
- \$72.6 million for debt service in the Transportation budget.
- \$21.3 million for debt service in the Treasury budget.
- \$124.0 million for constitutionally revenue sharing and \$56.3 million for statutory revenue sharing (first of six bimonthly payments).

The bill directs that expenditures during the 31-day period be predicated on the activities, programs, or projects for which appropriations were authorized in FY 2008-09. Boilerplate language included in the bill provides for the termination of the interim appropriations upon enactment of full-year appropriations acts for FY 2009-10 and direct the State Budget Director to authorize allotments for each department from the funds appropriated.

A summary of boilerplate sections deemed to be essential for continuing operations and, therefore, included in the bill is provided below.

FY 2009-10 Appropriations: Senate Bill 831

Budget Area	Gross	IDG/IDT	Federal	Local	Private	Restricted	GF/GP
Agriculture	8,381,600	794,900	1,445,500	0	19,800	3,572,400	2,549,000
Attorney General	6,086,400	2,002,100	703,000	0	0	982,500	2,398,800
Civil Rights	1,108,700	0	184,700	0	0	0	924,000
Community Colleges	24,946,700	0	0	0	0	0	24,946,700
Community Health	1,052,014,600	3,359,200	700,100,000	20,086,900	5,993,000	136,336,700	186,138,800
Corrections	158,436,300	106,400	1,222,100	35,900	0	4,538,600	152,533,300
Education	9,795,000	0	6,765,900	573,400	257,300	579,300	1,619,100
Energy, Labor, Econ Growth	115,686,000	2,548,000	73,523,300	1,324,100	442,900	33,373,500	4,474,200
Environmental Quality	28,781,000	1,570,300	10,819,400	0	46,300	14,099,100	2,245,900
Executive Office	402,000	0	0	0	0	0	402,000
Higher Education	141,442,100	0	672,700	0	0	15,127,300	125,642,100
Human Services	437,351,700	201,400	357,821,100	3,839,500	844,800	5,255,800	69,389,100
Information Technology	35,016,900	35,016,900	0	0	0	0	0
Judiciary	21,309,800	214,500	427,200	507,800	70,200	7,329,000	12,761,100
Legis. Auditor General	1,214,900	150,100	0	0	0	128,300	936,500
Legislature	8,826,500	0	0	0	33,300	92,500	8,700,700
Management & Budget	61,741,200	13,928,900	946,100	164,600	12,500	6,743,400	39,945,700
Michigan Strategic Fund	12,427,000	6,700	5,536,500	59,600	0	4,562,900	2,261,300
Military & Veterans Affairs	16,759,300	140,100	10,877,800	106,400	122,000	2,477,500	3,035,500
Natural Resources	25,251,900	306,000	4,518,300	0	369,900	18,664,000	1,393,700
State	17,670,100	1,666,700	639,500	0	100	13,425,800	1,938,000
State Police	42,959,900	2,158,300	7,967,600	700,500	22,000	9,839,900	22,271,600
Transportation	431,644,000	0	195,032,800	5,968,700	0	230,642,500	0
Treasury	230,807,100	893,000	3,061,800	92,100	0	204,512,900	22,247,300
TOTAL	2,890,060,700	65,063,500	1,382,265,300	33,459,500	8,234,100	712,283,900	688,754,400

FY 2009-10 Boilerplate Sections: Senate Bill 831

General

Sec. 201. Terminates interim appropriations for departments upon enactment of respective full-year FY 2009-10 appropriations acts. Provides for expenditures made under the act to become expenditures under the appropriate line items in the respective full-year appropriation acts.

Sec. 203. Directs State Budget Director to authorize allotments for departments.

Attorney General

Sec. 302. Provides for Attorney General to perform legal services on behalf of state departments and agencies.

Civil Rights

Sec. 350. Authorizes the department to receive and expend funding from local or private sources for training and information dissemination purposes and requires a report on the amount of funding received and expended.

Community Health

Sec. 375. Directs counties required under provisions of the Mental Health Code to provide matching funds to CMHSP for mental health services rendered.

Sec. 376. Allows the department to establish and collect a reasonable charge of making customized listings of nonconfidential information in its possession, such as names and addresses of licensees, available to interested parties.

Sec. 377. Funding penalty in case of dissolution of multi-county local health department.

Sec. 378. Local public health operations funding allocations.

Sec. 379. Authorization for imposition and expenditure of fees by area agencies on aging for certain services.

Sec. 380. Requires Medicaid payment rate to be accepted as payment in full, including payments from other third-party sources. Hospital Services payments for persons dually eligible for Medicare and Medicaid are to include capital payments in determining Medicaid reimbursement amount.

Sec. 381. Establishes the pharmacy dispensing fee at \$2.50 (\$2.75 for nursing home pharmacies) or the pharmacy's usual and customary charge, whichever is less. Specifies prescription copayments for Medicaid recipients of \$1.00 for a generic drug and \$3.00 for a brand-name drug except as prohibited by federal or state law or regulation.

