

FY 2011-12 SUPPLEMENTAL APPROPRIATIONS

Summary: As Passed by the House
Senate Bill 871 (H-2) as Amended



HFA Director: Mary Ann Cleary
Deputy Director: Kyle I. Jen

Budget Area	Executive*		Senate		House	
	Gross	GF/GP	Gross	GF/GP	Gross	GF/GP
Agriculture/Rural Develop	\$140,000	\$140,000	\$140,000	\$140,000	\$140,000	\$140,000
Attorney General	1,283,100	350,000	983,100	50,000	933,100	0
Community Health	(223,878,600)	(103,844,100)	(218,253,600)	(101,939,500)	(208,602,600)	(115,325,500)
Education	0	0	0	0	10,000,000	10,000,000
Environmental Quality	10,042,100	0	10,042,100	0	10,042,100	0
Human Services	(55,448,500)	(75,732,300)	(84,570,900)	(75,556,800)	(55,448,500)	(75,732,300)
Judiciary	171,300	1,971,300	171,300	1,971,300	171,300	1,971,300
Licensing & Reg Affairs	150,000	150,000	5,050,000	1,150,000	150,000	150,000
Military & Veterans Affairs	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000
Natural Resources	5,500,000	5,500,000	2,300,000	2,300,000	5,500,000	5,500,000
Tech, Mgmt, & Budget	0	0	200,000	200,000	200,000	200,000
Treasury: Operations	0	0	2,153,300	1,853,900	1,299,400	1,000,000
Treasury: MSF	3,000,000	0	18,000,000	15,000,000	3,000,000	0
Treasury: Rev Sharing	10,000,000	0	10,000,000	0	10,000,000	0
TOTAL	(\$244,840,600)	(\$167,265,100)	(\$249,584,700)	(\$150,631,100)	(\$218,415,200)	(\$167,896,500)

*Reflects State Budget Office supplemental requests 2012-8 (three items not included in 2012 PA 89), 2012-11, 2012-12 (excluding State Police request included in 2012 PA 89), 2012-14, 2012-16, and 2012-17. Also includes (1) consensus expenditure adjustments for the Community Health and Human Services budgets and (2) adjustments in the Attorney General and Community Health budgets originally requested by the State Budget Office in Legislative Transfer Request 2012-4.

Overview

The House-passed version of Senate Bill 871 includes FY 2011-12 supplemental appropriations totaling a negative \$218.4 million Gross (negative \$167.9 million GF/GP). Appropriations included in the bill can be categorized as follows:

- Savings of \$290.9 million Gross (\$179.6 million GF/GP) in the Community Health and Human Services budgets, consistent with consensus estimates approved at the May Revenue Conference.
- New spending items totaling a net increase of \$72.5 million Gross (\$11.7 million GF/GP).

FY 2011-12 Supplemental Appropriations**Executive****Senate****House****AGRICULTURE****1. Bovine Indemnification**

Provides for indemnification of the owner of a beef cattle herd in Alpena County. One animal in the herd tested positive for Bovine Tuberculosis in December 2011. The owner has requested whole-herd depopulation. The requested amount of \$140,000 represents the appraised fair market value of the 101 animals in the herd (\$201,500), less estimated salvage value. Additional costs of trucking, cleaning, disinfecting, and disposal will be charged to the funds previously appropriated in the Animal Disease Prevention and Response line item of the MDARD budget. Indemnification payments are authorized under section 14 of the Animal Industry Act and section 453 of Article I of 2011 PA 63, the FY 2011-12 MDARD appropriations bill; both the Animal Industry Act and appropriations boilerplate require specific legislative appropriation for indemnifications greater than \$100,000. (SBO request 2012-12)

Gross	\$140,000	\$140,000	\$140,000
GF/GP	\$140,000	\$140,000	\$140,000

ATTORNEY GENERAL**2. Health Insurance Claims Assessment**

Includes funding for legal activities associated with defending the state in a federal lawsuit which claims the state's Health Insurance Claims Act is preempted by the federal Employee Retirement Income Security Act. (SBO request 2012-8)

Gross	\$100,000	\$100,000	\$100,000
Restricted	100,000	100,000	100,000

3. Redistricting

Includes funding for legal activities associated with defending Michigan's redistricting plan. (SBO request 2012-8) Senate reduces the amount of additional funding included based on a subsequent request from the department. House does not include this item.

