

**ALL GENERAL GOVERNMENT**  
**Summary: Public Act 191 of 2010**  
**HB 5880**



**Analysts: Robin R. Risko and Ben Gielczyk**

|                   | FY 2009-10 YTD<br>as of 2/11/10 | FY 2010-11<br>Rev. Executive | FY 2010-11<br>House    | FY 2010-11<br>Senate   | FY 2010-11<br>Enacted  | Difference: Enacted<br>From<br>FY 2009-10 YTD<br>Amount % |            |
|-------------------|---------------------------------|------------------------------|------------------------|------------------------|------------------------|-----------------------------------------------------------|------------|
| <b>IDG/IDT</b>    | \$645,839,400                   | \$644,031,100                | \$646,991,900          | \$643,119,000          | \$644,781,100          | (\$1,058,300)                                             | (0.2)      |
| <b>Federal</b>    | 133,337,400                     | 277,017,200                  | 109,610,400            | 279,459,700            | 277,499,300            | 144,161,900                                               | 108.1      |
| <b>Local</b>      | 3,089,200                       | 3,434,400                    | 3,446,900              | 3,417,600              | 3,434,400              | 345,200                                                   | 11.2       |
| <b>Private</b>    | 1,265,700                       | 1,414,500                    | 1,423,100              | 1,423,100              | 1,414,500              | 148,800                                                   | 11.8       |
| <b>Restricted</b> | 1,664,754,900                   | 1,769,366,100                | 1,724,871,800          | 1,685,816,200          | 1,804,038,200          | 139,283,300                                               | 8.4        |
| <b>GF/GP</b>      | 647,300,400                     | 674,938,400                  | 667,819,900            | 672,558,200            | 590,492,600            | (56,807,800)                                              | (8.8)      |
| <b>Gross</b>      | <b>\$3,095,587,000</b>          | <b>\$3,370,201,700</b>       | <b>\$3,154,164,000</b> | <b>\$3,285,793,800</b> | <b>\$3,321,660,100</b> | <b>\$226,073,100</b>                                      | <b>7.3</b> |
| <b>FTEs</b>       | 7,513.7                         | 7,691.2                      | 7,394.2                | 7,699.2                | 7,709.2                | 195.5                                                     | 2.6        |

*Note: FY 2009-10 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through January 31, 2010.*

#### **Overview of All General Government Departments**

The following departmental and agency budgets are included in this budget bill: Executive Office, Legislature, Legislative Auditor General, and the Departments of Attorney General, Civil Rights, State, Technology, Management, and Budget (including the former Departments of Civil Service and Information Technology), and Treasury (including Bureau of State Lottery, Michigan Gaming Control Board, and Michigan Strategic Fund). The Department of Treasury budget also includes revenue sharing payments to local units of government and general obligation debt service. Budget issues are listed by department on the following pages.

#### **Boilerplate Changes From FY 2009-10**

##### **GENERAL SECTIONS OF BOILERPLATE**

##### ***Sec. 227. No-Bid Contracts – DELETED***

Prohibits departments from entering into no-bid contracts for greater than \$500,000 unless there are no other bidders; for bundled contracts the \$500,000 limit applies to the individual contracts within the bundle.

##### ***Sec. 229. Initiatives and Recommendations Related to Savings Identified in Audit Reports – NEW***

Requires state departments and agencies to report on their efforts and progress made toward achieving savings and efficiencies that are identified by the auditor general in audit reports.

##### ***Sec. 230. FTE Positions and Transparency Websites - NEW***

Requires reports from executive branch departments and agencies on the number of FTE positions in pay status by civil service classification; requires executive branch departments and agencies to develop, post, and maintain Internet sites showing all expenditures.

##### ***Sec. 231. Transparency Website Expenditure - NEW***

Prohibits departments from expending more than \$10,000 to implement transparency websites.

# ATTORNEY GENERAL

## Summary: Public Act 191 of 2010

### HB 5880



Analyst: Robin R. Risko

|                   | FY 2009-10 YTD<br>as of 2/11/10 | FY 2010-11<br>Rev. Executive | FY 2010-11<br>House | FY 2010-11<br>Senate | FY 2010-11<br>Enacted | Difference: Enacted<br>From FY 2009-10 YTD |              |
|-------------------|---------------------------------|------------------------------|---------------------|----------------------|-----------------------|--------------------------------------------|--------------|
|                   |                                 |                              |                     |                      |                       | Amount                                     | %            |
| <b>IDG/IDT</b>    | \$21,289,800                    | \$21,300,300                 | \$21,762,300        | \$21,261,300         | \$21,300,300          | \$10,500                                   | 0.0          |
| <b>Federal</b>    | 8,277,800                       | 8,565,700                    | 8,656,000           | 8,508,800            | 8,565,700             | 287,900                                    | 3.5          |
| <b>Local</b>      | 0                               | 0                            | 0                   | 0                    | 0                     | 0                                          | 0.0          |
| <b>Private</b>    | 0                               | 0                            | 0                   | 0                    | 0                     | 0                                          | 0.0          |
| <b>Restricted</b> | 15,521,000                      | 14,987,700                   | 15,290,800          | 14,967,900           | 14,987,700            | (533,300)                                  | (3.4)        |
| <b>GF/GP</b>      | 28,785,000                      | 28,632,300                   | 28,196,000          | 28,580,100           | 28,559,400            | (225,600)                                  | (0.8)        |
| <b>Gross</b>      | <b>\$73,873,600</b>             | <b>\$73,486,000</b>          | <b>\$73,905,100</b> | <b>\$73,318,100</b>  | <b>\$73,413,100</b>   | <b>(\$460,500)</b>                         | <b>(0.6)</b> |
| <b>FTEs</b>       | 543.0                           | 520.0                        | 520.0               | 520.0                | 520.0                 | (23.0)                                     | (4.2)        |

Note: FY 2009-10 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through January 31, 2010.

### Overview

The Attorney General serves as legal counsel for state departments, agencies, boards, and commissions, and their officers, brings actions and intervenes in cases on the state's behalf, and represents legislators and judges who may be sued while acting in their official capacities. The Attorney General issues opinions on questions of law submitted by members of the Legislature and others, serves as chief law enforcement officer of the state, and has supervisory powers over all local prosecuting attorneys. The Department's mission is to protect the common legal rights of citizens, defend the Constitution and the laws of the state, and represent the legal interests of government. Its goals include offering justice to victims of crime and delivering excellent legal services at a minimum cost to taxpayers.

| <b>Budget Changes From FY 2009-10 YTD Appropriations</b>                                                                                                                        |              | <b>FY 2009-10 YTD<br/>(as of 2/11/10)</b> | <b>Enacted<br/>Change<br/>From YTD</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------------------------------|----------------------------------------|
| <b>1. SOCC Reduction</b>                                                                                                                                                        | <b>Gross</b> | <b>\$124,900</b>                          | <b>(\$9,100)</b>                       |
| Reflects a savings due to a 10% reduction in the Attorney General's salary, effective January 1, 2011, as recommended by SOCC and approved by the Legislature (SCR 11 of 2009). | GF/GP        | \$124,900                                 | (\$9,100)                              |
| <b>2. GF/GP Budget Reductions</b>                                                                                                                                               | FTEs         | 500.0                                     | (15.0)                                 |
| Reflects a savings to be achieved by reducing department staff by 15.0 FTE positions and applying administrative rate reductions to information technology costs.               | <b>Gross</b> | <b>\$68,300,800</b>                       | <b>(\$1,142,300)</b>                   |
|                                                                                                                                                                                 | GF/GP        | \$26,237,000                              | (\$1,142,300)                          |
| <b>3. Eliminate Homeowner Construction Lien Fund</b>                                                                                                                            | FTEs         | 4.0                                       | (4.0)                                  |
| Reflects a reduction of 4.0 FTE positions and a savings due to elimination of the Homeowner Construction Lien Fund.                                                             | <b>Gross</b> | <b>\$566,100</b>                          | <b>(\$566,100)</b>                     |
|                                                                                                                                                                                 | Restricted   | 566,100                                   | (566,100)                              |
| <b>4. Eliminate Auto Theft Prevention Grant</b>                                                                                                                                 | FTEs         | 4.0                                       | (4.0)                                  |
| Reflects a reduction of 4.0 FTE positions and a savings due to elimination of the Auto Theft Prevention grant from the Department of State Police.                              | <b>Gross</b> | <b>\$420,000</b>                          | <b>(\$420,000)</b>                     |
|                                                                                                                                                                                 | IDG          | 420,000                                   | (420,000)                              |
| <b>5. Eliminate Funding for Defense of Game and Fish Protection Fund</b>                                                                                                        | <b>Gross</b> | <b>\$150,000</b>                          | <b>(\$150,000)</b>                     |
| Reflects a savings due to elimination of funding for defense of the Game and Fish Protection Fund.                                                                              | Restricted   | 150,000                                   | (150,000)                              |

**ATTORNEY GENERAL**

**Budget Changes From FY 2009-10 YTD Appropriations**

|                                                                                                                                                                                                                                          |              | <b>FY 2009-10 YTD<br/>(as of 2/11/10)</b> | <b>Enacted<br/>Change<br/>From YTD</b> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------------------------------|----------------------------------------|
| <b>6. DTMB Consolidation</b>                                                                                                                                                                                                             | <b>Gross</b> | <b>N/A</b>                                | <b>(\$2,300)</b>                       |
| Reflects a savings due to the consolidation of the Departments of Management and Budget and Information Technology pursuant to EO 2009-55.                                                                                               | GF/GP        | N/A                                       | (\$2,300)                              |
| <b>7. Economics</b>                                                                                                                                                                                                                      | <b>Gross</b> | <b>N/A</b>                                | <b>\$1,902,200</b>                     |
| Includes additional funding to cover costs of a 3% salary and wage increase, as well as increases in insurance, retirement, and workers' compensation premium costs for union employees; reduces funding for building occupancy charges. | IDG          | N/A                                       | 430,500                                |
|                                                                                                                                                                                                                                          | Federal      | N/A                                       | 287,900                                |
|                                                                                                                                                                                                                                          | Restricted   | N/A                                       | 182,800                                |
|                                                                                                                                                                                                                                          | GF/GP        | N/A                                       | \$1,001,000                            |
| <b>8. Target Agreement</b>                                                                                                                                                                                                               | <b>Gross</b> | <b>N/A</b>                                | <b>(\$72,900)</b>                      |
| Reduces funding for the Attorney General Operations line item.                                                                                                                                                                           | GF/GP        | N/A                                       | (\$72,900)                             |

**Boilerplate Changes From FY 2009-10**

**THIS SECTION WAS VETOED BY THE GOVERNOR**

**Sec. 314. Medicaid False Claim Act Revenue – NEW**

Appropriates revenue collected by the Department, under the Medicaid False Claim Act, for the purpose for which it was received; authorizes carry forward.

## CIVIL RIGHTS

## Summary: Public Act 191 of 2010

## HB 5880



Analyst: Robin R. Risko

|            | FY 2009-10 YTD<br>as of 2/11/10 | FY 2010-11<br>Rev. Executive | FY 2010-11<br>House | FY 2010-11<br>Senate | FY 2010-11<br>Enacted | Difference: Enacted<br>From FY 2009-10 YTD |              |
|------------|---------------------------------|------------------------------|---------------------|----------------------|-----------------------|--------------------------------------------|--------------|
|            |                                 |                              |                     |                      |                       | Amount                                     | %            |
| IDG/IDT    | \$0                             | \$0                          | \$0                 | \$0                  | \$0                   | \$0                                        | 0.0          |
| Federal    | 2,057,300                       | 1,750,000                    | 1,750,000           | 1,750,000            | 1,750,000             | (307,300)                                  | (14.9)       |
| Local      | 0                               | 0                            | 0                   | 0                    | 0                     | 0                                          | 0.0          |
| Private    | 0                               | 0                            | 0                   | 0                    | 0                     | 0                                          | 0.0          |
| Restricted | 0                               | 53,000                       | 53,000              | 53,000               | 53,000                | 53,000                                     | 100.0        |
| GF/GP      | 11,706,400                      | 11,148,600                   | 10,756,500          | 10,988,100           | 10,975,700            | (730,700)                                  | (6.2)        |
| Gross      | <b>\$13,763,700</b>             | <b>\$12,951,600</b>          | <b>\$12,559,500</b> | <b>\$12,791,100</b>  | <b>\$12,778,700</b>   | <b>(\$985,000)</b>                         | <b>(7.2)</b> |
| FTEs       | 130.0                           | 118.0                        | 118.0               | 118.0                | 118.0                 | (12.0)                                     | (9.2)        |

Note: FY 2009-10 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through January 31, 2010.