Sec. 382. Authorizes department to secure manufacturer drug rebates for participants in MICHild, MOMS, Children's Special Health Care Services, and Adult Benefit Waiver programs.

Sec. 383. Requires copayments on dental, podiatric, chiropractic, vision, and hearing aid services provided to Medicaid recipients, except as prohibited by federal or state law.

Sec. 384. Requires institutional providers to submit their cost reports within five months of the end of the fiscal year.

Sec. 385. Requires Medicaid nursing home payment rates to be set 30 days in advance of the facility's fiscal year and to be based on the most recent cost report submitted.

Sec. 386. Allows department to utilize school district funds received from a health system as state match for federal Medicaid or children's health insurance program funds to be used for new school-based or school-linked services.

Sec. 387. Specifies that funds appropriated in Part 1 for Forensic Mental Health Services provided to the Department of Corrections are in accordance with the interdepartmental plan developed in accordance with the Department of Community Health.

Sec. 388. Provides for final authorizations to CMHSPs or PIHPs to be made upon the execution of contracts between the department and CMHSPs and PIHPs; requires report.

Corrections

Sec. 400. Maintains authority for the department to collect various reimbursements to cover associated expenses.

Sec. 406. Maintains county jail reimbursement program under current criteria and reimbursement rates.

Education

Sec. 425. Requires department to allocate \$225,000 of the federal drug-free grant to the department's safe school program.

Sec. 427. Requires department to assess the intermediate school district of residence for 100% of the instructional costs for students at

the Michigan Schools for the Deaf and Blind.

Sec. 429. Allows department to collect and spend funds from the lease of excess property at the Michigan Schools for the Deaf and Blind.

Sec. 430. Allows the department to receive and expend fee revenue from document production/services, conferences/workshops/training, and use of equipment/facilities/software; allows funds to be carried over for expenditure in subsequent fiscal years.

Environmental Quality

Sec. 450. Re-appropriates unspent amounts from earlier appropriations from various environmental protection-related funds to clean up any legislatively-approved cleanup site.

Human Services

Sec. 550. Requires DHS to provide 50% reimbursement to Indian tribal governments for foster care expenditures for children under the jurisdiction of tribal courts and not eligible for federal fund sharing.

Sec. 552. Establishes matching requirements for agencies receiving teenage parent counseling funds.

Sec. 556. Imposes a charge-back on counties for 50% of the costs of alternative regional detention services in certain circumstances.

Sec. 558. Allocates funds from federal child support incentive payment revenue between the State and counties.

Sec. 560. Authorizes DHS to assess fees in licensing and regulation of child care and adult foster care facilities, and to use the fees solely for licensing and regulation purposes.

Information Technology

Sec. 575. Directs the appropriation for the Michigan Public Safety Communications System to be expended only after approval of an expenditure plan by the state budget director; assess fees on MPSCS subscribers; and directs fee revenue to be expended on maintenance of the MPSCS.

Judiciary

Sec. 580. Directs SCAO to recover cost for services to local trial courts under direct trial court automation support program.

Labor and Economic Growth

Sec. 600. Requires funds collected by Office of Financial and Insurance Services in conservatorship of failed banks to be used only for conservatorship.

Sec. 601. Appropriates and allows carry forward of funds collected by State Historic Preservation Programs.

Sec. 602. Requires funds collected by Office of Financial and Insurance Services in liquidation of failed insurance companies to be used only for liquidation.

Sec. 604. Allows department to sell non-confidential lists of its licensees and provides a fee schedule.

Sec. 606. Provides fee schedule for state fire safety inspections of hospitals and schools.

Sec. 608. Defines documents the department may sell, such as construction code manuals, and restricts selling price to the cost of production and distribution.

Sec. 610. Prescribes use of the appropriation for the Land Bank Fast Track Authority, which includes the acquisition, management and maintenance of tax reverted property to be re-sold to the private sector.

Sec. 612. Appropriates fees from the sale of the Michigan Administrative Code to cover the cost of its publication and distribution.

Sec. 614. Permits carryover into the next fiscal year of unexpended federal pass-through funds to local governments and institutions that are not subject to dollar matching requirements.

Management and Budget

Sec. 625. Authorizes the department to receive and expend funding for maintenance, operation, real estate, architectural design, engineering, mail pick-up and delivery, and purchasing services provided to other state departments, the Legislative branch, and the Judicial branch.

Sec. 627. Provides for assessments against longevity and insurance appropriations throughout state government; appropriates additional amounts specified in joint labor/management agreements or through the coordinated hearings process.

Sec. 631. Appropriates funds collected for document and data imaging services, copies, media, and storage; conferences; and training classes..

Management and Budget: Civil Service

Sec. 635. Requires all restricted funds to be assessed a sum not less than 1% of the total aggregate payroll paid from those funds for financing Civil Service operations and authorizes adjustment of funding sources based on actual payroll expenditures.

