



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-2768
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House Bill 5880 (as introduced)
Committee: Appropriations

FY 2009-10 Year-to-Date Gross Appropriation	\$2,982,306,200
Changes from FY 2009-10 Year-to-Date:	
1. Department of Attorney General. The Governor recommended a GF/GP increase of \$383,000, primarily due to economics.	1,003,500
2. Department of Civil Rights. The Governor recommended a decrease of \$427,300 GF.	(681,600)
3. Executive Office. The Governor recommended a GF/GP decrease of \$192,900.	(192,900)
4. Legislature. The Governor recommended a GF/GP decrease of \$4,190,600.	(4,190,600)
5. Legislative Auditor General. The Governor recommended a GF/GP decrease of \$464,800.	(464,800)
6. Department of State. The Governor recommended a GF/GP decrease of \$3.8 million, primarily for efficiencies in operations.	3,437,100
7. Department of Technology, Management, and Budget. The Governor recommended a GF/GP increase of \$10.8 million, including \$10 million GF/GP for State Building Authority rent payments. Additionally, the former Department of Information and Technology (DIT) was combined with DMB and the DIT portion was increased \$2.4 million, all IDG funding.	19,380,700
8. Department of Treasury Operations. The Governor recommended a decrease of \$518,800 GF/GP, primarily as a result of targeted reductions in the Tax, Bank & Management programs, and DIT.	(13,873,500)
9. Department of Treasury Debt Service. This increase in GF/GP funding is due to previous schedule adjustments.	54,731,700
10. Department of Treasury Revenue Sharing. These adjustments are 100% State restricted funding, primarily for county revenue sharing.	59,449,100
11. Michigan Strategic Fund. The Governor recommended a GF/GP decrease of \$4.0 million, primarily due to the elimination of Economic Development Job Training grants.	54,757,000
12. TOTAL GENDERAL GOVERNMENT SPENDING. The recommended changes represent a gross increase of \$173.4 million or 5.49%, and a GF/GP increase of \$52.3 million or 7.72%.	
Total Changes.....	\$173,355,700
FY 2010-11 Governor's Recommendation.....	\$3,155,661,900

Changes from FY 2009-10 Year to Date:

1. **Hiring Freeze.** Imposed hiring freeze and provided for exceptions. Provides for a quarterly report to the chairs of Appropriations Committees regarding exceptions to hiring freeze. The Governor deleted this section. (Sec. 205)
2. **Retention of Reports.** Requires departments and agencies receiving appropriations under this Act to receive and retain copies of all reports funded in the Act. Federal and State guidelines for retention of records shall be followed. The Governor deleted this section. (Sec. 212)
3. **Communications with Legislators.** Prohibits disciplinary action against Department employees for communicating with Legislators or their staff. The Governor deleted this section. (Sec. 215)
4. **General Fund Restrictions.** Prohibits use of General Fund appropriations in this Act where Federal funds are available for the same expenditures. The Governor deleted this section. (Sec. 217)
5. **Specific Policy Changes.** Requires each department to report on each specific policy change made to implement enacted legislation. The section also prohibits the use of funds in Part 1 to prepare regulatory plans or promulgate rules that fail to reduce the disproportionate economic impact on small businesses pursuant to MCL 24.240. The Governor deleted this section. (Sec. 221)
6. **Legal Services.** Prohibits departments or agencies from hiring outside attorneys to provide legal services that are the responsibility of the Attorney General. The Governor deleted this section. (Sec. 226)
7. **No-Bid Contracts.** Prohibits departments from entering into these contracts, greater than \$500,000, unless there are no other bidders. The Governor deleted this section. (Sec. 227)
8. **General Fund/General Purpose Lapse Amount.** Requires departments to submit a report on these amounts by October 15. The Governor deleted this section. (Sec. 228)

Date Completed: 2-19-10

Fiscal Analyst: Joe Carrasco, Elizabeth Pratt, and Maria Tyszkiewicz



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House Bill 5880 (as introduced)
Committee: Appropriations