Gross	\$350,000	\$50,000	--
GF/GP	\$350,000	\$50,000	--

4. Unlicensed Builders

Authorizes the department to receive payment from the Department of Licensing and Regulatory Affairs (DLARA) for legal services provided pursuant to a Memorandum of Understanding which exists between the two departments. Legal services provided are related to the prosecution of unlicensed builders for DLARA. (Originally submitted as SBO transfer request 2012-4)

Gross	\$155,000	\$155,000	\$155,000
Restricted	155,000	155,000	155,000

5. Medicaid Third Party Liability

Authorizes the department to receive payment from the Department of Community Health (DCH) for legal services provided pursuant to a Memorandum of Understanding which exists between the two departments. Legal services provided are related to estate recovery and subrogation cases for DCH. (Originally submitted as SBO transfer request 2012-4)

Gross	\$453,100	\$453,100	\$453,100
Restricted	453,100	453,100	453,100

6. Detroit Public Schools - Emergency Manager

Authorizes the department to receive payment from the Detroit Public Schools (DPS) for legal services provided pursuant to a Memorandum of Understanding which exists between the department and the DPS. Legal services provided are related to lawsuits against the Emergency Manager of the DPS. (Originally submitted as SBO transfer request 2012-4)

Gross	\$100,000	\$100,000	\$100,000
Local	100,000	100,000	100,000

7. Fireworks Safety

Authorizes the department to receive payment from DLARA for legal services provided pursuant to a Memorandum of Understanding which exists between the two departments. Legal services provided are related to the Michigan Fireworks Safety Act, 2011 PA 256. (Originally submitted as SBO transfer request 2012-4)

Gross	\$125,000	\$125,000	\$125,000
Restricted	125,000	125,000	125,000

FY 2011-12 Supplemental Appropriations**Executive****Senate****House****COMMUNITY HEALTH****8. Primary Care Provider Retention & Evaluation - ARRA**

Provides \$289,000 federal funding for statewide primary care provider retention and evaluation activities, including additional support for ARRA-funded clinicians and for program evaluation to measure effectiveness of ARRA-funded retention activities on increased access to primary care health services and reduction of health care workforce shortages. Funding is from the federal American Recovery and Reinvestment Act of 2009 (ARRA). (SBO request 2012-14)

Gross	\$289,000	\$289,000	\$289,000
ARRA	289,000	289,000	289,000

9. Dental Programs

Recognizes \$273,600 private funds available from two private grants: \$250,000 Delta Dental Foundation grant for the fluoridation equipment program, infant oral health program, SEAL Michigan dental sealant program, and other oral health programs; and \$23,600 grant from the National Association of Chronic Disease Directors for a senior oral health survey project in Jackson County. (Originally submitted as SBO transfer request 2012-4)

Gross	\$273,600	\$273,600	\$273,600
Private	273,600	273,600	273,600

10. Racial Disparities in Infant Mortality

Includes \$569,000 private funds available from a W. K. Kellogg Foundation grant to address social determinants of racial disparities in infant mortality. This is part of a multi-year \$1.3 million grant award, first appropriated in FY 2010-11 and also included in the FY 2012-13 Enrolled budget. (Originally submitted as SBO transfer request 2012-4)

Gross	\$569,000	\$569,000	\$569,000
Private	569,000	569,000	569,000

11. Maternal and Children's Health Services Special Projects

Recognizes \$139,500 private funds available from two multi-year private grants to DCH: a \$99,955 Early Childhood Investment Corporation (ECIC) and W. K. Kellogg Foundation grant for developmental screening training and assistance for pediatricians and family practitioners serving young children, and a \$63,000 W. K. Kellogg Foundation grant to support nurse family partnership programs in Berrien County. (Originally submitted as SBO transfer request 2012-4)

Gross	\$139,500	\$139,500	\$139,500
Private	139,500	139,500	139,500

12. Nursing Home Transitions

Senate and House include a net reduction, or savings, of \$4.4 million Gross (\$1.5 million GF/GP) resulting from increased nursing home transitions by approximately 120 individuals. The Long-Term Care Services line is reduced by \$8.2 million Gross and the Medicaid Home- and Community-Based Services Waiver Program line is increased by \$3.8 million Gross to create the savings.

