FY 2013-14 GENERAL OMNIBUS BUDGET
Summary: Conference Report
House Bill 4328 (H-1) CR-1

Mary Ann Cleary, Director

TOTAL APPROPRIATIONS BY BUDGET AREA

Budget Area [Summary Page]	Total FY 2013-14 Appropriations	
	Gross	GF/GP
Agriculture & Rural Dev. [2]	$80,183,300	$40,580,300
Community Health [4]	15,385,348,600	2,916,047,100
Corrections [10]	2,056,646,800	1,982,265,800
Education [16]	298,366,000	70,893,900
Environmental Quality [20]	517,168,800	29,104,500
General Government [25]		
Attorney General [27]	*89,139,900*	*34,481,300*
Civil Rights [29]	*15,198,300*	*12,337,500*
Executive Office [31]	*5,370,000*	*5,370,000*
Legislature [32]	*123,819,300*	*122,309,500*
Auditor General [34]	*20,954,400*	*13,911,300*
State [36]	*219,548,900*	*15,253,400*
Tech, Mgmt., Budget [39]	*1,190,375,100*	*408,787,300*
Treasury [45]	*2,794,907,600*	*459,495,200*
Subtotal: General Government	4,459,313,500	1,071,945,500
Human Services [53]	6,018,383,400	1,003,000,000
Insurance & Financial Services [61]	75,335,500	11,000,000
Judiciary [64]	283,414,100	183,441,300
Licensing & Reg. Affairs [68]	502,918,700	25,004,900
Military & Vets Affairs [75]	166,730,000	46,503,300
Natural Resources [85]	342,988,900	25,286,600
State Police [91]	606,819,000	353,474,300
Transportation [99]	3,598,616,700	121,300,000
TOTAL	**$34,392,233,300**	**$7,879,847,500**

Notes:
(1) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.

FY 2013-14: DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
Summary: Conference Report
Senate Bill 201 (S-1) CR-1

Analyst: Susan Frey

	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Revised Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Conference	*Difference: Conference From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$519,300	$524,300	$524,300	$524,300	$524,300	*$5,000*	*1.0*
Federal	11,199,600	9,720,900	9,720,900	9,720,900	9,960,900	*(1,238,700)*	*(11.1)*
Local	0	0	0	0	0	*0*	*--*
Private	175,800	96,900	96,900	96,900	96,900	*(78,900)*	*(44.9)*
Restricted	28,959,400	29,020,900	29,020,900	29,020,900	29,020,900	*61,500*	*0.2*
GF/GP	36,098,900	37,630,300	37,430,300	39,780,300	40,580,300	*4,481,400*	*12.4*
Gross	**$76,953,000**	**$76,993,300**	**$76,793,300**	**$79,143,300**	**$80,183,300**	***$3,230,300***	***4.2***
FTEs	431.0	434.0	434.0	435.0	440.0	*9.0*	*2.1*

Notes: (1) FY 2012-13 year-to-date (YTD) figures include mid-year budget adjustments through February 7, 2013.
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.

Overview

The Department of Agriculture and Rural Development's key programs and priorities include ensuring food safety and security, protecting animal health and welfare, managing invasive exotic species, regulating pesticide use, certifying agricultural commodities, ensuring environmental stewardship, protecting consumers, and promoting the state's agricultural economy.

Major Budget Changes From FY 2012-13 YTD Appropriations		**FY 2012-13 Year-to-Date (as of 2/7/13)**	**FY 2013-14 Conference Change**
1. Pesticide and Plant Pest Management	FTEs	77.0	4.0
Provides ongoing increase of $1.0 million GF/GP and 8.0 FTEs for agriculture product assurance and export assistance to maintain current inspection and certification programs, offsetting federal and state restricted funds reductions to the program of $1.0 million and 4.0 related FTEs. Provides one-time funding of $800,000 GF/GP for the pesticide and plant pest management program to offset shortfall in state restricted revenue from agriculture licensing and inspection fees.	**Gross**	**$10,610,100**	**$787,600**
	Federal	2,049,300	(435,600)
	Private	86,800	(66,800)
	Restricted	4,837,400	(510,000)
	GF/GP	$3,636,600	$1,800,000
2. Agriculture Drain Survey and Registration	**Gross**	**N/A**	**$0**
Does not include funding to conduct a survey and registration of existing agriculture drains.	GF/GP	N/A	$0
3. Agriculture Development Staffing	FTE	10.0	1.0
Provides an increase of $130,000 GF/GP and 1.0 FTE to add an agriculture economic development specialist position with a focus on the Upper Peninsula.	**Gross**	**$2,712,000**	**$130,000**
	Federal	1,566,800	0
	Restricted	104,500	0
	GF/GP	$1,040,700	$130,000
4. New Food and Agriculture Industry Strategic Growth Initiative	**Gross**	**N/A**	**$1,000,000**
Provides $1.0 million GF/GP for new grants program to foster agriculture industry-wide development and growth. Sec. 711 is related boilerplate, which also allows for receipt and expenditure of funds for the program from Michigan Strategic Fund or Michigan Economic Development Corporation.	GF/GP	N/A	$1,000,000
5. County Fairs Capital Improvement Grants	**Gross**	**$281,600**	**$20,000**
Increases county fairs capital improvement grants program by $20,000 GF/GP.	GF/GP	$281,600	$20,000

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
6. Qualified Forest Affidavit Program	FTE	0.0	5.0
Provides an increase in one-time funding for a qualified forest affidavit program, as proposed in bills currently being considered by the Legislature. Current year one-time funding of $600,000 for private forestry program is rolled up with new funding into one line item. Ongoing funding of $200,000 for private forest development is maintained and 5.0 FTEs are added to administer the expanded program anticipated to be enacted.	**Gross**	**$800,000**	**$1,700,000**
	GF/GP	$800,000	$1,700,000
7. Water Resources Study - One-Time Appropriation	**Gross**	**N/A**	**$300,000**
Include new one-time funding of $300,000 GF/GP for an Ottawa County water resources study. Sec. 1104 is related boilerplate defining participation and scope of study. Findings shall be made available to the Department and to the Department of Environmental Quality.	GF/GP	N/A	$300,000

Major Boilerplate Changes From FY 2012-13

***Sec. 231. Report on Ten Measurable Outcomes* – REVISED**
Requirement to report on ten measurable outcomes is revised to require that the Department maintain a public scorecard on a publicly accessible website which updates key metrics used to monitor and improve the agency's performance.

***Sec. 402. Food Safety* – RETAINED**
Requires report on food-borne outbreaks and emergencies related to food safety by April 1.

***Sec. 453. Indemnification Payments* – RETAINED**
Authorizes Department to provide for indemnity pursuant to Animal Industry Act; limits indemnification, requires report on reason for, amount of, and person to whom indemnification is to be paid, and report on overall costs.

***Sec. 551. Commodity Export Inspection Programs* – DELETED**
States legislative intent that department work with industry to ensure development of sustainable system of third-party inspections of fruits and vegetables. Allocates $200,000 to ensure timely commodity export inspections.

***Sec. 552. Clean Sweep Program* – DELETED**
Encourages Department to work with local public health departments and the USDA to maintain and expand Clean Sweep program, including disposal of prescription drugs; requires report.

***Sec. 601. Environmental Stewardship* – RETAINED**
Clarifies intent that funding be used to support Department agriculture pollution prevention programs, including groundwater and freshwater protection programs under Part 87 of the Michigan Natural Resources and Environmental Protection Act, 1994 PA 451, and technical assistance in implementing conservation grants available under the federal Farm Bill of 2008.

***Sec. 706. Agricultural Development* – RETAINED**
Requires report due April 1 on agricultural development and export market development activities.

***Sec. 801. Agriculture Equine Industry Development Fund* – RETAINED**
Requires that appropriations of the Agriculture Equine Industry Development Fund be spent on equine-related purposes.

***Sec. 803. Thoroughbred Program Escrow* – RETAINED**
Provides for "escrowing" of funds for thoroughbred program if there is no live thoroughbred race meet in 2011 or 2012.

***Sec. 804. Michigan Gaming Control Board* – RETAINED**
Requires the Michigan Gaming Control Board to use actual expenditure data in determining regulatory costs of conducting racing dates.

***Sec. 1101. Rural Development Value-Added Grant Program* – RETAINED, MOVED**
Provides criteria for Rural Development Value-Added Grant Program, and provides for reports. Boilerplate is retained and moved from One-Time Basis Only Appropriations section to Agriculture Development section, renumbering to Sec. 701.

***Sec. 1202. FY 2014-15 Distinguish Retirement Costs* – NEW**
Includes new boilerplate establishing Legislative intent that the Department identify normal retirement costs and legacy retirement costs for FY 2014-15.

FY 2013-14: DEPARTMENT OF COMMUNITY HEALTH
Summary: Conference Report
Senate Bill 198 (S-1) CR-1*

Analysts: Margaret Alston, Susan Frey, Steve Stauff

	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Revised Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Conference	*Difference: Conference From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$10,023,800	$10,056,100	$10,056,100	$10,056,100	$10,056,100	*$32,300*	*0.3*
Federal	9,693,023,500	11,392,469,900	9,882,379,600	9,924,142,100	9,915,647,000	*222,623,500*	*2.3*
Local	257,148,600	227,545,600	251,820,200	253,450,100	251,820,200	*(5,328,400)*	*(2.1)*
Private	93,364,000	106,333,300	126,342,400	106,342,400	126,342,400	*32,978,400*	*35.3*
Restricted	2,158,060,000	2,172,313,600	2,165,424,200	2,226,518,200	2,165,435,800	*7,375,800*	*0.3*
GF/GP	2,817,437,800	2,725,532,500	2,891,001,700	2,844,743,000	2,916,047,100	*98,609,300*	*3.5*
Gross	**$15,029,057,700**	**$16,634,251,000**	**$15,327,024,200**	**$15,365,251,900**	**$15,385,348,600**	***$356,290,900***	***2.4***
FTEs	3,552.6	3,589.6	3,577.6	3,599.6	3,591.6	*39.0*	*1.1*

Notes: (1) FY 2012-13 year-to-date (YTD) figures include mid-year budget adjustments through February 7, 2013.
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.
(3) Federal revenue is overstated by $3,836,700, local revenue is understated by $23,900, and state restricted revenue is understated by $3,812,800 in the Executive Budget Bill for FY 2013-14.

Overview

The Department of Community Health budget provides funding for a wide range of behavioral health (mental health and substance abuse), public health, and medical services programs, including Medicaid. Established in 1996, the Department also includes the Office of Services to the Aging, the Crime Victim Services Commission, and health policy.

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
1. Medicaid Expansion	**Gross**	**$12,158,621,600**	**$0**
Medicaid expansion is not included. Under the Executive's proposal Medicaid expansion savings within the Department of Community Health budget were projected to be $181.7 million GF/GP and additional federal Medicaid revenue of $1.5 billion, both covering three quarters of the fiscal year. Across the Department of Community Health and the Department of Corrections, the GF/GP savings were estimated to be $205.9 million mainly from shifting current state costs to federal revenue, with one half of these savings to be deposited in a Budget Stabilization Fund sub-fund entitled the Michigan Health Savings Fund to pay future state costs when the state share of expansion costs increases from 0% to 5% in 2017 and then 10% in 2020. The expansion of the income criteria for Medicaid eligibility up to 133% of the federal poverty level (FPL) is estimated to qualify an additional 320,000 Michigan residents in FY 2013-14. The assumed expansion start date was January 1, 2014.	Federal	8,242,226,900	0
	Restricted	1,954,513,900	0
	Local	45,815,600	0
	Private	2,100,000	0
	GF/GP	$1,913,965,200	$0
2. Medicaid Cost Increases	**Gross**	**$12,158,621,600**	**$14,915,000**
Included is an increase for FY 2013-14 of $182.8 million Gross ($66.6 million GF/GP) to cover Medicaid caseload, utilization and inflation changes within Medical Services, Mental Health/Substance Abuse, Children's Special Health Care Services and the Federal Medicare Pharmaceutical programs. Also recognized is a FY 2012-13 Medicaid caseload, utilization and inflation adjustment reducing various Medicaid appropriation lines by $183.0 million Gross ($63.1 million GF/GP).	Federal	8,242,226,900	9,141,600
	Restricted	1,954,513,900	0
	Local	45,815,600	0
	Private	2,100,000	0
	GF/GP	$1,913,965,200	$5,773,400

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
3. Health Insurance Claims Assessment (HICA)	**Gross**	**$398,051,600**	**$0**
There is no change to the base FY 2012-13 HICA authorization. The most recent estimate is that HICA revenues are short $137.0 million in FY 2012-13 and will be short $124.0 million in FY 2013-14. Senate Bill 335 which extends the sunset for the current 1% assessment to January 1, 2018 has passed both the House and Senate.	Restricted	398,051,600	0
	GF/GP	$0	$0
4. Healthy Kids Dental Expansion	**Gross**	**$99,000,000**	**$11,643,000**
Continues the phase-in of the statewide coverage for the Healthy Kids Dental program by increasing the budget $11.6 million Gross ($3.9 million GF/GP). The expansion would include the counties of Ingham, Ottawa and Washtenaw, enrolling an additional 70,500 children.	Federal	65,726,100	7,721,600
	GF/GP	$33,273,900	$3,921,400
5. Economic Adjustments	**Gross**	**N/A**	**$16,308,500**
Includes a net increase of $16.3 million Gross ($7.3 million GF/GP) to finance negotiated lump sum salary and wage increase of 1.0%, insurance rate increases, actuarially-required retirement rate increase, and economic adjustments for worker's compensation, building occupancy, rent, and food costs for FY 2013-14.	IDG	N/A	52,000
	Federal	N/A	4,007,500
	Restricted	N/A	773,800
	Local	N/A	4,206,100
	Private	N/A	3,300
	GF/GP	N/A	$7,265,800
6. Community Health Automated Medicaid Processing System (CHAMPS) One-Time Only Appropriation	**Gross**	**$60,201,100**	**($11,700,000)**
Eliminates the FY 2012-13 one-time only appropriation of $30.0 million Gross ($3.0 million GF/GP) for CHAMPS. Includes the FY 2013-14 one-time only appropriation of $18.3 million Gross ($2.3 million GF/GP) for CHAMPS in order to finalize implementation of the medical codes for diagnosis and inpatient procedures (ICD-10) as required by federal law.	Federal	49,621,000	(11,000,000)
	GF/GP	$10,580,100	($700,000)
7. Human Trafficking Intervention Services	**Gross**	**N/A**	**$0**
Does not include a $100 GF/GP placeholder for a new line item entitled "Human Trafficking Intervention Services".	GF/GP	N/A	$0
8. Jail Diversion Programs Initiative	FTE	N/A	1.0
Redirects base funding reduction from Caro Regional Mental Health Center - Psychiatric Hospital and Walter P. Reuther Psychiatric Hospital that is partially financed by $1.6 million GF/GP from the CMHSP, Purchase of State Services Contracts line item for a jail diversion program initiative that would do the following: create an Advisory Council to advise the Department of Community Health on the state's jail diversion plan; and enhance current jail diversion efforts for individuals with mental illness, emotional disturbance, or developmental disability within five communities. Sec. 500 is related boilerplate to the new program initiative.	**Gross**	**N/A**	**$1,630,000**
	GF/GP	N/A	$1,630,000
9. Mental Health and Substance Abuse Services for Veterans	**Gross**	**N/A**	**$60,000**
Adds $60,000 GF/GP to the Behavioral Health Program Administration line item to support programs designed to improve mental health and substance abuse service quality for veterans and their families. The funding would be allocated as follows: $20,000 for credentialing CMHSPs and Substance Abuse Disorder (SUD) providers in TriCare, an insurance system that pays for treatment for active duty/military families; $10,000 for co-location and/or co-credentialing of CMHSP and SUD providers by the Veterans Health Administration; $20,000 for a law enforcement training program in recognizing post-traumatic stress disorder related behavior; and $10,000 for military cultural competency for all CMHSPs and at least one SUD provider in each coordinating agency area.	GF/GP	N/A	$60,000

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
10. Behavioral Health Homes	**Gross**	**N/A**	**$900,000**
Adds funding of $900,000 Gross ($90,000 GF/GP) for the implementation of three behavioral health homes demonstration projects ensuring better coordination of physical and behavioral health care for Medicaid beneficiaries with chronic conditions such as asthma, heart disease, obesity, mental condition, or substance abuse disorder. The demonstration projects will be located in the Washtenaw region (Washtenaw, Livingston, Lenawee, and Monroe counties), Northern Michigan (21 counties which include Manistee, Emmett, and Iosco), and either Saginaw County or the Genesee region (which includes St. Clair, Lapeer, and Sanilac counties).	Federal	N/A	810,000
	GF/GP	N/A	$90,000
11. Family Support Subsidy Program	**Gross**	**$19,161,000**	**$203,900**
Increases TANF funding for the Family Support Subsidy Program which provides $222.11 monthly payment to an average of 7,189 income-eligible families with a child under age 18 living at home who is severely mentally impaired, severely multiply impaired, or autistic by $203,900 anticipating a 1.1% caseload increase in FY 2013-14.	TANF	19,161,000	203,900
	GF/GP	$0	$0
12. Actuarially Sound Capitation Payment Rates Adjustment	**Gross**	**$6,572,096,900**	**$112,546,900**
Includes a capitation rate increase of 2.5% for Health Plans and 1.25% for Prepaid Inpatient Heath Plans (PIHPs) to ensure that capitation payment rates for these managed care entities are actuarially sound in FY 2013-14. This adjustment results in an additional $112.5 million Gross ($37.9 million GF/GP) for the Medicaid Mental Health Services, Medicaid Substance Abuse Services, and Health Plan Services line items.	IDG	2,925,900	0
	Federal	4,472,162,300	74,641,100
	Restricted	1,269,917,600	0
	Local	38,931,800	0
	GF/GP	$788,159,300	$37,905,800
13. Mental Health Services for Special Populations	**Gross**	**$8,842,800**	**$0**
Eliminates the FY 2012-13 one-time appropriation of $3.0 million GF/GP for mental health services for special populations and includes the funds in the ongoing appropriation line item. The funding is allocated as follows: $250,000 for Hispanic/Latino Commission within the Department of Civil Rights; $700,000 for ACCESS; $700,000 for Arab/Chaldean; $650,000 for Chaldean Chamber Foundation; and $700,000 for Michigan Jewish Federation.	GF/GP	$8,842,800	$0
14. Mental Health Innovation Grants One-Time Only Appropriation	**Gross**	**N/A**	**$5,000,000**
Includes one-time only FY 2013-14 appropriation of $5.0 million GF/GP for mental health innovation grants that will be allocated as follows: $2.5 million to finance and support home-based mental health services for children; $1.0 million for care management and treatment of high-risk youth; and $1.5 million for mental health training and awareness programs in identifying youth with mental health needs. Sec. 1901 is related boilerplate for the one-time appropriation.	GF/GP	N/A	$5,000,000
15. Family Independence Program (FIP) Recipient Substance Abuse Treatment Pilot	**Gross**	**N/A**	**$0**
Does not include a $100 GF/GP placeholder for a new line item entitled "Family Independence Program Recipient Substance Abuse Treatment Pilot" in response to HB 4118 as passed by the House on May 1, 2013. The proposed legislation, among other things, requires the Department of Human Services to refer FIP recipients who test positive for illegal use of a controlled substance to regional substance abuse coordinating agencies for treatment.	GF/GP	N/A	$0
16. Veterans Post-Traumatic Stress Disorder	**Gross**	**$8,842,800**	**$0**
Does not include $100 GF/GP placeholder for the establishment of a pilot project in several CMHSPs to provide post-traumatic stress disorder services to current or former service members.	GF/GP	$8,842,800	$0
17. Health and Wellness Initiatives	**Gross**	**$12,146,600**	**($4,000,000)**
Eliminates one-time funding of $5.0 million GF/GP for health and wellness initiatives. Ongoing funding is increased by $1.0 million GF/GP. Most projects funded in the current year are funded at reduced levels.	Restricted	5,146,600	0
	GF/GP	$7,000,000	($4,000,000)

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
18. Fee Increases - Vital Records, EMS Licensure, Certificate of Need	**Gross**	**$16,167,600**	**$3,206,100**
Includes $3.2 million of additional state restricted revenue from proposed new fees and fee increases to maintain the following programs: emergency medical services licensure and regulation ($1.0 million), certificate of need ($700,000), and vital records services ($1.5 million). Statutory changes are required for each.	IDG	1,293,600	0
	Federal	3,764,100	0
	Restricted	10,724,600	3,206,100
	GF/GP	$385,300	$0
19. Health Care Service Delivery Innovation Grants	**Gross**	**N/A**	**$1,500,000**
Provides $1.5 million for a new Health Innovations Grants program to address emerging issues and encourage innovative advances in health care and service delivery. Allocates $250,000 of the new grants funding for a chronic disease syndrome study. Sec. 717 is related boilerplate.	GF/GP	N/A	$1,500,000
20. Michigan Essential Health Provider Program	**Gross**	**$1,491,300**	**$1,000,000**
Includes an increase of $1,000,000 Gross ($500,000) GF/GP for the Michigan Essential Health Provider program, to assist primary care providers practicing in designated medically underserved and health professional shortage areas in the repayment of health education loans.	Federal	736,300	500,000
	Private	255,000	0
	GF/GP	$500,000	$500,000
21. Essential Local Public Health Services	**Gross**	**$37,386,100**	**$2,000,000**
Includes $2.0 million GF/GP funding increase for Essential Local Public Health Services funding to local health departments.	Local	5,150,000	0
	GF/GP	$32,386,100	$2,000,000
22. Traumatic Brain Injury Treatment Services	**Gross**	**N/A**	**$1,250,000**
Provides $1.25 million for public health traumatic brain injury treatment services programming.	GF/GP	N/A	$1,250,000
23. Lead Abatement	**Gross**	**$2,932,100**	**$1,250,000**
Includes $1.25 million for funding increase for the Healthy Homes lead abatement program for the safe removal of lead hazards from homes in areas with high incidence of lead-poisoned children. Sec. 851 is related boilerplate.	Federal	2,155,600	0
	Private	75,000	0
	Restricted	701,500	0
	GF/GP	$0	$1,250,000
24. Infant Mortality Reduction Plan	FTEs	0.0	4,0
Provides 4.0 FTEs and increased funding of $2.0 million to address infant mortality, to promote regional perinatal care system, improve health of women of childbearing age, and encourage infant safe sleep practices.	**Gross**	**$8,101,400**	**$2,000,000**
	Federal	6,601,400	0
	GF/GP	$1,500,000	$2,000,000
25. Alternative Home Visit and Support Program	**Gross**	**$8,101,400**	**$700,000**
Provides $700,000 GF/GP for a new pregnancy and parenting support program as a pilot project, which promotes childbirth and alternatives to abortion. Sec. 1136 is related boilerplate.	Federal	6,601,400	0
	GF/GP	$1,500,000	$700,000
26. Infant Mortality Expanded Programming	**Gross**	**$8,101,400**	**$500,000**
Provides $500,000 GF/GP to support evidence-based infant mortality programs including nurse family partnership programs, to enhance support, education, client recruitment, and strategic planning. Sec. 1137 is related boilerplate.	Federal	6,601,400	0
	GF/GP	$1,500,000	$500,000
27. Autism Center Grants	**Gross**	**$500,000**	**$2,000,000**
Maintains a $500,000 GF/GP grant to Eastern Michigan University Autism Collaborative Center, and provides an additional $500,000 GF/GP as one-time funding. Also provides $500,000 GF/GP each as one-time funding to 3 additional higher education institutions for autism education centers and programs. Sec. 1902 is related boilerplate for the one-time funding.	Federal	0	0
	GF/GP	$500,000	$2,000,000
28. Senior Nutrition Services	**Gross**	**$35,430,200**	**$500,000**
Includes a $500,000 funding increase for home-delivered and congregate meals and nutrition services for seniors.	Federal	26,343,200	0
	Private	300,000	0
	GF/GP	$8,787,000	$500,000
29. Graduate Medical Education	**Gross**	**$162,888,300**	**$0**
There is no reduction to graduate medical education funding.	Federal	108,141,500	0
	GF/GP	$54,746,800	$0

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
30. Low-Income Rural Resident Hospitals	**Gross**	**$35,484,000**	**$0**
The hospital, low-income rural resident payments pool of $12.0 million and associated federal match is maintained. Related boilerplate Sec. 1866 is modified.	Federal	23,484,000	0
	GF/GP	$12,000,000	$0
31. Detroit Medical Center Reduction	**Gross**	**$19,989,600**	**($19,989,600)**
Removes the Detroit Medical Center (DMC) hospital rate adjustment (HRA) payment of $20.0 million Gross ($6.7 million GF/GP) which was established in FY 2008-09 due to a conversion from a disproportionate share hospital (DSH) payment not financed with GF/GP. The conversion was due to an effort to establish more room under the DSH ceiling. DMC is the only hospital that receives a GF/GP financed HRA payment.	Federal	13,257,100	(13,257,100)
	GF/GP	$6,732,500	($6,732,500)
32. Primary Care Physician Rate Increase	**Gross**	**$281,800,000**	**$103,200,000**
Recognizes the increase of $103.2 million, annualizing the 3/4 amount of federal funds included in FY 2012-13 that will be available to provide an increase in the reimbursement rates for primary care doctors, family doctors and pediatricians up to 100% of Medicare rates. Not included in the rate increase are nurse practioners, physician assistants and OB/GYNs. This reimbursement level change is a requirement of the Affordable Care Act of 2010 and is entirely federally funded. The federal funding is available through December 31, 2014.	Federal	281,800,000	103,200,000
	GF/GP	$0	$0
33. Integration of Care for Dual Eligibles	**Gross**	**$0**	**$24,541,900**
Includes a partial, $24,541,900 Gross ($8,265,7000), reinstatement of the $29.8 million Gross ($10.1 million GF/GP) which was removed from the FY 2012-13 budget as savings generated by integrating care for dual eligibles. The care integration pilot projects are scheduled to start in April 2014.	Federal	0	16,276,200
	GF/GP	$0	$8,265,700
34. Transparency Database	**Gross**	**$0**	**$300,000**
Funding of $300,000 GF/GP is included in the Medical Services Administration line to create and develop a transparency database website contingent upon enactment of enabling legislation.	Federal	0	0
	GF/GP	$0	$300,000

Major Boilerplate Changes From FY 2012-13

GENERAL SECTIONS

***Sec. 298. Michigan-Illinois Alliance Medicaid Management Information Systems Project* – NEW**
Allocates $20.0 million in private revenue for the Michigan-Illinois Alliance Medicaid Management Information Systems Project.

BEHAVIORAL HEALTH SERVICES

***Sec. 500. Jail Diversion Programs Initiative* – NEW**
Requires DCH in allocating funds for the jail diversion programs initiative that priority is given to county sheriffs including St. Joseph County Sheriff, and community court projects including the 36th District Court community court project.

***Sec. 502. Fetal Alcohol Syndrome Services* – NEW**
Requires DCH to explore developing an outreach program on fetal alcohol syndrome services and report on efforts to prevent, combat, and reduce the incidence of fetal alcohol syndrome.

***Sec. 503. Policies and Procedures for PIHPs or CMHSPs* – NEW**
Requires DCH to consult with CMHSPs from across the state when developing policies and procedures that will impact PIHPs or CMHSPs.

***Sec. 504. Workgroup on PIHPs Capitation Payments* – NEW**
Requires DCH to create a Workgroup to make recommendations to achieve more uniformity in capitation payments made to the PIHPs.

PUBLIC HEALTH ADMINISTRATION

***Sec. 650. Fish Consumption Advisory Methodology* – REVISED**
Directs DCH to report to the Legislature by April 1, 2013 on the criteria and methodology used to derive information provided to residents in the annual Michigan fish advisory. Expands this section and adds specific information to be included in the report.

Major Boilerplate Changes From FY 2012-13

***Sec. 651. Michigan Health Endowment Fund* – NEW**
Includes new boilerplate providing that the Department shall work with the Michigan Health Endowment Fund Corporation established under the Blue Cross and Blue Shield reform enacted this year as Act 4 PA 2013 (SB 61), to explore ways to expand health and wellness programs.

***Sec. 654. Pilot Before- and After-School Healthy Exercise Program* – RETAINED**
Retains language providing that funding of $1.0 million be allocated for a pilot before- and after-school healthy exercise program for children kindergarten through grade 6.

EPIDEMIOLOGY
***Sec. 851. Lead Abatement* – NEW**
Includes new boilerplate to expand lead abatement efforts, and direct that the Department coordinate its lead abatement efforts with the Michigan Public Service Commission, specifically on the issue of window replacement.

CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION
***Sec. 1004. Cancer Rate Investigations* – DELETED**
Establishes legislative intent that DCH continue to collaborate with St. Clair County and the City of Detroit's southwest community to investigate and evaluate cancer rates.

MEDICAL SERVICES
***Sec. 1689. Home- and Community-Based Services (HCBS) Waiver* – REVISED**
Language is removed that required reporting concerning the net cost savings from moving individuals from nursing homes to the community.

***Sec. 1861. Nonemergency Medical Transportation Competitive Bid* – REVISED**
Replaces current language with a report required from the Department regarding the nonemergency medical transportation pilot program.

***Sec. 1866. Rural Hospital Payments* – REVISED**
Requires the distribution of $12.0 million GF/GP, along with the federal match, to rural hospitals meeting certain criteria. New requirements are that the department must include hospital assistance with labor and delivery services as a component in the distribution formula. Also, the Department must communicate to hospitals the methodology which was used in calculating the distribution amounts

***Sec. 1873. Hospital Funding Workgroup* – NEW**
New language which directs the Department to establish a workgroup that will discuss new ways to distribute funding paid for by the hospital quality assurance assessment program tax. A report is required.

***Sec. 1883. Observation Stay Policy* – NEW**
New language which directs the Department to consider developing an appropriate policy and rate for observation stays.

***Sec. 2001. Anticipated FY 2014-15 Appropriations* – REVISED**
Anticipates that the FY 2014-15 appropriations would be the same as FY 2013-14, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. (Boilerplate intent language only; would not be binding appropriation).

FY 2013-14: DEPARTMENT OF CORRECTIONS
Summary: Conference Report
Senate Bill 197 (S-1) CR-1

Analyst: Robin R. Risko

	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Revised Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Conference	*Difference: Conference From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$992,100	$1,109,600	$1,109,600	$1,109,600	$1,109,600	*$117,500*	*11.8*
Federal	8,784,400	8,852,500	8,852,500	8,852,500	8,852,500	*68,100*	*0.8*
Local	264,300	266,200	266,200	266,200	8,392,800	*8,128,500*	*3,075.5*
Private	0	0	0	0	0	*0*	*--*
Restricted	66,989,500	56,026,100	56,002,900	53,348,500	56,026,100	*(10,963,400)*	*(16.4)*
GF/GP	1,941,485,600	1,963,053,600	1,977,578,300	1,956,800,800	1,982,265,800	*40,780,200*	*2.1*
Gross	**$2,018,515,900**	**$2,029,308,000**	**$2,043,809,500**	**$2,020,377,600**	**$2,056,646,800**	***$38,130,900***	***1.9***
FTEs	14,695.2	14,496.5	14,496.5	14,496.5	14,559.6	*(135.6)*	*(0.9)*

Notes: (1) FY 2012-13 year-to-date (YTD) figures include mid-year budget adjustments through February 7, 2013.
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.

Overview

The Michigan Department of Corrections (MDOC) is responsible for the operation and maintenance of the state's 31 correctional facilities that house felony offenders sentenced to prison. This includes the provision of physical and mental health care, education and other prisoner programs, and reintegration programs. The department is also responsible for the supervision of all parolees and probationers under department jurisdiction and has oversight over community corrections programs and other programs designed to encourage alternatives to prison placement for appropriate offenders. As of March 31, 2013, the department was responsible for 110,415 Michigan offenders: 48,750 probationers, 43,507 prisoners, and 18,158 parolees.

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
1. Medicaid Expansion	**Gross**	**N/A**	**$0**
Executive reflects a savings of $24.2 million from the proposed expansion of Medicaid eligibility to low income individuals. Inpatient hospitalization for prisoners will become reimbursable with federal funds in the Department of Community Health budget, along with specific re-entry, substance abuse, and sex offender treatment for parolees. Eligibility is estimated at 80% for both prisoners and parolees. House does not include these savings. Senate does not include these savings. Conference does not include these savings.	GF/GP	N/A	$0
2. One-Time New Employee Training School	**Gross**	**$8,672,300**	**$9,032,500**
Executive includes one-time funding ($9.0 million) to train an additional 400 corrections officers to meet projected attrition needs. Funding supports salary and payroll costs of new officers while they participate in training, as well as costs for uniforms, training materials, certifications, food, and travel and lodging (paid if participants are located away from the facilities to which they will be assigned). House does not include the additional funding. Senate reduces the amount of the increase by $3.6 million and reduces the current year appropriation by $3.6 million to indicate intent to transition the first part of officer training to colleges/universities. Conference concurs with the Executive.	GF/GP	$8,672,300	$9,032,500
3. Special Equipment Fund	**Gross**	**$5,800,000**	**$6,000,000**
Executive includes additional revenue from prisoner phone charges to finance replacement of personal protection systems at several facilities. Investment in these systems is intended to reduce serious assaults on staff and improve safety within the prisons. House concurs. Senate concurs. Conference concurs.	Restricted	5,800,000	6,000,000

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
4. Detroit Re-Entry Center Adjustment	FTE	201.4	8.8
Executive includes 8.8 FTE positions and additional funding to correct the adjustment made in the FY 2012-13 budget for the staffing complement of the Detroit Re-Entry Center. The Ryan Correctional Facility was re-purposed in the FY 2012-13 budget as the Detroit Re-Entry Center to house parolees and parole violators. The original staffing chart estimated that 187.4 FTE positions would be needed to operate the facility. As planning and development progressed, it was realized that 196.2 positions would be needed. House concurs. Senate concurs. Conference concurs.	**Gross**	**$30,224,200**	**$881,400**
	Restricted	413,500	0
	GF/GP	$29,810,700	$881,400
5. Maintenance Costs at Closed Facilities	**Gross**	**$6,725,500**	**$634,100**
Executive includes additional funding for maintenance and upkeep costs at the following facilities which have been closed: Camp Kitwen, Camp Manistique, Camp Ottawa, and Standish Correctional Facility. Funding is used for air handling and water systems, lawn care, snow removal, and security in order to keep facilities ready to use in case of future need. House concurs. Senate does not include the additional funding. Conference concurs with the Executive.	Restricted	5,800,000	0
	GF/GP	$925,500	$634,100
6. Alger Housing Unit Conversion	**Gross**	**N/A**	**$506,200**
Executive includes additional funding to correct the adjustment made in the FY 2012-13 budget for the conversion of housing units at Alger Correctional Facility. Level IV housing units were converted to Level II, and a single-bunked administrative segregation unit was converted to double-bunked, which resulted in the addition of 88 beds. This funding will cover operational costs for the 88 additional beds, including food service and health care. House concurs. Senate concurs. Conference concurs.	GF/GP	N/A	$506,200
7. Economic Adjustments	**Gross**	**N/A**	**$48,876,700**
Executive includes additional funding for salary and wages, insurance, retirement, building occupancy, worker's compensation, and food and fuel. House concurs. Senate concurs. Conference concurs.	IDG	N/A	21,700
	Federal	N/A	151,500
	Local	N/A	3,200
	Restricted	N/A	876,900
	GF/GP	N/A	$47,823,400
8. Food Service at Maxey/Green Oaks Center	**Gross**	**N/A**	**$219,700**
Executive authorizes the department to receive IDG funding from DHS to fund food service which is provided by DOC to DHS staff and resident clients at the Maxey/Green Oaks Center. House concurs. Senate concurs. Conference concurs.	IDG	N/A	219,700
9. Food Service at DCH Forensic Center	**Gross**	**$660,000**	**($120,000)**
Executive reduces authorization for IDG funding received from DCH in order to reflect the actual cost of food service provided by DOC to DCH at the Forensic Center. House concurs. Senate concurs. Conference concurs.	IDG	660,000	(120,000)
10. Information Technology Adjustments	**Gross**	**$24,403,600**	**$929,100**
Executive includes additional funding to cover rate increases and DOC's share of the following statewide information technology-related projects/services: • Expansion of internet bandwidth ($379,800 Gross; $366,800 GF/GP) • Expansion of wireless availability in state-owned buildings ($298,400 Gross; $288,200 GF/GP) • Replacement of the current Windows XP operating system with the Windows 7 operating system ($216,300 Gross; $216,300 GF/GP) • Costs for use of the Center for Shared Solutions Framework, which provides base geospatial mapping services ($34,600 Gross; $34,600 GF/GP) House includes additional funding for replacement of operating system and use of mapping service. Senate concurs with Executive. Conference concurs with the Executive.	Restricted	830,200	23,200
	GF/GP	$23,573,400	$905,900

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
11. Re-Entry FTE Adjustment	FTE	N/A	18.0
Executive includes authorization for a total of 18.0 additional FTE positions. These positions will be located at seven of the correctional facilities and will focus on violence prevention programming. Funding for these positions is already included in the budget. House concurs. Senate concurs. Conference concurs.	**Gross**	**N/A**	**$0**
	GF/GP	N/A	$0
12. Technical Adjustments	**Gross**	**N/A**	**$0**
Executive makes internal funding adjustments and technical transfers throughout the budget, which have no overall Gross or GF/GP impact. Adjustments are made in order to more accurately reflect where expenditures occur. House concurs. Senate rejected transfers into four areas: Operations Support ($2.0 million), Transportation ($7.0 million), Woodland ($6.7 million), and SAI ($2.3 million). Conference concurs with the Executive.	GF/GP	N/A	$0
13. Eliminate FTE Position Authorization	FTE	N/A	(225.5)
Executive eliminates authorization for 225.5 unfunded FTE positions as part of the realignment of department resources. House concurs. Senate concurs. Conference concurs.	**Gross**	**N/A**	**$0**
	GF/GP	N/A	$0
14. Eliminate One-Time FY 2012-13 Funding	**Gross**	**$31,955,400**	**($31,955,400)**
Executive eliminates one-time funding that was included in the FY 2012-13 budget for employee lump sum payments ($13.2 million Gross), information technology projects ($1.1 million Gross), and special equipment funds ($17.6 million Gross). House concurs. Senate concurs. Conference concurs.	IDG	3,900	(3,900)
	Federal	83,400	(83,400)
	Local	1,300	(1,300)
	Restricted	17,863,500	(17,863,500)
	GF/GP	$14,003,300	($14,003,300)
15. Goodwill's Oil Filter Recycling Project	**Gross**	**N/A**	**$0**
House reduces funding for the Public Safety Initiative line item by $250,000 and transfers the funding to a new line item called "Second Chance Employment - Goodwill's Oil Filter Recycling Project". Funding will be used to assist Goodwill's Green Works with placing reintegrating citizens into skill development training to help prepare them for other employment opportunities. Senate does not include funding for the oil filter recycling project and reduces funding for the Public Safety Initiative line item by $2.5 million. Conference concurs with the House.	GF/GP	N/A	$0
16. Funding Reductions	**Gross**	**N/A**	**($6,000,000)**
Senate reduces funding for Prison Industries Operations by $2.7 million and funding for Prison Food Service by $2.2 million. Conference reduces funding for Prison Food Service by $6.0 million.	Restricted	N/A	0
	GF/GP	N/A	($6,000,000)
17. H.I.R.E. - Job Training Pilot Program	**Gross**	**N/A**	**$1,000,000**
Conference includes additional funding for a job training pilot program intended to assist parolees who are returning to employment with being hired.	GF/GP	N/A	$1,000,000
18. City of Detroit Detention Center	FTE	N/A	63.1
Conference includes 63.1 FTE positions and authorization for the department to receive additional local funds from the City of Detroit pursuant to an agreement with the City of Detroit to open and operate a detention center on the site of the former Mound Correctional Facility. The department will operate the facility on behalf of the city as a 200-bed lock-up starting in July 2013. Costs for operating the facility will be fully covered by the city and include one-time physical plant changes to install cameras and fencing. (Executive Budget Revision)	**Gross**	**N/A**	**$8,126,600**
	Local	N/A	8,126,600
	GF/GP	N/A	$0

Major Boilerplate Changes From FY 2012-13

Executive/House/Senate Boilerplate Deletions
Executive deletes a large majority of boilerplate language included in the FY 2012-13 appropriations bill (78 sections and 9 subsections). Deletions include many legislative reporting requirements, sections providing guidance and placing conditions on appropriations, and earmarks of funding for specific purposes.
House concurs on deletion of 18 of those sections and 1 subsection. Majority of deletions are of sections which express legislative intent, or sections which served a one-time purpose and are no longer applicable.
Senate concurs on deletion of 38 of those sections and 4 subsections.
Conference concurs on deletion of 35 of those sections and 3 subsections.

House/Senate Boilerplate Addition
House adds the Legislative Corrections Ombudsman to the list of recipients of reports that are required in 17 different sections of boilerplate.
Senate adds the Legislative Corrections Ombudsman to the list of recipients of reports that are required in 28 different sections of boilerplate.
Conference concurs with Senate.

***Sec. 214. Receipt and Retention of Required Reports* – NEW**
Conference adds a new section which requires the department to receive and retain copies of all reports required in the bill, to follow federal and state guidelines for short-term and long-term retention of records, and authorizes the department to electronically retain copies of reports unless otherwise required by federal and state guidelines.

***Sec. 219. Special Equipment Fund* – REVISED**
House adds requirement that $2.0 million from the Special Equipment Fund be used for education and programming, with particular emphasis on individuals who are past their earliest release dates. Senate does not include the $2.0 million requirement, but adds a requirement to report on names of vendors that products/services are purchased from. Conference adds requirement that $2.0 million be used for programming, specifies what programming, and adds requirement to report on names of vendors that products/services are purchased from.

***Sec. 224. Report on Litigation Awards* – REVISED**
Executive deletes language which requires a report on lawsuits adjudicated through the trial court phase in which the department or an employee of the department was a defendant and proceedings resulted in an award of $250,000 or more against the department. House retains and revises language to include all lawsuits adjudicated or settled that resulted in an award of $100,000 or more against the department. Senate retains and revises language to require report to individually identify all lawsuits filed, identify all lawsuits in the process of being filed, indicate the nature of the complaint, and indicate the disposition of any lawsuit settled or adjudicated in which the settlement or ordered payment was $100,000 or more. Conference concurs with Executive on deleting the language.

***Sec. 230. Use of Funding for Legal Services* – NEW**
Executive adds new section which prohibits use of appropriations for hiring a person to provide legal services that are the responsibility of the attorney general; prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes. House concurs. Senate concurs. Conference concurs.

***Sec. 231. Website for Performance Scorecard* – NEW**
Executive adds new section which requires the department to maintain, on a publicly accessible website, a scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the department's performance. House concurs. Senate concurs. Conference concurs.

