FY 2013-14 GENERAL OMNIBUS BUDGET
Summary: As Passed by the House
House Bill 4328 (H-1) as Amended

Mary Ann Cleary, Director

TOTAL APPROPRIATIONS BY BUDGET AREA

Budget Area (Bill Page) [Summary Page]	FY 2013-14	
	Gross	GF/GP
Agriculture & Rural Dev. (1) [2]	$76,793,300	$37,430,300
Community Health (28) [5]	15,327,024,200	2,891,001,700
Corrections (104) [12]	2,043,809,500	1,977,578,300
Education (167) [16]	318,285,900	70,558,300
Environmental Quality (192) [19]	507,878,500	26,399,900
General Government (226) [23]		
Attorney General (227) [24]	*89,013,100*	*34,187,500*
Civil Rights (231) [26]	*14,632,300*	*11,771,500*
Executive Office (232) [28]	*4,970,000*	*4,970,000*
Legislature (233) [29]	*119,919,300*	*118,309,500*
Auditor General (235) [30]	*21,407,500*	*14,364,400*
State (237) [32]	*218,954,700*	*14,659,200*
Tech, Mgmt., Budget (243) [35]	*1,163,982,900*	*383,895,100*
Treasury (248) [39]	*2,657,916,600*	323,996,600
Subtotal: General Government	4,290,796,400	906,153,800
Human Services (377) [44]	5,938,602,400	1,007,624,800
Judiciary (434) [50]	273,709,000	171,834,100
Licensing & Reg. Affairs (450) [53]	561,930,700	37,839,900
Military & Vets Affairs (485) [58]	162,590,100	42,378,700
Natural Resources (518) [66]	335,579,500	17,929,700
State Police (552) [71]	601,186,900	347,872,500
Transportation (585) [78]	3,440,968,700	100,000,000
TOTAL	**$33,879,155,100**	**$7,634,602,000**

Notes:

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

(2) In addition to Department of Transportation line item appropriations, 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.

FY 2013-14: DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
Summary: As Passed by the House
Article I, House Bill 4328 (H-1) as Amended

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 Enacted	*Difference: House From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$519,300	$524,300	$524,300			*$5,000*	*1.0*
Federal	11,199,600	9,720,900	9,720,900			*(1,478,700)*	*(13.2)*
Local	0	0	0			*0*	*--*
Private	175,800	96,900	96,900			*(78,900)*	*(44.9)*
Restricted	28,959,400	29,020,900	29,020,900			*61,500*	*0.2*
GF/GP	36,098,900	37,630,300	37,430,300			*1,331,400*	*3.7*
Gross	**$76,953,000**	**$76,993,300**	**$76,793,300**			***($159,700)***	***(0.2)***
FTEs	431.0	434.0	434.0			*3.0*	*0.7*

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.

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 House Change
1. Economic Adjustments	**Gross**	**N/A**	**$1,764,400**
House concurs with the Executive to reflect increased costs of $1.8 million Gross ($0.9 million GF/GP) for negotiated salary and wage amounts, insurance rate increases, actuarially-required retirement rate increases, building and other economic adjustments. Additional economics increase of $1.2 million Gross ($0.7 million GF/GP) is projected for FY 2014-15.	IDG	N/A	7,400
	Federal	N/A	230,300
	Private	N/A	3,400
	Restricted	N/A	618,700
	GF/GP	N/A	$904,600
2. Food Safety	**Gross**	**$10,667,500**	**($250,000)**
House concurs with the Executive to include net $250,000 GF/GP reduction for food safety wholesale and retail sampling and follow-up and related laboratory testing with elimination of $500,000 GF/GP one-time funding, offset by $250,000 GF/GP increase in ongoing funding. The ongoing funding increase is allocated $65,000 to food safety and $185,000 to laboratory services. YTD shown is Food Safety and Quality Assurance line item, and one-time New Food Safety Requirements line item.	Federal	687,400	0
	Restricted	3,296,400	0
	GF/GP	$6,683,700	($250,000)
3. Produce Assurance and Certification Program	FTEs	77.0	4.0
House concurs with the Executive to include net $12,400 Gross reduction for Pesticide and Plant Pest Management. $1.0 million GF/GP and 8.0 FTEs are added to maintain and enhance current inspection and certification programs to assure safety and integrity of agricultural products and commodities for export and for domestic purchase, including certificate requests, sampling and laboratory analysis, survey activities, and outreach to identify presence of exotic pests. GF/GP increase offsets reductions to the program of 4.0 FTEs and $1.0 million, which include $435,600 federal USDA and EPA categorical grant funds, $66,800 private funding and $510,000 state restricted funds.	**Gross**	**$10,610,100**	**($12,400)**
	Federal	2,049,300	(435,600)
	Private	86,800	(66,800)
	Restricted	4,837,400	(510,000)
	GF/GP	$3,636,600	$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 House Change
4. Animal Industry - Disease Prevention and Response	**Gross**	**$8,956,700**	**($449,300)**
House concurs with the Executive to recognize revenue reductions to the animal disease prevention and response program including decline of $336,200 from federal USDA grants, and decline of $113,100 from agriculture licensing and inspection fees.	Federal	880,400	(336,200)
	Restricted	332,700	(113,100)
	GF/GP	$7,743,600	$0
5. Producer Security/Grain Dealer Program	FTEs	4.0	1.0
House concurs with the Executive to reflect increase of 1.0 FTE and $150,000 of state restricted fee revenue from recently enacted grain dealer license fee increase (PA 148 of 2012). Funds are used to provide regulatory oversight of grain dealers and administer the farm producer security program.	**Gross**	**$574,200**	**$150,000**
	Restricted	557,400	150,000
	GF/GP	$16,800	$0
6. Farmland and Open Space Preservation	**Gross**	**$1,372,000**	**$192,500**
House concurs with the Executive to: 1) increase funding for administration of the Farmland and Open Space Preservation program by $392,500 from the state restricted Agricultural Preservation Fund, an increase from $872,000 to $1.26 million, which requires statutory amendment; 2) reduce capital outlay appropriation for farmland and open space development acquisition from $500,000 to $300,000 of funds from the state restricted Agricultural Preservation Fund.	Restricted	1,372,000	192,500
	GF/GP	$0	$0
7. USDA Monitoring	**Gross**	**$2,548,700**	**($1,000,000)**
House concurs with the Executive to recognize $1.0 million reduced funding for the USDA Monitoring Program from USDA federal grants. Program collects data on pesticide residue and microbiological pathogens in foods, and has food emergency response network capabilities in case of microbiological threat agents in food.	Federal	2,548,700	(1,000,000)
	GF/GP	$0	$0
8. New Food and Agriculture Industry Strategic Growth Initiative	**Gross**	**N/A**	**$1,000,000**
House concurs with Executive to provide $1.0 million GF/GP to fund a new competitive grant program to foster agriculture industry-wide development and growth through research, education, and technical assistance, focused on removing barriers and leveraging opportunities in food processing and other areas as identified by an advisory board formed by the Director. Initiative also includes $2.0 million appropriation proposed in the Michigan Strategic Fund budget. House includes new related boilerplate Section 711.	GF/GP	N/A	$1,000,000
9. Other One-Time Appropriations	**Gross**	**$1,970,300**	**($1,670,300)**
Executive discontinues one-time appropriations for lump-sum payments to state employees of $470,300 Gross ($235,300 GF/GP), and for rural development value-added grants of $900,000 GF/GP. One-time private forestry $600,000 GF/GP appropriation is retained in FY 2013-14, and eliminated in FY 2014-15. House concurs with discontinuation of one-time appropriations, and provides one-time funding for private forestry program of $300,000 for FY 2013-14.	IDG	2,400	(2,400)
	Federal	85,000	(85,000)
	Private	1,500	(1,500)
	Restricted	146,100	(146,100)
	GF/GP	$1,735,300	($1,435,300)
10. Roll Up Line Items	**Gross**	**$0**	**$0**
House does not concur with the Executive to roll up 45 appropriation line items into 11 line items.	GF/GP	$0	$0
11. County Fairs Capital Improvement Grants	**Gross**	**$281,600**	**$400**
House increases county fairs capital improvement grants program by $400 GF/GP, shifting funds from the livestock depredation indemnification payments line item, now funded at $49,600.	GF/GP	$281,600	$400
12. Aquifer and Water Resources Study	**Gross**	**N/A**	**$100,000**
House includes new one-time funding of $100,000 GF/GP for an aquifer and water resources study. Related Sec. 1104 provides that the study: shall include test well monitoring and flow models of glacial and bedrock aquifers, modeling of different impact scenarios based on water usage, climate, and policies, and solutions to address declining groundwater levels; shall be conducted with assistance of Michigan State University; and findings shall be made available to the Department and to the Department of Environmental Quality.	GF/GP	N/A	$100,000

Major Boilerplate Changes From FY 2012-13

Executive Boilerplate Deletions

In general, the Executive Budget Recommendation 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 proposed to be deleted. For the Department of Agriculture and Rural Development, the Executive deletes 30 of 45 boilerplate sections.

***Sec. 231. Report on Ten Measurable Outcomes* – DELETED**

Requires a report, by October 31, 2012, on ten principal measurable outcomes to be affected by the expenditure of funds in this budget; requires biannual updates starting on April 1, 2013. Executive deletes. House concurs.

***Sec. 232. Department Online Scorecard and Metrics* – NOT INCLUDED**

Requires 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. Executive adds new section. House does not concur.

***Sec. 402. Food Safety* – DELETED**

Requires report on food-borne outbreaks and emergencies related to food safety by April 1. Executive deletes. House concurs.

***Sec. 453. Indemnification Payments* – REVISED**

Authorizes Department to provide for indemnity pursuant to Animal Industry Act; limits indemnification orders to $100,000 per order; requires report on reason for, amount of, and person to whom indemnification is to be paid. Subsection (2) authorizes Department to indemnify for livestock killed by wolves, coyotes, or cougars. Subsection (3) indicates that the appropriation in Part 1 for indemnification is for indemnification under Subsection (2) and related Department costs. Requires a report, due March 1. Executive deletes. House does not concur, and updates reporting date and cost dates in (3).

***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. Executive deletes. House concurs.

***Sec. 552. Clean Sweep Program* – REVISED**

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. Executive deletes. House does not concur, and updates reporting date.

***Sec. 601. Environmental Stewardship* – DELETED**

Clarifies intent that line item 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. Executive deletes. House concurs.

***Sec. 608. MAEAP and Lake St. Clair Water Quality* – DELETED**

Directs the Department to address water quality issues affecting Lake St. Clair, including non-point source pollution, from the funds appropriated for the Michigan Agriculture Environmental Assurance Program. Executive deletes. House concurs.

***Sec. 706. Agricultural Development* – REVISED**

Requires report due April 1 on agricultural development and export market development activities. Executive deletes. House does not concur, and updates reporting date.

***Sec. 803. Thoroughbred Program Escrow* – REVISED**

Provides for "escrowing" of funds for thoroughbred program if there is no live thoroughbred race meet in 2011 or 2012. Executive deletes. House does not concur, and updates all dates.

***Sec. 804. Michigan Gaming Control Board* – REVISED**

Requires the Michigan Gaming Control Board to use actual expenditure data in determining regulatory costs of conducting racing dates. Executive deletes. House does not concur and adds a reporting date by November 1.

***Sec. 1101. Rural Development Value-Added Grant Program* – REVISED**

Provides criteria for Rural Development Value-Added Grant Program, and provides for reports. Executive deletes subsection (5) work project language, moves the remaining language from One-Time Basis Only Appropriations section to Agriculture Development, and renumbers as Sec. 701. House retains (5) and concurs with moving the language to Sec. 701.

***Sec. 1201. Anticipated Appropriations* – REVISED**

States legislative intent to provide appropriations for FY 2014-15, adjusting FY 2013-14 amounts based on economic and other factors. Executive deletes. House does not concur, and updates all dates.

FY 2013-14: DEPARTMENT OF COMMUNITY HEALTH
Summary: As Passed by the House
Article IV, House Bill 4328 (H-1) as Amended

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 Enacted	*Difference: House From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$10,023,800	$10,056,100	$10,056,100			*$32,300*	*0.3*
Federal	9,693,023,500	11,392,469,900	9,882,379,600			*189,356,100*	*2.0*
Local	257,148,600	227,545,600	251,820,200			*(5,328,400)*	*(2.1)*
Private	93,364,000	106,333,300	126,342,400			*32,978,400*	*35.3*
Restricted	2,158,060,000	2,172,313,600	2,165,424,200			*7,364,200*	*0.3*
GF/GP	2,817,437,800	2,725,532,500	2,891,001,700			*73,563,900*	*2.6*
Gross	**$15,029,057,700**	**$16,634,251,000**	**$15,327,024,200**			***$297,966,500***	***2.0***
FTEs	3,552.6	3,589.6	3,577.6			*25.0*	*0.7*

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) 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 House Change
1. Medicaid Expansion	**Gross**	**$12,158,621,600**	**$0**
The House does not concur with the Executive to expand Medicaid. Medicaid expansion savings within the Department of Community Health budget are 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 are 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 is 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**	**($202,200)**
The House concurs with the Executive's Medicaid program cost adjustments. 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	(3,620,700)
	Restricted	1,954,513,900	0
	Local	45,815,600	0
	Private	2,100,000	0
	GF/GP	$1,913,965,200	$3,418,500

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
3. Health Insurance Claims Assessment (HICA)	**Gross**	**$398,051,600**	**$0**
The House concurs with the Executive regarding no change to the base FY 2012-13 HICA authorization. The Executive proposes changes to PA 141 of 2011, the Health Insurance Claims Assessment Act, by replacing on January 1, 2014, the 1% current assessment with a levied rate that would generate revenue not greater than $400.0 million in the immediate preceding year. The most recent estimate is that HICA revenues are short $129.2 million in FY 2012-13. The House has not proposed any changes to the Health Insurance Claims Assessment Act.	Restricted	398,051,600	0
	GF/GP	$0	$0
4. Healthy Kids Dental Expansion	**Gross**	**$99,000,000**	**$0**
The House does not concur with the Executive on the continued 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	0
	GF/GP	$33,273,900	$0
5. Economic Adjustments	**Gross**	**N/A**	**$16,308,500**
The House concurs with the Executive to include 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**	**($30,000,000)**
The House concurs with the Executive to eliminate the FY 2012-13 one-time only appropriation of $30.0 million Gross ($3.0 million GF/GP) for CHAMPS. The House does not concur with the Executive to include 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	(27,000,000)
	GF/GP	$10,580,100	($3,000,000)
7. Jail Diversion Programs Initiative	FTE	N/A	1.0
The House concurs with the Executive to redirect 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. Related to Sec. 500.	**Gross**	**N/A**	**$1,630,000**
	GF/GP	N/A	$1,630,000
8. Mental Health and Substance Abuse Services for Veterans	**Gross**	**N/A**	**$0**
The House does not concur with the Executive to add $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	$0