Gross	--	(\$4,375,000)	(\$4,375,000)
Federal	--	(2,893,600)	(2,893,600)
GF/GP	--	(\$1,481,400)	(\$1,481,400)

13. Disproportionate Share Hospital (DSH) Payments

Senate includes an increase of \$10.0 million Gross (\$3.4 million GF/GP) within the Hospital Disproportionate Share Payments line to provide additional payments to hospitals that meet certain criteria as described in boilerplate Sec. 222. House does not include. The boilerplate section was included in the FY 2011-12 supplemental bill, PA 89 of 2012 (House Bill 4289), but was vetoed by the Governor.

Gross	--	\$10,000,000	--
Federal	--	6,653,800	--
GF/GP	--	\$3,386,000	--

FY 2011-12 Supplemental Appropriations

14. DCH Consensus Expenditure Adjustments

Executive and Senate adjust various appropriation lines by a total reduction of \$225.2 million Gross (\$103.8 million GF/GP) based on the items below. House adjusts various lines by a total reduction of \$205.5 million Gross (\$103.8 million GF/GP). These costs were identified at the May 2012 Medicaid consensus meeting between the House and Senate Fiscal Agencies and the State Budget Office and presented at the Consensus Revenue Estimating Conference also in May.

- Medicaid Expenditures: A decrease of \$297.9 million Gross (\$108.0 million GF/GP) for Medicaid program expenditures due to changes in projected costs related to caseload, utilization and inflation.
- Medicaid Adult Benefits Waiver: Executive and Senate include a decrease of \$22.1 million Gross (\$7.5 million GF/GP) for the Medicaid ABW program expenditures due to changes in projected costs related to caseload, utilization and inflation. The Executive informally requests that the reduction be \$2.5 million Gross (\$835,200 GF/GP) and the House concurs.
- Tobacco Tax Shortfall: A reduction of \$1.1 million of Wayne County Tobacco Tax revenue is offset by an increase in GF/GP. Tobacco Tax revenue has decreased and Wayne County uses the tax revenue to help support its Adult Benefits Waiver program.
- Wayne County Airport Tax: Executive and Senate replace \$6.7 million of funding received from Wayne County with a like amount of GF/GP. An informal request from the Executive does not include this replacement and the House concurs. For many years Wayne County has provided the department with Wayne's portion of the Airport Parking Tax which the department uses for support of the Medicaid Adult Benefits Waiver program. The department reports that there has been difficulty in collecting these funds in the past few years. The FY 2012-13 DCH budget assumes that legislation would be passed to eliminate the Airport Parking fee payment to Wayne County and the subsequent payment back to the State of Michigan by simply directing Wayne County's portion of the Airport Parking Tax to the Medicaid Benefits Trust Fund (MBTF). The MBTF revenue is included as a fund source for the Adult Benefits Waiver program for FY 2012-13.
- School-Based Services: An increase of \$18.1 of federal from the 40% of the Medicaid match that is earned by the school-based services program replaces a like amount of GF/GP in the Medicare Premium Payments line.
- Hospital QAAP: Increases by \$72.8 million Gross (\$24.6 million state restricted), within the Hospital Services and Therapy line, authorization to increase Medicaid payment rates to hospitals as part of the quality assurance assessment program (QAAP).
- State Psychiatric DSH: State restricted revenue authorization is reduced \$21.0 million and replaced with a like amount of GF/GP due to lower special financing earnings generated by the state psychiatric forensic center disproportionate share hospital (DSH) payment.

