



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



BILL ANALYSIS

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House Bill 5880 (H-2 as passed by the House)
Committee: Appropriations

FY 2009-10 Year-to-Date Gross Appropriation	\$2,992,521,300
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. The House reduced by an additional \$972,000 GF.	(268,500)
2. Department of Civil Rights. The Governor recommended a decrease of \$427,300 GF. The House reduced by an additional \$522,600 GF.	(1,204,200)
3. Executive Office. The Governor recommended a GF/GP decrease of \$192,900. The House decreased by an additional \$132,500.	(325,400)
4. Legislature. The Governor recommended a GF/GP decrease of \$4,190,600. The House decreased by an additional \$2,251,000.	(6,441,600)
5. Legislative Auditor General. The Governor recommended a GF/GP decrease of \$464,800. The House reduced by an additional \$346,200.	(811,000)
6. Department of State. The Governor recommended a GF/GP decrease of \$3.8 million, primarily for efficiencies in operations. The House reduced by an additional \$585,400	2,851,700
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. The House further reduced GF funding by \$2,074,800.	17,305,900
8. Department of Treasury Operations. The Governor recommended decreases of \$518,800 GF/GP, primarily as a result of targeted reductions in the Tax, Bank, & Management programs, and DIT. The House made additional reductions of \$2,033,400 GF.	(16,321,900)
9. Department of Treasury Debt Service. This increase in GF/GP funding is due to previous scheduled adjustments. The House concurred.	54,731,700
10. Department of Treasury Revenue Sharing. The Governor increased county revenue sharing by about \$59.4 million. The House concurred and increased statutory by \$9,324,500.	68,621,700
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, and restored the 21 st Century Jobs Fund to \$75.0 million. The House reduced by (\$724,700) GF/GP and funded 21 st Century programs at \$72,672,000.	43,504,300
12. Comparison to Governor's Recommendation. The House is (\$1,889,400) Gross and (\$9,642,600) GF/GP under the Governor.	
Total Changes	\$161,642,700
FY 2010-11 House-Passed Gross Appropriation	\$3,154,164,000

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. The House retained. (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. The House retained. (Sec. 212)
3. **Communications with Legislators.** Prohibits disciplinary action against Department employees for communicating with Legislators or their staff. The Governor deleted this section. The House retained. (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. The House retained. (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. The House retained. (Sec. 221)
6. **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. The House retained. (Sec. 227)
7. **General Fund/General Purpose Lapse Amount.** Requires departments to submit a report on these amounts by October 15. The Governor deleted this section. The House retained. (Sec. 228)
8. **Auditor General Recommendations.** The House added new language requiring reports from Departments or Agencies on implementing initiatives for efficiencies or savings in audit reports. (Sec. 229)
9. **Transparency Language.** The House added language requiring a report on the number of FTEs by Civil Service Classification and requiring the development of a website to provide transparency on all expenditures. (Sec. 230)
10. **Transparency Website.** The House added language limiting the amount of funding that can be expended on website at \$10,000. (Sec. 231)

Date Completed: 4-15-10

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



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House Bill 5880 (H-2 as passed by the House)
Committee: Appropriations

FY 2009-10 Year-to-Date Gross Appropriation	\$74,173,600
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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 FY 2009-10. The Governor eliminated funding and 4.0 FTE's for defense litigation on behalf of the fund. The House concurred.	(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. The House concurred.	(420,000)
3. Special Assistant Attorney. The Governor eliminated spending authority for a court case involving the Game and Fish Protection fund. The House concurred.	(150,000)
4. Targeted Layoffs. The Governor reduced 15.0 FTE's due to targeted reductions. The House concurred.	(1,137,800)
5. Attorney General Salary. The Governor included State Officers Compensation Commission salary reduction. The House concurred.	(9,100)
6. Department Consolidation. Governor included administrative savings from the consolidation of the Departments of Management and Budget and Information Technology. The House concurred.	(2,300)
7. Budgetary Savings. The House included a budgetary savings unit which would reduce the General Fund appropriations to the Attorney General by (\$972,000). These savings would be distributed to line items through the legislative transfer process.	(972,000)
8. Economic Adjustments. The Governor and House concurred.	3,293,300
9. Other Changes. Information Technology administrative reductions of (\$4,500) and adjustment for prior year contingency fund transfers of (\$300,000).	(304,500)
10. Comparison to Governor's Recommendation. The House is (\$972,000) Gross and (\$972,000) GF/GP under the Governor.	
Total Changes.....	(\$268,500)