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
9. Behavioral Health Homes	**Gross**	**N/A**	**$900,000**
The House concurs with the Executive to provide 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
10. Family Support Subsidy Program	**Gross**	**$19,161,000**	**$203,900**
The House concurs with the Executive to increase 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
11. Actuarially Sound Capitation Payment Rates Adjustment	**Gross**	**$6,572,096,900**	**$112,546,900**
The House concurs with the Executive to include 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
12. Mental Health Services for Special Populations	**Gross**	**$8,842,800**	**$0**
The House does not concur with the Executive to eliminate the FY 2012-13 one-time appropriation of $3.0 million GF/GP for mental health services for special populations. The one-time 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
13. Mental Health Innovation Grants One-Time Only Appropriation	**Gross**	**N/A**	**$0**
The House does not concur with the Executive to provide 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.	GF/GP	N/A	$0
14. Family Independence Program (FIP) Recipient Substance Abuse Treatment Pilot	**Gross**	**N/A**	**$100**
The House includes a $100 GF/GP placeholder for a new line item entitled "Family Independence Program Recipient Substance Abuse Treatment Pilot" given HB 4118 (H-2) as reported out of the House Families, Children, and Seniors Committee. 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	$100
15. Health and Wellness Initiatives	**Gross**	**$12,146,600**	**($5,000,000)**
Executive includes a net $3.5 million GF/GP reduction for health and wellness initiatives with elimination of $5.0 million of one-time funding, offset by $1.5 million increase in ongoing funding; most projects are reduced in funding. House concurs with elimination of 1-time funding, but does not concur with $1.5 million GF/GP increase; most projects are reduced in funding, 4x4 wellness program and cancer prevention project funding is eliminated.	Restricted	5,146,600	0
	GF/GP	$7,000,000	($5,000,000)

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
16. Fee Increases for Vital Records, EMS Licensure, and Certificate of Need	**Gross**	**$16,167,600**	**$3,206,100**
	IDG	1,293,600	0
House concurs with the Executive to include $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 ($1.5 million). Statutory changes are required for each.	Federal	3,764,100	0
	Restricted	10,724,600	3,206,100
	GF/GP	$385,300	$0
17. Health Care Service Delivery Innovation Grants	**Gross**	**N/A**	**$0**
House does not concur with the Executive to provide funding of $3.0 million GF/GP for new competitive Health Innovations Grants program to address emerging issues and encourage cutting edge innovative advances in health care and service delivery including partners in public and private sectors. House does not include related boilerplate Sec. 717.	GF/GP	N/A	$0
18. Essential Local Public Health Services	**Gross**	**$37,386,100**	**$100**
House creates $100 point of difference for Essential Local Public Health Services.	Local	5,150,000	0
	GF/GP	$32,386,100	$100
19. Infant Mortality	FTEs	0.0	0,0
House does not concur with the Executive to provide increase of $2.5 million GF/GP and 4.0 FTEs 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**	**$0**
	Federal	6,601,400	0
	GF/GP	$1,500,000	$0
20. Childhood Lead Program	**Gross**	**$653,900**	**$582,600**
House concurs with Executive to partially restore funding to the childhood lead program with a $582,600 appropriation of available federal Maternal and Child Health Block Grant funding. Program was significantly reduced in FY 2012-13 due to elimination of federal grants.	Federal	540,000	582,600
	GF/GP	$113,900	$0
21. Lead Abatement	**Gross**	**$2,932,100**	**$1,000,000**
The House includes an increase for the Healthy Homes lead abatement program of $1.0 million GF/GP for the remediation and safe removal of lead hazards from older homes in areas of the state with high incidence of lead-poisoned children.	Federal	2,155,600	0
	Private	75,000	0
	Restricted	701,500	0
	GF/GP	$0	$1,000,000
22. Newborn Screening Fee Adjustments	**Gross**	**$11,323,600**	**$650,400**
House concurs with Executive to recognize $650,400 increase for adjustments to the fee for newborn screening for genetic diseases, including statutorily authorized annual CPI adjustment and increases recommended by the Newborn Screening Quality Assurance Advisory Committee related to testing changes and program costs. Increases are $352,300 for program services and $298,100 for related laboratory services.	Restricted	11,323,600	650,400
	GF/GP	$0	$0
23. Nurse Family Partnership Program	**Gross**	**$8,101,400**	**$350,000**
House provides $350,000 GF/GP increase in funding for nurse family partnership program enhancement projects, and includes related boilerplate Sec. 1137.	Federal	6,601,400	0
	GF/GP	$1,500,000	$350,000
24. Alternative Home Visit and Support Program	**Gross**	**$8,101,400**	**$700,000**
House provides $700,000 GF/GP for a new pregnancy and parenting support program as a pilot project, which promotes childbirth and adoption as appropriate. Includes related boilerplate Sec. 1136.	Federal	6,601,400	0
	GF/GP	$1,500,000	$700,000
25. Eliminate Autism Center Grant - Transfer to Medicaid	**Gross**	**$500,000**	**$984,600**
House concurs with Executive to eliminate $500,000 GF/GP grant to Eastern Michigan University Autism Collaborative Center from maternal and child health Special Projects line item, and transfer the funds to Medicaid for autism services; also reflects federal Medicaid match funds gained.	Federal	0	984,600
	GF/GP	$500,000	$0

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
26. WIC Infrastructure and Children's Summer EBT Pilot	**Gross**	**$16,294,500**	**$1,392,200**
House concurs with Executive to recognize net federal funds increase of $1.4 million for special projects of the Women, Infants, and Children Special Supplemental Food and Nutrition Program, recognizing completion of infrastructure and electronic benefits transfer (EBT) projects and related funding of $1.3 million, and also recognizing a $2.7 million federal WIC Summer EBT for Children pilot project grant first awarded in FY 2010-11, and anticipated to continue. YTD amount shown is for WIC Administration and Special Projects.	Federal	15,990,200	1,392,200
	Private	304,300	0
	GF/GP	$0	$0
27. Aging Respite Care Fund Shift for GF/GP Savings	**Gross**	**$5,868,700**	**$0**
House concurs with Executive to replace $400,000 of Merit Award Trust Fund state restricted revenue with a like amount of anticipated increased revenue from the state restricted Senior Respite Care Fund, for a net $0 senior respite program funding change. The Merit Award Trust Funds are transferred to the Medicaid program to replace GF/GP for savings. YTD shown is Respite Care Program only.	Restricted	1,400,000	400,000
	Merit Awd	4,468,700	0
	GF/GP	$0	($400,000)
28. Graduate Medical Education Reduction	**Gross**	**$162,888,300**	**($2,657,400)**
The House reduces the $4.3 million authorization for Graduate Medical Education (GME), within the One-Time unit, by $2.6 million Gross ($895,000 GF/GP). The Executive eliminated the one-time funding by $4.3 million Gross ($1.3 million GF/GP). The FY 2012-13 GME gross authorization is approximately $162.9 million considering both on-going and one-time funding.	Federal	108,141,500	(1,762,400)
	GF/GP	$54,746,800	($895,000)
29. Low-Income Rural Resident Hospitals	**Gross**	**$35,484,000**	**$0**
The House and Executive maintain the hospital, low-income rural resident payments pool of $35.5 million Gross. Related boilerplate Sec. 1866 is maintained by the House and deleted by the Executive.	Federal	23,484,000	0
	GF/GP	$12,000,000	$0
30. Detroit Medical Center Reduction	**Gross**	**$19,989,600**	**($19,989,600)**
The House and Executive agree on the removal of 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)
31. Primary Care Physician Rate Increase	**Gross**	**$281,800,000**	**$103,200,000**
The House and the Executive recognize 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
32. Autism Spectrum Disorder	**Gross**	**$20,886,200**	**$20,455,400**
The House and Executive include $20.5 million Gross ($6.9 million GF/GP) additional funding for autism spectrum disorder treatment of Medicaid and MIChild eligible children.	Federal	14,203,200	13,566,000
	GF/GP	$6,683,000	$6,889,400
33. Integration of Care for Dual Eligibles	**Gross**	**$0**	**$24,541,900**
The House includes a partial, and the Executive a full reinstatement of $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 January 2014.	Federal	0	16,276,200
	GF/GP	$0	$8,265,700

Major Boilerplate Changes From FY 2012-13

GENERAL SECTIONS

***Sec. 298. Michigan-Illinois Alliance Medicaid Management Information Systems Project* – NEW**

The House adds a new section that 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**

The House adds a new section that requires the 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.

HEALTH POLICY

***Sec. 709. Michigan Essential Health Care Provider Program* – REVISED**

House concurs with Executive to modify language allowing DCH to reduce local and private share of loan repayment costs to 25% for obstetricians and gynecologists working in underserved areas, to now indicate program will be for primary care physicians, particularly obstetricians and gynecologists working in underserved areas.

***Sec. 712. Free Health Clinic Funding* – RETAINED**

Allocates $250,000 to free health clinics from the funds appropriated for primary care services, to be distributed equally to each free health clinic. Defines free health clinic. Executive deletes. House does not concur.

CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION

***Sec. 1004. Cancer Rate Investigations* – RETAINED**

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. Executive deletes. House does not concur.

FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES

***Sec. 1103. Sexual and Maternal Health Expenditure and Demographics Report* – RETAINED**

Requires DCH to annually report an estimate of public funds administered by the department for family planning, sexually transmitted infection prevention and treatment, pregnancies, and births, and to report demographics collected by DCH that are voluntarily self-reported by individuals utilizing those services. Executive deletes. House does not concur.

***Sec. 1119. No Use of Funds to Encourage or Support Abortion Services* – RETAINED**

Directs that no state funds appropriated for family planning local agreements or pregnancy prevention programs shall be used to encourage or support abortion services. Executive deletes. House does not concur.

***Sec. 1135. School Health Education Curriculum* – RETAINED**

Establishes that if funds become available, provision of a school health education curriculum shall be in accordance with goals of the Michigan Model for Comprehensive School Health Education State Steering Committee; establishes steering committee membership; and requires curriculum materials be made available upon request. Executive deletes. House does not concur.

CRIME VICTIM SERVICES COMMISSION

***Sec. 1302. Allocation of Funds for Forensic Nurse Examiner Programs* – RETAINED**

Allocates up to $200,000 of justice assistance grants line item funds for expansion of forensic nurse examiner programs to facilitate training for improved evidence collection for prosecution of sexual assault. Funds to be used for program coordination and training. Executive deletes. House does not concur.

MEDICAL SERVICES

***Sec. 1682. OBRA Nursing Home Enforcement Provisions* – RETAINED**

The House retains current law, whereas the Executive added language allowing unused civil monetary penalty funds to be carried over to the following fiscal year.

***Sec. 1689. Home- and Community-Based Services (HCBS) Waiver* – REVISED**

Requires an annual report on HCBS allocations and expenditures by region, net cost savings by moving individuals from nursing home to the HCBS program, number of individuals transitioned and on HCBS waiting lists by region, amount of funds transferred during the year, and number of persons served and days of care for the HCBS program and in nursing homes. Requires DCH to develop system to collect and analyze information on persons on HCBS waiting list to identify community support and assistance they receive and the extent to which these supports help individuals to avoid entry into a nursing home. The Executive deletes the language and the House modifies the language by removing the required reporting concerning the net cost savings from moving individuals from nursing homes to the community.

***Sec. 1692. Medicaid School-Based Services* – RETAINED**

The House retains current law, whereas the Executive added language allowing the Department to increase federal authorization, without Legislative approval, in the School-Based Services line to make payments to schools participating in the program.

Major Boilerplate Changes From FY 2012-13

***Sec. 1861. Nonemergency Medical Transportation Competitive Bid* – REVISED**
Allows nonemergency medical transportation to be competitively bid; may take into consideration a minimum of two bids; one bid must be a public transportation agency; and defines qualified vendor. The House replaces current language with a report required from the Department regarding the pilot program. The Executive deletes the language.

***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. The House revises the language to require a distribution of $36.0 million Gross to rural hospitals, prescribes the methodology of distribution and defines types of hospitals for the distribution. The Executive deletes.

***Sec. 1868. Access to Coordinated Beneficiary Complaints Process* – NEW**
The House includes new language that requires the Department to assure access to a coordinated beneficiary complaints process through the integrated health care program for persons dually enrolled in Medicaid and Medicare.

***Sec. 2001. Anticipated FY 2014-15 Appropriations* – REVISED**
The House 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). Executive deletes.

FY 2013-14: DEPARTMENT OF CORRECTIONS
Summary: As Passed by the House
Article V, House Bill 4328 (H-1) as Amended

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 Enacted	*Difference: House From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$992,100	$1,109,600	$1,109,600			*$117,500*	*11.8*
Federal	8,784,400	8,852,500	8,852,500			*68,100*	*0.8*
Local	264,300	266,200	266,200			*1,900*	*0.7*
Private	0	0	0			*0*	*--*
Restricted	66,989,500	56,026,100	56,002,900			*(10,986,600)*	*(16.4)*
GF/GP	1,941,485,600	1,963,053,600	1,977,578,300			*36,092,700*	*1.9*
Gross	**$2,018,515,900**	**$2,029,308,000**	**$2,043,809,500**			***$25,293,600***	***1.3***
FTEs	14,695.2	14,496.5	14,496.5			*(198.7)*	*(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.

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 January 31, 2013, the department was responsible for 110,632 Michigan offenders: 48,924 probationers, 43,392 prisoners, and 18,316 parolees.

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House 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.	GF/GP	N/A	$0
2. One-Time New Employee Training School	**Gross**	**$8,672,300**	**$0**
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.	GF/GP	$8,672,300	$0
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.	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 House 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.	**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.	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.	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.	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.	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.	IDG	660,000	(120,000)
10. Information Technology Adjustments	**Gross**	**$24,403,600**	**$250,900**
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.	Restricted	830,200	0
	GF/GP	$23,573,400	$250,900
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.	**Gross**	**N/A**	**$0**
	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 House Change
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.	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.	**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.	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.	GF/GP	N/A	$0

Major Boilerplate Changes From FY 2012-13

Executive/House 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.

House Boilerplate Addition

House adds the Legislative Corrections Ombudsman to the list of recipients of reports that are required in 17 different sections of boilerplate.

***Sec. 219. Special Equipment fund* – REVISED**

House adds statement that $2.0 million from Special Equipment fund be used for education and program, with particular emphasis on individuals who are past their earliest release dates.

***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.

***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.

***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.

***Sec. 242. Supply Chain Transformation and Continuous Quality Improvement* – NEW**

House adds requirements that department 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 and implement the officer uniform, prisoner medical care, video conferencing cost reductions, and department and Michigan state industries (MSI) organizational reviews subsequently recommended by department personnel positively influenced by the SCT/CQI activities.

Major Boilerplate Changes From FY 2012-13

***Sec. 243. Joint Evaluation Committees* – NEW**
House adds requirements that joint evaluation committees formed to evaluate requests for proposals which solicit bids for department services provide an initial report to the chairs of the subcommittees identifying the members of the joint evaluation committee and the department service to be solicited out for bids to vendors and that the committees provide status reports to the chairs of the subcommittees within 7 days after any joint evaluation committee meeting detailing any findings or final decisions made by the joint evaluation committee.

***Sec. 244. Systematic, Collaborative, Double-Digit Value Creation Supply Chain Transformation* – NEW**
House adds requirement that department 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 in 2009 and recommended on December 10, 2009. States that the current corrections operations and services transformation (COST) shall continue using the SCT process and disciplines.