	<u>Executive</u>	<u>Senate</u>	<u>House</u>
Gross	(\$225,149,700)	(\$225,149,700)	(\$205,498,700)
Federal	(117,185,400)	(117,185,400)	(104,118,200)
Local	(6,653,800)	(6,653,800)	0
Restricted	2,533,600	2,533,600	2,533,600
GF/GP	(\$103,844,100)	(\$103,844,100)	(\$103,844,100)

15. Fund Shift from Medicaid Benefits Trust Fund

Replaces \$10.0 million in GF/GP funding appropriated for the Medicaid program within the Health Plan Services line with an equal amount of revenue from the Medicaid Benefits Trust Fund, freeing up \$10.0 million GF/GP for appropriation to the Education Achievement Authority.

Gross	--	--	\$0
Restricted	--	--	10,000,000
GF/GP	--	--	(\$10,000,000)

EDUCATION

16. Education Achievement Authority (EAA)

Appropriates \$10.0 million GF/GP to Education Achievement Authority for technology improvements and building maintenance at buildings operated by the EAA. (SBO request for same purpose was included in separate request related to Mortgage Foreclosure Settlement.)

Gross	--	--	\$10,000,000
GF/GP	--	--	\$10,000,000

FY 2011-12 Supplemental Appropriations**Executive****Senate****House****ENVIRONMENTAL QUALITY****17. Submerged Log Recovery**

Provides \$110,000 restricted funding authorization for anticipated funding from submerged logs recovery permit fees and payments to the state based on the value of recovered logs under the provisions of PA 218 of 2011. (SBO request 2012-12)

Gross	\$110,000	\$110,000	\$110,000
Restricted	110,000	110,000	110,000

18. Environmental Cleanup Site Funding

Provides \$9.9 million restricted funding from the Environmental Protection Bond Fund for contaminated site cleanup projects, treatment systems operations, matching funds for EPA Superfund grants, and to fulfill current state contracts. This funding would be a re-appropriation of previously lapsed Environmental Protection Bond funds. (SBO request 2012-14)

Gross	\$9,932,100	\$9,932,100	\$9,932,100
Restricted	9,932,100	9,932,100	9,932,100

HUMAN SERVICES**19. Child Welfare Caseload Consensus Adjustments**

Reduces funding for child welfare programs \$34.0 million Gross (\$24.3 million GF/GP) as follows:

- Foster care payments are reduced \$10.6 million Gross (\$4.9 million GF/GP) from 7,200 cases at \$24,378 per year to 6,948 cases at \$23,737 per year.
- Adoption subsidies are reduced \$6.4 million Gross (\$2.1 million GF/GP) from 27,450 cases at \$652.50 per month to 26,925 cases at \$648.59 per month.
- Child care fund is reduced \$17.7 million GF/GP.
- Guardianship assistance payments are increased \$662,900 Gross (\$430,900 GF/GP).

The fund sourcing for these caseload adjustments are different than originally reported during the May Revenue Estimating Conference as \$1.6 million in federal TANF reductions are instead retained and used to offset \$1.6 million in GF/GP.

Gross	(\$34,046,100)	(\$34,046,100)	(\$34,046,100)
Federal	(8,762,400)	(8,762,400)	(8,762,400)
Local	(847,800)	(847,800)	(847,800)
Private	(106,000)	(106,000)	(106,000)
GF/GP	(\$24,329,900)	(\$24,329,900)	(\$24,329,900)

20. Public Assistance Caseload Consensus Adjustments

Reduces funding for public assistance programs \$51.4 million GF/GP as follows:

- Family Independence Program (FIP) is reduced \$51.7 million GF/GP from 69,363 cases at \$407.05 per month to 58,000 cases at \$408.25 per month.
- State Disability Assistance (SDA) program is increased \$177,800 GF/GP from 10,250 cases at \$227.06 per month to 8,961 cases at \$261.37 per month.
- State Supplementation program is increased \$105,800 GF/GP from 258,500 cases at \$19.50 per month to 261,500 cases at \$19.31 per month.

The fund sourcing for these caseload adjustments are different than originally reported during the May Revenue Estimating Conference as \$26.1 million in federal TANF reductions are instead retained and used to offset \$26.1 million in GF/GP.

Gross	(\$51,402,400)	(\$51,402,400)	(\$51,402,400)
GF/GP	(\$51,402,400)	(\$51,402,400)	(\$51,402,400)

21. Specialized Independent Living Administrative Rate Increase

Senate provides \$877,600 Gross (\$175,500 GF/GP) to reinstate the specialized independent living administrative rates to the levels in effect during FY 2010-11. Sufficient funding is provided to reinstate these rates for the entire current fiscal year. House does not include the funding.