FY 2009-10 Year-to-Date Gross Appropriation	\$73,873,600
Changes from FY 2009-10 Year-to-Date:	
1. Homeowner Construction Lien Recovery Fund. This fund, administered by the Department of Energy, Labor, & Economic Development, became insolvent in FY2009-10. The Governor eliminated funding and 4.0 FTE's for defense litigation on behalf of the fund.	(566,100)
2. Auto Theft Prevention Grant. The Governor eliminated unused spending authority and 4.0 FTE's for expired grant from Michigan State Police.	(420,000)
3. Special Assistant Attorney. The Governor eliminated spending authority for a court case involving the Game and Fish Protection fund.	(150,000)
4. Targeted Layoffs. The Governor reduced 15.0 FTE's due to targeted reductions.	(1,137,800)
5. Attorney General Salary. The Governor included State Officers Compensation Commission salary reduction.	(9,100)
6. Department Consolidation. Governor included administrative savings from the consolidation of the Departments of Management and Budget and Information Technology.	(2,300)
7. Economic Adjustments.	3,293,300
8. Other Changes. Information Technology administrative reductions.	(4,500)
Total Changes.....	\$1,003,500
FY 2010-11 Governor's Recommendation.....	\$75,880,600

Changes from FY 2009-10 Year to Date:

1. **Prisoner Reimbursement Funds.** Governor increased amount allowable for department expenditures related to the State Correctional Facilities Reimbursement Act from \$470,600 to \$497,900. (Sec. 309)

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House Bill 5880 (as introduced)

Committee: Appropriations

FY 2009-10 Year-to-Date Gross Appropriation	\$13,763,700
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Changes from FY 2009-10 Year-to-Date:

- | | |
|---|-----------|
| 1. Operations. The Governor reduced the operations funding for the Department, and eliminated 10.0 FTE unfunded positions. | (876,300) |
| 2. Accounting Consolidation. The Governor consolidated the Department's accounting functions in the Department of Management and Budget. This would result in a reduction of 2.0 FTEs. | (88,600) |
| 3. Federal Funds. The Governor reduced Federal spending authority to reflect funds available. | (307,300) |
| 4. Economic Adjustments. The Governor funded standard economic increases. | 629,700 |
| 5. Other Changes. The Governor made additional adjustments: DIT economics, \$27,500, DIT/DMB consolidation savings of \$60,200; building occupancy charges reduction of \$37,600; workers compensation adjustment of \$31,900; | (39,100) |

Total Changes	(\$681,600)
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FY 2010-11 Governor's Recommendation.....	\$13,082,100
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Changes from FY 2009-10 Year to Date:

1. **Boilerplate Changes.** The Governor did not recommend any changes to the boilerplate for this budget.

Date Completed: 2-19-10

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House Bill 5880 (as introduced)

Committee: Appropriations

FY 2009-10 Year-to-Date Gross Appropriation	\$4,823,700
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Changes from FY 2009-10 Year-to-Date:

- | | |
|--|-----------|
| 1. State Officers Compensation Commission (SOCC) Adjustment. The salaries and expense allowances for the Governor and the Lt. Governor are reduced 10% based on March 2009 SOCC determinations. | (18,600) |
| 2. Non-SOCC Reduction. The Governor reduced the appropriation for the Executive Office to save additional GF/GP dollars. The combination of the SOCC and non-SOCC reductions total 4% of the total Executive Office budget. | (174,300) |

Total Changes.....	(\$192,900)
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FY 2010-11 Governor's Recommendation.....	\$4,630,800
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Changes from FY 2009-10 Year to Date:

1. There are no boilerplate sections for the Executive Office.

Date Completed: 2-19-10

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House Bill 5880 (as introduced)
Committee: Appropriations

FY 2009-10 Year-to-Date Gross Appropriation	\$106,274,700
Changes from FY 2009-10 Year-to-Date:	
1. State Officers Compensation Commission (SOCC) Adjustment. The salaries and expense allowances for Legislators are reduced 10% based on March 2009 SOCC determinations.	(1,249,500)
2. Non-SOCC Reduction. The Governor reduced the appropriation for the Legislature to save additional GF/GP dollars. The reduction is non-specific with a negative line item thus leaving it up to the Legislature to decide on how to achieve the savings. The combination of the SOCC and non-SOCC reductions total 4% of the total Legislature budget.	(2,941,100)
Total Changes.....	(\$4,190,600)
FY 2010-11 Governor's Recommendation.....	\$102,084,100