FY 2010-11 House-Passed Gross Appropriation	\$73,905,100
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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. The House concurred. (Sec. 309)
2. **Limitations on Settlements.** The House included language to prohibit the expenditure or any settlement proceeds except by appropriation, to prohibit settlements that include payments to third parties in lieu of obligations due to the State (except for judicially-authorized settlements of class action lawsuits); and to require a quarterly report of itemized settlements, civil penalties, recoveries for attorney fees, and reimbursement of investigation costs. (Sec. 313)

Date Completed: 4-15-10

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House Bill 5880 (H-2 as passed by the House)

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:

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|---|-----------|
| 1. Operations. The Governor and House reduced the operations funding for the Department, and eliminated 10.0 FTE unfunded positions. | (876,300) |
| 2. Accounting Consolidation. The Governor and House 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 and House reduced Federal spending authority to reflect funds available. | (307,300) |
| 4. Budgetary Savings. The House included budgetary savings of 3.1% plus the estimated amount of the 3% raise for union employees and related retirement and FICA expenses. | (522,600) |
| 5. Economic Adjustments. The Governor and House funded standard economic increases. | 629,700 |
| 6. 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) |
| 7. Comparison to Governor's Recommendation. The House is (\$522,600) Gross and (\$522,600) GF/GP over/under the Governor. | |

Total Changes.....	(\$1,204,200)
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FY 2010-11 House-Passed Gross Appropriation	\$12,559,500
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Changes from FY 2009-10 Year to Date:

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

Date Completed: 4-15-10

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House Bill 5880 (H-2 as passed by the House)

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. The House further reduced funding by an additional 2.9% or \$132,500. (306,800)
3. **Comparison to Governor's Recommendation.** The House is \$132,500 Gross and \$132,500 GF/GP under the Governor.

Total Changes	(\$325,400)
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FY 2010-11 House-Passed Gross Appropriation	\$4,498,300
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Changes from FY 2009-10 Year to Date:

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

Date Completed: 4-15-10

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House Bill 5880 (H-2 as passed by the House)

Committee: Appropriations

FY 2009-10 Year-to-Date Gross Appropriation	\$106,274,700
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Changes from FY 2009-10 Year-to-Date:

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|---|-------------|
| <p>1. State Officers Compensation Commission (SOCC) Adjustment. The salaries and expense allowances for Legislators are reduced 10% based on March 2009 SOCC determinations.</p> | (1,249,500) |
| <p>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. The House further reduced funding an additional 2.2% or \$2,251,000.</p> | (5,192,100) |
| <p>3. Comparison to Governor's Recommendation. The House is \$2,251,000 Gross and \$2,251,000 GF/GP under the Governor.</p> | |

Total Changes	(\$6,441,600)
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FY 2010-11 House-Passed Gross Appropriation	\$99,833,100
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Changes from FY 2009-10 Year to Date:

1. **Health Benefits.** The Governor deleted language prohibiting the use of funds for paying health insurance benefits for unmarried domestic partners of legislators or legislative employees. The House concurred with the Governor.

Date Completed: 4-15-10

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House Bill 5880 (H-2 as passed by the House)

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. The House further reduced funding by an additional 3.1% or \$346,200. (811,000)
2. **Comparison to Governor's Recommendation.** The House is \$346,200 Gross and \$346,200 GF/GP under the Governor.

Total Changes	(\$811,000)
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FY 2010-11 House-Passed Gross Appropriation	\$14,150,200
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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 (H-2 as passed by the House)

Committee: Appropriations

FY 2009-10 Year-to-Date Gross Appropriation	\$209,130,200
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Changes from FY 2009-10 Year-to-Date:

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|---|-------------|
| 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. The House concurred. | 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. The House concurred. | (4,550,000) |
| 3. State Officers Compensation Commission (SOCC) Adjustment. Secretary of State's salary is reduced 10% based on March 2009 SOCC determination. The House concurred. | (9,100) |
| 4. Administrative Savings. The Governor realized savings 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). The House concurred. | (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. Budgetary Savings. The House added a budgetary savings unit reducing funding by an additional 4.0% or \$585,400. | (585,400) |
| 8. Economic Adjustments. The Department's economic adjustments totaled \$7,733,700 while the economic adjustment for IT totaled \$492,300. The House concurred. | 8,226,000 |
| 9. Comparison to Governor's Recommendation. The House is \$585,400 Gross and \$585,400 GF/GP under the Governor. | |

Total Changes	\$2,851,700
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FY 2010-11 House-Passed Gross Appropriation	\$211,981,900
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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. The House restored. (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. The House restored it. (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. The House restored it.(Sec. 818)
4. **Department of State Business Application Modernization Project.** Due to the end of the funding cycle for this project, the Governor and House 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. The House restored it. (Sec. 824)
6. **General Fund Expenditures.** Requires the Department to use Restricted Funds before using General Fund dollars. The Governor removed this section. The House restored it. (Sec. 825)
7. **Guidelines for Branch Office Placement.** Provides guidelines for the placement of future branch offices. The Governor removed this section. The House restored it. (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 and House 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. The House concurred. (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 (H-2 as passed by the House)

Committee: Appropriations

FY 2009-10 Year-to-Date Gross Appropriation	\$963,683,500
Changes from FY 2009-10 Year-to-Date:	
1. DIT/DMB Merger. Gov. merged funding for the former DIT and the former DMB per E.O. 2009-55.	0
2. Public School Audits. Governor provided funding for external audits of public school employer units. The House concurred.	180,500
3. Gubernatorial Transition. Governor provided funding for transition costs associated with election of new Gov. The House concurred.	1,500,000
4. Building Operations. Gov. and House increased funding due to increased utility and maintenance costs.	785,200
5. Federal Funds Placeholder. Gov. and House 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. The House concurred.	10,000,000
7. Accounting Consolidation. Gov. and House increased funding 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. Governor and House realized savings due to attrition, retirements, and layoffs resulting in the elimination of 20.0 FTEs.	(1,853,800)
10. Administrative Savings - Information Technology (IT). The Governor reduced several items due to administrative efficiencies (\$549,900), contract reductions (\$4,882,700 and loss of 1.0 FTE), and elimination of programs (\$971,300). The House concurred.	(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. Positive IT adjustments by Governor total \$14.5 million (the largest being \$14.2 million for DHS's Children's Rights settlement) while 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). The House concurred.	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. Budgetary Savings. The House added a budgetary savings unit reducing funding by an additional 0.7% or \$2,074,800.	(2,074,800)
16. 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. The House concurred.	17,435,700
17. Other Changes. The Governor made a positive adjustment for Private rent totaling \$76,400, and negative adjustments for professional development funds, building operations, MAIN, CEPI, SWCAP, and a Statewide DIT reduction totaling \$2,205,100. The House concurred	(2,128,700)
18. Comparison to Governor's Recommendation. The House is \$2,074,800 Gross and \$2,074,800 GF/GP over/under the Governor.	
Total Changes.....	\$17,305,900
FY 2010-11 House-Passed Gross Appropriation	\$980,989,400

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. House concurred. (Sec. 801)
2. **Donated Annual Leave.** Language allowed donated annual leave to be received & expended by other State departments & agencies according to joint labor/management agreements. Governor revised this section. House concurred. (Sec. 806)
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. The House retained. (Sec. 809)
4. **Motor Vehicle Fleet.**
 - Subsection states legislative intent that the DMB has the authority to determine the appropriateness of vehicle assignments. (Sec. 812(3))
 - Subsection 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. (Sec. 814(4))

The Governor removed Subsections 3 and 4. The House retained.