***Sec. 242. Supply Chain Transformation and Continuous Quality Improvement* – NEW**
House adds new section which requires the department to implement the internal food service, offender transport, laundry, staff training, offender programming, and warehouse and distribution strategies as reported in the May 2012 milestone reports utilizing the process and disciplines of the supply chain transformation (SCT) continuous quality improvement (CQI) approach; requires the department to implement the officer uniform, prisoner medical care, video conferencing cost reductions, and department and Michigan State Industries organizational reviews subsequently recommended by department personnel positively influenced by the SCT/CQI activities. Senate does not include. Conference does not include.

***Sec. 243. Joint Evaluation Committees* – NEW**
House adds new section which requires any joint evaluation committee formed to evaluate requests for proposals which solicit bids for department services to provide an initial report identifying the members of the joint evaluation committee and the department service to be solicited out for bids to vendors; requires the committee to provide status reports within 7 days after any committee meeting detailing any findings or final decisions made by the committee. Senate does not include. Conference does not include.

***Sec. 244. Systematic, Collaborative, Double-Digit Value Creation Supply Chain Transformation* – NEW**
House adds new section which requires the department to adhere to the systematic, collaborative, double-digit value creation supply chain transformation (SCT) approach introduced and facilitated by the external supply chain and business transformation expert contracted by the department; requires the current corrections operations and services transformation (COST) to continue using the SCT process and disciplines. Senate does not include. Conference does not include.

Major Boilerplate Changes From FY 2012-13

***Sec. 245. SCT/CQI Reporting* – NEW**
House adds new section which requires the department to issue a report detailing the steps taken by the department to implement the internal strategies and cost reductions recommended by the supply chain transformation (SCT) continuous quality improvement (CQI) teams and department personnel influenced by the SCT/CQI activities. Senate does not include. Conference includes the new section, but revises it to include reporting on recommendations that were not implemented and reasons why.

***Sec. 418. Documentation for Prisoners* – REVISED**
Executive deletes language which requires the department to collaborate with other state entities to develop processes to assist prisoners in obtaining state identification and birth certificates. House retains and revises language to include obtaining military DD Form 214 or other military discharge documentation if necessary. Senate concurs with Executive. Conference concurs with House.

***Sec. 429. Data on Offender Flow* – NEW**
House adds new section which requires the department to provide case-level data to the Council of State Governments' Justice Center for purposes of analyzing the flow of offenders through the criminal justice systems managed by the department, including entry, termination, and snapshot populations on community supervision, in prison, and on parole supervision. Senate does not include. Conference does not include.

***Sec. 434. Employment of Parolees in Agricultural Settings* – NEW**
House adds new section which requires the department to explore opportunities to collaborate with Michigan colleges and universities on establishing programs that will employ parolees in agricultural settings. Senate does not include. Conference concurs with House.

***Sec. 506. Colleges Offering New Employee Training* – NEW**
Senate adds new section which expresses legislative intent that the department work with colleges that are interested in offering new employee training academies. Conference includes new section.

***Sec. 904. Cost Per Prisoner Per Day* – NEW**
Senate adds new section which requires the department to report on per diem costs for each custody level. Conference includes new section, but revises it to specify actual direct and indirect costs for the previous fiscal year, including the allocation of statewide legacy costs.

***Sec. 921. Correctional Facility and Camp Closures and Consolidations* – NEW**
House adds new section which requires the department to notify specified parties not less than 90 days before recommending closure or consolidation of any correctional facilities or correctional camps; notification is required to include a local and state impact study, which is required to include information on cost avoidance and cost savings associated with the proposed closure or consolidation. Senate does not include. Conference does not include.

***Sec. 937. Competitive Bidding* – NEW**
Conference adds new section which prohibits the department from issuing a request for proposal for a contract in excess of $5.0 million unless the department has first considered a request for information or a request for qualification relative to that contract.

***Sec. 938. Competitive Bidding* – NEW**
Senate adds new section which requires the department to designate an individual to be responsible for responding to questions that legislators, vendors, and the public submit to the department about pending requests for proposals or requests for information. Conference does not include.

***Sec. 939(2). Competitive Bidding* – NEW**
Senate adds a new subsection which requires the department to release requests for information for competitive bids for prisoner clothing and a secure detention facility that would house inmates serving terms of two years or less and provide job training and related programming. Conference includes the new subsection, but revises it to include requests for information on the electronic monitoring center and adds requests for proposals on prisoner clothing in subsection (1).

***Sec. 939(4). Competitive Bidding* – NEW**
Senate adds a new subsection which requires the department to disclose to bidders, in advance of bid submission, all costs that will be included in the analysis of the potential savings of the bids, including accrued legacy costs and administrative oversight costs. Conference does not include.

***Sec. 940. Use of State-Owned Facilities* – NEW**
Senate adds new section which requires any for-profit entities using state-owned facilities to pay fair market value for the use of the facilities and to make payments in lieu of taxes to the local jurisdictions equivalent to what the local units would receive if the facilities were privately-owned. Conference concurs with Senate.

Major Boilerplate Changes From FY 2012-13

***Sec. 947. Prison Clothing Manufacturing Pilot Program* – NEW**
House adds new section which authorizes the department to work with a Michigan non-profit agency to develop a pilot program to manufacture prison clothing. The pilot program is required to utilize the prisoner re-entry population and provide comprehensive job training with the goal of transitioning into community employment. The pilot program is required to be funded from 15% of the current funds allocated to Michigan State Industries for the manufacture of prison clothing. The non-profit agency is required to have existing statewide capacity to serve paroled prisoners. The agency selected is required to provide semi-annual reports detailing cost savings incurred and outcomes of parolee employment programs. Senate does not include. Conference concurs with House.

***Sec. 1051. Carry Forward of Capital Outlay Appropriations* – NEW**
Executive adds new section which requires unspent capital outlay appropriations to be carried forward consistent with provisions of the Management and Budget Act. House concurs. Senate concurs. Conference concurs.

***Sec. 1201. Anticipated FY 2014-15 Appropriations* – REVISED**
House includes language which states legislative intent to provide appropriations for FY 2014-15, adjusting FY 2013-14 amounts based on economic and other factors. Senate concurs. Conference concurs.

***Sec. 1202. Retirement Costs* – NEW**
Conference adds new section which expresses intent of the legislature that the department identify the amounts for normal retirement costs and legacy retirement costs, for line item appropriations, in fiscal year 2015.

FY 2013-14: DEPARTMENT OF EDUCATION
Summary: Conference Report
Senate Bill 196 (CR-1*)

Analyst: Erik Jonasson

	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Revised Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Conference	*Difference: Conference From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$0	$0	$0	$0	$0	*$0*	*--*
Federal	244,551,300	232,395,400	232,145,300	232,241,650	211,873,000	*(32,678,300)*	*(13.4)*
Local	5,560,400	5,633,700	5,633,700	5,633,700	5,633,700	*73,300*	*1.3*
Private	3,078,700	1,933,300	1,933,300	1,933,300	1,933,300	*(1,145,400)*	*(37.2)*
Restricted	7,626,300	8,032,100	8,015,300	8,021,800	8,032,100	*405,800*	*5.3*
GF/GP	68,093,200	70,893,900	70,558,300	74,416,450	70,893,900	*2,800,700*	*4.1*
Gross	**$328,909,900**	**$318,888,400**	**$318,285,900**	**$322,246,900**	**$298,366,000**	***($30,543,900)***	*(9.3)*
FTEs	590.5	594.5	590.5	594.5	593.5	*3.0*	*0.5*

Notes: (1) FY 2012-13 year-to-date (YTD) figures include mid-year budget adjustments through February 7, 2013.
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.
(3) House information in this document references Article VI of House Bill 4328 as passed by the House.

Overview

The State Board of Education is an eight-member elected board constitutionally mandated to provide leadership and supervision for public education in Michigan. The Michigan Department of Education (MDE) is the administrative arm of the Board charged with implementing state and federal educational mandates and administering programs. Major responsibilities of the MDE include developing and overseeing the K-12 school system, certifying teachers, disbursing funds to educational organizations and libraries, and providing technical assistance to school districts and libraries.

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
1. Child Development and Care (CDC) Funding	**Gross**	**$186,114,200**	**($32,279,200)**
Executive reduces federal funds transferred to DHS by $12.4 million for use in CDC-related activities performed by DHS. Funds are transferred to the child development care public assistance line item, where they replace $11.8 million in federal TANF funds. House and Senate concur. Conference concurs, and reduces by an additional $20.5 million to align with May 2013 consensus caseload estimates.	Federal	147,125,400	(32,279,200)
	GF/GP	$38,988,800	$0
2. State Share of MPSERS Reforms for Libraries	**Gross**	$0	**$0**
Executive provides $1.3 million GF/GP for the State's share of MPSERS costs for libraries, which exceed the capped employer contribution rate as required under PA 300 of 2012. Adds an additional $700,000 GF/GP in FY 2014-15. House concurs, Senate and Conference includes MPSERS appropriation for libraries in the School Aid budget.	GF/GP	$0	$0
3. State Aid to Libraries	**Gross**	**$6,208,100**	**$2,668,000**
Executive transfers $1.3 million from the School Aid budget designated for state aid to libraries. House concurs. Senate concurs and appropriates an additional $1.0 million GF/GP. Conference includes additional funding from the Senate budget and adds an additional $363,700 GF/GP.	GF/GP	$6,208,100	$2,668,000
4. Renaissance Zone Reimbursements for Libraries	**Gross**	**N/A**	**$1,500,000**
Executive transfers $1.5 million from School Aid budget for renaissance zone reimbursements to libraries. House concurs, but reduces funding amount by $40,000. Senate concurs, but increases funding by an additional $3.2 million over Executive. Conference maintains executive funding.	GF/GP	N/A	$1,500,000

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
5. Michigan College Access Network	**Gross**	**N/A**	**($2,000,000)**
Transfers $2.0 million GF/GP for the Michigan College Access Network (MCAN) to the Higher Education budget. Removes related line items and boilerplate. House, Senate, and Conference concur.	GF/GP	N/A	($2,000,000)
6. Additional Support Staff	FTE	N/A	3.0
Executive funds an additional $506,500 ($278,700 GF/GP) for 4.0 FTEs. Includes two new employees to provide support for new charter schools, as well accommodate increased departmental responsibilities related to charter schools as a result of PA 277 of 2011. One new employee for additional accounting support tied to the transfer of the CDC program from DHS in FY 2011-12. One new employee to review school improvement plans for priority schools. House does not include any additional staff. Senate includes two of four FTEs, including only one of two charter school support positions and one FTE for school improvement plans. Conference includes 3.0 FTEs, concurring with only 1.0 FTE for charter school support.	**Gross**	**N/A**	**$506,500**
	Federal	N/A	153,700
	Restricted	N/A	10,300
	GF/GP	N/A	$210,000
7. Creation of School Reform Office	**Gross**	**$2,078,100**	**$0**
Executive creates the School Reform Office, which was previously integrated between several units within the department. No new funds are provided for this line-item. House, Senate, and Conference concur.	GF/GP	$2,078,100	$0
8. Maintenance of Effort for Carl D. Perkins Grants.	**Gross**	**N/A**	**$40,000**
Executive appropriates $40,000 GF/GP for career and technical education operations, used for maintenance of effort (MOE) for the Carl D. Perkins Career and Technical Education federal grant. House, Senate, and Conference concur.	GF/GP	N/A	$40,000
9. Economics Adjustments	**Gross**	**N/A**	**$2,400,600**
Executive budget reflects increased costs of $2.4 million Gross ($510,100 GF/GP) for negotiated salary and wage amounts (1.0%), insurance rate increases, actuarially-required retirement rate increases, and other economic adjustments. Additional increase of $1.3 million Gross ($237,200 GF/GP) projected for FY 2014-15. House, Senate, and Conference concur with FY 2013-14 economics adjustments, does not include FY 2014-15 adjustments.	Federal	N/A	1,498,600
	Private	N/A	28,100
	Restricted	N/A	363,800
	GF/GP	N/A	$510,100
10. Elimination of One-Time Appropriations	**Gross**	**$674,300**	**($674,300)**
Executive discontinues the FY 2012-13 one-time appropriations for State employee lump-sum payments and the Central Michigan University Assessment Lending Library. No additional one-time appropriations are included in FY 2013-14. House, Senate, and Conference concur.	Federal	429,100	(429,100)
	Local	16,500	(16,500)
	Restricted	64,600	(64,600)
	GF/GP	$164,100	($164,100)
11. Online Course Catalog	**Gross**	**N/A**	**$0**
Senate adds $400,000 GF/GP and new boilerplate language (Sec. 1101) directing the department to create a public statewide catalog of online learning courses. Beginning in FY 2014-2015, this catalog would include the number of pupils enrolled in each online course and completion rates. Conference does not concur.	GF/GP	N/A	$0
12. Office of Legislative Education Ombudsman	FTE	0.0	0.0
Senate creates the Office of Legislative Education Ombudsman, including 2.0 FTEs and $300,000 GF/GP. Conference does not concur.	**Gross**	**$0**	**$0**
	GF/GP	$0	$0

Major Boilerplate Changes From FY 2012-13

***Sec. 209. Departmental Scorecard* – NEW**

Adds language requiring that the department maintain a department scorecard on a publicly accessible website. This scorecard shall identify, track, and regularly update key metrics that are used to monitor and improve the agency's performance. Executive creates as section 6-206, House and Senate concur. Conference concurs.

Major Boilerplate Changes From FY 2012-13

Sec. 211. ***Adequate Yearly Progress (AYP)*** **– REVISED**
Requires that MDE allow districts to appeal a determination of failure to meet AYP prior to MDE reporting those results. Executive deletes, House concurs with deletion. Senate includes, with slightly revised language. Conference includes senate language.

Sec. 212. Purchase of Foreign Goods **– RETAINED**
Prohibits use of state funds to purchase foreign-made goods if comparable American or Michigan goods are available. Gives preference to Michigan businesses owned and operated by veterans. Executive deletes, House and Senate retain. Conference retains.

Sec. 231. Prohibit Funding for Common Core and Smarter Balance **– NEW**
House adds language stating that funds shall not be used to fund the Common Core State Standards Initiative or Smarter Balanced Assessments, and that funds shall not be used to implement programs or assessments created by these organizations. Senate includes language directing that funds not be used for the development of the common core state standards. Conference includes new language requiring that funds not be appropriated for common core or smarter balanced assessments unless the legislature affirms the standards or assessments.

Sec. 232. Funds for Sub-Recipient Monitoring Services **– NEW**
Adds language allowing for an additional appropriation of up to $180,000 from payments for sub-recipient monitoring services provided to other departments. These funds may be expended for all expenses related to providing such monitoring services. Executive creates as section 6-212, House and Senate concur. Conference concurs.

Sec. 501. Felony Conviction Files **– RETAINED**
Requires that MDE maintain professional personnel registry and certificate revocation/felony conviction files. Executive deletes, House and Senate retain. Conference retains.

Sec. 601. Administration of Charter Schools **– DELETED**
Earmarks funds to operate the charter school office. Executive deletes, House concurs with deletion. Senate retains. Conference deletes.

Sec. 803. Keep Library Funds Together **– RETAINED**
Provides intent that the State maintain the Library of Michigan and its component programs, except for the genealogy collections, together in a state department. Executive deletes, House and Senate retain. Conference retains.

Sec. 804. Renaissance Zone Reimbursements **– NEW**
Executive adds language directing funds for renaissance zone reimbursements be used to offset lost tax revenue from the Michigan renaissance zone act. If funds are not sufficient to fully pay offset lost revenue, payments shall be prorated. House and Senate concur with language. Conference concurs with executive.

Sec. 902. College Access Grant Program **– DELETED**
Boilerplate provisions related to the College Access Grant Program. Funding and related boilerplate were moved to the Higher Education budget. Executive deletes, House and Senate concur with deletion. Conference concurs with deletion.

Sec. 903. Online Education **– DELETED**
Directs MDE to work with districts that operate a cyber-school or an alternative education program with a seat-time waiver to provide a report by March 1, 2013 detailing enrollments, resident districts, per pupil operating costs, and online education providers. Executive deletes, House retains with an updated report date of March 1, 2014. Senate adds language requiring a report detailing the per-pupil costs of a district offering online learning. Conference deletes.

Sec 1001. Number of Child Care Providers **– DELETED**
Requires a report on the number of childcare providers (by type) receiving payment for childcare services on October 1, 2012. Executive deletes, House and Senate retain with an updated report date of November 1, 2013. Conference deletes.

Sec. 1002. Early Childhood Programs Funding Study **– DELETED**
Requires a report on various factors relating to the funding of early childhood activities, including a review of the roles and responsibilities of the Office of Great Start and the Early Childhood Investment Corporation. Executive deletes, House and Senate concur with deletion. Conference revises to require the report to include total state funding for each grant awarded."

Sec 1004. Prohibits Funding for Early Childhood Investment Corporation (ECIC) Administration **– NOT INCLUDED**
Senate adds language directing that funds for the Office of Great Start not be used for the support of administration for ECIC. Conference doesn't include.

Sec. 1005. Requirements for Head Start Programs **– NEW**
Senate adds language stating that the Office of Great Start shall ensure that regulations related to Head Start programs be at least as rigorous as those on Great Start Readiness Programs. Allows for lead teachers to continue as Head Start lead teachers if they meet requirements for continuing education and have on file a planned program leading to proper certification. Conference revises to require that Head Start providers are responsible for ensuring Head Start programs are at least as rigorous as Great Start Readiness Programs, instead of the Office of Great Start.

Major Boilerplate Changes From FY 2012-13

***Sec. 1101. Public Statewide Catalog of Online Learning Courses* – NOT INCLUDED**
Senate creates new section requiring the bureau of assessment and accountability to create and maintain a public catalog of online learning courses offered by all public schools. Reporting requirements include the number of pupils enrolled in each online course, the number of pupils who complete an online course, and the completion rate for each online course. Conference does not include boilerplate or associated funding.

***Sec. 1201. Intent to Create the Office of the Legislative Education Ombudsman* – NOT INCLUDED**
Senate creates language stating legislative intent to create the office of the legislative education ombudsman within the Department of Education. Conference does not include boilerplate or associated funding.

***Sec 1302. Identifying Normal and Legacy Retirement Costs* – NEW**
Senate creates language stating legislative intent that the department identify the amounts for normal and legacy retirement costs for the fiscal year ending September 30, 2015. Conference includes.

FY 2013-14: DEPARTMENT OF ENVIRONMENTAL QUALITY
Summary: Conference Report
Senate Bill 195 (S-1) CR-1

Analyst: Viola Bay Wild

	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Revised Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Conference	*Difference: Conference From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$9,021,200	$9,401,900	$9,399,300	$9,401,900	$9,401,900	*$380,700*	*4.2*
Federal	161,687,500	150,929,700	150,911,400	150,929,700	150,779,700	*(10,907,800)*	*(6.7)*
Local	0	0	0	0	0	*0*	*--*
Private	533,200	541,800	541,800	541,800	541,800	*8,600*	*1.6*
Restricted	231,275,600	327,690,900	320,626,100	320,690,900	327,340,900	*96,065,300*	*41.5*
GF/GP	29,812,400	29,104,500	26,399,900	29,104,600	29,104,500	*(707,900)*	*(2.4)*
Gross	**$432,329,900**	**$517,668,800**	**$507,878,500**	**$510,668,900**	**$517,168,800**	***$84,838,900***	***19.6***
FTEs	1,327.5	1,291.5	1,291.5	1,291.5	1,287.5	*(40.0)*	*(3.0)*

Notes: (1) FY 2012-13 year-to-date (YTD) figures include mid-year budget adjustments through February 7, 2013.
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.
(3) House figures are appropriations made in Article VII of House Bill 4328 (H-1).

Overview

The Department of Environmental Quality (DEQ) supports environmental protection, conservation, and cleanup and redevelopment programs and regulatory efforts established to protect, restore, and reuse Michigan's air, water, and land resources.

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
1. Funding Authorization Reductions	**Gross**	**N/A**	**($1,937,000)**
Executive reduces restricted funding by $1.9 million to align with anticipated revenues. Restricted funds reduced include Water Analysis Fund, Waste Reduction Fund, Septage Waste License Fees, Hazardous Materials Transport Permit Fund, Infrastructure Construction Fund, and CMI Clean Water Fund.	Restricted	N/A	(1,937,000)
House, Senate, and Conference concur with Executive.			
2. Hazardous Waste Management Program Fee Increase	**Gross**	**N/A**	**$0**
Executive replaces restricted funding used in FY 2012-13 that is no longer available with $1.5 million restricted funding to be generated by a fee increase and restructuring of the Hazardous Waste Management Fees. Executive also eliminates $400,000 federal funding to align with anticipated revenues and replaces that funding with $400,000 one-time GF/GP.	Federal	N/A	(400,000)
	Restricted	N/A	0
	GF/GP	N/A	$400,000
House does not include $1.5 million restricted funding from a fee increase or the $400,000 one-time GF/GP, but replaces the current-year restricted funding no longer available with Waste Reduction Fee revenue transferred into this line item from the Office of Environmental Assistance line item.			
Senate does not include $1.5 million restricted funding from a fee increase and reduces line item by $1.5 million restricted funding to align with anticipated revenues. Senate reduces federal funding by $400,000 and replaces that funding with $400,000 one-time GF/GP.			
Conference includes the $400,000 GF/GP, but does not include $1.5 million restricted funding from a fee increase and replaces that funding with fund balances of 2 restricted funds anticipated to be statutorily combined with the Environmental Pollution Prevention Fund through statutory change.			

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
3. Office of Environmental Assistance	FTEs	44.0	(4.0)
House includes a $1.5 million restricted fund reduction of Waste Reduction Fee revenue in the Office of Environmental Assistance (OEA) line item; funding is transferred to Hazardous Waste Management line item and OEA line item is reduced by $1.5 million (See item #2).	**Gross**	**$7,082,600**	**($500,000)**
	Private	348,700	0
	Federal	902,700	(150,000)
	Restricted	5,831,200	(350,000)
Conference does not include transfer, but reduces funding by $500,000 Gross and eliminates 4.0 FTE positions.			
4. GF/GP Reduction	**Gross**	**N/A**	**$0**
House includes a GF/GP funding reduction that totals $1.6 million throughout various line items.	GF/GP	N/A	$0
Conference does not include reduction.			
5. Wetlands Funding	FTE	24.0	1.0
Executive funds Wetlands Program at $2.1 million Gross ($1.6 million GF/GP), reclassifies $1.0 million GF/GP one-time funding in current year for Wetlands Program to on-going base funding, and includes additional $100,000 GF/GP funding and 1.0 FTE for a Wetlands Ombudsman. In addition, includes one-time GF/GP support totaling $600,000.	**Gross**	**$2,000,000**	**$100,000**
	Federal	500,000	0
	GF/GP	$1,500,000	$100,000
House include $1.6 million on-going GF/GP funding, $500,000 federal funding, and 1.0 FTE for Wetland Ombudsman in line item.			
Senate and Conference concur with Executive.			
6. Great Lakes Restoration Initiative (GLRI)	**Gross**	**$25,000,000**	**($10,000,000)**
Executive decreases federal EPA authorization for GLRI funding by $10.0 million. Funding is reduced because many GLRI grants are being awarded directly to locals rather than to DEQ as a pass-through agency.	Federal	25,000,000	(10,000,000)
House, Senate, and Conference concur with Executive.			
7. Leaking Underground Storage Tanks (LUST) Cleanups	**Gross**	**$30,000,000**	**$2,500,000**
Executive includes additional $2.5 million Refined Petroleum Fund (RPF) revenue for cleanup work at LUST sites.	Restricted	30,000,000	2,500,000
House, Senate, and Conference concur with Executive.			
8. Underground and Aboveground Storage Tank Inspection/ Permitting Program	FTE	37.0	(37.0)
	Gross	**$4,925,700**	**($4,925,700)**
Executive reduces restricted funding by $3.7 million and federal funding by $1.3 million and eliminates 37.0 FTE positions to reflect the transfer to LARA of the underground and aboveground storage tank programs. Transfer authorized by E.O. 2012-14.	Federal	1,255,300	(1,255,300)
	Restricted	3,670,400	(3,670,400)
House, Senate, and Conference concur with Executive.			
9. Strategic Water Quality Initiatives Funding (SWQIF)	**Gross**	**N/A**	**$100,000,000**
Executive includes additional $100.0 million restricted funding from SWQIF bond revenues. Provides $97.0 million funding for the SWQIF grants and loans program which makes awards to local governments to improve sewage collection and treatment systems and $3.0 million to establish the new wetland mitigation bank funding program to provide grants and loans to eligible municipalities.	Restricted	N/A	100,000,000
House, Senate, and Conference concur with Executive.			
10. Office of the Great Lakes	**Gross**	**$500,000**	**$0**
Executive proposes $500,000 GF/GP funding to support the Office of Great Lakes and to satisfy the state's responsibilities under the Great Lakes Compact Agreement. Funding would replace restricted funding that is no longer available.	Restricted	500,000	(500,000)
	GF/GP	$0	$500,000
House does not include GF/GP funding.			
Senate and Conference concur with Executive.			

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
11. Revenue Alignment Adjustments	**Gross**	**N/A**	**$229,400**
Executive includes additional $234,400 IDG authorization to receive additional funding from the Michigan Department of State Police to more accurately reflect the DEQ's costs associated with the radiological protection program. Decreases restricted funding by $5,000 for IT charges due to program rate changes.	IDG	N/A	234,400
House, Senate, and Conference concur with Executive.	Restricted	N/A	(5,000)
12. Surface Water Quality Program	**Gross**	**N/A**	**$200,000**
Executive includes additional $200,000 GF/GP funding to be used as matching funds for federal grants available for enforcement, the issuance of permits, and compliance activities concerning water quality.	GF/GP	N/A	$200,000
House does not include GF/GP funding.			
Senate and Conference concur with Executive.			
13. Cost Allocation Adjustment	**Gross**	**N/A**	**$0**
Executive adjusts funding amounts to reflect cost allocation changes from FY 2012-13.	IDG	N/A	22,500
	Federal	N/A	(36,500)
House, Senate, and Conference concur with Executive.	Restricted	N/A	14,000
14. Information Technology Expansion	**Gross**	**N/A**	**$90,300**
Executive includes additional $90,300 ($4,600 GF/GP) funding for wireless infrastructure and Internet bandwidth expansions.	IDG	N/A	2,600
	Federal	N/A	18,300
House does not include funding.	Restricted	N/A	64,800
Senate and Conference concur with Executive.	GF/GP	N/A	$4,600
15. Removal of FY 2012-13 One-Time Supplemental Funding — Aquifer Protection Program	**Gross**	**$600,000**	**($600,000)**
	Restricted	600,000	(600,000)
Executive eliminates $600,000 supplemental funding for the Aquifer Protection Program appropriated in P.A. 305 of 2012. One-time appropriation is anticipated to sufficiently fund program for 3 years.			
House, Senate, and Conference concur with Executive.			
16. Removal of FY 2012-13 One-Time Boilerplate Appropriation — Engineering Study	**Gross**	**$300,000**	**($300,000)**
	Restricted	300,000	(300,000)
Executive eliminates $300,000 boilerplate appropriation for an engineering study concerning the Wickes Manufacturing TCE plume site.			
House, Senate, and Conference concur with Executive.			
17. Removal of FY 2012-13 One-Time Appropriations	**Gross**	**$11,049,200**	**($11,049,200)**
Executive eliminates one-time funding items from previous year that will not receive any funding in FY 2013-14:	IDG	48,800	(48,800)
	Federal	415,700	(415,700)
• Brownfield Grants and Loans ($5.0 million)	Private	4,200	(4,200)
• MiWaters Data System Project ($2.0 million)	Restricted	7,920,400	(7,920,400)
• State Employees Lump-Sum Payments ($1.5 million)	GF/GP	$2,660,100	($2,660,100)
• Drinking Water Revolving Fund State Match ($2.5 million)			
House, Senate, and Conference concur with Executive.			
18. Mason Water Tower	**Gross**	**N/A**	**$0**
Senate includes a $100 GF/GP placeholder for a water tower in the City of Mason.	GF/GP	N/A	$0
Conference does not include funding.			
19. Brownfield Grants	**Gross**	**N/A**	**$5,500,000**
Revised Executive includes $5.5 million restricted funding for grants to give support for existing contaminated site cleanup projects.	Restricted	N/A	5,500,000
Conference concurs with Executive.			
20. Economic Adjustments	**Gross**	**N/A**	**$5,531,100**
Executive reflects increased costs of $5.5 million Gross ($747,600 GF/GP) for negotiated salary and wage amounts (1.0%), insurance rate increases, actuarially-required retirement rate increases, and other economic adjustments.	IDG	N/A	170,000
	Federal	N/A	1,331,400
	Private	N/A	12,800
	Restricted	N/A	3,269,300
House, Senate, and Conference concur with Executive.	GF/GP	N/A	$747,600

Major Boilerplate Changes From FY 2012-13

Executive Boilerplate Deletions
In general, the Executive Budget deletes a large majority of boilerplate language included in the FY 2012-13 budget. This includes many legislative reporting requirements, sections providing guidance and placing conditions on appropriations, and earmarks of funding. The list below includes major boilerplate changes, but is not a comprehensive list of all sections deleted.

***Sec. 212. Disciplinary Action Against State Employees* – RETAINED**
Prohibits Department from disciplining state employees for communicating with members of the Legislature and their staffs. Executive deletes language; House, Senate, and Conference retain current-year language.

***Sec. 213. Administrative Rule Promulgation* – RETAINED**
Prohibits DEQ to adopt a rule that will apply to a small business if it has a disproportionate economic impact. Executive deletes language; House, Senate, and Conference retain current-year language.

***Sec. 218. Office Space Consolidation Plan* – DELETED**
Includes legislative language that DEQ cooperate with the development and implementation of a statewide office space consolidation plan. ; House retains current-year language; Executive, Senate, and Conference delete language

***Sec. 223. FTE Report by Line Item* – RETAINED**
Requires DEQ to report on the number of funded FTEs and number of FTEs funded by line item. Executive deletes language; House, Senate, and Conference retain current-year language.

***Sec. 224. Quarterly FTE Report* – RETAINED**
Requires DEQ to report on the number of FTEs in pay status; report required quarterly. Executive deletes language; House, Senate, and Conference retain current-year language.

***Sec. 236. Request for Proposal (RFP) Language* – NEW**
Prohibits Department from issuing an RFP for a contract greater than $5.0 million unless issuing a request for information (RFI) or a request for qualification (RFQ) has been considered. Conference includes new language.

***Sec. 227. Permit Application Status Tracking Tool* – DELETED**
Requires report on implementation of a permit application tracking tool on DEQ website. House revises report language; Executive, Senate, and Conference delete language.

***Sec. 228. Customer Satisfaction Evaluation Program* – RETAINED**
Requires report on development of customer satisfaction evaluation program and public feedback received. Executive deletes language; House, Senate, and Conference retain current-year language.

***Sec. 229. Expedited Permitting Program* – REVISED**
Requires report listing actions and program changes taken to implement the Expedited Permitting Program; report must include a plan, timeline, and estimated costs. Executive deletes language; Senate retains current-year language. House and Conference revise report language.

***Sec. 230. Measurable Outcomes Report* – DELETED**
Requires report identifying 10 principal measurable outcomes of budget expenditures. Executive, House, Senate, and Conference delete language.

***Sec. 231. Website Scorecard* – NEW**
Includes new language that requires DEQ to maintain on a publicly accessible website a department scorecard with key metrics concerning the agency's performance. Executive, House, Senate, and Conference include new language.

***Sec. 232. Publication Revenue Fund Transfer* – NEW**
Includes new language that transfers surplus funds of up to $72,600 from the Publication Revenue Fund to the Oil and Gas Regulatory Fund on October 1, 2013. Executive, House, Senate, and Conference include new language.

***Sec. 305. Refined Petroleum Fund* – RETAINED**
States legislative intent to restore $70.0 million Refined Petroleum Fund transferred to General Fund in FY 2006-07. Executive deletes language; House, Senate, and Conference retain current-year language.

***Sec. 306. Refined Petroleum Fund Cleanup Site List* – REVISED**
Lists cleanup projects funded through the Refined Petroleum Product Cleanup Program. Executive deletes language; House, Senate, and Conference include revised list of sites.

***Sec. 307. Engineering Study Appropriation* – DELETED**
Appropriates $300,000 CMI funding for an engineering study concerning the Wickes Manufacturing TCE plume site. House revises language to require a report on the results of the engineering study; Executive, Senate, and Conference delete language.

Major Boilerplate Changes From FY 2012-13

***Sec. 309. Brownfield Grants and Loans Program Work Project Language* – REVISED**
Provides that Brownfield Grants and Loans Program funding are work project appropriations and allows carry-forward of remaining funds; projects accomplished by contract; tentative completion date is September 30, 2017. Revised Executive revises language to refer to Brownfield Grant Program and revises completion date to 2018. House and Senate delete language; Conference includes new language.

***Sec. 401. Aquatic Nuisance Control (ANC)* – REVISED**
Requires $700,000 and 5.0 FTEs be allocated to the ANC program; requires report. Executive deleted language; House, Senate, and Conference revise language.

***Sec. 402. Groundwater Dispute Resolution Process* – DELETED**
Directs Department to fund an aquifer dispute resolution process if funds are available. Senate retains current-year language; Executive, House, and Conference delete language.

***Sec. 403. Aquatic Invasive Species Council* – DELETED**
Requires DEQ to support funding for an Aquatic Invasive Species Council. Senate retains current-year language; Executive, House, and Conference delete language.

***Sec. 406. Wetlands Ombudsman* – NOT INCLUDED**
Requires that $100,000 of the funding appropriated in part 1 for wetlands program be allocated to support 1.0 FTE position for a wetlands ombudsman. House includes new language; Executive, Senate, and Conference do not include language.

***Sec. 407. Groundwater Discharge Sodium Levels* – NEW**
Prohibits Department from establishing or enforcing an effluent limitation for amount of sodium in groundwater discharge. Conference includes language.

***Sec. 408.* Beach Monitoring – NEW**
Provides that $100,000 of funding appropriated in part 1 for surface water be allocated for water quality beach monitoring equipment for Lake St. Clair Metropark Beach. Conference includes language.

***Sec. 601. Solid Waste Program Report* – DELETED**
Requires report on the Department's Solid Waste Management Program and policies. Report shall include plan for long-term funding and all actions and program changes taken to implement recommendation of 2012 report. Executive, House, Senate, and Conference delete language.

***Sec. 602. Clean Sweep Program* – RETAINED**
Directs DEQ to work with local health departments, Department of Agriculture and Rural Development, and USDA to maintain and expand the program for disposal of hazardous household chemicals and drugs; requires report. Executive deletes language; House, Senate, and Conference retain current-year language.

***Sec. 603.* Environmental Pollution Prevention Fund (EPPF) – NEW**
Provides that if statutory changes are made to combine the Waste Reduction Fund and Hazardous Material Transportation Permit Fund into the EPPF, appropriations in part 1 from these funds shall be appropriated from the EPPF. Conference includes language.

***Sec. 604.* EPPF Balance Stipulation – NEW**
Provides that if the EPPF balance declines below spending levels, appropriations other than those for the Hazardous Waste Management Program shall be reduced. Conference includes language.

***Sec. 1201. Anticipated FY 2014-15 Appropriations* – RETAINED**
States legislative intent to provide appropriations for FY 2014-15, adjusting FY 2013-14 amounts based on economic and other factors. (See item 18 under Major Budget Changes for specific anticipated appropriation adjustments.) Executive deletes language; House, Senate, and Conference retain current-year language.

***Sec. 1202. Identification of Future Retirement Costs* – NEW**
States legislative intent that the DEQ identify the FY 2015 retirement costs for line items listed in part 1. Executive and House do not include language; Senate and Conference include language.

FY 2013-14: TOTAL GENERAL GOVERNMENT
Summary: Conference Report
Senate Bill 194 (CR-1)

Analyst: Ben Gielczyk and Paul Holland

	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Revised Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Conference	*Difference: Conference From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$692,338,500	$738,737,400	$738,837,400	$738,737,400	$738,570,400	*$46,231,900*	*6.7*
Federal	722,234,100	700,910,000	700,910,000	700,910,000	700,910,000	*(21,324,100)*	*(3.0)*
Local	8,007,000	7,713,800	7,713,800	7,713,800	7,713,800	*(293,200)*	*(3.7)*
Private	5,989,000	6,086,100	6,086,100	6,086,100	6,086,100	*97,100*	*1.6*
Restricted	1,889,005,100	1,926,743,900	1,931,095,300	1,923,393,900	1,934,087,700	*45,082,600*	*2.4*
GF/GP	1,018,018,000	1,052,945,600	906,153,800	1,070,885,500	1,071,945,500	*53,927,500*	*5.3*
Gross	**$4,335,591,700**	**$4,433,136,800**	**$4,290,796,400**	**$4,447,726,700**	**$4,459,313,500**	***$123,721,800***	***2.9***
FTEs	7,766.7	7,675.7	7,640.7	7,639.7	7,659.7	*(107.0)*	*(1.4)*

Notes: (1) FY 2012-13 year-to-date (YTD) figures include mid-year budget adjustments through February 7, 2013.
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.
(3) House information in this document references Article VIII of House Bill 4328 as passed by the House.

Overview

Currently, the following departmental and agency budgets are included in the General Government budget: Executive Office, Legislature, Legislative Auditor General, and the Departments of Attorney General, Civil Rights, State, Technology, Management, and Budget (including the former Departments of Civil Service and Information Technology, and State Building Authority rent costs), and Treasury (including the Bureau of State Lottery, Michigan Gaming Control Board, Michigan Strategic Fund - Michigan State Housing Development Authority, Revenue Sharing, and Debt Service). **Budget issues are listed by department on the following pages.**

Major Boilerplate Changes From FY 2012-13

GENERAL SECTIONS OF BOILERPLATE

***Sec. 211. Budget Stabilization Fund Pay-in* – REVISED**

Appropriates $140.0 million from GF/GP revenue into the Countercyclical Budget and Economic Stabilization Fund. Executive revises to appropriate $75.0 million. House revises to appropriate $50.0 million. Senate does not appropriate any funds. Conference concurs with Executive.

***Sec. 211b. Roads and Risks Reserve Fund* – NEW**

Requires that $230.0 million GF/GP to be deposited in a newly created Roads and Risks Reserve Fund. Directs that not more than half of the funds are available for appropriation on October 1, 2013. States that the balance will be available for roads effective February 1, 2014 if those funds have not been appropriated for other purposes prior to that date. Conference includes as new section.

***Sec. 219. Department Metrics* – NEW**

Requires departments and agencies to maintain, on a publicly accessible website, a department or agency scorecard that identifies, tracks, and regularly updates, key metrics that are used to monitor and improve the department or agency performance. Executive included in individual budgets. Senate adds as new language. Similar language was included in the FY 2012-13 budget act. Conference concurs with Senate.

***Sec. 231. Full-Time Equated Position Report* – RETAINED**

Requires departments and agencies to provide a detailed report on the number of actual full-time equated and part-time positions within each department; requires the report to include total compensation appropriated for each position. Executive deletes section. House retains section. Senate deletes section. Conference retains section.

***Sec. 232. Measurable Outcomes* – DELETED**

Requires departments to identify and rank by importance 10 measurable outcomes to be affected by expenditure of appropriations; requires biannual updates on the measurable outcomes; requires 5 measurable outcomes, rather than 10, for smaller departments/agencies. Executive deletes section and proposes new metrics language (See Sec. 219). House deletes. Senate deletes, but adds new related language to Section 219. Conference concurs with Senate.

Major Boilerplate Changes From FY 2012-13

***Sec. 235. Contract Request for Information and Qualification* – NEW**
Requires state departments and agencies to issue and receive a Request for Information (RFI) or Request for Qualification (RFQ) before a Request for Proposal for any contract in excess of $1.0 million. Requires department or agency to notify legislature and post results on website. Senate includes as new language. Conference includes as new language. Revises contract threshold to $5.0 million and states that department may not issue RFP unless it first considered issuing an RFI or RFQ. Requires department to notify DTMB of evaluation process used to determine if an RFI or RFQ was not necessary.

Sec. 1201. Anticipated FY 2014-15 Appropriations
States legislative intent to provide appropriations for FY 2014-15, adjusting FY 2013-14 amounts based on economic and other factors.

***Sec. 1202. Retirement Costs* – NEW**
Specifies intent that departments identify the amounts for normal retirement costs and legacy retirement costs for the fiscal year ending on September 30, 2015 for the line items listed in part 1. Senate includes as new language. Conference concurs with Senate.

FY 2013-14: DEPARTMENT OF ATTORNEY GENERAL
Summary: Conference Report
Senate Bill 194 (CR-1)

Analyst: Ben Gielczyk

	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Revised Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Conference	*Difference: Conference From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$24,082,100	$27,355,500	$27,355,500	$27,355,500	$27,188,500	*$3,106,400*	*12.9*
Federal	9,932,600	9,838,200	9,838,200	9,838,200	9,838,200	*(94,400)*	*(1.0)*
Local	0	0	0	0	0	*0*	*--*
Private	0	0	0	0	0	*0*	*--*
Restricted	17,242,000	17,631,900	17,631,900	17,631,900	17,631,900	*389,900*	*2.3*
GF/GP	33,825,800	34,481,300	34,187,500	34,481,300	34,481,300	*655,500*	*1.9*
Gross	**$85,082,500**	**$89,306,900**	**$89,013,100**	**$89,306,900**	**$89,139,900**	***$4,057,400***	***4.8***
FTEs	514.0	517.0	517.0	517.0	517.0	*2.0*	*0.4*

Notes: (1) FY 2012-13 year-to-date (YTD) figures include mid-year budget adjustments through February 7, 2013.
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.
(3) House information in this document references Article VIII of House Bill 4328 as passed by the House.

Overview

The Attorney General serves as legal counsel for state departments, agencies, boards, and commissions, and their officers, brings actions and intervenes in cases on the state's behalf, and represents legislators and judges who may be sued while acting in their official capacities. The Attorney General issues opinions on questions of law submitted by members of the Legislature and others, serves as chief law enforcement officer of the state, and has supervisory powers over all local prosecuting attorneys. The department's mission is to protect the common legal rights of citizens, defend the Constitution and the laws of the state, and represent the legal interests of government. Its goals include making the state a safe place for its citizens, offering justice to victims of crime, defending common natural resources and monetary assets of the state, and delivering excellent legal services at a minimum cost to taxpayers.