Gross	--	\$877,600	--
Federal	--	702,100	--
GF/GP	--	\$175,500	--

FY 2011-12 Supplemental Appropriations**22. Family Independence Program - Litigation Payments**

Provides \$30.0 million in federal Temporary Assistance for Needy Families (TANF) block grant funding into the Family Independence Program line item and redirects \$30.0 million in GF/GP to a new Family Independence Program - Litigation Payments line item. The current standing of *Smith v. Corrigan* requires DHS to allow FIP cases to reapply if they had their benefits terminated because of DHS policy revisions to the federal 60-month lifetime limit (The FIP cases that were terminated under the 48-month lifetime limit established in state law cannot reapply). Approximately 13,000 cases were terminated during the current fiscal year and to date around 6,500 cases have reapplied.

	<u>Executive</u>	<u>Senate</u>	<u>House</u>
Gross	\$30,000,000	--	\$30,000,000
Federal	30,000,000	--	30,000,000
GF/GP	\$0	--	\$0

On March 28, the Michigan Circuit Court determined in *Smith v. Corrigan* that DHS exceeded its authority under state law to revise the state's policy on the federal 60-month lifetime limit for FIP as that lifetime limit is different than the 48-month lifetime limit established in state law (MCL 400.57p and 57r). A significant difference between the 2 lifetime limits is that the lifetime limit established in state law does not count months prior to October 1, 2007. *Smith v. Corrigan* is currently before the Michigan Court of Appeals (SBO Request 2012-16).

JUDICIARY**23. Replace Court Fee Fund Revenue with GF/GP**

Replaces \$1.8 million in Court Fee Fund revenue with GF/GP, due to an expected need for Court Fee Fund revenue for the Judges' Retirement System (JRS). According to statute (MCL 38.2304(4)), the JRS has access to these funds if needed before other uses. This required contribution, along with expected shortfalls in overall Court Fee Fund revenue, creates a need for additional GF/GP to fully fund circuit and probate judges' salaries. (SBO request 2012-14)

Gross	\$0	\$0	\$0
Restricted	(1,800,000)	(1,800,000)	(1,800,000)
GF/GP	\$1,800,000	\$1,800,000	\$1,800,000

24. Court of Appeals Judgeships

Includes funding of \$171,300 GF/GP for two Court of Appeals judges appointed by the governor effective April 1, 2012. Provides six months of judicial salary, retirement contributions, and OASI payments. PA 40 of 2012 reduced the number of Court of Appeals judgeships by attrition from 28 to 24, but allowed for the governor to appoint judges to the two previously vacant positions before the effective date of March 25, 2012. (SBO request 2012-12)

Gross	\$171,300	\$171,300	\$171,300
GF/GP	\$171,300	\$171,300	\$171,300

LICENSING AND REGULATORY AFFAIRS**25. Autism Coverage Reimbursement Program**

Supports the initial costs associated with the design of the Autism Coverage Reimbursement Program established by 2012 PA 101, under which insurance carriers may seek reimbursement for claims associated with the diagnosis and treatment of autism spectrum disorders through an application process implemented by the department. Specifically, this appropriation will fund the development of the application process and related administrative and information technology costs. The FY 2012-13 appropriations bill includes an appropriation of \$15.0 million GF/GP to provide for reimbursements under the program, 1% of which may be used for administrative costs. (SBO request 2012-14)

FTE	2.0	2.0	2.0
Gross	\$150,000	\$150,000	\$150,000
GF/GP	\$150,000	\$150,000	\$150,000

26. Michigan Rehabilitation Services--State Match for Federal Funds

Senate increases state GF/GP appropriation for the Michigan Rehabilitative Services (MRS) in order to leverage an additional \$3.7 million in federal funds for the U.S. Department of Education. These funds support the MRS in vocational training and other services to prepare individuals with disabilities for employment. House does not include the funding.