***Sec. 245. SCT/SQI Reporting* – NEW**
House adds requirement that department issue a report to the subcommittees by November 15 which details 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.

***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.

***Sec. 429. Data on Offender Flow* – NEW**
House adds requirement that department 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.

***Sec. 434. Employment of Parolees in Agricultural Settings* – NEW**
House adds requirement that department explore opportunities to collaborate with Michigan colleges and universities on establishing programs that will employ parolees in agricultural settings.

***Sec. 921. Correctional Facility and Camp Closures and Consolidations* – NEW**
House includes new language 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.

***Sec. 947. Prison Clothing Manufacturing Pilot Program* – NEW**
House adds statement that department may engage with a Michigan non-profit agency to develop a pilot program to manufacture prison clothing. This program shall utilize the prisoner re-entry population and provide comprehensive job training with the goal of transitioning into community employment. The pilot program shall be funded from 15% of the current funds allocated to Michigan services industry for the manufacture of prison clothing. The non-profit agency must have existing statewide capacity to serve paroled prisoners. The agency selected will provide semi-annual reports detailing cost savings incurred and outcomes of parolee employment programs.

***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.

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 EDUCATION
Summary: As Passed by the House
Article VI, House Bill 4328 (H-1) as Amended

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 Enacted	*Difference: House From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$0	$0	$0			*$0*	*--*
Federal	244,551,300	232,395,400	232,145,300			*(12,406,000)*	*(5.1)*
Local	5,560,400	5,633,700	5,633,700			*73,300*	*1.3*
Private	3,078,700	1,933,300	1,933,300			*(1,145,400)*	*(37.2)*
Restricted	7,626,300	8,032,100	8,015,300			*389,000*	*5.1*
GF/GP	68,093,200	70,893,900	70,558,300			*2,465,100*	*3.6*
Gross	**$328,909,900**	**$318,888,400**	**$318,285,900**			***($10,624,000)***	***(3.2)***
FTEs	590.5	594.5	590.5			*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.

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 House Change
1. Child Development and Care (CDC) Funding	**Gross**	**$186,114,200**	**($11,820,600)**
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 concurs.	Federal	147,125,400	(11,820,600)
	GF/GP	$38,988,800	$0
2. State Share of MPSERS Reforms for Libraries	**Gross**	$0	**$1,300,000**
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.	GF/GP	$0	$1,300,000
3. State Aid to Libraries	**Gross**	**$6,208,100**	**$1,304,300**
Executive transfers $1.3 million from the School Aid budget designated for state aid to libraries. House concurs.	GF/GP	$6,208,100	$1,304,300
4. Renaissance Zone Reimbursements for Libraries	**Gross**	**N/A**	**$1,460,000**
Executive transfers $1.5 million from School Aid budget for renaissance zone reimbursements to libraries. House concurs, but reduces funding amount by $40,000.	GF/GP	N/A	$1,460,000
5. Michigan College Access Network Transferred to Higher Education Budget	**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 concurs.	GF/GP	N/A	($2,000,000)

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
6. Additional Support Staff	FTE	N/A	0.0
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.	**Gross**	**N/A**	**$0**
	GF/GP	N/A	$0
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 concurs.	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, to be used as maintenance of effort (MOE) for the Carl D. Perkins Career and Technical Education federal grant. House concurs.	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 concurs with FY 2013-14 economics adjustments, does not include estimates of 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 concurs.	Federal	429,100	(429,100)
	Local	16,500	(16,500)
	Restricted	64,600	(64,600)
	GF/GP	$164,100	($164,100)

Major Boilerplate Changes From FY 2012-13

***Sec. 208. Personnel Records* – RETAINED**
Directs that MDE require districts to retain teacher personnel records regarding sexual misconduct. Executive deletes, House retains.

***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 concurs.

Sec. 211. *Adequate Yearly Progress (AYP)* – DELETED
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.

***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 retains.

***Sec. 213. 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 concurs.

***Sec. 230. 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.

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

Major Boilerplate Changes From FY 2012-13

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

***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 retains.

***Sec. 804. MPSERS Payments to Libraries* – NEW**
Adds language describing the expenditure of the State share of MPSERS reform funds to libraries. These funds are to be allocated to each district library in proportion to their percentage of the total covered payroll for all district libraries that are participating entities in FY 2012-13. These funds are to be used by district libraries to pay a portion of their MPSERS retirement costs. Executive creates, House concurs.

***Sec. 805. 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 concurs with language.

***Sec. 901. Federal and Private Grants* – RETAINED**
Requires that MDE notify the House and Senate appropriation subcommittee chairs within ten days of receipt of a grant appropriated in the federal and private grants line item including source, purpose, and amount of grant. Executive deletes, House retains.

***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 concurs with deletion.

***Sec. 903. Online Education* – REVISED**
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.

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

***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 concurs with deletion.

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 ENVIRONMENTAL QUALITY
Summary: As Passed by the House
Article VII, House Bill 4328 (H-1) as Amended

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 Enacted	*Difference: House From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$9,021,200	$9,401,900	$9,399,300			*$378,100*	*4.2*
Federal	161,687,500	150,929,700	150,911,400			*(10,776,100)*	*(6.7)*
Local	0	0	0			*0*	*0.0*
Private	533,200	541,800	541,800			*8,600*	*1.6*
Restricted	231,275,600	322,190,900	320,626,100			*89,350,500*	*38.6*
GF/GP	29,812,400	29,104,500	26,399,900			*(3,412,500)*	*(11.4)*
Gross	**$432,329,900**	**$512,168,800**	**$507,878,500**			***$75,548,600***	***17.5***
FTEs	1,327.5	1,291.5	1,291.5			*(36.0)*	*(2.7)*

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.

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 House 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. House concurs with Executive.	Restricted	N/A	(1,937,000)
2. Hazardous Waste Management Program Fee Increase	**Gross**	**N/A**	**($400,000)**
Executive replaces one-time 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. In addition, Executive eliminates $400,000 federal funding to align with anticipated revenues and replaces that funding with $400,000 one-time GF/GP in FY 2013-14 in separate one-time funding appropriation unit.	Federal	N/A	(400,000)
	Restricted	N/A	0
	GF/GP	N/A	$0
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 that is no longer available with $1.5 million Waste Reduction Fee revenue transferred into this line item from the Office of Environmental Assistance line item.			
3. Waste Reduction Fee Transfer	**Gross**	**N/A**	**($1,500,000)**
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).	Restricted	N/A	(1,500,000)
4. GF/GP Reduction	**Gross**	**N/A**	**($1,600,000)**
House includes a GF/GP funding reduction that totals $1.6 million throughout various line items.	GF/GP	N/A	($1,600,000)

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
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 for FY 2013-14 in a separate one-time funding appropriation unit.	**Gross**	**$2,000,000**	**$100,000**
	Federal	500,000	0
	GF/GP	$1,500,000	$100,000
House includes $1.6 million on-going GF/GP funding, $500,000 federal funding, and 1.0 FTE for Wetland Ombudsman in line item.			
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. House concurs with Executive.	Federal	25,000,000	(10,000,000)
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. Funding is available by replacing $2.5 million of RPF revenues currently used for debt service in Treasury with GF/GP funding. House concurs with Executive.	Restricted	30,000,000	2,500,000
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. House concurs with Executive.	Federal	1,255,300	(1,255,300)
	Restricted	3,670,400	(3,670,400)
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. House concurs with Executive.	Restricted	N/A	100,000,000
10. Office of the Great Lakes	**Gross**	**$500,000**	**($500,000)**
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. House does not include GF/GP funding.	Restricted	500,000	(500,000)
	GF/GP	$0	$0
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. House concurs with Executive.	IDG	N/A	234,400
	Restricted	N/A	(5,000)
12. Surface Water Quality Program	**Gross**	**N/A**	**$0**
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. House does not include GF/GP funding.	GF/GP	N/A	$0
13. Cost Allocation Adjustment	**Gross**	**N/A**	**$0**
Executive adjusts funding to reflect cost allocation changes from FY 2012-13. House concurs with Executive.	IDG	N/A	22,500
	Federal	N/A	(36,500)
	Restricted	N/A	14,000
14. Information Technology Expansion	**Gross**	**N/A**	**$0**
Executive includes additional $90,300 ($4,600 GF/GP) funding for wireless infrastructure and Internet bandwidth expansions. House does not include funding.	IDG	N/A	0
	Federal	N/A	0
	Restricted	N/A	0
	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 House Change
15. Removal of FY 2012-13 One-Time Supplemental Funding — Aquifier Protection Program	**Gross**	**$600,000**	**($600,000)**
Executive eliminates $600,000 supplemental funding for the Aquifier Protection Program appropriated in P.A. 305 of 2012. One-time appropriation is anticipated to sufficiently fund program for 3 years. House concurs with Executive.	Restricted	600,000	(600,000)
16. Removal of FY 2012-13 One-Time Boilerplate Appropriation — Engineering Study	**Gross**	**$300,000**	**($300,000)**
Executive eliminates $300,000 boilerplate appropriation for an engineering study concerning the Wickes Manufacturing TCE plume site. House concurs with Executive.	Restricted	300,000	(300,000)
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)
• Brownfield Grants and Loans ($5.0 million)	Federal	415,700	(415,700)
• MiWaters Data System Project ($2.0 million)	Private	4,200	(4,200)
• State Employees Lump-Sum Payments ($1.5 million)	Restricted	7,920,400	(7,920,400)
• Drinking Water Revolving Fund State Match ($2.5 million)	GF/GP	$2,660,100	($2,660,100)
House concurs with Executive.			
18. 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. House concurs with Executive.	IDG	N/A	170,000
	Federal	N/A	1,331,400
	Private	N/A	12,800
	Restricted	N/A	3,269,300
	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 retains 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 retains current-year language.

***Sec. 218. Office Space Consolidation Plan* – RETAINED**

Includes legislative language that DEQ cooperate with the development and implementation of a statewide office space consolidation plan. Executive deletes language; House retains current-year 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 retains 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 retains current-year language.

***Sec. 227. Permit Application Status Tracking Tool* – REVISED**

Requires report on implementation of a permit application tracking tool on DEQ website. Executive deletes language; House revises report 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 retains current-year language.

Major Boilerplate Changes From FY 2012-13

***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; House revises report language.

***Sec. 230. Measurable Outcomes Report* – DELETED**
Requires report identifying 10 principal measurable outcomes of budget expenditures. Executive and House 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 and House 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 and House 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 retains 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 includes revised list of sites.

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

***Sec. 309. Brownfield Grants and Loans Program Work Project Language* – DELETED**
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. Executive and House delete 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 revises language.

***Sec. 402. Groundwater Dispute Resolution Process* – DELETED**
Directs Department to fund an aquifer dispute resolution process if funds are available. Executive and House delete language.

***Sec. 403. Aquatic Invasive Species Council* – DELETED**
Requires DEQ to support funding for an Aquatic Invasive Species Council. Executive and House delete language.

***Sec. 406. Wetlands Ombudsman* – NEW**
House includes new language that 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.

***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 and House 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 retains current-year 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 retains language.

FY 2013-14: TOTAL GENERAL GOVERNMENT
Summary: As Passed by the House
Article VIII, House Bill 4328 (H-1) as Amended

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 Enacted	*Difference: House From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$692,338,500	$738,737,400	$738,837,400			*$46,498,900*	*6.7*
Federal	722,234,100	700,910,000	700,910,000			*(21,324,100)*	*(3.0)*
Local	8,007,000	7,713,800	7,713,800			*(293,200)*	*(3.7)*
Private	5,989,000	6,086,100	6,086,100			*97,100*	*1.6*
Restricted	1,889,005,100	1,926,743,900	1,931,095,300			*42,090,200*	*2.2*
GF/GP	1,018,018,000	1,052,945,600	906,153,800			*(111,864,200)*	*(11.0)*
Gross	**$4,335,591,700**	**$4,433,136,800**	**$4,290,796,400**			***($44,795,300)***	***(1.0)***
FTEs	7,766.7	7,675.7	7,640.7			*(126.0)*	*(1.6)*

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

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.

***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.

***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. House concurs.

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 ATTORNEY GENERAL
Summary: As Passed by the House
Article VIII, House Bill 4328 (H-1) as Amended

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 Enacted	*Difference: House From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$24,082,100	$27,355,500	$27,355,500			*$3,273,400*	*13.6*
Federal	9,932,600	9,838,200	9,838,200			*(94,400)*	*(1.0)*
Local	0	0	0			*0*	*--*
Private	0	0	0			*0*	*--*
Restricted	17,242,000	17,631,900	17,631,900			*389,900*	*2.3*
GF/GP	33,825,800	34,481,300	34,187,500			*361,700*	*1.1*
Gross	**$85,082,500**	**$89,306,900**	**$89,013,100**			***$3,930,600***	***4.6***
FTEs	514.0	517.0	517.0			*3.0*	*0.6*

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 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 House 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.	IDG	N/A	2,124,200
	GF/GP	N/A	$0
2. Department of Human Services Fraud Prevention	FTE	N/A	3.0
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.	**Gross**	**N/A**	**$500,000**
	IDG	N/A	500,000
	GF/GP	N/A	$0
3. Information Technology Adjustments	**Gross**	**$1,371,300**	**$10,900**
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.	GF/GP	$1,371,300	$10,900
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.	IDG	297,300	(297,300)
	Federal	122,600	(122,600)
	Restricted	212,700	(212,700)
	GF/GP	$393,300	($393,300)
5. Operations Reduction	**Gross**	**N/A**	**($251,600)**
House includes funding reduction of $251,600 GF/GP to meet targets. Reduction is spread to various line items.	GF/GP	N/A	($251,600)

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
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.	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. 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: As Passed by the House
Article VIII, House Bill 4328 (H-1) as Amended

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 Enacted	*Difference: House From FY 2012-13 YTD Amount*	*%*
IDG/IDT	$0	$0	$0			*$0*	*--*
Federal	2,641,300	2,690,200	2,690,200			*48,900*	*1.9*
Local	0	0	0			*0*	*--*
Private	18,700	18,700	18,700			*0*	*0.0*
Restricted	151,900	151,900	151,900			*0*	*0.0*
GF/GP	11,953,600	12,337,500	11,771,500			*(182,100)*	*(1.5)*
Gross	**$14,765,500**	**$15,198,300**	**$14,632,300**			***($133,200)***	***(0.9)***
FTEs	127.0	128.0	113.0			*(14.0)*	*(11.0)*

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.

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 House 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.	**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.	GF/GP	$196,500	$54,000
3. Operations Reduction	**Gross**	**N/A**	**($556,600)**
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.	GF/GP	N/A	($556,600)
4. Information Technology	**Gross**	**N/A**	**($3,300)**
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.	GF/GP	N/A	($3,300)
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.	Federal	24,600	(24,600)
	GF/GP	$104,300	($104,300)

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
6. Removal of Full-Time Equated Positions	FTE	114.0	(15.0)
House removes 15.0 FTEs from Civil Rights Operations line item.			
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.	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.