**Overview**

The Michigan Civil Rights Commission is charged with investigating alleged discrimination against any person because of religion, race, color, or national origin, and is directed to "secure the equal protection of such civil rights without such discrimination." The Michigan Department of Civil Rights serves as the administrative arm charged with implementing policies of the Commission. The Department provides educational programs that promote voluntary compliance with civil rights laws, investigates and resolves discrimination complaints, disseminates information on the rights and responsibilities of Michigan citizens as provided by law, and provides information and services to businesses on diversity initiatives, equal employment law, procurement opportunities, feasibility studies, and joint venture/strategic alliance matchmaking.

| <b>Budget Changes From FY 2009-10 YTD Appropriations</b>                                                                                                                                                           |            | <b>FY 2009-10 YTD<br/>(as of 2/11/10)</b> | <b>Enacted<br/>Change<br/>From YTD</b> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-------------------------------------------|----------------------------------------|
| <b>1. GF/GP Budget Reductions</b>                                                                                                                                                                                  | FTEs       | 125.0                                     | (10.0)                                 |
| Reflects a savings to be achieved by carrying forward a reduction of 10.0 FTE positions from FY 2009-10 and applying administrative rate reductions to information technology costs.                               | Gross      | <b>\$13,496,600</b>                       | <b>(\$936,500)</b>                     |
|                                                                                                                                                                                                                    | GF/GP      | \$11,439,300                              | (\$936,500)                            |
| <b>2. Federal Funding Contract Decrease</b>                                                                                                                                                                        | Gross      | <b>\$2,057,300</b>                        | <b>(\$307,300)</b>                     |
| Reduces federal Equal Employment Opportunity Commission grant funding by \$195,000 and United States Department of Housing and Urban Development funding by \$112,300 based on projections of anticipated revenue. | Federal    | 2,057,300                                 | (307,300)                              |
| <b>3. Accounting Service Consolidation</b>                                                                                                                                                                         | FTEs       | 125.0                                     | (2.0)                                  |
| Reflects a reduction of 2.0 FTE positions and a savings due to the transfer of accounting functions from the Department of Civil Rights to the Department of Technology, Management, and Budget.                   | Gross      | <b>\$12,728,600</b>                       | <b>(\$88,600)</b>                      |
|                                                                                                                                                                                                                    | GF/GP      | \$10,686,300                              | (\$88,600)                             |
| <b>4. Fund Source Shift</b>                                                                                                                                                                                        | Gross      | N/A                                       | \$0                                    |
| Reflects an increase in state restricted funding and a decrease in GF/GP funding by a like amount.                                                                                                                 | Restricted | N/A                                       | 53,000                                 |
|                                                                                                                                                                                                                    | GF/GP      | N/A                                       | (\$53,000)                             |
| <b>5. DTMB Consolidation</b>                                                                                                                                                                                       | Gross      | N/A                                       | <b>(\$700)</b>                         |
| Reflects a savings due to the consolidation of the Departments of Management and Budget and Information Technology pursuant to EO 2009-55.                                                                         | GF/GP      | N/A                                       | (\$700)                                |

**CIVIL RIGHTS****Budget Changes From FY 2009-10 YTD Appropriations****6. *Economics***

Includes additional funding to cover costs of a 3% salary and wage increase, as well as increases in insurance, retirement, and workers' compensation premium costs for union employees; reduces funding for building occupancy charges.

**Gross**  
GF/GP

**FY 2009-10 YTD**  
**(as of 2/11/10)**

**N/A**  
N/A

**Enacted**  
**Change**  
**From YTD**

**\$521,000**  
\$521,000

**7. *Target Agreement***

Reduces funding for the Civil Rights Operations line item.

**Gross**  
GF/GP

**N/A**  
N/A

**(\$172,900)**  
(\$172,900)

**Boilerplate Changes From FY 2009-10**

None

# EXECUTIVE OFFICE

## Summary: Public Act 191 of 2010

### HB 5880



Analyst: Robin R. Risko

|            | FY 2009-10 YTD<br>as of 2/11/10 | FY 2010-11<br>Rev. Executive | FY 2010-11<br>House | FY 2010-11<br>Senate | FY 2010-11<br>Enacted | Difference: Enacted<br>From FY 2009-10 YTD |       |
|------------|---------------------------------|------------------------------|---------------------|----------------------|-----------------------|--------------------------------------------|-------|
|            |                                 |                              |                     |                      |                       | Amount                                     | %     |
| IDG/IDT    | \$0                             | \$0                          | \$0                 | \$0                  | \$0                   | \$0                                        | 0.0   |
| Federal    | 0                               | 0                            | 0                   | 0                    | 0                     | 0                                          | 0.0   |
| Local      | 0                               | 0                            | 0                   | 0                    | 0                     | 0                                          | 0.0   |
| Private    | 0                               | 0                            | 0                   | 0                    | 0                     | 0                                          | 0.0   |
| Restricted | 0                               | 0                            | 0                   | 0                    | 0                     | 0                                          | 0.0   |
| GF/GP      | 4,823,700                       | 4,630,800                    | 4,498,300           | 4,630,800            | 4,630,800             | (192,900)                                  | (4.0) |
| Gross      | \$4,823,700                     | \$4,630,800                  | \$4,498,300         | \$4,630,800          | \$4,630,800           | (\$192,900)                                | (4.0) |
| FTEs       | 84.2                            | 84.2                         | 84.2                | 84.2                 | 84.2                  | 0.0                                        | 0.0   |

Note: FY 2009-10 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through January 31, 2010.

#### Overview

The Executive Office budget provides funding for the Governor, the Lieutenant Governor, and their staffs. Major constitutionally-specified responsibilities include organization and supervision of the Executive branch and annual preparation and submission of the Executive budget. Divisions within the Governor's Office include: Executive, Cabinet Affairs and Management, Chief Operating Officer, External Affairs, Legal, Operations, Appointments, Constituent Services, Policy, Communications, Legislative Affairs, Scheduling, and the Governor's offices in Washington D.C., Southeastern Michigan, and the Upper Peninsula.

|                                                                                                                                                                                                                               |              | FY 2009-10 YTD<br>(as of 2/11/10) | Enacted<br>Change<br>From YTD |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-----------------------------------|-------------------------------|
| <b>Budget Changes From FY 2009-10 YTD Appropriations</b>                                                                                                                                                                      |              |                                   |                               |
| <b>1. SOCC Reduction</b>                                                                                                                                                                                                      | <b>Gross</b> | <b>\$3,973,900</b>                | <b>(\$18,600)</b>             |
| Reflects a savings due to a 10% reduction in the salaries and expense allowances of the Governor and Lieutenant Governor, effective January 1, 2011, as recommended by SOCC and approved by the Legislature (SCR 11 of 2009). | GF/GP        | \$3,973,900                       | (\$18,600)                    |
| <b>2. GF/GP Budget Reductions</b>                                                                                                                                                                                             | <b>Gross</b> | <b>\$3,673,000</b>                | <b>(\$174,300)</b>            |
| Reflects a savings to be achieved through administrative reductions.                                                                                                                                                          | GF/GP        | \$3,673,000                       | (\$174,300)                   |

#### Boilerplate Changes From FY 2009-10

There is no boilerplate for the Executive Office.

## LEGISLATURE

Summary: Public Act 191 of 2010  
HB 5880

Analyst: Robin R. Risko

|            | FY 2009-10 YTD<br>as of 2/11/10 | FY 2010-11<br>Rev. Executive | FY 2010-11<br>House | FY 2010-11<br>Senate | FY 2010-11<br>Enacted | Difference: Enacted<br>From FY 2009-10 YTD |       |
|------------|---------------------------------|------------------------------|---------------------|----------------------|-----------------------|--------------------------------------------|-------|
|            |                                 |                              |                     |                      |                       | Amount                                     | %     |
| IDG/IDT    | \$0                             | \$0                          | \$0                 | \$0                  | \$250,000             | \$250,000                                  | 100.0 |
| Federal    | 0                               | 0                            | 0                   | 0                    | 0                     | 0                                          | 0.0   |
| Local      | 0                               | 0                            | 0                   | 0                    | 0                     | 0                                          | 0.0   |
| Private    | 400,000                         | 400,000                      | 400,000             | 400,000              | 400,000               | 0                                          | 0.0   |
| Restricted | 1,109,800                       | 1,109,800                    | 1,109,800           | 1,109,800            | 1,109,800             | 0                                          | 0.0   |
| GF/GP      | 104,764,900                     | 100,574,300                  | 98,323,300          | 100,574,300          | 100,574,300           | (4,190,600)                                | (4.0) |
| Gross      | \$106,274,700                   | \$102,084,100                | \$99,833,100        | \$102,084,100        | \$102,334,100         | (\$3,940,600)                              | (3.7) |
| FTEs       | 0.0                             | 0.0                          | 0.0                 | 0.0                  | 0.0                   | 0.0                                        | 0.0   |

Note: FY 2009-10 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through January 31, 2010.

**Overview**

This budget provides funding for the Legislative branch of state government, including the Legislative Council and agencies it governs, the Legislative Retirement System, and Property Management. The Legislature enacts the laws of Michigan, levies taxes, and appropriates funding from revenue collected for the support of public institutions and the administration of the affairs of state government. The Legislative Council provides a wide variety of essential services to members and staff of the Legislature. The Michigan Legislative Retirement System provides retirement allowances, survivors' allowances, and other benefits for members of the Legislature and their spouses, dependents, survivors, and beneficiaries. Property Management employees maintain, operate, and repair the Capitol Building, House of Representatives Office Building, and Farnum Building.

| <u>Budget Changes From FY 2009-10 YTD Appropriations</u>                                                                                                                                                                                    |              | <u>FY 2009-10 YTD<br/>(as of 2/11/10)</u> | <u>Enacted<br/>Change<br/>From YTD</u> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------------------------------|----------------------------------------|
| <b>1. SOCC Reduction</b>                                                                                                                                                                                                                    | <b>Gross</b> | <b>\$69,007,800</b>                       | <b>(\$1,249,500)</b>                   |
| Reflects a savings due to a 10% reduction in the salaries, supplemental salaries, and expense allowances of members of the Legislature, effective January 1, 2011, as recommended by SOCC and approved by the Legislature (SCR 11 of 2009). | GF/GP        | \$69,007,800                              | (\$1,249,500)                          |
| <b>2. GF/GP Budget Reductions</b>                                                                                                                                                                                                           | <b>Gross</b> | <b>\$106,274,700</b>                      | <b>(\$2,941,100)</b>                   |
| Reflects a savings to be achieved through administrative reductions.                                                                                                                                                                        | GF/GP        | \$104,764,900                             | (\$2,941,100)                          |
| <b>3. Legislative Corrections Ombudsman</b>                                                                                                                                                                                                 | <b>Gross</b> | <b>\$369,700</b>                          | <b>\$250,000</b>                       |
| Includes IDG funding from the Department of Corrections for the Legislative Corrections Ombudsman.                                                                                                                                          | IDG          | 0                                         | 250,000                                |
|                                                                                                                                                                                                                                             | GF/GP        | \$369,700                                 | \$0                                    |

**Boilerplate Changes From FY 2009-10****Sec. 603. National Association Dues – MODIFIED**

Authorizes \$51,000 to be paid annually to the National Conference of Commissioners on Uniform State Laws if the funding is available.