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
1. Memoranda of Understanding - Legal Services	**Gross**	**N/A**	**$2,124,200**
Executive includes $2.1 million Gross ($0 GF/GP) as an IDG from Departments of Community Health, Human Services, and Licensing and Regulatory Affairs to cover the costs of legal services provided under new Memoranda of Understanding (MOUs). House concurs. Senate concurs. Conference concurs.	IDG	N/A	2,124,200
	GF/GP	N/A	$0
2. Department of Human Services Fraud Prevention	FTE	N/A	2.0
Executive includes $500,000 Gross ($0 GF/GP) and 3.0 FTEs to partner with the Department of Human Services to increase fraud prevention, detection, prosecution, and recoupment. House concurs. Senate concurs. Conference includes $333,000 Gross ($0 GF/GP) and 2.0 FTEs.	**Gross**	**N/A**	**$333,000**
	IDG	N/A	333,000
	GF/GP	N/A	$0
3. Information Technology Adjustments	**Gross**	**$1,371,300**	**$53,100**
Executive includes $53,100 Gross ($53,100 GF/GP) to support information technology investments in wireless infrastructure and Internet bandwidth. Funds will also support Microsoft Enterprise Agreement and Center for Shared Solutions Framework. House concurs but removes $42,200 GF/GP in funding associated with wireless infrastructure and Internet bandwidth. Senate concurs with Executive. Conference concurs with Executive.	GF/GP	$1,371,300	$53,100
4. Removal of One-Time Appropriations	**Gross**	**$1,025,900**	**($1,025,900)**
Executive removes $1.0 million ($393,300 GF/GP) in FY 2012-13 one-time negotiated lump-sum payments to state employees. House concurs. Senate concurs. Conference concurs.	IDG	297,300	(297,300)
	Federal	122,600	(122,600)
	Restricted	212,700	(212,700)
	GF/GP	$393,300	($393,300)

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
5. Operations Reduction	**Gross**	**N/A**	**$0**
House includes funding reduction of $251,600 GF/GP to meet targets. Reduction is spread to various line items. Senate does not include. Conference does not include.	GF/GP	N/A	$0
6. Economic Adjustments	**Gross**	**N/A**	**$2,573,000**
Executive includes funding to reflect increased costs of $2.6 million Gross ($1.0 million GF/GP) for negotiated salary and wage amounts (1.0%), insurance rate increases, actuarially-required retirement rate increases, and other economic adjustments. House concurs. Senate concurs. Conference concurs.	IDG	N/A	946,500
	Federal	N/A	28,200
	Restricted	N/A	602,600
	GF/GP	N/A	$995,700

Major Boilerplate Changes From FY 2012-13

There are no major boilerplate changes recommended for FY 2013-14.

***Sec. 308. Appropriation of Litigation Expense Reimbursements* – REVISED**
Appropriates up to $500,000 from litigation expense reimbursements; authorizes unexpended funding, up to $500,000, to be carried forward. Executive revises to include arbitration awards or other administrative litigation decisions as allowable expenses. House retains current law. Senate concurs with Executive. Conference concurs with Executive.

Sec. 1201. Anticipated FY 2014-15 Appropriations
States legislative intent to provide appropriations for FY 2014-15, adjusting FY 2013-14 amounts based on economic and other factors.

FY 2013-14: DEPARTMENT OF CIVIL RIGHTS
Summary: Conference Report
Senate Bill 194 (CR-1)

Analyst: Ben Gielczyk

	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Revised Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Conference	*Difference: Conference From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$0	$0	$0	$0	$0	*$0*	*--*
Federal	2,641,300	2,690,200	2,690,200	2,690,200	2,690,200	*48,900*	*1.9*
Local	0	0	0	0	0	*0*	*--*
Private	18,700	18,700	18,700	18,700	18,700	*0*	*0.0*
Restricted	151,900	151,900	151,900	151,900	151,900	*0*	*0.0*
GF/GP	11,953,600	12,337,500	11,771,500	12,337,500	12,337,500	*383,900*	*3.2*
Gross	**$14,765,500**	**$15,198,300**	**$14,632,300**	**$15,198,300**	**$15,198,300**	***$432,800***	***2.9***
FTEs	127.0	128.0	113.0	128.0	128.0	*1.0*	*0.8*

Notes: (1) FY 2012-13 year-to-date (YTD) figures include mid-year budget adjustments through February 7, 2013.
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.
(3) House information in this document references Article VIII of House Bill 4328 as passed by the House.

Overview

The Michigan Civil Rights Commission is charged with investigating alleged discrimination against any person because of religion, race, color, national origin, sex, age, marital status, height, weight, arrest record, or physical and mental disabilities. The Commission is directed to "secure the equal protection of such civil rights without such discrimination." The Department of Civil Rights serves as the administrative arm charged with implementing policies of the Commission. The department works to prevent discrimination through educational programs that promote voluntary compliance with civil rights laws, investigates and resolves discrimination complaints, disseminates information on the rights and responsibilities of Michigan citizens as provided by law, and provides information and services to businesses on diversity initiatives, equal employment law, procurement opportunities, feasibility studies, and joint venture/strategic alliance matchmaking.

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
1. Division on Deaf and Hard of Hearing	FTE	5.0	1.0
Executive includes $100,000 GF/GP to provide increased educational support for persons taking the Sign Language Interpreters Examination. Funds will also support efforts to reduce time required to review and score examination. House concurs. Senate concurs. Conference concurs.	**Gross**	**$654,700**	**$100,000**
	Private	18,700	0
	Restricted	93,400	0
	GF/GP	$542,600	$100,000
2. Hispanic and Latino Commission	**Gross**	**$196,500**	**$54,000**
Executive includes $54,000 GF/GP to increase assistance services for new Hispanic and Latino residents in the State of Michigan. Services provided include translation, outreach, and partnerships with local organizations. House concurs. Senate concurs. Conference concurs.	GF/GP	$196,500	$54,000
3. Operations Reduction	**Gross**	**N/A**	**$0**
House reduces operations funding by $556,600 GF/GP. Transferred $250,000 for Michigan Women's Commission into separate line item. Targeted reduction only reduced operations line item. Senate does not include. Conference does not include.	GF/GP	N/A	$0
4. Information Technology	**Gross**	**N/A**	**$6,100**
Executive includes $6,100 GF/GP for various statewide Information Technology (IT) adjustments (both increases and decreases). Specifically, IT funding will support investments in wireless infrastructure, Internet bandwidth, Microsoft Enterprise Agreement, and Center for Shared Solutions Framework. House concurs but removes $9,400 GF/GP funding for investments in wireless infrastructure and Internet bandwidth. Senate concurs with Executive. Conference concurs with Executive.	GF/GP	N/A	$6,100

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
5. Removal of One-Time Appropriations	**Gross**	**$128,900**	**($128,900)**
Executive removes $128,900 Gross ($104,300 GF/GP) designated as one time appropriations in FY 2012-13 for employee lump-sum payments. House concurs. Senate concurs. Conference concurs.	Federal	24,600	(24,600)
	GF/GP	$104,300	($104,300)
6. Removal of Full-Time Equated Positions	FTE	114.0	0.0
House removes 15.0 FTEs from Civil Rights Operations line item. Senate does not concur. Conference does not concur.			
7. Economic Adjustments	**Gross**	**N/A**	**$401,600**
Executive includes funding for increased costs of $401,600 Gross ($328,100 GF/GP) for negotiated salary and wage amounts (1.0%), insurance rate increases, actuarially-required retirement rate increases, and other economic adjustments. House concurs. Senate concurs. Conference concurs.	Federal	N/A	73,500
	GF/GP	N/A	$328,100

Major Boilerplate Changes From FY 2012-13

***Sec. 404. Operations Report* – NEW**
Requires the Department of Civil Rights to report on various operations information. House adds as new section. Senate does not include. Conference concurs with House.

***Sec. 405. Federal Complaint Report* – NEW**
Requires the Department of Civil Rights to notify the Legislature and State Budget Office prior to submitting a report of complaint to the United States Commission on Civil Rights or other federal department. House adds as new section. Senate does not include. Conference concurs with House.

Sec. 1201. Anticipated FY 2014-15 Appropriations
States legislative intent to provide appropriations for FY 2014-15, adjusting FY 2013-14 amounts based on economic and other factors.

FY 2013-14: EXECUTIVE OFFICE
Summary: Conference Report
Senate Bill 194 (CR-1)

Analyst: Ben Gielczyk

	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Revised Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Conference	*Difference: Conference From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$0	$0	$0	$0	$0	*$0*	--
Federal	0	0	0	0	0	*0*	--
Local	0	0	0	0	0	*0*	--
Private	0	0	0	0	0	*0*	--
Restricted	0	0	0	0	0	*0*	--
GF/GP	4,887,900	4,970,000	4,970,000	4,970,000	5,370,000	*482,100*	*9.9*
Gross	**$4,887,900**	**$4,970,000**	**$4,970,000**	**$4,970,000**	**$5,370,000**	***$482,100***	***9.9***
FTEs	84.2	84.2	84.2	84.2	84.2	*0.0*	*0.0*

Notes: (1) FY 2012-13 year-to-date (YTD) figures include mid-year budget adjustments through February 7, 2013.
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.
(3) House information in this document references Article VIII of House Bill 4328 as passed by the House.

Overview

The Executive Office budget provides funding for the Governor, the Lieutenant Governor, and their staffs. Major constitutionally-specified responsibilities include organization and supervision of the Executive branch and annual preparation and submission of the Executive budget.

Major Budget Changes From FY 2012-13 YTD Appropriations		**FY 2012-13 Year-to-Date (as of 2/7/13)**	**FY 2013-14 Conference Change**
1. Executive Office Operations	**Gross**	**$3,708,500**	**$97,800**
Executive includes $97,800 GF/GP to increase investment in Executive Office operations. House concurs. Senate concurs. Conference concurs.	GF/GP	$3,708,500	$97,800
2. Unclassified Positions	**Gross**	**$849,800**	**$400,000**
Conference includes $400,000 GF/GP for unclassified positions line item.	GF/GP	$849,800	$400,000
3. Removal of One-Time Appropriations	**Gross**	**$58,700**	**($58,700)**
Executive removes FY 2012-13 one-time funding of $58,700 GF/GP for employee lump sum payments. House concurs. Senate concurs. Conference concurs.	GF/GP	$58,700	($58,700)
4. Economic Adjustments	**Gross**	**N/A**	**$43,000**
Executive includes $43,000 GF/GP to reflect increased costs for employee economics. House concurs. Senate concurs. Conference concurs.	GF/GP	N/A	$43,000

Major Boilerplate Changes From FY 2012-13

There are no major boilerplate changes recommended for FY 2013-14.

Sec. 1201. Anticipated FY 2014-15 Appropriations

States legislative intent to provide appropriations for FY 2014-15, adjusting FY 2013-14 amounts based on economic and other factors.

FY 2013-14: LEGISLATURE
Summary: Conference Report
Senate Bill 194 (CR-1)

Analyst: Ben Gielczyk

	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Revised Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Conference	*Difference: Conference From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$0	$0	$100,000	$0	$0	*$0*	--
Federal	0	0	0	0	0	*0*	--
Local	0	0	0	0	0	*0*	--
Private	400,000	400,000	400,000	400,000	400,000	*0*	*0.0*
Restricted	1,109,800	1,109,800	1,109,800	1,109,800	1,109,800	*0*	*0.0*
GF/GP	113,705,000	122,309,500	118,309,500	122,309,500	122,309,500	*8,604,500*	*7.6*
Gross	**$115,214,800**	**$123,819,300**	**$119,919,300**	**$123,819,300**	**$123,819,300**	***$8,604,500***	***7.5***
FTEs	0.0	0.0	0.0	0.0	0.0	*0.0*	--

Notes: (1) FY 2012-13 year-to-date (YTD) figures include mid-year budget adjustments through February 7, 2013.
(2) FY 2012-13 year-to-date figures reflect mid-year budget adjustment for FY 2012-13 OPEB for legislative employees.
(3) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.
(4) House information in this document references Article VIII of House Bill 4328 as passed by the House.

Overview

This budget provides funding for the Legislative branch of state government, including the Legislative Council and agencies it governs, the Legislative Retirement System, and Property Management. The Legislature enacts the laws of Michigan, levies taxes, and appropriates funding from revenue collected for the support of public institutions and the administration of the affairs of state government. The Legislative Council provides a wide variety of essential services to members and staff of the Legislature. The Michigan Legislative Retirement System provides retirement allowances, survivors' allowances, and other benefits for members of the Legislature and their spouses, dependents, survivors, and beneficiaries. Property Management employees maintain, operate, and repair the Capitol Building, House of Representatives Office Building, and Farnum Building.

Major Budget Changes From FY 2012-13 YTD Appropriations		**FY 2012-13 Year-to-Date (as of 2/7/13)**	**FY 2013-14 Conference Change**
1. Economic Adjustments	**Gross**	**N/A**	**$8,604,500**
Executive includes increased costs of $8.6 million Gross ($8.6 million GF/GP) for economic adjustments for legislative staff. House concurs. Senate concurs. Conference concurs.	GF/GP	N/A	$8,604,500
2. Back Office Consolidation	**Gross**	**N/A**	**$0**
House includes $4.0 million in estimated savings associated with a proposed consolidation of back office operations. Executive does not include. Senate does not include. Conference does not include.	GF/GP	N/A	$0
3. Michigan Veterans' Facility Ombudsman	**Gross**	**$0**	**$0**
House includes $100,000 IDG from Michigan Department of Military and Veterans Affairs to support Ombudsman. Senate does not include. Conference does not include.	IDG	0	0

****Please note: The Legislative Auditor General budget is rolled in with the Legislature budget in the FY 2013-14 budget recommendations, but appears separate in this document.***

Major Boilerplate Changes From FY 2012-13

***Sec. 609. Michigan Veterans' Facility Ombudsman* – NOT INCLUDED**

Expresses intent of the Legislature that a Michigan Veterans' Facility Ombudsman be established; specifies duties and responsibilities of the Ombudsman. House removes intent language and establishes Michigan Veterans' Facility Ombudsman supported with IDG funding from the Michigan Department of Military and Veterans Affairs. Senate does not include. Conference does not include.

Major Boilerplate Changes From FY 2012-13

Sec. 1201. Anticipated FY 2014-15 Appropriations
States legislative intent to provide appropriations for FY 2014-15, adjusting FY 2013-14 amounts based on economic and other factors.

FY 2013-14: LEGISLATIVE AUDITOR GENERAL
Summary: Conference Report
Senate Bill 194 (CR-1)

Analyst: Ben Gielczyk

	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Revised Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Conference	*Difference: Conference From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$3,792,100	$5,092,100	$5,092,100	$5,092,100	$5,092,100	*$1,300,000*	*34.3*
Federal	0	0	0	0	0	*0*	--
Local	0	0	0	0	0	*0*	--
Private	0	0	0	0	0	*0*	--
Restricted	1,890,700	1,951,000	1,951,000	1,951,000	1,951,000	*60,300*	*3.2*
GF/GP	13,004,900	13,511,300	14,364,400	14,711,300	13,911,300	*906,400*	*7.0*
Gross	**$18,687,700**	**$20,554,400**	**$21,407,500**	**$21,754,400**	**$20,954,400**	***$2,266,700***	***12.1***
FTEs	0.0	0.0	0.0	0.0	0.0	*0.0*	--

Notes: (1) FY 2012-13 year-to-date (YTD) figures include mid-year budget adjustments through February 7, 2013.
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.
(3) House information in this document references Article VIII of House Bill 4328 as passed by the House.

Overview

The Legislative Auditor General is responsible for conducting post financial and performance audits of state government operations. Audit reports provide a continuing flow of information to assist the Legislature in its oversight of approximately 100 individual state funds. Audit reports provide citizens with a measure of accountability and assist state departments and agencies in improving financial management of their operations. The goal of the Legislative Auditor General is to improve accounting and financial reporting practices and promote effectiveness, efficiency, and economy in state government. The mission is to improve the accountability of public funds and to improve the operations of state government for the benefit of the citizens of the state.

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
1. Technical Boilerplate Funding Shift	**Gross**	**N/A**	**$1,255,200**
Executive includes $1.3 million Gross ($0 GF/GP) in increased appropriation authorization for operations. Reflects shift from boilerplate spending authorization to line-item spending authorization to reflect actual restricted revenues that OAG earns from its audit activities statewide. House concurs. Senate concurs. Conference concurs.	IDG	N/A	982,800
	Restricted	N/A	272,400
2. Economics Adjustments	**Gross**	**N/A**	**$632,400**
Executive includes funding for increased costs of $632,400 Gross ($441,200 GF/GP) for negotiated salary and wage amounts (1.0%), insurance rate increases, actuarially-required retirement rate increases, and other economic adjustments. House concurs. Senate concurs. Conference concurs.	IDG	N/A	127,900
	Restricted	N/A	63,300
	GF/GP	N/A	$441,200
3. Information Technology Systems Audit Operations	**Gross**	**$0**	**$400,000**
House includes $1.2 million GF/GP to support increased audit oversight and service delivery for audits related to information technology systems. Senate concurs with House. Conference includes $400,000 GF/GP.	GF/GP	$0	$400,000
4. Increased Audit Funding	**Gross**	**N/A**	**$250,000**
Executive includes $250,000 GF/GP to increase audit oversight and service delivery for mandated statewide audits, including the State of Michigan Comprehensive Financial Report (CAFR). House does not include. Senate concurs with Executive. Conference concurs with Executive.	GF/GP	N/A	$250,000
5. Operations Reduction	**Gross**	**N/A**	**$0**
House includes funding reduction of $96,900 GF/GP to meet targets. Senate does not include. Conference does not include.	GF/GP	N/A	$0

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
6. Removal of One-Time Appropriations	**Gross**	**$270,900**	**($270,900)**
Executive removes $270,900 Gross ($184,800 GF/GP) in one-time funding associated with employee lump-sum payments. House concurs. Senate concurs. Conference concurs.	IDG	59,000	(59,000)
	Restricted	27,100	(27,100)
	GF/GP	$184,800	($184,800)

Please note: The Legislative Auditor General budget is rolled in with the Legislature budget in the FY 2013-14 budget recommendations, but appears separate in this document.

Major Boilerplate Changes From FY 2012-13

***Sec. 624. Audit Report Printing Costs* – NOT INCLUDED**
Requires Auditor General to take all reasonable steps to lower printing and distribution costs for audit reports. House adds as new section. Senate does not include. Conference does not include.

Sec. 1201. Anticipated FY 2014-15 Appropriations
States legislative intent to provide appropriations for FY 2014-15, adjusting FY 2013-14 amounts based on economic and other factors.

FY 2013-14: DEPARTMENT OF STATE
Summary: Conference Report
Senate Bill 194 (CR-1)

Analyst: Paul Holland

	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Revised Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Conference	*Difference: Conference From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$20,000,000	$20,000,000	$20,000,000	$20,000,000	$20,000,000	*$0*	*0.0*
Federal	1,810,000	1,810,000	1,810,000	1,810,000	1,810,000	*0*	*0.0*
Local	0	0	0	0	0	*0*	*--*
Private	100	100	100	100	100	*0*	*0.0*
Restricted	183,971,100	182,485,400	182,485,400	182,485,400	182,485,400	*(1,485,700)*	*(0.8)*
GF/GP	14,888,100	15,253,400	14,659,200	15,253,400	15,253,400	*365,300*	*2.5*
Gross	**$220,669,300**	**$219,548,900**	**$218,954,700**	**$219,548,900**	**$219,548,900**	***($1,120,400)***	***(0.5)***
FTEs	1,695.0	1,568.0	1,568.0	1,568.0	1,568.0	*(127.0)*	*(7.5)*

Notes: (1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013.
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.
(3) House information in this document references Article VIII of House Bill 4328 as passed by the House.

Overview

The Department of State (DOS) is the oldest department in Michigan state government. It is administered by the Secretary of State, an elected official who serves a four-year term of office and has constitutional and statutory duties. The mission of the DOS is to provide the most efficient and effective services to the people of Michigan by licensing drivers; registering and titling automobiles, watercraft, and recreational vehicles; regulating automobile dealers and repair facilities; registering voters and administering elections; and streamlining the collection of revenue. The DOS serves citizens with programs designed to enhance driver safety, protect automotive consumers, and ensure the integrity of both the motor vehicle administration system and the statewide elections process.

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
1. Increase Record Look-Up Fees	**Gross**	**N/A**	**$4,700,000**
Executive assumes an increase of the record look-up fee to $8.00 per record to support DOS economics adjustments (including OPEB pre-funding). DOS currently charges a $7.00 per record to individuals and entities requesting registration and driving records (e.g. insurance companies, reporting agencies, data aggregators). The fee is established in boilerplate Section 703 and generated $34.0 million in FY 2011-12. House concurs. Senate concurs. Conference concurs.	Restricted	N/A	4,700,000
2. Eliminate FY 2012-13 One-Time Appropriations	**Gross**	**$2,294,400**	**($2,294,400)**
Executive eliminates FY 2012-13 one-time appropriations for state employee lump-sum payments, executive direction, and central operations. House concurs. Senate concurs. Conference concurs.	Restricted	1,259,500	(1,259,500)
	GF/GP	$1,034,900	($1,034,900)
3. Privatization of Michigan Assigned Claims Facility	FTE	7.0	(7.0)
Executive eliminates spending authorization, FTE positions, and fund source for the Michigan Assigned Claims Facility. 2012 PA 204 transferred the Michigan Assigned Claims Facility (which indemnified uninsured individuals injured by uninsured or unidentified drivers, supported by annual assessments on insurers writing auto insurance in Michigan) from DOS to the Michigan Automobile Insurance Placement Facility (a joint underwriting association established by the Insurance Code, supported by member insurers writing auto insurance in Michigan). House concurs. Senate concurs. Conference concurs.	**Gross**	**$1,098,600**	**($1,098,600)**
	Restricted	1,098,600	(1,098,600)

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
4. Increase in Document Handling Costs	FTE	150.0	0.0
Executive increases spending authorization for document handling costs due to increased postage rates ($500,000 GF/GP). DOS services and sends approximately twenty million documents to its customers annually. House does not concur. Senate concurs. Conference concurs with Executive and Senate.	**Gross**	**$23,108,200**	**$500,000**
	Restricted	22,957,100	0
	GF/GP	$151,100	$500,000
5. Increase IT Services and Projects to DTMB	**Gross**	**$21,248,800**	**$160,000**
Executive increases spending authorization for IT services and projects to reflect DOS' share of DTMB's statewide projects to replace Windows XP, recover economics for the Center for Shared Solutions, and expand wireless connectivity and internet bandwidth. House concurs in part, but rejects $4,900 in GF/GP for the expansion of wireless connectivity and internet bandwidth. Senate concurs. Conference concurs with Executive and Senate.	Restricted	19,713,200	148,400
	GF/GP	$1,535,600	$11,600
6. Eliminate Olympic Center Plate Line Item	**Gross**	**$75,700**	**($75,700)**
Executive eliminates spending authorization for the Olympic Center Plate Line Item as it is now included in the Specialty License Plates line item. House concurs. Senate concurs. Conference concurs.	Restricted	75,700	(75,700)
7. Increase for Anatomical Gift Donor Registry	**Gross**	**$79,100**	**$50,000**
Executive increases spending authorization for the Organ Donor Program pursuant to 2012 PAs 54 & 55 which amended the Michigan Vehicle Code to authorize DOS to issue a new fundraising license plate ("Donate Life") and deposit the proceeds into the Thomas Daley Gift of Life Fund for the administration of a state anatomical gift donor registry. House concurs. Senate concurs. Conference concurs.	Restricted	0	50,000
	Private	100	0
	GF/GP	$79,000	$0
8. Decrease Excess Spending Authorization	**Gross**	**$77,138,500**	**($8,000,000)**
Executive decreases spending authorization within several line items supported by the Transportation Administration Collection Fund (TACF) to more accurately reflect available revenue. The TACF (established by 2003 PA 152) is supported by revenues generated by various registration and service fees collected by the DOS and is utilized to support administrative expenses of enforcing Sections 801 thru 810 of the Michigan Vehicle Code. House concurs. Senate concurs. Conference concurs.	Restricted	77,138,500	(8,000,000)
9. FTE Rebasing	FTE	694.5	(120.0)
Executive decreases FTE positions within several line items to more accurately reflect actual staffing levels. House concurs. Senate concurs. Conference concurs.			
4. Increase in Document Handling Costs	FTE	150.0	0.0
Executive increases spending authorization for document handling costs due to increased postage rates ($500,000 GF/GP). DOS services and sends approximately twenty million documents to its customers annually. House does not concur. Senate concurs. Conference concurs with Executive and Senate.	**Gross**	**$23,108,200**	**$500,000**
	Restricted	22,957,100	0
	GF/GP	$151,100	$500,000
5. Increase IT Services and Projects to DTMB	**Gross**	**$21,248,800**	**$160,000**
Executive increases spending authorization for IT services and projects to reflect DOS' share of DTMB's statewide projects to replace Windows XP, recover economics for the Center for Shared Solutions, and expand wireless connectivity and internet bandwidth. House concurs in part, but rejects $4,900 in GF/GP for the expansion of wireless connectivity and internet bandwidth. Senate concurs. Conference concurs with Executive and Senate.	Restricted	19,713,200	148,400
	GF/GP	$1,535,600	$11,600
6. Eliminate Olympic Center Plate Line Item	**Gross**	**$75,700**	**($75,700)**
Executive eliminates spending authorization for the Olympic Center Plate Line Item as it is now included in the Specialty License Plates line item. House concurs. Senate concurs. Conference concurs.	Restricted	75,700	(75,700)

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
7. Increase for Anatomical Gift Donor Registry	**Gross**	**$79,100**	**$50,000**
Executive increases spending authorization for the Organ Donor Program pursuant to 2012 PAs 54 & 55 which amended the Michigan Vehicle Code to authorize DOS to issue a new fundraising license plate ("Donate Life") and deposit the proceeds into the Thomas Daley Gift of Life Fund for the administration of a state anatomical gift donor registry. House concurs. Senate concurs. Conference concurs.	Restricted	0	50,000
	Private	100	0
	GF/GP	$79,000	$0
8. Decrease Excess Spending Authorization	**Gross**	**$77,138,500**	**($8,000,000)**
Executive decreases spending authorization within several line items supported by the Transportation Administration Collection Fund (TACF) to more accurately reflect available revenue. The TACF (established by 2003 PA 152) is supported by revenues generated by various registration and service fees collected by the DOS and is utilized to support administrative expenses of enforcing Sections 801 thru 810 of the Michigan Vehicle Code. House concurs. Senate concurs. Conference concurs.	Restricted	77,138,500	(8,000,000)
9. FTE Rebasing	FTE	694.5	(120.0)
Executive decreases FTE positions within several line items to more accurately reflect actual staffing levels. House concurs. Senate concurs. Conference concurs.			
10. Offset for Michigan Transportation Fund Economics	**Gross**	**$20,000,000**	**$0**
Executive offsets the economics adjustments related to the Michigan Transportation Fund (MTF) appropriation with GF/GP. The DOS is appropriated $20.0 million annually from the MTF to partially reimburse administrative expenses of collecting registration and title fees deposited into the MTF ($905.0 million in FY 2011-12). The annual appropriation of MTF revenue for the DOS may not exceed $20.0 million pursuant to Section 10(1) of 1951 PA 51. House concurs. Senate concurs. Conference concurs.	IDG	20,000,000	(606,300)
	GF/GP	$0	$606,300

Major Boilerplate Changes From FY 2012-13

NOTE: *No boilerplate language proposed specific to FY 2014-15.*

***Sec. 702. Assigned Claims Assessments* – DELETED**
Stipulates that funds made available by Sec. 3171 of the Insurance Code of 1956 are appropriated to be expended for the purposes of the Michigan Assigned Claims Facility as provided by Sec. 3171 to 3177 of the Insurance Code of 1956. Executive eliminates. House concurs. Senate concurs. Conference concurs.

***Sec. 703. Commercial Look-Up Fees* – REVISED**
Stipulates that DOS shall sell copies of specified records, sets the price of the sale of these records at $7.00 per record, and stipulates that the funds generated from the sale of records shall be credited to the Transportation Administration Collection Fund. Executive increased the price to $8.00 per record. House concurs. Senate concurs. Conference concurs.

***Sec. 714. Branch Office Closings or Consolidations* – REVISED**
Requires DOS to notify appropriations committees and legislators who represent affected areas of closing and/or consolidation of DOS branch offices at least 180 days prior to closing or consolidation or at least 60 days prior to relocation. Executive eliminates. House does not concur. Senate adds language exempting DOS from making the notification if the branch consolidation or relocation takes place entirely within a single local unit of government. Conference concurs.

Various Sections Eliminated by Executive, Retained by House
Executive eliminates sections 716b, 718, and 719. House does not concur. Senate and Conference concur in part, eliminating section 719.

Sec. 1201. Anticipated FY 2014-15 Appropriations
States legislative intent to provide appropriations for FY 2014-15, adjusting FY 2013-14 amounts based on economic and other factors.

FY 2013-14: DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET
Summary: Conference Report
Senate Bill 194 (CR-1)

Analyst: Paul Holland

	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Revised Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Conference	*Difference: Conference From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$635,564,900	$677,159,800	$677,159,800	$677,159,800	$677,159,800	*$41,594,900*	*6.5*
Federal	9,464,300	8,790,900	8,790,900	8,790,900	8,790,900	*(673,400)*	*(7.1)*
Local	1,320,800	1,320,800	1,320,800	1,320,800	1,320,800	*0*	*0.0*
Private	190,200	190,400	190,400	190,400	190,400	*200*	*0.1*
Restricted	90,517,200	92,625,900	92,625,900	92,625,900	94,125,900	*3,608,700*	*4.0*
GF/GP	405,916,200	405,887,400	383,895,100	404,287,300	408,787,300	*2,871,100*	*(0.7)*
Gross	**$1,142,973,600**	**$1,185,975,200**	**$1,163,982,900**	**$1,184,375,100**	**$1,190,375,100**	***$47,401,500***	***4.1***
FTEs	2,814.0	2,812.0	2,810.0	2,812.0	2,822.0	*8.0*	*(0.3)*

Notes: (1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013.
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.
(3) House information in this document references Article VIII of House Bill 4328 as passed by the House.

Overview

The Department of Technology, Management, and Budget (DTMB) has legal authority under the Management and Budget Act, 1984 PA 431, and is the central management element of the Executive branch of state government. DTMB is an interdepartmental service and management agency responsible for all of the following: ensuring proper financial record keeping for state agencies; overseeing capital outlay projects; managing state facilities, property, and leases; implementing state procurement; operating the state's retirement systems; supervising the state motor vehicle fleet; administering travel policies; providing office support services to state agencies; executing information technology projects; centralizing information technology policy-making; and unifying strategic information technology planning. Autonomous units within DTMB include: the State Budget Office, Office of the State Employer, Civil Service Commission, Office of Retirement Services, State Building Authority, State Administrative Board, and the Office of Children's Ombudsman.

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
1. Increase for Statewide IT Services and Projects	FTE	1,459.5	0.0
Executive increases spending authorization for IT services and projects to reflect DTMB's statewide projects to replace Windows XP, recover economics for the Center for Shared Solutions, and expand wireless connectivity and internet bandwidth. House concurs. Senate concurs. Conference concurs.	**Gross**	**$457,192,100**	**$5,117,700**
	IDG	457,192,100	5,117,700
2. Align IT Services and Projects for State Agencies with DTMB	FTE	1,459.5	0.0
Executive aligns and increases spending authorization for existing IT services and projects affecting various state agencies to more accurately reflect DTMB's expenditures and fund sources. This is a technical correction to the IDG authorization for DTMB to align it with state agencies' actual funding for information technology service and projects (including those altered at the Conference Committee for FY 2012-13). House concurs. Senate concurs. Conference concurs.	**Gross**	**$457,192,100**	**$4,385,700**
	IDG	457,192,100	4,385,700
3. Adjustment and Increase for State Agencies' IT Services and Projects	FTE	1,459.5	0.0
Executive adjusts and increase spending authorization for IT services and projects affecting various state agencies (including DOC, DHS, DNR, MSP, and Treasury). House concurs. Senate concurs. Conference concurs.	**Gross**	**$457,192,100**	**$4,051,300**
	IDG	457,192,100	4,051,300

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
4. Increase for DTMB IT Services and Projects	**Gross**	**$31,630,600**	**$342,800**
Executive increases spending authorization for IT services and projects to reflect DTMB's share of DTMB's statewide projects to replace Windows XP, recover economics for the Center for Shared Solutions, and expand wireless connectivity and internet bandwidth. House concurs in part, but rejects $63,500 in GF/GP for the expansion of wireless connectivity and internet bandwidth. Senate concurs. Conference concurs with Executive and Senate.	IDG	881,900	51,000
	Federal	976,900	20,500
	Restricted	16,443,900	128,800
	GF/GP	$13,327,900	$142,500
5. Increase State Building Authority Rent	**Gross**	**$68,305,800**	**$1,700,000**
Executive increases spending authorization for State Building Authority rent for state agencies to support rent payments for anticipated obligations for the State Emergency Operations Center (SEOC) project in FY 2013-14 ($1.7 million GF/GP). House does not concur. Senate concurs. Conference concurs with Executive and Senate.	GF/GP	$68,305,800	$1,700,000
6. Increase Motor Vehicle Fleet for MSP & DHS	FTE	35.0	0.0
Executive increases spending authorization for the motor vehicle fleet for the Michigan State Police (MSP) which is closing trooper stations and equipping patrol vehicles to operate as mobile offices and the Department of Human Services (DHS) which is hiring Child Welfare Services staff who conduct home visits and appear at court proceedings. House concurs. Senate concurs. Conference concurs.	**Gross**	**$57,624,000**	**$1,500,000**
	IDG	57,624,000	1,500,000
7. Military Retirement System Prefunding	FTE	162.0	0.0
Executive increase spending authorization to begin prefunding the Military Retirement System, administered by the Office of Retirement Services, to reduce unfunded liabilities, totaling $48.4 million, and future contributions. House concurs. Senate concurs. Conference concurs.	**Gross**	**$23,992,300**	**$826,100**
	Restricted	19,940,600	0
	GF/GP	$3,981,700	$826,100
8. Transfer of CSC Staff to DHS	FTE	320.0	(4.0)
Executive transfers spending authorization and FTE positions from the Civil Service Commission (CSC) to the Department of Human Services (DHS) as the staff provide DHS-specific training. House concurs. Senate concurs. Conference concurs.	**Gross**	**$34,394,200**	**($465,600)**
	IDG	1,134,000	0
	Federal	0	(322,100)
	Local	662,700	0
	Restricted	15,706,900	0
	GF/GP	$16,890,600	($143,500)
9. Hire ADA Staff with Offset GF/GP	FTE	134.5	2.0
Executive increases FTE positions for staff to assist state agencies with coordination and compliance under the Americans with Disabilities Act (ADA), supports staff with $300,000 GF/GP offset with increased state restricted revenues. House does not concur, but includes a fund shift from GF/GP to state restricted (see #14). Senate concurs. Conference concurs with Executive and Senate.	**Gross**	**$16,376,300**	**$300,000**
	IDG	10,708,900	0
	Restricted	3,973,000	300,000
	GF/GP	$1,694,400	$0
10. Include Professional Development Funds	**Gross**	**N/A**	**$200,000**
Executive includes spending authorization for professional development funds for non-exclusively represented employees (NERE), supported by employer contributions. House concurs. Senate concurs. Conference concurs.	IDG	N/A	200,000
11. Decrease Accounting Service Center for MSP	FTE	134.5	0.0
Executive decreases spending authorization for the Accounting Service Center, which provides accounting services for the Michigan State Police (MSP), resultant from identified efficiencies. House concurs. Senate concurs. Conference concurs.	**Gross**	**$16,376,300**	**($120,000)**
	IDG	10,708,900	(120,000)
	Restricted	3,973,000	0
	GF/GP	$1,694,400	$0
12. Eliminate FY 2012-13 One-Time Appropriations	**Gross**	**$25,680,200**	**($25,680,200)**
Executive eliminates FY 2012-13 one-time appropriations for state employee lump-sum payments, special maintenance for state facilities, Office Space Consolidation Project, and the Teacher Evaluation Pilot Program. House concurs. Senate concurs. Conference concurs.	IDG	3,104,100	(3,104,100)
	Federal	426,700	(426,700)
	Restricted	357,200	(357,200)
	GF/GP	$21,792,200	($21,792,200)

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
13. Include FY 2013-14 One-Time Appropriations	**Gross**	**N/A**	**$37,300,000**
Executive includes new one-time appropriations for the Department of Community Health (DCH) and Michigan Casino Gaming Board IT systems and projects ($21.3 million Gross, $0 GF/GP), Delta County bridge removal ($1.5 million GF/GP), Regional Prosperity Initiative ($5.0 million GF/GP), special maintenance for state facilities ($10.0 million GF/GP), and SBA-financed State Emergency Operations Center (SEOC) project placeholder ($100 GF/GP). House concurs with Executive in part, but rejects the Regional Prosperity Initiative, special maintenance for state facilities, and SBA-financed SEOC project placeholder. Senate concurs with Executive in part, but reduces the spending authorization for the Regional Prosperity Initiative by $4.0 million, includes $2.4 million GF/GP spending authorization for IT expenditures per 2012 PA 322 for nursing home surveyors within the Department of Licensing and Regulatory Affairs (LARA), and rejects and SBA-financed SEOC project placeholder. Conference concurs with Executive in part, but reduces the spending authorization for the Regional Prosperity Initiative by $2.5 million, rejects the SBA-financed SEOC project placeholder, and includes $2.0 million GF/GP spending authorization for one-time legal services to support litigation costs on behalf of the state.	IDG	N/A	21,300,000
	GF/GP	N/A	$16,000,000
14. Various Fund Shifts	**Gross**	**$1,571,300**	**$0**
Executive includes various fund shifts within line items between fund sources which net out to zero gross, though they may alter the types of fund sources, which reflect changes in the availability and allocation of funds or reflect changes to more accurately reflect program administration. House concurs and makes an additional net zero fund shift (see #9). Senate concurs. Conference concurs with Executive and Senate.	IDG	125,400	49,400
	Federal	325,900	0
	Restricted	330,900	731,600
	GF/GP	$789,100	($781,000)
15. Include Economics Adjustments	**Gross**	**N/A**	**$12,980,200**
Executive increases and decreased spending authorization, resulting in a net increase, for negotiated salary and wage increases, insurance rates, actuarially-required retirement benefit rates, other postemployment benefits prefunding, workers' compensation costs, building occupancy costs and rent, and other incidental economic adjustments within DTMB. House concurs. Senate concurs. Conference concurs.	IDG	N/A	8,163,900
	Federal	N/A	54,900
	Private	N/A	200
	Restricted	N/A	1,605,500
	GF/GP	N/A	$3,155,700
16. Eliminate IT Innovation Fund	**Gross**	**$2,500,000**	**$0**
House eliminates spending authorization for the IT Innovation Fund established by 2011 PA 63 and 2012 PA 200 for the purpose of providing a revolving, self-sustaining resource for financing information, communications, and technology innovation projects. Senate does not concur. Conference does not concur.	GF/GP	$2,500,000	$0
17. Reduce GF/GP Appropriation	**Gross**	**$124,100,100**	**$0**
House decreases the GF/GP spending authorization within several line items by a fixed percentage, resulting in a reduction of $928,700 GF/GP. Senate does not concur. Conference does not concur.	GF/GP	$124,100,100	$0
18. Decrease Enterprisewide Special Maintenance for State Facilities	**Gross**	**$18,000,000**	**$0**
House decreases GF/GP spending authorization for Enterprisewide Special Maintenance for State Facilities line item ($1.5 million GF/GP) to offset one-time appropriation for the Delta Country bridge removal project (see #13). Senate does not concur. Conference does not concur.	GF/GP	$18,000,000	$0
19. Cyber Security	FTE	N/A	10.0
Conference increases spending authorization and FTEs for the Michigan Cyber Security Operations Center pursuant to a homeland security initiative that will add positions and shifts to provide staffing to the Center 24/7/365.	**Gross**	**N/A**	**$2,000,000**
	GF/GP	N/A	$2,000,000
20. Public Private Partnerships	**Gross**	**N/A**	**$1,500,000**
Conference includes spending authorization for public private partnerships between the state and private entities for capital asset improvements, energy resource projects, financial and investment opportunities, infrastructure projects, and joint ventures to provide economic benefits.	Restricted	N/A	1,500,000

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
21. Bureau of Labor Market Information and Strategies	FTE	42.0	0.0
Conference increases GF/GP spending authorization to offset increased costs for the Bureau of Labor Market Information and Strategies (LMI) that are not supported with federal grants from the U.S. Department of Labor (USDOL). The LMI collects and analyzes economic and employment data utilized by state and federal department and agencies.	**Gross**	**$5,587,900**	**$600,000**
	Federal	5,587,900	0
	GF/GP	$0	$600,000
22. Office of Project Management	FTE	95.0	0.0
Conference increases spending authorization for a proposed Office of Project Management (OPM) which would provide additional oversight to major procurement and contracting processes by acting as a referee in the development of departmental RFPs and applying project management methodologies.	**Gross**	**$10,040,300**	**$500,000**
	IDG/IDT	460,200	0
	Federal	100	0
	Restricted	5,570,800	0
	GF/GP	$4,009,200	$500,000
23 Fringe Benefits for Unclassified Positions within the Executive Office	FTE	364.5	0.0
Conference increases spending authorization within several lines for increased fringe benefits to correspond to salary increases for unclassified positions within the Executive Office.	**Gross**	**$70,545,300**	**$300,000**
	IDG/IDT	12,586,900	0
	Federal	100	0
	Restricted	29,933,800	0
	GF/GP	$28,024,500	$300,000

Major Boilerplate Changes From FY 2012-13

***Sec. 803. Statewide Administration and Support Services* – REVISED**
Permits DTMB to receive and expend funds in addition to those appropriated in part 1 for maintenance and operation, real estate, architectural, design, engineering, mail pickup, delivery, and purchasing services provided to various entities within the state government. Also requires DTMB to develop a plan regarding a statewide inventory management system. Executive eliminates statewide inventory management system plan requirement. House does not concur. Senate concurs. Conference concurs with Executive and Senate.

***Sec. 813. Motor Vehicle Fleet Appropriation* – RETAINED**
Stipulates that the appropriation in part 1 for the motor vehicle fleet are for administration and the acquisition, lease, operation, maintenance, repair, replacement, and disposal of state motor vehicles and shall be funded by revenue (which may be carried-forward) from rates charged for utilizing vehicle travel services provided by DTMB. Additionally, stipulates that DTMB shall maintain a plan regarding the operation of the motor vehicle fleet and specified what information shall be included in the plan as well as stipulating that DTMB may charge state agencies for fuel cost increases that exceed $3.04 per gallon and shall prioritize the utilization of remanufactured parts as the primary means of maintenance and repair. Executive eliminates motor vehicle plan of operation and priority of utilizing remanufactured parts. House does not concur. Senate concurs in part, eliminating the motor vehicle plan of operation. Conference concurs with House.

Sec. 815. Energy Savings Performance Contracts
Stipulates that DTMB shall review all construction projects which exceed $100,000 for inclusion in an Energy Savings Performance Contract and requires DTMB to submit a report providing information related to Energy Savings Performance Contracts. House adds. Senate does not concur. Conference does not concur.

***Sec. 816. Privatization RFP Factors* – NEW**
Stipulates that DTMB shall include all factors that will be used to evaluate and determine price related to requests for proposals issued for the purpose of privatization. House adds. Senate does not concur. Conference concurs with House.