Changes from FY 2009-10 Year to Date:

1. The Governor made no changes to boilerplate language for the Legislature.

Date Completed: 2-19-10

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House Bill 5880 (as introduced)

Committee: Appropriations

FY 2009-10 Year-to-Date Gross Appropriation	\$14,961,200
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Changes from FY 2009-10 Year-to-Date:

- | | |
|---|-----------|
| 1. Field Operations. The total savings of \$464,800 achieves an overall 4% reduction in the Legislative Auditor General budget, consistent with the 4% overall reductions in the Executive and Legislature budgets. All savings are GF/GP dollars. | (464,800) |
|---|-----------|

Total Changes.....	(\$464,800)
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FY 2010-11 Governor's Recommendation.....	\$14,496,400
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Changes from FY 2009-10 Year to Date:

1. The Governor made no changes to boilerplate language for the Legislative Auditor General.

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House Bill 5880 (as introduced)

Committee: Appropriations

FY 2009-10 Year-to-Date Gross Appropriation	\$209,130,200
Changes from FY 2009-10 Year-to-Date:	
1. Credit Card Service Assessment. This line item was formerly off-budget with boilerplate language providing spending authorization for the revenue generated by the assessment of a fee for customers that use credit cards. The Governor created a new line item.	1,000,000
2. Business Application Modernization (BAM) Project. Due to the end of the funding cycle for the BAM project, the Governor removed all funding.	(4,550,000)
3. State Officers Compensation Commission (SOCC) Adjustment. Secretary of State's salary is reduced 10% based on March 2009 SOCC determination.	(9,100)
4. Administrative Savings. Savings realized from efficiencies in operations in several line items, including: Regulatory Services (\$287,600); Branch Operations (\$277,900); Central Operations (\$277,500); Dept. Services (\$272,300); Executive Direction (\$7,000); and Organ Donor Program (\$25,000).	(1,147,300)
5. Information Technology (IT) Reduction. This represents the Department's share of an IT State-wide administrative reduction.	(60,000)
6. Consolidation Savings. Department's share of savings realized from the consolidation of the former DMB and the former DIT.	(22,500)
7. Economic Adjustments. The Department's economic adjustments totaled \$7,733,700 while the economic adjustment for IT totaled \$492,300.	8,226,000
Total Changes.....	\$3,437,100
FY 2010-11 Governor's Recommendation.....	\$212,567,300

Changes from FY 2009-10 Year to Date:

1. **HAVA Report.** Language requires the Department to report annually on its success of the enforcement and compliance with the Help America Vote Act. The Governor eliminated this section. (Sec. 805a)
2. **Branch Office Closings.** At least 180 days prior to the announcement of Secretary of State branch office closings or consolidations, or 60 days prior to relocating a branch office, the Department of State shall inform members of the Senate and House of Representatives Standing Committees on Appropriations and Legislators who represent affected areas regarding the details of the proposal. The Governor eliminated this section. (Sec. 815)
3. **Motorcycle Safety Education Program.** Language continuing the Motorcycle Safety Education Program in the same manner as was provided by the Department of Education and the listing of revenue sources for the program are removed by the Governor. (Sec. 818)
4. **Department of State Business Application Modernization Project.** Due to the end of the funding cycle for this project, the Governor removed all language allowing for the expenditure and carry forward of funds. (Sec. 819)
5. **Buena Vista Branch Office.** Requires the Department to maintain a full service branch office in Buena Vista Township. The Governor removed this section. (Sec. 824)
6. **General Fund Expenditures.** Requires the Department to use Restricted Funds before using General Fund dollars. The Governor removed this section. (Sec. 825)
7. **Guidelines for Branch Office Placement.** Provides guidelines for the placement of future branch offices. The Governor removed this section. (Sec. 827)
8. **Performance Audit Requirements.** Requires a report on the improvements made to address the concerns identified by the Auditor General in 2009. The Governor removed this section. (Sec. 828)
9. **ATM Commission Fees.** The Governor adds new language allowing the Department to collect a commission fee from companies providing ATM machines in branch offices. The fees received shall be deposited in the TACF. (Sec. 729)
10. **Section number changes.** Due to the consolidation of the former DMB and DIT, all section numbers regarding the Department of State are changed from the 800s to the 700s.