## **LEGISLATURE**

### **Boilerplate Changes From FY 2009-10**

#### ***Sec. 610. Health Insurance Benefits – DELETED***

Prohibits funding from being used to pay for health insurance benefits for unmarried domestic partners of legislators or legislative employees.

**LEGISLATIVE AUDITOR GENERAL**  
**Summary: Public Act 191 of 2010**  
**HB 5880**



**Analyst: Robin R. Risko**

|                   | FY 2009-10 YTD<br>as of 2/11/10 | FY 2010-11<br>Rev. Executive | FY 2010-11<br>House | FY 2010-11<br>Senate | FY 2010-11<br>Enacted | Difference: Enacted<br>From FY 2009-10 YTD |            |
|-------------------|---------------------------------|------------------------------|---------------------|----------------------|-----------------------|--------------------------------------------|------------|
|                   |                                 |                              |                     |                      |                       | Amount                                     | %          |
| <b>IDG/IDT</b>    | \$1,801,500                     | \$1,801,500                  | \$1,801,500         | \$1,801,500          | \$2,301,500           | \$500,000                                  | 27.8       |
| <b>Federal</b>    | 0                               | 0                            | 0                   | 0                    | 0                     | 0                                          | 0.0        |
| <b>Local</b>      | 0                               | 0                            | 0                   | 0                    | 0                     | 0                                          | 0.0        |
| <b>Private</b>    | 0                               | 0                            | 0                   | 0                    | 0                     | 0                                          | 0.0        |
| <b>Restricted</b> | 1,539,900                       | 1,539,900                    | 1,539,900           | 1,539,900            | 1,539,900             | 0                                          | 0.0        |
| <b>GF/GP</b>      | 11,619,800                      | 11,155,000                   | 10,808,800          | 11,155,000           | 11,155,000            | (464,800)                                  | (4.0)      |
| <b>Gross</b>      | <b>\$14,961,200</b>             | <b>\$14,496,400</b>          | <b>\$14,150,200</b> | <b>\$14,496,400</b>  | <b>\$14,996,400</b>   | <b>\$35,200</b>                            | <b>0.2</b> |
| <b>FTEs</b>       | 0.0                             | 0.0                          | 0.0                 | 0.0                  | 0.0                   | 0.0                                        | 0.0        |

*Note: FY 2009-10 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through January 31, 2010.*

**Overview**

The Office of the Legislative Auditor General is responsible for conducting post financial and performance audits of state government operations. Audit reports provide a continuing flow of information to assist the Legislature in its oversight of approximately 100 individual state funds. Audit reports provide citizens with a measure of accountability and assist state departments and agencies in improving financial management of their operations. The goal of the Office of the Legislative Auditor General is to improve accounting and financial reporting practices and promote effectiveness, efficiency, and economy in state government. Its mission is to improve the accountability of public funds and to improve the operations of state government for the benefit of the citizens of the state.

| <b><u>Budget Changes From FY 2009-10 YTD Appropriations</u></b>                                                        |              | <b>FY 2009-10 YTD<br/>(as of 2/11/10)</b> | <b>Enacted<br/>Change<br/>From YTD</b> |
|------------------------------------------------------------------------------------------------------------------------|--------------|-------------------------------------------|----------------------------------------|
| <b>1. GF/GP Budget Reductions</b>                                                                                      | <b>Gross</b> | <b>\$14,647,700</b>                       | <b>(\$464,800)</b>                     |
| Reflects a savings to be achieved through administrative reductions.                                                   | GF/GP        | \$11,306,300                              | (\$464,800)                            |
| <b>2. Funding for MDOC Activities</b>                                                                                  | <b>Gross</b> | <b>\$0</b>                                | <b>\$500,000</b>                       |
| Includes IDG funding from the Department of Corrections for audit activities related to the Department of Corrections. | IDG          | 0                                         | 500,000                                |

**Boilerplate Changes From FY 2009-10**

None

## STATE

Summary: Public Act 191 of 2010  
HB 5880

Analyst: Ben Gielczyk

|                   | FY 2009-10 YTD<br>as of 2/11/10 | FY 2010-11<br>Rev. Executive | FY 2010-11<br>House  | FY 2010-11<br>Senate | FY 2010-11<br>Enacted | Difference: Enacted<br>From FY 2009-10 YTD |            |
|-------------------|---------------------------------|------------------------------|----------------------|----------------------|-----------------------|--------------------------------------------|------------|
|                   |                                 |                              |                      |                      |                       | Amount                                     | %          |
| <b>IDG/IDT</b>    | \$20,000,000                    | \$20,000,000                 | \$20,000,000         | \$20,000,000         | \$20,000,000          | \$0                                        | 0.0        |
| <b>Federal</b>    | 1,810,000                       | 1,810,000                    | 1,810,000            | 1,810,000            | 1,810,000             | 0                                          | 0.0        |
| <b>Local</b>      | 0                               | 0                            | 0                    | 0                    | 0                     | 0                                          | 0.0        |
| <b>Private</b>    | 100                             | 100                          | 100                  | 100                  | 100                   | 0                                          | 0.0        |
| <b>Restricted</b> | 169,364,700                     | 175,299,500                  | 176,578,000          | 173,705,300          | 177,799,500           | 8,434,800                                  | 5.0        |
| <b>GF/GP</b>      | 17,955,400                      | 14,062,200                   | 13,593,800           | 13,950,900           | 13,910,800            | (4,044,600)                                | (22.5)     |
| <b>Gross</b>      | <b>\$209,130,200</b>            | <b>\$211,171,800</b>         | <b>\$211,981,900</b> | <b>\$209,466,300</b> | <b>\$213,520,400</b>  | <b>\$4,390,200</b>                         | <b>2.1</b> |
| <b>FTEs</b>       | 1,815.0                         | 1,815.0                      | 1,815.0              | 1,815.0              | 1,815.0               | 0.0                                        | 0.0        |

Note: FY 2009-10 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through January 31, 2010.

**Overview**

The Department of State administers programs in eight areas: Driver Licensing and Vehicle Registration, which includes titling and registering vehicles; Elections and Campaign Finance Administration, which includes training local election officials and monitoring campaign finance; Regulatory and Consumer Protection, which includes inspecting and licensing automotive repair facilities; Traffic Safety, which includes driver testing; Office of the Great Seal; Assigned Claims Facility; Uniform Commercial Code; and Executive Direction and Central Support.

| <b>Budget Changes From FY 2009-10 YTD Appropriations</b>                                                                                                                                                                                                                                                                                      |              | <b>FY 2009-10 YTD<br/>(as of 2/11/10)</b> | <b>Enacted<br/>Change<br/>From YTD</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------------------------------|----------------------------------------|
| <b>1. GF/GP Reductions</b>                                                                                                                                                                                                                                                                                                                    | <b>Gross</b> | <b>N/A</b>                                | <b>(\$1,182,300)</b>                   |
| Reduces GF/GP funding for the following line items: Regulatory Services Operations by \$287,600; Customer Delivery Branch Operations by \$277,900; Central Operations by \$277,500; Department Services Operations by \$272,300; Executive Direction Operations by \$7,000; and Information Technology Administrative reductions of \$60,000. | GF/GP        | N/A                                       | (\$1,182,300)                          |
| <b>2. Department of Technology, Management and Budget Savings</b>                                                                                                                                                                                                                                                                             | <b>Gross</b> | <b>N/A</b>                                | <b>(\$22,500)</b>                      |
| Includes consolidated savings from the merger of Department of Management and Budget (DMB) and Department of Information Technology (DIT) under Executive Order 2009-55.                                                                                                                                                                      | Restricted   | N/A                                       | (20,700)                               |
|                                                                                                                                                                                                                                                                                                                                               | GF/GP        | N/A                                       | (\$1,800)                              |
| <b>3. Business Application Modernization (BAM)</b>                                                                                                                                                                                                                                                                                            | <b>Gross</b> | <b>(\$4,550,000)</b>                      | <b>(\$4,550,000)</b>                   |
| Eliminates total funding for BAM due to the completion of the project by DIT. BAM program is an end-to-end review of business processes which will allow for more online transactions, reduce error, expand form of payment, and other electronic and online upgrades.                                                                        | Restricted   | (1,800,000)                               | (1,800,000)                            |
|                                                                                                                                                                                                                                                                                                                                               | GF/GP        | (\$2,750,000)                             | (\$2,750,000)                          |
| <b>4. Credit and Debit Card Service Assessment</b>                                                                                                                                                                                                                                                                                            | <b>Gross</b> | <b>N/A</b>                                | <b>\$1,000,000</b>                     |
| Includes additional funding for credit and debit card service assessment. Funding was formerly a boilerplate appropriation in Sec. 816 of the FY 2009-10 Department of State budget.                                                                                                                                                          | Restricted   | N/A                                       | 1,000,000                              |
|                                                                                                                                                                                                                                                                                                                                               | GF/GP        | N/A                                       | \$0                                    |

| <b>Budget Changes From FY 2009-10 YTD Appropriations</b>                                                                                                                                                                                                                                                                           |              | <b>FY 2009-10 YTD<br/>(as of 2/11/10)</b> | <b>Enacted<br/>Change<br/>From YTD</b> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------------------------------|----------------------------------------|
| <b>5. Organ Donor Program</b>                                                                                                                                                                                                                                                                                                      | <b>Gross</b> | <b>\$104,100</b>                          | <b>(\$25,000)</b>                      |
| Reduced funding for organ donor program with targeted reductions for department.                                                                                                                                                                                                                                                   | Private      | 100                                       | 0                                      |
|                                                                                                                                                                                                                                                                                                                                    | GF/GP        | \$104,000                                 | (\$25,000)                             |
| <b>6. State Officers Compensation Commission (SOCC) Adjustment</b>                                                                                                                                                                                                                                                                 | <b>Gross</b> | <b>\$124,900</b>                          | <b>(\$9,100)</b>                       |
| Reduces funding for Secretary of State salary as part of SOCC adopted salary reductions. Reductions will be applied to nine months of salary as SOCC recommendations do not take effect until January 1, 2011.                                                                                                                     | GF/GP        | \$124,900                                 | (\$9,100)                              |
| <b>7. Economic Adjustments</b>                                                                                                                                                                                                                                                                                                     | <b>Gross</b> | <b>N/A</b>                                | <b>\$6,830,500</b>                     |
| Includes additional funding for salary and wage, insurance, retirement, and rent (\$6.8 million Gross; \$388,900 million GF/GP); reduces funding for worker's compensation and building occupancy costs (\$464,300 Gross; \$401,300 GF/GP). Also includes DIT economic adjustment increases of \$492,300 Gross and \$87,400 GF/GP. | Restricted   | N/A                                       | 6,755,500                              |
|                                                                                                                                                                                                                                                                                                                                    | GF/GP        | N/A                                       | \$75,000                               |
| <b>8. Target Agreement General Fund Reductions</b>                                                                                                                                                                                                                                                                                 | <b>Gross</b> | <b>N/A</b>                                | <b>(\$151,400)</b>                     |
| Reduces funding for Department Services (\$20,400), Regulatory Services (\$20,000), Branch Operations (\$72,900), and Central Operations (\$38,100) to meet General Fund target agreement.                                                                                                                                         | GF/GP        | N/A                                       | (\$151,400)                            |
| <b>9. Recreation Passport Fee Revenue</b>                                                                                                                                                                                                                                                                                          | <b>Gross</b> | <b>N/A</b>                                | <b>\$1,000,000</b>                     |
| Increases funding for Branch Operations (\$300,000) and Central Operations (\$700,000) with Recreation Passport Fee Revenue.                                                                                                                                                                                                       | Restricted   | N/A                                       | 1,000,000                              |
|                                                                                                                                                                                                                                                                                                                                    | GF/GP        | N/A                                       | \$0                                    |
| <b>10. Driver Improvement Course Revenue</b>                                                                                                                                                                                                                                                                                       | <b>Gross</b> | <b>N/A</b>                                | <b>\$1,500,000</b>                     |
| Increases funding for Central Operations (\$1,200,000) and Department Services Operations (\$300,000) with Driver Improvement Course Revenue.                                                                                                                                                                                      | Restricted   | N/A                                       | 1,500,000                              |
|                                                                                                                                                                                                                                                                                                                                    | GF/GP        | N/A                                       | \$0                                    |

#### **Boilerplate Changes From FY 2009-10**

##### **Sec. 715. Credit and Debit Card Service Assessment - REVISED**

Stipulates that service assessments collected by the department of state from the user of a credit or debit card is appropriated to the department for necessary expenses related to that service. Removes language indicating that funds are allocated for expenditure when they are received by the Department of Treasury because funding was moved to Part 1 appropriation.

