

**FY 2011-12 SUPPLEMENTAL APPROPRIATIONS**  
**Summary: As Reported by the House Appropriations Committee**  
**Senate Bill 931 (H-1)**



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Budget Area	Executive*		House	
	Gross	GF/GP	Gross	GF/GP
<b>CONTINGENCY PLAN ADJUSTMENTS</b>				
Agriculture & Rural Development	(\$832,100)	(\$832,100)	(\$832,100)	(\$832,100)
Attorney General	(128,900)	(128,900)	(128,900)	(128,900)
Civil Rights	(331,800)	(331,800)	(331,800)	(331,800)
Community Health	(11,619,200)	(6,878,500)	(11,619,200)	(6,878,500)
Corrections	(32,244,800)	(32,744,800)	(32,244,800)	(32,744,800)
Education	(28,800)	(28,800)	(28,800)	(28,800)
Environmental Quality	(174,600)	(174,600)	(174,600)	(174,600)
Human Services	(35,702,900)	(20,232,800)	(35,702,900)	(20,232,800)
Judiciary	(179,000)	(179,000)	(179,000)	(179,000)
Legislature	(197,500)	(197,500)	(197,500)	(197,500)
Licensing & Regulatory Affairs	(164,400)	(164,400)	(164,400)	(164,400)
Military & Veterans Affairs	(88,800)	(88,800)	(88,800)	(88,800)
Natural Resources	(159,100)	(159,100)	(159,100)	(159,100)
State	(1,004,900)	(143,000)	(1,004,900)	(143,000)
State Police	(1,486,700)	(1,439,400)	(1,486,700)	(1,439,400)
DTMB - Operations	(849,200)	(849,200)	(849,200)	(849,200)
DTMB - SBA Rent	(19,800,000)	(19,800,000)	(19,800,000)	(19,800,000)
Treasury - Operations	(3,159,200)	(3,159,200)	(3,159,200)	(3,159,200)
Treasury - Strategic Fund	(291,000)	(291,000)	(291,000)	(291,000)
<b>SUBTOTAL - CONTINGENCY PLAN</b>	<b>(\$108,442,900)</b>	<b>(\$87,822,900)</b>	<b>(\$108,442,900)</b>	<b>(\$87,822,900)</b>
<b>OTHER ADJUSTMENTS</b>				
Community Health	\$2,425,900	\$0	\$2,425,900	\$0
DTMB - Operations	0	0	0	0
<b>SUBTOTAL - OTHER ADJUSTMENTS</b>	<b>\$2,425,900</b>	<b>\$0</b>	<b>\$2,425,900</b>	<b>\$0</b>
<b>GRAND TOTAL</b>	<b>(\$106,017,000)</b>	<b>(\$87,822,900)</b>	<b>(\$106,017,000)</b>	<b>(\$87,822,900)</b>

\*Reflects State Budget Office (SBO) request 2012-19 (which replaced request 2012-13), as well as a Community Health request originally submitted as part of transfer request 2012-9

**NOTE:** As passed by the Senate, Senate Bill 931 was a zero-based vehicle bill.

## OVERVIEW

Senate Bill 931 (H-1) contains a series of supplemental appropriations adjustments to the FY 2011-12 state budget that are anticipated to be made prior to closing the books for the fiscal year (which ended September 30). The adjustments include a contingency plan to reduce total GF/GP expenditures that has been pending for a number of months as well several other unrelated supplemental adjustments, as described below.

### Contingency Plan Adjustments

The initial FY 2011-12 state budget assumed \$145.0 million GF/GP in savings from state employee concessions. Those saving were, however, not achieved through negotiations with state employee unions. In September 2011, the State Budget Office released a contingency plan to achieve replacement savings of roughly the same amount (\$146.4 million).<sup>1</sup>

On May 4, 2012, the State Budget Office (SBO) requested a series of negative supplemental appropriations totaling \$107.8 million (\$87.8 million GF/GP). On September 4, 2012, the SBO issued a revised version of that request with negative appropriations totaling \$108.4 million (\$87.8 million GF/GP). The major change reflected in the revision is to distribute savings from a new employee retirement contribution to specific line items, rather than a negative "budgetary savings" appropriation to be resolved through subsequent transfers.

