



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 1092 (as introduced)
Committee: Appropriations

FY 2005-06 Year-to-Date Gross Appropriation \$1,214,719,000

Changes from FY 2005-06 Year-to-Date:

- 1. **Program Transfers.** The Governor recommended transferring the Pre-college Program for the Engineering and Sciences to the School Aid budget (\$680,100) and the Michigan Community Service Commission to the Department of Human Services (DHS) (\$9,391,900). (10,072,000)
- 2. **Liquor License Fees.** The Governor recommended a fee increase for licensees. Revenue from this fee increase would replace \$23.0 million in Liquor Purchase Revolving Fund revenue which would then lapse to the General Fund. 0
- 3. **Fund Shift.** The Governor recommended a fund shift to replace the expired Federal Reed Act funding of (\$5.0 million) with \$4,350,000 of General Fund revenue for the Job Training Programs Subgrantees, resulting in a reduction of (\$650,000). For Welfare-to-Work, Reed Act funds of (\$1.3 million) were replaced with \$1.3 million of General Fund grant line items. (650,000)
- 4. **Jobs, Education and Training Pilot.** The Governor recommended adding an IDG from the DHS for a pilot program to assist the hard to serve welfare recipients. 1,064,100
- 5. **Fire Protection Grants.** The Governor recommended maintaining the FY 2004-05 level bringing the total grant amount to \$10.9 million. 3,700,000
- 6. **Federal Fund Increases.** The Governor recommended additional Federal revenue of \$5.0 million for the Michigan State Housing Development Authority (MSHDA), housing and rental programs and of \$2.0 million for Workforce Development, training funds for the disabled. 7,000,000
- 7. **Broadband Development Authority.** The Governor recommended reducing staff to reflect the program size. (1,093,400)
- 8. **Regulatory Program Enhancements.** The Governor recommended increases for various regulatory programs consistent with recently enacted legislation and to accommodate workload adjustments. The increases for the Office of Financial and Insurance Services (OFIS) include 11.0 FTEs and \$1,158,500 for Pay Day Lending, regulation of financial institutions, and insurance company examinations; for the Public Service Commission (PSC) include 8.0 FTEs and \$570,800 for regulation of private wastewater treatment facilities and rate case filing workload; for Occupation Regulation include 1.0 FTEs and \$79,000 for electronic filing of corporate documents; for the Tax Tribunal include 4.0 FTEs and \$460,600 for backlog reduction; and for the Land Bank Fast Track Authority 2.0 FTEs and \$133,100 for workload adjustment. 2,402,000
- 9. **Low-Income Energy Efficiency Grants.** The Governor recommended funding this program at \$60.0 million, removing the \$21.5 million of supplemental funding added in FY 2005-06. (21,500,000)
- 10. **Economic Adjustments.** 18,602,900
- 11. **Other Changes.** The Governor recommended various Federal and State restricted fund source adjustments \$2,238,500 and administrative cost adjustments to the Human Resources Optimization Program of \$105,200 and the State Office of Administrative Hearings and Rules (\$8,800). 2,334,900

Total Changes..... \$2,379,900

FY 2006-07 Governor's Recommendation..... \$1,217,098,900

Changes from FY 2005-06 Year to Date:

1. **General Sections.** Governor recommended deleting the following sections: Privatization, Affirmative Action, Receive and Retain, Aggregated Fund Sources, Disciplinary Action for Legislative Communication and added Contingency Fund language. (Sec.218)
2. **Deleted Reports.** The Governor recommended deleting the following reports (Section numbers refer to P.A. 156 of 2005):
 - MSHDA Report on Housing Goals (Sec. 306)
 - Elevator Fee Fund collections (Sec. 308)
 - PSC Low-Income Energy Efficiency Fund (LIEEF) Funds Distribution (Sec. 335)
 - OFIS Expenditures by Division (Sec. 336)
 - OFIS HMO Quarterly and Annual Filings to the Fiscal Agencies (Sec. 340)
 - Broadband Authority Administrative Costs and Payments to MSHDA (Sec. 364)
3. **Deleted Sections.** The Governor recommended deleting the following sections:
 - Utility Consumer Representation Fund, Public Service Announcements (Sec. 322)
 - Administrative Law Hearings within 150-mile Radius of Filer (Sec. 332)
 - Credit Scoring Prohibition (Sec. 337)
 - MSHDA Requirement to Coordinate with Other State Agency for Senior Assisted Living (Sec. 349)
 - Real Estate Continuing Education Course and Website Posting for Continuing Education (Sec. 351)
 - Prohibition on Development of Ergonomic Guidelines (Sec. 355)
 - Real Estate Tracking System for Continuing Education Courses (Sec. 360)
 - Michigan Occupational Safety and Health Administration (MIOSHA) Grant Set-Aside for Non-profits in the Aggregate Industry (Sec. 365)
 - Legislative Intent to Fund Worker's Compensation Program with GF/GP (Sec. 366)
 - Website for Complaints Against Licensed Builders (Sec. 367)
 - Legislative Intent to Fund the Fire Marshall and Fire Fighters Training Council (Sec. 369)
 - Fire Fighters Training Council Set Aside from the Construction Code Fund (Sec. 370)
 - Allocation of 40% for the Fire Fighters Training Council from the Homeland Security Funds (Sec. 371)
 - Capping the match rate for Vocational Rehabilitation Facilities at 21.3% (Sec. 403)
 - Pre-College Programs in the Engineering and the Sciences allocation amounts (Sec. 409)
 - Michigan Strategic Fund sections are transferred to General Government Bill (Sec. 501 to 530)
4. **Fire Inspection Fees.** The Governor recommended changing the name from Fire Marshall to the Bureau of Fire Services. (Sec. 310)
5. **Commission for the Blind.** The Governor recommended adding a new subsection that would allow the Commission to carry forward any unexpended local or private revenue into the next fiscal year. (Sec. 326)
6. **Work First.** The Governor recommended changing this language to: 1) add education, community service and volunteerism options to the placement and services options that are provided to clients; 2) change identification of barriers to employment language to include a confidential screening and for further assessments for clients with identified barriers; 3) delete references to applicants; 4) require the Department to work with DHS on development of a shared assessment tool to identify barriers; 5) change reporting requirement for placement from 90 days to six months; 6) add reporting categories such as number obtaining postsecondary education, number placed in community service, and number obtaining education and training credentials; 7) replace references to joint Department of Labor and Economic Growth (DLEG), DHS orientation, and changes to distribution of guidelines by DHS and contracted DLEG staff; 8) eliminate 10-10-10 formulation and change to training/education and community service for 36 months with classroom seat time at 15 hours, one hour of study time for each classroom hour, and increasing assistance to two years; 9) increase vocational training from six to 12 months; 10) increase GED prep time from six to 12 months; 11) add new language allowing for a comprehensive basic skills education for those clients assess at a skill level below 9th grade in reading or math. (Sec. 405)

Date Completed: 2-22-06

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