

FY 2009-10 SUPPLEMENTAL APPROPRIATIONS
Summary: As Passed by the Senate
House Bill 5394 (S-1)



HFA Director: Mitchell E. Bean
 Supplemental Coordinator: Kyle I. Jen

	Executive*		House		Senate	
Budget Area	Gross	GF/GP	Gross	GF/GP	Gross	GF/GP
Education	\$492,800	\$492,800	\$0	\$0	\$492,800	\$492,800
Transportation	0	0	0	0	0	0
TOTAL	\$492,800	\$492,800	\$0	\$0	\$492,800	\$492,800

*Reflects only request for Department of Education from State Budget Office (SBO) letter of 2/11/10 (2010-11). Senate-passed bill also includes boilerplate request for Department of Transportation contained in the same SBO letter.

OVERVIEW

As passed by the House on November 4, 2009, House Bill 5394 contained adjustments to the initial FY 2009-10 budget for the Department of Community Health. Those adjustments were later rolled into House Bill 4311, which was signed into law as Public Act 140 of 2009, and are not reflected in this document.

As passed by the Senate, House Bill 5394 contains FY 2009-10 supplemental appropriation for the Department of Education totaling \$492,800 GF/GP, as described below. Note that the Part 1 totals in the bill of \$16.9 million Gross and \$11.3 million GF/GP are largely offset by the repeal of the existing FY 2009-10 Library of Michigan appropriations unit contained in section 1001. Additionally, a boilerplate section for the Department of Transportation budget is included.

FY 2009-10 Appropriation Items:

EDUCATION

1. Race to the Top Education Reforms - State

Includes \$492,800 GF/GP and 13.0 FTEs to implement additional activities required in the State's education reform package that are not eligible for support from Federal Race to the Top funding. The new MDE responsibilities include the school reform/redesign officer, oversight of the new schools of excellence, and processing claims submitted to the basic instructional materials hotline. The Executive budget proposal for FY 2010-11 includes an appropriation of \$1.7 million GF/GP for the full-year costs of these changes. (2/11/10 SBO letter)

	<u>Executive</u>	<u>House</u>	<u>Senate</u>
Gross	\$492,800	--	\$492,800
GF/GP	\$492,800	--	\$492,800

2. Library of Michigan

Repeals via section 1001 and then re-appropriates, with no changes, the current funding levels for the Library of Michigan, which includes the following:

- Library of Michigan Operations - \$4.6 million
- Library Services and Technology - \$5.6 million
- State Aid to Libraries - \$6.0 million
- Book Distribution Centers - \$200,000

Repealing and re-appropriating these funds allows new boilerplate in section 302 to be added pertaining to the Library of Michigan.

Gross	--	--	\$0
Federal	--	--	0
GF/GP	--	--	\$0

FY 2009-10 Boilerplate Items:

Executive

House

Senate

EDUCATION

1. *Race to the Top Education Reforms - State*

Provides that the additional funding appropriated in the bill, excluding the library funds, shall support state-level activities enacted as part of the race to the top reform legislation as described above in #1.

--

--

Sec. 301

2. *Library of Michigan Collections*

Requires that the Department of Education and the Library of Michigan shall maintain custody of the non-Michigan genealogy and federal documents collections and shall not sell, lease or otherwise dispose of these collections. Provides that these collections do not have to be made available to the public.

--

--

Sec. 302

TRANSPORTATION

3. *CTF Debt Service Transfer*

The current year appropriation of \$29.8 million for Comprehensive Transportation Fund debt service was based on anticipated debt service. Subsequent to budget development, the department refinanced CTF bonds resulting in a \$12.8 million debt service savings. Rather than reducing the debt service appropriation, the debt service savings would be transferred to a bond proceeds account for subsequent expenditure on public transportation capital projects as authorized by the State Transportation Commission. This treatment is required by IRS regulations governing tax-free bonds, and would be authorized by the proposed boilerplate section. (2/11/10 SBO letter)

Included

--

Sec. 401