***Sec. 817. Call Center Vendor Disclosure* – RETAINED**
Stipulates that DTMB may require vendors providing call or contact center services to disclose the location from which call or contact center services are being provided. Executive eliminates. House inserts that the Legislature intends that DTMB should utilize Michigan-based call centers and shall require vendors providing call or contact center services to disclose the state from which calls are being made. Senate does not concur with Executive or House. Conference concurs with Senate.

***Sec. 821. Space Consolidation Plan* – REVISED**
Requires DTMB to provide a detailed plan for the funding appropriated for the Space Consolidation Fund and delineates reporting requirements. Executive eliminates. House revises the reference to the Office Space Consolidation Project and requires DTMB to update and distribute the plan quarterly. Senate concurs with Executive. Conference concurs with House.

***Sec. 822a. Federal and State Restricted Revenue for Special Maintenance for State Facilities* – NEW**
Appropriates additional federal and state restricted revenue for the Special Maintenance, Remodeling, and Addition - State Facilities line item up to the amounts earned based on the initiatives undertaken with the General Fund appropriation. Senate transfers from "General Sections". House does not concur. Conference concurs with Senate.

Major Boilerplate Changes From FY 2012-13

***Sec. 822b. Federal and State Restricted Revenue for Enterprisewide IT Investments* – NEW**
Appropriates additional federal and state restricted revenue for the Enterprisewide Information Technology Investments line item up to the amounts earned based on the initiatives undertaken with the General Fund appropriation. Senate transfers from "General Sections". House does not concur. Conference concurs with Senate.

***Sec. 822c. Former State Police Headquarters Re-Appropriation* – NEW**
Authorizes Michigan State University (MSU) to use any unexpended funds initially appropriated under Public Act 63 of 2011 for asbestos abatement at the former Michigan State Police (MSP) headquarters for combined sewer overflow connections at the property to the municipal sewer system. Senate adds. House does not concur. Conference concurs with Senate, but revises language.

***Sec. 822d. Public Private Partnership Investments* – NEW**
Creates Public-Private Partnership Investment Fund and stipulates for what types of projects money from the Fund may be expended. Prohibits money from the Fund from being expended for the Detroit River International Crossing, or any successor project, unless approved by the Legislature and signed into law. Stipulates that the State Budget Director shall determine whether or not a specific project qualifies for funding from the Fund and that the money in the Fund shall carryforward into subsequent fiscal years. Requires DTMB to submit an annual report pertaining to the Fund and projects financed with money from the Fund and to propose legislative transfers if the revenue in the fund is insufficient to pay amounts appropriated from the Fund. Conference adds.

***Sec. 822e. Detroit River International Cross Prohibition* – NEW**
Prohibits funds appropriated in part 1 from being expended for the Detroit River International Crossing, or any successor project, unless approved by the Legislature and signed into law. Conference adds.

Sec. 825. Delta County Bridge Removal Project Report
Requires DTMB to provide reports prior to the commencement and subsequent to the completion of the Delta County bridge removal project supported by a one-time appropriation. House adds. Senate does not concur. Conference does not concur.

***Sec. 826. Information Technology Services Definition* – REVISED**
Defines information technology services. Executive expands the definition to include social media and cyber security. House concurs. Senate concurs. Conference concurs.

***Sec. 831. ICT Innovation Fund* – NEW**
Stipulates that the Information, Communications, and Technology (ICT) Innovation Fund shall be administered by DTMB for the purpose of providing a revolving, self-sustaining resource for financing ICT innovation projects for state agencies, local units of government, educational institutions, and nonprofit organizations, in addition to permitting outside contributions to the fund and carryforward of money within the fund. House adds. Senate does not concur. Conference concurs with House.

***Sec. 832. Child Support Enforcement System Penalties* – REVISED**
Requires DTMB to provide a report pertaining to amounts expended for Child Support Enforcement System, revisions made to spending plans, and amount of penalties paid to federal government. Executive eliminates. House revises reporting requirements. Senate concurs with Executive. Conference concurs with House.

***Sec. 840. General Fund Advances to the SBA for Cash Flow Requirements* – REVISED**
Stipulates procedures for cash flow advances from the General Fund for the State Building Authority (SBA). Executive replaces references to "legislative concurrent resolution" with "legislative appropriations act" and eliminates Joint Capital Outlay Subcommittee (JCOS) approval of the repayment of general fund advances if a project is terminated. House concurs. Senate does not concur. Conference concurs with Executive and House.

***Sec. 862. Capital Outlay Reports* – RETAINED**
Requires DTMB to provide various detailed reports to the Joint Capital Outlay Subcommittee (JCOS) and fiscal agencies pertaining to the status and financing of each planning or construction project financed by the SBA. Executive eliminates. House concurs. Senate does not concur. Conference concurs with Senate.

***Sec. 863. Lump-Sum Appropriations* – DELETED**
Requires DTMB to allocate lump-sum appropriations consistent with statutory provisions and purposes for which they were appropriated, addressing priority program or facility needs, and that lump-sum appropriations are available for up to three fiscal years before reverting to the fund from which it was appropriated. Executive eliminates. House concurs. Senate does not concur. Conference concurs with Executive and House.

Sec. 866. Public Purpose, Lease and Conveyance, and Annual Appropriation
Stipulates that the Legislature determines the leasing of SBA-financed facilities are for a public purpose under the State Building Authority Act of 1964, approves and authorizes the lease and conveyance of property to the SBA and from the SBA to state and educational institutions, as applicable, executed by the Governor and Secretary of State on behalf of the state, and agrees to annually appropriated sufficient amounts to pay rent obligations pursuant to the lease. Executive creates. House does not concur. Senate concurs with Executive. Conference concurs with House.

Major Boilerplate Changes From FY 2012-13

***Sec. 870. Statement of Proposed Operating Costs* – DELETED**
Requires DTMB to include a statement of proposed operating costs with planning documents. Executive eliminates. House concurs. Senate does not concur. Conference concurs with Executive and House.

***Sec. 871. Final Planning and Construction* – DELETED**
Stipulates administrative processes and agreements under DTMB to be completed before proceeding with final planning and construction for community college and university projects. Executive eliminates. House concurs. Senate does not concur. Conference concurs with Executive and House.

***Sec. 872. Match Requirements* – DELETED**
Requires state agencies, community colleges, and universities to use available federal or other funds to satisfy matching requirements. Executive eliminates. House concurs. Senate does not concur. Conference concurs with Executive and House.

***Sec. 890. Regional Prosperity Initiative (One-Time)* – NEW**
Stipulates prerequisites, provisos, and procedures for the Regional Prosperity Initiative though which DTMB will administer incentive-based grants to regional planning organizations that qualify as Regional Prosperity Collaborates, Councils, or Boards. The total cost of the Initiative is estimated at $5.0 million and it is estimated to be completed by the end of fiscal year 2018. Executive adds. House does not concur. Senate concurs with Executive. Conference concurs with Executive and Senate, but reduces the total estimated costs of all projects.

Sec. 892. Nursing Home Surveyors (One-Time)
Stipulates that the appropriation for nursing home surveyors is to be used to fund the additional costs associated with complying with Public Act 322 of 2012. Senate adds. House does not concur. Conference concurs with House.

Various Sections Deleted by the Executive, Retained by the House
Executive eliminates sections 809, 822, 823(4), 827(4), 828, 829, and 830. House, Senate, and Conference do not concur.

Sec. 1201. Anticipated FY 2014-15 Appropriations
States legislative intent to provide appropriations for FY 2014-15, adjusting FY 2013-14 amounts based on economic and other factors.

FY 2013-14: DEPARTMENT OF TREASURY
Summary: Conference Report
Senate Bill 194 (CR-1)

Analyst: Ben Gielczyk

	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Revised Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Conference	*Difference: Conference From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$8,899,400	$9,130,000	$9,130,000	$9,130,000	$9,130,000	*$230,600*	*2.6*
Federal	698,385,900	677,780,700	677,780,700	677,780,700	677,780,700	*(20,605,200)*	*(3.0)*
Local	6,686,200	6,393,000	6,393,000	6,393,000	6,393,000	*(293,200)*	*(4.4)*
Private	5,380,000	5,476,900	5,476,900	5,476,900	5,476,900	*96,900*	*1.8*
Restricted	1,594,122,400	1,630,788,000	1,635,139,400	1,627,438,000	1,636,631,800	*42,509,400*	*2.7*
GF/GP	419,836,500	444,195,200	323,996,600	462,535,200	459,495,200	*39,658,700*	*9.4*
Gross	**$2,733,310,400**	**$2,773,763,800**	**$2,657,916,600**	**$2,788,753,800**	**$2,794,907,600**	***$61,597,200***	***2.3***
FTEs	2,532.5	2,566.5	2,548.5	2,530.5	2,540.5	*8.0*	*0.3*

Notes: (1) FY 2012-13 year-to-date (YTD) figures include mid-year budget adjustments through February 7, 2013.
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.
(3) House information in this document references Article VIII of House Bill 4328 as passed by the House.

Overview

The Department of Treasury is the chief fiscal agency of the state and the primary source of advice to the Governor on tax and fiscal policy issues. The Department's mission is to collect state taxes, to invest, control, and disburse state monies, and to protect the state's credit rating and that of its cities. The Department manages one of the nation's largest pension funds, administers revenue sharing, and administers the student financial aid programs. It also investigates fraudulent financial activity, provides assistance on all property tax-related issues and advises issuers of municipal obligations. The Bureau of State Lottery, the Michigan Gaming Control Board (MGCB), Michigan State Housing and Development Authority (MSHDA), and the Michigan Strategic Fund (MSF) are autonomous agencies housed within the Department of Treasury. Funds and programs of the MSF are administered by the Michigan Economic Development Corporation (MEDC), which also administers the 21st Century Jobs Fund.

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
1. Constitutional Revenue Sharing	**Gross**	**$725,496,300**	**$11,761,400**
Executive includes $17.1 million Gross ($0 GF/GP) to adjust constitutional revenue sharing payments in FY 2013-14 based on January Consensus Revenue Estimating Conference (CREC). House concurs. Senate concurs. Conference includes $737.3 Gross as updated figure to account for May CREC.	Restricted	725,496,300	11,761,400
2. Economic Vitality Incentive Program	**Gross**	**$225,000,000**	**$10,840,000**
Executive maintains FY 2012-13 appropriation for the Economic Vitality Incentive Program (EVIP) in both ongoing ($217.5 million) and one-time ($7.5 million) appropriations. House concurs. Senate includes additional $10.8 million GF/GP. Conference concurs with Senate but funds with sales tax revenue.	Restricted	225,000,000	10,840,000
3. Competitive Grant Assistance Program	**Gross**	**$15,000,000**	**$0**
Executive maintains FY 2012-13 appropriation for the Competitive Grant Assistance Program in both ongoing ($5.0 million) and one-time ($10.0 million) appropriations. House concurs. Senate concurs. Conference concurs.	Restricted	15,000,000	0

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
4. County Revenue Sharing/Incentive Program	**Gross**	**$130,600,000**	**$15,160,000**
Executive increases county revenue sharing payments by $8.0 million Gross ($0 GF/GP) ongoing and county incentive payments by $2.0 million Gross ($0 GF/GP) one-time to maintain FY 2012-13 percentage of full funding (77.1%) to eligible counties. House concurs. Senate includes additional $4.1 million GF/GP for County Revenue Sharing and $1.0 million GF/GP for County Incentive Program. Conference concurs with Senate but funds with sales tax revenue.	Restricted	130,600,000	15,160,000
5. Payments in Lieu of Taxes	**Gross**	**$15,612,600**	**$1,734,500**
Executive increases Payments in Lieu of Taxes (PILT) by $1.7 million Gross ($1.0 million GF/GP) to fully fund PILT. Recommends increase of $4.8 million Gross ($4.4 million GF/GP) for FY 2014-15 due to required increases under PAs 603 and 604 of 2012. House concurs. Senate concurs. Conference concurs.	Restricted	3,288,800	695,400
	GF/GP	$12,323,800	$1,039,100
6. Debt Service	**Gross**	**$140,554,900**	**$13,647,600**
Executive includes $2.5 million GF/GP to replace corresponding amount of Refined Petroleum Fund in Debt Service. Debt service adjustments also include an increase of $5.6 million GF/GP for scheduled FY 2013-14 adjustments and an increase of $8.0 million GF/GP for debt service on proposed new Strategic Water Quality bond issues. House includes $5.6 million GF/GP in scheduled FY 2013-14 adjustments. House does not include Refined Petroleum Fund shift and increase for Strategic Water Quality Bond issues. Senate concurs with Executive. Conference concurs with Executive.	Restricted	5,514,500	(2,500,000)
	GF/GP	$135,040,400	$16,147,600
7. Dual Enrollment	**Gross**	**$10,000,000**	**($9,000,000)**
Executive reduces dual enrollment payments for nonpublic school pupils by $9.0 million GF/GP due to lower than anticipated participation. House concurs. Senate concurs. Conference concurs.	GF/GP	$10,000,000	($9,000,000)
8. Distressed Communities/At-Risk Local Unit Administration	**Gross**	**N/A**	**$5,000,000**
Executive includes $5.0 million GF/GP in one-time funding to assist at-risk/distressed local units of government facing financial emergencies and pay emergency manager salaries. House does not include. Senate concurs with Executive. Conference concurs with Executive.	GF/GP	N/A	$5,000,000
9. Tax System Information Technology	**Gross**	**N/A**	**$2,705,900**
Executive includes $942,600 GF/GP to support ongoing IT contracting and Department of Technology, Management, and Budget staffing expenses related to the corporate income tax and flow through withholding tax created under PA 38 of 2011. Includes $1.8 million GF/GP in one-time funding for an upgrade of the sales, use, and withholding legacy system. House concurs. Senate concurs. Conference concurs.	GF/GP	N/A	$2,705,900
10. Community College Renaissance Zone Reimbursement	**Gross**	**$3,500,000**	**($3,500,000)**
Executive removes $3.5 million GF/GP for community college renaissance zone reimbursement and transfers funding to community college budget. House concurs. Senate concurs. Conference concurs.	GF/GP	$3,500,000	($3,500,000)
11. Digital Tobacco Stamping	**Gross**	**N/A**	**$3,000,000**
Executive includes $3.0 million GF/GP for new digital tobacco stamp costs required under PA 188 of 2012. House concurs. Senate concurs. Conference concurs.	Restricted	N/A	3,000,000
12. iLottery	FTE	N/A	0.0
Executive includes $3.4 million Gross ($0 GF/GP) and 10.0 FTEs to support development and operation of a new internet-based lottery. House concurs. Senate does not include. Conference does not include.	**Gross**	**N/A**	**$0**
	Restricted	N/A	0
13. Michigan Gaming Control Board System Upgrade	**Gross**	**N/A**	**$3,000,000**
Executive includes $3.0 million Gross ($0 GF/GP) in one-time funding for new Casino Gaming IT system replacement to improve licensing, regulation, audit, investigative, and administrative functions. House concurs. Senate concurs. Conference concurs.	Restricted	N/A	3,000,000

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
14. Removal of Other One-Time Appropriations	**Gross**	**$26,522,700**	**($26,522,700)**
Executive removes various FY 2012-13 one-time appropriations:	IDG	112,800	(112,800)
• Agricultural Loan Origination Program: $15.0 million GF/GP	Federal	171,700	(171,700)
• Treasury Legal Services: $3.0 million GF/GP	Restricted	2,146,700	(2,146,700)
• Office of Fiscal Responsibility: $5.8 million GF/GP	GF/GP	$24,091,500	($24,091,500)
• State Employee Lump Sum Payments: $2.7 million Gross ($311,500 GF/GP)			
House concurs. Senate concurs. Conference concurs.			
15. Treasury Economics	**Gross**	**N/A**	**$7,253,100**
Executive includes funding that reflects increased costs for Treasury of $7.3 million Gross ($1.3 million GF/GP) for negotiated salary and wage amounts (1.0%), insurance rate increases, actuarially-required retirement rate increases, and other economic adjustments. House concurs. Senate concurs. Conference concurs.	IDG	N/A	180,900
	Federal	N/A	458,400
	Restricted	N/A	5,305,900
	GF/GP	N/A	$1,307,900
16. Facility for Rare Isotope Beams	**Gross**	**$2,339,900**	**$4,960,100**
Executive includes $7.3 million GF/GP in MSF for debt service related to the State commitment for the Facility for Rare Isotope Beams (FRIB) at Michigan State University, an increase of $5.0 million from FY 2012-13 (appropriated in Treasury). Appropriation would cover debt service for $91.0 million bond issue for the Community Share portion of the project. House concurs with Executive. Senate concurs. Conference concurs on funding but moves debt service to Treasury.	GF/GP	$2,339,900	$4,960,100
17. Operations Reduction	**Gross**	**N/A**	**$0**
House includes funding reduction of $336,700 GF/GP to meet targets. Reduction is spread to various line items. Senate does not include. Conference does not include.	GF/GP	N/A	$0
18. Public Private Partnership	**Gross**	**$1,513,700**	**($1,513,700)**
Conference transferred spending authority to DTMB.	Restricted	1,513,700	(1,513,700)
19. Information Technology Adjustments	**Gross**	**N/A**	**$203,000**
Executive includes $203,000 Gross ($28,200 GF/GP) to support information technology investments in wireless infrastructure and Internet bandwidth. Funds will also support Microsoft Enterprise Agreement and Center for Shared Solutions Framework. House concurs but removes $18,200 GF/GP in funding associated with wireless infrastructure and Internet bandwidth. Senate concurs with Executive. Conference concurs with Executive.	Federal	N/A	1,700
	Restricted	N/A	173,100
	GF/GP	N/A	$28,200
MICHIGAN STRATEGIC FUND	**Gross**	**$100,000,000**	**$20,000,000**
20. Business Attraction and Community Revitalization	Restricted	25,000,000	0
Executive reduces Business Attraction and Community Revitalization ongoing line item by $7.5 million Gross ($0 GF/GP) and includes $27.5 million GF/GP in one-time funding. Funds will support business attraction and community revitalization ($5.5 million), a debt financing program for underserved communities ($20.0 million), and a Food and Agriculture Industry Growth Initiative ($2.0 million). House does not include $27.5 million in one-time funding associated with Business Attraction and Community Revitalization. House includes additional reduction of $25.0 million GF/GP. Senate shifts of $4.0 million Gross ($0 GF/GP) 21st Century Jobs Fund to Pure Michigan. Includes $17.5 million GF/GP one-time funding. Conference concurs with Executive on total funding. Revises to include $24.8 million GF/GP of overall funding as one-time. Funding ongoing at $95.2 million Gross ($77.7 million GF/GP).	GF/GP	$75,000,000	$20,000,000
21. Pure Michigan	**Gross**	**$25,000,000**	**$4,000,000**
Executive includes $4.0 Gross ($0 GF/GP) in additional funding for Pure Michigan tourism promotion. Funding is transferred from Business Attraction and Community Revitalization. House concurs. Senate concurs. Conference concurs.	Restricted	25,000,000	4,000,000

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
22. Innovation and Entrepreneurship	**Gross**	**$25,000,000**	**$3,500,000**
Executive includes $3.5 million Gross ($0 GF/GP) in additional funding for Innovation and Entrepreneurship. Funding is transferred from Business Attraction and Community Revitalization. House concurs. Senate does not include. Conference concurs with Executive.	Restricted	25,000,000	3,500,000
23. Film Incentives	**Gross**	**$50,000,000**	**$0**
Executive includes $25.0 million GF/GP for film incentive funding. One-time funding is a reduction of $25.0 million from FY 2012-13 one-time funding of $50.0 million GF/GP. House eliminates funding for film incentives. Senate includes $50.0 million one-time. Conference concurs with Senate.	GF/GP	$50,000,000	$0
24. Arts and Cultural Grants	FTE	0.0	2.0
Executive includes $1.0 million GF/GP and 2.0 FTEs for increased funding for Arts and Cultural Grants. Appropriates $500,000 of increase to Job Creation Services line-item for administration. House includes additional $1.0 million GF/GP. House does not include FTEs and does not dedicate $500,000 GF/GP to administration. Senate does not include. Conference includes additional $2.0 million GF/GP and 2.0 FTEs (FTEs placed in Job Creation Services line item).	**Gross**	**$6,150,000**	**$2,000,000**
	GF/GP	$6,150,000	$2,000,000
25. Land Bank Fast Track Authority	FTE	6.0	0.0
Executive includes $16.0 million GF/GP ($7.0 million one-time) and 16.0 FTEs for the Land Bank Fast Track Authority to support Blight Elimination ($9.5 million), Good Neighbor Property Management Program ($4.0 million), and operations ($2.5 million). Reduces restricted revenues from the Land Bank Fast Track Fund by $1.9 million Gross ($0 GF/GP) to align appropriation with actual revenues. House does not include. Retains current year appropriation. Senate includes $12.5 million GF/GP ($3.5 million one-time). Concurs with Executive reduction of $1.9 million Gross ($0 GF/GP) to Land Bank Fast Track Fund. Conference reduces restricted revenues by $1.9 million Gross ($0 GF/GP) to align appropriation with actual revenues.	**Gross**	**$2,993,900**	**($1,851,400)**
	Restricted	2,993,900	(1,851,400)
	GF/GP	$0	$0
26. Skilled Trades Training Program	**Gross**	**N/A**	**$10,000,000**
Executive includes $10.0 million GF/GP in one-time funding for a new Skilled Trades Training Program. Program would address job and talent mismatches and enable employers to design training programs for potential employees. House does not include. Senate includes $5.0 million GF/GP one-time. Conference concurs with Executive.	GF/GP	N/A	$10,000,000
27. Federal Funds Adjustments	**Gross**	**N/A**	**($20,163,400)**
Executive reduces various federal fund authorizations by $20.1 million ($0 GF/GP) to align fund sources with anticipated revenues. House concurs. Senate concurs. Conference concurs.	Federal	N/A	(20,163,400)
28. Precollege Engineering	**Gross**	**N/A**	**$340,000**
Senate includes $340,000 GF/GP for precollege engineering programs in Detroit and Grand Rapids (split equally). Conference concurs.	GF/GP	N/A	$340,000
29. Job Creation Services	**Gross**	**N/A**	**$4,960,000**
Conference includes additional $5.0 million GF/GP for various priority projects and Job Creation Services operations. Projects include $2.0 million for Kalamazoo Valley Community College Healthy Living; $2.0 million for Grand Rapids Public Museum; up to $375,000 for the Holland Windmill Restoration; and $200,000 for the American-Arab Chaldean Association. Additional $385,000 GF/GP is included in Job Creation Services line item to support operations.	GF/GP	N/A	$4,960,000
30. Michigan Strategic Fund Economics	**Gross**	**N/A**	**$2,686,800**
Executive includes funding to reflect increased costs for MSF of $2.7 million Gross ($475,500 GF/G-P) for negotiated salary and wage amounts (1.0%), insurance rate increases, actuarially-required retirement rate increases, and other economic adjustments. House concurs. Senate concurs. Conference concurs.	Federal	N/A	847,000
	Private	N/A	74,900
	Restricted	N/A	1,289,400
	GF/GP	N/A	$475,500

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
31. MSF Operations Reduction	**Gross**	**N/A**	**$0**
House includes funding reduction of $843,700 GF/GP to meet targets. Reduction is spread to various line items. Senate does not include. Conference does not include.	GF/GP	N/A	$0

Major Boilerplate Changes From FY 2012-13

***Sec. 907. Assessor Certification and Training Fund* – REVISED**
Requires Treasury to organize and operate Property Assess Certification and Training program with participant fees used for program expenses; requires collections to be credited to Assessor Certification and Training Fund. Executive revises language to eliminate references to specific fees to be charged and leaves to discretion of the State Tax Commission. House retains current law. Senate concurs with Executive. Conference revises to concur in part with the Executive revisions and include specific references to exam and assessor certification fees.

***Sec. 919. Contracted Audit and Collection Services* – RETAINS**
Appropriates funds to contract with private auditing firms to audit for and collect unclaimed property due to the state; requires report on firms employed, amounts collected, and costs of collection. House deletes section. Senate retains current law. Conference retains current law.

***Sec. 925. Public Private Partnership* – DELETED**
Creates Public Private Partnership Investment Fund to fund public private partnership investments; requires annual report. Prohibits public private partnership activities related to the Detroit River International Crossing or successor project unless approved by the legislature. Requires department to monitor revenue deposited in the fund. Conference transfers revised boilerplate to DTMB.

***Sec. 925a. Public Private Partnership Appropriations* – DELETED**
Prohibits funds appropriated in part 1 from being used for activities related to the Detroit River International Crossing or any successor project. Conference transfers language to DTMB.

***Sec. 935. Dual Enrollment Payments* – NEW**
Requires dual enrollment payments to be distributed in a manner as determined by the Department of Treasury. Executive includes as new section. House concurs. Senate does not include. Conference concurs with Executive.

REVENUE SHARING
***Sec. 951. Competitive Grant Assistance Program* – REVISED**
Includes direction for distribution of $15.0 million appropriated for assistance grants to CVTs that elect to merge government services via a Competitive Grant Assistance Program; $10.0 million of total available funding considered one-time appropriation. Includes school districts and ISDs; includes work project language; and continues to make available unclaimed EVIP funds. Executive revises to require $7.5 million in grants for mergers, interlocal agreements, and cooperative efforts for government operations and $7.5 million for mergers, interlocal agreements, and cooperative efforts for public safety. House does not concur with Executive revision. House revises to include community colleges and universities as eligible units under program. Senate concurs with House and adds "authorities" to eligible entities. Senate removes language stating that if a local unit of government qualifies under the school aid Competitive Grant Assistance Program they cannot qualify under Treasury program. Conference concurs with Senate.

Major Boilerplate Changes From FY 2012-13

***Sec. 952. Economic Vitality Incentive Program* – REVISED**
Specifies the eligibility (three incentive categories) and distribution of funds appropriated under the Economic Vitality Incentive Program and County Incentive Program. Executive revises to include counties in both sections of the bifurcated category requirements. Includes new requirement in Category One for a local unit to submit a debt service report. Revises Category Three to require a local unit to meet both the pension plan and health care benchmarks and compliance with PA 152 (including the opt-out provision). House concurs with executive inclusion of counties in both section of the bifurcated category requirements and inclusion of debt service report under Category One (includes additional requirements under debt service report). House does not concur with Executive changes under Category Three. House revises Category One to include listing of salaries by job classification, severance agreements, and contracts exceeding $25,000. House revises Category Two to include innovations and privatizations. House revises Category Three to eliminate employee compensation requirements and adds additional requirement under Category Three that requires a local unit to submit report on unfunded accrued liabilities. Senate revises language similar to House. Senate does not include House category one new requirement to include listing of salaries by job classification, severance agreements, and contracts exceeding $25,000. Senate revises category two to eliminate requirement that local units include additional opportunities for cooperation, consolidation, or collaboration if they have already provided a plan. Senate concurs with House on category three. Senate included language that required local units to indicate the country of origin of their flags on display. Conference concurs with Senate Category One. Conference concurs with House on Category Two; revises to specify that timelines are "estimated" timelines. Conference concurs with House and Senate on Category Three. Conference did not include Senate language requiring local unit to indicate country of origin on displayed flags.

LOTTERY
***Sec. 963. iLottery Prohibition* – NOT INCLUDED**
Prohibits the Bureau of State Lottery from spending funds on iLottery. Senate includes as new language. Conference does not include.

***Sec. 964. iLottery Reporting Requirement* – NOT INCLUDED**
Requires Bureau of State Lottery to submit report regarding the creation and administration of the iLottery portal. House adds as new section. Senate does not include. Conference does not include.

***Sec. 965. iLottery Game Offerings* – NOT INCLUDED**
States that the Bureau of State Lottery may only offer lottery games in existence as of January 1, 2004. House adds as new section. Senate does not include. Conference does not include.

MICHIGAN STRATEGIC FUND
***Sec. 1005. Pure Michigan Slogan Revenue* – REVISED**
Authorizes Travel Michigan to receive and expend private revenue related to the use of copyrighted slogans and images; requires revenue generated to be used to market the state as a travel destination. House revises language to include reporting requirement. Conference concurs with House.

***Sec. 1006. Grant Reporting Requirements* – DELETED**
Requires report on recipients, amounts, and purposes of grants distributed by agency. Executive deletes and incorporates language into Section 1007. House retains current law. Senate concurs with Executive. Conference concurs with Executive.

***Sec. 1007. Program Reporting Requirements* – REVISED**
Requires report on activities of each program administered by MSF or MEDC, including spending and FTES; requires report on tourism promotion and business marketing expenditures and revenues by source. Executive revises language to incorporate Section 1006 and adds all revenue sources and projects for MSF and MEDC. Includes requirement for tourism information by marketing area as required in Section 1023. House retains current law. Senate concurs with Executive. Conference concurs with Executive.

***Sec. 1011. Disposition of Unexpended GF/GP Funds* – REVISED**
Requires unexpended and unencumbered GF/GP at the end of the fiscal year to be disposed of in accordance with the Management and Budget Act unless carry forward authorization has otherwise been provided. Executive and House revise to eliminate GF/GP reference. Senate retains current law. Conference concurs with Executive.

***Sec. 1013. Fundraising Activity* – REVISED**
Prohibits MEDC staff involved in fundraising from being party to grant award or tax abatement decisions. Executive revised to include staff involved in the awarding of incentives to staff prohibited from private fundraising activities. House did not include. Senate concurred with Executive. Conference concurred with Executive.

***Sec. 1023. Tourism Promotion* – DELETED**
Requires MSF to coordinate tourism promotion with the tourism industry. Requires annual report which lists places included in tourism promotion. Executive deletes and rolls report into Section 1007. House retains current law. Senate concurs with Executive. Conference concurs with Executive.

Major Boilerplate Changes From FY 2012-13

***Sec. 1024. Business Attraction and Economic Gardening* – REVISED**
Requires not less than $20.0 million of the funds appropriated in part 1 be used for brownfield and historic preservation incentives. Executive revised to eliminate references to brownfield and historic preservation incentives and replace with reference to Community Revitalization Program. House retains current law. Senate revises to concur with Executive recommendation in part and specify that the minimum applies to spending for brownfield and historic preservation projects under Community Revitalization Program. Conference concurs with Senate.

***Sec. 1033b. Film Production Expenditures* – REVISED**
Specifies legislative intent that the applicable percentage of the state certified qualified production expenditures be determined based on the date of the agreement. Executive revises to remove legislative intent. House concurs. Senate concurs. Conference concurs.

***Sec. 1034. Business Incubator Program* – REVISED**
Stipulates funding be awarded competitively to business incubators in 10 counties or cities. Requires each of the 10 business incubators to receive awards from the Innovation and Entrepreneurship line item. Each incubator is required to submit a dashboard of indicators. Total Funding is not to exceed $8.5 million. Executive and House delete section. Senate revises language to eliminate funding allocation for incubators but retain indicators, reporting, and intent language. Conference concurs with Senate.

***Sec. 1034b. Van Andel Institute Funding* – RETAINED**
Requires $500,000 of the funding appropriated for Innovation and Entrepreneurship to be used to provide a grant to the Van Andel Institute to be used as a match for funding received from the department of defense and the national institutes of health for advance medical research. Executive deletes section. House retains section. Senate retains section. Conference retains section.

***Sec. 1035. Michigan Council for Arts and Cultural Affairs (MCACA) Arts and Cultural Grants* – REVISED**
Requires MCACA to administer an arts and cultural grant program that maintains and equitable geographic distribution of funding and utilizes past arts and cultural grant programs as a guideline; requires MCACA to public application criteria; authorizes MCACA to charge a non-refundable application fee to be used for expenses necessary to administer the programs; requires a report to the legislature. Executive strikes administration funding cap. House retains section. Senate revises language to prohibit any funds from the grant line for administration. Conference concurs with Senate.

***Sec. 1036. General Fund Appropriation Transfers* – NEW**
Requires GF/GP funds appropriated in part 1 to the Michigan Strategic Fund for Business Attraction and Community Revitalization and Film Incentives to be transferred to the specific funds designated by statute for those programs listed. Executive adds as new language. House concurs. Senate adds language regarding Film Incentive funding but does not include language authorization for GF/GP funds to the 21st Century Jobs Trust Fund. Conference concurs with Executive.

***Sec. 1037. Facility for Rare Isotope Beams Debt Service* – NEW**
Stipulates that no long-term indebtedness shall be issued by the Michigan Strategic Fund until Michigan State University provides certification that all necessary approvals have been secured and federal funds are available to commence construction of the facility. Caps reimbursement to Michigan State University at $91.0 million. Provides that the State Budget Director shall retain the authority and fiduciary responsibility associated with the maintenance of the public's financial and policy interests related to state-financed construction projects. Executive adds as new section. House concurs. Senate concurs with Executive. Conference concurs with Executive.

***Sec. 1039. Food and Agriculture Industry Growth Initiative* – NOT INCLUDED**
States intent of the legislature that $2.0 million of the funds appropriated for Business Attraction and Community Revitalization be used to support a food and agriculture industry growth initiative loan program. House adds as new language. Senate does not include. Conference does not include.

***Sec. 1039. Skilled Trades Training Program* – NEW**
Requires $5.0 million of the funds appropriated for Innovation and Entrepreneurship to be used for a skilled trades training program administered by the MSF. House adds as new language (Sec. 1040). Senate does not include. Conference includes new section requiring report on Skilled Trades Training Program.

***Sec. 1040. MAIN System Reporting* – NEW**
Requires MSF to use MAIN or a DTMB-administered successor program to report encumbrances and expenditures. Conference includes as new section.

***Sec. 1041. Business Attraction and Community Revitalization Transfer of Funds* – NEW**
Requires MSF to request not more than 60% of the funds appropriated for Business Attraction and Community Revitalization prior to April 1, 2014. Conference includes as new section.

***Sec. 1052. Chaldean Employment Assistance* – NOT INCLUDED**
Requires $200,000 of the funding appropriated for community ventures to be allocated to a Chaldean nonprofit to fund an existing workforce development program. Senate includes FY 2012-13 vetoed language as new. Conference does not include.

Major Boilerplate Changes From FY 2012-13

***Sec. 1053. Precollege Engineering Program* – REVISED**
Requires MSF to appropriated $340,000 to Detroit precollege engineering program and Grand Rapids precollege engineering program. Executive deleted. House deleted. Senate retained and revised language to eliminate reference to payment being final payment. Conference concurs with Senate.

Sec. 1201. Anticipated FY 2014-15 Appropriations
States legislative intent to provide appropriations for FY 2014-15, adjusting FY 2013-14 amounts based on economic and other factors.

FY 2013-14: DEPARTMENT OF HUMAN SERVICES
Summary: Conference Report
Senate Bill 192 (S-1) CR-1

Analyst: Kevin Koorstra

	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Revised Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Conference	*Difference: Conference From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$30,581,300	$30,594,600	$28,970,900	$30,594,600	$18,127,100	*($12,454,200)*	*(40.7)*
Federal	5,507,467,200	4,802,702,800	4,768,780,800	4,802,815,200	4,814,517,900	*(692,949,300)*	*(12.6)*
Local	39,029,400	37,891,500	32,572,400	37,891,500	35,685,600	(3,343,800)	*(8.6)*
Private	9,792,600	9,856,000	9,856,000	9,856,000	11,582,800	*1,790,200*	*18.3*
Restricted	88,453,600	151,618,800	90,797,500	151,506,400	135,470,000	*47,016,400*	*53.2*
GF/GP	1,028,769,600	1,013,112,400	1,007,624,800	1,013,112,400	1,003,000,000	*(25,769,600)*	*(2.5)*
Gross	**$6,704,093,700**	**$6,045,776,100**	**$5,938,602,400**	**$6,045,776,100**	**$6,018,383,400**	***($685,710,300)***	***(10.2)***
FTEs	12,314.0	12,282.5	11,312.1	12,038.7	12,150.5	*(163.5)*	*(1.3)*

Notes: (1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013.
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.

Overview

The Department of Human Services (DHS) administers a wide range of programs and services to assist Michigan's most vulnerable families, including public assistance programs that provide direct cash support as well as assistance with food and emergency needs. The DHS is also charged with protecting children and assisting families by administering foster care, adoption and family preservation programs, and by enforcing child support laws. The DHS is also responsible for delivering juvenile justice services, for Michigan Rehabilitation Services, and for licensing day care, adult foster care, and child welfare agencies in the state.

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
1. Public Assistance Caseload Adjustments	**Gross**	**$3,862,229,300**	**($730,619,100)**
Executive reduces funding for public assistance programs $699.4 million Gross and increases GF/GP by $186,100 as follows:	Federal	3,603,104,200	(708,537,500)
	Restricted	81,211,700	(16,113,900)
	GF/GP	$177,913,400	($5,967,700)
• Food Assistance Program (FAP) is reduced $683.7 million Gross from 1,088,146 cases at $271 per month to 876,650 cases at $269 per month.			
• Family Independence Program (FIP) is reduced $15.8 million Gross from 53,298 cases at $397 per month to 49,226 cases at $401 per month.			
• State Disability Assistance (SDA) program is reduced $546,600 GF/GP from 8,777 cases at $257 per month to 8,600 cases at $257 per month.			
• State Supplementation program is increased $732,700 GF/GP from 271,800 cases at $19.31 per month to 275,000 cases at $19.08 per month.			
House and Senate concur. Conference revises caseload projections down $31.3 million Gross ($6.2 million GF/GP) based on May caseload consensus.			
2. Energy Services	FTE	0.0	1.0
Executive eliminates $59.9 million Gross ($27.7 million GF/GP) designated as one-time funding for state emergency relief energy services. Provides $60.0 million in new restricted revenues to offset elimination of one-time funding. House replaces one-time funding with funds available from reductions elsewhere in the budget rather than concurring in new restricted revenues. Senate and Conference concur with Executive.	**Gross**	**$59,900,000**	**$100,000**
	Federal	32,200,000	(32,200,000)
	Restricted	0	60,000,000
	GF/GP	$27,700,000	($27,700,000)

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
3. Temporary Assistance for Needy Families (TANF) Fund Source	**Gross**	**$4,988,881,000**	**$0**
Executive rolls the federal Temporary Assistance for Needy Families (TANF) block grant fund source into the general "total federal revenues" fund source. House, Senate, and Conference do not concur.	Federal	4,409,541,200	0
	TANF	579,339,800	0
	GF/GP	$0	$0
4. Temporary Assistance for Needy Families (TANF) Offset of GF/GP	**Gross**	$579,339,800	**$0**
Senate redirects $16.5 million in federal TANF from reductions elsewhere in the budget to offset GF/GP. Conference redirects $11.7 million in TANF reductions to offset GF/GP and increases TANF authorization $5.0 million to offset GF/GP. TANF increase is part of informal Executive request to offset GF/GP costs related to the adoption subsidy base shortfall.	TANF	579,339,800	16,680,600
	GF/GP	$0	($16,680,600)
5. Child Welfare Caseload Adjustments	**Gross**	**$614,653,700**	**($30,618,600)**
Executive reduces funding for child welfare programs $23.2 million Gross ($8.4 million GF/GP) as follows:	Federal	330,598,300	(3,855,000)
	Local	18,274,500	(3,780,500)
• Foster care payments are reduced $15.0 million Gross ($7.0 million GF/GP) from 7,200 cases at $24,378 per year to 6,650 cases at $26,844 per year.	Private	1,600,000	1,600,700
	GF/GP	$264,180,900	($24,584,000)
• Adoption subsidies are increased $2.0 million Gross ($3.8 million GF/GP) from 26,850 cases at $651 per month to 27,100 cases at $651 per month.			
• The County Child Care Fund is reduced $11.1 million Gross ($5.3 million GF/GP).			
• Guardianship assistance payments are increased $970,700 million Gross ($166,500 GF/GP).			
House and Senate concur. Conference reduces caseload projections $7.4 million Gross ($16.2 million GF/GP) based on May caseload consensus.			
6. Child Welfare Staffing Enhancement	FTE	577.0	(161.0)
Executive annualizes the cost to hire 577.0 additional child welfare staff during FY 2012-13. Staff were requested in order to be in compliance with the case-to-worker ratios required by the Children's Rights settlement agreement. On May 22, 2012, DHS requested 307 new child protective service workers, 174 new direct care workers, and 96 new first-line supervisors. The FY 2013-14 Executive Recommendation revises the staffing request down 81 FTEs for 319 new child protective service workers, 68 new direct care workers, 1 new education planner, 1 new permanency planning conference coordinator, 63 new first-line supervisors, 17 new administrative support workers, 14 new second-line supervisors, and 13 new permanency planning specialists. House revises staffing request down an additional 151.4 FTEs based on October 2012 case-to-worker compliance rates, October 2012 on-board staff, and recent caseload declines. Senate revises staffing request down an additional 223.3 FTEs. Conference revises staffing request down an additional 80.0 FTEs.	**Gross**	**$23,320,300**	**$20,101,300**
	Federal	16,027,300	13,877,100
	GF/GP	$7,293,000	$6,224,200
7. Adoption Subsidy Base Funding Shortfall	**Gross**	**$215,422,000**	**$28,000,000**
Conference provides $28.0 Gross ($12.1 million GF/GP) to support a $3.00 per child per day rate increase for all adoption subsidy cases. The FY 2012-13 DHS budget included sufficient funding for a $3.00 per child per day rate increase for current foster care cases and for only new adoption subsidy cases (the FY 2012-13 budget does not include boilerplate language mandating a rate increase). Due to a legal opinion indicating that DHS could not exclude current cases, the rate increase was implemented on October 1, 2012 for both new and existing adoption subsidy cases.	Federal	133,681,300	15,899,500
	GF/GP	$81,740,700	$12,100,500
8. Private Child Placing Agency Administrative Rate Increase	**Gross**	**N/A**	**$5,142,400**
House increases $5.1 million Gross ($3.8 million GF/GP) to increase private child placing agency administrative rates by $3.00 per child per day. Includes boilerplate provision that increase will only be provided if state law is amended to eliminate the county matching requirement for the $3.00 rate increase. Conference concurs.	Federal	N/A	1,357,900
	GF/GP	N/A	$3,784,500