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House Bill 5880 (as introduced)

Committee: Appropriations

FY 2009-10 Year-to-Date Gross Appropriation	\$963,683,500
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Changes from FY 2009-10 Year-to-Date:

- | | |
|--|-------------|
| 1. DIT/DMB Merger. Governor merged funding for the former DIT and the former DMB for the new Department of Technology, Management, and Budget (DTMB) as a result of E.O. 2009-55. The former DIT portion of funding is \$425.7 million (all IDG) and 1,630 FTEs. | 0 |
| 2. Public School Audits. New funding provided for external audits of public school employer units. | 180,500 |
| 3. Gubernatorial Transition. New funding is provided for transition costs associated with the election of a new Governor. | 1,500,000 |
| 4. Building Operations. Funding increased due to increased utility and maintenance costs. | 785,200 |
| 5. Federal Funds Placeholder. Gov. added place holder for anticipated Federal funds for Records Center. | 100 |
| 6. State Building Authority Rent Adjustments. The Governor made adjustments to the "rent" the State pays for State financed building projects based on projected payments. | 10,000,000 |
| 7. Accounting Consolidation. Funding was increased to finalize consolidation of accounting services related to E.O. 2007-32 and merger of Civil Service & DMB resulting in elimination of 8.0 FTEs. | 859,600 |
| 8. Fund Shift. Department replaced \$2.3 million in GF/GP funding with restricted funds due to change in the accounting of Federal indirect funds. | 0 |
| 9. Administrative Savings - Civil Service Commission. Savings realized due to attrition, retirements, and layoffs resulting in the elimination of 20.0 FTEs. | (1,853,800) |
| 10. Administrative Savings - Information Technology (IT). Several items are reduced due to administrative efficiencies (\$549,900), contract reductions (\$4,882,700 and loss of 1.0 FTE), and elimination of programs (\$971,300). | (6,403,900) |
| 11. IT Savings Due to Consolidation. Savings resulted from the consolidation of the DIT and the DMB. | (997,100) |
| 12. IT Miscellaneous Adjustments. Several items related to IT for several departments are adjusted. Positive adjustments total \$14.5 million (the largest being \$14.2 million for DHS's Children's Rights settlement) and the hiring of 1.0 FTE for Gaming to assist with new Powerball game. Negative adjustments total \$4.95 million (the largest being \$4.55 million for the elimination of the Dept. of State's BAM project due to project completion). | 9,584,800 |
| 13. IT - Alignment of IDG Funding. The IT portion of the budget aligned its IDG funding with enacted FY 2010 appropriations for all departments. | (8,810,500) |
| 14. IT - Program Transfers. The departments of Corrections, Community Health, and Treasury transferred IT functions to non-IT lines resulting in the reduction of 2.0 FTEs. | (771,200) |
| 15. Economic Adjustments. The Department's economic adjustments totaled \$7,165,000 while the economic adjustment for IT totaled \$857,800. Economic adjustments for the IT portion of the budget for the former DIT totaled \$9,412,900. | 17,435,700 |
| 16. Other Changes. Positive adjustment for Private rent total \$76,400. Negative adjustments for professional development funds, building operations, MAIN, CEPI, SWCAP, and a Statewide DIT reduction total \$2,205,100. | (2,128,700) |

Total Changes.....	\$19,380,700
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FY 2010-11 Governor's Recommendation.....	\$983,064,200
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Changes from FY 2009-10 Year to Date:

