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BILL ANALYSIS

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House Bill 5884 (as introduced)
Committee: Appropriations

FY 2009-10 Year-to-Date Gross Appropriation	\$1,466,503,800
Changes from FY 2009-10 Year-to-Date:	
1. Federal Funds Adjustments. The Governor added Federal spending authority to reflect increases in revenue of \$57,000,000 for Trade Adjustment Assistance, \$13,400,000 for Unemployment Insurance Administration, \$10,860,000 for Housing Choice Vouchers, and \$1,030,000 for Comm. for the Blind, and removed one-time Federal funds of (\$39,240,000).	43,050,000
2. No Worker Left Behind. The Governor eliminated GF/GP funding in the Workforce Training Programs Subgrantees line. The program is continued with Federal funds only.	(4,500,000)
3. Michigan Nursing Corps. The Governor replaced the current funding of \$300,000 GF/GP with \$5,000,000 of Federal Workforce Investment Act statewide activity funds transferred to the Nursing Corps from the Workforce Training Programs Subgrantees line. This increased the Nursing Corps by \$4,700,000 to \$5,000,000.	4,700,000
4. Workforce Training Program Subgrantees. The Governor reduced the line by (\$5,000,000) of WIA statewide activities funding, which was transferred to the Nursing Corps.	(5,000,000)
5. Welfare-to-Work. The Governor reduced funding by (\$2,609,800) GF/GP and (\$7,600,000) in Temporary Assistance to Needy Families (TANF) funding.	(10,209,800)
6. Office of Financial and Insurance Regulation (OFIR). The Governor provided \$646,500 and 10.0 FTEs to move the examination cycle for broker-dealers and investment advisors to every 2 to 3 years. Restricted fund expenditure authority of \$1,000,000 was provided for the Securities Education Fund established by P.A. 551 of 2008.	1,646,500
7. Michigan State Housing Development Authority. The Governor increased funding for MSHDA administration and information technology costs by \$7,340,000 from MSHDA restricted funds, the State Historic Preservation Office increased by \$943,000 in restricted and Federal funding, and expenditure authority for Lighthouse Preservation was increased by \$56,500 due to increased license plate revenue.	8,339,500
8. Fire Service Fees. The Governor recommended additional fees for fire safety inspections to reduce reliance on GF/GP by (\$2,600,000).	0
9. Jobs, Education, and Training (JET). The Governor eliminated the DELEG portion of this program funding for this program for eligible Family Independence Program clients to obtain services from Michigan Rehabilitation Services, a reduction of (\$15,553,900) in the IDG from Department of Human Services and (57.0) FTEs.	(15,553,900)
10. Homeowner Construction Lien Fund. The Governor eliminated this insolvent fund (previously supported by contractor fees) which paid subcontractors unable to recover wages from general contractors in cases where homeowners had paid for the work.	(1,846,500)
11. Economic Adjustments. The Governor funded standard economic increases.	23,285,300
12. Other Changes. The Governor made other adjustments: DIT economics, \$1,404,100; DTMB consolidation savings, (\$48,400); Public Service Commission implementation of P.A. 182 of 2009, \$440,000; implementation of cigarette fire safety legislation, \$40,000; administrative reduction, (\$378,600); elimination of excess restricted funds expenditure authority, (\$15,698,200); privately paid renovations for the Blind Training Center, \$770,000.	(13,471,100)
Total Changes.....	\$30,440,000
FY 2010-11 Governor's Recommendation.....	\$1,496,943,800

Changes from FY 2009-10 Year to Date:

1. **Deleted Reports.** The Governor deleted the following reports: Policy changes (Sec. 215), receipt of grant for privately funded project such as training, meeting, or technical consulting services (Sec. 225), GF/GP lapse estimates (Sec. 226), elevator fee revenue (Sec. 303), revenue from sale of customized listings (Sec. 304), report on internet filings for unemployment insurance (Sec. 333), State Office of Administrative Hearings and Rules (SOAHRs) report on teacher tenure cases (Sec. 352), bureau of commercial services licensing data (Sec. 368), local government report of expenditures from Liquor Law Enforcement Grants and local liquor-related fees (Sec. 370), tax tribunal fee study (Sec. 372), OFIR expenditures (Sec. 405), JET report on cases, enrollment and referrals to MRS (Sec. 803), permissive language on use of TANF for a statewide noncustodial parent program (Sec. 804), boilerplate appropriation of WIA carryforward (Sec. 812).
2. **Deleted Sections.** The Governor deleted the following sections: Hiring freeze (Sec. 205), intent language on fund source detail (Sec. 216), exceptions to travel limitations (Sec. 217(2)), prohibition on disciplining employees for communication with the legislature (Sec. 219), department review of governmental efficiency commission report (Sec. 222), limit training travel to 1 employee per out-of-state conference (Sec. 224), allocation of \$10,000 for posting expenditures on the internet (Sec. 230), Real Estate Education Fund online courses (Sec. 322), timeline for Unemployment Insurance Agency computer rewrite (Sec. 332), limitations and report on ergonomics rules (Sec. 341), intent language on State Office of Administrative Hearings and Rules (SOAHRs) internet posting of Medicaid decisions (Sec. 351), vetoed section on agricultural economic development (Sec. 364), policy on use of credit scoring for insurance rates (Sec. 406), OFIR posting of health maintenance organization filings on the internet (Sec. 407), vetoed language on Michigan Housing and Community Development Fund (Sec. 501), vocational rehabilitation local match limit (Sec. 603), Centers for Independent Living use of GF/GP (Sec. 604), afterschool partnership (Sec. 704), intent language on career preparation program (Sec. 814), authorization for Michigan Works! agencies to support local libraries as access points for underserved areas (Sec. 815), intent language on WIA allocation for gang diversion activities and at-risk youth services in Wyoming, Benton Harbor, Saginaw, and Detroit (Sec. 817), use of No Worker Left Behind GF/GP funding (Sec. 831).
3. **Deleted Earmarks.** The Governor deleted the following earmarks: MIOSHA \$40,000 training earmark for aggregate industry (Sec. 342), \$200,000 for a private/public workforce development program (West Michigan Team) (Sec. 813), Focus: HOPE allocation of \$5,860,200 in Federal WIA funds (Sec. 816), \$150,000 WIA allocation for a health care training program (West Michigan Center for Arts and Technology) (Sec. 818).
4. **Federal Pass-Through Funds.** The Governor authorized the carry forward of Federal pass-through funds for local governments where no additional State match is required and appropriated in boilerplate any Federal pass-through funds received in addition to those appropriated in the bill (Sec. 220).
5. **Fire Service Fees.** The Governor proposed use of the State Fire Services Fund proposed in H.B. 4026 to support the Bureau of Fire Services (Sec. 302a).
6. **Low Income Energy Efficiency Fund.** The Governor authorized carry-forward of any fund balance (Sec. 361(3)).
7. **Revenue from Services to Other Departments.** The Governor proposed allowing the department to receive and expend revenue obtained by providing services such as training, meeting, or technical consulting services to state and local government agencies, other organizations, and patrons of department facilities. Fees must be reasonably related to the cost of providing the service (Sec. 615).
8. **Work First/JET Study.** The Governor modified the 3-year longitudinal study of former participants by deleting: report of wages earned, education of participants' children, participants' satisfaction with improvements due to employment including income and access to health insurance, and persons receiving tuition/training benefits. (Sec. 702)
9. **Michigan Nursing Corps.** The Governor permitted use of funds for grants to healthcare research or training agencies for development or implementation of education technologies, including virtual education methods to increase capacity to educate nurses, and required use of Nursing Corps funds in accordance with the WIA (Sec. 721).
10. **Community College Reports.** The Governor added reports formerly in the Community College budget but completed by DELEG staff. These consist of publishing the "Activities Classification Structure Data Book" (Sec. 733), report on North American Indian tuition waivers (Sec. 734), and number/ types of degrees and certificates awarded (Sec. 735).
11. **Capital Outlay Project.** The Governor included language on use and 3-year carry-forward of \$870,000 in private funds for renovations at the Michigan Commission for the Blind Training Center in Kalamazoo. (Sec. 801 and 802).

Date Completed: 2-16-10

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