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
9. Permanency Planning Specialists	FTE	61.0	(30.5)
House reduces $3.2 million Gross ($1.3 million GF/GP) from reducing the number of FTEs allocated in the permanency planning specialists line item from 61.0 to 30.5. Line item currently supports both permanency resource managers and permanency planning assistants. Reduction also includes fringe benefits, payroll taxes, travel, CSS&M, and IT savings. Conference concurs.	**Gross**	**$3,693,200**	**($3,175,000)**
	Federal	2,128,700	(1,833,700)
	GF/GP	$1,564,500	($1,341,300)
10. Adoption Subsidy Increase for Special Needs Youth	**Gross**	**$215,422,000**	**$0**
Senate provides $2.0 million GF/GP to allow adoptive parents to request an adoption subsidy rate increase up to 1 year after an adoption is finalized for special needs children. Conference does not concur.	Federal	133,681,300	0
	GF/GP	$81,740,700	$0
11. Juvenile Justice In-Home Community Care	**Gross**	**N/A**	**$1,000,000**
Senate provides $1.5 million GF/GP to expand and create new in-home community based programs for juvenile justice services. Conference provides $1.0 million GF/GP and targets the funding for rural counties.	GF/GP	N/A	$1,000,000
12. Guardianship Assistance Increase	**Gross**	**$4,785,300**	**$0**
Senate provides $189,000 Gross (130,400 GF/GP) to increase monthly guardianship assistance $25 per month. Conference does not concur.	Federal	1,469,900	0
	GF/GP	$3,315,400	$0
13. Child Care Fund Reduction	**Gross**	**$188,657,800**	**($11,000,000)**
Senate reduces child care fund $11.0 million Gross ($5.5 million GF/GP) based on identifying improper claims made by the counties. Conference concurs.	Federal	95,465,500	(5,500,000)
	GF/GP	$93,192,300	($5,500,000)
14. Family Preservation Programs	FTE	34.0	0.0
House reduces $4.2 million in federal TANF funds from families first and child protection and permanency line items. Conference concurs.	**Gross**	**$42,385,700**	**($4,150,000)**
	Federal	42,199,400	(4,150,000)
	GF/GP	$186,300	$0
15. One-Time Funding: Family Preservation Expansion	FTE	N/A	0.0
Executive provides $2.5 million in federal TANF funds to expand Families Together Building Solutions to Macomb and Muskegon Counties and to expand Supportive Visitation/Home-Based Parent Education Program to additional counties on a one-time basis only. House does not concur. Senate concurs. Conference does not concur.	**Gross**	**N/A**	**$0**
	Federal	N/A	0
	GF/GP	N/A	$0
16. Youth in Transition - Runaway Youth Program	FTEs	5.5	0.0
Conference reduces contracts to runaway youth program 10% $590,000 Gross ($357,200 GF/GP). Reduction part of informal Executive request to offset GF/GP costs related to the adoption subsidy base shortfall.	**Gross**	**$14,439,200**	**($760,000)**
	Federal	11,234,400	(402,800)
	GF/GP	$3,204,800	($357,200)
17. State Juvenile Justice Facility Closures	FTE	176.0	0.0
House reduces funding $14.2 million Gross ($6.1 million GF/GP) by closing 2 of the 3 DHS operated juvenile justice facilities by January 1 and reducing administrative staff; maintains $8.0 million Gross ($4.3 million GF/GP) for ongoing and one-time closed site costs. Increases foster care payments line $6.2 million Gross ($3.1 million GF/GP) to provide for the transfer of the youth to private residential facilities or other placements. Senate and Conference reduce $300,000 GF/GP from W. J. Maxey Training School.	**Gross**	**$23,858,000**	**($300,000)**
	Federal	449,300	0
	Local	11,056,900	0
	GF/GP	$12,351,800	($300,000)
18. Juvenile Justice Data Analyst	FTE	23.0	1.0
Executive provides $116,000 GF/GP to hire a juvenile justice data analyst. Data analyst would work with State Court Administrative Office (SCAO), counties, and other stakeholders to compile statewide data on juvenile justice. House concurs. Senate provides only $50,000. Conference concurs.	**Gross**	**$4,362,400**	**$116,000**
	Federal	78,300	0
	Local	946,200	0
	GF/GP	$3,337,900	$116,000
19. Base Funding Shortfall	**Gross**	**N/A**	**$22,000,000**
Conference provides $22.0 million Gross ($30.0 million GF/GP) based on informal Executive requests to support retirement and Other Post-Employment Benefits (OPEB) charges above what were anticipated and to offset $12.5 million less in IDG funds from the Department of Education with $12.5 million in Federal TANF.	IDG	N/A	(12,467,500)
	Federal	N/A	4,467,500
	GF/GP	N/A	30,000,000

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
20. Local Office Staffing Reduction	FTE	5,559.0	0.0
House reduces local office staffing 618.0 FTEs and $64.2 million Gross ($25.2 million GF/GP). House includes boilerplate language stating intent to only provide 1 administrative support staff for every 9.5 staff members and 1 first line supervisor for every 12 non-child welfare related staff members. Reduction also includes 223.0 fewer direct public assistance case workers, which would increase the number of cases each worker administers by an estimated 7% (number of cases per worker would be 5% lower than caseload peak during March 2011). Reduction also includes fringe benefits, payroll taxes, CSS&M, and IT savings. Conference reduces $3.5 million GF/GP through a budgetary savings line item and requires DHS to achieve those savings through staff attrition or lay-offs department-wide rather than only through local office staffing savings.	**Gross**	**$291,359,000**	**($3,500,000)**
	IDG	7,355,400	0
	Federal	169,487,500	0
	GF/GP	$114,516,100	($3,500,000)
21. Emergency Services Local Office Allocations	**Gross**	**$16,092,600**	**($2,484,100)**
House reduces emergency services local office allocations $750,000 GF/GP. Conference reduces $2.5 million Gross ($1.2 million GF/GP).	Federal	7,907,100	(1,242,100)
	GF/GP	$8,185,500	($1,242,000)
22. Rent and Occupancy Charges	**Gross**	**$47,022,600**	**($1,236,400)**
Senate reduces occupancy changes to DTMB $1.2 million Gross ($494,200 GF/GP). Conference concurs but reduces funding from rent line item.	IDG	800,000	0
	Federal	31,179,000	(742,200)
	GF/GP	$15,043,600	($494,200)
23. Employment and Training Support Services	**Gross**	**$5,377,800**	**($558,700)**
House reduces employment and training support services $558,700 GF/GP. This line item provides vehicle repairs/purchases, work clothing, and tools for public assistance recipients seeking to become self-sufficient. This line has historically lapsed GF/GP. Conference concurs.	Federal	3,805,600	0
	GF/GP	$1,572,200	($558,700)
24. Executive Operations Contractual Services, Supplies, and Materials (CSS&M)	**Gross**	**$11,260,700**	**$0**
House reduces executive operations CSS&M $763,600 Gross ($367,100 GF/GP). Conference does not concur.	IDG	600,000	0
	Federal	6,643,700	0
	Restricted	5,400	0
	GF/GP	$4,011,600	$0
25. SSI Advocates	FTE	10.0	0.0
Executive increases Supplemental Security Income (SSI) recoveries $78,200 to support all 10.0 FTEs allocated for SSI advocacy. House eliminates SSI advocate funding. Senate does not concur. Conference does not concur and replaces GF/GP with restricted revenues.	**Gross**	**$755,500**	**$0**
	Restricted	605,900	155,700
	GF/GP	$149,600	($155,700)
26. Staff and Cost Contingency Fund	**Gross**	**$0**	**$0**
Senate provides $37.2 million Gross ($24.3 million GF/GP) for a staff and cost contingency fund that could only be available after funds are transferred to another line item. Conference does not concur.	Federal	0	0
	GF/GP	$0	$0
27. Pathways to Potential	FTE	N/A	25.0
Executive provides $6.2 million Gross ($2.2 million GF/GP) to hire new child support specialists to provide child support case management, to hire new child welfare training staff to support a new Crucial Accountability Training program, and to hire new medical consultation staff to address a backlog of medical determination cases. The funding would also provide partial tuition reimbursement for DHS staff seeking a Master's Degree in Social Work. House does not concur. Senate and Conference do not concur with partial tuition reimbursement.	**Gross**	**N/A**	**$3,134,600**
	Federal	N/A	1,835,200
	GF/GP	N/A	$1,299,400
28. Fraud Prevention, Detection, and Recoupment	**Gross**	**N/A**	**$1,833,000**
Executive provides $500,000 GF/GP for 3 attorneys within the Department of Attorney General to prosecute persons who provide fraudulent information to DHS. Also provides $1.5 million Gross ($1.0 million GF/GP) for one-time biometrics fraud detection technology. House concurs. Senate does not concur with Attorney General increase. Conference only provides $333,000 GF/GP for Attorney General increase.	Federal	N/A	500,000
	GF/GP	N/A	$1,333,000

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
29. Phone Costs	**Gross**	**N/A**	**$2,187,300**
Executive increases $1.2 million Gross ($478,100 GF/GP) for Cisco phone charges, $1.0 million Gross ($394,400 GF/GP) for $22 per smartphone per month charge to DTMB, and $218,100 Gross ($92,100 GF/GP) for Mobile Worker Initiative. Reduces rent $218,100 Gross ($92,100 GF/GP) to pay for Mobile Worker Initiative costs. House does not include funding for the $22 per smartphone per month charge to DTMB. Senate and Conference concur.	Federal	N/A	1,314,800
	GF/GP	N/A	$872,500
30. Multicultural Integration	**Gross**	**$1,515,500**	**$500,000**
House provides $500,000 GF/GP for the multicultural integration line item for the Jewish Federation of Metropolitan Detroit. Conference concurs.	Federal	1,115,500	0
	GF/GP	$400,000	$500,000
31. National Voter Registration Act	**Gross**	**N/A**	**$717,600**
Executive provides $717,600 Gross ($350,600 GF/GP) for printing and postage costs to comply with the National Voter Registration Act. House, Senate, and Conference concur.	Federal	N/A	367,000
	GF/GP	N/A	$350,600
32. Federal Title IV-E Waiver Pilot	**Gross**	**N/A**	**$2,500,000**
Conference provides $2.5 million federal funds for a pilot program in Kalamazoo, Macomb, and Muskegon for programs designed to keep at-risk children from birth through age 5 at home rather than entering foster care.	Federal	N/A	2,500,000
	GF/GP	N/A	$0
33. Centers for Independent Living Pilot	**Gross**	**$4,488,600**	**$1,500,000**
House provides $300,000 GF/GP for a pilot guide program administrated by the centers for independent living that provide services within Jackson, Kent, and Midland Counties. Conference provides $1.5 million to implement program statewide.	Federal	2,818,600	0
	Private	100,000	0
	GF/GP	$1,570,000	$1,500,000
34. Youth in Transition Pilot	FTEs	5.5	0.0
Senate provides $250,000 GF/GP for a pilot program with a Detroit-based nonprofit agency to serve 25 youth who are aging out of foster care. Conference does not concur.	**Gross**	**$14,439,200**	**$0**
	Federal	11,234,400	0
	GF/GP	$3,204,800	$0
35. Domestic Violence Prevention and Treatment Pilot	FTEs	14.6	0.0
House provides $150,000 GF/GP for a pilot program to transport clients between shelters in Macomb, Oakland, Washtenaw, and Wayne Counties based on available bed space. Conference does not concur.	**Gross**	**$14,644,200**	**$0**
	Federal	12,844,900	0
	Restricted	1,040,000	0
	GF/GP	$759,300	$0
36. Gentle Teaching Methods Pilot	**Gross**	**$0**	**$100,000**
Senate provides $100,000 GF/GP to pilot gentle teaching methods for child protective service workers. Conference concurs, but pilots program for public assistance field staff.	Federal	0	0
	GF/GP	$0	$100,000
37. Family Independence Program Substance Abuse Testing Placeholder	**Gross**	**$0**	**$0**
	GF/GP	$0	$0
House inserts a $100 GF/GP placeholder for the costs of a new substance abuse screening and testing pilot for Family Independence Program applicants and recipients in at least three counties, as proposed in House Bill 4118. Conference does not concur.			
38. Human Trafficking Services Placeholder	**Gross**	**$0**	**$0**
Senate inserts a $100 GF/GP placeholder for human trafficking services. Conference does not concur.	GF/GP	$0	$0
39. One-Time Funding: Eliminate FY 2012-13 Appropriations	**Gross**	**$12,546,500**	**($11,546,500)**
Executive discontinues FY 2012-13 one-time appropriations of $12.5 million Gross ($5.4 million GF/GP) for state employee lump sum payments, Seita Scholarship, juvenile justice behavioral health study, and Medicaid eligibility review. House continues to fund Seita Scholarship on a one-time basis. Senate provides $250,000 for the juvenile justice behavioral health study. Conference renames the Seita Scholarship to campus coaches and funds on an ongoing basis and provides $250,000 the juvenile justice behavioral health study.	Federal	7,104,100	(6,504,100)
	Restricted	5,600	(5,600)
	GF/GP	$5,436,800	($5,036,800)

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
40. Information Technology	FTE	0.0	0.0
Executive reduces SACWIS development costs $7.5 million Gross ($3.2 million GF/GP) and discontinues FY 2012-13 one-time appropriations of $2.5 million Gross ($1.5 million GF/GP) for Inspector General IT upgrades. Provides $2.4 million Gross ($754,300 GF/GP) for new T-1 lines, $467,900 Gross ($168,400) for wireless infrastructure, $407,700 Gross ($108,500 GF/GP) for Microsoft enterprise agreement, $351,800 Gross ($126,600 GF/GP) to increase internet bandwidth, and $140,600 Gross ($50,600 GF/GP) for the Center for Shared Solutions within DTMB. Also provides 18.5 FTEs and $2.0 million Gross ($1.0 million GF/GP) for one-time BRIDGES improvements. House does not provide funding for wireless infrastructure, internet bandwidth, and one-time BRIDGES improvements. Senate does not provide one-time BRIDGES improvements, provides $5.0 million GF/GP for SACWIS juvenile justice data, and reduces number of computers purchased by DHS by 3,000. Conference reduces number of computers purchased by DHS by 3,000 and does not provide 18.5 FTEs for BRIDGES improvements.	**Gross**	**$162,780,500**	**($7,046,500)**
	IDG	1,943,600	0
	Federal	107,101,500	(3,615,400)
	GF/GP	$53,735,400	($3,431,100)
41. Adjustments to Current Services Baseline	**Gross**	**N/A**	**($6,944,500)**
Executive increases $96,700 Gross ($2.5 million GF/GP) to align line item appropriations with projected spending and available revenues. Offsets $2.5 million GF/GP increase with $2.5 million in federal TANF appropriated in Payroll Taxes and Fringe Benefits line item. House concurs with all Executive adjustments but revises state disbursement unit adjustment. Also revises 1st line child welfare supervisors line item based on anticipated federal revenues and electronic benefit transfer (EBT) line item based on anticipated expenditures. Senate revises current services baseline based on projected spending and available revenues. Conference reduces current services baseline request for state disbursement unit, disability determination and electronic benefit transfer line item.	Federal	N/A	(7,577,300)
	Restricted	N/A	3,000,000
	GF/GP	N/A	($2,367,200)
42. Employee Economics	**Gross**	**N/A**	**$40,270,600**
Executive provides $40.3 million Gross ($14.5 million GF/GP) for negotiated salary and wage amounts (1.0%), insurance rate increases, actuarially-required retirement rate increases, and other economic adjustments. House, Senate, and Conference concur.	IDG	N/A	13,300
	Federal	N/A	24,991,100
	Local	N/A	436,700
	Private	N/A	189,300
	Restricted	N/A	92,600
	GF/GP	N/A	$14,547,600
43. Federal Medical Assistance Percentage (FMAP) Adjustments	**Gross**	**N/A**	**$12,900**
Executive increases GF/GP by $188,300 from the FMAP federal match rate adjustment from 66.39% to 66.32%. Also increases federal TANF funds to offset child support collections. This rate is used to determine federal cost sharing for foster care payments, adoption subsidies and retained child support collections. House, Senate, and Conference concur.	Federal	N/A	(63,000)
	Restricted	N/A	(112,400)
	GF/GP	N/A	$188,300

Major Boilerplate Changes From FY 2012-13

GENERAL SECTIONS

***Sec. 226. Request for Information or Qualification* – NEW**

Senate requires DHS to issue a request for information or qualification prior to issuing a request for proposal. Conference includes but requires for only new services, programs, or concepts in excess of $1.0 million.

***Sec. 252. One-Time Funding* – NEW**

Conference states legislative intent that funding for Medical Review Team staff increase and juvenile justice behavioral study be allocated on a one-time basis.

***Sec. 275. Staffing Reduction Appropriation* – NEW**

Conference requires DHS to offset negative appropriation for staffing reductions through FTE reductions, prohibits offset through program, benefit, or caseload reductions; requires monthly report; requires staffing reduction line item achieve zero balance by the close of the fiscal year; and requires offset be made through legislative transfer process.

Major Boilerplate Changes From FY 2012-13

***Sec. 284. Contingency Fund Appropriations* – REVISED**
Appropriates $200.0 million in federal, $5.0 million in state restricted, $20.0 million in local, $20.0 million in private, and $40.0 million in federal TANF contingency funds; appropriations may not be expended until transferred through legislative transfer process. Executive and House strike TANF contingency fund subsection. Senate retains current law. Conference strikes TANF contingency fund subsection and prohibits using federal contingency funds to increase TANF authorization.

***Sec. 295. Timely Information to Legislature* – NEW**
Conference requires DHS to provide legislative reports and other data required by statute within 30 days after information is due, reduces salaries and wages responsible for preparing and submitting the information by $150,000 if information not provided.

***Sec. 299. DHS Performance Metrics* – NEW**
Requires DHS to maintain, on a publically accessible website, a scorecard that identifies, tracks, and updates key metrics. Executive, House, Senate, and Conference include new section.

ADULT AND FAMILY SERVICES
***Sec. 404. Centers for Independent Living Pilot Program* – NEW**
House allocates $300,000 to centers for independent living providing services in Jackson, Kent, and Midland Counties to pilot guide services to develop accessible, comprehensive, and integrated services for persons with disabilities, also requires pilot guide services to assist persons with disabilities and their families navigate state public assistance. Conference allocates $1.5 million to implement pilot program statewide.

CHILDREN'S SERVICES
***Sec. 506. Medicaid Coverage for Children Under State or Court Supervision* – REVISED**
Requires DHS to guarantee that a child in foster care who is eligible for Medicaid will not have a break in coverage if they move from one county to another. Executive deletes section. House strikes language and replaces with annual report on number of children in foster care that do not receive Medicaid coverage and number of children in foster care that experience a break in Medicaid coverage during the previous fiscal year. Senate retains current law. Conference concurs with House but revises to only include foster children under DHS supervision.

***Sec. 509. Gentle Teaching Pilot* – NEW**
Senate allocates $100,000 to enter into a contract for a pilot program for gentle teaching methods to be taught to child protective services trainees; requires report. Conference allocates $100,000 to enter into a contract for a pilot program for gentle teaching methods; requires report.

***Sec. 515. Kent County Privatization Work Group* – REVISED**
Requires DHS to convene a work group to identify a plan for implementing a pilot program to privatize all foster care and adoption services within Kent County by September 30, 2013. Executive deletes section; House strikes work group and requires implementation by October 1, 2013. Senate strikes work group and requires implementation based on work group findings; requires report. Conference strikes work group and requires implementation by October 1, 2014, based on work group findings.

***Sec. 520. Foster Family Group Home Request for Information* – NEW**
House requires DHS post a request for proposals for foster family group homes by December 31, 2013. Conference requires posting a request for information.

***Sec. 522. Campus Coaches Program* – NEW**
Conference allocates $750,000 to the campus coaches program for youth transition from foster care who are attending college, requires 100% of funding be used for scholarships.

***Sec. 524. Strong Families/Safe Children Spending Plans* – NEW**
House requires counties to submit strong families/safe children services spending plans by October 1 of the current fiscal year and for DHS to approve the services spending plans within 30 days after the receipt of a properly completed services spending plan. Conference concurs.

***Sec. 546. Foster Care Agency Administrative Rates* – REVISED**
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 specialized independent living administrative rates provided in FY 2010-11. Executive deletes section; House provides a $3 foster care administrative rate increase, provided that state law is amended to eliminate the county match rate for the $3 rate increase. Senate retains current law. Conference concurs with House and requires private providers to submit quarterly expenditure reports, if required by the federal government.

***Sec. 547. Guardianship Assistance* – NEW**
Conference requires DHS to pay a minimum rate for guardianship assistance that is not less than the approved age-appropriate payment rate for youth in family foster care.

***Sec. 557. Nonrecurring Adoption Expenses* – NEW**
House allows DHS to provide reimbursement for nonrecurring adoption expenses in excess of the limit described in section 115/ of the social welfare act. Conference concurs.

Major Boilerplate Changes From FY 2012-13

***Sec. 585. Private Agency Staff Training* – REVISED**
Allows private nationally accredited foster care and adoption agencies to conduct their own staff training provided that training and materials are accredited by DHS; requires DHS to provide access to training materials and post training materials online. Conference strikes current law and replaces with requirement for DHS to make available at least 1 pre-service training class each month for new private foster care and adoption caseworkers.

***Sec. 587. In-Home Grant Program* – NEW**
House requires DHS to allocate $5 million for counties that develop new or enhanced in-home and community-based juvenile justice services; requires establishment of program requirements by January 1, 2014; requires annual report. Senate allocates $1.5 million to expand in-home and community-based juvenile justice services; requires annual report. Conference allocates $1.0 million to expand in-home and community-based juvenile justice services to rural counties; requires annual report.

***Sec. 589. Restrictions on Transfer of Foster Care Cases to Private Supervision* – REVISED**
Prohibits DHS from transferring foster care cases currently under DHS supervision to private agency supervision where the case requires a county contribution for the private agency administrative rate; requires monthly report on the number of foster care cases supervised by private agencies and by DHS. Executive deletes section; House strikes transfer prohibition and replaces with requirement for private agencies to be first contacted to provide case management when a new foster case opens. Senate retains current law. Conference revises to allow DHS to transfer cases that require county contribution for the private agency administrative rate if agreed to by the county.

***Sec. 590. Task Force on the Prevention of Sexual Abuse of Children* – NEW**
Senate allocation $20,000 to the task force for travel costs and salary costs for DHS staff time coordinating meeting and compiling reports. Conference allocates $30,000 for travel costs related to task force operations.

PUBLIC ASSISTANCE
***Sec. 613. Cremation of Unclaimed Bodies* – REVISED**
Provides reimbursements for the cremation of indigent persons if a person with the right to control the disposition of the body does not claim the body or refuses to exercise that right. Executive, House, and Conference revise to allow DHS to provide indigent burial services and strikes reference to cremation of unclaimed persons. Senate retains current law.

***Sec. 620/621. Energy Self-Sufficiency Program* – NEW**
Senate establishes requirements of energy self-sufficiency program. Conference concurs.

***Sec. 622. Disability Redetermination* – NEW**
Senate requires DHS to implement a 1-page disability redetermination form no later than November 1, 2013. Conference concurs.

***Sec. 669. Annual FIP Clothing Allowance* – REVISED**
Allocates up to $2.9 million for children's annual clothing allowance for children in FIP groups that do not include an adult. Conference strikes "up to".

***Sec. 686. Caseworker Policy Changes* – REVISED**
Requires DHS to ensure that individuals presenting out-of-state identification are not enrolled in benefit programs in other states; requires caseworkers to confirm resident addresses in FIP and SDA cases; prohibits individuals with homes worth more than $500,000 from receiving assistance; requires caseworkers to collect up-to-date phone numbers from Medicaid recipients during eligibility determination and provide this information to DCH. Executive deletes section; House revises property assets from $500,000 to $250,000. Senate retains current law. Conference concurs with House.

***Sec. 695. Jewish Federation of Metropolitan Detroit* – NEW**
Conference allocates $500,000 to the Jewish Federation of Metropolitan Detroit to assist low-income individuals achieve self-sufficiency.

JUVENILE JUSTICE SERVICES
***Sec. 709. Child Care Fund Financial Reviews* – NEW**
Senate requires DHS to audit expenditures claimed by counties in the child care fund, requires report on total improper claims and the county that made those claims. Conference requires DHS to conduct financial reviews of claims made by counties in the child care fund, requires report on number of claims disallowed by county.

***Sec. 710. Residential Public School Academy Workgroup* – NEW**
House requires DHS to convene a workgroup on the feasibility of a public school academy that provides lodging, meals, and other essential wraparound services or at-risk youth; requires report on workgroup findings. Conference concurs.

LOCAL OFFICE SERVICES
***Sec. 753. Child Welfare Train-the-Trainer Program* – DELETED**
Directs DHS to implement a train-the-trainer program for private child welfare agency staff, requires report. Conference strikes current law.

FY 2013-14: DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
Summary: Conference Reported
Senate Bill 189 (CR-1)

Analyst: Paul Holland

	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Revised Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Conference	*Difference: Conference From FY 2012-13 YTD Amount*	*%*
IDG/IDT	$0	$707,600	$0	$707,600	$707,600	*$707,600*	--
Federal	0	2,000,000	0	2,000,000	2,000,000	*2,000,000*	--
Local	0	0	0	0	0	*0*	--
Private	0	0	0	0	0	*0*	--
Restricted	0	61,627,900	0	61,627,900	61,627,900	*61,627,900*	--
GF/GP	0	15,000,000	0	12,000,000	11,000,000	*11,000,000*	--
Gross	**$0**	**$79,335,500**	**$0**	**$76,335,500**	**$75,335,500**	***$75,335,500***	**--**
FTEs	0.0	353.0	0.0	353.0	353.0	*353.0*	--

Notes: (1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013.
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.
(3) Executive information in this document includes changes made by Executive Budget Revision 2014-2.
(4) The House did not implement Executive Revision 2014-2 within House Bill 4328 as passed by the House.
(5) Senate information in this document reference Senate Bill 194 as passed by the Senate.

Overview

The Department of Insurance and Financial Services (DIFS) is responsible for licensing, evaluating, regulating, and promoting the insurance and financial industries operating within the state. DIFS is also responsible for providing consumer protection and educational services for Michigan residents by managing consumer information and inquiries and investigating consumer complaints. DIFS administers, implements, and enforces numerous state statutes pertaining to state-chartered banks, credits unions, mortgage lenders, consumer finance entities, insurance companies and agents, and health maintenance organizations. Additionally, DIFS administers the Autism Coverage Reimbursement Program created by Public Act 101 of 2012. DIFS is organized into nine principal offices: Banking, Consumer Finance, Consumer Services, Credit Unions, Insurance Evaluation, Insurance Rates and Forms, Insurance Licensing and Market Conduct, General Counsel, and Policy. DIFS was created by Executive Order 2013-1 through the transfer of the authority, powers, duties, functions, and responsibilities of the former Office of Financial and Insurance Regulation and functions of the Autism Coverage Reimbursement Program within the Department of Licensing and Regulatory Affairs.

Major Budget Changes From FY 2012-13 YTD Appropriations

	FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
FTE	N/A	347.0
Gross	**N/A**	**$63,627,900**
Federal	N/A	2,000,000
Restricted	N/A	61,627,900

1. Transfer OFIR Appropriations to DIFS

Executive transfers spending authorization and FTEs for the former Office of Financial and Insurance Regulation (OFIR) within the Department of Licensing and Regulatory Affairs (LARA) to the Department of Insurance and Financial Services (DIFS) created by Executive Order 2013-1. Executive transfers spending authorization and FTEs equivalent to the FY 2013-14 Executive Recommendation for OFIR (including overhead charges for departmental administration, rent, property management, worker's compensation, administrative hearings, and IT projects and services) within eight line items. House does not concur. Senate concurs but rolls-down spending authorization and FTEs into nine line items. Conference concurs but rolls-down spending authorization and FTEs into fourteen line items.

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
2. Transfer Autism Coverage Reimbursement Program to DIFS Executive transfers spending authorization for the Autism Coverage Reimbursement Program (ACRP) within the Department of Licensing and Regulatory Affairs (LARA) to the Department of Insurance and Financial Services (DIFS) created by Executive Order 2013-1. Executive transfers spending authorization equivalent to the FY 2013-14 Executive Recommendation for the ACRP. House does not concur. Senate concurs in part, but reduces spending authorization by $3.0 million from the $15.0 million transferred by the Executive. Conference concurs in part, but reduces spending authorization by $4.0 million from the $15.0 million transferred by the Executive.	**Gross** GF/GP	**N/A** N/A	**$11,000,000** $11,000,000
3. Appropriate IDG from LARA for Debt Management Regulation Executive includes an IDG from the Department of Licensing and Regulatory Affairs (LARA), funded with revenue generated by statutory fees on individuals and entities within the financial securities industry, to support the regulatory activities of the Department of Insurance and Financial Services (DIFS) pertaining to the Debt Management Act, 1975 PA 148. House does not concur. Senate concurs. Conference concurs.	**Gross** IDG/IDT	**N/A** N/A	**$707,600** 707,600
4. Include Unclassified FTE Positions for DIFS Executive includes 6.0 unclassified FTE positions, pursuant to Section 5 of Article II of the Michigan Constitution, for the Department of Insurance and Financial Services (DIFS). House does not concur. Senate concurs. Conference concurs.	FTE **Gross**	N/A **N/A**	6.0 **$0**

Major Boilerplate Changes From FY 2012-13

NOTES: *(1) No boilerplate language proposed specific to FY 2014-15. (2) The section numbers referenced in this document are those assigned by the Conference Committee.*

***Various Standard Boilerplate Sections Added by Executive* – NEW**
Executive adds sections 201, 203, 216, 218, 221, 223, 229, 231, and 234. House does not concur. Senate concurs. Conference concurs.

***Various Standard Boilerplate Sections Added by Senate* – NEW**
Senate adds sections 202, 208, 209, 212, 215, 228, 1201, and 1202. House does not concur. Conference concurs.

***Various Standard Boilerplate Sections Added by Conference* – NEW**
Conference adds sections 210 and 238.

***Sec. 219. Office-Space Utilization Report* – NEW**
Requires DIFS to submit a report pertaining to the amount of office space paid for with the appropriation in part 1 and the actual amount of office space actually utilized during the previous fiscal year and the amount of office space that DIFS estimates will be utilized during subsequent fiscal years. Conference adds.

***Sec. 232. Television and Radio Productions* – NEW**
Prohibits DIFS from developing or producing any television or radio productions. Senate adds. House does not concur. Conference concurs.

***Sec. 236. One-Time Lump-Sum Payments Report* – DELETED**
Requires LARA to provide a report with information about every employee that receives a payment of more than $1,000. Executive eliminates. House concurs. Senate concurs. Conference concurs.

***Sec. 238. Require RFIs and RFQs Prior to Issuing RFPs* – NEW**
Stipulates that no department shall issue a request for proposal (RFP) for a contract in excess of $50,000,000 without first considering issuing a request for information (RFI) or request for qualifications (RFQ) and that LARA shall notify DTMB of the evaluation process used to determine that a RFI or RFQ was not necessary. Conference adds.

***Sec. 240. Filled FTE Report* – NEW**
Stipulates that the Legislature intends that LARA does not use FTE positions as spending placeholders and requires DIFS to provide a report specifying the quarterly number of filled, FTE positions by line item during the preceding fiscal year. Conference adds.

Major Boilerplate Changes From FY 2012-13

***Sec. 310. Economic Development Report* – NEW**
Requires DIFS to submit a report pertaining to the total amounts expended and number of FTEs utilized during the preceding fiscal year to support the economic development of the insurance or financial industries and to provide a detailed plan for ongoing and future DIFS activities to support the economic development of the insurance or financial industries. Also, defines "economic development" for the purpose of the report. Conference adds.

***Sec. 341. Administrative Rules Restriction* – NEW**
Prohibits DIFS from promulgating any rule more stringent than an applicable federal standard unless authorized by statute. Conference adds.

***Sec. 391. Conservatorship and Insurance Liquidation Funds* – NEW**
Stipulates that funds collected by DIFS in connection with a conservatorship pursuant to section 32 of Public Act 173 or 1987 and from corporations being liquidated pursuant to Public Act 218 of 1956 shall be appropriated for expenses necessary to provide required services and shall not lapse to the general fund. Executive adds. House does not concur. Senate concurs. Conference concurs.

***Sec. 801. Autism Coverage Reimbursement Program Appropriation* – NEW**
Appropriates the money in the Autism Coverage Fund to be expended on the Autism Coverage Reimbursement Program as authorized by 2012 PA 101. Executive adds. House does not concur. Senate concurs. Conference concurs.

***Sec. 802. Autism Coverage Reimbursement Program Reporting Requirements* – NEW**
Stipulates reporting requirements pertaining to the Autism Coverage Reimbursement Program authorized by 2012 PA 101. Executive adds. House does not concur. Senate concurs. Conference concurs.

FY 2013-14: JUDICIARY
Summary: Conference Report
Senate Bill 191 (S-1) CR-1

Analyst: Robin R. Risko

	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Revised Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Conference	*Difference: Conference From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$2,638,200	$2,350,500	$2,350,500	$2,350,500	$2,350,500	*($287,700)*	*(10.9)*
Federal	6,017,100	5,343,900	5,343,900	5,343,900	5,343,900	*(673,200)*	*(11.2)*
Local	7,049,300	7,133,100	7,133,100	7,133,100	7,133,100	*83,800*	*1.2*
Private	921,800	931,500	931,500	931,500	931,500	*9,700*	*1.1*
Restricted	86,382,200	86,115,900	86,115,900	86,115,900	84,213,800	*(2,168,400)*	*(2.5)*
GF/GP	170,751,500	183,441,300	171,834,100	171,834,100	183,441,300	*12,689,800*	*7.4*
Gross	**$273,760,100**	**$285,316,200**	**$273,709,000**	**$273,709,000**	**$283,414,100**	***$9,654,000***	***3.5***
FTEs	472.0	482.0	480.0	480.0	483.0	*11.0*	*2.3*

Notes: (1) FY 2012-13 year-to-date (YTD) figures include mid-year budget adjustments through February 7, 2013.
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.

Overview

Article VI of the State Constitution of 1963 forms the basis for Michigan's judicial branch of government, which receives funds appropriated through the budget act for the Judiciary. The Judiciary budget provides operational funding for the Michigan Supreme Court, Court of Appeals, and related judicial agencies. The budget also funds the salaries of justices of the Supreme Court and judges of the appeals, circuit, probate, and district courts according to constitutional and statutory requirements. Assistance for local court operations is provided through a variety of grant programs. The largest of these, the Court Equity grant program, reimburses counties for trial court operations based on a statutory formula that recognizes circuit and probate caseloads and the numbers of judgeships.

Major Budget Changes From FY 2012-13 YTD Appropriations		**FY 2012-13 Year-to-Date (as of 2/7/13)**	**FY 2013-14 Conference Change**
1. Regionalization and Expansion of Specialty Courts	**Gross**	**$13,383,000**	**$2,500,000**
Executive includes an additional $3.0 million Gross ($3.0 million GF/GP) for the regionalization and/or expansion of drug courts, driving while intoxicated/sobriety courts, and veterans courts. The goal is to make these courts available to more citizens in the state by regionalizing courts to serve multiple jurisdictions and expanding the number of specialty courts available. House does not include the additional funding. Senate does not include the additional funding. Conference includes $2.5 million of the additional funding in the Drug Treatment Courts line item and includes a new line item for Veterans Courts with the remaining $500,000. (See #11 below)	IDG	1,800,000	0
	Federal	800,000	0
	Restricted	3,649,900	0
	GF/GP	$7,133,100	$2,500,000
2. Expansion of Mental Health Courts	**Gross**	**$2,100,000**	**$2,000,000**
Executive includes an additional $2.0 million Gross ($2.0 million GF/GP) for grants to be awarded to trial courts that are interested in operating mental health courts. Currently, there are nine pilot courts operating mental health courts. The funding will allow for five to ten additional mental health courts. House does not include the additional funding. Senate does not include the additional funding. Conference includes the additional funding.	GF/GP	$2,100,000	$2,000,000
3. State Appellate Defender Office (SADO) Staff Increase	FTE	61.0	2.0
Executive includes 1.0 FTE position and $107,200 Gross ($107,200 GF/GP) to assist the office with meeting the statutory requirement to manage 25% of the state's criminal defense appellate cases for indigents. The office met 18% in FY 2011-12 and is expected to meet 22% in FY 2012-13. House does not include the additional FTE position or funding. Senate does not include the additional FTE position or funding. Conference includes two additional FTE positions and $214,400 in additional funding.	**Gross**	**$13,645,900**	**$214,400**
	Federal	3,048,500	0
	Private	777,500	0
	Restricted	1,263,400	0
	GF/GP	$8,556,500	$214,400

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
4. Savings for Eliminated Judgeships	**Gross**	**N/A**	**($391,500)**
Executive reflects a savings from elimination of five judgeships under Public Act 300 of 2011. The amount of savings represents full-year savings for two of the five judgeships and partial year savings for the other three. Savings amounts are a result of the effective dates of the retirements of the judges. House concurs. Senate concurs. Conference concurs.	GF/GP	N/A	($391,500)
5. Adjustments to Reflect Actual Revenues	**Gross**	**N/A**	**($1,284,500)**
Executive adjusts funding for the following programs in order to reflect the actual amount of revenue available:	IDG	N/A	(300,000)
• Decreases IDG Byrne Justice Assistance grant funding received from the Department of State Police for drug treatment courts by $300,000	Federal	N/A	(708,100)
• Decreases federal DOT National Highway Traffic Safety Administration funding for Judicial Information Systems by $572,400	Restricted	N/A	(276,400)
• Decreases federal HHS Title IV-E funding for the Foster Care Review Board by $254,000			
• Increases federal DOJ funding for the Appellate Public Defender program by $118,300			
• Decreases Justice System Fund revenues for SCAO by $205,400			
• Eliminates $71,000 in restricted Miscellaneous Revenues for the Judicial Institute			
House concurs. Senate concurs. Conference concurs.			
6. New Line Items	**Gross**	**N/A**	**$0**
Executive separates funding for the Swift-and-Sure Sanctions program from the Drug Treatment Courts line item and funding for Mental Health Courts from the State Court Administrative Office (SCAO) line item and establishes two new line items for these programs. House concurs. Senate concurs. Conference concurs.	GF/GP	N/A	$0
7. Economic Adjustments	**Gross**	**N/A**	**$2,452,100**
Executive includes additional funding for justices' and judges' retirement, salary and wages, insurances, employee retirement, rent, building occupancy, and worker's compensation. House concurs. Senate concurs. Conference concurs.	IDG	N/A	21,400
	Federal	N/A	86,100
	Local	N/A	162,400
	Private	N/A	17,900
	Restricted	N/A	53,300
	GF/GP	N/A	$2,111,000
8. Eliminate One-Time FY 2012-13 Funding	**Gross**	**$827,200**	**($827,200)**
Executive eliminates one-time funding that was included in the FY 2012-13 budget for employee lump sum payments. House concurs. Senate concurs. Conference concurs.	IDG	9,100	(9,100)
	Federal	51,200	(51,200)
	Local	78,600	(78,600)
	Private	8,200	(8,200)
	Restricted	43,200	(43,200)
	GF/GP	$636,900	($636,900)
9. One-Time Trial Court Innovations Fund	FTE	N/A	1.0
Executive includes 1.0 FTE position and one-time funding of $4.0 million Gross ($4.0 million GF/GP) to be used to create incentives which encourage positive change, adoption of best practices, and high performance in the state's trial courts. Funding will be divided into a $3.0 million incentive program, incentivizing trial courts to become early adopters of specified performance measures and benchmarks, and a $1.0 million grant program, providing financial assistance to courts for innovative projects which will improve efficiency and effectiveness of operations. House does not include the additional FTE position or funding. Senate does not include the additional FTE position or funding. Conference includes the additional FTE position and $1.0 million in additional funding.	**Gross**	**N/A**	**$1,000,000**
	GF/GP	N/A	$1,000,000

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
10. One-Time Implementation of the Michigan Court System	FTE	N/A	8.0
Executive includes 8.0 FTE positions and one-time funding of $2.5 million Gross ($2.5 million GF/GP) to assist with implementation of a unified case management information system, called the Michigan Court System (MiCS), in 264 trial court locations. The new system will combine the four current legacy case management systems that are built on technology that is more than 25 years old. Funding will also be used to train the more than 4,000 users of the system. House includes authorization for the FTE positions, but does not include the additional funding. Senate includes authorization for the FTE positions, but does not include the additional funding. Conference includes the additional FTE positions and $3.5 million in additional funding.	**Gross**	**N/A**	**$3,490,700**
	GF/GP	N/A	$3,490,700
11. Veterans Courts	**Gross**	**N/A**	**$500,000**
Conference creates a new line item for Veterans Courts and includes additional funding.	GF/GP	N/A	$500,000
12. Court Fee Fund Adjustment	**Gross**	**N/A**	**$0**
Conference reduces state restricted Court Fee Fund revenue to reflect an anticipated shortfall in collections and offsets the reduction with increased GF/GP. This funding supports probate and circuit court judges' salaries.	Restricted	N/A	(1,902,100)
	GF/GP	N/A	$1,902,100

Major Boilerplate Changes From FY 2012-13

***Sec. 223. Website for Performance Scorecard* – NEW**
Executive adds a new section which requires the judiciary to maintain, on a publicly accessible website, a scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the judiciary's performance. House concurs. Senate concurs. Conference concurs.

***Sec. 320. Swift-and-Sure Sanctions Pilot Program* – REVISED**
Current year language authorizes $6.0 million in grant funding to be awarded by SCAO to qualifying courts to operate a Swift and Sure Sanctions program; requires courts to operate a drug court or be part of a unified trial court system in order to qualify for grant funding; specifies priorities for SCAO to follow when distributing grant funding; and requires reports from courts that receive grant funding. Executive revises language by referencing the Swift and Sure Sanctions program act, deleting the requirement that funding be distributed only to courts which operate a drug court or have a unified trial court, deleting the list of priorities to be used in awarding grant funding, and deleting the requirement for submission of reports by courts that receive funding. House concurs with the Executive on referencing the Swift and Sure Sanctions program act, deleting the requirement that funding be distributed only to courts which operate a drug court or have a unified trial court, and deleting the list of priorities to be used in awarding grant funding, but retains the reporting requirement. Senate concurs with House revisions. Conference concurs with House revisions.

***Sec. 321. Self-Help Website* – REVISED**
Current year language expresses intent of the legislature that the judicial branch support a statewide legal self-help website and local nonprofit self-help centers that provide assistance to persons who represent themselves in civil legal proceedings. Executive deletes. House adds a new sentence which requires SCAO to evaluate the effectiveness of the website, summarize the costs of maintaining the website, estimate the savings the website generates for the state court system, and report this information to the legislature. Senate concurs with House. Conference concurs with House.

***Sec. 322. Funding for State Appellate Defender Office* – REVISED**
Current year language authorizes SADO to receive and expend up to $250,000 in federal Byrne grant funding. Executive adds a new sentence which authorizes SADO to receive and expend up to an additional $300,000 from the Department of Justice if funding is made available. House concurs. Senate concurs. Conference concurs.

***Sec. 323. Report on Juvenile Out-of-State Placements* – NEW**
House adds a new section which requires SCAO to provide courts with quarterly listings of out-of-state placements of juveniles made by the courts, along with an annual listing of per diem costs of the public and private residential care providers located in the state or doing business in the state, and the recidivism data for each facility. Senate includes new House language with technical revisions. Conference includes Senate language.

***Sec. 1201. Anticipated FY 2014-15 Appropriations* – REVISED**
House includes language which states legislative intent to provide appropriations for FY 2014-15, adjusting FY 2013-14 amounts based on economic and other factors. Senate concurs. Conference concurs.