Sec. 637. Describes fund sourcing for the flexible spending account program, authorizes unspent employee contributions to be used to offset administrative costs, and requires the unspent balance to lapse to the general fund.

Management and Budget: State Building Authority

Sec. 645. Authorizes advances from the general fund prior to the sale of bonds.

Sec. 650. Requires facility revenue in excess of operational costs to be credited to the retirement of bonds.

Sec. 660. Authorizes appropriations to be used to pay insurance premiums and deductibles and appropriates general fund to cover any shortages.

Military and Veterans Affairs

Sec. 675. Allows department to charge a reasonable fee for rental of an armory.

Natural Resources

Sec. 700. Allows collecting application and transaction fees for exchange or sale of state-owned land.

Sec. 721. Allows various historical related funds under 1913 PA 271 to be appropriated to the department and allocated for expenditure and allowed to be carried forward.

Sec. 722. Appropriate funds collected for document reproduction and services; conference, admissions, workshops, and training classes; and the use of specialized equipment, facilities, exhibits, collections, and software.

Sec. 723. Appropriates funds received by the Michigan Historical Commission for various purposes.

State

Sec. 725. Appropriates funds received under Section 3171 of the Insurance Code of 1956 (assigned claims facility).

Sec. 730. Requires the department to sell copies of various records and directs revenue to the Transportation Administration Collection Fund.

Sec. 735. Permits the department to restrict funds from miscellaneous revenue to cover cash shortages created from normal branch operations, up to \$50,000.

Sec. 740. Directs revenue from commemorative and specialty license plates to the Transportation Administration Collection Fund and permits the department to expend fee revenue to administer the commemorative and specialty license plate programs.

Sec. 745. Appropriates revenue collected from services charges on customers using credit or debit card for related departmental expenses.

State Police

Sec. 750. Authorizes state director of emergency management to expend appropriations to mobilize resources or provide for health or safety of any area of the state in which the Governor declares a state of emergency or disaster; allows receipt of local, private, federal, or state resources to fund emergency management activities.

Sec. 751. Provides that funds appropriated for computer services be from LEIN user fees at 1/3 of system costs.

Strategic Fund

Sec. 775. Permits Travel Michigan to establish and collect fees to cover the cost of materials and processing photographs, slides, videos, and other media.

Sec. 780. Permits Travel Michigan to receive and expend revenue related to the use the copyrighted slogans "Michigan Great Lakes, Great Times," and "Pure Michigan."

Transportation

Sec. 800. Provides for distribution of funds from the Michigan Transportation Fund to various funds.

Treasury

Sec. 825. Appropriates funds for interest, fees, principal, arbitrage rebates, and costs associated with debt services on notes and bonds; appropriates a sufficient amount to pay interest on interfund borrowing.

Sec. 826. Authorizes the department to contract with private collection agencies and law firms to collect taxes and other accounts due to the state and defaulted student loans and other accounts due to the Michigan Guaranty Agency.

Sec. 827. Appropriates funds to pay expenditures for financial services provided by financial institutions through restricting revenue from

common cash interest earnings and investment earnings.

Sec. 828. Requires a \$6 fee when a writ of garnishment is served on the state treasurer and a \$5 fee on each writ of garnishment for individual income tax refunds or credits filed by magnetic media.

Sec. 829. Appropriates funds to contract with private auditing firms to audit for and collect unclaimed property due to the state.

Sec. 830. Authorizes the department to provide receipt, warrant, and cash processing, data, collection, investment, fiscal agent, levy and warrant cost assessment, writ of garnishment, and other services on a contractual basis with other departments.

Sec. 831. Authorizes the department to expend funds received under the Michigan Education Trust Act.

Sec. 832. Authorizes the department to expend funds received under the Hospital Finance Authority Act.

Sec. 833. Authorizes the department to expend funds received under the Shared Credit Rating Act.

Sec. 834. Authorizes the department to expend funds received under the Higher Education Facilities Authority Act.

Sec. 835. Authorizes the department to expend funds received under the Michigan Public Educational Facilities Authority.

Sec. 836. Appropriates funds from lottery revenue to implement and operate lottery games, including vendor commissions, contractually mandated payments for instant tickets intended for resale, contractual costs of providing and maintaining the on-line communications network; appropriates incentive and bonus payments to lottery retailers.

Sec. 837. Appropriates funds for oversight of casino gaming activities.

Sec. 838. Authorizes funds in part 1 to be used to assist local revenue sharing boards; authorizes county treasurers to receive and administer funds received on behalf of local revenue sharing boards.

Sec. 839. Authorizes department to expend revenues received under Michigan Tobacco Settlement Finance Authority Act for necessary compensation and other expensed.

Sec. 840. Provides for distribution of funds appropriated for constitutional and statutory revenue sharing.

Revenue Statement

Sec. 850. Provides estimates of fund balances and revenue amounts for FY 2009-10.