1. **Contingency Funds.** The Governor combined the contingency fund language for both Management and Budget and the Civil Service Commission. The dollar amounts in total remain the same. (Sec. 801)
2. **Donated Annual Leave.** Language allowed donated annual leave to be received and expended by other State departments and agencies according to joint labor/management agreements. The Governor removed this section.
3. **Computer Contract Adjustments.** Required notification to the House and Senate Appropriation Committee Chairs and General Government Subcommittee Committee Chairs on computer contract revisions that increase or decrease current contracts by more than \$500,000. The Governor removed this section.
4. **Motor Vehicle Fleet.**
 - a) Provides that funds appropriated in Part 1 for the Motor Vehicle Fleet are for the administration and for acquisition, lease, operation, maintenance, repair, replacement, and disposal of State motor vehicles.
 - b) Appropriations in Part 1 shall be funded from rates charged to State departments and agencies for utilizing vehicle travel services. Provides that revenue may be carried forward to the next fiscal year.
 - c) States legislative intent that the DMB has the authority to determine the appropriateness of vehicle assignments.
 - d) Requires Dept. of Management and Budget to develop a plan that includes the number of vehicles assigned to departments and agencies, efforts to reduce vehicle expenditures, the number of cars in the motor vehicle fleet, the number of miles driven by fleet vehicles, and the number of gallons of fuel consumed by fleet vehicles.
 - e) Allows the Department to charge State agencies for fuel cost increases that exceed the average retail price of \$2.27 per gallon and requires the Department to give a 30-day notice before a fuel surcharge is implemented.The Governor removed Subsections 3 and 4 (items c and d above). (Sec. 812)
4. **Contracting.** Governor removed current year language (Secs. 716, 717, 718, & 719) regarding adoption of policies and procedures necessary for compliance with Section 261 of the Management and Budget Act (1984 PA 431); language requiring determination of the best interests of State when dealing with vendors outside of Michigan; language requiring obtaining certain information from vendors; and language requiring disclosure of location of call/contact centers.
5. **Data Imaging.** Language allows for the expenditure of necessary funds for document and data imaging services. The Governor removed this section.
6. **Unclassified Salaries.** Language required the Department to compile a report by January 1 pertaining to the salaries of unclassified employees and gubernatorial appointees. The Governor removed this section.
7. **Contracting Expenditures.** Required the Department to take measures to reduce existing contractual expenditures by \$20 million. The Governor removed this section.
8. **Reporting Requirement for Expenditures for Spatial Information and Technical Services.** The Governor eliminated a reporting requirement for funds received under this section. (Sec. 817)
9. **Reporting Requirement for Michigan Public Safety Communications System.** Gov. eliminated reporting requirement for revenue collected for support & maintenance of Michigan Public Safety Communications System. (Sec. 820(4))
10. **Annual Report.** The Governor removed a section that requires an annual report from the Department that lists the total amount of funding appropriated and corresponding expenditures for information technology services and projects by funding source for all departments and agencies. (Sec. 578)
11. **Reporting Requirements.** The Governor removed several sections requiring reports for life-cycle of information technology, BAM, Michigan.gov, and change orders greater than \$25,000. (Secs. 579, 580, 582, and 583)
12. **2-1-1 Study.** The Governor removed a section requiring the Department to coordinate a study of information and referral services, identifying costs savings for certain departments that would result from 2-1-1 service. (Sec. 584)
13. **MiCSES.** The Governor removed a section that requires a report that calculates the total amount of funds expended for MiCSES since the inception of the program. (Sec. 585)
14. **Office of Great Workplace Development.** Language prohibits use of any other funds for this office. The Gov removed section. (Sec. 754)
15. **University and Community College Matching Revenues.** Governor added a new language stating that any reductions in matching shall result in equal reduction of State funds for capital projects. (Sec. 874)
16. **Supporting Documentation.** Governor added new language allowing Director to require community colleges and universities to submit supporting documentation regarding project match and governing board approval of authorized projects. (Sec. 875)
17. **Department Name Change.** Several sections were updated to reference the new name of the department as the Department of Technology, Management, and Budget.

Date Completed: 2-19-10

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House Bill 5880 (as introduced)
Committee: Appropriations

FY 2009-10 Year-to-Date Gross Appropriation	\$1,595,795,600
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Changes from FY 2009-10 Year-to-Date:

- | | |
|---|--------------|
| 1. Revenue Sharing. Governor increased payments to counties by \$59.4 million and increased statutory payments by \$3,496,867 to offset an equal decline in constitutional payments. | 59,449,100 |
| 2. Debt Service. Governor increased Quality of Life Bond by \$32.5 million, Clean Michigan Initiative by \$33.2 million, and reduced Water Pollution Control Bond by \$62,400 and Great Lakes Water Quality by \$10.9 million. A pending FY 2009-10 supplemental will reduce the Great Lakes Water Quality by \$12 million. Increases due to previous years restructuring. | 54,731,700 |
| 3. Racing Commissioner. Includes the transfer of the Racing Commissioner to the Gaming Control Board per E.O. 2009-45 and 2009-54. | 1,905,000 |
| 4. Business Property Tax Appeal. Governor created a new line item and added 9.0 FTE's to assist local governments in reviewing business property tax assessments that affect the School Aid Fund. | 900,000 |
| 5. One Time Funding. Governor eliminated funding for Reverse Vending Machines (\$1.5 million), Federal College Access Grant (\$2.2 million) and for Cobo Hall Renovations (\$9.0 million). | (12,702,400) |
| 6. Contractual Services for Department. The Governor moved boilerplate appropriation for this program into Part 1 as a line item appropriation. | 3,684,200 |
| 7. Revenue Enhancements. Governor added 9.0 FTE's and \$1.0 million to audit the tax liability of filings for Unitary Business Groups under the MBT and \$400,000 and 4.0 FTE's to eliminate the backlog in individual income tax return errors. Both proposals are estimated to generate \$15.0 million. | 1,400,000 |
| 8. Lottery Advertising. Governor moved this appropriation to boilerplate. | (18,622,000) |
| 9. DIT/DMB Consolidation. Governor included savings resulting from department consolidation. | (32,700) |
| 10. Casino Gaming. Governor moved boilerplate appropriation for lab services & background investigations into Part 1 and added 2.0 FTE's and \$183,500 to audit additional Indian Casinos around the State. | 1,783,500 |
| 11. Merit Award Administration. Governor eliminated administration of Promise Grant. Reduced line item by 6.0 FTE's. | (1,430,800) |
| 12. Emergency 911. Governor added 1.0 FTE to assist with implementation of new responsibilities. | 150,000 |
| 13. Targeted Reductions. Governor recommended reductions and staff consolidations in departmental administrative lines and mail operations, to be achieved by mandating e-filing, eliminating individual tax 800 number, reducing printing and mailing of tax booklets, and targeted DIT reductions. Reduction of 8.0 FTE's. | (1,787,700) |
| 14. Michigan Strategic Fund. See separate analysis. | 54,757,000 |
| 15. Economic Adjustments. | 9,832,200 |
| 16. Other Changes. Includes building occupancy, rent adjustments for gaming & lottery \$321,700, increase in MTF spending authority \$647,500, SWCAP fund shifts \$258,500 GF, DIT adjustments (\$104,000), and other technical adjustments \$182,000. | 1,047,200 |

Total Changes.....	\$155,064,300
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FY 2010-11 Governor's Recommendation.....	\$1,750,859,900
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Changes from FY 2009-10 Year to Date:

1. **Deleted Sections.** The Governor deleted the following sections:
 - a. Sale of Tax Manuals and Local Government Assistance Manuals. (Sec. 905)
 - b. Fee for Audits Performed with Local Government or Other State Agencies. (Sec. 906)
 - c. Receive and Expend Authorization for Tax Orientation Workshops and Seminars. (Sec. 918)
 - d. Services Provided to State Agencies. Appropriation moved to Part 1. (Sec. 928)
 - e. Intent Language to Improve System for PILT Payments. (Sec. 938)
 - f. Intent Language to Invest Retirement Funds in Early Stage Life Science or Venture Capital Funds. (Sec. 939)
 - g. Report on Efficacy of Additional Personnel for Field Collections. (Sec. 942)
 - h. Prohibit Inclusion of Complete Social Security Numbers on 1099-G Mailings. (Sec. 943)
 - i. Requirement to Conduct 14-Point Review in One Assessment Jurisdiction per County. (Sec. 945)
 - j. Requirement that Relevant Staff Meet with Statewide Assessment Organizations for Coordination of Assessment Activities. (Sec. 946)
 - k. Quarterly Reports to Legislature on Personal Property Tax Audits. (Sec. 947)
 - l. Report on Number of Tax Returns Filed in Previous Fiscal Year. (Sec. 948)
 - m. Partnership with Private Entities for Tobacco Tax Stamps. (Sec. 949)
 - n. State Lottery – Requirement to Inform Retailers of Prohibition for Using DHS Bridge Cards for Tickets. (Sec. 963)
 - o. Appropriation of Funds Distributed by Michigan Gaming Control Board for Oversight. Appropriation moved to Part 1. (Sec. 972)
 - p. Appropriation of \$1.6 million from State Services Fee Fund for FY 2009-10. (Sec. 975)
2. **Principal Residence Audit Fund Revenue.** Governor changed content of report from amount of revenue received under the program to amount of exemptions denied and the revenue received. (Sec. 924)
3. **Public Private Partnership.** Governor added language allowing for the carry-forward of any unencumbered balance in the fund at the end of the fiscal year for appropriation in future fiscal years. (Sec. 925)
4. **Report on Pension Plan Consultant.** Governor changed requirement that any report provided by the consultant be provided within 30 days of receipt to requiring these reports be provided annually. (Sec. 944)
5. **Lottery Advertising.** Governor moved appropriation for promotion and advertising to boilerplate and increased amount from .8% to 1% of prior year's ticket sales. (Sec. 962)
6. **Racing Commissioner.** Governor included language transferred from the Department of Agriculture regarding cap of \$5,800 for rewards for information leading to a conviction for a crime in the horse racing industry. (Sec. 976)
7. **Revenue Sharing.** Governor eliminated distribution language reflecting reduced funding to counties in FY 2009-10 due to the recommendation providing full funding for payments to counties.