The supplemental request reflected in Senate Bill 931 reflects a lower total GF/GP savings amount of \$87.8 million, versus the \$146.4 million included in the initial contingency plan. The reduced savings are primarily due to a lower amount of net savings achieved from employee concessions and various other assumed cost saving initiatives in the Corrections budget (\$25.0 million vs. \$60.0 million), a slightly later implementation date for a new 4.0% contribution being made by employees still in the state's defined benefit retirement program (\$11.8 million in savings vs. \$18.8 million), and the elimination of previously-assumed savings from furlough days for state employees (\$9.5 million) due to the FY 2010-11 budget surplus that materialized subsequent to the enactment of the FY 2011-12 budget.

The total GF/GP savings of \$87.8 million reflected in this supplemental request are categorized as follows:

- \$25.0 million in net savings from initiatives undertaken by the Department of Corrections. (Includes boilerplate language authorizing carry forward of revenue in the department's Special Equipment Fund into FY 2012-13.)
- \$11.8 million in reduced retirement costs to the state due to the 4.0% contribution for employees in the defined benefit plan created by Public Act 264 of 2011 (House Bill 4701 as enacted), effective April 1, 2012.
- \$19.8 million in reduced rental payments to the State Building Authority for previous Capital Outlay projects due to successful bond refinancing by the authority.
- \$31.2 million in reduced state agency costs from holding vacant positions open and various other agency-specific cost savings initiatives, as described below. The adjustments include a total reduction of 352.2 FTE employee positions.

### Other Supplemental Adjustments

In addition to the contingency plan adjustments, Senate Bill 931 contains the following adjustments to the FY 2011-12 budget:

- An appropriation of \$2.4 million from available interdepartmental grant revenue for mental health services in the Community Health budget (originally requested as a legislative transfer).
- Boilerplate language authorizing a cost increase for a Capital Outlay project at Grand Rapids Community College (9/5/12 SBO letter).
- Boilerplate language authorizing a withdrawal of up to \$15.0 million from the Medicaid Benefits Trust Fund to offset a portion of the shortfall in Health Insurance Claims Assessment collections for FY 2011-12.
- Boilerplate language authorizing the creation of an Information, Communications, and Technology Innovations Fund. (\$2.5 million is unappropriated and reappropriated to facilitate establishment of fund; no net change in appropriation amount.)

Supplemental adjustments not part of the FY 2011-12 contingency plan are shaded in the more detailed description of adjustments contained in Senate Bill 931 below.

In sum, the adjustments contained in Senate Bill 931 would reduce the FY 2011-12 state budget by \$106.0 million Gross (\$87.8 million GF/GP).

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<sup>1</sup> The HFA summary of the initial contingency plan is available at:

<http://www.house.mi.gov/hfa/PDFs/FINALPreliminary%20Overview%20of%20Executive%20Contingency%20Plan%20FY%202011-12%20.pdf>

**FY 2011-12 Supplemental Appropriations**

**Executive**

**House**

**AGRICULTURE AND RURAL DEVELOPMENT**

**1. Department Contingency Plan**

Eliminates funding and FTE authorization for the following: three food inspector positions and one laboratory technician position in Food Safety and Quality Assurance program; three positions in the Animal Industry Division related to animal disease control and prevention program; one inspector position in Pesticide and Plant Pest Management pesticide regulatory program; one position in Laboratories services. The department indicates that all eliminated positions are currently unfilled.

FTE	(9.0)	(9.0)
<b>Gross</b>	<b>(\$720,300)</b>	<b>(\$720,300)</b>
GF/GP	(\$720,300)	(\$720,300)

**2. Defined Benefit Contribution**

Reflects savings from a new 4% contribution paid by employees in the defined benefit retirement program. Savings are reflected as reductions to applicable line items from which employee compensation costs are paid.

<b>Gross</b>	<b>(\$111,800)</b>	<b>(\$111,800)</b>
GF/GP	(\$111,800)	(\$111,800)

**ATTORNEY GENERAL**

**3. Department Contingency Plan**

Reflects budget savings from various Attorney General operations programmatic funding cuts for a total savings of \$40,000.