Gross	--	\$4,900,000	--
Federal	--	3,900,000	--
GF/GP	--	\$1,000,000	--

FY 2011-12 Supplemental Appropriations**Executive****Senate****House****MILITARY AND VETERANS AFFAIRS****27. Restore Savings From Privatization of Staff**

Restores 170.0 FTE positions and \$4.2 million in savings taken in the FY 2011-12 budget as a result of the initiative to privatize residential care aides at the Grand Rapids Veterans' Home. Due to current litigation and a temporary restraining order issued by the judge, state employees are continuing to provide the client care services and funding is needed to cover salary and wage costs. (SBO request 2012-14)

FTE	170.0	170.0	170.0
Gross	\$4,200,000	\$4,200,000	\$4,200,000
GF/GP	\$4,200,000	\$4,200,000	\$4,200,000

NATURAL RESOURCES**28. Summer Youth Initiative**

Appropriates \$2.0 million GF/GP for a summer youth employment program for 16- to 19-year-olds in Detroit, Flint, Saginaw, and Pontiac. The Executive originally requested \$5.0 million GF/GP funding for FY 2012-13 for the program; this supplemental would advance \$2.0 million of that amount to the current year, with \$3.0 million retained in the FY 2012-13 appropriations bill. (SBO request 2012-11)

Gross	\$2,000,000	\$2,000,000	\$2,000,000
GF/GP	\$2,000,000	\$2,000,000	\$2,000,000

29. Saginaw Valley Naval Ship Museum

Senate provides \$300,000 GF/GP funding for a grant to the Saginaw Valley Naval Museum located in Bay City, Michigan. The U.S. Navy has donated the USS Edson to the museum and the ship will become a floating naval surface ship memorial and museum this summer. House does not include.

Gross	--	\$300,000	--
GF/GP	--	\$300,000	--

30. Wildfire Protection - Duck Lake Fire

Provides \$3.5 million GF/GP funding for costs associated with the state of disaster from the Duck Lake Fire in Luce and Schoolcraft Counties in the Upper Peninsula. The fire has encompassed over 21,000 acres and is the third largest wildfire in Michigan's modern history. (SBO request 2012-17)

Gross	\$3,500,000	--	\$3,500,000
GF/GP	\$3,500,000	--	\$3,500,000

TECHNOLOGY, MANAGEMENT, AND BUDGET**31. Institutional Roads Program**

Senate provides \$200,000 for an institutional road project at Montcalm Community College. Funds would provide for an access road for the new technical vocational training center. House concurs with the Senate.

Gross	--	\$200,000	\$200,000
GF/GP	--	\$200,000	\$200,000

TREASURY: OPERATIONS**32. Payments in Lieu of Taxes**

Senate provides \$2.2 million for Payments in Lieu of Taxes (PILT). Funding would restore FY 2011-12 PILT payments to full statutory funding levels. Additionally, \$169,000 is designated as Purchased Land PILT payments for school districts. House includes but reduces GF/GP funding to \$1.0 million.

Gross	--	\$2,153,300	\$1,299,400
Restricted	--	299,400	299,400
GF/GP	--	\$1,853,900	\$1,000,000

TREASURY: MICHIGAN STRATEGIC FUND**33. Land Bank Fast Track Authority – Bond Finance**

Provides \$3.0 million from the Land Reutilization Fund to support the Michigan Land Bank Fast Track Authority's efforts to clear title on tax-reverted properties in distressed cities with particular emphasis on Detroit. Specifically, the funds will support the legal services required for clearing title. (SBO request 2012-11)

Gross	\$3,000,000	\$3,000,000	\$3,000,000
Restricted	3,000,000	3,000,000	3,000,000

FY 2011-12 Supplemental Appropriations**34. Agriculture Disaster Loan Program**

Senate provides \$15.0 million GF/GP in the Michigan Strategic Fund to cover loan origination costs (up to 5% of the principal amount of any qualified agricultural loan) associated with emergency agricultural loans to growers, producers, processors, and some retain establishments. The loan program is intended to aid fruit growers and producers who have lost crops due to fluctuations in spring temperatures. House does not include appropriation, but does include intent language (Sec. 403).