Major Boilerplate Changes From FY 2012-13

***Sec. 1202. Retirement Costs* – NEW**

Conference adds new section which expresses intent of the legislature that the department identify the amounts for normal retirement costs and legacy retirement costs, for line item appropriations, in fiscal year 2015.

FY 2013-14: DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
Summary: Conference Report
Senate Bill 190 (CR-1)

Analyst: Paul Holland

	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Revised Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Conference	*Difference: Conference From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$13,496,900	$14,228,200	$13,221,900	$14,228,200	$14,228,200	*$731,300*	*5.4*
Federal	268,708,300	195,560,000	191,887,800	195,560,000	195,559,900	*(73,148,400)*	*(27.2)*
Local	659,900	656,500	656,500	656,500	656,500	*(3,400)*	*(0.5)*
Private	2,011,800	2,011,800	2,011,800	2,011,800	2,011,800	*0*	*0.0*
Restricted	324,079,700	258,540,000	316,312,800	259,957,300	265,457,400	*(58,622,300)*	*(18.1)*
GF/GP	36,945,200	23,804,900	37,839,900	22,864,600	25,004,900	*(11,940,300)*	*(32.3)*
Gross	**$645,901,800**	**$494,801,400**	**$561,930,700**	**$495,278,400**	**$502,918,700**	***($142,983,100)***	***(22.1)***
FTEs	3,767.3	2,977.5	3,210.3	2,977.5	2,970.5	*(796.8)*	*(21.2)*

Notes: (1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013.
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.
(3) Executive information in this document includes changes made by Executive Budget Revision 2014-2.
(4) House information in this document reference Article XIII of House Bill 4328 as passed by the House.
(5) Senate information in this document reference Senate Bill 194 as passed by the Senate.

Overview

The Department of Licensing and Regulatory Affairs (LARA) is organized into four principal functions: 1) Licensing and Regulation, which implements and enforces Michigan laws pertaining to, commercial and occupational, construction and fire safety, healthcare, public utility, and liquor regulation; 2) Employment Security and Workplace Safety, which administers unemployment insurance, worker's compensation insurance, occupational safety and health standards, labor and wage laws, and vocational rehabilitation services for the blind; 3) the Michigan Administrative Hearing System (MAHS), a quasi-judicial agency which centralizes and conducts administrative hearings for agencies throughout state government; and 4) the Office of Regulatory Reinvention (ORR), which oversees administrative rule-making and evaluates the state's regulatory infrastructure. The agencies within LARA are primarily supported by various federal grants and revenue generated through numerous fees collected from regulated entities.

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
1. Decreases for the UIA due to Reduced Federal Grants	FTE	1,262.7	(402.0)
Executive decreases the Unemployment Insurance Agency's (UIA) spending authorization and FTE positions due to reduced federal grants. The federal government supports the administrative expenses of the UIA through formula grants based on the Insured Unemployment Rate within the state. Due to the decline in the state's Insured Unemployment Rate during 2012, the federal government reduced the amount of these grants and UIA employees were laid-off in 2012. House concurs. Senate concurs. Conference concurs.	**Gross**	**$153,814,400**	**($37,161,900)**
	Federal	148,999,700	(37,161,900)
	Restricted	4,814,700	0
2. Transfer of Storage Tank Programs from DEQ	FTE	N/A	35.0
Executive transfers spending authorization and FTE positions from the Department of Environmental Quality (DEQ) for the Aboveground and Underground Storage Tank Programs to the LARA budget. The state restricted revenues are generated by application, registration, installation, inspection, and certification fees while the federal revenues are supported by grants from the US EPA. E.O. 2012-14 transferred the Aboveground and Underground Storage Tank Programs from the DEQ to the Bureau of Fire Services (BFS). House concurs. Senate concurs. Conference concurs.	**Gross**	**N/A**	**$4,393,100**
	Federal	N/A	1,255,300
	Restricted	N/A	3,137,800

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
3. Eliminate FY 2012-13 One-Time Appropriations	**Gross**	**$4,532,200**	**($4,532,200)**
Executive eliminates FY 2012-13 one-time appropriations for state employee lump-sum payments. House concurs. Senate concurs. Conference concurs.	IDG	163,500	(163,500)
	Federal	2,316,400	(2,316,400)
	Restricted	1,874,800	(1,874,800)
	GF/GP	$177,500	($177,500)
4. Eliminate "Right to Work" Appropriations	FTE	21.0	0.0
Executive eliminates the appropriations made by 2012 PAs 348 and 349 for the Bureau of Employment Relations (BER) to implement the acts and inform stakeholders and the public about the acts. House concurs. Senate concurs. Conference concurs.	**Gross**	**$5,984,500**	**($2,000,000)**
	Restricted	3,984,500	0
	GF/GP	$2,000,000	($2,000,000)
5. Eliminate LCC IT Upgrades	**Gross**	**$2,000,000**	**$0**
Executive eliminates the appropriation for upgrading the Liquor Control Commission's (LCC) COBOL-based IT system. The appropriation was designated a "Work Project" and additional appropriations were anticipated over the next five years. House does not concur. Senate concurs. Conference concurs with House.	Restricted	2,000,000	0
6. Increase Survey and Remonumentation Grants	**Gross**	**$5,300,000**	**$2,000,000**
Executive increases spending authorization for survey and remonumentation grants, supported with existing and expected revenue reserves. The Bureau of Construction Codes (BCC) administers grants to counties for implementation of their plans to survey, remonument, and maintain the original national Public Land Survey System corners under the State Survey and Remonumentation Act of 1990. These grants are supported by statutory fees collected from county Registers of Deeds. House concurs. Senate concurs. Conference concurs.	Restricted	5,300,000	2,000,000
7. Decrease Rent for UIA Detroit Offices	**Gross**	**$8,612,600**	**($900,000)**
Executive decreases rent payments from the Unemployment Insurance Agency (UIA) to recognize the UIA's move out of the state-leased Fisher Building into the state-owned Cadillac Building in Detroit. House concurs. Senate concurs. Conference concurs.	Federal	4,022,800	(900,000)
	Local	127,500	0
	Restricted	4,442,500	0
	GF/GP	$19,800	$0
8. Increase Liquor Law Enforcement Grants	**Gross**	**$6,600,000**	**$600,000**
Executive increases the spending authorization for liquor law enforcement grants, supported with existing and expected revenue reserves. The Liquor Control Commission (LCC) administers grants to local law enforcement agencies for the enforcement of the Liquor Control Code of 1998. These grants are supported by 55% of retail liquor license fees collected by the LCC. House concurs. Senate concurs. Conference concurs.	Restricted	6,600,000	600,000
9. Increase IT Services and Projects to DTMB	**Gross**	**$42,216,100**	**$443,300**
Executive increases spending authorization for IT services and projects to reflect LARA's share of DTMB's statewide projects to replace Windows XP, recover economics for the Center for Shared Solutions, and expand wireless connectivity and internet bandwidth. House concurs. Senate concurs. Conference concurs.	Federal	23,019,700	221,400
	Restricted	19,131,200	221,900
	GF/GP	$65,200	$0
10. Targeted Increases in Unclassified Salaries for MAHS	FTE	57.5	0.0
Executive increases the annual salaries for select administrative law judges serving on the Michigan Tax Tribunal, Worker's Compensation Board of Magistrates, and Michigan Compensation Appellate Commission within the Michigan Administrative Hearing System (MAHS) to better attract and retain qualified lawyers by offering compensation competitive with the private sector ($176,300 Gross, $0 GF/GP). House does not concur. Senate concurs. Conference concurs with Executive and Senate.	**Gross**	**$4,595,900**	**$176,300**
	Federal	944,400	28,200
	Restricted	3,551,500	148,100
	GF/GP	$100,000	$0

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
11. Transfer of Prevailing Wage Functions from MSF	FTE	31.0	1.0
Executive transfers spending authorization and a FTE position relating to prevailing wages on state projects functions from the Michigan Strategic Fund (MSF) to the LARA budget. E.O. 2012-09 transferred functions relating to the Prevailing Wages on State Projects Act of 1965 from the MSF to the Wage and Hour Division within the Michigan Occupational Safety & Health Administration (MIOSHA). House concurs. Senate concurs. Conference concurs.	**Gross**	**$3,388,300**	**$132,300**
	Restricted	3,388,300	0
	GF/GP	$0	$132,300
12. Align MAHS Spending Authorization and FTEs	FTE	231.4	(2.0)
Executive aligns the spending authorization and FTE positions for the Michigan Administrative Hearing System (MAHS) to accurately reflect the caseload needs of the Departments of Community Health (DCH) and Humans Services (DHS). House concurs. Senate concurs. Conference concurs.	**Gross**	**$35,418,100**	**($111,500)**
	IDG	13,233,400	(111,500)
	Federal	8,531,000	0
	Restricted	12,641,000	0
	GF/GP	$1,012,700	$0
13. Decrease Excess Spending Authorization	**Gross**	**$216,276,900**	**($44,800,000)**
Executive decreases spending authorization within several line items from various fund sources to more accurately reflect available revenues. House concurs. Senate concurs. Conference concurs.	Federal	183,050,700	(36,500,000)
	Restricted	33,226,200	(8,300,000)
14. Rebasing of FTE Positions	FTE	1,875.7	(84.8)
Executive increases and decreases FTE positions within several line items, resulting in a net decrease of 74.8, to more accurately reflect actual staffing levels. House concurs in part, but rejects increases of 16.2 FTE positions. Senate concurs. Conference concurs with Executive in part, but rejects increases of 10.0 FTE positions.			
15. Offset for Veteran Fee Exemptions	**Gross**	**$3,700,000**	**$0**
Executive offsets state restricted revenues expended by the Bureau of Construction Codes (BCC) and the Michigan Occupational Safety and Health Administration (MIOSHA) with GF/GP. These state restricted revenues were reduced as a result of 2012 PAs 309 through 315 which exempted honorably discharged military veterans from licensing fees charged to plumbers, electricians, mechanical contractors, and various building officials by the BCC and filing fees charged to for-profit, nonprofit, and limited liability companies by the Bureau of Commercial Services (BCS). House concurs. Senate concurs in part, but rejects GF/GP offset of $940,300 within the Wage and Hour Division. Conference concurs with Senate.	Restricted	3,700,000	(2,759,700)
	GF/GP	$0	$2,759,700
16. Various Fund Shifts	**Gross**	**$12,558,100**	**$0**
Executive includes various fund shifts within line items between fund sources which net out to zero gross, though they may alter the types of fund sources, which reflect changes in the availability and allocation of funds or reflect changes to more accurately reflect program administration. House concurs in part, but does not include fund shifts within the Executive Revision 2014-2 and does include additional net zero fund shifts. Senate concurs. Conference concurs with Executive and Senate.	Federal	1,792,000	(188,100)
	Local	3,400	(3,400)
	Restricted	10,762,700	191,500
17. Economics Adjustments	FTE	N/A	0.0
Executive increases and decreases spending authorization, resulting in a net increase of $11.8 million, for negotiated salary and wage increases, insurance rates, actuarially-required retirement benefit rates, other postemployment benefits prefunding, workers' compensation costs, building occupancy costs and rent, and other incidental economic adjustments within LARA. House concurs in part, but rejects $13.6 in spending authorization increases for economics adjustments and decreases FTE positions within several line items to support increases resultant from FY 2013-14 economics adjustments, not otherwise financially supported, by reducing department staffing costs. Senate concurs. Conference concurs with Executive and Senate.	**Gross**	**N/A**	**$11,765,100**
	IDG	N/A	1,006,300
	Federal	N/A	4,413,200
	Restricted	N/A	6,140,700
	GF/GP	N/A	$204,900

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
18. Replace State Restricted Revenue for ORR with GF/GP from WCA Executive eliminates state restricted revenue spending authorization for the Office of Regulatory Reinvention (ORR) and replaces it with GF/GP spending authorization offset with an equivalent reduction of GF/GP spending authorization for the Worker's Compensation Agency (WCA). House does not concur. Senate concurs in part, but includes an equivalent increase in state restricted revenue spending authorization for the WCA to offset the reduction in GF/GP spending authorization. Conference concurs with Senate.	**Gross**	**$954,000**	**$0**
	Restricted	477,000	0
	GF/GP	$477,000	$0
19. Transfer OFIR Appropriations to DIFS Executive transfers spending authorization and FTEs for the former Office of Financial and Insurance Regulation (OFIR) to the Department of Insurance and Financial Services (DIFS) created by Executive Order 2013-1. Executive transfers spending authorization and FTEs equivalent to the FY 2013-14 Executive Recommendation for OFIR (including overhead charges for departmental administration, rent, property management, worker's compensation, administrative hearings, and IT projects and services). House does not concur. Senate concurs. Conference concurs with Executive and Senate.	FTE	347.0	(347.0)
	Gross	**$63,627,900**	**($63,627,900)**
	Federal	2,000,000	(2,000,000)
	Restricted	61,627,900	(61,627,900)
20. Transfer Autism Coverage Reimbursement Program to DIFS Executive transfers spending authorization for the Autism Coverage Reimbursement Program to the Department of Insurance and Financial Services (DIFS) created by Executive Order 2013-1. Executive transfers spending authorization equivalent to the FY 2013-14 Executive Recommendation for the ACRP. House does not concur. Senate concurs. Conference concurs with Executive and Senate.	**Gross**	**$15,000,000**	**($15,000,000)**
	GF/GP	$15,000,000	($15,000,000)
21. Decrease OFIR Spending Authorization House decreases spending authorization for the Regulatory Compliance and Consumer Assistance line item under the Office of Financial and Insurance Regulation (OFIR) ($500,000 Gross, $0 GF/GP) which would have supported additional FTE positions recommended by the Executive. Senate does not concur. Conference concurs with Senate.	FTE	120.0	0.0
	Gross	**$19,684,400**	**$0**
	Federal	2,000,000	0
	Restricted	17,684,400	0
22. Include Fireworks Safety Grants House includes spending authorization for fireworks safety grants to local units of government ($1.0 million Gross, $0 GF/GP) to defray inspections costs associated with the enforcement of the Michigan Fireworks Safety Act of 2011. These grants are supported by the Fireworks Safety Fund in which consumer fireworks certification and retail fireworks safety fees are deposited. Senate does not concur. Conference concurs with House.	**Gross**	**$0**	**$1,000,000**
	Restricted	0	1,000,000
23. Decrease GF/GP Appropriations House decreases GF/GP spending authorization within several line items by approximately 5.0% of their FY 2012-13 YTD GF/GP appropriations, resulting in a reduction of $872,500 GF/GP. Senate does not concur. Conference concurs with Senate.	**Gross**	**$19,074,100**	**$0**
	GF/GP	$19,074,100	$0
24. Increase Grants for Blind Persons House increases spending authorization for grants administered by the Bureau of Services for Blind Persons (BSBP) to regional or subregional public libraries serving blind and disabled individuals ($97,200 GF/GP) and to visually-impaired individuals under 26 referred by their intermediate school district for optometric exams eye glasses and other low-vision devices worn on the head ($91,700 GF/GP), increase spending authorization offset with equivalent reduction of GF/GP within the BSBP line item (See # 23). Senate does not concur. Conference concurs with Senate.	**Gross**	**$693,600**	**$0**
	GF/GP	$693,600	$0

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
25. Medical Marihuana Operation and Oversight Grants	**Gross**	**N/A**	**$3,000,000**
Conference includes spending authorization for Medical Marihuana Operation and Oversight Grants to county law enforcement departments for the operation and oversight of the Michigan Medical Marihuana Program. The grants would be supported with revenue generated by registration card fees deposited into the Michigan Medical Marihuana Fund. Requirements for the grant program are stipulated in boilerplate section 728.	Restricted	N/A	3,000,000
26. One-Time Nursing Home IT System	**Gross**	**N/A**	**$2,140,300**
Conference includes one-time spending authorization for information technology systems utilized by nursing home surveyors within the Bureau of Health Care Services (BHCS) to support IT upgrades pursuant to Public Act 322 of 2012.	GF/GP	N/A	$2,140,300
27. Reductions in FTEs and State Restricted Revenues Appropriations	FTE	330.5	(7.0)
Conference reduces FTEs and state restricted spending authorization within the Worker's Compensation Agency (WCA), Michigan Administrative Hearing System (MAHS), and Michigan Compensation Appellate Commission (MCAC) line items.	**Gross**	**$46,899,400**	**($500,000)**
	IDG/IDT	13,233,400	0
	Federal	12,083,400	0
	Restricted	16,788,800	(500,000)
	GF/GP	$4,793,800	$0

Major Boilerplate Changes From FY 2012-13

***Sec. 203. Definitions* – RETAINED**
Defines various terms and abbreviations used in the bill. Executive eliminates particular definitions. House concurs. Senate does not concur. Conference concurs with Senate.

***Sec. 210. Deprived and Depressed Communities* – NEW**
Directs LARA to reasonably ensure that businesses in "deprived and depressed" communities compete for and perform contracts for service and supplies. Conference adds.

***Sec. 218 (Fmr. Sec. 217.) Out-of-State Travel* – REVISED**
Provides several limitations and reporting requirements pertaining to out-of-state travel for LARA employees. Executive eliminates all limitations and reduces reporting requirements. House does not concur. Senate does not concur. Conference concurs with Executive.

***Sec. 219. Office Space Consolidation Plan* – REVISED**
Stipulates that the Legislature intents to cooperate with the office space consolidation plan implemented by DTMB. Executive eliminates. House does not concur. Senate concurs with Executive. Conference revises language to require a report pertaining to the amount of office space actually utilized by LARA.

***Sec. 223. Contingency Funds* – REVISED**
Appropriates federal, state restricted, local, and private contingency funds to LARA, subject to the Management and Budget Act of 1984. Executive reduces federal contingency funds from $45.0 million to $20.0 million. House concurs. Senate reduces federal to $19.0 million, state restricted from $31.0 million to $25.0 million, local from $8.0 million to $7.8 million, and private from $600,000 to $400,000. Conference concurs with Senate.

***Sec. 229. Department Scorecard Website* – NEW**
Requires LARA to maintain a department scorecard website that identifies, updates, and tracks key metrics to monitor the department's performance. Executive adds. House concurs. Senate concurs. Conference concurs.

***Sec. 232. Television Productions* – REVISED**
Prohibits LARA from developing or producing any television productions. Executive eliminates. House revises language without substantive effect. Senate adds radio productions to prohibition. Conference concurs with Senate.

***Sec. 236. One-Time Lump-Sum Payments Report* – DELETED**
Requires LARA to provide a report with information about every employee that receives a payment of more than $1,000. Executive eliminates. House concurs. Senate concurs. Conference concurs.

***Sec. 240. Filled FTE Report* – NEW**
Stipulates that the Legislature intends that LARA does not use FTE positions as spending placeholders and requires LARA to provide a report specifying the quarterly number of filled, FTE positions by line item during the preceding fiscal year. House adds. Senate does not concur. Conference concurs with House.

Major Boilerplate Changes From FY 2012-13

***Sec. 250. OPEB Prefunding* – NEW**
Stipulates that the Legislature intends that LARA continues the prefunding of other postemployment benefits (OPEB) pursuant to 2011 PA 264. House adds. Senate does not concur. Conference concurs with House.

***Sec. 305. Fireworks Safety Grants* – NEW**
Stipulates that the Legislature intends that LARA expends $1.0 million in fireworks safety grants to local units of government, requires local units of government to submit a report to LARA indicating the annual costs of inspections and enforcement activities associated with the Fireworks Safety Act of 2011, and requires LARA to submit a report providing information pertaining to the amounts of fireworks safety grants awarded to local units of government. House adds. Senate does not concur. Conference concurs with House.

***Sec. 320. Licensing and Regulation Fees Carryforward* – DELETED**
Permits LARA to carryforwards licensing and regulation fees collected by the Corporations, Securities, and Commercial Licensing Bureau in excess of expenditures into future fiscal years. House eliminates. Senate does not concur. Conference concurs with House.

***Sec. 325. Veteran Fee Exemption Report* – NEW**
Requires LARA to submit a report providing information about the number of veteran fee exemptions from licensure, registration, filing, and other fees, the amount of revenue lost due to veteran fee exemptions during the preceding fiscal year, the costs of providing licensing and regulatory services to veterans exempted from the fees, and estimate the amount of revenue lost due to the veteran fee exemptions in future fiscal years. House adds. Senate does not concur. Conference concurs with House.

***Sec. 332. UI Computer System Report* – REVISED**
Requires LARA to provide quarterly status reports pertaining to the UIA Integrated System IT Project. Senate includes language requiring reports only until the project is complete. House does not concur. Conference concurs with Senate.

***Sec. 333. UI Internet Claims Report* – REVISED**
Requires LARA to provide quarterly reports pertaining to the percentage of claimants using the internet MARVIN system to certify and receive UI benefits and implement improvement to the system to reach a goal of 50.0% of claimants certifying on the system. Executive eliminates. House increases goal to 80.0% of claimants certifying on the internet system. Senate expands reporting requirement to include "any application developed for that purpose" and goal to include "systems that reduces staff face time and MARVIN telephone system usage". Conference includes language from both House and Senate.

***Sec. 342. Training Grant to Mining Industry* – DELETED**
Requires LARA to allocate not less than $80,000 of MIOSHA CET grants to nonprofit organizations representing the mining industry. Executive eliminates. House concurs. Senate concurs. Conference concurs.

***Sec. 368. Regulatory Statistical Report* – REVISED**
Requires LARA to submit an annual report including statistical, revenue, and expenditure data for the Bureau of Construction Codes (BCC) and the Corporations, Securities, and Commercial Licensing Bureau (CSCLB). Conference substantially revises language to include all regulatory agencies within LARA and expands reporting requirements to include more metrics.

***Sec. 375. Securities Fees Carryforward* – NEW**
Permits LARA to carryforwards unexpended securities fees collected by the Corporations, Securities, and Commercial Licensing Bureau into future fiscal years. House creates. Senate does not concur. Conference concurs with House.

***Sec. 603. Local Match Requirements for Facilities Establishment Grants* – DELETED**
Stipulates that the local match for vocational rehabilitation facilities establishment grants shall not exceed 21.3%. Executive eliminates. House concurs. Senate concurs. Conference concurs.

***Sec. 604. Centers for Independent Living* – DELETED**
Stipulates that all funds appropriated to Independent Living shall be used in support of Centers for Independent Living in underserved areas and the build capacity in compliance with federal regulations and consistence with the State Plan for Independent Living. Executive eliminates. House concurs. Senate concurs. Conference concurs.

***Sec. 611. Vocational Rehabilitation Matching Funds* – RETAINED**
Requires the MRS and BSBP work collaboratively with service organizations and governments to identify match dollars and maximize federal vocational rehabilitation funds. Executive eliminates. House concurs. Senate does not concur. Conference concurs with Senate.

***Sec. 615. Library Services for the Blind and Physically Handicapped* – RETAINED**
Stipulates that LARA may enter into agreements to provide library services, equipment, and facilities to various public and private entities and charge reasonable fees which are appropriated. Senate eliminates. House does not concur. Conference concurs with House.

***Sec. 727. Health Systems and Radiological Health Revenue Carryforward* – NEW**
Permits LARA to carryforward excess revenue collections for the Health Systems Administration or Radiological Health Administration. Executive creates. House concurs. Senate concurs.

Major Boilerplate Changes From FY 2012-13

***Sec. 728. Medical Marihuana Registry Cards Report and Grants to County Law Enforcement* – NEW**
Requires LARA to provide a report pertaining to the number of Medical Marihuana Registry Cards issued or renewed in each county. Also stipulates that LARA expend Medical Marihuana Operation and Oversight Grants to county law enforcement departments and must provide a report pertaining to the amounts, recipient, and uses of the grants. Senate creates. House does not concur. Conference revises language to permit county discretionary grants to municipal law enforcement agencies and makes other changes.

***Sec. 731. Bureau of Health Systems Regulatory Costs and Fee Report* – REVISED**
Requires BHS to provide a report to the Legislature pertaining to the costs to regulate each of the several types of health facilities, a proposed fee schedule to offset BHS' regulatory costs, and recommended statutory and rule changes. Executive eliminates. House concurs. Senate requires an updated report based on previous report. Conference concurs with Senate.

***Sec. 801. Nursing Home Survey IT System Project* – NEW**
Stipulates that the appropriation for nursing home survey IT system is for costs associated with complying with 2012 PA 322 and is one-time, sufficient to cover expenditures, and that no future appropriations are anticipated. Conference adds.

***Sec. 1202. Normal Retirement Costs and Legacy Retirement Costs* – NEW**
States that it is the intent of the Legislature that LARA identifies the amounts for normal retirement costs and legacy retirement costs for fiscal year 2014-15. Senate creates. House does not concur. Conference concurs with Senate.

Various Sections Eliminated by Executive, Retained by House
Executive eliminates sections 202, 208, 209, 211, 212, 214, 215, 230, 232, 332, 333, 340, 341, 368, 390, 391, 714, 726, 732, 801, and 802. House does not concur. Senate concurs in part, eliminating sections 211, 214, 219, 230, 340, 341, 391, 801, and 802. Conference concurs in part, eliminating sections 211(1), 214, 230, 340, 391, 801, and 802.

FY 2013-14: DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
Summary: Conference Report
Senate Bill 187 (S-1) CR-1

Analyst: Mark Wolf

	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Revised Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Conference	*Difference: Conference From FY 2012-13 YTD Amount*	*%*
IDG/IDT	$1,166,500	$650,000	$650,000	$650,000	$650,000	*($516,500)*	*(44.3)*
Federal	99,239,400	89,782,700	89,773,800	89,782,700	89,782,700	*(9,456,700)*	*(9.5)*
Local	1,503,600	1,500,000	1,500,000	1,500,000	1,500,000	*(3,600)*	*(0.2)*
Private	1,503,700	740,000	740,000	740,000	740,000	*(763,700)*	*(50.8)*
Restricted	30,427,000	27,554,000	27,547,600	27,554,000	27,554,000	*(2,873,000)*	*(9.4)*
GF/GP	38,233,400	42,381,300	42,378,700	42,381,300	46,503,300	*8,269,900*	*21.6*
Gross	**$172,073,600**	**$162,608,000**	**$162,590,100**	**$162,608,000**	**$166,730,000**	***($5,343,600)***	***(3.1)***
FTEs	842.0	880.0	880.0	880.0	898.5	*56.5*	*6.7*

Notes: (1) FY 2012-13 year-to-date (YTD) figures include mid-year budget adjustments through February 7, 2013.
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.
(3) House information in this document references Article XIV of House Bill 4328 as passed by the House.

Overview

The Department of Military and Veterans Affairs supports the operations of the Michigan National Guard and provides several services and programs for veterans in the state. The Michigan National Guard serves to protect the lives and property of Michigan citizens during times of natural disaster and civil unrest; to preserve peace, order and public safety at the direction of the Governor; and to assist the federal government in defending the sovereign interests of the United States when they are threatened or violated. The department, through the Michigan Veterans Affairs Agency, also oversees state programs for veterans, including the state's veterans' homes in Grand Rapids and Marquette, grants to veterans service organizations, and the Michigan Veterans' Trust Fund.

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
1. Grand Rapids Veterans' Home (GRVH)	FTE	343.0	12.0
Conference increases funding for GRVH by $1,772,000 GF/GP (12.0 FTE positions) to address issues raised by the recent review of the home by the Office of the Auditor General. The additional funding will provide additional funds of psychiatric and behavioral care ($500,000 GF/GP), upgrades to the home's pharmaceutical inventory control system ($72,000 GF/GP), and additional nursing staff ($1.2 million/12.0 FTE positions).	**Gross**	**$46,516,500**	**$1,772,000**
	Federal	21,695,600	0
	Restricted	14,594,700	0
	GF/GP	$10,226,200	$1,772,000
2. D.J. Jacobetti Veterans' Home (DJJVH)	FTE	158.0	6.5
Conference increases funding for DJJVH by $850,000 GF/GP (6.5 FTE positions) to provide additional support for psychiatric and behavioral care ($200,000 GF/GP) and additional nursing staff ($650,000 GF/GP and 6.5 FTE positions.)	**Gross**	**$18,095,700**	**$850,000**
	Federal	7,621,900	0
	Restricted	5,378,600	0
	GF/GP	$5,095,200	$850,000
3. Hero 2 Hired (H2H)-Michigan Talent Connect Integration	**Gross**	**N/A**	**$1,500,000**
Conference adds $1.5 million GF/GP (one-time) to support costs related to the integration of the Pure Michigan Talent Connect website (www.mitalent.org) into the H2H platform (https://h2h.jobs), in an effort to help the MTC site translate the veteran's military skills, experiences, and occupations into the education, skills, and experiences required for civilian employment.	GF/GP	N/A	$1,500,000

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
4. Veterans' Services Delivery Initiative	FTE	N/A	33.0
Executive and Senate add $4.0 million GF/GP and 33.0 FTE positions in on-going funding and staff support, and an additional one-time appropriation of $4.0 million GF/GP for a new veterans' service delivery initiative. The initiative is part of the restructuring of the administration and delivery of veterans' affairs programs, services, and benefits within DMVA and throughout state government following the creation of the Veterans Affairs Agency by Executive Order 2013-2. Ongoing funding and staffing support the operations of the agency, while the one-time appropriation supports initial agency activities related to program (service delivery) design and development. The executive order specifically tasks the new agency to review state veterans' services and benefits, re-engineer intra-agency and inter-agency business processes to improve the delivery of services to veterans and coordinate veterans' programs and services throughout state government. (Supplemental Request 2013-4 includes $3.0 million and 11.0 FTE positions for the new agency for FY 2012-13.)	**Gross**	**N/A**	**$7,955,000**
	GF/GP	N/A	$7,955,000
House concurs with the Executive, but reduces the one-time appropriation by $45,000 to provide a one-time increase for training and education to county veterans' counselors.			
Conference concurs with the House on reducing one-time funding for the MVAA by $45,000 GF/GP.			
5. College Campus Veterans Outreach Initiative	**Gross**	**$390,600**	**($390,600)**
House provides a $100 placeholder appropriation to continue the college campus veterans outreach initiative established in FY 2012-13 through a one-time appropriation. The program provides assistance to veterans service organizations to hire six additional service officers placed at colleges and universities throughout the state (serving campuses within 6 regions) to provide support and assistance to veterans to ensure their health, education, and benefit needs are met.	GF/GP	$390,600	($390,600)
Executive and Senate eliminate the "one-time" funding for the campus outreach initiative. The Senate includes a reference to the campus outreach initiative as a potential responsibility of VSOs in receiving grant assistance.			
Conference discontinues the specific appropriation for the initiative. Boilerplate language on the one-time appropriation for the MVAA (veterans' service delivery initiative) expressly indicates that program is an example of something that could be funded from the one-time appropriation for the MVAA (veterans' service delivery initiative).			
6. Veterans' Facility Ombudsman	**Gross**	**N/A**	**$0**
House provides a $100,000 GF/GP appropriation to the Legislative Council to support the establishment of the Office of the Michigan Veterans' Facility Ombudsman, which would be tasked to investigate and resolve complaints concerning health and safety issues at the two veterans' homes.	GF/GP	N/A	$0
Executive and Senate do not establish the veterans' facility ombudsman.			
Conference does not establish the veterans' facility ombudsman.			

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
7. County Veterans Counselor Training and Education	**Gross**	**$50,000**	**$45,000**
House provides a one-time appropriation for county veterans counselor training and education. Current law allocates up to $50,000 for an annual training conference for county veterans counselors in the state. The one-time increase would enable county counselors to attend training and education events at the national convention of the National Association of County Veterans Service Officers, which is to be held in Grand Rapids in January 2014.	GF/GP	$50,000	$45,000
Senate does not include a specific appropriation for county veterans counselor training, although continuing boilerplate requires the department to provide training and support to the county veterans counselors.			
Conference concurs with the House.			
8. Veterans Homes Maintenance	**Gross**	**$2,116,000**	**($1,616,000)**
Executive and Senate add $500,000 GF/GP in ongoing support for special maintenance activities at the Grand Rapids and Jacobetti veterans' homes; eliminates $2.1 million designated as a one-time appropriation in FY 2012-13 for maintenance at the two homes.	GF/GP	$2,116,000	($1,616,000)
House concurs with the Executive, but reduces the ongoing support to $400,000.			
Conference concurs with the Executive.			
9. Information Technology Adjustments	**Gross**	**$1,078,500**	**$26,000**
Executive and Senate increase funding for IT-related services and projects (common to all departmental budgets) for cost increases for the Windows 7 upgrade, the Center for Shared Solutions, and improvements to the state's wireless infrastructure and internet bandwidth.	Federal	531,600	12,900
	Restricted	384,800	9,300
	GF/GP	$162,100	$3,800
House does not concur with the Executive-proposed increases for wireless infrastructure and internet bandwidth ($17,900 Gross and $2,600 GF/GP).			
Conference concurs with the Executive.			
Items Agreed to by the Executive, House, Senate, and Conference			
10. Veterans Service Officers	FTE	1.0	5.0
Executive, House, Senate, and Conference add $600,000 and 5.0 FTE positions to support the hiring of state employees to serve as VA-accredited veterans service officers who provide assistance to qualified veterans in the preparation, presentation, and prosecution of claims for veterans' benefits; also supports continued efforts in training VA-accredited county veterans' counselors (service officers).	**Gross**	**$125,000**	**$600,000**
	GF/GP	$125,000	$600,000
11. D.J. Jacobetti Veterans Home Laundry Services	**Gross**	**$199,000**	**$60,000**
Executive, House, Senate, and Conference add $60,000 GF/GP for a new contract for laundry and linen services at the D.J. Jacobetti Veterans Home in Marquette. DTMB cancelled the old contract nine months early (in November 2012) with services provided under temporary contract while a new vendor is selected through the procurement process. The request for proposals (RFP) for the new contract was released in late January 2013, with the new contract expected to start in April 2013. The old contract had a single rate for both personal items of the residents and linens of the home. The temporary contract has a higher rate to launder the personal items of the residents; it is anticipated the new contract will as well.	GF/GP	$199,000	$60,000

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
12. Lands and Acquisitions	**Gross**	**$250,000**	**$750,000**
Executive, House, Senate, and Conference add $750,000 from the Michigan National Guard Armory Construction Fund (which receives revenue from the sale of National Guard facilities and properties) for the acquisition costs of land and properties for new (or expanded) armories. DMVA is seeking a replacement for the armory in Flint and would use the funds appropriated here to acquire a suitable existing facility (rather than building anew) if the department is able to find a suitable facility. The funding here isn't specifically earmarked for a new Flint armory.	Restricted	$250,000	$750,000
13. Economic Adjustments	**Gross**	**N/A**	**$3,381,600**
Executive, House, Senate, and Conference reflect increased costs of $3.4 million Gross ($1.0 million GF/GP) for negotiated salary and wage increases (1.0%), insurance rate increases, actuarially-required retirement rate increases, and other economic adjustments; provides an additional increase of $1.9 million Gross ($0.4 million GF/GP) projected for FY 2014-15.	Federal	N/A	1,837,900
	Restricted	N/A	503,700
	GF/GP	N/A	$1,040,000
14. Special Maintenance Consolidation	**Gross**	**$23,351,200**	**($3,000,000)**
Executive, House, Senate, and Conference consolidates the several special maintenance program lines for military sites included in the department operations sections with a separate capital outlay program line (remodeling and additions), and adjusts the spending authorization from federal National Guard Bureau (NGB) revenues to align with anticipated revenue. .	Federal	20,300,000	(3,000,000)
	GF/GP	$3,051,200	$0
15. Headquarters and Armories (Armories and Joint Force Readiness)	FTE	80.0	0.0
Executive, House, Senate, and Conference transfers $15,000 GF/GP to the Michigan Emergency Volunteers program line to better reflect where expenditures are incurred and increases by $700,000 in federal NGB revenues to align with anticipated revenue.	**Gross**	**$11,958,800**	**($685,000)**
	Federal	4,656,800	700,000
	Restricted	346,400	0
	GF/GP	$6,955,600	($15,000)
House concurs with the Executive.			
16. Michigan Emergency Volunteers	**Gross**	**$5,000**	**$15,000**
Executive, House, Senate, and Conference includes the transfer of $15,000 GF/GP from Headquarters and Armories to the Michigan Emergency Volunteers (volunteer defense force) to better reflect where expenditures are incurred. Increased funding supports travel and training costs of the volunteer defense force related to the development of cyber defense capabilities. (The Senate consolidates the Michigan Emergency Volunteers into the Armories and Joint Force Readiness program line.)	GF/GP	$5,000	$15,000
17. Youth ChalleNGe Program	**Gross**	**$5,276,700**	**($925,300)**
Executive, House, Senate, and Conference reduce spending authorization from IDG and private sources to reflect anticipated revenues for Youth ChalleNGe, a voluntary boot camp-style program for 16- to 18-year old high school dropouts administered by the Department in Battle Creek. The federal Safe and Drug-Free Schools and Communities State Grant program has ended. Funding available from that federal grant was made available to DMVA through an IDG from the Department of Community Health. Reduces spending authorization from private donations to reflect a decline in the amount donated to the program.	IDG	165,800	(165,800)
	Federal	2,651,400	0
	Local	1,500,000	0
	Private	959,500	(759,500)
18. Eliminate FY 2012-13 One-Time Appropriations	**Gross**	**$16,101,300**	**($16,101,300)**
Executive, House, Senate, and Conference eliminate other one-time appropriations in FY 2012-13, including those related to the Flint armory ($12.0 million); Internet-based data system ($43,400), county veterans' counselor accreditation ($200,000), data upgrades and records digitization ($750,000), state employee lump-sum payments ($707,000), and special maintenance at state armories ($2.4 million).	IDG	700	(700)
	Federal	9,407,500	(9,407,500)
	Local	3,600	(3,600)
	Private	4,200	(4,200)
	Restricted	3,136,000	(3,136,000)
	GF/GP	$3,549,300	($3,549,300)

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
19. Homeland Security	**Gross**	**$1,000,000**	**($350,000)**
Executive, House, Senate, and Conference recognizes the elimination of federal grant funding made available to DMVA through an IDG from the Department of Community Health, Office of Public Health Preparedness. Also reduces the IDG from the Department of State Police supported by federal homeland security funds. (A similar reduction in federal DHS spending authorization is taken in the Department of State Police budget.)	IDG	1,000,000	(350,000)
20. Grand Rapids Veterans Home	FTE	343.0	0.0
Executive, House, Senate, and Conference reduces spending authorization for the GRVH to reflect actual revenues collected from federal Medicaid and Medicare funds, and income and assessments from residents at the home.	**Gross**	**$46,516,500**	**($1,600,000)**
	Federal	21,695,600	(600,000)
	Restricted	14,594,700	(1,000,000)
	GF/GP	$10,226,200	$0
21. Military Training Sites and Support Facilities	FTE	205.0	0.0
Executive, House, Senate, and Conference increases spending authorization from federal National Guard Bureau revenues for military training sites and support facilities (Camp Grayling, Fort Custer, Battle Creek Air National Guard (ANG) Base, Selfridge ANG Base, Alpena Combat Readiness Training Center (CRTC) to reflect actual revenues collected.	**Gross**	**$30,065,500**	**$1,000,000**
	Federal	28,456,300	1,000,000
	GF/GP	$1,609,200	$0

Major Boilerplate Changes From FY 2012-13

***Sec. 209. Purchase of Foreign Goods* – RETAINED**
Prohibits the purchase of foreign goods and services if American-sourced goods and services are competitively priced and are of comparable quality; gives preference to goods and services from Michigan-based businesses and businesses that are owned and operated by veterans. Executive – deletes. House – adds a preference for small businesses with veterans representing at least 35% of their total workforce. Senate – retains, and does not include added House language. Conference – includes the House language providing a preference for small businesses with veterans representing at least 35% of their total workforce.

***Sec. 217. Budgetary Efficiency* – RETAINED**
Requires the department to improve its budget efficiency by prioritizing personnel over buildings, pursuing consolidation of support services; seeking expenditure reductions, and identifying efficiencies that can be gained through the reduction or elimination of programs. Executive – deletes. House – deletes. Senate – retains. Conference –

***Sec. 219. Quarterly Performance Metrics Reports* – REVISED**
Requires the department to provide quarterly report on the status or work projects, the departments financial status, evidence of efficiencies, property sales, information which validates that all requirements in the budget have been achieved, corrective action plans for requirements that have not been achieved, a summary of any funding shifts between scheduled programs, and the results of any inspections at the two veterans' homes. Executive – deletes. House – requires additional information to be provided as part of the department's quarterly reports, including armory closings, the status of armories (including maintenance projects), the number of active employees by job classification and scheduled program, VSO veterans claims activities, activities of the Michigan Veterans Affairs Agency (including claims activities), and information on complaints of alleged abuse or neglect of resident members of the two veterans' homes. Senate – largely retains current law, but adds a general requirement that the quarterly reports include the status of performance metrics cited in the act. Conference – concurs with the Senate's general metrics reporting requirement, but also requires the quarterly report to include information on armory closings, the MVAA's performance against the strategic plan and outcomes developed under 2013 PA 9, the number of active employees by job classification and scheduled program, maintenance projects at the two veterans' homes. The conference committee does not concur include the House language regarding complaints of alleged abuse or neglect at the two homes.

***Sec. 220. Services to Veterans* – RETAINED**
Requires the department to report annually on various services to veterans, i.e. metric requirements, audits and tax reports, expenditures by category, population and bed space at the veterans' homes, an on the Michigan Veterans' Trust Fund. Executive – deletes a requirement that the department provide financial information on the homes and the nursing home licensure status of the homes; deletes a requirement that the department provide information on the methodology used to allocate emergency grant funds; the method of selecting authorized agents within the counties to process grant applications, and the department's efforts to reduced administrative costs related to the MVTF and maintain the $50.0 million corpus of the trust fund. House – retains current law, but deletes the report on the MVTF corpus, and adds that information on how the emergency grant program is administered in each county and how much is distributed to each county for administration and emergency grants. Senate – retains. Conference – retains current law, but requires information on how the emergency grant program is administered in each county, and how much is distributed to each county for administrative costs and emergency grants.

Major Boilerplate Changes From FY 2012-13

***Sec. 222. Department Core Services* – REVISED**
Lists core services of the department and requires appropriations to be used for core services. Executive – retains. House – retains, but adds the Michigan Veterans Affairs Agency (replacing the Veterans Affairs Directorate) and the Starbase program. Senate – adds the Michigan Veterans Affairs Agency (replacing the Veterans Affairs Directorate) and renames other core services. Conference – adds the Michigan Veterans Affairs Agency (replacing the Veterans Affairs Directorate), renames other core services, and deletes training for county veterans counselors as a core service (it is a component of the services provided by the MVAA.)

***Sec. 223. Notice of Property Sales* – RETAINED**
Requires the department to provide a 60-day notice of intent to sell property. Executive – deletes. House – deletes. Senate – retains. Conference – retains.