***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.

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: As Passed by the House
Article VIII, House Bill 4328 (H-1) as Amended

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 Enacted	*Difference: House From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$0	$0	$0			*$0*	--
Federal	0	0	0			*0*	--
Local	0	0	0			*0*	--
Private	0	0	0			*0*	--
Restricted	0	0	0			*0*	--
GF/GP	4,887,900	4,970,000	4,970,000			*82,100*	*1.7*
Gross	**$4,887,900**	**$4,970,000**	**$4,970,000**			***$82,100***	***1.7***
FTEs	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.

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 House 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.	GF/GP	$3,708,500	$97,800
2. 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.	GF/GP	$58,700	($58,700)
3. Economic Adjustments	**Gross**	**N/A**	**$43,000**
Executive includes $43,000 GF/GP to reflect increased costs for employee economics. House 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: As Passed by the House
Article VIII, House Bill 4328 (H-1) as Amended

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 Enacted	*Difference: House From FY 2012-13 YTD Amount*	*%*
IDG/IDT	$0	$0	$100,000			*$100,000*	--
Federal	0	0	0			*0*	--
Local	0	0	0			*0*	--
Private	400,000	400,000	400,000			*0*	*0.0*
Restricted	1,109,800	1,109,800	1,109,800			*0*	*0.0*
GF/GP	113,705,000	122,309,500	118,309,500			*4,604,500*	*4.0*
Gross	**$115,214,800**	**$123,819,300**	**$119,919,300**			***$4,704,500***	***4.1***
FTEs	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.

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 House 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.	GF/GP	N/A	$8,604,500
2. Back Office Consolidation	**Gross**	**N/A**	**($4,000,000)**
House includes $4.0 million in estimated savings associated with a proposed consolidation of back office operations. Executive does not include.	GF/GP	N/A	($4,000,000)
3. Michigan Veterans' Facility Ombudsman	**Gross**	**$0**	**$100,000**
House includes $100,000 IDG from Michigan Department of Military and Veterans Affairs to support Ombudsman.	IDG	0	100,000

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* – REVISED**

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.

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: As Passed by the House
Article VIII, House Bill 4328 (H-1) as Amended

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 Enacted	*Difference: House From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$3,792,100	$5,092,100	$5,092,100			*$1,300,000*	*34.3*
Federal	0	0	0			*0*	*--*
Local	0	0	0			*0*	*--*
Private	0	0	0			*0*	*--*
Restricted	1,890,700	1,951,000	1,951,000			*60,300*	*3.2*
GF/GP	13,004,900	13,511,300	14,364,400			*1,359,500*	*10.5*
Gross	**$18,687,700**	**$20,554,400**	**$21,407,500**			***$2,719,800***	***14.6***
FTEs	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.

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 House 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.	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.	IDG	N/A	127,900
	Restricted	N/A	63,300
	GF/GP	N/A	$441,200
3. Information Technology Systems Audit Operations	**Gross**	**$0**	**$1,200,000**
House includes $1.2 million GF/GP to support increased audit oversight and service delivery for audits related to information technology systems.	GF/GP	$0	$1,200,000
4. Increased Audit Funding	**Gross**	**N/A**	**$0**
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.	GF/GP	N/A	$0
5. Operations Reduction	**Gross**	**N/A**	**($96,900)**
House includes funding reduction of $96,900 GF/GP to meet targets.	GF/GP	N/A	($96,900)
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.	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* – NEW**
Requires Auditor General to take all reasonable steps to lower printing and distribution costs for audit reports. House adds as new section.

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: As Passed by the House
Article VIII, House Bill 4328 (H-1) as Amended

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 Enacted	*Difference: House From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$20,000,000	$20,000,000	$20,000,000			*$0*	*0.0*
Federal	1,810,000	1,810,000	1,810,000			*0*	*0.0*
Local	0	0	0			*0*	*--*
Private	100	100	100			*0*	*0.0*
Restricted	183,971,100	182,485,400	182,485,400			*(1,485,700)*	*(0.8)*
GF/GP	14,888,100	15,253,400	14,659,200			*(228,900)*	*(1.5)*
Gross	**$220,669,300**	**$219,548,900**	**$218,954,700**			***($1,714,600)***	***(0.8)***
FTEs	1,695.0	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.

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 House 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.	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.	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.	**Gross**	**$1,098,600**	**($1,098,600)**
	Restricted	1,098,600	(1,098,600)
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 rejects.	**Gross**	**$23,108,200**	**$0**
	Restricted	22,957,100	0
	GF/GP	$151,100	$0

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
5. Increase IT Services and Projects to DTMB	**Gross**	**$21,248,800**	**$155,100**
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.	Restricted	19,713,200	148,400
	GF/GP	$1,535,600	$6,700
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.	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.	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.	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.			
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.	IDG	20,000,000	(606,300)
	GF/GP	$0	$606,300
11. Economics Adjustments	**Gross**	**N/A**	**$4,938,300**
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 DOS. House concurs.	IDG	N/A	606,300
	Restricted	N/A	4,049,700
	GF/GP	N/A	$282,300
12. Reduce GF/GP Appropriation	**Gross**	**$11,927,600**	**($89,300)**
House decreases the GF/GP spending authorization within several line items by a fixed percentage.	GF/GP	$11,927,600	($89,300)

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.

Major Boilerplate Changes From FY 2012-13

***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.

Various Sections Deleted by Executive, Retained by House
Executive eliminates Sections 714, 716 (fmr. 716b), 718, 719; House rejects.

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: As Passed by the House
Article VIII, House Bill 4328 (H-1) as Amended

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 Enacted	*Difference: House From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$635,564,900	$677,159,800	$677,159,800			*$41,594,900*	*6.5*
Federal	9,464,300	8,790,900	8,790,900			*(673,400)*	*(7.1)*
Local	1,320,800	1,320,800	1,320,800			*0*	*0.0*
Private	190,200	190,400	190,400			*200*	*0.1*
Restricted	90,517,200	92,625,900	92,625,900			*2,108,700*	*2.3*
GF/GP	405,916,200	405,887,400	383,895,100			*(22,021,100)*	*(5.4)*
Gross	**$1,142,973,600**	**$1,185,975,200**	**$1,163,982,900**			***$21,009,300***	***1.8***
FTEs	2,814.0	2,812.0	2,810.0			*(4.0)*	*(0.1)*

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 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 House 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.	**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.	**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.	**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 House 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.	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**	**$0**
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 rejects.	GF/GP	$68,305,800	$0
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.	**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.	**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.	**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	0.0
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 rejects, but includes fund shift from GF/GP to state restricted (see #14).	**Gross**	**$16,376,300**	**$0**
	IDG	10,708,900	0
	Restricted	3,973,000	0
	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.	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.	**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.	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 House Change
13. Include FY 2013-14 One-Time Appropriations	**Gross**	**N/A**	**$22,800,000**
Executive includes new one-time appropriations for the Department of Community Health (DCH) and Michigan Casino Gaming Board IT systems and projects, 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 SEOC project placeholder ($100 GF/GP). House concurs in part, but rejects the Regional Prosperity Initiative, special maintenance for state facilities, and SBA-financed SEOC project placeholder one-time appropriations.	IDG	N/A	21,300,000
	GF/GP	N/A	$1,500,000
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 additional net zero fund shift (see #9).	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.	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**	**($2,500,000)**
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.	GF/GP	$2,500,000	($2,500,000)
17. Reduce GF/GP Appropriation	**Gross**	**$124,100,100**	**($928,700)**
House decreases the GF/GP spending authorization within several line items by a fixed percentage.	GF/GP	$124,100,100	($928,700)
18. Decrease Enterprisewide Special Maintenance for State Facilities	**Gross**	**$18,000,000**	**($1,500,000)**
House decreases GF/GP spending authorization for Enterprisewide Special Maintenance for State Facilities line item to offset one-time appropriation for the Delta Country bridge removal project (see #13).	GF/GP	$18,000,000	($1,500,000)

Major Boilerplate Changes From FY 2012-13

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

***Sec. 815. Energy Savings Performance Contracts* – NEW**
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 creates.

***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 creates.

***Sec. 817. Call Center Vendor Disclosure* – REVISED**
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. 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.

***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. House revises the reference to the Office Space Consolidation Project and requires DTMB to update and distribute the plan quarterly.

Major Boilerplate Changes From FY 2012-13

***Sec. 825. Delta County Bridge Removal Project Report* – NEW**
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 creates.

***Sec. 826. Information Technology Services Definition* – REVISED**
Defines information technology services. Executive expands the definition to include social media and cyber security, House 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 carry forward of money within the fund. House creates.

***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.

***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.

***Sec. 862. Capital Outlay Reports* – DELETED**
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.

***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.

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 rejects.

***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.

***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.

***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.

Sec. 901. Regional Prosperity Initiative (One-Time)
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 creates House rejects.

Various Sections Deleted by the Executive, Retained by the House
Executive eliminates Sections 803(5), 809, 813(3), 813(5), 822, 823(4), 827(4), 828, 829, 830; House rejects.

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: As Passed by the House
Article VIII, House Bill 4328 (H-1) as Amended

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 Enacted	*Difference: House From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$8,899,400	$9,130,000	$9,130,000			*$230,600*	*2.6*
Federal	698,385,900	677,780,700	677,780,700			*(20,605,200)*	*(3.0)*
Local	6,686,200	6,393,000	6,393,000			*(293,200)*	*(4.4)*
Private	5,380,000	5,476,900	5,476,900			*96,900*	*1.8*
Restricted	1,594,122,400	1,630,788,000	1,635,139,400			*41,017,000*	*2.6*
GF/GP	419,836,500	444,195,200	323,996,600			*(95,839,900)*	*(22.8)*
Gross	**$2,733,310,400**	**$2,773,763,800**	**$2,657,916,600**			***($75,393,800)***	***(2.8)***
FTEs	2,532.5	2,566.5	2,548.5			*16.0*	*0.6*

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 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 House Change
1. Constitutional Revenue Sharing	**Gross**	**$725,496,300**	**$17,053,900**
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.	Restricted	725,496,300	17,053,900
2. Economic Vitality Incentive Program	**Gross**	**$225,000,000**	**$0**
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.	Restricted	225,000,000	0
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.	Restricted	15,000,000	0
4. County Revenue Sharing/Incentive Program	**Gross**	**$130,600,000**	**$10,000,000**
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.	Restricted	130,600,000	10,000,000
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.	Restricted	3,288,800	695,400
	GF/GP	$12,323,800	$1,039,100

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
6. Debt Service	**Gross**	**$140,554,900**	**$5,647,600**
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.	Restricted	5,514,500	0
	GF/GP	$135,040,400	$5,647,600
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.	GF/GP	$10,000,000	($9,000,000)
8. Distressed Communities/At-Risk Local Unit Administration	**Gross**	**N/A**	**$0**
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.	GF/GP	N/A	$0
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.	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.	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.	Restricted	N/A	3,000,000
12. iLottery	FTE	N/A	10.0
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.	**Gross**	**N/A**	**$3,350,000**
	Restricted	N/A	3,350,000
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.	Restricted	N/A	3,000,000
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.			
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.	IDG	N/A	180,900
	Federal	N/A	458,400
	Restricted	N/A	5,305,900
	GF/GP	N/A	$1,307,900
16. Operations Reduction	**Gross**	**N/A**	**($336,700)**
House includes funding reduction of $336,700 GF/GP to meet targets. Reduction is spread to various line items.	GF/GP	N/A	($336,700)

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
17. Information Technology Adjustments	**Gross**	**N/A**	**$184,800**
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.	Federal	N/A	1,700
	Restricted	N/A	173,100
	GF/GP	N/A	$10,000
MICHIGAN STRATEGIC FUND	**Gross**	**$100,000,000**	**($32,500,000)**
18. Business Attraction and Community Revitalization	Restricted	25,000,000	(7,500,000)
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.	GF/GP	$75,000,000	($25,000,000
19. 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.	Restricted	25,000,000	4,000,000
20. 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.	Restricted	25,000,000	3,500,000
21. Film Incentives	**Gross**	**$50,000,000**	**($50,000,000)**
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.	GF/GP	$50,000,000	($50,000,000)
22. Arts and Cultural Grants	FTE	0.0	0.0
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.	**Gross**	**$6,150,000**	**$1,000,000**
	GF/GP	$6,150,000	$1,000,000
23. 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.	**Gross**	**$2,993,900**	**$0**
	Restricted	2,993,900	0
	GF/GP	$0	$0
24. Skilled Trades Training Program	**Gross**	**N/A**	**$0**
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.	GF/GP	N/A	$0
25. Facility for Rare Isotope Beams	**Gross**	**$2,339,900**	**$4,960,100**
Executive includes $7.3 million GF/GP 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.	GF/GP	$2,339,900	$4,960,100
26. 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.	Federal	N/A	(20,163,400)

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
27. 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/GP) for negotiated salary and wage amounts (1.0%), insurance rate increases, actuarially-required retirement rate increases, and other economic adjustments. House concurs.	Federal	N/A	847,000
	Private	N/A	74,900
	Restricted	N/A	1,289,400
	GF/GP	N/A	$475,500
28. Operations Reduction	**Gross**	**N/A**	**($843,700)**
House includes funding reduction of $843,700 GF/GP to meet targets. Reduction is spread to various line items.	GF/GP	N/A	($843,700)

Major Boilerplate Changes From FY 2012-13

***Sec. 907. Assessor Certification and Training Fund* – RETAINED**
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.

***Sec. 919. Contracted Audit and Collection Services* – DELETED**
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.

***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.

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.

***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 elimination employee compensation requirements and adds additional requirement under Category Three that requires a local unit to submit report on unfunded accrued liabilities.

LOTTERY
***Sec. 964. iLottery Reporting Requirement* – NEW**
Requires Bureau of State Lottery to submit report regarding the creation and administration of the iLottery portal. House adds as new section.

***Sec. 965. iLottery Game Offerings* – NEW**
States that the Bureau of State Lottery may only offer lottery games in existence as of January 1, 2004. House adds as new section.

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.

Major Boilerplate Changes From FY 2012-13

***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.

***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.

***Sec. 1034. Business Incubator Program* – DELETED**
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.

***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.

***Sec. 1035. Michigan Council for Arts and Cultural Affairs (MCACA) Arts and Cultural Grants* – RETAINED**
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.

***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.

***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.

***Sec. 1039. Food and Agriculture Industry Growth Initiative* – NEW**
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.