<b>Gross</b>	<b>(\$40,000)</b>	<b>(\$40,000)</b>
GF/GP	(\$40,000)	(\$40,000)

**4. Defined Benefit Contribution**

Reflects savings from a new 4% contribution paid by employees in the defined benefit retirement program. Savings are reflected as reductions to applicable line items from which employee compensation costs are paid.

<b>Gross</b>	<b>(\$88,900)</b>	<b>(\$88,900)</b>
GF/GP	(\$88,900)	(\$88,900)

**CIVIL RIGHTS**

**5. Department Contingency Plan**

Reflects budget savings from holding various vacant positions open. Eliminates 3.0 FTE positions and restructures existing responsibilities of the Public Affairs division for a total savings of \$260,900.

FTE	(3.0)	(3.0)
<b>Gross</b>	<b>(\$260,900)</b>	<b>(\$260,900)</b>
GF/GP	(\$260,900)	(\$260,900)

**6. Defined Benefit Contribution**

Reflects savings from a new 4% contribution paid by employees in the defined benefit retirement program. Savings are reflected as reductions to applicable line items from which employee compensation costs are paid.

<b>Gross</b>	<b>(\$70,900)</b>	<b>(\$70,900)</b>
GF/GP	(\$70,900)	(\$70,900)

**COMMUNITY HEALTH**

**7. Department Contingency Plan**

Recognizes FY 2011-12 contingency plan savings of \$10.2 million Gross (\$6.1 million GF/GP) which are achieved by: eliminating 88.3 funded and vacant FTE positions within the areas of central administration, mental health/substance abuse program administration, state-operated facilities, public health administration, health policy, office of services to the aging, and medical services administration; reducing administrative travel funding in children's special health services; and eliminating a contract with the Michigan Public Health Institute for Medicaid billing support services.

FTE	(88.3)	(88.3)
<b>Gross</b>	<b>(\$10,186,300)</b>	<b>(\$10,186,300)</b>
Federal	(1,719,600)	(1,719,600)
Restricted	(2,405,800)	(2,405,800)
GF/GP	(\$6,060,900)	(\$6,060,900)

**8. Defined Benefit Contribution**

Reflects savings from a new 4% contribution paid by employees in the defined benefit retirement program. Savings are reflected as reductions to applicable line items from which employee compensation costs are paid.

<b>Gross</b>	<b>(\$1,432,900)</b>	<b>(\$1,432,900)</b>
Federal	(240,300)	(240,300)
Local	(375,000)	(375,000)
GF/GP	(\$817,600)	(\$817,600)

**9. Mental Health Services**

Increases the interdepartmental grant from the Department of Human Services (DHS) supporting the Medicaid Mental Health Services line item by \$2.4 million, enabling DCH to make payments to Prepaid Inpatient Health Plans (PIHPs) for behavioral health services provided to Medicaid eligible children in foster care and child protective services. Sufficient authorization currently exists within the DHS budget to support payments from the interdepartmental grant. A similar adjustment is included in the FY 2012-13 budget for DCH. Earlier the State Budget Office (SBO) had included this budget adjustment in the SBO letter dated September 11, 2012 (Legislative Transfer Request 2012-9).