##### **Sec. 719. Business Application Modernization (BAM) Project - DELETED**

Appropriates \$4.6 million funding for the BAM Project to be used for development, implementation, and maintenance of BAM.

##### **Sec. 721. ATM Commission Fees - NEW**

Allows the Department to collect ATM commission fees from companies that have ATM's located in Secretary of State branch offices. Requires commission fees collected to be deposited in the Transportation Administration Collection Fund.

##### **Sec. 728. Performance Audit Report – DELETED**

Requires the Department to submit a report on improvements and changes made with regard to issues identified by the Auditor General in the 2009 cash receipts and branch office customer service audit.

##### **Sec. 716b. BAM Report - NEW**

Includes language which requires the Department to report on funding expended for the project since its inception.

##### **Sec. 716c. Network Connectivity - NEW**

Includes language which requires a report that includes an assessment of the optimal network connectivity in branch offices and makes recommendations on how to best meet the demands of increased online transactions.

# TECHNOLOGY, MANAGEMENT, AND BUDGET

## Summary: Public Act 191 of 2010

### HB 5880



Analyst: Robin R. Risko

|                   | FY 2009-10 YTD<br>as of 2/11/10 | FY 2010-11<br>Rev. Executive | FY 2010-11<br>House  | FY 2010-11<br>Senate | FY 2010-11<br>Enacted | Difference: Enacted<br>From FY 2009-10 YTD |            |
|-------------------|---------------------------------|------------------------------|----------------------|----------------------|-----------------------|--------------------------------------------|------------|
|                   |                                 |                              |                      |                      |                       | Amount                                     | %          |
| <b>IDG/IDT</b>    | \$584,509,400                   | \$586,552,900                | \$589,368,200        | \$585,897,800        | \$586,552,900         | \$2,043,500                                | 0.3        |
| <b>Federal</b>    | 11,219,800                      | 2,682,000                    | 2,917,800            | 2,917,800            | 2,682,000             | (8,537,800)                                | (76.1)     |
| <b>Local</b>      | 2,027,600                       | 1,380,400                    | 1,380,400            | 1,380,400            | 1,380,400             | (647,200)                                  | (31.9)     |
| <b>Private</b>    | 151,900                         | 170,800                      | 170,800              | 170,800              | 170,800               | 18,900                                     | 12.4       |
| <b>Restricted</b> | 72,200,500                      | 83,853,900                   | 84,881,000           | 83,804,000           | 83,827,300            | 11,626,800                                 | 16.1       |
| <b>GF/GP</b>      | 293,574,300                     | 303,325,400                  | 302,271,200          | 301,381,300          | 299,748,800           | 6,174,500                                  | 2.1        |
| <b>Gross</b>      | <b>\$963,683,500</b>            | <b>\$977,965,400</b>         | <b>\$980,989,400</b> | <b>\$975,552,100</b> | <b>\$974,362,200</b>  | <b>\$10,678,700</b>                        | <b>1.1</b> |
| <b>FTEs</b>       | 3,038.0                         | 2,972.5                      | 2,971.5              | 2,971.5              | 2,972.5               | (65.5)                                     | (2.2)      |

Note: FY 2009-10 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through January 31, 2010.

### Overview

The Department of Technology, Management and Budget was recently created pursuant to Executive Order 2009-55. The EO merges the former Departments of Information Technology and Management and Budget. The Department of Technology, Management, and Budget is an interdepartmental service and management agency responsible for ensuring proper financial record keeping for state agencies; managing capital outlay projects, state property, state buildings, state purchasing programs, and the state's retirement systems; supervising the state's motor vehicle fleet; providing office and building support services to state agencies; and acting as a general contractor between the state's information technology users and private sector providers of information technology products and services. The Department houses the Office of the State Budget, which prepares, presents, and executes the state budget on behalf of the Governor, and several other autonomous units: Office of the State Employer, Office of the Children's Ombudsman, State Building Authority, and Civil Service Commission.

| <b>Budget Changes From FY 2009-10 YTD Appropriations</b>                                                                                                                                                                                                                                                  |              | <b>FY 2009-10 YTD<br/>(as of 2/11/10)</b> | <b>Enacted<br/>Change<br/>From YTD</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------------------------------|----------------------------------------|
| <b>MANAGEMENT AND BUDGET</b>                                                                                                                                                                                                                                                                              |              |                                           |                                        |
| <b>1. SBA Rent Increase</b>                                                                                                                                                                                                                                                                               | <b>Gross</b> | <b>\$235,370,600</b>                      | <b>\$6,500,000</b>                     |
| Includes additional funding for State Building Authority rent payments. Adjustments are made based on a number of factors including project start and end dates, delays, refinancing, refunding, the number of current projects underway, and assumptions of upcoming finance needs for planned projects. | GF/GP        | \$235,370,600                             | \$6,500,000                            |
| <b>2. Gubernatorial Transition</b>                                                                                                                                                                                                                                                                        | <b>Gross</b> | <b>N/A</b>                                | <b>\$1,500,000</b>                     |
| Includes additional funding for costs associated with the gubernatorial transition. Funding is used for both the outgoing and the incoming governor and covers expenses associated with staff, leave payments, unemployment benefits, office space, supplies, moving, and other related costs.            | GF/GP        | N/A                                       | \$1,500,000                            |
| <b>3. Accounting Service Consolidation</b>                                                                                                                                                                                                                                                                | <b>FTEs</b>  | <b>N/A</b>                                | <b>8.0</b>                             |
| Includes an additional 8.0 FTE positions and funding to reflect the transfer of accounting functions from the Department of Civil Rights, the Civil Service Commission, and the Office of the State Employer to Management and Budget.                                                                    | <b>Gross</b> | <b>N/A</b>                                | <b>\$859,600</b>                       |
|                                                                                                                                                                                                                                                                                                           | IDG          | N/A                                       | 859,600                                |

**TECHNOLOGY, MANAGEMENT, AND BUDGET**

| <b><u>Budget Changes From FY 2009-10 YTD Appropriations</u></b>                                                                                                                                                                                                                                                                                                                                                                                              |              | <b><u>FY 2009-10 YTD<br/>(as of 2/11/10)</u></b> | <b><u>Enacted<br/>Change<br/>From YTD</u></b> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------------------------------------------|-----------------------------------------------|
| <b>4. New Building Operations and Private Rent Adjustment</b>                                                                                                                                                                                                                                                                                                                                                                                                | <b>Gross</b> | <b>N/A</b>                                       | <b>\$861,600</b>                              |
| Includes an additional \$785,200 to cover utility and maintenance costs at the State Police headquarters building and an additional \$76,400 for private rent adjustments at One Division and Rickle Road Lab buildings.                                                                                                                                                                                                                                     | IDG          | N/A                                              | 861,600                                       |
| <b>5. Audits of Public School Employer Units</b>                                                                                                                                                                                                                                                                                                                                                                                                             | FTEs         | N/A                                              | 2.0                                           |
| Includes an additional 2.0 FTE positions and funding for costs associated with conducting audits of retirement data submitted by public school employer reporting units. This data includes wages, hours, and contributions of public school employees.                                                                                                                                                                                                      | <b>Gross</b> | <b>N/A</b>                                       | <b>\$180,500</b>                              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Restricted   | N/A                                              | 180,500                                       |
| <b>6. SWCAP-related Fund Source Shifts</b>                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>Gross</b> | <b>N/A</b>                                       | <b>\$0</b>                                    |
| Adjusts IDG, federal, state restricted, and GF/GP fund sources in order to reflect how departmental and statewide overhead costs should be financed according to the most recent Statewide Cost Allocation Plan (SWCAP). The Plan allocates the costs of providing central support services to other state departments and their respective fund sources.                                                                                                    | IDG          | N/A                                              | (48,300)                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Federal      | N/A                                              | (266,700)                                     |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Restricted   | N/A                                              | 2,706,000                                     |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                              | GF/GP        | N/A                                              | (\$2,391,000)                                 |
| <b>7. Building Operations Reductions</b>                                                                                                                                                                                                                                                                                                                                                                                                                     | FTEs         | 253.0                                            | (2.0)                                         |
| Reflects a reduction of 2.0 FTE positions and funding due to building contract reductions (\$601,000), savings from reorganization (\$500,000), and further staff restructuring (\$156,900).                                                                                                                                                                                                                                                                 | <b>Gross</b> | <b>\$87,784,000</b>                              | <b>(\$1,257,900)</b>                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                              | IDG          | 87,784,000                                       | (1,257,900)                                   |
| <b>8. Eliminate Professional Development Funds</b>                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Gross</b> | <b>\$200,000</b>                                 | <b>(\$200,000)</b>                            |
| Reflects a savings due to elimination of professional development funds for NEREs and MSCs.                                                                                                                                                                                                                                                                                                                                                                  | IDG          | 200,000                                          | (200,000)                                     |
| <b>9. DTMB Consolidation</b>                                                                                                                                                                                                                                                                                                                                                                                                                                 | FTEs         | N/A                                              | (0.5)                                         |
| Reflects a reduction in FTE positions and a savings due to the consolidation of the Departments of Management and Budget and Information Technology pursuant to EO 2009-55.                                                                                                                                                                                                                                                                                  | <b>Gross</b> | <b>N/A</b>                                       | <b>(\$304,100)</b>                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                              | IDG          | N/A                                              | (114,600)                                     |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Restricted   | N/A                                              | (22,800)                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                              | GF/GP        | N/A                                              | (\$166,700)                                   |
| <b>10. Federal Funding Authorization</b>                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Gross</b> | <b>N/A</b>                                       | <b>\$100</b>                                  |
| Includes authorization for the department to receive federal funding if it becomes available. The Records Management Services program which was transferred to Management and budget from the former Department of History, Arts, and Libraries has received federal grant funding in the past.                                                                                                                                                              | Federal      | N/A                                              | 100                                           |
| <b>11. Budget Reductions</b>                                                                                                                                                                                                                                                                                                                                                                                                                                 | FTEs         | N/A                                              | (41.0)                                        |
| Reflects a reduction of 41.0 FTE positions and a savings due to a reduction of staff and support services provided, a reduction of on call hours and system maintenance for MAIN, a reduction in funding for the Center for Education Performance Information, from applying administrative rate reductions to information technology costs, from not filling vacant FTE positions, and from adjusting FTE authorization to reflect actual funded positions. | <b>Gross</b> | <b>N/A</b>                                       | <b>(\$772,000)</b>                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Restricted   | N/A                                              | (156,800)                                     |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                              | GF/GP        | N/A                                              | (\$615,200)                                   |
| <b>12. Management and Budget Economics</b>                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>Gross</b> | <b>N/A</b>                                       | <b>\$3,401,200</b>                            |
| Includes additional funding to cover costs of a 3% salary and wage increase, as well as increases in insurance, retirement, and workers' compensation premium costs for union employees; reduces funding for building occupancy charges.                                                                                                                                                                                                                     | IDG          | N/A                                              | 786,300                                       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Restricted   | N/A                                              | 629,400                                       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                              | GF/GP        | N/A                                              | \$1,985,500                                   |
| <b>13. Transfer of Program</b>                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>Gross</b> | <b>N/A</b>                                       | <b>\$224,000</b>                              |
| Reflects the transfer of the Population Statistics and Census Reporting program (Demographics and Census Data program) from the Department of Education to the DTMB.                                                                                                                                                                                                                                                                                         | GF/GP        | N/A                                              | \$224,000                                     |