5. **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. The House retained. (Secs. 814, 815, 816, & 817)
6. **Data Imaging.** Language allows for the expenditure of necessary funds for document and data imaging services. The Governor removed this section. The House retained. (Sec. 821)
7. **Unclassified Salaries.** Language required Department to compile report by January 1 pertaining to salaries of unclassified employees and gubernatorial appointees. The Governor removed this section. House retained. (Sec. 822)
8. **Contracting Expenditures.** Required the Department to take measures to reduce existing contractual expenditures by \$20 million. The Governor removed this section. The House concurred.
9. **Reporting Requirement for Expenditures for Spatial Information and Technical Services.** The Governor eliminated a reporting requirement for funds received under this section. The House retained. (Sec. 824)
10. **Reporting Requirement for Michigan Public Safety Communications System.** Gov. eliminated reporting requirement for revenue collected for support & maintenance of Mich. Public Safety Communications System. House retained. (Sec. 827)
11. **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. The House retained. (Sec. 828)
12. **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. The House deleted BAM and Michigan.gov only. (Secs. 579, 580, 582, and 583)
13. **2-1-1 Study.** Governor removed a section requiring Department to coordinate a study of information & referral services, identifying costs savings for certain departments that would result from 2-1-1 service. House retained. (Sec. 831)
14. **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. The House retained. (Sec. 832)
15. **Office of Great Workplace Development.** Language prohibits use of any other funds for this office. The Gov removed section. The House concurred. (Sec. 754)
16. **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. House concurred. (Sec. 874)
17. **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. The House concurred. (Sec. 875)
18. **Department Name Change.** Several sections were updated to reference the new name of the department as the Department of Technology, Management, and Budget. The House concurred.

Date Completed: 4-15-10

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House Bill 5880 (H-2 as passed by the House)
Committee: Appropriations

FY 2009-10 Year-to-Date Gross Appropriation	\$1,605,710,700
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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. The House concurred in the county increase and increased statutory payments by \$9,324,500.	68,621,700
2. Debt Service. Governor and House 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. Increases due to previous years restructuring.	54,731,700
3. Racing Commission. Includes the transfer of the Racing Commission and Racing Manager to the Gaming Control Board per E.O. 2009-45 and 2009-54.	1,905,000
4. Business Property Tax Appeal. Governor and House created a new line item and added 9.0 FTE's to assist local governments in reviewing business property tax assessments.	900,000
5. One Time Funding. Governor and House eliminated funding for Reverse Vending Machines (\$1.5 million), Federal College Access Grant (\$2.2 million) and Cobo Hall Renovations (\$9.0 million).	(12,702,400)
6. Contractual Services for Department. The Governor and House moved boilerplate appropriation into Part 1 as a line item appropriation.	3,684,200
7. Revenue Enhancements. Governor and House added 9.0 FTE's and \$1.0 million to do MBT audits for Unitary Business Groups and \$400,000 and 4.0 FTE's to eliminate the backlog in income tax return errors. Proposals are estimated to generate \$15.0 million.	1,400,000
8. Lottery Advertising. Governor and House moved this appropriation to boilerplate.	(18,622,000)
9. Casino Gaming. Governor and House moved boilerplate appropriation for lab services & background investigations into Part 1, added 2.0 FTE's and \$183,500 to audit additional Indian Casinos.	1,783,500
10. Merit Award Administration. Governor and House eliminated administration of Promise Grant. Reduced line item by 6.0 FTE's.	(1,430,800)
11. Targeted Reductions. Governor and House 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)
12. Michigan Strategic Fund. See separate analysis.	43,504,300
13. Budgetary Savings. The House included budgetary savings of 3.1% plus the estimated amount of the 3% raise for union employees and related retirement and FICA expenses.	(2,033,400)
14. Economic Adjustments.	9,832,200
15. 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 (\$233,000).	749,500
16. Comparison to Governor's Recommendation. The House is \$ 5,386,600 Gross over and (\$2,758,100) GF/GP under the Governor.	
Total Changes.....	\$150,535,800