<b>Gross</b>	<b>\$2,425,900</b>	<b>\$2,425,900</b>
IDG	2,425,900	2,425,900

**FY 2011-12 Supplemental Appropriations****Executive****House****CORRECTIONS**

<b>10. Closure of Mound Correctional Facility</b>	<b>Gross</b>	<b>(\$21,256,300)</b>	<b>(\$21,256,300)</b>
Reflects budget savings from closure of Mound Correctional Facility in January 2012.	GF/GP	(\$21,256,300)	(\$21,256,300)
<b>11. Field Operations Position Reduction</b>	<b>Gross</b>	<b>(\$10,640,500)</b>	<b>(\$10,640,500)</b>
Reflects budget savings from vacant parole/probation positions due to reduced caseloads that were part of SBO contingency plan.	GF/GP	(\$10,640,500)	(\$10,640,500)
<b>12. Restoration of FY 2012 Prison Operation Savings</b>	<b>Gross</b>	<b>\$32,326,500</b>	<b>\$32,326,500</b>
Restores savings assumed in FY 2011-12 budget tied to the Cost Effective Housing Initiative, other prison operation efficiencies, and the bidding out of the Special Alternative Incarceration Facility.	GF/GP	\$32,326,500	\$32,326,500
<b>13. Restoration of FY 2012 Central Office Savings</b>	<b>Gross</b>	<b>\$1,972,400</b>	<b>\$1,972,400</b>
Restores savings assumed in FY 2011-12 budget tied to reductions in MDOC central office staffing.	GF/GP	\$1,972,400	\$1,972,400
<b>14. Prison Operation Savings</b>	<b>Gross</b>	<b>(\$9,183,400)</b>	<b>(\$9,183,400)</b>
Includes savings from recent prison operation policy and staffing changes, including reductions in prisoner clothing issuance, using prisoners for direct observation duties, the elimination of assistant deputy warden positions, reductions in resident unit managers, and reductions in the use of alert response vehicles.	GF/GP	(\$9,183,400)	(\$9,183,400)
<b>15. Prisoner Health Care Savings</b>	<b>Gross</b>	<b>(\$7,909,500)</b>	<b>(\$7,909,500)</b>
Reduces health care appropriations to reflect anticipated savings from bidding out physical and mental health care services, the closure of the Mound Correctional Facility, and other cost reductions.	GF/GP	(\$7,909,500)	(\$7,909,500)
<b>16. Program Reductions</b>	<b>Gross</b>	<b>(\$7,500,000)</b>	<b>(\$7,500,000)</b>
Includes reductions of \$3.5 million to MPRI Other Projects line item, \$2.0 million to County Jail Reimbursement Program, \$1.5 million to Residential Services, and \$500,000 to Community Corrections programs. Generally, these adjustments bring appropriations closer to recent spending levels.	GF/GP	(\$7,500,000)	(\$7,500,000)
<b>17. Equipment and Special Maintenance</b>	<b>Gross</b>	<b>(\$1,000,000)</b>	<b>(\$1,000,000)</b>
Reduces funding by \$1.0 million. New Special Equipment Fund revenue from prisoner phone charges offsets an additional \$500,000 in GF/GP.	Restricted GF/GP	500,000 (\$1,500,000)	500,000 (\$1,500,000)
<b>18. Other MDOC Savings</b>	<b>Gross</b>	<b>(\$1,309,200)</b>	<b>(\$1,309,200)</b>
Includes compilation of remaining smaller savings proposals across various areas of the budget, particularly information technology.	GF/GP	(\$1,309,200)	(\$1,309,200)
<b>19. Defined Benefit Contribution</b>	<b>Gross</b>	<b>(\$7,744,800)</b>	<b>(\$7,744,800)</b>
Reflects savings from a new 4% contribution paid by employees in the defined benefit retirement program. Savings are reflected as reductions to applicable line items from which employee compensation costs are paid.	GF/GP	(\$7,744,800)	(\$7,744,800)

**EDUCATION**

<b>20. Defined Benefit Contribution</b>	<b>Gross</b>	<b>(\$28,800)</b>	<b>(\$28,800)</b>
Reflects savings from a new 4% contribution paid by employees in the defined benefit retirement program. Savings are reflected as reductions to applicable line items from which employee compensation costs are paid.	GF/GP	(\$28,800)	(\$28,800)

**ENVIRONMENTAL QUALITY**

<b>21. Department Contingency Plan</b>	FTE	(0.0)	(0.0)
Reflects budget savings from holding various vacant positions open. Reduces funding by \$81,600 GF/GP for the following: eliminating funding for 1.0 vacant FTE position for Accounting Service Center - the Center is located in MDOT and the corresponding 1.0 FTE reduction will be taken in the MDOT budget (\$68,600), reducing funding in Executive Direction line item for reductions in CSS&M, travel, and office supplies (\$12,800).	<b>Gross</b> GF/GP	<b>(\$81,600)</b> (\$81,600)	<b>(\$81,600)</b> (\$81,600)

**FY 2011-12 Supplemental Appropriations****Executive****House****22. Defined Benefit Contribution**

Reflects savings from a new 4% contribution paid by employees in the defined benefit retirement program. Savings are reflected as reductions to applicable line items from which employee compensation costs are paid.