***Sec. 1040. 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. 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: As Passed by the House
Article X, House Bill 4328 (H-1) as Amended

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 Enacted	*Difference: House From FY 2012-13 YTD Amount*	*%*
IDG/IDT	$30,581,300	$30,594,600	$28,970,900			*($1,610,400)*	*(5.3)*
Federal	5,507,467,200	4,802,702,800	4,768,780,800			*(738,686,400)*	*(13.4)*
Local	39,029,400	37,891,500	32,572,400			*(6,457,000)*	*(16.5)*
Private	9,792,600	9,856,000	9,856,000			*63,400*	*0.6*
Restricted	88,453,600	151,618,800	90,797,500			*2,343,900*	*2.6*
GF/GP	1,028,769,600	1,013,112,400	1,007,624,800			*(21,144,800)*	*(2.1)*
Gross	**$6,704,093,700**	**$6,045,776,100**	**$5,938,602,400**			***($765,491,300)***	***(11.4)***
FTEs	12,314.0	12,282.5	11,312.1			*(1,001.9)*	*(8.1)*

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 House Change
1. Public Assistance Caseload Adjustments	**Gross**	**$3,862,229,300**	**($699,359,200)**
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	(699,545,300)
	Restricted	81,211,700	0
	GF/GP	$177,913,400	$186,100
• 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 concurs.			
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 restricted revenues to offset elimination of one-time funding. Restricted revenues generated from proposed legislation to create a new fee payable by every electric utility customer. House replaces one-time funding with funds available from reductions elsewhere in the budget rather than concurring in new restricted revenues.	**Gross**	**$59,900,000**	**$100,000**
	Federal	32,200,000	(7,625,100)
	Restricted	0	0
	GF/GP	$27,700,000	$7,725,100
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 does not concur.	Federal	4,409,541,200	0
	TANF	579,339,800	0
	GF/GP	$0	$0

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
4. Child Welfare Caseload Adjustments	**Gross**	**$614,653,700**	**($23,242,300)**
Executive reduces funding for child welfare programs $23.2 million Gross ($8.4 million GF/GP) as follows:	Federal	330,598,300	(13,124,000)
• 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.	Local	18,274,500	(1,574,600)
• 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.	Private	1,600,000	(125,900)
• The County Child Care Fund is reduced $11.1 million Gross ($5.3 million GF/GP).	GF/GP	$264,180,900	($8,417,800)
• Guardianship assistance payments are increased $970,700 million Gross ($166,500 GF/GP).			
House concurs.			
5. Child Welfare Staffing Enhancement	FTE	577.0	(232.4)
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.	**Gross**	**$23,320,300**	**$13,401,700**
	Federal	16,027,300	9,339,400
	GF/GP	$7,293,000	$4,062,300
6. 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.	**Gross**	**$3,693,200**	**($3,175,000)**
	Federal	2,128,700	(1,833,700)
	GF/GP	$1,564,500	($1,341,300)
7. 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.	Federal	N/A	1,357,900
	GF/GP	N/A	$3,784,500
8. Family Preservation Programs	FTE	34.0	0.0
House reduces $4.2 million in federal TANF funds from families first, child protection and permanency, family reunification, family preservation and prevention services, and family preservation administration line items.	**Gross**	**$42,385,700**	**($4,150,000)**
	Federal	42,199,400	(4,150,000)
	GF/GP	$186,300	$0
9. 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.	**Gross**	**N/A**	**$0**
	Federal	N/A	0
	GF/GP	N/A	$0
10. State Juvenile Justice Facility Closures	FTE	176.0	(115.0)
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.	**Gross**	**$23,858,000**	**($7,926,600)**
	Federal	449,300	398,100
	Local	11,056,900	(5,319,100)
	GF/GP	$12,351,800	($3,005,600)

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
11. 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.	**Gross**	**$4,362,400**	**$116,000**
	Federal	78,300	0
	Local	946,200	0
	GF/GP	$3,337,900	$116,000
12. Local Office Staffing Reduction	FTE	5,559.0	(618.0)
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.	**Gross**	**$291,359,000**	**($64,247,500)**
	IDG	7,355,400	(1,623,700)
	Federal	169,487,500	(37,413,500)
	GF/GP	$114,516,100	($25,210,300)
13. Emergency Services Local Office Allocations	**Gross**	**$16,092,600**	**($750,000)**
House reduces emergency services local office allocations $750,000 GF/GP.	Federal	7,907,100	0
	GF/GP	$8,185,500	($750,000)
14. 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.	Federal	3,805,600	0
	GF/GP	$1,572,200	($558,700)
15. Executive Operations Contractual Services, Supplies, and Materials (CSS&M)	**Gross**	**$11,260,700**	**($763,600)**
House reduces executive operations CSS&M $763,600 Gross ($367,100 GF/GP).	IDG	600,000	0
	Federal	6,643,700	(396,500)
	Restricted	5,400	0
	GF/GP	$4,011,600	($367,100)
16. SSI Advocates	FTE	10.0	(10.0)
Executive increases Supplemental Security Income (SSI) recoveries $78,200 to support all 10.0 FTEs allocated for SSI advocacy. House eliminates SSI advocate funding.	**Gross**	**$755,500**	**($755,500)**
	Restricted	605,900	(605,900)
	GF/GP	$149,600	($149,600)
17. Pathways to Potential	FTE	N/A	0.0
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.	**Gross**	**N/A**	**$0**
	Federal	N/A	0
	GF/GP	N/A	$0
18. Fraud Prevention, Detection, and Recoupment	**Gross**	**N/A**	**$2,000,000**
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.	Federal	N/A	500,000
	GF/GP	N/A	$1,500,000
19. Phone Costs	**Gross**	**N/A**	**$1,154,200**
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.	Federal	N/A	676,100
	GF/GP	N/A	$478,100
20. Multicultural Integration	**Gross**	**$1,515,500**	**$500,000**
House provides $500,000 GF/GP for the multicultural integration line item.	Federal	1,115,500	0
	GF/GP	$400,000	$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 House Change
21. 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 concurs.	Federal	N/A	367,000
	GF/GP	N/A	$350,600
22. Centers for Independent Living Pilot	**Gross**	**$4,488,600**	**$300,000**
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.	Federal	2,818,600	0
	Private	100,000	0
	GF/GP	$1,570,000	$300,000
23. 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.	**Gross**	**$14,644,200**	**$150,000**
	Federal	12,844,900	0
	Restricted	1,040,000	0
	GF/GP	$759,300	$150,000
24. Family Independence Program Substance Abuse Testing Placeholder	**Gross**	**$0**	**$100**
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.	GF/GP	$0	$100
25. One-Time Funding: Eliminate FY 2012-13 Appropriations	**Gross**	**$12,546,500**	**($11,796,500)**
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.	Federal	7,104,100	(7,104,100)
	Restricted	5,600	(5,600)
	GF/GP	$5,436,800	($4,686,800)
26. 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.	**Gross**	**$162,780,500**	**($7,051,700)**
	IDG	1,943,600	0
	Federal	107,101,500	(3,299,200)
	GF/GP	$53,735,400	($3,752,500)
27. Adjustments to Current Services Baseline	**Gross**	**N/A**	**($6,014,900)**
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.	Federal	N/A	(2,083,700)
	Restricted	N/A	3,000,000
	GF/GP	N/A	($6,931,200)
28. 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 concurs.	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
29. 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 concurs.	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. 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.

***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 and House 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.

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.

***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.

***Sec. 520. Foster Family Group Home Request for Proposals* – NEW**

House requires DHS post a request for proposals for foster family group homes by December 31, 2013.

***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.

***Sec. 540. Psychotropic Medication for Youth in Out-of-Home Placements* – DELETED**

Requires DHS to determine within 30 days whether to change prescribed psychotropic medication for state wards if the placement administration determines that the medication should be changed, or to seek parental consent within 7 business days for a temporary court ward. Executive and House delete section.

***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.

***Sec. 550. Domestic Violence Prevention and Treatment Pilot* – NEW**

House requires DHS to allocate $150,000 to pilot transporting clients between shelters in Macomb, Oakland, Washtenaw, and Wayne Counties based on available bed space.

***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.

***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.

***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.

PUBLIC ASSISTANCE

***Sec. 609. SSI State Supplementation* – DELETED**

Prohibits reduction of SSI state supplementation for recipients in institutional settings during the fiscal year, requires 30 day notice to the Legislature for any proposed reduction to the state supplementation level. Executive and House delete section.

Major Boilerplate Changes From FY 2012-13

***Sec. 611. State Supplementation Rate Restriction* – REVISED**
Prohibits state supplementation levels for living independently or living in the household of another from exceeding the minimum level required under federal law or regulations. Executive deletes section; House strikes "living independently or living in the household of another."

***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 and House revises to allow DHS to provide indigent burial services and strikes reference to cremation of unclaimed persons.

***Sec. 656. Public Assistance Application Data* – NEW**
House requires DHS to provide quarterly information on applications received, approved, denied, or pending; requires information to be available statewide and for each county and to be available for each separate public assistance program.

***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.

JUVENILE JUSTICE SERVICES
***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.

***Sec. 719. Legislative Notification of Juvenile Justice Changes* – DELETED**
Requires DHS to notify Legislature at least 30 days before closing or making any change in the status of a state juvenile justice facility, including licensed bed capacity and operating bed capacity. Executive and House delete section.

***Sec. 719. Juvenile Justice Facility Capacity* – NEW**
House requires DHS to operate one juvenile justice facility that has a capacity for not more than 40 youth, and requires DHS to close or reduce the capacity of its current facilities to meet this requirement by January 1, 2014.

***Sec. 720. Placement and Status Report* – NEW**
House requires DHS to report quarterly on the current placement and status of youth transferred from the closed state juvenile justice facilities.

***Sec. 721. Residential Facility of Last Resort* – REVISED**
If demand exceeds capacity at state-operated facilities, requires DHS to post a request for proposals to contract with not less than 1 private provider to be a residential facility of last resort instead of increasing available occupancy at state-operated facilities. Executive deletes section; House strikes requirement to post a request for proposals only if demand exceeds the capacity at the state-operated facilities.

***Sec. 722. Juvenile Justice Facility Staffing* – NEW**
House requires DHS to ensure that staff employed at the juvenile justice facilities closed in the current fiscal year are given priority for staff positions that they are qualified to fulfill.

LOCAL OFFICE SERVICES
***Sec. 755. Local Office Staffing Ratios* – NEW**
House states legislative intent for DHS to have a supervisor ratio, excluding the ratios required by the Children's Rights settlement agreement, of 1 supervisor for 12 staff members; and states legislative intent for DHS to have an administrative support staff ratio of 1 administrative support staff for 9.5 staff members.

FY 2013-14: JUDICIARY
Summary: As Passed by the House
Article XII, House Bill 4328 (H-1) as Amended

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 Enacted	*Difference: House From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$2,638,200	$2,350,500	$2,350,500			*($287,700)*	*(10.9)*
Federal	6,017,100	5,343,900	5,343,900			*(673,200)*	*(11.2)*
Local	7,049,300	7,133,100	7,133,100			*83,800*	*1.2*
Private	921,800	931,500	931,500			*9,700*	*1.1*
Restricted	86,382,200	86,115,900	86,115,900			*(266,300)*	*(0.3)*
GF/GP	170,751,500	183,441,300	171,834,100			*1,082,600*	*0.6*
Gross	**$273,760,100**	**$285,316,200**	**$273,709,000**			***($51,100)***	***0.0***
FTEs	472.0	482.0	480.0			*8.0*	*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.

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 House Change
1. Regionalization and Expansion of Specialty Courts	**Gross**	**$13,383,000**	**$0**
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.	IDG	1,800,000	0
	Federal	800,000	0
	Restricted	3,649,900	0
	GF/GP	$7,133,100	$0
2. Expansion of Mental Health Courts	**Gross**	**$2,100,000**	**$0**
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.	GF/GP	$2,100,000	$0
3. State Appellate Defender Office (SADO) Staff Increase	FTE	61.0	0.0
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.	**Gross**	**$13,645,900**	**$0**
	Federal	3,048,500	0
	Private	777,500	0
	Restricted	1,263,400	0
	GF/GP	$8,556,500	$0
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.	GF/GP	N/A	($391,500)

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
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)
	Federal	N/A	(708,100)
• Decreases IDG Byrne Justice Assistance grant funding received from the Department of State Police for drug treatment courts by $300,000	Restricted	N/A	(276,400)
• Decreases federal DOT National Highway Traffic Safety Administration funding for Judicial Information Systems by $572,400			
• 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.			
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.	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.	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.	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	0.0
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.	**Gross**	**N/A**	**$0**
	GF/GP	N/A	$0
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.	**Gross**	**N/A**	**$0**
	GF/GP	N/A	$0

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.

***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.

***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.

***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.

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: LICENSING AND REGULATORY AFFAIRS
Summary: As Passed by the House
Article XIII, House Bill 4328 (H-1) as Amended

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 Enacted	*Difference: House From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$13,496,900	$14,228,200	$13,221,900			*($275,000)*	*(2.0)*
Federal	268,708,300	197,470,000	191,887,800			*(76,820,500)*	*(28.6)*
Local	659,900	656,500	656,500			*(3,400)*	*(0.5)*
Private	2,011,800	2,011,800	2,011,800			*0*	*0.0*
Restricted	324,079,700	320,734,900	316,312,800			*(7,766,900)*	*(2.4)*
GF/GP	36,945,200	38,804,900	37,839,900			*894,700*	*2.4*
Gross	**$645,901,800**	**$573,906,300**	**$561,930,700**			***($83,971,100)***	***(13.0)***
FTEs	3,767.3	3,324.5	3,210.3			*(557.0)*	*(14.8)*

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 Licensing and Regulatory Affairs (LARA) is organized into four principal functions: 1) Licensing and Regulation, which implements and enforces Michigan laws pertaining to financial and insurance, commercial and occupational, construction and fire safety, healthcare, public utility, and liquor regulation; 2) Employment Security and Workplace Safety, which administers unemployment insurance, workers' 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 House 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.	**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.	**Gross**	**N/A**	**$4,393,100**
	Federal	N/A	1,255,300
	Restricted	N/A	3,137,800
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.	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)

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
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.	**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 rejects.	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.	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.	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.	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.	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 rejects.	**Gross**	**$4,595,900**	**$0**
	Federal	944,400	0
	Restricted	3,551,500	0
	GF/GP	$100,000	$0
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.	**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.	**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

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
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.	Federal	183,050,700	(36,500,000)
	Restricted	33,226,200	(8,300,000)
14. Rebasing of FTE Positions	FTE	1,875.7	(91.0)
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.			
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.	Restricted	3,700,000	(3,700,000)
	GF/GP	$0	$3,700,000
16. Various Fund Shifts	**Gross**	**$11,121,400**	**$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 additional net zero fund shifts.	Federal	1,777,000	(278,100)
	Local	3,400	(3,400)
	Restricted	9,341,000	281,500
17. Economics Adjustments	FTE	N/A	(98.0)
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. Additionally, House 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.	**Gross**	**N/A**	**($1,856,000)**
	Federal	N/A	(1,140,800)
	Restricted	N/A	(633,300)
	GF/GP	N/A	($81,900)
18. Decrease OFIR Spending Authorization	FTE	120.0	0.0
House decreases spending authorization for the Regulatory Compliance and Consumer Assistance line item under the Office of Financial and Insurance Regulation (OFIR) which would have supported additional FTE positions recommended by the Executive.	**Gross**	**$19,684,400**	**($500,000)**
	Federal	2,000,000	0
	Restricted	17,684,400	(500,000)
19. Include Fireworks Safety Grants	**Gross**	**$0**	**$1,000,000**
House includes spending authorization for fireworks safety grants to local units of government 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.	Restricted	0	1,000,000
20. Decrease GF/GP Appropriations	**Gross**	**$19,074,100**	**($872,500)**
House decreases GF/GP spending authorization within several line items by approximately 5.0% of their FY 2012-13 YTD GF/GP appropriations.	GF/GP	$19,074,100	($872,500)
21. Increase Grants for the Blind	**Gross**	**$693,600**	**$194,300**
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 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, increase spending authorization offset with equivalent reduction of GF/GP within the BSBP line item.	GF/GP	$693,600	$194,300

Major Boilerplate Changes From FY 2012-13

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

***Sec. 203. Definitions* – REVISED**
Defines various terms and abbreviations used in the bill. Executive eliminates particular definitions, House concurs.