FY 2010-11 House-Passed Gross Appropriation	\$1,756,246,500
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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. The House retained. (Sec. 905)
 - b. Fee for Audits Performed with Local Government or Other State Agencies. The House retained. (Sec. 906)
 - c. Receive and Expend Authorization for Tax Orientation Workshops and Seminars. The House retained. (Sec. 918)
 - d. Services Provided to State Agencies. Appropriation moved to Part 1. The House concurred. (Sec. 929)
 - e. Intent Language to Improve System for PILT Payments. The House retained. (Sec. 938)
 - f. Intent Language to Invest Retirement Funds in Early Stage Life Science or Venture Capital Funds. The House retained. (Sec. 939)
 - g. Report on Efficacy of Additional Personnel for Field Collections. The House retained. (Sec. 942)
 - h. Prohibit Inclusion of Complete Social Security Numbers on 1099-G Mailings. The House concurred. (Sec. 943)
 - i. Requirement to Conduct 14-Point Review in One Assessment Jurisdiction per County. The House retained. (Sec. 945)
 - j. Requirement that Relevant Staff Meet with Statewide Assessment Organizations for Coordination of Assessment Activities. The House concurred. (Sec. 946)
 - k. Quarterly Reports to Legislature on Personal Property Tax Audits. The House retained. (Sec. 947)
 - l. Report on Number of Tax Returns Filed in Previous Fiscal Year. The House retained. (Sec. 948)
 - m. Partnership with Private Entities for Tobacco Tax Stamps. The House concurred. (Sec. 949)
 - n. State Lottery - Requirement to Inform Retailers of Prohibition for Using DHS Bridge Cards for Tickets. The House retained. (Sec. 963)
 - o. Appropriation of Funds Distributed by Michigan Gaming Control Board for Oversight. Appropriation moved to Part 1. The House concurred. (Sec. 972)
 - p. Appropriation of \$1.6 million from State Services Fee Fund to GF for FY 2008-09. The House retained for FY 2009-10. (Sec. 975)
2. **Principal Residence Audit Fund Revenue.** Governor and House 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 and House 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. The House removed the timeline. (Sec. 944)
5. **Revenue Sharing.** Governor and House eliminated distribution language reflecting reduced funding to counties in FY 2009-10 due to the recommendation providing full funding for payments to counties. The House revised statutory revenue sharing language to ensure that cities, villages, and townships receive 101% of the combined statutory and constitutional payments received in FY 2009-10. (Secs. 950, 955)
6. **Lottery Advertising.** Governor and House moved appropriation for promotion and advertising to boilerplate and increased amount from .8% to 1% of prior year's ticket sales. (Sec. 962)
7. **Racing Commissioner.** Governor and House 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)

Date Completed: 4-15-10

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House Bill 5880 (H-2 as passed by the House)
Committee: Appropriations

FY 2009-10 Year-to-Date Gross Appropriation	\$123,762,400
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. The House reduced by 3.1% or (\$2,328,000) from Governor.	44,172,000
2. Michigan Promotion Program. The Governor and House included anticipated revenue from proposed tax on rental cars included on H.B. 5017.	13,000,000
3. Arts and Cultural Grants. The Governor and House 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 and House 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. The House increased this line by \$350,000 and replaced Ingham with the City of Lansing.	350,000
6. Budgetary Savings. The House included budgetary savings of 3.1% plus the estimated amount of the 3% raise for union employees and related retirement and FICA expenses.	(724,700)
7. Economic Adjustments.	812,800
8. Other. Removed supplemental funding of \$9,500,000 appropriated in P.A. 36 of 2010 for tourism promotion.	(9,500,000)
9. Comparison to Governor's Recommendation. The House is (\$1,752,700) Gross and (\$724,700) GF/GP under the Governor.	
Total Changes.....	\$43,504,300
FY 2010-11 House-Passed Gross Appropriation	\$167,266,700

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. The House concurred. (Sec. 102)
 - b. Michigan Growth Capital Fund. The House concurred. (Sec. 103)
 - c. Report on Grants and Investments Funded with Indian Gaming Revenue. The House retained. (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. The House retained. (Sec. 1008)
 - e. Prohibition Against Using Advertising Dollars for Staff Personal Affects. The House concurred. (Sec. 1010)
 - f. Promotion for Mackinac Island, Historic or State Parks, and other types of Industry Specific Travel. The House retained. (Sec. 1023)
 - g. Minutes of Film Advisory Council. Required Council to make minutes public. The House retained. (Sec. 1033)
2. **Report on Grants and Loans.** Governor added language requiring the report to include those awarded from investment or Indian gaming revenues. The House retained current language. (Sec. 1006)
3. **Core Communities Fund.** Governor deleted report on distribution of these funds. The House retained. (Sec. 1014)
4. **Small Business Innovation Research or Small Business Technology Transfer Program.** Governor and House 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 and House 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 and House 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)
7. **Business Incubators.** The Governor deleted language. The House restored with revisions: changed Ingham County to City of Lansing; and changed set aside of \$250,000 for City of Detroit to set aside for Macomb County. (Sec. 1034)

Date Completed: 4-15-10

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