

FY 2012-13 SUPPLEMENTAL APPROPRIATIONS
Summary: Enrolled Bill
House Bill 5400



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	Executive*		House		Senate/Enrolled	
Budget Area	Gross	GF/GP	Gross	GF/GP	Gross	GF/GP
Community Health	\$2,932,100	\$0	\$0	\$0	\$2,932,100	\$0
Corrections	17,600,000	0	0	0	17,600,000	0
Environmental Quality	0	0	0	0	600,000	0
Human Services	147,961,500	15,625,700	0	0	147,961,500	15,625,700
Licensing & Reg Affairs	(147,961,500)	(15,625,700)	0	0	(147,961,500)	(15,625,700)
Treasury	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
TOTAL	\$35,532,100	\$15,000,000	\$15,000,000	\$15,000,000	\$36,132,100	\$15,000,000

*Reflects State Budget Office supplemental requests 2012-18 (Treasury item; officially an FY 2011-12 request), 2013-1, and 2013-2 (with informal revisions)

OVERVIEW

As of September 14, 2012, Executive supplemental requests for the FY 2012-13 budget totaling \$20.5 million (\$0.0 million GF/GP) were pending before the Legislature. Included in those requests was a shift of \$148.0 million (\$15.6 million) to transfer Michigan Rehabilitative Services (MRS) from the Department of Licensing and Regulatory Affairs (LARA) to the Department of Human Services (DHS) pursuant to Executive Order 2012-10. Additionally, an FY 2011-12 request for \$15.0 million GF/GP for the Qualified Agricultural Loan Origination Program was submitted by the State Budget Office on August 14.

The House-passed version of House Bill 5400 had included only the \$15.0 million appropriation for the Qualified Agricultural Loan Origination Program, appropriated instead as an FY 2012-13 item. In addition to that \$15.0 million appropriation (for FY 2012-13), the Senate-passed version of House Bill 5400 contained all pending FY 2012-13 supplemental requests. Additionally, the Senate included a \$600,000 restricted fund appropriation for the Aquifer Protection and Dispute Resolution Program.

The House concurred with the Senate-passed version of the bill, and the bill has been ordered enrolled. Appropriations in the bill total \$36.1 million Gross (\$15.0 million GF/GP).

<u>FY 2012-13 Supplemental Appropriations</u>		<u>Executive</u>	<u>House</u>	<u>Senate/ Enrolled</u>
COMMUNITY HEALTH				
1. Restore Lead Abatement and Healthy Homes Program	FTE	8.0	--	8.0
Provides \$2.9 million Gross (\$0 GF/GP) funding to restore the Healthy Homes Program (formerly Lead Abatement Program) appropriation line item for FY 2012-13, vetoed by the Governor from the FY 2012-13 Community Health budget. This restores the program funding as originally recommended by the Executive in February 2012 and does not include \$2.0 million of additional funding for lead abatement approved by the Legislature in the Enrolled budget. The lead abatement and healthy homes program was first established in Michigan in 1994 and supports the following: safe removal of lead hazards from homes in areas of high incidence of blood poisoned children from lead paint, local oversight, education, outreach, certification of persons to perform abatement, and healthy homes indoor environmental asthma, injury, and housing assessment demonstration projects. (SBO request 2013-1)	Gross	\$2,932,100	--	\$2,932,100
	Federal	2,155,600	--	2,155,600
	Private	75,000	--	75,000
	Restricted	701,500	--	701,500
	GF/GP	\$0	--	\$0

FY 2012-13 Supplemental Appropriations**Executive****House****Senate/
Enrolled****CORRECTIONS****2. Special Equipment Fund**

Appropriates \$17.6 million in state restricted revenue generated from a surcharge on prisoner telephone calls. The revenue is deposited into a new Special Equipment Fund, to be used to support various security projects within state prison facilities, such as security camera and perimeter lighting systems, upgraded personal protection systems, cell phone detection equipment, tasers, and protective ballistic vests. (SBO request 2013-1)

Gross	\$17,600,000	--	\$17,600,000
Restricted	17,600,000	--	17,600,000

ENRIVONMENTAL QUALITY**3. Aquifer Protection and Dispute Resolution Program**

Appropriates \$600,000 from the Aquifer Protection Revolving Fund to the Surface Water line item to be used for the Aquifer Protection and Dispute Resolution Program. This program and the new revolving fund are proposed in Senate Bill 1008 of the 96th Legislature. The funding is to be transferred into the new fund from the Community Pollution Prevention Fund through a boilerplate appropriation (see Boilerplate Section 350 below). Funding would be extended for program costs such as the investigation of complaints from owners of small-quantity wells that believe their well is failing because of water extraction by high-capacity wells and the facilitation of resolving these groundwater disputes. Enrolled Bill includes new item.

Gross	--	--	\$600,000
Restricted	--	--	600,000

HUMAN SERVICES**4. Transfer of Michigan Rehabilitation Services from LARA**

Implements Executive Order 2012-10, which transfers Michigan Rehabilitation Services (MRS) from LARA to DHS. Transfer includes 555.0 FTEs and \$148.0 million Gross (\$15.6 million GF/GP) for regional MRS offices, contractual services, grants, information technology, and central administration. The programs transferred assist disabled individuals achieve employment goals, provide independent living support services, and help employers retain disabled workers. (SBO request 2013-2)

FTE	550.0	--	550.0
Gross	\$147,961,500	--	\$147,961,500
Federal	122,367,700	--	122,367,700
Local	6,500,000	--	6,500,000
Private	1,916,000	--	1,916,000
Restricted	1,552,100	--	1,552,100
GF/GP	\$15,625,700	--	\$15,625,700