**TECHNOLOGY, MANAGEMENT, AND BUDGET**

| <b><u>Budget Changes From FY 2009-10 YTD Appropriations</u></b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |              | <b>FY 2009-10 YTD<br/>(as of 2/11/10)</b> | <b>Enacted<br/>Change<br/>From YTD</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------------------------------|----------------------------------------|
| <b>14. Target Agreement</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>Gross</b> | <b>N/A</b>                                | <b>(\$103,200)</b>                     |
| Reduces funding for the ID mail program by \$50,000 Gross and GF/GP and reduces funding for the Financial Services program by \$53,200 Gross and \$26,600 GF/GP.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Restricted   | N/A                                       | (26,600)                               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | GF/GP        | N/A                                       | (\$76,600)                             |
| <b>TECHNOLOGY SERVICES</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |              |                                           |                                        |
| <b>15. Base Adjustments</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>Gross</b> | <b>\$423,323,100</b>                      | <b>(\$8,244,500)</b>                   |
| Reduces line items within the Technology Services budget to reflect actual appropriations in FY 2010 for information technology services and projects in other state department budgets:                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | IDG          | 423,323,100                               | (8,244,500)                            |
| <ul style="list-style-type: none"><li>• Agriculture - \$178,600</li><li>• Civil Rights - \$85,700</li><li>• Civil Service Commission - \$400,000</li><li>• Corrections - \$402,300</li><li>• Education - \$14,300</li><li>• Environmental Quality - \$2,700</li><li>• Human Services - \$4,381,100</li><li>• Management and Budget - \$1,855,600</li><li>• Military and Veterans Affairs - \$100,000</li><li>• State - \$137,200</li><li>• Treasury - \$687,000</li></ul>                                                                                                                                                                                     |              |                                           |                                        |
| <b>16. Program Enhancements</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | FTEs         | 1,635.0                                   | 1.0                                    |
| Makes the following adjustments to reflect appropriations for program enhancements made in other state department budgets:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Gross</b> | <b>\$423,323,100</b>                      | <b>\$14,534,800</b>                    |
| <ul style="list-style-type: none"><li>• Human Services - \$14.2 million for increased costs due to Children's Rights Settlement (development of Statewide Automated Child Welfare Information System and need for new child welfare and other staff)</li><li>• Corrections - \$102,600 for desktop maintenance</li><li>• Gaming - 1.0 FTE position and \$94,000 for increased workload</li><li>• Education - \$85,000 for implementation of Race to the Top education reform</li><li>• State Police - \$36,200 for Automated Fingerprint Identification System</li><li>• Management and Budget - \$4,000 for audits of public school employer units</li></ul> | IDG          | 423,323,100                               | 14,534,800                             |

**TECHNOLOGY, MANAGEMENT, AND BUDGET**

**Budget Changes From FY 2009-10 YTD Appropriations**

**17. Budget Reductions**

Reflects a savings to be achieved in the various department budgets through staff reductions, administrative efficiencies, administrative rate reductions, contract reductions, server and license reductions, reductions in CSS&M and maintenance costs, and delaying equipment purchases:

- Technology Services - \$549,900
- Civil Rights - \$58,900
- Civil Service Commission - \$17,400
- Corrections - \$359,100
- Education - \$50,000
- Environmental Quality - 1.0 FTE position and \$100,600
- Human Services - \$1.0 million
- Management and Budget - \$459,600
- Military and Veterans Affairs - \$30,000
- Natural Resources - \$103,900
- State - \$16,600
- State Police - \$248,700
- Transportation - \$1.4 million
- Treasury - \$616,300

|              | FY 2009-10 YTD<br>(as of 2/11/10) | Enacted<br>Change<br>From YTD |
|--------------|-----------------------------------|-------------------------------|
| FTEs         | 1,635.0                           | (1.0)                         |
| <b>Gross</b> | <b>\$423,323,100</b>              | <b>(\$5,017,500)</b>          |
| IDG          | 423,323,100                       | (5,017,500)                   |

**18. Eliminate Program Funding**

Reflects elimination of funding in various department budgets for programs no longer needing funding or as a result of funding not being available:

- Community Health - \$400,000 for Newborn Screening program and \$971,300 for WIC program
- Natural Resources - \$27,100 in excess authorization
- State - \$4.6 million for Business Application Modernization project
- Treasury - \$415,100 for Michigan Merit Award Trust Fund

|              |                      |                      |
|--------------|----------------------|----------------------|
| <b>Gross</b> | <b>\$423,323,100</b> | <b>(\$6,363,500)</b> |
| IDG          | 423,323,100          | (6,363,500)          |

**19. Transfers**

Reflects the transfer of FTE positions and funding within various department budgets from IT programs to non-IT programs:

- Corrections - 1.0 FTE position and \$110,000; IT staff person moved to analyst position within department
- Human Services - \$557,200; portion of Bridges funding moved to non-IT program
- State Police - \$538,900; aligns funding for one-time IT expenditures between IT and non-IT line items within department
- Treasury - 1.0 FTE position and \$104,000; IT staff person moved to non-IT program

|              |            |                      |
|--------------|------------|----------------------|
| FTEs         | N/A        | (2.0)                |
| <b>Gross</b> | <b>N/A</b> | <b>(\$1,310,100)</b> |
| IDG          | N/A        | (1,310,100)          |

**20. DTMB Consolidation**

Reflects a reduction of 3.0 FTE positions and a savings due to the consolidation of the Departments of Management and Budget and Information Technology pursuant to EO 2009-55.

|              |            |                    |
|--------------|------------|--------------------|
| FTEs         | N/A        | (3.0)              |
| <b>Gross</b> | <b>N/A</b> | <b>(\$662,500)</b> |
| IDG          | N/A        | (662,500)          |

**21. Technology Services Economics**

Includes additional funding to cover costs of a 3% salary and wage increase, as well as increases in insurance and retirement for union employees; reduces funding for workers' compensation premium costs and building occupancy charges.

|              |            |                    |
|--------------|------------|--------------------|
| <b>Gross</b> | <b>N/A</b> | <b>\$5,831,400</b> |
| IDG          | N/A        | 5,831,400          |

**22. Additional IT Staff for DHS**

Reflects the addition of information technology-related staff in the Department of Human Services, which were added as a result of the Children's Rights Settlement agreement.

|              |            |                  |
|--------------|------------|------------------|
| <b>Gross</b> | <b>N/A</b> | <b>\$985,900</b> |
| IDG          | N/A        | 985,900          |

## TECHNOLOGY, MANAGEMENT, AND BUDGET

| <u>Budget Changes From FY 2009-10 YTD Appropriations</u>                                                                                                                                                                                                                                                          |              | <u>FY 2009-10 YTD<br/>(as of 2/11/10)</u> | <u>Enacted<br/>Change<br/>From YTD</u> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------------------------------|----------------------------------------|
| <b>CIVIL SERVICE COMMISSION</b>                                                                                                                                                                                                                                                                                   |              |                                           |                                        |
| <b>23. Budget Reductions</b>                                                                                                                                                                                                                                                                                      | FTEs         | 469.5                                     | (20.0)                                 |
| Reflects a reduction of 20.0 FTE positions and a savings to be achieved through retirement, attrition, possible layoffs, and by applying administrative rate reductions to information technology costs.                                                                                                          | <b>Gross</b> | <b>\$49,555,700</b>                       | <b>(\$1,766,300)</b>                   |
|                                                                                                                                                                                                                                                                                                                   | Federal      | 10,293,900                                | (800)                                  |
|                                                                                                                                                                                                                                                                                                                   | Restricted   | 16,521,500                                | (1,000)                                |
|                                                                                                                                                                                                                                                                                                                   | GF/GP        | \$19,943,900                              | (\$1,764,500)                          |
| <b>24. Accounting Service Consolidation</b>                                                                                                                                                                                                                                                                       | FTEs         | N/A                                       | (8.0)                                  |
| Reflects a reduction of FTE positions and a savings due to the transfer of accounting functions from the Civil Service Commission to Management and Budget.                                                                                                                                                       | <b>Gross</b> | <b>N/A</b>                                | <b>(\$93,200)</b>                      |
|                                                                                                                                                                                                                                                                                                                   | GF/GP        | N/A                                       | (\$93,200)                             |
| <b>25. Fund Source Shifts</b>                                                                                                                                                                                                                                                                                     | <b>Gross</b> | <b>N/A</b>                                | <b>\$0</b>                             |
| Adjusts IDG, federal, local, private, and state restricted fund sources in order to more accurately reflect where expenditures occur. The net effect on the total budget is \$0.                                                                                                                                  | IDG          | N/A                                       | 1,338,700                              |
|                                                                                                                                                                                                                                                                                                                   | Federal      | N/A                                       | (8,453,200)                            |
|                                                                                                                                                                                                                                                                                                                   | Local        | N/A                                       | (727,600)                              |
|                                                                                                                                                                                                                                                                                                                   | Private      | N/A                                       | 8,100                                  |
|                                                                                                                                                                                                                                                                                                                   | Restricted   | N/A                                       | 7,834,000                              |
| <b>26. Civil Service Commission Economics</b>                                                                                                                                                                                                                                                                     | <b>Gross</b> | <b>N/A</b>                                | <b>\$1,771,500</b>                     |
| Includes additional funding to cover costs of a 3% salary and wage increase, as well as increases in insurance and retirement for union employees; reduces funding for workers' compensation premium costs.                                                                                                       | IDG          | N/A                                       | 64,100                                 |
|                                                                                                                                                                                                                                                                                                                   | Federal      | N/A                                       | 408,300                                |
|                                                                                                                                                                                                                                                                                                                   | Local        | N/A                                       | 80,400                                 |
|                                                                                                                                                                                                                                                                                                                   | Private      | N/A                                       | 10,800                                 |
|                                                                                                                                                                                                                                                                                                                   | Restricted   | N/A                                       | 484,100                                |
|                                                                                                                                                                                                                                                                                                                   | GF/GP        | N/A                                       | \$723,800                              |
| <b>27. Transfer of Staff</b>                                                                                                                                                                                                                                                                                      | FTEs         | <b>N/A</b>                                | <b>1.0</b>                             |
| Reflects the transfer of 4.0 human resources-related FTE positions and associated costs from the Department of Corrections to the Civil Service Commission, and reflects the transfer of 3.0 training staff and associated operating costs from the Civil Service Commission to the Department of Human Services. | <b>Gross</b> | <b>N/A</b>                                | <b>\$122,900</b>                       |
|                                                                                                                                                                                                                                                                                                                   | Federal      | N/A                                       | (225,500)                              |
|                                                                                                                                                                                                                                                                                                                   | GF/GP        | N/A                                       | \$348,400                              |

## Boilerplate Changes From FY 2009-10

### **MANAGEMENT AND BUDGET**

#### **Sec. 724. Document and Data Imaging – DELETED**

Authorizes the Department to charge for document and data imaging services, copies, media, storage, conferences, workshops, and training classes, and appropriates the money collected to be used for providing the services.