***Sec. 226. Partner with Reserve Forces* – DELETES**
Requires the department to seek partnerships with the reserve component of the U.S. Armed Forces for the co-location of activities and cost share for facilities. Executive – deletes. House – deletes. Senate – retains. Conference – deletes.

***Sec. 227. Bid Process* – RETAINED**
Prohibits the exclusion of public employee unions from the bid process for contract services. Executive – deletes. House – retains. Senate – retains. Conference – retains.

***Sec. 230. Performance Metrics Report* – NEW**
Requires the department to maintain a publicly accessible website that identifies and tracks the department's performance against key metrics used to monitor and improve the department's performance. Executive – adds this section. House – adds this section. Senate – adds this section. Conference – adds this section.

MILITARY
***Sec. 300. Unclassified Positions* – REVISED**
Lists titles of unclassified positions currently in the department; requires the department to notify subcommittees prior to submitting requests for additional unclassified positions or requests for substantive changes to the duties of unclassified positions. Executive – deletes. House – retains and adds the director of the Michigan Veterans Affairs Agency and the senior policy executive (replacing the director of the veterans affairs directorate) to the list of unclassified positions. Senate – retains and adds the director of the Michigan Veterans Affairs Agency to the list of unclassified positions. Conference – retains, and adds the MVAA director and senior policy executive (replacing the VAD director).

Armories and Joint Force Readiness
***Sec. 301. Administrative Support* – RETAINED**
Requires the department to provide proper levels of administrative support, staffing and resources, and fiscal controls for department expenditures. Executive – deletes. House – deletes. Senate – retains. Conference – retains.

***Sec. 302. National Guard Armories* – RETAINED**
Requires the department to operate and maintain national guard armories to ensure they are in compliance with Army regulations. Executive – retains. House – retains and requires a quarterly report on the status of the armories. Senate – retains and requires a quarterly report on the status of the armories. Conference – concurs with Senate, and also requires the department to provide effective and efficient executive direction and administrative leadership be provided to the department.

***Sec. 303. Army National Guard Support for State and Local Emergencies* – DELETED**
Requires the department to provide Army National Guard (ARNG) forces for emergencies and to properly training and equip military forces. Executive – deletes. House – deletes. Senate (Sec. 306) – retains. Conference (Sec. 304) – retains.

Maintenance and Operations of National Guard Training Facilities and Airbases
***Sec. 304. Army National Guard Training Facilities* – REVISED**
Requires the department to properly operate and maintain military training facilities, including Fort Custer and Camp Grayling, and to improve the adequacy of utilities and infrastructure. Executive – combines Sections 303 and 304, concerning the Army National Guard to provide ARNG forces for state and local emergencies and in support for national military requirements, and operate and maintain ARNG facilities, including Fort Custer and Camp Grayling; requires the department to improve the utilities and infrastructure of ANRG facilities; deletes language that requires the department to comply with Appendix 1 of the Master Cooperative Agreement concerning building maintenance performance and Appendix 3 of the Master Cooperative Agreement concerning security management at ARNG facilities. House – concurs with Executive. Senate – requires the department to operate and maintain ARNG facilities (Fort Custer and Camp Grayling) and ANG facilities (Selfridge, Battle Creek ANG Base, and the Alpena Combat Readiness Training Center), and maintains a system that measures the condition of ANG facilities. Conference – concurs with the Senate.

***Sec. 305. Air National Guard Support for State and Local Emergencies* – DELETED**
Requires the department to provide Air National Guard (ANG) forces, when directed, for state and local emergencies and in support of national military requirements. and to properly train and equip military forces, and to improve the adequacy of the utilities and infrastructure of ANG facilities. Executive – deletes. House – deletes. Senate – deletes. Conference – deletes.

Major Boilerplate Changes From FY 2012-13

***Sec. 306. Air National Guard Training Facilities* – REVISED**
Requires the department to properly operate and maintain Selfridge and Battle Creek Air National Guard bases and the Alpena Combat Readiness Training Center, and to provide security services at ANG facilities. Executive – combines sections 305 and 306, concerning the Air National Guard to provide ANG forces for state and local emergencies and in support for national military requirements, and operating and maintain ANG facilities, including Selfridge ANG Base, Battle Creek ANG Base, and the Alpena Combat Readiness Training Center; requires the department to improve the adequacy of utilities and infrastructure at ANG bases; deletes language that requires the department to comply with Air Force Instruction 31-101 (Installation Security), and Appendix 23 (Section 2308) of the Master Cooperative Agreement. House – concurs with the Executive. Senate (Sec. 304) – requires the department to provide ANG and ARNG forces, when directed, for state and local emergencies and in support of national military requirements and to operate and maintain national guard training facilities and air bases. Conference (Sec. 304) – concurs with the Senate, and requires the department to provide effective and efficient executive leadership and administration.

Challenge Program
***Sec. 307. Michigan Youth ChalleNGe Academy* – REVISED**
Requires the department to maintain proper levels of staffing and resources for operating the Michigan Youth ChalleNGe Academy; lists specific operating requirements; authorizes unexpended funding to be carried forward. (FY 2012-13 Section 502.) Executive (Sec. 406) – retains. House (Sec. 409) – retains. Senate – requires the department to maintain staffing sufficient to train 144 cadets, and requires the department to ensure that the cadets' average grade level increases at least two grades as measured by the tests of adult basic education (TABE). Conference – concurs with the Senate.

Military Family Relief Fund
***Sec. 308. Military Family Relief Fund* – REVISED**
Requires the department to provide grant funding from the Military Family Relief Fund and outreach services to families of active members of the armed forces. (FY 2012-13 Section 501.) Executive – retains. House (Sec. 408) – revises the reference to active armed forces members to refer instead to members of the reserved component of the armed forces called into active duty. Senate – requires quarterly reports on fund activities; requires the department to maintain a staffing level sufficient to process at least 60 applications for assistance; deletes outreach requirement. Conference – concurs with the Senate, and requires the department to provide outreach to Michigan families of members of the reserved component of the armed forces called into active duty.

MICHIGAN VETERANS AFFAIRS AGENCY
Michigan Veterans Affairs Agency Administration
***Sec. 401. Michigan Veterans Affairs Agency* – NEW**
Requires the department to provide outreach services to veterans (with a goal of reaching 35%-75% of the state's veterans population), and provide information on available assistance from the Military Family Relief Fund, the MVTF, and the U.S. Department of Veterans Affairs. Also requires the department to process at least 5,295 requests for military discharge certificates (DD-214), process at least 500 claims for VA benefits, ensure at least 20% of claims filed (whether processed by the state, VSOs, or CVCs) are "fully developed", and provide training support to county veterans counselors. Senate – adds this section. Conference – Generally concurs with the Senate, but changes the outreach metric to reaching out to 35% of the state's veterans population, and requires the department to continue the process to digitize medical and military discharge records currently on paper or microfilm. The conference committee also retains the 5-member advisory board, charging it with the responsibility to assist the MVAA in developing plans, reviewing service delivery initiatives, and identifying services and projects that meet MVAA performance objectives. (The board would no longer assist in the development of VSO grant criteria.)

***Sec. 401(10)-(14). County Veterans Counselors* – RETAINED**
Requires the department to provide training and resources for county veterans counselors. (FY 2012-13 Sec. 404.) Executive – retains. House (Sec. 404) – requires the department to also provide training support to veterans service organizations, requires the department to submit a report on the training activities, allocates up to $50,000 for training support for county veterans counselors, and incorporates language from FY 2012-13 Section 704 requiring the department to implement an Internet-based data system in collaboration with the Michigan Association of County Veterans Counselors. Senate – retains, adds a 20% fully developed claims performance metric on CVC-filed claims for VA benefits, and does not specifically include the House allocation of $50,000 for CVC training. Conference – retains and includes both the 20% fully-developed claims metric and the $50,000 allocation.

Major Boilerplate Changes From FY 2012-13

Veterans Advice, Advocacy, and Assistance Grants

***Sec. 402. Veterans Advice, Advocacy, and Assistance* – REVISED**

Requires the department to provide advice, advocacy, and assistance services to veterans, to maintain proper levels of staffing and resources, to distribute funding in the form of 5 grants, to take steps to improve the coordination of veterans' benefits counseling, to increase its responsibility in administration, management, oversight, and outreach of delivery of services; establishes a five member advisory board. Executive – adds the department shall assist veterans in securing professional assistance, advocacy, and counseling regarding claims management issues. House – concurs with the Executive on assisting veterans in receiving professional assistance regarding claims management issues, adds that grant recipients provide quarterly reports on claims activities (and requires those report to include the number of fully-developed claims), and requires the department to include these quarterly claims data in its quarterly report to the subcommittees in accordance with Section 219. Senate – deletes the entire section, requiring the department to administer the veterans advice, advocacy, and assistance grants to VSOs, and to ensure that 20% of VSO-filed claims for VA benefits are fully developed. (The conference committee moves language concerning the advisory board to the section on the MVAA.)

Veterans' Trust Fund Administration

***Sec. 405. Veterans' Trust Fund* – REVISED**

Requires the department to work with the Michigan Veterans' Trust Fund Board to provide emergency grant funds, outreach services, and other services to veterans. Executive – retains. House – retains. Senate – retains and requires the department to maintain staffing sufficient to process at least 2,000 applications for emergency grant assistance from the MVTF. Conference – concurs with the Senate.

***Sec. 405 (House). College Campus Veterans Outreach Initiative* – DELETED**

Provides that funds for college campus outreach shall be undertaken in collaboration with the VA vocational rehabilitation program to assist veterans on campus in enrolling in the VA health system or with filing claims for disability benefits. (FY 2012-13 Section 704.) Executive – deletes. House – retains, and requires reports on initiative activities for FYs 2013-2014. Senate – includes a reference to the college campus veterans outreach initiative as part of the grants to veterans service organizations in Sec. 402. Conference deletes, but Sec. 702 indicates that the initiative is something that could be funded from the one-time appropriations for the veterans' service delivery initiative (MVAA).

***Sec. 406. Michigan Veterans Affairs Agency Strategic Plan* – NOT INCLUDED**

Requires the Michigan Veterans Affairs Agency to submit a strategic plan to the Legislature by December 1, 2013 specifying (a) a plan to coordinate veterans services among Executive branch agencies; (b) a plan to improve the provision of veterans services by state agencies and improve oversight of grants to veterans service organizations; (c) a plan to re-engineer the veterans service delivery process to improve the performance of state agencies, local agencies, veterans service organizations, and nonprofit organizations; (d) quantifiable performance measures and outcomes of veterans service programs affecting the health, economic, and quality of life well-being of veterans, with a goal of increasing the number of fully-developed claims submitted to the VA and increase veterans' and the public's awareness of available veterans services; (d) immediate, short-term, and long-term initiatives that assist the agency in achieving the stated performance measures and outcomes. House – adds this section. Senate – does not include. (This language was included in 2013 PA 9, an FY 2012-13 supplemental appropriations bill that provided the initial funds for the Michigan Veterans Affairs Agency.) Conference – does not include, although Sec. 219 requires a quarterly report on the agency's performance against the strategic plan and performance outcomes identified in 2013 PA 9.

***Sec. 407. Veterans Service Delivery System* – NOT INCLUDED**

Requires the Michigan Veterans Affairs agency to submit a report on the programs, activities, roles and responsibilities of, and interrelationships among, state agencies, local government agencies, veterans service organizations, and nonprofit organizations to provide services and outreach to veterans, including assistance in the preparation and presentation of claims for benefits to the VA. The report would discuss the current veterans service delivery system and the new system under the re-engineered system identified in the agency's strategic plan. House – adds this section. Senate – does not include. (This language was included in 2013 PA 9, an FY 2012-13 supplemental appropriations bill that provided the initial funds for the Michigan Veterans Affairs Agency.) Conference – does not include.

Grand Rapids Veterans' Home and D.J Jacobetti Veterans Home

***Secs. 501 and 502. Veterans' Homes* – REVISED**

Requires the department to provide proper levels of staffing and resources for operating the two veterans' homes; authorizes appropriations for Boards of Managers to be expended for facility improvements; specifies requirements for competency evaluated nursing assistants employed at the homes. Executive – deletes language specifying the minimum number of residents at the two homes in skilled nursing or domiciliary beds; requiring the homes to ensure medical staff conforms to U.S. Department of Veterans Affairs standards; requiring the homes to provide transportation to all medical appointments outside the homes; requiring residents to receive daily laundry services; requiring maintenance and custodial services to conform to applicable local, state, and federal standards; requiring prior notice before the homes' boards of managers alter spending plan from post and posthumous funds; and requiring CENAs provided by contractors meet certain requirements. House – retains current law but deletes language specifying the minimum number of residents at the two homes in skilled nursing or domiciliary beds. Senate – deletes language on the post and posthumous funds overseen by the board of managers, and splits the section into two sections pertaining to the Grand Rapids veterans home (Sec. 501) and Jacobetti veterans home (Sec. 502). Conference – concurs with the Senate.

Major Boilerplate Changes From FY 2012-13

***Sec. 501(15) and Sec. 502(15). Veterans' Homes Complaints* – NEW**
Senate – adds that any and all complaints of abuse or neglect at the veterans homes by a resident member, a resident member's family, staff, or other individual that is received by a supervisor shall be forwarded to the director of nursing within 10 days, and adds that the director of nursing at the homes shall report at least monthly to the MVAA, the senate and house fiscal agencies, and the subcommittees regarding the complaints received. Conference – includes the Senate language, but adds a resident member's legal guardian as a person who can submit complaints (and eliminates reference to "other individuals" filing complaints) and adds the board of managers and the homes' administrators as recipients of the nursing director's report. The Conference Committee also specifies that board of managers may require the supervisor's report and the nursing director's report to be filed more frequently than specified in the section.

***Sec. 501(16)-(25). Grand Rapids Veterans' Home Performance Standards* – NEW**
Conference adds several boilerplate provisions aimed at addressing the issues raised in the recent performance audit of the Grand Rapids veterans' home by the Office of the Auditor General. The provisions do the following: (16) requires an on-site board-certified psychiatrist; (17) requires the home to monitor all comprehensive care plans in accordance with federal regulations and internal home policies; (18) requires the home to implement controls over its food, maintenance supply, and medical supply inventories; (19) requires the home to maintain controls over its pharmaceutical inventories; (20) requires the home to maintain controls over the calculation of maintenance assessments paid by resident members any provide accurate calculation for each billing cycle and to address past due assessments within 30 days; (21) requires the home to establish controls of monetary donations and donated goods; (22) requires the home to establish controls over the handling of personal funds of resident members to ensure that former resident members receive their funds within 3 business days of leaving the home and that representatives of deceased resident members are paid the deceased member's funds within 10 business days; (23) requires the home to a provide direct care nursing staffing level of at least 2.5 hours per patient per 24 hours, 7 days per week, (24) requires the department to provide a quarterly report on the home's compliance will all of the standards and requirements established in Section 501 (including the existing, retained standards and requirements), including data on the patient care hours provided, the number and dollar value of lost and discarded prescriptions and the number of early prescription refills, the value of monetary donations received, the number of donated goods received, the number of donated goods disposed of, the number of member assessments calculated, and (25) requires a report by November 30 providing a copy of the complaint form, a description of the complaint process, a description of the roles and responsibilities of stakeholders in the complaint process, an issue resolution status report, and the process by which the issue resolution status report is reviewed.

***Sec. 602. Michigan Veterans' Facility Ombudsman* – DELETED**
Specifies legislative intent for establishing a Michigan Veterans' Facility Ombudsman; specifies duties and responsibilities of the Ombudsman. Ombudsman's purpose would be to conduct investigations concerning actions or omission of actions or conditions at the veterans' homes which are alleged to be contrary to law or policy or that pose a significant health or safety issue. Executive – deletes. House – replaces the "intent" language with a statement that the funds appropriated in part 1 for the IDG to the Legislative Council are to be expended to establish the Office of the Michigan Veterans' Facility Ombudsman. Senate – deletes. Conference – deletes.

***Sec. 703. Special Maintenance at the Veterans' Homes* – DELETED**
Requires appropriations to be used for maintenance and information technology needs at the homes; specifies projects considered to be maintenance/remodeling projects as approved by the subcommittees; requires homes to report on their plans for expending the one-time appropriations. (FY 2012-13 Section 703.) Executive – deletes. House (Sec. 703) – deletes the language concerning subcommittee approval of projects, and adds a report on the costs of maintenance projects completed during the fiscal year. Senate – deletes. Conference – deletes, but includes this information as part of the department's quarterly metrics report under Sec. 219.

ONE-TIME APPROPRIATIONS

***Sec. 701. County Veterans Counselor Training and Education* – NEW**
Specifies that the one-time $45,000 GF/GP appropriation is in addition to the on-going appropriation for county veterans' counselor training and education at the national conference of the National Association of County Veterans Service Officers. House – adds this section. Senate – does not include. Conference – adds this section.

***Sec. 702. Veterans' Service Delivery Initiative* – NEW**
Conference specifies that the one-time appropriation to the MVAA may be expended for a college campus outreach program and shall be expended to establish the infrastructure necessary for the agency to achieve its performance goals and objectives, including the performance outcomes, measures, and initiatives outlined in its strategic plan.

Sec. 703. Hero 2 Hired (H2H)-Michigan Talent Connect Integration
Conference adds that the $1.5 million G/GP one-time appropriation for the veterans affairs agency computer upgrade shall be expended to support costs related to the integration of the Pure Michigan Talent Connect website (www.mitalent.org) into the H2H platform (https://h2h.jobs), in an effort to help the MTC site translate the veteran's military skills, experiences, and occupations into the education, skills, and experiences required for civilian employment.

Major Boilerplate Changes From FY 2012-13

PART 2A: PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS FOR FISCAL YEAR 2014-2015

Sec. 1201. Anticipated FY 2014-15 Appropriations

States legislative intent to provide appropriations for FY 2014-15, adjusting FY 2013-14 amounts based on economic and other factors.

***Sec. 1202. Retirement Costs* – NEW**

State legislative intent that the department identify the amounts for normal retirement costs and legacy retirement costs for the line items listed in part 1. Senate – adds this section. Conference – adds this section.

***Sec. 1203. Veterans Outreach* – NEW**

Requires the Michigan Veterans Affairs Agency to report the percentage of veterans counted, with a goal of 100%, at quarterly meetings of the appropriations subcommittees. Senate – adds this section. Conference – adds this section.

FY 2013-14: DEPARTMENT OF NATURAL RESOURCES
Summary: Conference Report
Senate Bill 188 (S-1) CR-1

Analyst: Viola Bay Wild

	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Revised Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Conference	*Difference: Conference From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$2,027,200	$1,412,300	$1,412,300	$1,412,300	$1,412,300	*($614,900)*	*(30.3)*
Federal	66,524,800	67,127,300	67,127,300	67,127,300	67,127,300	*602,500*	*0.9*
Local	0	0	0	0	0	*0*	*--*
Private	7,239,200	7,237,200	7,237,200	7,237,200	7,237,200	*(2,000)*	*0.0*
Restricted	242,353,700	251,325,500	241,873,000	241,925,500	241,925,500	*(428,200)*	*(0.2)*
GF/GP	19,737,900	27,286,600	17,929,700	22,136,600	25,286,600	*5,548,700*	*28.1*
Gross	**$337,882,800**	**$354,388,900**	**$335,579,500**	**$339,838,900**	**$342,988,900**	***$5,106,100***	***1.5***
FTEs	2,099.8	2,141.3	2,089.3	2,115.3	2,140.3	*40.5*	*1.9*

Notes: (1) FY 2012-13 year-to-date (YTD) figures include mid-year budget adjustments through February 7, 2013.
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.
(3) House figures are appropriations made in Article XV of House Bill 4328 (H-1).

Overview

The Department of Natural Resources (DNR) manages, conserves, and protects Michigan's resources. Programs include forest management, land and minerals management, wildlife and fisheries management, conservation law enforcement, state parks and forest campgrounds, and Michigan's historical programs.

Major Budget Changes From FY 2012-13 YTD Appropriations		**FY 2012-13 Year-to-Date (as of 2/7/13)**	**FY 2013-14 Conference Change**
1. Funding and FTE Authorization Adjustments	FTE	N/A	(54.5)
Executive reduces gross funding authorization by $14.7 million to align with anticipated revenues; eliminates 54.5 FTE unfilled and unfunded positions. Major restricted funds reductions include:	**Gross**	**N/A**	**($14,689,900)**
	IDG	N/A	(626,700)
	Federal	N/A	(37,600)
	Private	N/A	(17,900)
	Restricted	N/A	(14,007,700)
Game and Fish Protection Fund — *$5.2 million*			
Forest Development Fund — *5.0 million*			
Marine Safety Fund — *522,700*			
Snowmobile Trail Improvement Fund — *500,000*			
Game and Fish - Turkey Permit Fees — *536,300*			
Game and Fish - Deer Habitat Reserve — *353,300*			
House, Senate, and Conference concur with Executive.			
2. Hunting and Fishing License Fees Increase	FTEs	**N/A**	44.0
Executive includes additional $11.4 million restricted funding in FY 2013-14 and 44.0 FTE positions. Funding would be realized through an increase in hunting and fishing license fees. The current license fee structures would be replaced. Hunting licenses would require a base $10 license that allows hunters to hunt small game and waterfowl. Additional tags can be purchased for deer, turkey, bear, wolf, elk, and fur bearing animals to add to base license. The following fishing licenses would be offered: 24 hour all-species license, and all-species licenses for residents, senior residents, and non-residents. Fee increases would begin on March 1, 2014. Proposal also requires $1.00 be charged for base hunting licenses and the all-species fishing license; funding from the $1.00 charge must be used for marketing, education, and outreach activities. Fee changes estimated to generate $19.7 million additional funding annually; a portion of new revenue would fund 44.0 additional FTEs.	**Gross**	N/A	**$11,365,000**
	Restricted	N/A	11,365,000
House, Senate, and Conference concur with Executive.			

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
3. Off Road Vehicle (ORV) License Fee Increase	**Gross**	**N/A**	**$2,700,000**
Executive includes $2.7 million additional restricted funding to be realized through an increase in ORV licenses from the current annual fee of $16.25 to a $26.25 annual fee. Proposal also includes an additional optional cost of $10 to the license fee to be authorized to ride on state trails.	Restricted	N/A	2,700,000
House, Senate, and Conference concur with Executive.			
4. Conservation Officer Academy and Training	FTE	N/A	35.0
Executive includes $3.5 million GF/GP funding and 25.0 FTE positions for an officer academy for conservation officers. Of the GF/GP funding, $2.9 million will be ongoing funding and $600,000 will be one-time GF/GP funding for the academy.	**Gross**	**N/A**	**$4,600,000**
	GF/GP	N/A	$4,600,000
House does not include additional funding and FTE positions.			
Senate concurs with Executive.			
Conference includes $4.6 million GF/GP funding and 35.0 FTE positions; $4.0 million will be on-going and $600,000 will be one-time funding for the academy.			
5. Research Vessel Replacement	**Gross**	**N/A**	**$0**
Executive includes $2.0 million one-time GF/GP funding to replace the *Chinook,* DNR's 65-year-old Great Lakes research vessel. The vessel performs assessments on the Great Lakes concerning aquatic invasive species and helps DNR conduct research and annual fish assessments.	GF/GP	N/A	$0
Senate concurs with Executive.			
House and Conference do not include additional funding.			
6. Aquatic Invasive Species (AIS) Prevention and Control	FTE	N/A	0.0
Executive includes $150,000 GF/GP funding and 1.0 FTE position within Fisheries Resource Management to fund an AIS specialist and an AIS Prevention and Control Program within the DNR.	**Gross**	**N/A**	**$0**
	GF/GP	N/A	$0
Senate concurs with Executive.			
House and Conference do not include additional funding and FTE position.			
7. IT Rate Adjustments and Upgrades	**Gross**	**N/A**	**$155,200**
Executive includes additional $95,700 Gross ($11,000 GF/GP) funding for IT charges due to program rate changes and appropriates an additional $59,500 Gross ($6,900 GF/GP) for wireless infrastructure and Internet bandwidth expansions.	Restricted	N/A	137,300
	GF/GP	N/A	$17,900
House includes $95,700 Gross ($11,000 GF/GP) funding for program rate changes, but does not include funding for infrastructure and bandwidth expansions.			
Senate and Conference concur with Executive.			
8. Summer Youth Initiative	**Gross**	**$3,000,000**	**($500,000)**
Executive includes current-year funding of $3.0 million GF/GP for the Summer Youth Initiative Program.	GF/GP	$3,000,000	($500,000)
House and Senate eliminate funding for program.			
Conference reduces funding for program by $2.5 million GF/GP.			
9. Wildfire Protection	**Gross**	**N/A**	**$750,000**
House includes additional $3.0 million GF/GP funding for wildfire protection program, but reduces restricted funding (Forest Development Fund) by $1.5 million for an overall net increase of $1.5 million to line item.	GF/GP	N/A	$750,000
Senate includes additional $1.45 million GF/GP funding for wildfire protection.			
Conference includes additional $750,000 GF/GP funding for wildfire protection.			
10. Forest Management	**Gross**	**N/A**	**$0**
House includes additional $1.5 million restricted funding (Forest Development Fund) in the Forest Management and Timber Market Development line item.	Restricted	N/A	0
Conference does not include additional funding.			

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
11. Sustainable Forestry Initiative	**Gross**	**N/A**	**$0**
House includes additional restricted funding of $100 as a placeholder for a Sustainable Forestry Initiative Grant program.	Restricted	N/A	0
Conference does not include funding.			
12. Grand River Waterway Study	**Gross**	**N/A**	**$0**
Senate includes $100,000 GF/GP funding for a cost study of dredging the Grand River between Lake Michigan and Grand Rapids.	GF/GP	N/A	$0
Conference does not include funding.			
13. Accounting Service Center Funding Adjustment	**Gross**	**N/A**	**$5,000**
Executive includes additional restricted funding of $5,000 as a technical adjustment to properly align expenditures with services received from the accounting service center.	Restricted	N/A	5,000
House, Senate, and Conference concur with Executive.			
14. Removal of FY 2012-13 One-Time Funding Items	**Gross**	**$3,892,600**	**($3,892,600)**
Executive eliminates $3.9 million one-time funding items from previous year that will not receive one-time funding in FY 2013-14:	IDG	11,300	(11,300)
	Federal	260,500	(260,500)
• State Employees Lump-Sum Payments ($1.9 million)	Private	15,500	(15,500)
• Dam Management Program ($2.0 million)	Restricted	1,509,100	(1,509,100)
House, Senate, and Conference concur with Executive.	GF/GP	$2,096,200	($2,096,200)
15. Belle Isle	FTEs	N/A	16.0
Executive includes additional $3.7 million GF/GP funding and 26.0 FTE positions for the operation of Belle Isle as a state park, assuming a lease agreement with the City of Detroit. The new FTE positions would include 10.0 additional FTE authorizations within the State Parks program and 10.0 FTE authorizations in General Law Enforcement as well as 6.0 additional positions.	**Gross**	**N/A**	**$2,500,000**
	GF/GP	N/A	$2,500,000
House and Senate do not include additional funding and FTE positions.			
Conference includes $2.5 million GF/GP funding and 16.0 FTE Positions.			
16. Capital Outlay Projects – State Parks	**Gross**	**$12,125,900**	**($2,625,900)**
Executive reduces funding for state parks repair and maintenance capital outlay projects by $2.6 million to align funding with available revenue.	Restricted	12,125,900	(2,625,900)
House, Senate, and Conference concur with Executive.			
17. Capital Outlay Projects – Waterways Boating Program	**Gross**	**$6,250,600**	**$665,000**
Executive includes additional $9.7 million restricted funding (Waterways Fund) and $338,000 additional federal funding for waterways boating projects. Of the restricted waterways funding, $9.4 million would be dedicated to emergency dredging of harbors and generated by a portion of a proposed increase in the state gasoline tax.	Federal	1,300,000	338,000
	Restricted	4,950,600	327,000
House, Senate, and Conference include an additional $665,000 Gross funding, but do not include the $9.4 million restricted funding from the Waterways Fund for emergency dredging.			
18. Economic Adjustments	**Gross**	**N/A**	**$4,074,300**
Executive reflects increased costs of $4.1 million Gross ($277,000 GF/GP) for negotiated salary and wage amounts (1.0%), insurance rate increases, actuarially-required retirement rate increases, and other economic adjustments.	IDG	N/A	23,100
	Federal	N/A	562,600
	Private	N/A	31,400
	Restricted	N/A	3,180,200
House, Senate, and Conference concur with Executive.	GF/GP	N/A	$277,000

Major Boilerplate Changes From FY 2012-13

Executive Boilerplate Deletions

In general, the Executive Budget deletes a large majority of boilerplate language included in the FY 2012-13 budget. This includes many legislative reporting requirements, sections providing guidance and placing conditions on appropriations, and earmarks of funding for specific purposes. The list below includes major changes to boilerplate, but is not a comprehensive list of all sections deleted.

Major Boilerplate Changes From FY 2012-13

***Sec. 212. Disciplinary Action Against State Employees* – RETAINED**
Prohibits Department from disciplining state employees for communicating with members of the Legislature and their staffs. Executive deletes language; House, Senate, and Conference retain language.

***Sec. 223. Waterways Fund Projects* – RETAINED**
Requires report on previous year activities of Waterways Commission; list of completed waterways fund projects to be provided to Legislature and State Budget Director. Executive deletes language; House, Senate, and Conference retain language.

***Sec. 230. Measurable Outcomes Report* – DELETED**
Requires report identifying 10 principal measurable outcomes of budget expenditures. Executive deletes language; House, Senate, and Conference concur with Executive.

***Sec. 233. FTE Report* – RETAINED**
Requires report on the number of FTEs in pay status; report required quarterly. Executive deletes language; House, Senate, and Conference retain language.

***Sec. 235. Website Scorecard* – NEW**
Requires DNR to maintain on a publicly accessible website a department scorecard with key metrics concerning the agency's performance. Executive includes new section; House, Senate, and Conference concur with Executive.

***Sec. 406. Historical Program Fees* – REVISED**
Allows DNR to charge fees for historical program services and museum admissions; Executive eliminates language of legislative intent to allow children under 18 be admitted free to the Michigan Historical Museum, if sufficient funding is available. House retains current-year language. Senate and Conference concur with Executive.

***Sec. 408. Land Transactions* – RETAINED**
Requires detailed report to Legislature on land purchases, sales, and exchanges. Executive deletes language; House, Senate, and Conference retain language.

***Sec. 409. Oil and Gas Lease Report* – RETAINED**
Requires DNR to report on active oil and gas leases entered into before July of 1995 on parcels larger than 160 acres where the producing unit is less than or equal to 1/4 of the total lease acreage. Executive deletes language; House, Senate, and Conference retain language.

***Sec. 503. Invasive Species Order Enforcement* – RETAINED**
Requires report on efforts taken to enforce the Natural Resources Commission's invasive species order concerning raising feral swine in Michigan. Executive deletes language; House, Senate, and Conference retain language.

***Sec. 504. Cervid Operation Fees* – RETAINED**
Requires report on the use of registration fees from privately owned cervid operations. Executive deletes language; House, Senate, and Conference retain language.

***Sec. 505. Game and Fish Protection Fund: Turkey Permit Fees* – NOT INCLUDED**
Requires a report on the use of turkey permit fees in the previous year. Senate includes language; Executive, House, and Conference do not include language.

***Sec. 506. Higgins Lake Merganser Duck Pilot Program* – NOT INCLUDED**
Requires DNR to create a pilot program at Higgins Lake to reduce Merganser duck population to address swimmer's itch problems. Senate includes language; Executive, House, and Conference do not include language.

***Sec. 602. Water Control Structure Certification* – RETAINED**
Directs Fisheries Division to not interfere with the certification process for dams and other water control structures. Executive deletes language; Senate concurs with Executive; House and Conference retain language.

***Sec. 603. Cormorant Management* – RETAINED**
Requires quarterly report on the use of cormorant management funding; provides that the Department must submit funding to the USDA to pay for increased taking of cormorants and their nests. Executive deletes language; House, Senate, and Conference retain language.

***Sec. 702. State Park Campground Closures* – RETAINED**
Requires DNR to notify Legislature if Department intends to reduce operations or recreation opportunities at any state park or recreation area. Executive deletes language; House, Senate, and Conference retain language.

***Sec. 703. Grand River Waterway Study* – NOT INCLUDED**
Requires funding for the Grand River Waterway Study be used to study the depth of the Grand River from Lake Michigan to Grand Rapids and estimate dredging costs. Senate includes language; Executive, House, and Conference do not include language.

Major Boilerplate Changes From FY 2012-13

***Sec. 801. Abandoned Mine Shaft Closures* – DELETED**
Appropriates $350,000 for any declared emergency for the collapse of an abandoned mine shaft on state land. Executive deletes language; Senate retains language. House and Conference concur with Executive.

***Sec. 802. Timber Marking* – RETAINED**
Directs Department to mark and prescribe treatment on 79,000 acres, prepare for harvest 67,500 acres at an average rate of 12.5 to 15.0 cords per acre; requires quarterly report. Executive deletes language; House, Senate, and Conference retain language.

***Sec. 804. Horseback Riding Opportunities* – RETAINED**
Directs Department to work cooperatively with horseback riding interests to increase horseback riding opportunities. Executive deletes language; House, Senate, and Conference retain language.

***Sec. 805. Contract Foresters* – RETAINED**
Allows DNR to hire sufficient contract foresters to mark timber. Executive deletes language; House, Senate, and Conference retain language.

***Sec. 806. State Forest Campground Closures* – DELETED**
States legislative intent that the state forest campgrounds proposed by the DNR to be closed will remain open. Executive deletes language; House, Senate, and Conference concur with Executive.

***Sec. 807. Disaster and Emergency Contingency Fund* – NEW**
Appropriates up to $800,000 funding from the Disaster and Emergency Contingency Fund to cover disaster-related costs. Funds cannot be expended without State Budget Director recommendation and notification to House and Senate Appropriations Committees; requires report. Executive includes new language; House revises language to appropriate up to $500,000 funding. Senate and Conference concur with Executive.

***Sec. 808. Wildfire and Forest Management Funding* – NOT INCLUDED**
Requires $6.5 million GF/GP and $5.1 million Forest Development Fund be appropriated to the Wildfire Protection line item and requires $20.3 million Forest Development Fund be appropriated to the Forest Management and Timber Market Development line item. House includes new language; Executive, Senate, and Conference do not include language.

***Sec. 901. Snowmobile Law Enforcement Grants* – RETAINED**
Provides snowmobile law enforcement grants to county law enforcement agencies in counties with state snowmobile trails. Executive deletes language; House, Senate, and Conference retain language.

***Sec. 902. Marine Safety Grants* – RETAINED**
Requires report on the Marine Safety Grant Program. Report to include watercraft registrations revenues, revenues and expenditures of the Marine Safety Fund, grant distribution methodology, and a list of grant awards by county. Executive deletes language; House, Senate, and Conference retain language.

***Sec. 1002. Off Road Vehicle (ORV) Trail Improvement Grants* – RETAINED**
Requires expenditure of not less than $980,000 for the development of new ORV trails. Executive deletes language; House, Senate, and Conference retain language.

***Sec. 1003. Dam Management Program* – DELETED**
Provides that unexpended funds for the Dam Management Grant Program are considered work project appropriations; requires that a long term plan be part of grant application. House and Senate retain language; Executive and Conference delete language.

***Sec. 1004. Sustainable Forestry Initiative Grant* – NOT INCLUDED**
States legislative intent to provide grant funding for a pilot program to work with forestland owners and prepare an analysis and audit of state-wide best management practices for water quality and related forestry issues. House includes new language; Executive, Senate, and Conference do not include language.

***Sec. 1101. Capital Outlay Appropriations for the Harbors and Docks Grants in Aid* – RETAINED**
Provides for disbursement of Waterways Fund appropriation to the federal government and local governmental units. Executive deletes language; House, Senate, and Conference retain language.

***Sec. 1102. Capital Outlay Lump Sum Appropriations* – RETAINED**
Provides for state budget director approval of disbursements of lump sum appropriations for DNR program or facility needs. Funds are available for three years after appropriation. Executive deletes language; House, Senate, and Conference retain language.

***Sec. 1104. Federal Reimbursement For Harbor Dredging* – NEW**
Requires DNR to seek reimbursement from the United States Army Corps of Engineers (ACOE) for emergency dredging of harbors under the ACOE's jurisdiction. Any reimbursement received shall be deposited into the Michigan State Waterways Fund. Executive includes new language; House revises language to refer to federal reimbursement of any dredging of harbors under ACOE's jurisdiction. Senate and Conference concur with Executive.

Major Boilerplate Changes From FY 2012-13

***Sec. 1201. Anticipated FY 2014-15 Appropriations* – RETAINED**
States legislative intent to provide appropriations for FY 2014-15, adjusting FY 2013-14 amounts based on economic and other factors. Executive deletes language; House, Senate, and Conference retain language.

***Sec. 1202. Identification of Future Retirement Costs* – NEW**
States legislative intent that the DNR identify the FY 2015 retirement costs for line items listed in Part 1. Senate and Conference include language.

FY 2013-14: DEPARTMENT OF STATE POLICE
Summary: Conference Report
Senate Bill 185 (S-1) CR-1*

Analyst: Mark Wolf

	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Revised Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Conference	*Difference: Conference From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$25,238,500	$25,219,700	$25,219,700	$25,219,700	$25,219,700	*($18,800)*	*(0.1)*
Federal	104,911,000	98,846,100	98,846,100	98,846,100	98,846,100	*(6,064,900)*	*(5.8)*
Local	6,869,400	6,967,500	6,967,500	6,967,500	6,967,500	*98,100*	*1.4*
Private	231,300	239,700	239,700	239,700	239,700	*8,400*	*3.6*
Restricted	123,218,700	121,554,400	122,041,400	121,554,400	122,071,700	*(1,147,000)*	*(0.9)*
GF/GP	317,513,800	350,974,300	347,872,500	347,774,300	353,474,300	*35,960,500*	*11.3*
Gross	**$577,982,700**	**$603,801,700**	**$601,186,900**	**$600,601,700**	**$606,819,000**	***$28,836,300***	***5.0***
FTEs	2,884.0	2,917.0	2,917.0	2,917.0	2,934.0	*50.0*	*1.7*

Notes: (1) FY 2012-13 year-to-date (YTD) figures include mid-year budget adjustments through February 7, 2013.
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.
(3) House information in this document references Article XVI of House Bill 4328 as passed by the House.

Overview

The Michigan Department of State Police (MSP) provides general law enforcement services throughout the state and provides for the development and coordination of state-level programs, technologies, and specialized services that enhance enforcement and emergency response capabilities for the entire public safety community.

The Conference Committee (concurring with the Senate) rolls up several program lines into a single program line for each "core service" of the department. The Conference Committee (again concurring with the Senate) also consolidates several related boilerplate sections into a single section that is related to each core service of the department. The Conference Committee also adds sub-headings within the boilerplate sections specifically identifying the core service.

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
1. State Capitol Complex Security	FTEs	7.0	17.0
Conference provides for an increase of $1.8 million GF/GP and 17.0 FTE civilian positions (state properties security officers) to provide security services for the downtown Lansing state capitol complex, including the State Capitol. This would lessen the reliance on local law enforcement agencies.	**Gross**	**$712,200**	**$1,800,000**
	GF/GP	$712,200	$1,800,000
2. Security at Major Events (Uniform Services)	**Gross**	**N/A**	**$1,200,000**
Conference provides $1.2 million GF/GP funding to cover costs of MSP troopers associated with additional show-of-force, enforcement, and traffic safety during major public or recreational events in the state.	GF/GP	N/A	$1,200,000
3. Secondary Road Patrol (One-Time Appropriation)	**Gross**	**$14,060,000**	**$150,000**
Conference provides an additional $150,000 GF/GP support for the Secondary Road Patrol program, which provides funding for county sheriffs' departments for secondary road patrol. The funds would be available for FY 2013-14 only. These funds supplement funding from the Secondary Road Patrol and Training Fund (supported by $10 from each traffic citation). Conference-added boilerplate language states intent to form a workgroup of legislators, the department, and law enforcement agencies to review the revenue sources, allocation formula, administration and other issues concerning the secondary road patrol program. (As discussed in #10 the Conference committee also reduced the excess spending authorization for the Secondary Road Patrol program by $3.0 million.)	Restricted	14,060,000	0
	GF/GP	$0	$150,000

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
4. Grand Rapids Forensics Laboratory (One-Time Appropriation)	**Gross**	**N/A**	**$400,000**
Conference provides an additional $400,000 GF/GP for maintenance and repair of the HVAC system at the Grand Rapids forensics laboratory	GF/GP	N/A	$400,000
Items of Difference Agreed to by the Conference Committee			
5. Trooper Recruit School	FTE	N/A	107.0
Executive adds $15.2 million GF/GP ($4.2 million GF/GP one-time) for costs related to a new trooper school projected to graduate 107 troopers. The $11.0 million identified as "on-going" costs supports the costs of salaries and wages (including benefits) paid to recruits during the time at the academy and upon graduation and placement in the field, while the one-time funds supports costs related to recruitment and selection of candidates, overtime costs for training instructors, outfitting and equipping the recruits, and costs related to the Field Officer Training program.	**Gross**	**N/A**	**$14,661,900**
	GF/GP	N/A	$14,661,900
House and Senate reduce funding for one-time costs by $750,000 GF/GP, with savings realized by delaying the start of the academy. (This is, in effect, a one-time savings of on-going costs.) The school was scheduled to begin in October. The reduction here delays the start of the school by 1-2 months.			
Conference reduces one-time funding for the trooper recruit school by $550,000 prompting a delay in the recruit school.			
6. Emergency Operations Center Rent (One-Time Appropriation)	**Gross**	**$350,000**	**$350,000**
House and Senate provide $750,000 GF/GP in one-time funds to support the full-year cost of rent payments for the State Emergency Operations Center (SEOC). The FY 2012-13 budget only included funding for a partial year through a "one-time" appropriation, which was not continued by the Executive in FY 2013-14, while a new state-owned facility is being constructed.	GF/GP	$350,000	$350,000
Conference provides $700,000 GF/GP for rent payments for the SEOC facility. Funding is built into the "ongoing" appropriations for Support Services, rather than one-time appropriations.			
7. Disaster and Emergency Contingency Fund	**Gross**	**N/A**	**$2,000,000**
Executive appropriates $4.0 million GF/GP in FYs 2013-14 and 2014-15 ($8.0 million combined) to the Disaster Contingency Fund established in the Emergency Management Act to provide assistance to state agencies and qualifying local governments responding to natural or man-made disasters; includes a boilerplate authorization of up to $800,000 to be expended from the fund; per the Emergency Management Act, the funds is only available to state agencies and local governments responding to a state disaster or state of emergency (declared by the governor) when federal assistance is not available; implementing legislation would change the name of the funds and increase the minimum and maximum amounts that may be held in the fund.	GF/GP	N/A	$2,000,000
House appropriates $1.0 million GF/GP in FY 2013-14 to the Disaster Contingency Fund and reduces the boilerplate authorization to $500,000.			
Senate does not appropriate funding to the Disaster Contingency Fund.			
Conference appropriates $2.0 million GF/GP in FY 2013-14 to the Disaster Contingency Fund, and maintains the boilerplate authorization at the Executive-proposed $800,000.			
8. Michigan International Speedway Traffic Control	**Gross**	**$800,000**	**$0**
Executive and House discontinue $800,000 GF/GP in one-time funding to provide traffic control during events at the Michigan International Speedway.	GF/GP	$800,000	$0
Senate continues the $800,000 GF/GP one-time appropriation.			