	<u>Executive</u>	<u>Senate</u>	<u>House</u>
Gross	--	\$15,000,000	--
GF/GP	--	\$15,000,000	--

TREASURY: REVENUE SHARING**35. Competitive Grant Assistance Program**

Provides \$10.0 million to provide incentive-based grants to cities, villages, townships, and counties. Associated boilerplate language would appropriate \$5.0 million for local public safety collaboration, consolidation, and cooperation initiatives. The remaining \$5.0 million would enhance the FY 2011-12 Competitive Grant Assistance Program to assist local units of government with transition costs associated with collaboration, consolidation, and cooperation initiatives. This appropriation advances \$10.0 million of the \$25.0 million requested for this program in the FY 2012-13 Executive Recommendation. The Revised Executive Recommendation includes \$15.0 million to support this program. (SBO request 2012-11)

Gross	\$10,000,000	\$10,000,000	\$10,000,000
Restricted	10,000,000	10,000,000	10,000,000

FY 2011-12 Boilerplate Items**COMMUNITY HEALTH****1. Contingent Medicaid Pharmacy Dispensing Fee Survey, Services Fee Study and Fee Change**

Senate includes language requiring the department to conduct a cost of dispensing survey and a pharmacy professional services fee study and adjust fees only if the department changes the Medicaid prescription pricing methodology from average wholesale pricing. House modifies the language to require the department to do a cost of dispensing survey if the Medicaid prescription pricing methodology is changed to actual or average acquisition cost, evaluate the survey results, and, if appropriate, recommend to the Legislature and the fiscal agencies an adjustment to the pharmacy dispensing fee. The department will not have to do the survey if the Centers for Medicare and Medicaid Services conducts a national, regional, or state survey.

--	Sec. 221	Sec. 221 Modified
----	----------	----------------------

2. Hospital Uncompensated Care Contingent DSH Funding

Senate includes language that would appropriate \$10.0 million Gross (\$3.4 million GF/GP) for special Medicaid reimbursement to hospitals that meet certain criteria only if there is room in the current year disproportionate share hospital (DSH) pool and if the Centers for Medicare and Medicaid Services approves the distribution methodology. House does not concur. This boilerplate section was included in the FY 2011-12 supplemental bill, PA 89 of 2012 (House Bill 4289), but was vetoed by the Governor.

--	Sec. 222	--
----	----------	----

3. Department's "Employment Works!" Policy

Senate requires the definitions for "competitive employment" and "integrated setting" within the department's "Employment Works!" policy for seriously mentally ill and developmentally disabled individuals to be the same definitions as listed in Title 34, Section 361 of the Code of Federal Regulations (34 CFR 361). House concurs with the Senate.

--	Sec. 223	Sec. 223
----	----------	----------

4. Medicaid Adult Benefits Waiver Program Assurances

House requires that if the department opens enrollment in the Medicaid Adult Benefits Waiver program that there is assurance that over enrollment does not occur and that the department stays within the line appropriation.

--	--	Sec. 224
----	----	----------

FY 2011-12 Boilerplate Items**Executive****Senate****House****ENVIRONMENTAL QUALITY**

5. Environmental Cleanup and Redevelopment Program Work Project Appropriations
Provides that Environmental Cleanup and Redevelopment Program appropriations are work project appropriations and allows carry-forward of any remaining funds; requires that all projects be accomplished by contract and the total estimated cost of projects is \$9.9 million; tentative completion date is September 30, 2016. (SBO request 2012-14)

Included

Sec. 231

Sec. 231

6. Environmental Cleanup Site List

Provides list of the 40 cleanup sites for which the Environmental Cleanup and Redevelopment Program funding appropriated may be used. (SBO request 2012-14)

Included

Sec. 232

Sec. 232

HUMAN SERVICES**7. Foster Care Agency Administrative Rates**

Senate establishes foster care administrative rate of \$37 for private child placing agencies under contract with DHS; establishes general independent living administrative rate of \$28. Reinstates special independent living administrative rates to FY 2010-11 levels. *Note: Section 401 of Public Act 89 of 2012 (House Bill 4289) establishes a foster care administrative rate of \$37 and a general independent living administrative rate of \$28 for FY 2011-12. House does not include.*