***Sec. 206. (fmr 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.

***Sec. 230a. 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 creates, House concurs.

***Sec. 232. LARA Video Productions* – REVISED**
Prohibits LARA from developing or producing any television productions. Executive eliminates, House revises language without substantive effect.

***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.

***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 creates.

***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 creates.

***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 creates.

***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.

***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 creates.

***Sec. 333. UI Internet Claims Report* – REVISED**
Requires LARA to provide a quarterly report the percentage of claimants using the internet MARVIN system to certify and receive benefits and implement improvement to the system to reach a goal of 50.0% of claimants certifying on the system. Executive eliminates, House revises by increases goal to 80.0% of claimants certifying on the internet system.

***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. House eliminates.

***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.

***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.

***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.

***Sec. 611. Vocational Rehabilitation Matching Funds* – DELETED**
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.

Major Boilerplate Changes From FY 2012-13

***Sec. 731. Bureau of Health Systems Regulatory Costs and Fee Report* – DELETED**
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.

***Sec. 735. 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.

Various Sections Deleted by Executive, Retained by House
Executive eliminates Sections 202, 208, 209, 211, 212, 214, 215, 217, 219, 230, 232, 332, 333, 340, 341, 342, 368, 390, 714, 726, 732; House rejects.

FY 2013-14: DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
Summary: As Passed by the House
Article XIV, House Bill 4328 (H-1) as Amended

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 Enacted	*Difference: House From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$1,166,500	$650,000	$650,000			*($516,500)*	*(44.3)*
Federal	99,239,400	89,782,700	89,773,800			*(9,465,600)*	*(9.5)*
Local	1,503,600	1,500,000	1,500,000			*(3,600)*	*(0.2)*
Private	1,503,700	740,000	740,000			*(763,700)*	*(50.8)*
Restricted	30,427,000	27,554,000	27,547,600			*(2,879,400)*	*(9.5)*
GF/GP	38,233,400	42,381,300	42,378,700			*4,145,300*	*10.8*
Gross	**$172,073,600**	**$162,608,000**	**$162,590,100**			***($9,483,500)***	***(5.5)***
FTEs	842.0	880.0	880.0			*38.0*	*4.5*

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.

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 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 House Change
1. Veterans' Services Delivery Initiative	FTE	N/A	33.0
Executive adds $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.			
2. College Campus Veterans Outreach Initiative	**Gross**	**$390,600**	**($390,500)**
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	($390,500)

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
3. Veterans' Facility Ombudsman	**Gross**	**N/A**	**$100,000**
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	$100,000
4. 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
5. Veterans Homes Maintenance	**Gross**	**$2,116,000**	**($1,716,000)**
Executive adds $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	($1,716,000)
House concurs with the Executive, but reduces the ongoing support to $400,000.			
6. Information Technology Adjustments	**Gross**	**$1,078,500**	**$8,100**
Executive increases 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	4,000
	Restricted	384,800	2,900
	GF/GP	$162,100	$1,200
House does not concur with the Executive-proposed increases for wireless infrastructure and internet bandwidth ($17,900 Gross and $2,600 GF/GP).			
7. Veterans Service Officers	FTE	1.0	5.0
Executive adds $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
House concurs with the Executive.			
8. D.J. Jacobetti Veterans Home Laundry Services	**Gross**	**$199,000**	**$60,000**
Executive adds $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
House concurs with the Executive.			
9. Lands and Acquisitions	**Gross**	**$250,000**	**$750,000**
Executive adds $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).	Restricted	$250,000	$750,000
House concurs with the Executive.			

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
10. Economic Adjustments	**Gross**	**N/A**	**$3,381,600**
Executive reflects 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
House concurs with the Executive.			
11. Special Maintenance Consolidation	**Gross**	**$23,351,200**	**($3,000,000)**
Executive 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
House concurs with the Executive.			
12. Headquarters and Armories	FTE	80.0	0.0
Executive 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.			
13. Michigan Emergency Volunteers	**Gross**	**$5,000**	**$15,000**
Executive 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.	GF/GP	$5,000	$15,000
House concurs with the Executive.			
14. Youth ChalleNGe Program	**Gross**	**$5,276,700**	**($925,300)**
Executive reduces 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)
House concurs with the Executive.			
15. Eliminate FY 2012-13 One-Time Appropriations	**Gross**	**$16,491,900**	**($16,491,900)**
Executive eliminates other one-time appropriations in FY 2012-13, including those related to the Flint armory ($12.0 million); veterans service enhancements ($434,000), 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	$3,939,900	($3,939,900)
House concurs with the Executive.			
16. Homeland Security	**Gross**	**$1,000,000**	**($350,000)**
Executive 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)
House concurs with the Executive.			

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
17. Grand Rapids Veterans Home	FTE	343.0	0.0
Executive 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
House concurs with the Executive.			
18. Military Training Sites and Support Facilities	FTE	205.0	0.0
Executive 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
House concurs with the Executive.			

Major Boilerplate Changes From FY 2012-13

GENERAL SECTIONS

***Sec. 201. State Spending and State Appropriations Paid to Local Units of Government* – REVISED**
Specifies total state spending from state resources and payments to local units of government from state resources. Executive and House – update to reflect FY 2014 appropriations.

***Sec. 202. Appropriations Subject to the Management and Budget Act* – RETAINED**
Subjects appropriations to the Management and Budget Act, 1984 PA 431. Executive – deletes. House – retains.

***Sec. 203. Terms and Acronyms* – REVISED**
Defines various terms and acronyms contained in the department's budget. Executive – deletes a number of definitions related to specific fund sources identified in the bill. House – deletes definitions for "PA" and "MCL" and adds a definition for "subcommittees".

***Sec. 204. Interdepartmental Grant Funding* – DELETED**
Lists specific amounts and sources of interdepartmental grant funding received by the department. Executive – deletes. House – deletes.

***Sec. 206. Contingency Funding* – RETAINED**
Appropriates up to $10.0 million in federal, $2.0 million in state restricted, $100,000 million in local, and $100,000 in private contingency funds; authorizes expenditure of funds after the legislative transfer of spending authority to specific line items. Executive – retains. House – retains.

***Sec. 207. Transparency Website* – RETAINED**
Requires the department to provide the data necessary for DTMB to maintain a searchable website that is accessible by the public at no cost that includes expenditure data, data on payments made to vendors, and data on number of active employees, job specifications, and wage rates. Executive – retains. House – retains.

***Sec. 208. Internet Availability of Required Reports* – RETAINED.**
Requires the department to use the internet to fulfill reporting requirements and authorizing the department to submit reports via email. Executive – deletes. House – retains.

***Sec. 209. Purchase of Foreign Goods* – REVISED**
Prohibits the purchase of foreign goods and services if American-sourced goods and services are competitively priced and are of comparable quality; requires preference to be given 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.

***Sec. 210. Business in Deprived and Depressed Communities* – RETAINED**
Requires the department to take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts. Executive – deletes. House – retains.

***Sec. 211. Information Technology Work Project Account* – NEW**
Designates the appropriation for information technology as a work project account. House – adds this section.

***Sec. 212. Records Retention* – RETAINED**
Requires the department to receive and retain copies of all required reports; requires federal and state guidelines to be followed for short- and long-term records retention; authorizes the department to electronically retain copes of reports unless otherwise required by federal and state guidelines. Executive – deletes. House – retains.

Major Boilerplate Changes From FY 2012-13

***Sec. 214. Information Technology Services* – NEW**
Requires the department to pay user fees to DTMB for technology-related services and projects. House – adds this section.

***Sec. 215. Communications with Legislature* – RETAINED**
Prohibits the department from taking disciplinary action against employees for communicating with legislators or legislative staff. Executive – deletes. House – retains

***Sec. 217. Budgetary Efficiency* – DELETED**
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.

***Sec. 218. Out-of-State Travel* – RETAINED**
Requires the department to report on out-of-state travel expenses paid for in whole or in part with state appropriations. Executive – retains. House – retains.

***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.

***Sec. 220. Services to Veterans* – REVISED**
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.

***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, but adds the Michigan Veterans Affairs Agency (replacing the Veterans Affairs Directorate) and the Starbase program.

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

***Sec. 225. Use of Funding for Legal Services* – RETAINED**
Prohibits using appropriations to hire a person to provide legal services that are the responsibility of the attorney general; prohibition does not apply to legal services for bonding activities or activities that the attorney general authorizes. Executive – retains. House – retains.

***Sec. 226. Partner with Reserve Forces* – DELETED**
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.

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

***Sec. 228. General Fund Lapses* – RETAINED**
Requires the department to report on estimates of general fund lapses at the close of the fiscal year. Executive – deletes. House – retains.

***Sec. 229. Report on State Restricted Funds* – RETAINED**
Requires the department to report on state restricted fund balances, project state restricted fund revenues, and state restricted fund expenditures. Executive – makes the report a requirement on the State Budget Office and requires the department to cooperate with the SBO in the completion of the report. House – 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 – concurs with Executive.

Major Boilerplate Changes From FY 2012-13

HEADQUARTERS AND ARMORIES

***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 to the list of unclassified positions.

***Sec. 301. Administrative Support* – DELETED**

Requires the department to provide proper levels of administrative support, staffing and resources, and fiscal controls for department expenditures. Executive – deletes. House – deletes.

***Sec. 301. 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.

***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.

***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.

***Sec. 305. Air National Guard Support for State and Local Emergencies* – DELETED**

Requires the department to provide Air National Guard (ANG) forces for state and local emergencies, to properly train and equip military forces, and to improve the adequacy of the utilities and infrastructure of ANG facilities. Executive – deletes. House – deletes.

***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 305, 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.

VETERANS AND COMMUNITY OUTREACH

***Sec. 401. 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 grant funding, to take steps to improve the coordination of veterans' benefits counseling, and to increase its responsibility in administration, management, oversight, and outreach of delivery of services. 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.

***Sec. 402. Veterans' Trust Fund* – RETAINED**

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.

***Sec. 404. County Veterans Counselors* – REVISED**

Requires the department to provide training and resources for county veterans counselors. Executive – retains. House – 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.

***Sec. 405. College Campus Veterans Outreach Initiative* – REVISED**

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.

Major Boilerplate Changes From FY 2012-13

***Sec. 406. Michigan Veterans Affairs Agency Strategic Plan* – NEW**
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.

***Sec. 407. Veterans Service Delivery System* – NEW**
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.

***Sec. 408. 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 – 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.

***Sec. 409. Michigan Youth ChalleNGe Academy* – RETAINED**
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 – retains. House – retains.

***Sec. 410. Department Data Upgrades and Digitization* – REVISED**
Requires the department to digitize all medical records and military discharge documents which are currently on paper and microfilm. (FY 2012-13 Section 706). Executive – deletes. House – provides that the department "shall continue to" digitize medical and discharge records.

HOMES

***Sec. 601. 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.

***Sec. 602. Michigan Veterans' Facility Ombudsman* – REVISED**
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.

CAPITAL OUTLAY

***Sec. 701. Capital Outlay Lump-Sum Appropriations* – RETAINED**
Requires the department director to allocate lump-sum appropriations consistent with statutory provisions and to address priority program or facility needs; requires any balance remaining after three years to revert to the fund from which it was appropriated. Executive – deletes. House – retains.

***Sec. 702. Capital Outlay Carryforward* – RETAINED**
Authorizes capital outlay appropriations to be carried forward at the end of the fiscal year, consistent with provisions outlined in the Management and Budget Act. Executive – deletes. House – retains.

***Sec. 703. Special Maintenance at the Veterans' Homes* – REVISED**
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. Executive – deletes. House – deletes the language concerning subcommittee approval of projects, and adds a report on the costs of maintenance projects completed during the fiscal year.

Major Boilerplate Changes From FY 2012-13

ONE-TIME APPROPRIATIONS

***Sec. 705. County Counselor Accreditation* – DELETED**

Requires the department to develop an application and grant process to fund accredited veterans service officers; requires grants to be made available to underserved counties, based on need of veterans services. Executive – deletes. House – deletes.

***Sec. 801. 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. House – adds this section.

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.

FY 2013-14: DEPARTMENT OF NATURAL RESOURCES
Summary: As Passed by the House
Article XV, House Bill 4328 (H-1) as Amended

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 Enacted	*Difference: House From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$2,027,200	$1,412,300	$1,412,300			*($614,900)*	*(30.3)*
Federal	66,524,800	67,127,300	67,127,300			*602,500*	*0.9*
Local	0	0	0			*0*	*--*
Private	7,239,200	7,237,200	7,237,200			*(2,000)*	*0.0*
Restricted	242,353,700	251,325,500	241,873,000			*(480,700)*	*(0.2)*
GF/GP	19,737,900	27,286,600	17,929,700			*(1,808,200)*	*(9.2)*
Gross	**$337,882,800**	**$354,388,900**	**$335,579,500**			***($2,303,300)***	***(0.7)***
FTEs	2,099.8	2,141.3	2,089.3			*(10.5)*	*(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.

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 House 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 concurs 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, 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 estimated to generate $18.1 million funding annually; a portion of new revenue would fund 16.0 additional conservation officers and 20.0 wildlife/fisheries positions, as well as 8.0 additional FTEs. House concurs with Executive.	**Gross**	N/A	**$11,365,000**
	Restricted	N/A	11,365,000
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. House concurs with Executive.	Restricted	N/A	2,700,000

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
4. Conservation Officer Academy and Training	FTE	N/A	0.0
Executive includes $3.5 million GF/GP funding and 25.0 FTE positions for a conservation officer academy for 25 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. House does not include additional funding and FTE positions.	**Gross**	**N/A**	**$0**
	GF/GP	N/A	$0
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. House does not include additional funding.	GF/GP	N/A	$0
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. House does not include additional funding and FTE position.	**Gross**	**N/A**	**$0**
	GF/GP	N/A	$0
7. IT Rate Adjustments and Upgrades	**Gross**	**N/A**	**$95,700**
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. House includes $95,700 Gross ($11,000 GF/GP) funding for program rate changes, but does not include funding for infrastructure and bandwidth expansions.	Restricted	N/A	84,700
	GF/GP	N/A	$11,000
8. Summer Youth Initiative	**Gross**	**$3,000,000**	**($3,000,000)**
Executive includes current-year funding of $3.0 million GF/GP for the Summer Youth Initiative Program. House eliminates funding for program.	GF/GP	$3,000,000	($3,000,000)
9. Wildfire Protection	**Gross**	**N/A**	**$1,500,000**
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.	Restricted	N/A	(1,500,000)
	GF/GP	N/A	$3,000,000
10. Forest Management	**Gross**	**N/A**	**$1,500,000**
House includes additional $1.5 million restricted funding (Forest Development Fund) in the Forest Management and Timber Market Development line item.	Restricted	N/A	1,500,000
11. Sustainable Forestry Initiative	**Gross**	**N/A**	**$100**
House includes additional restricted funding of $100 as a placeholder for a Sustainable Forestry Initiative Grant program.	Restricted	N/A	100
12. 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. House concurs with Executive.	Restricted	N/A	5,000
13. 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 concurs with Executive.	GF/GP	$2,096,200	($2,096,200)
14. Belle Isle	FTEs	N/A	0.0
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 additional positions. House does not include additional funding and FTE positions.	**Gross**	**N/A**	**$0**
	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 House Change
15. 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. House concurs with Executive.	Restricted	12,125,900	(2,625,900)
16. 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 includes an additional $665,000 Gross funding, but does not include the $9.4 million restricted funding from the Waterways Fund for emergency dredging.			
17. 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. House concurs with Executive.	IDG	N/A	23,100
	Federal	N/A	562,600
	Private	N/A	31,400
	Restricted	N/A	3,180,200
	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.