LICENSING AND REGULATORY AFFAIRS**5. Transfer of MRS to DHS**

Transfers spending authorization affecting multiple line items which support the administration and programs of the MRS from LARA to DHS. The MRS provides vocational rehabilitation and independent living services to individuals with disabilities (excluding visual impairment). \$1.0 million of state restricted funds collected under the Michigan Employment Security Act is transferred from Vocational Rehabilitation Customer Service grants awarded by the MRS to the Unemployment Insurance Agency (UIA) within LARA, and thus not transferred to DHS. Also shifts \$43,100 in spending authorization from rehabilitation services federal funds to unemployment insurance federal funds within the Unclassified Salaries line item. (SBO request 2013-2)

FTE	(550.0)	--	(550.0)
Gross	(\$147,961,500)	--	(\$147,961,500)
Federal	(122,367,700)	--	(122,367,700)
Local	(6,500,000)	--	(6,500,000)
Private	(1,916,000)	--	(1,916,000)
Restricted	(1,552,100)	--	(1,552,100)
GF/GP	(\$15,625,700)	--	(\$15,625,700)

TREASURY**6. Qualified Agricultural Loan Origination Program**

Includes \$15.0 million GF/GP to provide financial assistance to the agricultural sector affected by crop damage through program established in Public Act 193 of 2012. Funding will support payments to qualified financial institutions for qualified agricultural loan origination fees for administrative costs incurred by the financial institutions. (SBO Request 2012-18; FY 2011-12 request)

Gross	\$15,000,000	\$15,000,000	\$15,000,000
GF/GP	\$15,000,000	\$15,000,000	\$15,000,000

<u>FY 2012-13 Boilerplate Items</u>	<u>Executive</u>	<u>House</u>	<u>Senate/ Enrolled</u>
GENERAL SECTIONS			
1. <i>Michigan Rehabilitation Services Transfer</i> Authorizes State Budget Director to use the most efficient manner of transferring financial transactions and records for the purpose of implementing Executive Order 2012-10. <u>Enrolled Bill</u> does not include. (SBO request 2013-2)	Included	--	--
CORRECTIONS			
2. <i>Special Equipment Fund</i> Authorizes capital outlay appropriations for security camera and personal protection systems to be carried forward for up to three years consistent with statutory provisions in the Management and Budget Act and provides that unspent funds lapse back to the Special Equipment Fund. <u>Enrolled Bill</u> specifies purposes for which funds are to be expended, but does not designate appropriation as a work project and requires a quarterly report to the Legislature on expenditures from fund. (SBO request 2013-1)	Included	--	Sec. 301
ENVIRONMENTAL QUALITY			
3. <i>Aquifer Protection and Dispute Resolution Program</i> Requires that the \$600,000 restricted funding for the Surface Water line item in Part 1 be expended for the Aquifer Protection and Dispute Resolution Program that is proposed in Senate Bill 1008. Transfers \$600,000 of funds identified as surplus funds from the Community Pollution Prevention Fund to the Aquifer Protection Revolving Fund that is proposed to be created in Senate Bill 1008. This section would only take effect if Senate Bill 1008 of the 96th Legislature is enacted. <u>Enrolled Bill</u> includes new item.	--	--	Sec. 350
HUMAN SERVICES			
4. <i>Centers for Independent Living</i> Distributes grant funds to state's centers for independent living. Funds are used by existing centers to provide services in underserved areas or to build capacity to provide independent living services, in accordance with applicable federal law and regulations. (SBO request 2013-2)	Included	--	Sec. 401
5. <i>Vocational Rehabilitation Matching Funds</i> Directs the MRS and the Michigan Commission for the Blind (MCB) to work collaboratively with organizations and agencies to identify match dollars and maximize federal funds. (SBO request 2013-2)	Included	--	Sec. 402
6. <i>Auditor General Report</i> States intent that the funds appropriated for MRS not be spent unless MRS addresses findings from a recent Auditor General report and provides documentation on expenditures. <u>Enrolled Bill</u> includes new section.	--	--	Sec. 403
LICENSING AND REGULATORY AFFAIRS			
7. <i>Repealer - Local Match Requirements for Facilities Establishment Grants</i> Repeals section 603 of Article XII of 2012 PA 200. Section requires that local match for vocational rehabilitation facilities establishment grants not exceed 21.3%. Section not transferred to DHS boilerplate. (SBO request 2013-2)	Included	--	Enacting Sec. 1
8. <i>Repealer - Centers for Independent Living</i> Repeals section 604 of Article XII of 2012 PA 200. Section distributes grant funds to state's centers for independent living. Funds are used by existing centers to provide services in underserved areas or to build capacity to provide independent living services, in accordance with applicable federal law and regulations. Section transferred to DHS boilerplate. (SBO request 2013-2)	Included	--	Enacting Sec. 1
9. <i>Repealer - Vocational Rehabilitation Matching Funds</i> Repeals section 611 of Article XII of 2012 PA 200. Section directs the MRS and the Michigan Commission for the Blind (MCB) to work collaboratively with organizations and agencies to identify match dollars and maximize federal funds. Section transferred to DHS boilerplate. (SBO request 2013-2)	Included	--	Enacting Sec. 1

<u>FY 2012-13 Boilerplate Items</u>	<u>Executive</u>	<u>House</u>	<u>Senate/ Enrolled</u>
TREASURY			
10. <i>Qualified Agricultural Loan Work Project Authorization</i> Provides that the funds appropriated in part 1 for the Qualified Agricultural Loan Origination Program are considered work project appropriations and if unencumbered or unallotted, they shall be carried forward into the succeeding fiscal year. Indicates payments will be made to qualified financial institutions to offset loan origination fees for administrative costs incurred by the qualified financial institution. Establishes a tentative completion date of September 30, 2017. (SBO Request 2012-18; FY 2011-12 request)	Included	Sec. 301	Sec. 501