#### **Sec. 724a. Existing 2-1-1 Capacities – DELETED**

Requires DMB to assist DIT in determining how existing 2-1-1 capacities will be utilized by each department with community resource information and referral service.

#### **Sec. 727. Contract Savings – DELETED**

Requires the department to take measures to reduce existing contractual expenditures by \$20 million, lists required measures to be followed, and requires annual report on the amount of contract savings achieved.

#### **Sec. 873. Capital Outlay Projects for Community Colleges – NEW (Standard Capital Outlay Language)**

Details certain administrative requirements for a community college with a partially state-funded capital outlay project and limits state funds for a project to 50% of the total cost.

#### **Sec. 874. Matching Fund Requirements for Capital Outlay Projects – NEW (Standard Capital Outlay Language)**

Authorizes reducing the amount of state funds required for a capital outlay project if the amount of matching funds from the university or community college are reduced.

#### **Sec. 875. Documentation for Authorized Capital Outlay Projects – NEW (Standard Capital Outlay Language)**

Authorizes the department to require documentation from universities and community colleges that have authorization for capital outlay projects.

**Boilerplate Changes From FY 2009-10**

**TECHNOLOGY SERVICES**

***Sec. 580. Business Application Modernization Project – DELETED***

Specifies the amount of funding appropriated for BAM project, lists what funding can be used for, designates funding as a work project account, and authorizes unexpended funding to be carried forward.

***Sec. 582. Michigan.gov – DELETED***

Requires report on improvements made to Michigan.gov.

**CIVIL SERVICE COMMISSION**

None

## TREASURY

Summary: Public Act 191 of 2010  
HB 5880

Analyst: Ben Gielczyk

|            | FY 2009-10 YTD<br>as of 2/11/10 | FY 2010-11<br>Rev. Executive | FY 2010-11<br>House    | FY 2010-11<br>Senate   | FY 2010-11<br>Enacted  | Difference: Enacted<br>From FY 2009-10 YTD |             |
|------------|---------------------------------|------------------------------|------------------------|------------------------|------------------------|--------------------------------------------|-------------|
|            |                                 |                              |                        |                        |                        | Amount                                     | %           |
| IDG/IDT    | \$11,120,700                    | \$14,376,400                 | \$14,059,900           | \$14,158,400           | \$14,376,400           | \$3,255,700                                | 29.3        |
| Federal    | 95,782,000                      | 262,209,500                  | 94,476,600             | 264,473,100            | 262,691,600            | 166,909,600                                | 174.3       |
| Local      | 1,526,400                       | 2,054,000                    | 2,066,500              | 2,037,200              | 2,054,000              | 527,600                                    | 34.6        |
| Private    | 723,700                         | 843,600                      | 852,200                | 852,200                | 843,600                | 119,900                                    | 16.6        |
| Restricted | 1,353,620,700                   | 1,492,522,300                | 1,445,419,300          | 1,410,636,300          | 1,524,721,000          | 171,100,300                                | 12.6        |
| GF/GP      | 151,964,700                     | 201,409,800                  | 199,372,000            | 201,297,700            | 120,937,800            | (31,026,900)                               | (20.4)      |
| Gross      | <b>\$1,614,738,200</b>          | <b>\$1,973,415,600</b>       | <b>\$1,756,246,500</b> | <b>\$1,893,454,900</b> | <b>\$1,925,624,400</b> | <b>\$310,886,200</b>                       | <b>19.3</b> |
| FTEs       | 1,867.5                         | 2,181.5                      | 1,885.5                | 2,190.5                | 2,199.5                | 332.0                                      | 17.8        |

Note: FY 2009-10 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through January 31, 2010.

Overview

The Department of Treasury is the chief fiscal agency of the state and the primary source of advice to the Governor on tax and fiscal policy issues. The Department's mission is to collect state taxes, to invest, control, and disburse state monies, and to protect the state's credit rating and that of its cities. The Department manages one of the nation's largest pension funds, administers revenue sharing, and administers the student financial aid programs. It also investigates fraudulent financial activity, provides assistance on all property tax-related issues and advises issuers of municipal obligations. The Bureau of State Lottery, the Michigan Gaming Control Board (MGCB), and the Michigan Strategic Fund (MSF) are autonomous agencies housed within the Department of Treasury. Funds and programs of the MSF are administered by the Michigan Economic Development Corporation (MEDC), which also administers the 21st Century Jobs Fund.

| <u>Budget Changes From FY 2009-10 YTD Appropriations</u>                                                                                                                                                                                                   |            | FY 2009-10 YTD<br>(as of 2/11/10) | Enacted<br>Change<br>From YTD |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-----------------------------------|-------------------------------|
| <b>TREASURY OPERATIONS</b>                                                                                                                                                                                                                                 |            |                                   |                               |
| <b>1. GF/GP Budget Reductions</b>                                                                                                                                                                                                                          | FTEs       | N/A                               | (9.0)                         |
| Reduces funding \$1.8 million GF/GP and eliminates 9.0 FTE positions. Reductions are achieved through consolidated staff reductions, DIT rate and administrative reductions, and targeted program reductions by the department.                            | Gross      | N/A                               | (\$1,787,700)                 |
|                                                                                                                                                                                                                                                            | GF/GP      | N/A                               | (\$1,787,700)                 |
| <b>2. Contractual Services for Other Departments</b>                                                                                                                                                                                                       | Gross      | N/A                               | \$3,684,200                   |
| Increases funding to various line items for contractual services provided by the Department for other departments and state agencies. Spending authorization was previously provided for in boilerplate Sec. 928 of the FY 2010 General Government budget. | IDG        | N/A                               | 1,930,300                     |
|                                                                                                                                                                                                                                                            | Restricted | N/A                               | 1,753,900                     |
|                                                                                                                                                                                                                                                            | GF/GP      | N/A                               | \$0                           |
| <b>3. Tax Compliance</b>                                                                                                                                                                                                                                   | FTEs       | 338.0                             | 9.0                           |
| Includes \$1.0 million Gross and 9.0 FTEs in additional audit staff to meet obligations of MBT business filings. Program will generate \$4.0 million in FY 2011 and \$10.0 million in FY 2012. Will be implemented as part of FY 2010 supplemental.        | Gross      | \$34,988,700                      | \$1,000,000                   |
|                                                                                                                                                                                                                                                            | Restricted | 33,103,900                        | 1,000,000                     |
|                                                                                                                                                                                                                                                            | GF/GP      | \$1,884,800                       | \$0                           |

**TREASURY****Budget Changes From FY 2009-10 YTD Appropriations**

|                                                                                                                                                                                                                                                                                                                                                                                                                                    |              | <b>FY 2009-10 YTD<br/>(as of 2/11/10)</b> | <b>Enacted<br/>Change<br/>From YTD</b> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------------------------------|----------------------------------------|
| <b>4. Tax Processing</b>                                                                                                                                                                                                                                                                                                                                                                                                           | FTEs         | 151.0                                     | 4.0                                    |
| Increases funding by \$400,000 Gross and 4.0 FTEs to eliminate backlog of paid error returns to be processed. Program will generate \$10.0 million in revenue beginning in FY 2011. Also proposed as part of FY 2009-10 supplemental.                                                                                                                                                                                              | <b>Gross</b> | <b>\$14,075,100</b>                       | <b>\$400,000</b>                       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                    | IDG          | 2,298,200                                 | 0                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                    | Restricted   | 11,776,900                                | 400,000                                |
| <b>5. Bottle Bill Supplemental</b>                                                                                                                                                                                                                                                                                                                                                                                                 | <b>Gross</b> | <b>\$1,500,000</b>                        | <b>(\$1,500,000)</b>                   |
| Removes one-time reverse bottle bill redemption antifraud fund supplemental included in FY 2009-10 budget.                                                                                                                                                                                                                                                                                                                         | Restricted   | 1,500,000                                 | (1,500,000)                            |
| <b>6. College Access Challenge Grant Program</b>                                                                                                                                                                                                                                                                                                                                                                                   | <b>Gross</b> | <b>\$2,202,400</b>                        | <b>(\$2,202,400)</b>                   |
| Removes funding for College Access Challenge Grant Program. Funding for program was available for two years and is established as a work project to be used through FY 2010-11. Line item funding was transferred to the Department of Education budget bill.                                                                                                                                                                      | Federal      | 2,202,400                                 | (2,202,400)                            |
| <b>7. Tax and Economic Policy</b>                                                                                                                                                                                                                                                                                                                                                                                                  | FTEs         | 81.0                                      | 1.0                                    |
| Includes \$150,000 and 1.0 FTE position for implementation of additional duties associated with Emergency 911 administration.                                                                                                                                                                                                                                                                                                      | <b>Gross</b> | <b>\$9,279,900</b>                        | <b>\$150,000</b>                       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                    | Restricted   | 7,432,000                                 | 150,000                                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                    | GF/GP        | \$1,847,900                               | \$0                                    |
| <b>8. Michigan Transportation Fund Adjustment</b>                                                                                                                                                                                                                                                                                                                                                                                  | <b>Gross</b> | <b>N/A</b>                                | <b>\$647,500</b>                       |
| Increases IDG from MDOT Michigan Transportation Fund by \$647,500 Gross. Mandated MTF adjustment. Funding increases are distributed as follows: Customer Contact (\$284,900); Tax and Economic Policy (\$155,400); and Tax Processing (\$207,200).                                                                                                                                                                                 | IDG          | N/A                                       | 647,500                                |
| <b>9. Fund Shifts</b>                                                                                                                                                                                                                                                                                                                                                                                                              | <b>Gross</b> | <b>N/A</b>                                | <b>\$0</b>                             |
| Reduces GF/GP funding levels due to shift in funding to restricted funds. Supervision of General Property Tax Law shifts \$635,000 in GF/GP funding to restricted funding by using available reserve balances in assessor training fees and land reutilization fees. Banking and Management Services shifts \$258,500 in GF/GP funding to restricted indirect funds based on common activities within department similar to SWCAP. | Local        | N/A                                       | 485,000                                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                    | Restricted   | N/A                                       | 408,500                                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                    | GF/GP        | N/A                                       | (\$893,500)                            |
| <b>10. Finance and Accounting</b>                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Gross</b> | <b>N/A</b>                                | <b>\$391,500</b>                       |
| Executive Revision 2011-1 increased IDG from accounting service center user charges by \$391,500 Gross as part of the accounting consolidation included in the FY 2011 Executive Recommendation. House did not include as Executive Revision occurred after House passed budget.                                                                                                                                                   | IDG          | N/A                                       | 391,500                                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                    | GF/GP        | N/A                                       | \$0                                    |
| <b>11. Department of Technology, Management, and Budget (DTMB) Consolidation</b>                                                                                                                                                                                                                                                                                                                                                   | <b>Gross</b> | <b>N/A</b>                                | <b>(\$32,700)</b>                      |
| Reduces funding due to savings from consolidation of the Department of Management and Budget and the Department of Information Technology                                                                                                                                                                                                                                                                                          | Restricted   | N/A                                       | (27,700)                               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                    | GF/GP        | N/A                                       | (\$5,000)                              |
| <b>12. Michigan Merit Award Administration</b>                                                                                                                                                                                                                                                                                                                                                                                     | FTEs         | 6.0                                       | (6.0)                                  |
| Eliminates funding for Michigan Merit Award Administration. Program is eliminated due to elimination of Michigan Promise Grant program.                                                                                                                                                                                                                                                                                            | <b>Gross</b> | <b>\$1,430,800</b>                        | <b>(\$1,430,800)</b>                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                    | Restricted   | 1,430,800                                 | (1,430,800)                            |
| <b>13. Business Property Tax Appeal</b>                                                                                                                                                                                                                                                                                                                                                                                            | FTEs         | N/A                                       | 7.0                                    |
| Includes \$900,000 in GF/GP funding and 7.0 FTE positions for new Business Property Tax Appeal program. Program will provide assessment review for property tax appeals that affect School Aid Fund.                                                                                                                                                                                                                               | <b>Gross</b> | <b>N/A</b>                                | <b>\$900,000</b>                       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                    | GF/GP        | N/A                                       | \$900,000                              |
| <b>14. Supervision of General Property Tax Law</b>                                                                                                                                                                                                                                                                                                                                                                                 | <b>Gross</b> | <b>N/A</b>                                | <b>\$900,000</b>                       |
| Includes \$1.0 million in restricted delinquent tax revenue for personal property tax audits. Reduces line by \$100,000 GF/GP as part of target reductions.                                                                                                                                                                                                                                                                        | Restricted   | N/A                                       | 1,000,000                              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                    | GF/GP        | N/A                                       | (\$100,000)                            |