***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 retains language.

***Sec. 223. Waterways Fund Projects* – RETAINED**

Requires report on activities of Waterways Commission during the previous fiscal year; list of completed waterways fund projects to be provided to Legislature and State Budget Director. Executive deletes language; House retains language.

***Sec. 230. Measurable Outcomes Report* – DELETED**

Requires report identifying 10 principal measurable outcomes of budget expenditures. Executive deletes language; House concurs with Executive.

***Sec. 233. FTE Report* – RETAINED**

Requires report on the number of FTEs in pay status; report required quarterly. Executive deletes language; House retains 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 adds new section. House concurs with Executive.

***Sec. 406. Historical Program Fees* – RETAINED**

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.

***Sec. 408. Land Transactions* – RETAINED**

Requires detailed report to Legislature on land purchases, sales and exchanges. Executive deletes language; House retains language.

***Dec. 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 retains language.

Major Boilerplate Changes From FY 2012-13

***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 retains language.

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

***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; House concurs 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 retains 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 retains language.

***Sec. 805. Contract Foresters* – RETAINED**
Allows Department to hire sufficient contract foresters to mark timber. Executive deletes language; House retains 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 concurs with Executive.

***Sec. 807. Disaster and Emergency Contingency Fund* – NEW**
Includes new language that 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 adds new section. House revises language to appropriate up to $500,000 funding.

***Sec. 808. Wildfire and Forest Management Funding* – NEW**
Includes new language that 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 adds new section.

***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 retains 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 retains 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 retains language.

***Sec. 1003. Dam Management Program* – RETAINED**
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. Executive deletes language; House retains language.

Major Boilerplate Changes From FY 2012-13

***Sec. 1004. Sustainable Forestry Initiative Grant* – NEW**
Includes new legislative intent language 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 adds new section.

***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 retains 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 retains language.

***Sec. 1104. Federal Reimbursement For Harbor Dredging* – NEW**
Includes new language that 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 section. House revises language to refer to federal reimbursement of any dredging of harbors under ACOE's jurisdiction.

***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 retains language.

FY 2013-14: DEPARTMENT OF STATE POLICE
Summary: As Passed by the House
Article XVI, House Bill 4328 (H-1) as Amended

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 Enacted	*Difference: House From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$25,238,500	$25,219,700	$25,219,700			*($18,800)*	*(0.1)*
Federal	104,911,000	98,846,100	98,846,100			*(6,064,900)*	*(5.8)*
Local	6,869,400	6,967,500	6,967,500			*98,100*	*1.4*
Private	231,300	239,700	239,700			*8,400*	*3.6*
Restricted	123,218,700	121,554,400	122,041,400			*(1,177,300)*	*(1.0)*
GF/GP	317,513,800	350,974,300	347,872,500			*30,358,700*	*9.6*
Gross	**$577,982,700**	**$603,801,700**	**$601,186,900**			***$23,204,200***	***4.0***
FTEs	2,884.0	2,917.0	2,917.0			*33.0*	*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.

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.

Major Budget Changes From FY 2012-13 YTD Appropriations		**FY 2012-13 Year-to-Date (as of 2/7/13)**	**FY 2013-14 House Change**
1. 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**	**$14,461,900**
	GF/GP	N/A	$14,461,900
House reduces 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.			
2. Emergency Operations Center Rent (One-Time Appropriation)	**Gross**	**$350,000**	**$400,000**
House provides $750,000 GF/GP to support the full-year cost of rent payments for the Emergency Operations Center. 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	$400,000
3. At-Post Troopers: COPS Grant GF/GP Offset	FTE	933.0	0.0
Executive adds $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
House concurs with the Executive.			

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
4. Disaster and Emergency Contingency Fund	**Gross**	**N/A**	**$1,000,000**
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	$1,000,000
House appropriates $1,000,000 GF/GP in FY 2013-14 to the Disaster Contingency Fund and reduces the boilerplate authorization to $500,000.			
5. Portable Radio Batteries Life Cycle	**Gross**	**N/A**	**$80,000**
Executive 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 concurs with the Executive.			
6. Motor Vehicle Fleet Leasing	**Gross**	**$15,630,700**	**$1,122,400**
Executive 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
House concurs with the Executive.			
7. Emergency Support Team Vehicles	**Gross**	**N/A**	**$350,000**
Executive adds $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
House concurs with the Executive.			
8. Information Technology Services and Projects	**Gross**	**$21,258,700**	**$2,155,200**
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	55,100
	GF/GP	$12,154,500	$2,013,000
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)			
9. Eliminate FY 2013 One-Time Appropriations	**Gross**	**$5,643,700**	**($5,643,700)**
Executive eliminates several one-time appropriations made in FY 2012-13 for state employee lump sum payments ($3.2 million Gross); traffic control for Michigan International Speedway ($800,000 GF/GP); 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)
House concurs with the Executive.	GF/GP	$4,508,900	($4,508,900)

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
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.			
11. Economics Adjustment	**Gross**	**N/A**	**$19,089,900**
Reflects 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

GENERAL SECTIONS

***Sec. 201. State Spending and State Appropriations Paid to Local Units of Government* – REVISED**
Specifies total state spending from state resources and payments to local units of government from state resources. Executive and House – update to reflect FY 2014 appropriations.

***Sec. 202. Appropriations Subject to the Management and Budget Act* – RETAINED**
Subjects appropriations to the Management and Budget Act, 1984 PA 431. Executive – deletes. House – retains.

***Sec. 203. Terms and Acronyms* – REVISED**
Defines various terms and acronyms contained in the department's budget. Executive – deletes a number of definitions related to specific fund sources identified in the bill. House – deletes definitions for "PA" and "MCL" and adds a definition for "subcommittees".

***Sec. 204. IDG Funding Received by the Department* – DELETED**
Lists specific amounts and sources of interdepartmental grant funding received by the department. Executive – deletes. House – deletes.

***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.

***Sec. 206. Contingency Funding* – RETAINED**
Appropriates up to $10.0 million in federal, $3.5 million in state restricted, $1.0 million in local, and $200,000 in private contingency funds; authorizes expenditure of funds after the legislative transfer of spending authority to specific line items. Executive – retains. House – retains.

***Sec. 207. Transparency Website* –RETAINED**
Requires the department to provide the data necessary for DTMB to maintain a searchable website that is accessible by the public at no cost that includes expenditure data, data on payments made to vendors, and data on number of active employees, job specifications, and wage rates. Executive – retains. House – retains.

***Sec. 208. Internet Availability of Required Reports* – RETAINED**
Requires MSP to use the Internet to fulfill reporting requirements; authorizes transmission of reports via e-mail. Executive – deletes. House – retains.

Major Boilerplate Changes From FY 2012-13

***Sec. 209. Purchase of Foreign Goods* – REVISED**
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.

***Sec. 210. Businesses in Deprived and Depressed Communities* – DELETED**
Requires the department director to take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts. Executive – deletes. House – deletes.

***Sec. 211. Information Technology Work Project Account* – NEW**
Designates the appropriation for information technology as a work project account. House – adds this section.

***Sec. 212. Receipt and Retention of Required Reports* – RETAINED**
Requires the department to receive and retain copies of all required reports; requires federal and state guidelines to be followed for short- and long-term retention of records; authorizes the department to electronically retain copies of reports unless otherwise required by federal and state guidelines. Executive – deletes. House – retains.

***Sec. 214. Information Technology Services* – NEW**
Requires the department to pay user fees to DTMB for technology-related services and projects. House – adds this section.

***Sec. 215. Disciplinary Action Against State Employees* –RETAINED**
Prohibits the department from taking disciplinary action against employees for communicating with legislators or their staff. Executive – deletes. House – retains.

***Sec. 216. Schedule of Programs Disclaimer* – RETAINED**
Specifies that the schedule of programs is a list of programs which may be, but is not required to be, funded; specifies that the schedule of revenue sources may or may not be received from the entities listed; specifies that Secondary Road Patrol funding is not subject to funding flexibility and the program will be funded in accordance with law; specifies that funding required by statute is not subject to funding flexibility. Executive – deletes the language concerning the Secondary Road Patrol Funding. House – retains.

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

***Sec. 218. Out-of-State Travel* – RETAINED**
Requires the department to report on out-of-state travel expenses paid for in whole or in part with state appropriations. Executive – retains. House – retains.

***Sec. 219. Quarterly Reporting on Achieving Requirements* – RETAINED**
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.

***Sec. 220. Data to be Reported* – RETAINED**
Requires the department to report on school bus inspections, on the status of assessments collected under the Michigan Vehicle Code, and on casino gaming oversight activities. Executive – deletes. House – retains.

***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.

***Sec. 222. Post Closure or Consolidation* – REVISED**
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.

***Sec. 223. Privatization* – DELETED**
Requires submission of a project plan to the appropriations subcommittees and the fiscal agencies 60 days before beginning any effort to privatize. Executive – deletes. House – deletes.

***Sec. 224. Use of Funding for Legal Services* – RETAINED**
Prohibits using appropriations to hire a person to provide legal services that are the responsibility of the attorney general; prohibition does not apply to legal services for bonding activities or activities that the attorney general authorizes. Executive – retains. House – retains.

Major Boilerplate Changes From FY 2012-13

***Sec. 226. Contractual Services* – RETAINED**
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.

***Sec. 227. Interoperability Standards* – RETAINED**
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.

***Sec. 228. General Fund Lapses* – RETAINED**
Requires the department to report on estimates of general fund lapses at the close of the fiscal year by November 15. Executive – places the requirement to submit the report on the State Budget Office (requiring the department to cooperate with the SBO in completing the report), and moves the date to November 30. House – retains.

***Sec. 229. Report on State Restricted Funds* – RETAINED**
Requires the department to report on state restricted fund balances, projected state restricted fund revenues, and state restricted fund expenditures within 14 days of the release of the Executive Budget Recommendation. Executive – retains. House – retains.

***Sec. 230. Calhoun County Post* – DELETED**
Authorizes the department to enter into an agreement with Calhoun County to build a new post. Executive – deletes. House – deletes.

***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.

***Sec. 231. Assistance to Communities Without Law Enforcement Assistance* – RETAINED**
Requires the department to provide general law enforcement assistance to communities that have no local law enforcement, or that are underserved, until adequate services can be provided by other means. Executive – deletes. House – retains.

***Sec. 232. Michigan Public Safety Communications System* – RETAINED**
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.

EXECUTIVE DIRECTION

***Sec. 250. Unclassified Positions* – DELETED**
Lists titles of unclassified positions; requires the department to notify the subcommittees prior to submitting requests for additional unclassified positions or requests for changes to the duties of existing unclassified positions. Executive – deletes. House – deletes.

SCIENCE, TECHNOLOGY, AND TRAINING BUREAU

***Sec. 301. 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.

***Sec. 302. 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.

***Sec. 303. Criminal History and Accident Data Collection System* – RETAINED**
Requires the department to maintain proper levels of staffing and resources for maintaining criminal history and accident data collection systems. Executive – retains. House – retains.

***Sec. 304. 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 – retains. House – revises the reference year for the metric to FY 2010-11, rather than FY 2009-10.

Major Boilerplate Changes From FY 2012-13

***Sec. 305. 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 and House – delete the requirements placed on the department if they propose new LEIN user fees.

***Sec. 306. Sex Offender Registry* – RETAINED**
Requires the department to maintain proper levels of staffing and resources to oversee and enforce the state's Sex Offender Registry. Executive – retains. House – retains.

FORENSIC SCIENCES
***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.

UNIFORM SERVICES
***Sec. 501. Traffic Safety and Enforcement* – RETAINED**
Requires the department to maintain proper levels of staffing and resources for traffic safety and enforcement. Executive – retains. House – retains.

***Sec. 502. Duties of Enlisted Personnel* – RETAINED**
Requires enlisted personnel to respond to crimes in progress and other emergency situations in addition to enforcing traffic laws. Executive – retains. House – retains.

***Sec. 503. Distressed Cities* – REVISED**
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.

***Sec. 504. Trooper Recruits* – DELETED**
Requires the department to hire and train 180 troopers. Executive – deletes. House – deletes.

***Sec. 505. Security Services at the Capitol Building* – 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.

***Sec. 506. Cities in Distress Public Safety Initiative* – REVISED**
Requires the department to report on statistics associated with the cities in distress public safety initiative (I.e., statistics regarding trooper schools, criminal activity, and local law enforcement officers). Executive – deletes. House – changes the date of the report to December 1 and requires the report to be provided for the prior fiscal year.

***Sec. 507. Status of Regional Policing Model* – DELETED**
Requires the department to report on transition to the regional policing model (i.e., costs and savings associated with shifting personnel from traditional office assignments to road patrol assignments). Executive – deletes. House – deletes.

SPECIALIZED SERVICES
***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.

***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.

***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.

***Sec. 604. School Bus Inspections* – RETAINED**
Requires the department to annually inspect all black and yellow school buses. Executive – retains. House – retains.

Major Boilerplate Changes From FY 2012-13

***Sec. 605. Commercial Vehicle Inspections* – RETAINED**
Requires the department to maintain proper levels of staffing and resources for annually inspecting 53,000 commercial vehicles. Executive – retains. House – retains.

SUPPORT SERVICES
***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.

***Sec. 702. Intelligence Operations Center* – RETAINED**
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. Executive – retains. House – retains.

***Sec. 703. Hazardous Materials Response Training* – RETAINS**
Requires the department to maintain proper levels of staffing and resources for providing hazardous materials response training; 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. Executive – deletes language pertaining to the allocation of homeland security grants. House – retains.

***Sec. 704. Emergency Operations Center* – REVISED**
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 – deletes the reference to the relocation of the EOC from the Collins Road facility. House – concurs with Executive.

***Sec. 705. Public Awareness Campaigns* – RETAINED**
Requires the department to conduct public awareness campaigns and to train child passenger safety technicians. Executive – deletes. House – retains.

***Sec. 706. 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 – reduces the spending authorization to $200,000, requires the annual report to also be provided to the House and Senate appropriations committees.

PART 2A: PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS FOR FY 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.