<b>Gross</b>	<b>(\$93,000)</b>	<b>(\$93,000)</b>
GF/GP	(\$93,000)	(\$93,000)

**HUMAN SERVICES****23. Child Welfare Salary and Wage Costs**

Reduces salary and wage costs of child welfare staff; there is no reduction to the number of budgeted staff. The Children's Right's settlement agreement mandated DHS to hire a substantial amount of new child protective service and foster care caseworkers, and the FY 2011-12 budget assumed a higher average salary than the actual realized salaries of these new staff.

FTE	0.0	0.0
<b>Gross</b>	<b>(\$21,000,000)</b>	<b>(\$21,000,000)</b>
Federal	(15,203,900)	(15,203,900)
GF/GP	(\$5,796,100)	(\$5,796,100)

**24. Vacant Positions**

Reflects budget savings from holding various vacant positions open. Major areas in which vacant positions were held open include Field Staff Salaries and Wages, Child Support Enforcement Operations, and Administrative Support Workers.

FTE	(182.0)	(182.0)
<b>Gross</b>	<b>(\$13,241,100)</b>	<b>(\$13,241,100)</b>
Federal	(8,024,600)	(8,024,600)
GF/GP	(\$5,216,500)	(\$5,216,500)

**25. GF/GP Offset with Federal TANF Funds**

Gross savings for the DHS items above includes \$7.8 million in federal TANF block grant funding that is redirected to the Family Independence Program line item to offset GF/GP.

<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
Federal	7,758,400	7,758,400
GF/GP	(\$7,758,400)	(\$7,758,400)

**26. Defined Benefit Contribution**

Reflects savings from a new 4% contribution paid by employees in the defined benefit retirement program. Savings are reflected as reductions to applicable line items from which employee compensation costs are paid.

<b>Gross</b>	<b>(\$1,461,800)</b>	<b>(\$1,461,800)</b>
GF/GP	(\$1,461,800)	(\$1,461,800)

**JUDICIARY****27. Defined Benefit Contribution**

Reflects savings from a new 4% contribution paid by employees in the defined benefit retirement program. Savings are reflected as reductions to applicable line items from which employee compensation costs are paid.

<b>Gross</b>	<b>(\$179,000)</b>	<b>(\$179,000)</b>
GF/GP	(\$179,000)	(\$179,000)

**LEGISLATURE/AUDITOR GENERAL****28. Defined Benefit Contribution**

Reflects savings from a new 4% contribution paid by employees in the defined benefit retirement program. Savings are reflected as reductions to applicable line items from which employee compensation costs are paid.

<b>Gross</b>	<b>(\$197,500)</b>	<b>(\$197,500)</b>
GF/GP	(\$197,500)	(\$197,500)

**LICENSING & REGULATORY AFFAIRS****29. Agency Contingency Plan**

Reflects budget savings from eliminating one vacant clerical support position within the Workers' Compensation Agency.

FTE	(1.0)	(1.0)
<b>Gross</b>	<b>(\$71,100)</b>	<b>(\$71,100)</b>
GF/GP	(\$71,100)	(\$71,100)

**30. Defined Benefit Contribution**

Reflects savings from a new 4% contribution paid by employees in the defined benefit retirement program. Savings are reflected as reductions to applicable line items from which employee compensation costs are paid.

<b>Gross</b>	<b>(\$93,300)</b>	<b>(\$93,300)</b>
GF/GP	(\$93,300)	(\$93,300)

**MILITARY AND VETERANS AFFAIRS****31. Defined Benefit Contribution**

Reflects savings from a new 4% contribution paid by employees in the defined benefit retirement program. Savings are reflected as reductions to applicable line items from which employee compensation costs are paid.

<b>Gross</b>	<b>(\$88,800)</b>	<b>(\$88,800)</b>
GF/GP	(\$88,800)	(\$88,800)

**FY 2011-12 Supplemental Appropriations**

**Executive**

**House**

**NATURAL RESOURCES**

**32. Department Contingency Plan**

Reflects budget savings from holding various vacant positions open. Reduces funding by \$82,200 GF/GP for the following: eliminating a total of 3.9 FTE positions in the Central Support Services, Historical Administration, Executive Direction, and Marketing line items (\$50,000), reducing funding for the purchase of supplies and materials for wildfire protection program (\$32,200).