Date Completed: 2-19-10

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House Bill 5880 (as introduced)

Committee: Appropriations

FY 2009-10 Year-to-Date Gross Appropriation	\$114,262,400
Changes from FY 2009-10 Year-to-Date:	
1. 21ST Century Jobs Trust Fund. The Governor restored this program to \$75.0 million, per the statute.	46,500,000
2. Michigan Promotion Program. The Governor included anticipated revenue from proposed tax on rental cars included on H.B. 5017.	13,000,000
3. Arts and Cultural Grants. The Governor included anticipated revenue from income tax check off included on 2009 income tax return forms.	100,000
4. Economic Development Job Training Grants. The Governor eliminated this grant program for training new or incumbent workers.	(4,705,800)
5. Business Incubator Program. The Governor eliminated funding for the business incubator program. Eligible incubators were those located in Detroit, Houghton, Ingham, Kalamazoo, Kent, Macomb, Muskegon, and Washtenaw counties.	(950,000)
6. Economic Adjustments.	812,800
Total Changes	\$54,757,000
FY 2010-11 Governor's Recommendation.....	\$169,019,400

Changes from FY 2009-10 Year to Date:

1. **Deleted Sections.** The Governor deleted the following sections:
 - a. Economic Development Job Training Grant Language. Consistent with elimination of appropriation for program. (Sec. 102)
 - b. Michigan Growth Capital Fund. (Sec. 103)
 - c. Report on Grants and Investments Funded with Indian Gaming Revenue. (Sec. 1007)
 - d. Private Economic Development Agency. Language requiring the Agency to work with all private Economic Development Agencies that were already working with Local Governments. (Sec. 1008)
 - e. Prohibition Against Using Advertising Dollars for Staff Personal Affects. (Sec. 1010)
 - f. Promotion for Mackinac Island, Historic or State Parks, and other types of Industry Specific Travel. (Sec. 1023)
 - g. Minutes of Film Advisory Council. Required Council to make minutes public. (Sec. 1033)
 - h. Business Incubators. (Sec. 1034)
2. **Report on Grants and Loans.** Governor added language requiring the report to include those awarded from investment or Indian gaming revenues. (Sec. 1006)
3. **Core Communities Fund.** Governor deleted report on distribution of these funds. (Sec. 1014)
4. **Small Business Innovation Research or Small Business Technology Transfer Program.** Governor deleted \$1.4 million set aside from part 1 appropriation to the 21st Century Jobs Program and requirement that funding be allocated to the Small Business and Technology Development Centers. Added included permissive language regarding this allocation. (Sec. 1024)
5. **Arts and Cultural Grants.** Governor deleted one time language requiring the department to design a new program consistent with reduced revenues and the reporting requirement. New language was added to outline the application process and to allow for the charging of non-refundable application fees. (Sec. 1035)
6. **Arts and Cultural Institutions Project Program.** Governor added language to create a Capital Outlay program for local units of government, community foundation or non-profit organizations operating arts and cultural institutions. Eligible applicants would receive awards funded with bond proceeds. Debt service on bonds would be included in annual appropriation. (Sec. 1036)

Date Completed: 2-19-10

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