## TREASURY

| <b>Budget Changes From FY 2009-10 YTD Appropriations</b>                                                                                                                                                                                                                                                                              |  | <b>FY 2009-10 YTD<br/>(as of 2/11/10)</b> | <b>Enacted<br/>Change<br/>From YTD</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------------------|----------------------------------------|
| <b>15. Michigan Finance Authority</b>                                                                                                                                                                                                                                                                                                 |  |                                           |                                        |
| Includes \$3.0 million in Gross funding for the Michigan Finance Authority which was transferred to the Department of Treasury under Executive Order 2010-2.                                                                                                                                                                          |  | FTEs N/A                                  | 18.0                                   |
|                                                                                                                                                                                                                                                                                                                                       |  | <b>Gross</b> N/A                          | <b>\$2,971,500</b>                     |
|                                                                                                                                                                                                                                                                                                                                       |  | Restricted N/A                            | 2,971,500                              |
|                                                                                                                                                                                                                                                                                                                                       |  | GF/GP N/A                                 | \$0                                    |
| <b>16. Land Bank Fast Track Authority</b>                                                                                                                                                                                                                                                                                             |  |                                           |                                        |
| Includes \$2.0 million in Gross funding for the Land Bank Fast Track Authority which was transferred to the Department of Treasury under Executive Order 2010-2. \$157,500 is unrolled and placed in the Information Technology section.                                                                                              |  | FTEs N/A                                  | 6.0                                    |
|                                                                                                                                                                                                                                                                                                                                       |  | <b>Gross</b> N/A                          | <b>\$2,037,200</b>                     |
|                                                                                                                                                                                                                                                                                                                                       |  | Restricted N/A                            | 2,037,200                              |
|                                                                                                                                                                                                                                                                                                                                       |  | GF/GP N/A                                 | \$0                                    |
| <b>17. Michigan State Housing Development Authority</b>                                                                                                                                                                                                                                                                               |  |                                           |                                        |
| Includes \$223.7 million Gross funding for the Michigan State Housing Development Authority which was transferred to the Department of Treasury under Executive Order 2010-2.                                                                                                                                                         |  | FTEs N/A                                  | 289.0                                  |
|                                                                                                                                                                                                                                                                                                                                       |  | <b>Gross</b> N/A                          | <b>\$223,663,600</b>                   |
|                                                                                                                                                                                                                                                                                                                                       |  | Federal N/A                               | 168,044,200                            |
|                                                                                                                                                                                                                                                                                                                                       |  | Restricted N/A                            | 55,619,400                             |
|                                                                                                                                                                                                                                                                                                                                       |  | GF/GP N/A                                 | \$0                                    |
| <b>18. Economic Adjustments</b>                                                                                                                                                                                                                                                                                                       |  |                                           |                                        |
| Increases funding by \$6.1 million Gross and \$661,300 GF/GP for economics, which includes salaries and wages, retirement, building occupancy charges, workers' compensation, and insurance costs; includes Lottery and Michigan Gaming Control Board. Also includes DIT economic adjustments of \$833,900 Gross and \$184,400 GF/GP. |  | <b>Gross</b> N/A                          | <b>\$6,982,400</b>                     |
|                                                                                                                                                                                                                                                                                                                                       |  | IDG N/A                                   | 286,400                                |
|                                                                                                                                                                                                                                                                                                                                       |  | Federal N/A                               | 535,300                                |
|                                                                                                                                                                                                                                                                                                                                       |  | Local N/A                                 | 42,600                                 |
|                                                                                                                                                                                                                                                                                                                                       |  | Restricted N/A                            | 5,272,400                              |
|                                                                                                                                                                                                                                                                                                                                       |  | GF/GP N/A                                 | \$845,700                              |
| <b>19. Renaissance Zone Reimbursements</b>                                                                                                                                                                                                                                                                                            |  |                                           |                                        |
| Eliminates funding for Renaissance Zone reimbursements as part of target agreement.                                                                                                                                                                                                                                                   |  | <b>Gross</b> \$2,992,000                  | <b>(\$2,992,000)</b>                   |
|                                                                                                                                                                                                                                                                                                                                       |  | GF/GP \$2,992,000                         | (\$2,992,000)                          |
| <b>20. Departmental and Budget Services</b>                                                                                                                                                                                                                                                                                           |  |                                           |                                        |
| Reduces funding for Departmental and Budget Services by \$95,500 as part of target agreement.                                                                                                                                                                                                                                         |  | <b>Gross</b> N/A                          | <b>(\$95,500)</b>                      |
|                                                                                                                                                                                                                                                                                                                                       |  | GF/GP N/A                                 | (\$95,500)                             |
| <b>21. John R. Justice Grant Program</b>                                                                                                                                                                                                                                                                                              |  |                                           |                                        |
| Includes \$282,100 in federal funding for new John R. Justice Grant program.                                                                                                                                                                                                                                                          |  | <b>Gross</b> N/A                          | <b>\$282,100</b>                       |
|                                                                                                                                                                                                                                                                                                                                       |  | Federal N/A                               | 282,100                                |
| <b>DEBT SERVICE</b>                                                                                                                                                                                                                                                                                                                   |  |                                           |                                        |
| <b>22. Debt Service Payments</b>                                                                                                                                                                                                                                                                                                      |  |                                           |                                        |
| Decreases funding by \$22.5 million based on target reduction to debt service through refinancing and refunding debt service payments.                                                                                                                                                                                                |  | <b>Gross</b> \$80,177,500                 | <b>(\$22,544,700)</b>                  |
|                                                                                                                                                                                                                                                                                                                                       |  | Restricted 15,514,500                     | 0                                      |
|                                                                                                                                                                                                                                                                                                                                       |  | GF/GP \$64,663,000                        | (\$22,544,700)                         |
| <b>GRANTS</b>                                                                                                                                                                                                                                                                                                                         |  |                                           |                                        |
| <b>23. Convention Facility Development Distribution</b>                                                                                                                                                                                                                                                                               |  |                                           |                                        |
| Eliminates \$9.0 million in one-time convention facility development funding associated with Public Act 62 of 2009.                                                                                                                                                                                                                   |  | <b>Gross</b> \$83,850,000                 | <b>(\$9,000,000)</b>                   |
|                                                                                                                                                                                                                                                                                                                                       |  | Restricted 83,850,000                     | (9,000,000)                            |
| <b>CASINO GAMING</b>                                                                                                                                                                                                                                                                                                                  |  |                                           |                                        |
| <b>24. Office of Racing Commissioner</b>                                                                                                                                                                                                                                                                                              |  |                                           |                                        |
| Includes \$2.1 million Gross and 10.0 FTE (1.0 FTE unclassified) positions for the Office of Racing Commission that was transferred from the Department of Agriculture as part of Executive Orders 2009-45, 2009-54. Includes added funding (\$358,100) for additional race dates.                                                    |  | FTEs N/A                                  | 10.0                                   |
|                                                                                                                                                                                                                                                                                                                                       |  | <b>Gross</b> N/A                          | <b>\$2,263,100</b>                     |
|                                                                                                                                                                                                                                                                                                                                       |  | Restricted N/A                            | 2,263,100                              |

**TREASURY****Budget Changes From FY 2009-10 YTD Appropriations**FY 2009-10 YTD  
(as of 2/11/10)Enacted  
Change  
From YTD**25. Casino Gaming Control Administration and Information Technology**

Includes \$1.6 million in restricted funds for casino gaming laboratory services and background investigations. Funding was previously appropriated in boilerplate Section 972 of FY 2010-11 General Government budget. Also includes \$86,500 in restricted funding and 1.0 FTE position under the Casino Gaming Control Administration for Indian Gaming Auditor to audit new casinos along with \$94,000 in restricted funding for Casino Gaming DIT staff person to audit new Indian Casinos.

|              |                     |                    |
|--------------|---------------------|--------------------|
| FTEs         | 115.0               | 1.0                |
| <b>Gross</b> | <b>\$21,011,900</b> | <b>\$1,783,500</b> |
| Restricted   | 21,011,900          | 1,783,500          |

**STATE LOTTERY****26. Promotion and Advertising**

Reduces funding by 5 percent, or \$931,100, for promotion and advertising.

|              |                     |                    |
|--------------|---------------------|--------------------|
| <b>Gross</b> | <b>\$18,622,000</b> | <b>(\$931,100)</b> |
| Restricted   | 18,622,000          | (931,100)          |

**27. Lottery Operations**

Includes \$78,000 Gross and 1.0 FTE positions for assistance in the introduction of Powerball.

|              |                     |                 |
|--------------|---------------------|-----------------|
| FTEs         | 181.0               | 2.0             |
| <b>Gross</b> | <b>\$20,847,800</b> | <b>\$78,000</b> |
| Restricted   | 20,847,800          | 78,000          |

**REVENUE SHARING****28. Constitutional Revenue Sharing**

Increases revenue sharing payments by \$11.3 million. Fiscal Year 2009-10 YTD amounts were based on the January 2009 Consensus Revenue Estimating Conference (CREC) figures. Maintained current year combined statutory and constitutional revenue sharing payments. FY 2010-11 recommended amounts are based on May 2010 CREC.

|              |                      |                     |
|--------------|----------------------|---------------------|
| <b>Gross</b> | <b>\$622,137,900</b> | <b>\$11,343,900</b> |
| Restricted   | 622,137,900          | 11,343,900          |

**29. Statutory Revenue Sharing**

Decreases statutory revenue sharing payments by \$7.1 million from FY 2009-10 YTD amounts due to increase in Constitutional payments. Maintained current year combined statutory and constitutional revenue sharing payments. FY 2010-11 reflect May 2010 CREC estimates.

|              |                      |                      |
|--------------|----------------------|----------------------|
| <b>Gross</b> | <b>\$314,169,900</b> | <b>(\$7,108,200)</b> |
| Restricted   | 314,169,900          | (7,108,200)          |

**30. County Revenue Sharing**

Increases county revenue sharing payments by \$59.4 million to fund the additional counties anticipated to be eligible again for state payments. Counties become eligible when they exhaust their revenue sharing reserve funds.

|              |                     |                     |
|--------------|---------------------|---------------------|
| <b>Gross</b> | <b>\$55,291,700</b> | <b>\$59,449,000</b> |
| Restricted   | 55,291,700          | 59,449,000          |

**MICHIGAN STRATEGIC FUND****31. 21st Century Jobs Program Funding**

Increases funding by \$46.5 million in restricted funding to restore FY 2009-10 transfer to general fund. Statute provides for \$75 million.

|              |                     |                     |
|--------------|---------------------|---------------------|
| <b>Gross</b> | <b>\$28,500,000</b> | <b>\$46,500,000</b> |
| Restricted   | 28,500,000          | 46,500,000          |