FY 2013-14: DEPARTMENT OF TRANSPORTATION
Summary: As Passed by the House
Article XVII, House Bill 4328 (H-1) as Amended

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 Enacted	*Difference: House From FY 2012-13 YTD* *Amount*	*%*
IDG/IDT	$3,531,900	$3,625,100	$3,625,100			*$93,200*	*2.6*
Federal	1,221,830,100	1,198,885,500	1,198,885,500			*(22,944,600)*	*(1.9)*
Local	52,080,200	50,177,100	50,177,100			*(1,903,100)*	*(3.7)*
Private	100,000	100,000	100,000			*0.0*	*0.0*
Restricted	2,165,895,300	3,321,999,900	2,088,181,000			*(77,714,300)*	*(3.6)*
GF/GP	23,000,000	0	100,000,000			*77,000,000*	*334.8*
Gross	**$3,466,437,500**	**$4,574,787,600**	**$3,440,968,700**			***($25,468,800)***	***(0.7)***
FTEs	2,918.30	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) 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.

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 House Change
1. State Trunkline Maintenance	FTEs	808.7	0.0
Recognizes economic adjustments of $2.3 million. House 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**	**$27,140,300**
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	$100,000,000
House makes a direct appropriation $100.0 million GF/GP to ensure the state matches all available federal-aid highway funds; assumes continuing shift of $12.0 million in driver's license fee revenue to STF, and recognizes $25.8 million in Blue Water Bridge (BWB) Fund revenue for BWB Plaza project. STF revenue of $63.2 million used in this line reflects Michigan Department of Treasury Office of Revenue and Tax Analysis (ORTA) revenue estimates of baseline transportation revenue for FY 2013-14, net of other STF appropriations.			

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House 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
	Restricted	0	0
Executive proposed rolling current county road commission and city/village MTF funding into this line through new Act 51 funding formula.			
House line item is the same as current year.			
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)
House recognizes 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
House recognizes current Act 51 program, adjusted for anticipated increase in net baseline MTF revenue as compared to estimates on which current year budget was based. Total appropriation would be $908, 1 million; county road commissions, $583.0 million; and cities/villages, $325.1 million.			
6. Local Program Fund	**Gross**	**$33,000,000**	**$0**
Executive proposes elimination of this Act 51 earmark, effectively rolling into *Local federal aid and road and bridge construction* line item.	Restricted	33,000,000	0
House recognizes current Act 51 program.			
***7. Commercial Corridor Fund* – NEW**	**Gross**	**$0**	**$100**
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. Executive also proposed a new fund/program, the Commercial Corridor Fund, as the recipient of most of this new revenue ($1.132 billion), under a new distribution formula.	Restricted	0	100
House does not include increase in baseline revenue from proposed funding package; includes a $100 placeholder.			
***8. Basic Industry Logistics Transportation (BILT)* – NEW**	**Gross**	**$0**	**$100**
Executive had proposed new fund/program reflecting proposed revenue package and distribution formula. The fund would be competitive grant program to replace the current Transportation Economic Development Fund (TEDF) and Rail Grade Crossing program.	Restricted	0	100
House does not include increase in baseline revenue from proposed funding package; includes a $100 placeholder.			
9. Rail Grade Crossing	**Gross**	**$3,000,000**	**$0**
Executive proposes elimination of this Act 51 earmark, effectively rolling into new BILT program.	Restricted	3,000,000	0
House recognizes current Act 51 program.			
10. Transportation Economic Development Fund (TEDF)	**Gross**	**$32,058,200**	**$0**
Executive proposes elimination of program; effectively replaced by new BILT program.	Restricted	32,058,200	0
House recognizes current program and funding levels.			

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
11. Aeronautics Services	FTEs	54.0	0.0
Executive budget was $612,600 (SAF) less than the current, reflecting economic increases of $166,600, and offsetting adjustments to estimated SAF revenue, ($779,200). Due to the reduction in estimated SAF revenue, the Executive reduced the *Air service* grant program from $700,000 to $301,200.	**Gross**	**$8,268,500**	**($913,700)**
	Restricted	8,268,500	(913,700)
Executive budget request had included $508,300 in additional SAF revenue from a proposed increase in aircraft registration taxes. House does not recognize the proposed SAF revenue increase. As a result, House reduces the *Air service* grant program to $100 placeholder; a reduction of $301,100 SAF as compared to the Executive. The balance of the House adjustment of SAF revenue is made in *Airport Improvement Program* discussed below.			
12. Bus Transit - Local Bus Operating Assistance	**Gross**	**$166,624,000**	**$0**
Provides state operating assistance to local public transit agencies; current year CTF funding unchanged since FY 2006-07.	Restricted	166,624,000	0
Executive proposed $14.5 million increase in baseline funding reflecting additional revenue from proposed funding package.			
House recognizes current funding levels.			
13. Bus Transit - Non-Urban Operating/Capital	**Gross**	**$22,787,900**	**$2,400,000**
House concurs with the Executive; recognizes federal non-urban transit grants; reflects 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**
Because of the way the state operating assistance is calculated, anticipated reductions in Detroit general fund support for the Detroit Department of Transportation (DDOT) will also reduce the amount of state assistance provided to other urban transit agencies. Executive proposes additional CTF funding, both in the current year and in FY 2013-14 to urban transit agencies, other than DDOT, affected by the reduction in Detroit general fund support for DDOT.	Restricted	**0 ***	5,400,000
		** The Governor has proposed $5,396,600 in current year supplemental*	
House concurs with the Executive and includes $5.4 million CTF for the new line – an increase of $3,400 assuming passage of the supplemental request.			
15. Freight Property Management	**Gross**	**$1,000,000**	**$0**
Program to maintain state-owned rail facilities. Executive proposed $1.0 million increase in baseline funding reflecting additional revenue from proposed funding package.	Restricted	1,000,000	**0**
House recognizes current funding levels.			
16. Intercity Services	**Gross**	**$7,690,000**	**($1,750,000)**
Supports intercity bus service through operating and capital assistance. House concurs with the Executive and reduces CTF revenue support.	Federal	4,500,000	0
	Local	50,000	0
	Restricted	3,140,000	(1,750,000)
17. Rail Operations and Infrastructure	**Gross**	**$24,592,000**	**$0**
Supports rail passenger and rail freight programs. Executive had proposed $27,042,900 increase in CTF funding; $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, $3.0 million for related track maintenance, and $7.7 million undesignated increase in baseline program. Increased funding would be provided by proposed revenue package.	Federal	3,100,000	0
	Local	100,000	0
	Private	100,000	0
	Restricted	21,292,000	0
House recognizes current funding levels; established new line item for *Wolverine* service.			

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
***17a. Rail Passenger Service/Wolverine* – NEW**	**Gross**	**$0**	**$100**
House establishes new line item to recognize *Wolverine* service with $100 CTF placeholder. Related boilerplate in Section 712.	Restricted	0	100
18. Marine Passenger Service	**Gross**	**$400,000**	**$0**
House concurs with the Executive and retains current year funding levels.	Restricted	400,000	0
19. Terminal Development	**Gross**	**$461,000**	**$0**
Executive proposed $689,000 CTF increase in baseline funding reflecting additional revenue from proposed funding package.	Restricted	461,000	0
House recognizes current funding levels.			
***20. Rural/Urban Intercity Connector* – NEW**	**Gross**	**$0**	**$100**
Executive had proposed new program funded at $1.2 million CTF, reflecting proposed revenue package.	Restricted	0	100
House does not recognize increase in baseline revenue from proposed funding package; includes a $100 placeholder.			
***21. Rail Infrastructure Assistance* – NEW**	**Gross**	**$0**	**$100**
Executive had proposed new program funded at $10.0 million CTF, reflecting proposed revenue package.	Restricted	0	100
House does not recognize increase in baseline revenue from proposed funding package; includes a $100 placeholder.			
22. Specialized Services	**Gross**	**$8,913,800**	**$9,115,000**
Supports transit programs for elderly and disabled citizens. Executive adjusts federal and local revenue to reflect MAP-21 funding, and includes $5.5 million increase in CTF revenue from proposed revenue package.	Federal	2,485,000	7,415,000
	Local	2,485,000	1,700,000
	Restricted	3,943,800	0
House appropriates $18.0 million; recognizes federal and local revenue adjustments; does not recognize increase in baseline CTF revenue from proposed funding package.			
23. Municipal Credit Program	**Gross**	**$2,000,000**	**($1,999,900)**
Executive had eliminated this Act 51 earmark for transit services in Southeast Michigan reflecting proposed new distribution formula.	Restricted	2,000,000	(1,999,900)
House includes a $100 placeholder; it is not clear how the program will work under Regional Transit Authority Act (2012 PA 387).			
24. Bus Capital/Transit Capital	**Gross**	**$66,942,900**	**($34,797,600)**
Provides matching funds for federal transit grants to local transit agencies. Executive budget request of $31.1 million adjusts federal revenue, and related state and local matching funds, to reflect MAP-21 funding.	Federal	28,300,000	(23,300,000)
	Local	5,000,000	(3,750,000)
	Restricted	33,642,900	(7,747,600)
House concurs with Executive.			
25. Van Pooling	**Gross**	**$807,000**	**$0**
Provides state CTF funds for matching federal transit grants. Executive budget request of $1.8 million reflected $989,800 million CTF increase from proposed funding package.	Restricted	807,000	0
House recognizes current funding levels.			
26. Service Initiatives	**Gross**	**$1,865,000**	**($182,100)**
CTF revenue used for matching federal grants. Executive budget reduced CTF support from current year baseline.	Federal	1,150,000	0
	Local	200,000	0
	Restricted	515,000	(182,100)
House concurs with Executive.			

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.

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
27. Transportation to Work	**Gross**	**$9,700,000**	**($5,000,000)**
Executive budget request of $7.1 million reflected elimination of federal and local revenue to reflect MAP-21 program, and $2.4 million increase in CTF revenue to reflect proposed funding package.	Federal	2,700,000	(2,700,000)
	Local	2,300,000	(2,300,000)
	Restricted	4,700,000	0
House appropriates $4.7 million CTF, same as current year CTF baseline; recognizes federal and local revenue adjustments; does not recognize increase in baseline CTF revenue from proposed funding package.			
***28. Regionalization Incentives* – NEW**	**Gross**	**$0**	**$100**
Executive had proposed new program funded at $5.3 million CTF, reflecting proposed revenue package.	Restricted	0	100
House does not recognize increase in baseline revenue from proposed funding package; includes a $100 placeholder.			
***29. Urban Modernization* – NEW**	**Gross**	**$0**	**$100**
Executive had proposed new program funded at $50.5 million CTF, reflecting proposed revenue package.	Restricted	0	100
House does not recognize increase in baseline revenue from proposed funding package; includes a $100 placeholder.			
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 redirection of 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.			
House does not recognize proposed increase in aircraft registration taxes. As a result, House reduces this line item by $207,100 SAF as compared to the Executive; the balance of the House adjustment of SAF revenue is made in Air service grant program discussed above.			
31. State Employee Lump-Sum Payment	**Gross**	**$3,260,800**	**($3,260,800)**
House concurs with Executive and eliminates one-time appropriation for negotiated one-time lump sum payments to state employees.	IDG	14,800	(14,800)
	Restricted	3,246,000	(3,246,000)
32. Federal Match – Transit Capital	**Gross**	**$12,000,000**	**($12,000,000)**
House concurs with Executive and eliminates one-time General Fund item.	GF/GP	$12,000,000	($12,000,000)
33. Federal Match – Rail Operations/Infrastructure	**Gross**	**$11,000,000**	**($11,000,000)**
House concurs with Executive and eliminates one-time General Fund item.	GF/GP	$11,000,000	($11,000,000)
34. Economics	**Gross**		**$11,230,400**
House adopts Executive budget recommendation 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 House Differences from Executive			
House does not included certain requested increases in baseline funding for Information Technology and is thus $217,700 (Restricted) less than Executive.			

Major Boilerplate Changes From FY 2012-13

House includes almost all current year boilerplate. Major changes noted below.

***Sec. 275. Boilerplate Appropriation of General Fund Revenue* – NEW**
Provides General Fund revenue to the MTF – a $50.0 million direct appropriation, plus an amount equal to the General Fund lapse at the end of the 2012-13 fiscal year. The additional revenue to be distributed to the State Trunkline Fund, country road commissions, and cities/villages in accordance with the provisions of Section 10(1)(j) of 1951 PA 51.

***Sec. 308. Contract Compliance* – REVISED**
Current year language requires department and local road agencies 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.

Executive had deleted; House revises to provide for reporting requirement on the department's prequalification process and unsatisfactory contractor performance rating.

***Sec. 313. State Infrastructure Bank* – REVISED**
House adds new subsection reporting requirement.

***Sec. 353. Prompt Payment* – RETAINED**
Directs department to review contractor payment process; references Special Provision 109.10. Executive had deleted; House retains current year language.

***Sec. 381. E-Verify for Legal Status of Contractor/Subcontractor New Employees* – RETAINED**
Current year language requires the department to use the E-Verify system to verify legal status of contractor and subcontractor new hires; provides reporting requirement. Executive had deleted; House retains current year language.

***Sec. 384. New International Trade Crossing (NITC)* – REVISED**
House provides for reporting requirement.

***Sec. 504. MTF* Distribution – RETAINED**
Requires use of MTF in accordance with Act 51 requirements. Executive had modified to reflect Commercial Corridor Fund and BILT fund; House retains current year language with minor style changes.

***Sec. 601. Road Construction Warranties* – RETAINED**
Encourages use of road construction warranties; reporting requirement. Executive had deleted; House retains current year language.

***Sec. 603. Traffic Congestion* – RETAINED**
Directs department to consider traffic congestion be used as criteria in project selection. Executive had deleted; House retains current year language.

***Sec. 660. Use of Alternative Materials* – RETAINED**
Encourages department to examine the use of alternative road surface materials including crumb rubber from tires. Executive had deleted; House retains current year language.

***Sec. 661. Matching Federal-Aid Highway Funds* – REVISED**
House indicates that $100.0 million in GF/GP revenue is intended to ensure that the state is able to match all available federal-aid highway funds.

***Sec. 711. Seven-Day Rail Passenger Service (AMTRAK)* – RETAINED**
Directs department to negotiate with a rail carrier to provide seven-day Port Huron/Chicago and Grand Rapids/Chicago service; provides certain directives; report on capital projects.

***Sec. 712. Use of Rail Operations and Infrastructure Funds (AMTRAK/Wolverine)* – NEW**
Restricts use of appropriated CTF funds to Port Huron/Chicago and Grand Rapids/Chicago service and rail capital programs; limits use of funds related to AMTRAK Wolverine service.

***Sec. 741. Report on Bus Transit Roll-Over Safety Standards* – DELETED**
House does not include one-time report on bus roll-over standards.

***Sec. 901. Aeronautics Capital Program* – REVISED**
Permits department to contract for airport improvement projects on behalf of local airport owners. House concurs with Executive and 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. 905. Airport Improvement Program Matching Funds* – DELETED**
Indicated that $10.0 million in SAF revenue represented estimated revenue from passage of House Bill 4025 (2012 PA 226) and was intended to ensure that the state is able to match all available federal airport improvement funds.

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.