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
9. Information Technology Services and Projects	**Gross**	**$21,258,700**	**$2,287,300**
Executive adds $2.3 million Gross ($2.1 million GF/GP) for increased information technology costs related to be mobile data computers in MSP vehicles ($2.0 million Gross); upgrading to Windows 7 and increased costs related to the Center for Shared Solutions ($151,200 Gross); and improvements to the state's wireless infrastructure and Internet bandwidth ($132,100 Gross).	IDG/IDT	402,200	49,000
	Federal	1,201,800	30,600
	Local	1,294,600	7,500
	Restricted	6,205,600	85,400
	GF/GP	$12,154,500	$2,114,800
House concurs with the Executive, except that it does not include funding for improvements to the state's wireless infrastructure and Internet bandwidth ($132,100 Gross and $101,800 GF/GP)			
Senate concurs with the Executive.			
Conference concurs with the Executive (including funding for wireless infrastructure and internet bandwidth).			
10. Align Spending and FTE Authorization	FTE	N/A	(74.0)
Executive reduces spending by $10.3 million Gross ($0 GF/GP) in two dozen scheduled program lines to align spending authority with anticipated revenues collected. Of these reductions, the most notable is a reduction of $3.0 million in spending authorization for the Secondary Road Patrol Program, which provides grants to county sheriff's departments. (Appropriations have been about $14.0 million in the last several years, while available revenues from the Secondary Road Patrol and Training Fund have been less than $9.0 million).	**Gross**	**N/A**	**($9,811,500)**
	IDG/IDT	N/A	(749,300)
	Federal	N/A	(4,776,600)
	Local	N/A	0
	Private	N/A	0
	Restricted	N/A	(4,285,600)
	GF/GP	N/A	$0
House concurs with the Executive, but increases spending authorization for Nuclear Power Plant Emergency Planning by $517,300 Restricted to align spending authorization in Part 1 with available revenues, based on the additional spending authorization in boilerplate in prior years.			
Senate concurs with the Executive.			
Conference concurs with the House.			
Items Agreed to by the Executive, House, and Senate, and Conference			
11. At-Post Troopers: COPS Grant GF/GP Offset	FTE	933.0	0.0
Executive, House, Senate, and Conference add $2.1 million GF/GP to offset the exhaustion of a three-year $5.8 million grant from the federal Department of Justice Community Oriented Policing Services (COPS) Hiring Program in FY 2010-11. The original grant enabled the department to hire 21 community service troopers (CST), paying 100% of the approved salary and benefits for the troopers over a three-year period. At the end of the grant period, the MSP (as a condition of its grant award) must retain the troopers for a minimum of 12 months. This fund shift would fulfill that requirement.	**Gross**	**$133,692,200**	**$0**
	Federal	2,077,900	(2,094,800)
	Restricted	36,901,400	0
	GF/GP	$94,712,900	$2,094,800
12. Portable Radio Batteries Life Cycle	**Gross**	**N/A**	**$80,000**
Executive, House, Senate, and Conference adds $80,000 Gross ($70,000 GF/GP) to establish a 2.5-year life cycle for the batteries on the portable communications radios (on the troopers person), allowing MSP to replace an additional 626 batteries per year (at a cost of $112 each). The department has about 3,085 portable radios and currently has the resources to replace about 223 batteries per year.	IDG/IDT	N/A	1,300
	Restricted	N/A	8,700
	GF/GP	N/A	$70,000
House and Senate concur with the Executive.			
13. Motor Vehicle Fleet Leasing	**Gross**	**$15,630,700**	**$1,122,400**
Executive, House, Senate, and Conference adds $1.1 million GF/GP related to increases in the monthly vehicle fleet leasing costs, largely because MSP is cycling out older model Ford Crown Vics with new Dodge Chargers as its main patrol sedan.	GF/GP	$15,630,700	$1,122,400

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
14. Emergency Support Team Vehicles (One-Time Appropriation)	**Gross**	**N/A**	**$350,000**
Executive, House, Senate, and Conference add $350,000 GF/GP in one-time support to replace two vehicles for the Emergency Support Team, which responds extremely difficult and dangerous situations, such as hostage rescue, barricaded gunmen, high risk arrests, meth labs, and counter terrorism. The current vehicles are more than 10 years old, and would be replaced with two Ford F550s with a cube rear box, which allows the EST to transport tactical team members and sensitive equipment.	GF/GP	N/A	$350,000
15. Eliminate Other FY 2013 One-Time Appropriations	**Gross**	**$4,843,700**	**($4,843,700)**
Executive, House, Senate, and Conference eliminate several one-time appropriations made in FY 2012-13 for state employee lump sum payments ($3.2 million Gross) and At-post trooper equipment ($1.6 million GF/GP).	IDG/IDT	168,700	(168,700)
	Federal	249,700	(249,700)
	Local	38,900	(38,900)
	Private	1,700	(1,700)
	Restricted	675,800	(675,800)
	GF/GP	$3,708,900	($3,708,900)
16. Economics Adjustment	**Gross**	**N/A**	**$19,089,900**
Executive, House, Senate, and Conference reflect increased costs of $19.1 million Gross ($13.4 million GF/GP) for negotiated salary and wage amounts (1.0%). Insurance rate increases, actuarially-required retirement rate increases, and other economic adjustments. An additional increase of $10.0 million Gross ($6.9 million GF/GP) is projected for FY 2014-15.	IDG/IDT	N/A	845,200
	Federal	N/A	1,029,600
	Local	N/A	127,300
	Private	N/A	10,100
	Restricted	N/A	3,722,200
	GF/GP	N/A	$13,355,500

Major Boilerplate Changes From FY 2012-13

***Sec. 205. IDG Funding Made Available to Other State Departments* – REVISED**
Lists specific amounts and sources of interdepartmental grant funding made available by the department to other state departments; specifically allocates $1.8 million to the Judiciary from the federal Byrne Justice Assistance Grant Program. Executive – deletes the listing of IDGs to other departments; keeps the Byrne grant allocation to the Judiciary, but reduces it to $1.5 million. House – retains and updates the listing of IDGs to other departments, and reduces the Byrne grant allocation to the Judiciary to $1.5 million. Senate – retains and updates the listing of IDGs to other departments, and reduces the Byrne grant allocation to the Judiciary to $1.5 million. Conference – retains and updates the listing of IDGs to other departments, and reduces the Byrne grant allocation to the Judiciary to $1.5 million.

***Sec. 209. Purchase of Foreign Goods* – RETAINED**
Prohibits the purchase of foreign goods or services if competitively priced and of comparable quality American goods or services are available; requires preference be given to goods and services manufactured by Michigan businesses and Michigan businesses owned and operated by veterans. Executive – deletes. House – retains this section and adds a preference for small businesses with at least 35% of their total workforce being veterans. Senate – retains. Conference – retains this section and adds a preference for small businesses with at least 35% of their total workforce being veterans.

***Sec. 219. Quarterly Reporting on Achieving Requirements* – REVISED**
Requires the department to provide quarterly reports on the status of work projects, department's financial status, forensic laboratory system staffing, information which validates that all requirements in the article have been achieved, corrective action plans for requirements not achieved, and summary of fund shifts. Executive – deletes. House – retains. Senate – deletes the report on the forensics lab, and requires a report on the performance metrics cited in the act. – retains. Conference – concurs with the Senate in deleting the specific report on the forensics lab and in requiring a report on all performance metrics cited in the act

***Sec. 221. Department Core Services* – REVISED**
Lists core services of the department and requires appropriations to be used for core services. Executive – retains. House – retains. Senate – retains but revises the list of core services, based on the consolidation of several of the scheduled programs in part 1. Conference – retains, but revised the list of core services, based on the consolidation of several of the schedule programs in part 1.

***Sec. 222. Post Closure or Consolidation* – RETAINED**
Requires the department to notify subcommittees not less than 90 days before recommending closure or consolidation of any state police posts. Executive – deletes. House – requires the notice to also be provided to the chairpersons of the House and Senate appropriations committees. Senate – retains. Conference – requires the notice to also be provided to the chairpersons of the House and Senate appropriations committees.

Major Boilerplate Changes From FY 2012-13

***Sec. 226. Contractual Services* – REVISED**
States legislative intent that the department not provide subsidies for any contractual services it provides; states that when the department provides reimbursed services it shall be reimbursed for all costs incurred, including retirement and overtime costs; requires the department to define cost service models for services requiring reimbursement; requires that reimbursed services for entities other than local governments may be reimbursed only on an overtime basis. Executive – deletes intent statement that the department shall not subsidize the cost of any contractual service. House – retains. Senate – deletes intent statement that the department shall not subsidize the cost of any contractual service. Conference – deletes intent statement that the department shall not subsidize the cost of any contractual service.

***Sec. 227. Interoperability Standards* – DELETED**
Requires the department to define interoperability standards to ensure effective communication between state, local, regional, and federal agencies under public safety scenarios. Executive – deletes. House – retains. Senate – deletes. Conference – deletes the separate section, but the requirement that the department be involved in establishing interoperability standards is retained in Section 232.

***Sec. 230. Performance Metrics Report* – NEW**
Requires the department to maintain a publicly accessible website that identifies and tracks the department's performance against key metrics used to monitor and improve the department's performance. Executive – adds. House – adds. Senate – adds. Conference – adds.

***Sec. 232. Michigan Public Safety Communications System* – REVISED**
Requires the department to act as a liaison between DTMB and local public safety agencies to facilitate the use of Michigan Public Safety Communications System towers. Executive – deletes. House – retains. Senate – retains and requires the department to report user issues to DTMB. Conference – retains and requires the department to report user issues to DTMB, and also requires the department to work with DTMB in establishing interoperability standards.

EXECUTIVE DIRECTION
***Sec. 251. Administration of the Department* – NEW**
Requires the effective and efficient executive administration of the department. Senate – adds. Conference – adds.

***Sec. 252. Special Operations* – NEW**
Requires the department to provide effective protection for the governor and visiting dignitaries. Senate – adds. Conference – adds.

SCIENCE, TECHNOLOGY, AND TRAINING
Training
***Sec. 302. Training and Education Metrics* – REVISED**
Requires the department to (1) maintain proper levels of staffing and resources for providing training and educational opportunities that support enforcement and public safety efforts of the criminal justice community; (2) establish methods with the goal of reducing the cost of training services by 20%; (3) place an emphasis on recruiting MCOLES-certified police officers to the trooper school; (4) develop a delivery cost model for its training activities; (5) place an emphasis on hiring veterans, particularly for the trooper school and requires report on recruitment of veterans. Executive – deletes provisions concerning the department's training activities cost delivery model and hiring preferences for the trooper school. House – deletes the provision concerning the training activities cost delivery model, and revises the report on veterans recruitment to include MCOLE-certified officers. Senate – deletes the reference to the veterans hiring preference - it's already specified in Civil Service rules - and requires the department to use course evaluations to ensure quality training is provided. Conference – deletes the reference to the veterans hiring preference – it's already specified in Civil Service rules - and revises the report on the veterans preference to also include information on how the hiring preference for MCOLES-certified officers was implemented, and also requires the department to provide course evaluations.

Establishing and Maintain Law Enforcement Standards
***Sec. 303. MCOLES Services* – REVISED**
Requires MCOLES to provide standards for law enforcement officers and to maintain proper levels of staffing and resources for providing basic law enforcement training for police academy programs. Executive – retains. House – on the specific metric that MCOLES staffing and resources support training and curriculum for 20 training academies, deletes the specific reference to 20 academies. Senate – adds a requirement that MCOLES maintain staffing and resources necessary to update law enforcement standards within 30 days of the effective date of any new legislation. Conference – adds a requirement that MCOLES maintain staffing and resources to necessary to update law enforcement standards within 30 days of the effective date of any new legislation.

Criminal History Systems
***Sec. 304(1)-(4). Criminal History and Accident Data Collection System* – REVISED**
Requires the department to maintain proper levels of staffing and resources for maintaining criminal history and accident data collection systems. Executive – retains. House – retains. Senate – specifies that criminal records and accident data be maintained in accordance with state and federal requirements. Conference – specifies that criminal records and accident data be maintained in accordance with state and federal requirements.

Major Boilerplate Changes From FY 2012-13

***Sec. 304(5)-(8). Fingerprint and Background Checks* – REVISED**
Requires the department to maintain proper levels of staffing and resources for providing fingerprint and background check services to law enforcement agencies. Executive (Sec. 304) – retains. House (Sec. 304) – revises the reference year for the metric to FY 2010-11, rather than FY 2009-10. Senate – revises the reference year for the metric to FY 2010-11, and deletes a requirement that the department pursue means of reducing the costs of fingerprint services. Conference – revises the reference year for the metric to FY 2010-11 and delete a requirement that the department pursue means of reducing the costs of fingerprint services.

***Sec. 304(9)-(12). Law Enforcement Information Network (LEIN) Services* – REVISED**
Requires the department to maintain proper levels of staffing and resources for maintaining LEIN services in support of public safety and law enforcement communities; lists requirements of the department if they propose LEIN user fees. Executive (Sec. 305) and House (Sec. 305) – delete the requirements placed on the department if they propose new LEIN user fees. Senate – delete the requirements placed on the department if they propose new LEIN user fees, and requires the department to provide a report to the Legislature on ways to reduce the LEIN budget by 5% without adversely impacting services. Conference – deletes the requirement placed on the department if they propose new LEIN user fees, and requires the department to provide a report on ways to reduce the LEIB budget by 5% without adversely impacting services.

***Sec. 304(13)-(15). Sex Offender Registry* – REVISED**
Requires the department to maintain proper levels of staffing and resources to oversee and enforce the state's Sex Offender Registry. Executive (Sec.306) – retains. House (Sec. 306) – retains. Senate – requires the sex offender registry unit to follow up on tips assigned to law enforcement agencies within 10 working days. Conference – requires the sex offender registry unit to follow up on tips assigned to law enforcement agencies within 10 working days.

FORENSIC SCIENCES
Forensics
***Sec. 401. Forensic Testing Services and Evidence* – REVISED**
Requires the department to maintain proper levels of staffing and resources for providing forensic testing services and evidence; requires the department to post changes to protocol for retaining and purging DNA samples and records on the department's website; requires the department to hire 20 additional forensic employees with the intent of reaching an average 30-day turnaround for forensic evidence. Executive – deletes the specific reference to the 20 employees, but requires the department to improve its performance with the intent of reaching a 30-day turnaround. House – reduces the performance goal from an 82-day turnaround to a 55-day turnaround, deletes the specific reference to the 20 employees, but requires the department to improve its performance with the intent of reaching a 30-day turnaround. Senate – reduces the performance goal to 55-days, deletes the specific reference to the 20 employees, and adds a requirement that the department shall maintain accreditation by the American Society of Crime Laboratory Directors/Laboratory Accreditation Board (ASCLD/LAB). Conference – reduces the performance goal to 55-days, deletes the specific reference to the 20 employees, and adds a requirement that the department maintain accreditation by ASCLD/LAB.

UNIFORM SERVICES
Traffic Safety and Enforcement
***Sec. 501(1)-(3). Traffic Safety and Enforcement* – REVISED**
Requires the department to maintain proper levels of staffing and resources for traffic safety and enforcement. Executive – retains. House – retains. Senate – adds a requirement that the department dedicate at least 300,000 hours to statewide patrol, including at least 23,000 hours in distressed cities. Conference – adds a requirement that the department dedicate at least 300,000 hours to statewide patrol, including at least 24,000 hours in distressed cities.

***Sec. 501(6). Secure Cities Initiative* – RETAINED**
Requires the department to report on statistics regarding trooper levels and the trooper schools, criminal activity, and law enforcement officers associated with the secure cities initiative. The report is due April 1 for the prior six month period. Executive (Sec. 506) – deleted. House (Sec. 506) – retains, but changes the date of the report to December 1 and requires the report to be provided for the prior fiscal year. Senate – retains. Conference – retains, but changes the date of the report to December 1 and requires the report to be provided for the prior fiscal year.

***Sec. 501(7)-(9). Security at Events* – NEW**
Conference requires the department shall respond to potential and imminent threats to the state's facilities, systems, and property, and large scale recreational and major public sponsored events and directs that the funds appropriated in part 1 be expended to support the department's costs associated with the additional show-of-force, enforcement, or traffic safety efforts during major public events within the state. The conference committee also establishes a metric that the department maintain the ability to support the cost of 7,000 overtime hours or the financial equivalent of 7,000 overtime hours in terms of overtime, fuel, equipment, and other costs.

Sec. 501(10). Michigan International Speedway
Conference requires the department to provide traffic control for events at Michigan International Speedway.

Major Boilerplate Changes From FY 2012-13

***Sec. 503. Distressed Cities* – DELETED**
Requires the department to dedicate a minimum of 23,374 patrol hours in distressed cities. Executive – reduces the minimum number of patrol hours to 23,000. House – increases the minimum number of patrol hours to 24,000. Senate – reduces the minimum number of patrol hours in distressed cities to 23,000, and incorporates this requirement into Sec. 501(3). Conference – increases the minimum number of patrol hours to 24,000, and incorporates this requirement into Sec. 501(3).

Capitol Security
***Sec. 505. Security Services at State Capitol Complex Facilities* – RETAINED**
Requires the department to maintain proper levels of staffing and resources for providing security services at the state Capitol Building; requires the department to pursue federal grants to improve security services. Executive – retains. House – retains. Senate – retains. Conference – expands the reference to the State Capitol to encompass the entire State Capitol complex facilities and establishes a metric that the department dedicate a minimum of 35,000 capitol security patrol hours.

SPECIALIZED SERVICES
Specialty TEAMS
***Sec. 601. Specialty Services to Citizens* – REVISED**
Requires the department to maintain proper levels of staffing and resources for providing specialty services, such as canine unit, bomb squad, emergency support teams, underwater recovery, and aviation services; requires private donations to the canine unit to be used for purchasing equipment and other items to enhance operation of the unit. Executive – retains. House – changes the base performance metric from FY 2009-10 to FY 2010-11. Senate – changes the base performance metric year to FY 2010-11, and incorporates language from Sec. 702 that requires the department to operate the Michigan Intelligence Operation Center (MIOC) as the state's federal recognized fusion center, and requires the department to increase the number of public and private sector contacts that receive homeland security and intelligence information. Conference – changes the base performance metric year to FY 2011, requires the department to operate the MIOC, and requires the department to increase the number of contacts that receive homeland security and intelligence information.

Criminal Investigations
***Sec. 602. Criminal Investigations* – REVISED**
Requires the department to maintain proper levels of staffing and resources for identifying and apprehending criminals through criminal investigations; requires the department to enforce the tobacco products tax act; and enforce tobacco tax laws for a minimum 8,320 hours. Executive – reduces the minimum number of hours to 8,300. House – retains the minimum number of hours at 8,320, and changes the base performance metric from FY 2009-10 to FY 2010-11. Senate – increases the minimum number of hours to 16,600, changes the base performance metric to FY 2010-11, and requires the department to train local law enforcement agencies on gambling laws, trends, and legal issues. Conference – increases the minimum number of hours to 16,600, change the base performance metric to FY 2011, and requires the department to train local law enforcement agencies on gambling laws, trends, and legal issues.

Fire Investigation
***Sec. 603. Fire Investigation Services* – REVISED**
Requires the department to maintain proper levels of staffing and resources for providing fire investigation services through investigative assistance to local law enforcement agencies. Executive – retains. House – changes the base performance metric from FY 2009-10 to FY 2010-11. Senate – changes the base performance metric to FY 2010-11. Conference – changes the base performance metric to FY 2011.

Motor Carrier Enforcement
***Sec. 604. Commercial Vehicle Enforcement: School Bus Inspections* – REVISED**
Requires the department to annually inspect all black and yellow school buses. Executive – retains. House – retains. Senate – retains the requirement in current law that the department inspect school buses. The Senate also adds a requirement that the department maintain staffing and resources necessary to enforce motor carrier safety laws and regulations. Conference – retains the requirement that the department inspect school buses, and adds a requirement that the department maintain staffing and resources necessary to enforce motor carrier safety laws and regulations.

SUPPORT SERVICES
State Emergency Operations Center Operations and Preparedness
***Sec. 701. Civil Disorders and Natural Disasters* – REVISED**
Requires the department to respond to civil disorders and natural disasters and to maintain readiness, including training and equipment. Executive – retains. House – changes the base performance metric from FY 2009-10 to FY 2010-11. Senate – incorporates language on providing information to public and private partners from Sec. 702; requires the department to foster partnerships to protect the state and homeland from all hazards; incorporates language from Sec. 704(3) on expenditures of funds upon the declaration of a state of emergency or state of disaster; and incorporates language from Sec. 704(4) providing boilerplate authorization of funds (in excess of the amounts appropriated in part 1 for emergency management activities. Conference – incorporates existing language on information to public and private partners, requires the department to foster partnerships to protect the state and homeland from all hazards, incorporates language on the expenditure of funds upon the declaration of a state of emergency or state of disaster, and incorporates language providing boilerplate authorization of excess emergency management and homeland security funds.

Major Boilerplate Changes From FY 2012-13

***Sec. 701(5). Emergency Management Training* – REVISED**
FY 2012-13 Sec. 703 requires the department to maintain proper levels of staffing and resources for providing hazardous materials response training and requires the department to ensure that federal homeland security grants are allocated to first responders in the highest percentage possible and that homeland security grants awarded to the City of Detroit are not used to supplant general funds. FY 2012-13 Sec. 704 requires the department to operate and maintain the state's emergency operations center and to maintain readiness to respond to civil disorders and natural disasters; requires the department to begin construction or renovation of a state emergency operations center to facilitate relocation from its current site at Collins Road by September 30, 2013. Executive (Sec. 703) – deletes language pertaining to the allocation of homeland security grants. Executive (Sec. 704) deletes the reference to the relocation of the EOC. House (Sec. 703) – retains. House (Sec. 704) – deletes the reference to the relocation of the EOC. Senate – deletes language on the allocation of homeland security grants and the reference to the relocation of the EOC. Conference – deletes language on the allocation of homeland security grants and the reference to the relocation of the EOC.

***Sec. 703(9)-(12). Disaster Contingency Fund* – NEW**
Provides authorization to expend up to $800,000 from the fund to cover costs related to disasters as defined in the Emergency Management Act; requires prior notice be given to the House and Senate appropriations committees; requires a report by December 1 of fund activities for the prior fiscal year be provided to the fiscal agencies and state budget office; permits federal funds provided subsequent to the distribution of funds from the Disaster Contingency Fund to be used to reimburse the fund; provides that any unexpended funds shall be carried forward into subsequent fiscal years. House – concurs with the Executive, but reduces the spending authorization to $200,000, requires the annual report to also be provided to the House and Senate appropriations committees. Senate – does not include. Conference – concurs with the Executive, including the $800,000 boilerplate authorization.

***Sec. 703(13). Urban Search and Rescue Task Force* – NEW**
Conference – adds language requiring $500,000 from the funds appropriated in part 1 to be expended for the urban search and rescue task force, which provides quick response search and rescue activities following disasters and other emergencies.

***Sec. 702. Intelligence Operations Center* – DELETED**
Requires the department to operate the Michigan Intelligence Operations Center as the state's federally recognized fusion center; requires the department to ensure public safety through emergency management and homeland security with public and private sector partners; requires the department to increase contacts receiving homeland security and intelligence information. Executive – retains. House – retains. Senate – incorporates language on the MIOC and contacts receiving intelligence information into Sec. 601 and incorporates the language on providing information to public and private partners into Sec. 701. Conference – deletes this section, incorporating the language into Sec. 601 (Specialty Teams) and Sec. 701 (Civil Disorders and Natural Disasters).

ONE-TIME APPROPRIATIONS

***Sec. 801. Secondary Road Patrol* – NEW**
Conference provides that the one-time $150,000 GF/GP appropriation for the Secondary Road Patrol program shall be expended as provided by the Section 629e of the Michigan Vehicle Code, and provide intent language that a workgroup convene to look at revenue, the allocation formula, administration, and other issues concerning the secondary road patrol program.

Sec. 802. *Trooper Recruits* – NEW
Conference requires the department to train at least 107 recruits.

***Sec. 803. Grand Rapids Forensics Laboratory* – NEW**
Conference requires the one-time $400,000 GF/GP appropriation to the Grand Rapids forensics laboratory be used for special maintenance at the laboratory.

***Sec. 804. Emergency Vehicle Response Team* – NEW**
Conference requires the one-time $350,000 GF/GP appropriation for the emergency response team to be used for the purchase of two vehicles to support the response team.

PART 2A: PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS FOR FY 2014-2015.

Sec. 1201. Anticipated FY 2014-15 Appropriations
Legislative intent to provide appropriations for FY 2014-15, adjusting FY 2013-14 figures based on economic and other factors.

***Sec. 1202. Retirement Costs* – NEW**
Senate adds legislative intent that the department identify the amounts of normal retirement and legacy retirement for FY 2014-15 for the line items listed in part 1.

FY 2013-14: DEPARTMENT OF TRANSPORTATION
Summary: Conference Report
Senate Bill 184 (S-1) Conference Report

Analyst: William E. Hamilton

	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Revised Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Conference	*Difference: Conference From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$3,531,900	$3,625,100	$3,625,100	$3,625,100	$3,625,100	*$93,200*	*2.6*
Federal	1,221,830,100	1,198,885,500	1,198,885,500	1,198,885,500	1,198,885,500	*(22,944,600)*	*(1.9)*
Local	52,080,200	50,177,100	50,177,100	50,177,100	50,177,100	*(1,903,100)*	*(3.7)*
Private	100,000	100,000	100,000	100,000	100,000	*0*	*0.0*
Restricted	2,165,895,300	3,321,999,900	2,088,181,000	2,241,029,000	2,224,529,000	*58,633,700*	*2.7*
GF/GP	23,000,000	0	100,000,000	0	121,300,000	*98,300,000*	*427.4*
Gross	**$3,466,437,500**	**$4,574,787,600**	**$3,440,968,700**	**$3,493,816,700**	**$3,598,616,700**	***$132,179,200***	***3.8***
FTEs	2,918.30	2,918.3	2,918.3	2,918.3	2,918.3	*0.0*	*0.0*

Notes: (1) FY 2012-13 year-to-date (YTD) figures include mid-year budget adjustments through February 7, 2013.
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.
(3) "House" refers to House Bill 4328 (H-1) Article XVII. Note that in addition to line item appropriations shown in this table, House Bill 4328, as passed the House, includes a boilerplate appropriation of $50.0 million GF/GP, as well as the appropriation of the total GF/GP lapse at the close of the 2012-13 fiscal year.
(4) Senate refers to Senate Bill 184, as passed the Senate.

Overview

The Transportation budget supports state and local highway programs, public transportation programs, aeronautics programs, and administration of the Michigan Department of Transportation (MDOT). Approximately two-thirds of the revenue in this budget comes from state restricted revenue, with approximately one-third from federal sources. Almost all the state-restricted revenue in this budget is constitutionally restricted – from motor fuel taxes and vehicle registration taxes. Most of this revenue is first credited to the Michigan Transportation Fund (MTF) and then distributed in accordance with 1951 PA 51 (Act 51) to other state transportation funds and programs, including the State Trunkline Fund (STF) and the Comprehensive Transportation Fund (CTF), and to local road agencies. Revenue related to taxes on aviation fuel and aircraft registrations is credited to the State Aeronautics Fund (SAF) for aeronautics programs.

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
1. State Trunkline Maintenance	FTEs	808.7	0.0
Recognizes economic adjustments of $2.3 million. Conference concurs with House and Senate and does not include Executive-proposed $10.0 million increase in baseline revenue from proposed funding package.	**Gross**	**$273,395,700**	**$2,293,800**
	Restricted	273,395,700	2,293,800
2. State Trunkline Road and Bridge Construction	**Gross**	**$941,053,200**	**($72,859,700)**
Current year budget includes as STF revenue $100.0 million from a one-time shift of GF/GP revenue effected through 2012 PA 225, an amendment to the General Sales Tax Act.	Federal	742,092,000	0
	Local	30,000,000	0
	Restricted	168,961,200	(72,859,700)
	GF/GP	$0	$0

House recognized adjustments to baseline STF and Blue Water Bridge restricted revenue; included $100.0 million GF/GP to ensure the state matches all available federal-aid highway funds.

Senate assumed $130.0 million in additional STF restricted revenue from the passage of Senate Bill 6, a bill that would redirect to the STF the General Fund portion of the sales tax attributable to motor fuel sales.

Conference follows the House with regard to restricted funds; includes $121.3 3 million GF/GP support in the One-time only appropriations unit.

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
3. Local Federal Aid Road and Bridge Construction	**Gross**	**$240,443,000**	**$0**
Line currently used as placeholder for estimated federal aid revenue earmarked for local federal aid programs.	Federal	240,443,000	0
Executive proposed rolling current county road commission and city/village MTF funding into this line through new Act 51 funding formula.	Restricted	0	0
Conference concurs with House/Senate and retains current year funding.			
4. Local Bridge Program	**Gross**	**$26,763,700**	**($5,382,100)**
Executive proposed elimination of this Act 51 earmark, effectively rolling into *Local federal aid and road and bridge construction* line item.	Restricted	26,763,700	(5,382,100)
Conference concurs with House/Senate and retains current Act 51 program, adjusted for anticipated decrease in baseline gasoline tax revenue.			
5. MTF to Local Road Agencies	**Gross**	**$898,485,400**	**$9,613,000**
Executive had proposed rolling up Act 51 MTF distribution to county road commissions, ($576.9 million in current year), and cities/villages, ($321.6 million in current year), into *Local federal aid and road and bridge construction* line item.	Restricted	898,485,400	9,613,000
Conference concurs with House/Senate and retains current Act 51 program, adjusted for anticipated increase in net baseline MTF revenue as compared to estimates on which current year budget was based. Appropriation of $908.1 million: County road commissions, $583.0 million; cities/villages, $325.1 million.			
6. Local Program Fund	**Gross**	**$33,000,000**	**$0**
Executive proposed elimination of this Act 51 earmark, effectively rolling into *Local federal aid and road and bridge construction* line item.	Restricted	33,000,000	0
Conference concurs with House/Senate and retains current Act 51 program.			
***7. Commercial Corridor Fund* – NEW**	**Gross**	**$0**	**$0**
Executive had proposed increases to motor fuel taxes and vehicle registration taxes to generate an estimated $1.236 billion in additional dedicated revenue for transportation programs, much of the new revenue to be credited to a proposed a new fund/program, the Commercial Corridor Fund.	Restricted	0	0
Conference concurs with Senate and does not include increase in baseline revenue from proposed funding package. (The House had included placeholder.)			
***8. Basic Industry Logistics Transportation (BILT)* – NEW**	**Gross**	**$0**	**$0**
Executive had proposed new fund/program reflecting proposed revenue package and distribution formula, replacing the current Transportation Economic Development Fund (TEDF) and Rail Grade Crossing program.	Restricted	0	0
Conference concurs with Senate and does not include increase in baseline revenue from proposed funding package. (The House had included placeholder.)			
9. Rail Grade Crossing	**Gross**	**$3,000,000**	**$0**
Executive proposed elimination of this Act 51 earmark, effectively rolling into new BILT program.	Restricted	3,000,000	0
Conference concurs with House/Senate and retains current Act 51 program.			
10. Transportation Economic Development Fund (TEDF)	**Gross**	**$32,058,200**	**$0**
Executive proposed elimination of program; effectively replaced by new BILT program.	Restricted	32,058,200	0
Conference concurs with House/Senate and retains current program.			
11. Aeronautics Services	FTEs	54.0	0.0
Reflects economic increases of $166,600, and offsetting adjustments to estimated SAF revenue, ($779,200).	**Gross**	**$8,268,500**	**($612,600)**
Conference concurs with the Senate and includes funding for *Air service* [grant] program at $301,200. House had included a placeholder.	Restricted	8,268,500	(612,600)

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
12. Bus Transit - Local Bus Operating Assistance	**Gross**	**$166,624,000**	**$0**
Executive proposed $14.5 million increase in baseline funding for program of state operating assistance to local public transit agencies.	Restricted	166,624,000	0
Conference concurs with House/Senate and recognizes current funding levels.			
13. Bus Transit - Non-Urban Operating/Capital	**Gross**	**$22,787,900**	**$2,400,000**
Conference concurs with House/Senate to recognize federal non-urban transit grants at MAP-21 funding levels.	Federal	21,987,900	1,200,000
	Local	800,000	1,200,000
***14. Discretionary State Operating* – NEW**	**Gross**	**$0 ***	**$5,400,000**
Conference concurs with House/Senate and includes $5.4 million CTF for a new line – an increase of $3,400 assuming passage of the supplemental request. To be provided to urban transit agencies, other than the city of Detroit.	Restricted	**0 ***	5,400,000
		** The Governor has proposed $5,396,600 in current year supplemental*	
15. Freight Property Management	**Gross**	**$1,000,000**	**$0**
Executive proposed $1.0 million increase in baseline funding for program that maintains state-owned rail facilities.	Restricted	1,000,000	**0**
Conference concurs with House/Senate and recognizes current funding levels.			
16. Intercity Services	**Gross**	**$7,690,000**	**($1,750,000)**
Supports intercity bus service through operating and capital assistance.	Federal	4,500,000	0
Conference concurs with House/Senate and reduces CTF revenue support.	Local	50,000	0
	Restricted	3,140,000	(1,750,000)
17. Rail Operations and Infrastructure	**Gross**	**$24,592,000**	**$1,500.000**
Supports rail passenger and rail freight programs. Executive had proposed $27.0 million increase in CTF funding, including $16.3 million to provide state operating support for AMTRAK Wolverine (Pontiac-Detroit-Chicago) service – service previously provided without cost to the state as part of AMTRAK national system, and $3.0 million for related track maintenance.	Federal	3,100,000	0
	Local	100,000	0
	Private	100,000	0
	Restricted	21,292,000	1,500,000
Conference provides additional $1.5 million in CTF funding above the current year baseline in order to provide for rail grade crossing pilot project (Sec. 736). Conference also concurs with House/Senate to establish new line item for *Wolverine* service.			
***17a. Rail Passenger Service/Wolverine* – NEW**	**Gross**	**$0**	**$19,333,000**
Conference concurs with Senate to establish new line item to recognize *Wolverine* service. House had provided a placeholder.	Restricted	0	19,333,000
18. Marine Passenger Service	**Gross**	**$400,000**	**$0**
Conference concurs with House/Senate and retains current year funding levels.	Restricted	400,000	0
19. Terminal Development	**Gross**	**$461,000**	**$0**
Conference concurs with House/Senate and recognizes current funding levels.	Restricted	461,000	0
***20. Rural/Urban Intercity Connector* – NEW**	**Gross**	**$0**	**$0**
Executive had proposed new program funded at $1.2 million CTF, reflecting proposed revenue package.	Restricted	0	**0**
Conference concurs with Senate and does not include. House had included a $100 placeholder.			

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
***21. Rail Infrastructure Assistance* – NEW**	**Gross**	**$0**	**$0**
Executive had proposed new program funded at $10.0 million CTF, reflecting proposed revenue package.	Restricted	0	0
Conference concurs with Senate and does not include. House had included a $100 placeholder.			
22. Specialized Services	**Gross**	**$8,913,800**	**$9,115,000**
Supports transit programs for elderly and disabled citizens. Conference concurs with House/Senate recognizing federal and local revenue adjustments; appropriation does not include increase in baseline CTF revenue from Governor's proposed funding package.	Federal	2,485,000	7,415,000
	Local	2,485,000	1,700,000
	Restricted	3,943,800	0
23. Municipal Credit Program	**Gross**	**$2,000,000**	**($2,000,000)**
It is not clear how this Act 51 earmark will work under Regional Transit Authority Act (2012 PA 387).	Restricted	2,000,000	(2,000,000)
Conference concurs with Senate and does not include. House had included a $100 placeholder.			
24. Bus Capital/Transit Capital	**Gross**	**$66,942,900**	**($34,797,600)**
Provides matching funds for federal transit grants to local transit agencies.	Federal	28,300,000	(23,300,000)
Conference concurs with House/Senate and adjusts federal revenue, and related state and local matching funds, to reflect MAP-21 funding.	Local	5,000,000	(3,750,000)
	Restricted	33,642,900	(7,747,600)
25. Van Pooling	**Gross**	**$807,000**	**$0**
Provides state CTF funds for matching federal transit grants.	Restricted	807,000	0
Conference concurs with House/Senate and recognizes current funding levels.			
26. Service Initiatives	**Gross**	**$1,865,000**	**($182,100)**
Conference concurs with House/Senate.	Federal	1,150,000	0
In addition to the figures shown for FY 2012-13 YTD, an additional $250,000 CTF was appropriated in 2012 PA 387 to support the establishment of a Regional Transit Authority in Southeast Michigan.	Local	200,000	0
	Restricted	515,000	(182,100)
27. Transportation to Work	**Gross**	**$9,700,000**	**($5,000,000)**
Conference concurs with House/Senate and appropriates $4.7 million CTF, same as current year baseline; recognizes federal and local revenue adjustments; does not recognize increase in baseline CTF revenue from Governor's proposed funding package.	Federal	2,700,000	(2,700,000)
	Local	2,300,000	(2,300,000)
	Restricted	4,700,000	0
***28. Regionalization Incentives* – NEW**	**Gross**	**$0**	**$0**
Executive had proposed new program funded at $5.3 million CTF, reflecting proposed revenue package.	Restricted	0	0
Conference concurs with Senate and does not recognize proposed new program; House had included a $100 placeholder.			
***29. Urban Modernization* – NEW**	**Gross**	**$0**	**$0**
Conference concurs with Senate and does not recognize proposed new program; House had included a $100 placeholder.	Restricted	0	0
30. Airport Improvement Program	**Gross**	**$107,733,200**	**($14,628,900)**
Reflects anticipated federal funding, related local matching funds, and available state restricted SAF revenue for the federal Airport Improvement Program. Reduction in FY 2013-14 SAF revenue due to the end of one-time General Fund revenue from sales tax made in 2012 PA 226.	Federal	82,183,100	(3,605,100)
	Local	11,145,200	1,246,900
	Restricted	14,404,900	(12,270,700)
Executive budget request had included $508,300 in additional SAF revenue from a proposed increase in aircraft registration taxes.			
Conference concurs with House/Senate and does not recognize revenue from increase in aircraft registration taxes. As a result, this line item is $207,100 SAF less than Executive.			
***31. Priority Roads Investment Program* – NEW**	**Gross**	**$0**	**$115,000,000**
Conference includes new one-time basis only line item, funded from new restricted fund source, "Roads and risks reserve fund."	Restricted	0	115,000,000

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Conference Change
***32. Federal Aid Match – State Trunkline Program* – NEW**	**Gross**	**$0**	**$121,300,000**
Conference includes new one time only basis line item. Section 1001 identifies the intent of the appropriation as to ensure the state is able to match all available federal funds.	GF/GP	0	121,300,000
34. Economics	**Gross**		**$11,230,400**
Conference concurs with House/Senate and reflects increased costs of $11.2 million for negotiated salary and wage amounts (1.0%), insurance rate increases, actuarially required retirement rate increases, and other economic adjustments. These adjustments are reflected in departmental/administrative line items.	IDG		108,000
	Restricted		11,122,400
35. Other Differences			
Conference concurs with Senate and recognizes $217,700 (Restricted) requested increases in baseline funding for Information Technology that were not included by the House.			

Major Boilerplate Changes From FY 2012-13

***Sec. 308. Contract Compliance* – REVISED**
Current year language requires department and local road agencies to pursue compliance with contract specifications for construction and maintenance; provides for sanctions for unsatisfactory contractors; prohibits department from reducing or restricting a contractor's prequalification until all administrative appeals had been exhausted.

Conference adopts House language reporting requirement on the department's prequalification process and unsatisfactory contractor performance rating.

***Sec. 311. Father Marquette National Memorial Museum* – NEW**
Conference directs the department to work with the MEDC to update a 1992 study.

***Sec. 313. State Infrastructure Bank* – REVISED**
Conference concurs with House; adds new reporting requirement.

***Sec. 353. Prompt Payment* – RETAINED**
Directs department to review contractor payment process; references Special Provision 109.10.

***Sec. 381. E-Verify for Legal Status of Contractor/Subcontractor New Employees* – RETAINED**
Requires the department to use the E-Verify system to verify legal status of contractor and subcontractor new hires; provides reporting requirement.

***Sec. 382. Require Department to Settle Local Agency Cost Sharing Agreements* – NEW**
Conference adopts new language requiring the department to submit final bill to the local agency within two years of final payment to construction contractor.

***Secs. 384 and 385. New International Trade Crossing (NITC)* – REVISED/NEW**
Conference adopts revised Sec. 384 restricting project expenditures; adopts new Sec. 385 reporting requirement.

***Sec. 504. MTF* Distribution – RETAINED**
Requires use of MTF in accordance with Act 51 requirements. Conference retains current year language with minor style changes.

***Sec. 601. Road Construction Warranties* – RETAINED**
Encourages use of road construction warranties; reporting requirement.

***Sec. 603. Traffic Congestion* – RETAINED**
Directs department to consider traffic congestion be used as criteria in project selection.

***Sec. 660. Use of Alternative Materials* – RETAINED**
Encourages department to examine the use of alternative road surface materials including crumb rubber from tires.

***Sec. 711. Rail Passenger Service (AMTRAK)* – REVISED**
Conference adopts new reporting requirement.

***Sec. 736. Rail Grade Crossing Pilot Project* – NEW**
Conference earmarks $1.5 million for pilot project on high-speed rail corridor.

Major Boilerplate Changes From FY 2012-13

Sec. 901. Aeronautics Capital Program – **REVISED**
Permits department to contract for airport improvement projects on behalf of local airport owners.
Conference modifies local match requirements from 2.5% to 5% of project cost; requires local agencies to obtain authorization before submitting projects to federal agencies.

Sec. 1001. Matching Federal-Aid Highway Funds **– NEW**
Conference indicates that $121.3 million in GF/GP revenue is intended to ensure that the state is able to match all available federal-aid highway funds. (Replaces Sec. 661 in House/Senate bills)

Sec. 1201. Anticipated FY 2014-15 Appropriations **– REVISED**
States legislative intent to provide appropriations for FY 2014-15, adjusting FY 2013-14 based on economic and other factors.

Sec. 1202. Identify Normal and Legacy Retirement costs for 2014-15 Appropriations **– NEW**
States legislative intent that the department identify retirement costs for FY 2014-15.