FTE	(3.9)	(3.9)
<b>Gross</b>	<b>(\$82,200)</b>	<b>(\$82,200)</b>
GF/GP	(\$82,200)	(\$82,200)

**33. Defined Benefit Contribution**

Reflects savings from a new 4% contribution paid by employees in the defined benefit retirement program. Savings are reflected as reductions to applicable line items from which employee compensation costs are paid.

<b>Gross</b>	<b>(\$76,900)</b>	<b>(\$76,900)</b>
GF/GP	(\$76,900)	(\$76,900)

**STATE**

**34. Department Contingency Plan**

Reflects budget savings from holding various vacant positions open. Eliminates 11.0 FTE positions, five of which are management positions, for a total savings of \$965,800. Positions eliminated impact Department Services (2.0), Regulatory Services (2.0), Branch Operations (2.0), and Central Operations (5.0). Gross figures include \$861,900 in driver fees which are restricted funds that lapse to the General Fund.

FTE	(11.0)	(11.0)
<b>Gross</b>	<b>(\$965,800)</b>	<b>(\$965,800)</b>
GF/GP	(\$103,900)	(\$103,900)

**35. Defined Benefit Contribution**

Reflects savings from a new 4% contribution paid by employees in the defined benefit retirement program. Savings are reflected as reductions to applicable line items from which employee compensation costs are paid.

<b>Gross</b>	<b>(\$39,100)</b>	<b>(\$39,100)</b>
GF/GP	(\$39,100)	(\$39,100)

**STATE POLICE**

**36. Department Contingency Plan**

Reflects budget savings from (1) shifting Field Services employees, including at-post troopers, to vacant positions in the Emergency Management and Homeland Security Division and the Gaming Division and (2) eliminating one vacant position each in the Support Services Bureau and the Science, Technology, and Training Bureau.

FTE	(2.0)	(2.0)
<b>Gross</b>	<b>(\$1,202,300)</b>	<b>(\$1,202,300)</b>
Restricted	(47,300)	(47,300)
GF/GP	(\$1,155,000)	(\$1,155,000)

**37. Defined Benefit Contribution**

Reflects savings from a new 4% contribution paid by employees in the defined benefit retirement program. Savings are reflected as reductions to applicable line items from which employee compensation costs are paid.

<b>Gross</b>	<b>(\$284,400)</b>	<b>(\$284,400)</b>
GF/GP	(\$284,400)	(\$284,400)

**TECHNOLOGY, MANAGEMENT, & BUDGET - OPERATIONS AND CIVIL SERVICE**

**38. Department Contingency Plan**

Reflects budget savings from holding various vacant positions open. Eliminates 7.0 FTE positions for a total savings of \$567,100. Positions eliminated impact Budget and Financial Management - Internal Audit Services (4.0) and Civil Service - Agency Services (3.0). Additional savings are obtained from Administrative Services (\$8,500) and Business Support Services (\$46,100).

FTE	(7.0)	(7.0)
<b>Gross</b>	<b>(\$567,100)</b>	<b>(\$567,100)</b>
GF/GP	(\$567,100)	(\$567,100)

**39. Defined Benefit Contribution**

Reflects savings from a new 4% contribution paid by employees in the defined benefit retirement program. Savings are reflected as reductions to applicable line items from which employee compensation costs are paid. Figure includes savings related to Civil Service Commission employees.

<b>Gross</b>	<b>(\$282,100)</b>	<b>(\$282,100)</b>
GF/GP	(\$282,100)	(\$282,100)

**40. Information, Communications, and Technology Innovation Fund**

Unappropriates and reappropriates \$2.5 million associated with FY 2011-12 Information Technology Innovation Fund in order to add boilerplate provisions associated with the fund. Appropriation line-item changed to accurately reflect change in fund name to Information, Communications, and Technology Innovation Fund. House includes item, consistent with informal administration request.

<b>Gross</b>	--	<b>\$0</b>
GF/GP	--	<b>\$0</b>

**FY 2011-12 Supplemental Appropriations**

**Executive**

**House**

**TECHNOLOGY, MANAGEMENT, & BUDGET - STATE BUILDING AUTHORITY RENT**

**41. State Building Authority Rent**

Reflects savings from the issuance of a series of 2011 Revenue and Revenue Refunding bonds which resulted in the cancellation of 14 leases. Additional savings were achieved related to project completion schedules. Total estimated savings for FY 2012 is \$19.8 million.