**32. Economic Development Job Training (EDJT) Program**

Eliminates funding for the Economic Development Job Training Program. The EDJT program provides employee training grants to maintain or attract permanent jobs for Michigan residents. The grants are for high-skill/high-wage jobs in 21st century industries, such as advanced manufacturing, life sciences, technology, homeland security, and alternative energy.

|              |                    |                      |
|--------------|--------------------|----------------------|
| <b>Gross</b> | <b>\$4,705,800</b> | <b>(\$4,705,800)</b> |
| GF/GP        | \$4,705,800        | (\$4,705,800)        |

**33. Arts and Cultural Grants**

Includes \$100,000 in restricted funds for Arts and Cultural Grants. New funding would come from a voluntary income tax check off beginning in tax year 2009 that would be deposited in the arts fund. Also includes \$200,000 in additional federal funding.

|              |            |                  |
|--------------|------------|------------------|
| <b>Gross</b> | <b>N/A</b> | <b>\$300,000</b> |
| Federal      | N/A        | 200,000          |
| Private      | N/A        | 100,000          |

**34. Business Incubator Program**

Moves line item funding to boilerplate appropriation in the amount of \$1.3 million.

|              |                  |                    |
|--------------|------------------|--------------------|
| <b>Gross</b> | <b>\$950,000</b> | <b>(\$950,000)</b> |
| Restricted   | 950,000          | (950,000)          |

## TREASURY

| <u>Budget Changes From FY 2009-10 YTD Appropriations</u>                                                                                                                            |              | <u>FY 2009-10 YTD<br/>(as of 2/11/10)</u> | <u>Enacted<br/>Change<br/>From YTD</u> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------------------------------|----------------------------------------|
| <b>35. MSF Economic Adjustments</b>                                                                                                                                                 | <b>Gross</b> | <b>N/A</b>                                | <b>\$447,700</b>                       |
| Includes \$447,700 Gross and \$359,700 GF/GP funding for economics, which include increased funding for salaries and wages, retirement, workers' compensation, and insurance costs. | Federal      | N/A                                       | 50,400                                 |
|                                                                                                                                                                                     | Private      | N/A                                       | 19,900                                 |
|                                                                                                                                                                                     | Restricted   | N/A                                       | 17,700                                 |
|                                                                                                                                                                                     | GF/GP        | N/A                                       | \$359,700                              |
| <b>36. Target Agreement</b>                                                                                                                                                         | <b>Gross</b> | <b>N/A</b>                                | <b>(\$8,100)</b>                       |
| Reduces funding in Jobs Creation Services line item by \$8,100 as part of target agreement.                                                                                         | GF/GP        | N/A                                       | (\$8,100)                              |

### Boilerplate Changes From FY 2009-10

#### DEPARTMENT OF TREASURY

##### **Sec. 903. Private Collection Agency/Law Firm Contracting - REVISED**

Authorizes department to contract with private collection agencies and law firms to collect taxes and other accounts due, including defaulted student loans; requires report. Revision prohibits amounts appropriated for defaulted student loan collections from exceeding 23% of the collection or a lesser amount prescribed in the contract.

##### **Sec. 921. Renaissance Zone Reimbursements - DELETED**

Directs renaissance zone reimbursement appropriation in part 1 to be used for reimbursements to public libraries. Directs reimbursements to be made not more than 60 days after department has received all necessary information. Funding was eliminated for reimbursements.

##### **Sec. 924. Principal Residence Tax Audits - REVISED**

Authorizes department to receive and expend principal residence audit fund revenue for administration of principal residence audits; requires report. Revision requires report to state amount of exemptions denied and revenue received under the program.

##### **Sec. 925. Public-Private Partnership Investment Program - REVISED**

Includes current year language and revises to state that public private investments shall not include activities related to the Detroit River international crossing.

##### **Sec. 925a. Public Private Partnership Appropriations - NEW**

Includes new language prohibiting the funds appropriated for the public private partnership investment program from being used for activities related to the Detroit River international crossing.

##### **Sec. 926. John R. Justice Grant - NEW**

Includes new language which designates the John R. Justice grant appropriation as work project appropriations. The project's purpose is to provide student loan forgiveness to qualified public defenders and prosecutors.

##### **Sec. 927. Personal Property Tax Audits - NEW**

Includes language which requires the Department of Treasury to submit annual progress reports regarding personal property tax audits.

##### **Sec. 929. Data and Collection Services - DELETED**

Authorizes department to enter into agreements to supply data or collection services to other executive principal departments or state agencies, the US Department of Treasury, or local units of government. (Deleted due to the inclusion of funding in part 1.)

##### **Sec. 943. Form 1099-G Mailings - DELETED**

Prohibits department from including complete social security numbers in form 1099-G mailings to taxpayers.

##### **Sec. 946. Coordinated Assessment and Training Activities - DELETED**

Authorizes members of state tax commission and management level staff of the assessment and certification division to meet with statewide assessment organizations quarterly to coordinate assessment and training activities.

##### **Sec. 947. Revenue Enhancement Program - DELETED**

Requires quarterly progress reports regarding personal property tax audits. Requires that \$500,000 be used for principal residence exemption compliance program and requires quarterly reports. States that revenue collected under the program shall be used to reimburse the state general fund for the costs of the program prior to making any other appropriation of the funds.

**Boilerplate Changes From FY 2009-10**

***Sec. 949. Tobacco Stamp Program – DELETED***

Directs department to explore the possibility of a public-private partnership for new tobacco stamp technology; requires report.

***Sec. 949. Beverage Container Redemption Antifraud Fund - NEW***

Includes language which requires that any funding for the beverage container redemption antifraud fund be used for the purposes described in the beverage container redemption antifraud act. Specifies that any available funding after the distribution to the border counties be distributed to the next tier of counties north of the border counties.

***Sec. 950. Revenue Sharing – REVISED***

Directs distribution of constitutional and statutory revenue sharing payments to cities, villages, and townships. Revises to require payments to be at 100% of previous year.

***Sec. 955. County Revenue Sharing – REVISED***

Revises includes language which directs the county revenue sharing appropriation to be distributed by the department to eligible counties according to the Glenn Steil State Revenue Sharing Act of 1971.

**CASINO GAMING**

***Sec. 972. Gaming Oversight - DELETED***

Appropriates funds distributed by the Michigan Gaming Control Board to the department for oversight of casino gaming upon receipt; directs the funds to be used to pay for costs incurred for casino gaming oversight activities. (Deleted due to inclusion of funding in part 1.)

***Sec. 975. State Services Fee Fund Transfer - DELETED***

Authorizes the transfer of \$1.6 million from the State Services Fee Fund to the General Fund.

***Sec. 976. Horse Racing Industry Crimes - NEW***

Authorizes the racing commissioner to pay rewards of not more than \$5,800 to a person who provides information which results in the arrest and conviction for a crime involving the horse racing industry. Awards are paid from the Office of Racing Commissioner line-item.

***Sec. 977. Michigan Agriculture Equine Industry Development Fund - NEW***

Includes new language which requires proration of all appropriations from the Michigan Agriculture Equine Industry Development Fund if revenues to the fund decline during the fiscal year. The language exempts the racing commission and laboratory analysis program appropriations from the proration.

***Sec. 978. Racing Commission Regulatory Charges - NEW***

Includes new language which follows Public Act 66 of 2010. The section requires the Michigan Gaming Control Board to determine actual regulatory costs of conducting race dates; it would limit reimbursement to actual expenses; and the language specifies that in the case of reduced revenues, race dates can be reduced, after consultation with certified horsemen's organizations.

***Sec. 979. Thoroughbred Race Purses - NEW***

Includes new language which provides use of purse funds in the event that no live thoroughbred race meet is held in 2010 or 2011. The section provides for funds to be escrowed and specifies purse pool distribution order.

**HOUSING AND COMMUNITY DEVELOPMENT**

***Sec. 980. Michigan State Housing Development Authority Annual Report - NEW***

Includes new language which requires MSHDA to annually present a report on the status of the authority's housing production goals under all financing programs.

***Sec. 981. Michigan Broadband Development Authority Report - NEW***

Includes new language which requires the department and MSHDA to reports on the status of loans entered into by the Michigan Broadband Development Authority.

***Sec. 982. Cities of Promise Blight Elimination Program Report - NEW***

Includes new language which requires MSHDA to provide a report on the Cities of Promise Blight Elimination Program.

***Sec. 983. Land Bank Fast Track Authority - NEW***

Includes new language which authorizes the authority to expend additional revenues received under the Land Bank Fast Track Act for purposes authorized by the act.

***Sec. 984. State Historic Preservation Programs - NEW***

Includes new language which appropriates the funds collected by State Historic Preservation programs for document reproduction and services and application fees for all expenses necessary to provide the required services.

## **TREASURY**

### **Boilerplate Changes From FY 2009-10**

#### ***Sec. 985. Michigan Housing and Community Development Fund Transfer of Funds - NEW***

Includes new language which allows \$200,000 to be appropriated from the Michigan Housing and Community Development Fund to MSHDA for projects in sections 58c and 58d of the State Housing Development Authority Act. Requires report on status of those projects.

#### **MICHIGAN STRATEGIC FUND (MSF)**

#### ***Sec. 1002. Economic Development Job Training (EDJT) Grants – DELETED***

Provides description and direction for Economic Development Job Training Grant program. Program is eliminated.

#### ***Sec. 1010. Advertising Material - DELETED***

Prohibits MSF funding from being spent on premiums or advertising material involving personal effects or apparel except Travel Michigan.

#### ***Sec. 1023. Tourism Promotion - REVISED***

Revises language to require MSF to coordinate tourism promotion with the tourism industry. Requires annual report, due by July 1, which lists places included in tourism promotion.

#### ***Sec. 1024. Small Business Technology and Development Centers (SBTDC) - REVISED***

Revises language which authorizes the MSF Board to allocate funds from the 21st Century Jobs Trust Fund to Small Business Technology and Development Centers for Small Business Innovation Research/Small Business Technology Transfer Research grant or matching loan programs to include not less than \$1.4 million for the same purpose.

#### ***Sec. 1025. Michigan Aerospace Manufacturers Association Allocation - NEW***

Includes new language which requires \$250,000 to be allocated to the Michigan Aerospace Manufacturers Association for organizational assistance and to advance and promote the aerospace manufacturing community in the state of Michigan.

#### ***Sec. 1028. 21st Century Jobs Fund Limit on Spending - NEW***

Includes new language that would cap the amount that could be awarded or committed to \$25.0 million during the first quarter of the fiscal year.

#### ***Sec. 1029. 21st Century Jobs Trust Funds Spending Reauthorization - NEW***

Includes new language that would provide for a continuation of authorization for 21st Century Jobs Trust funds authorized by PA 225 of 2005.

#### ***Sec. 1030. Grant to Detroit Institute of Arts - NEW***

Includes language which appropriates up to \$10.0 million from the unreserved general fund general purpose balance to the MSF as a grant to the Detroit Institute of Arts.

#### ***Sec. 1034. Business Incubators - REVISED***

Includes revised language which stipulates that funding for business incubators be distributed to ten counties or cities. Revised current year language to set aside \$250,000 for Macomb County instead of the city of Detroit. Also changed Ingham County to the city of Lansing. Requires that \$1.3 million in 21st Century Jobs Fund funding be used to fund the listed business incubators.

#### ***Sec. 1035. Michigan Council for Arts and Cultural Affairs (MCACA) Arts and Cultural Grants – REVISED***

Includes language which requires MCACA to administer an arts and cultural grant program that maintains an equitable geographic distribution of funding and utilizes past arts and cultural grant programs as a guideline; requires MCACA to publish application criteria; authorizes MCACA to charge a non-refundable application fee to be used for expenses necessary to administer the programs; requires a report to the legislature which lists all grant recipients and the total award to each, sorted by county.