



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 1092 (S-1 as passed by the Senate)
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.** Governor recommended and Senate concurred in 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 Dept. of Human Services (DHS) (\$9,391,900). (10,072,000)
- 2. **Liquor License Fees.** 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. Senate did not include the fee increase. 0
- 3. **Fund Shift.** Governor recommended a fund shift to replace the expired Federal Reed Act funding of (\$5.0 million) with \$4,350,000 of General Fund 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. Senate concurred. (650,000)
- 4. **Bureau of Fire Services.** Senate added \$1,365,600 GF/GP to fund the administrative expenses of the new Bureau. A fund shift of \$906,000 from Construction Code Fund to GF/GP was done to cover overhead costs. 459,600
- 5. **Jobs, Education and Training Pilot.** Governor recommended adding an IDG from DHS for a pilot program to assist hard to serve welfare recipients. Senate concurred. 1,064,100
- 6. **Fire Protection Grants.** Governor recommended bringing the total grant amount to \$10.9 million. Senate concurred. 3,700,000
- 7. **Broadband Development Authority.** Governor recommended reducing staff to reflect the program size. Senate concurred. (1,093,400)
- 8. **Regulatory Program Enhancements.** Governor recommended restricted fund 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 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. Senate concurred. 2,402,000
- 9. **Low-Income Energy Efficiency Grants.** Governor recommended and Senate concurred in funding this program at \$60.0 million, removing the \$21.5 million of supplemental funding added in FY 2005-06. (21,500,000)
- 10. **Centers for Independent Living.** Senate created an item of difference. (100)
- 11. **Economic Adjustments.** 18,602,900
- 12. **Other Changes.** Governor recommended and Senate concurred in various Federal and State restricted fund source adjustments of \$9,829,900 and administrative cost adjustments to the Human Resources Optimization Program of \$105,200 and the State Office of Administrative Hearings and Rules (\$8,800). 9,926,300
- 13. **Comparison to Governor's Recommendation.** Senate is \$459,500 Gross and \$1,365,500 GF/GP over the Governor's recommendation.

Total Changes..... \$2,839,400

FY 2006-07 Senate Gross Appropriation \$1,217,558,400

Changes from FY 2005-06 Year to Date:

1. **Contingency Funds.** Governor proposed contingency fund appropriations. (Sec. 218) Senate did not include them.
2. **Budget Reduction Report.** The Senate added a requirement that the Department provide a list of GF/GP budget cuts sufficient to reduce GF/GP spending by 7.93% in FY 2006-07 if the K-16 ballot initiative is adopted by the voters. (Sec. 220)
3. **Commission for the Blind.** The Governor recommended and the Senate concurred in adding a subsection that would allow the Commission to carry forward unexpended local or private revenue into the next fiscal year. (Sec. 326)
4. **Credit Scoring.** The Governor deleted and the Senate retained language prohibiting OFIS from using appropriated funds to implement prohibitions on credit scoring without legislative authorization. (Sec. 337)
5. **Ergonomic Standards.** The Governor deleted and the Senate retained language prohibiting the use of funds to develop ergonomics guidelines more stringent than Federal guidelines. (Sec. 355)
6. **Training Grants.** The Governor deleted and the Senate retained language that allocates training and technical assistance grants to nonprofit organizations representing the aggregate industry. (Sec. 365)
7. **Licensed Builder Website.** The Governor deleted and the Senate retained language requiring the Department to create a site to research the performance of a licensed builder. (Sec. 367)
8. **Administrative Law Judge Decision Report.** Senate changed House Subcommittee language that requires a report summarizing the decisions of administrative law judges to include the number of cases opened and closed, hearings held organized by department with a description of the case and type of decision either final or proposed. (Sec. 372)
9. **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) The Senate maintains current law.
10. **Workforce Investment Act Allocation.** The Senate added language requiring the Department to allocate \$3.0 million of Workforce Investment Act funding in coordination with the Michigan Economic Development Corporation and the Michigan Works! agencies and in conjunction with the Economic Development Job Training Grants program. (Sec. 430)
11. **Deleted Sections.** The Governor recommended deleting the following sections: Public service announcements on Utility Consumer Representation (322), Privatization evaluations (207), Affirmative Action (211), report retention (212), discipline of employees for communications with legislators (219), public service announcements on utility consumer representation (322), intent language on the location of administrative hearings (332), intent language regarding Michigan State Housing Development Authority (MSHDA) work on senior citizen assisted living (349), real estate continuing education course approval and website (351 & 360), intent language to fund fire services with General Fund (369), and the fire fighter training council allocation (370). The Senate concurred with the Governor on deleting sections 322, and 360 and retaining current-year language on all others.
12. **Deleted Reports.** The Governor recommended deleting the following reports: MSHDA Housing Production Report (306), Elevator Regulation Report (308), Low Income Energy Efficiency Program grant report (335), Office of Financial and Insurance Services spending by unit (336), Broadband Authority report of its costs and payments to MSHDA (364). The Senate retained current-year language on all sections.

Date Completed: 5-25-06

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