<b>Gross</b>	<b>(\$19,800,000)</b>	<b>(\$19,800,000)</b>
GF/GP	(\$19,800,000)	(\$19,800,000)

**TREASURY - OPERATIONS**

**42. Department Contingency Plan**

Reflects budget savings from holding various vacant positions open. Eliminates 43.0 FTE positions for a total savings of \$3.1 million. Positions eliminated impact Local Government Programs (5.0), Tax Programs (31.0), and Banking and Management Services (7.0).

FTE	(43.0)	(43.0)
<b>Gross</b>	<b>(\$3,088,300)</b>	<b>(\$3,088,300)</b>
GF/GP	(\$3,088,300)	(\$3,088,300)

**43. Defined Benefit Contribution**

Reflects savings from a new 4% contribution paid by employees in the defined benefit retirement program. Savings are reflected as reductions to applicable line items from which employee compensation costs are paid.

<b>Gross</b>	<b>(\$70,900)</b>	<b>(\$70,900)</b>
GF/GP	(\$70,900)	(\$70,900)

**TREASURY - MICHIGAN STRATEGIC FUND**

**44. Agency Contingency Plan**

Reflects budget savings from holding various vacant positions open. Eliminates 2.0 FTE positions in Job Creation Services for a total savings of \$250,100.

FTE	(2.0)	(2.0)
<b>Gross</b>	<b>(\$250,100)</b>	<b>(\$250,100)</b>
GF/GP	(\$250,100)	(\$250,100)

**45. Defined Benefit Contribution**

Reflects savings from a new 4% contribution paid by employees in the defined benefit retirement program. Savings are reflected as reductions to applicable line items from which employee compensation costs are paid.

<b>Gross</b>	<b>(\$40,900)</b>	<b>(\$40,900)</b>
GF/GP	(\$40,900)	(\$40,900)

**CAPITAL OUTLAY**

<p><b>1. Grand Rapids Community College - Cook Academic Hall Renovations Project</b>                  Authorizes a total project cost increase of \$1.4 million, bringing the total project cost from \$14.3 million to \$15.7 million. The project involves renovating 98,370 sq. ft. of space, on floors two through five, to house the Nursing and Allied Health programs. Classrooms, labs, and simulation laboratories will be added to accommodate increased enrollment. Code upgrades will be made to stairwells and elevators, and mechanical chiller and electrical infrastructure equipment will be replaced. The additional funding will be used for the replacement of exterior windows and for additional repairs to existing elevators. The additional funding will be provided by the college through bond proceeds. (9/5/12 SBO letter)</p>	<p>Included</p>	<p>Sec. 301</p>
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**COMMUNITY HEALTH**

<p><b>2. Medicaid Benefits Trust Fund Withdrawal</b>                  Allows the Department of Community Health to withdraw up to \$15.0 million of Medicaid Benefits Trust Fund revenue to finance expenditures within the Health Plan Services appropriation line. <u>House</u> includes item, consistent with informal administration request.</p>	<p>--</p>	<p>Sec. 401</p>
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**CORRECTIONS**

<p><b>3. Special Equipment Fund</b>                  Outlines allowable uses of new Special Equipment Fund revenue generated from prisoner phone charges. States that revenue may be used for special equipment and security projects, and unexpended funds shall be carried forward into subsequent fiscal years.</p>	<p>Included</p>	<p>Sec. 501</p>
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**TECHNOLOGY, MANAGEMENT & BUDGET - OPERATIONS**

<p><b>4. Information, Communications, and Technology Innovation Fund</b>                  Outlines the allowable uses of the Information, Communications, and Technology Innovation Fund. Designates that revenue may be used for loans to state agencies, local units of government, colleges and universities in this state, school districts, other public entities that provide public sector services, and not-for-profit organizations that provide public sector services. States that unencumbered funds shall be carried forward into subsequent fiscal years. <u>House</u> includes language, consistent with informal administration request.</p>	<p>--</p>	<p>Sec. 701</p>
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