--

Sec. 251

--

8. Repealer - Foster Care Agency Administrative Rates

Senate adds repealer for section 546 from Article X of Public Act 63 of 2011 (House Bill 4526). Section establishes foster care administrative rate of \$37 for private child placing agencies under contract with DHS; establishes general independent living administrative rate of \$28; establishes specialized independent living administrative rates less than rates provided in FY 2008-09 but more than the general independent living rate. *Note: Public Act 89 of 2012 (House Bill 4289) repeals Section 546 from Article X of Public Act 63 of 2011 (House Bill 4526). House does not include.*

--

Enacting
Sec. 1

--

LICENSING AND REGULATORY AFFAIRS**9. Autism Coverage Reimbursement Program - Designation as Work Project**

Any unencumbered or unallocated funds appropriated for the Autism Coverage Reimbursement Program are considered a work project appropriation and are available for expenditure during the succeeding fiscal year, the purpose of the work project would be to carry out the provisions of 2012 PA 101 and would be accomplished by state employees and under contract with a tentative completion date of September 30, 2013. (SBO request 2012-14)

Included

Sec. 271

Sec. 271

10. Addressing Deficiencies within the Michigan Rehabilitative Services

Senate provides that the appropriation made for the MRS could not be expended until the MRS provided sufficient evidence to the House and Senate Appropriations Committees that it was addressing the deficiencies in MRS expenditures detailed by the Auditor General in the performance audit issued in January 2012 and provided documentation as to how the appropriation was expended. House does not include.

--

Sec. 272

--

NATURAL RESOURCES**11. Summer Youth Initiative**

Requires that the department award the \$2.0 million GF/GP funding appropriated for the Summer Youth Initiative to non-government organizations that specialize in providing employment for at-risk youth in Detroit, Flint, Saginaw, and Pontiac. The term "at-risk youth" is defined as 16- to 19-year-olds who qualify for free lunch programs at school. (SBO request 2012-11)

Included

Sec. 301

Sec. 301

12. Wildfire Protection

House provides that the funding appropriated for Wildfire Protection be used for the costs of the state of disaster from the Duck Lake Wildfire in Luce and Schoolcraft Counties in the Upper Peninsula.

--

--

Sec. 302

FY 2011-12 Boilerplate Items**Executive****Senate****House****13. Federal Reimbursement**

Provides that, if Federal Emergency Management Agency reimbursement is approved for costs associated with the Duck Lake Wildfire, the federal revenue is to be deposited in the General Fund. (SBO request 2012-17)

Included

--

Sec. 303

TECHNOLOGY, MANAGEMENT, AND BUDGET**14. Institutional Road Program**

Senate requires up to \$200,000 of the funds appropriated in part 1 for an Institutional Road Program to be appropriated for a project at Montcalm Community College. House concurs with the Senate.

--

Sec. 351

Sec. 351

TREASURY: OPERATIONS**15. Payments in Lieu of Taxes**

Senate requires \$169,000 of the funds appropriated part 1 for Purchased Lands PILT to be used for Purchased Lands PILT payments to school districts. House does not include.

--

Sec. 402

--

TREASURY: REVENUE SHARING**16. Competitive Grant Assistance Program**

Requires \$5.0 million of the Competitive Grant Assistance Program funding to support local public safety collaboration, consolidation, and cooperation initiatives. Requires the other \$5.0 million to be used to enhance the FY 2011-12 Competitive Grant Assistance Program appropriation by providing grants to local units of government for transition costs associated with collaboration, consolidation, and cooperation initiatives that combine government operations on or after October 1, 2011. (SBO request 2012-11)

Included

Sec. 401

Sec. 401

TREASURY: MICHIGAN STRATEGIC FUND**17. Detroit River International Crossing Expenditures**

House prohibits the Michigan Strategic Fund from expending any state appropriations for construction planning or construction of the Detroit River International Crossing or a renamed successor unless the legislature has enacted specific enabling legislation; requires a report.

--

--

Sec. 402

18. Agricultural Disaster Loan Origination Program

House states intent to appropriation \$15.0 million in FY 2012-13 for the Agricultural Disaster Loan Origination Program defined in House Bill 5717.

--

--

Sec. 403