

FY 2006-07 SUPPLEMENTAL APPROPRIATIONS
Summary: As Passed by the House
House Bill 4493 (H-2)



Coordinators: Kyle Jen, Al Valenzio

	Executive*		House		Senate	
Budget Area	Gross	GF/GP	Gross	GF/GP	Gross	GF/GP
Capital Outlay	\$7,063,100	\$100	\$7,063,200	\$200		
Civil Rights	276,000	0	276,000	0		
Community Health	34,046,200	0	41,550,300	3,329,700		
Corrections	23,276,900	23,276,900	23,276,900	23,276,900		
Education	227,000	0	227,000	0		
Environmental Quality	11,620,000	0	11,620,000	0		
Human Services	7,058,900	0	7,058,900	0		
Information Technology	5,046,200	0	5,046,200	0		
Judiciary	3,090,000	0	3,090,000	0		
Labor and Econ. Growth	1,473,700	0	1,473,700	0		
Michigan Strategic Fund	8,000,000	0	8,000,000	0		
Military and Veterans Affairs	3,420,900	0	3,420,900	0		
Natural Resources	1,158,000	0	1,158,000	0		
State	140,000	0	140,000	0		
State Police	5,421,500	0	9,421,500	0		
Transportation	1,298,400	0	1,298,400	0		
TOTAL	\$112,616,800	\$23,277,000	\$124,121,000	\$26,606,800		

*Reflects requests from State Budget Office letters of 11/27/06, 2/13/07, 2/27/07, 3/15/07, 3/20/07, 3/26/07, 4/11/07, 5/10/07, 5/17/07 and one item recommended in FY 2006-07 Capital Outlay Executive Recommendation.

OVERVIEW

In addition to a number of other supplemental items, this bill contains all currently pending non-General Fund Executive supplemental requests not previously included in an enacted supplemental bill.

FY 2006-07 Appropriation Items:

CAPITAL OUTLAY

1. DMVA Special Maintenance Projects

Funding from available federal sources to support remodeling, renovation, and maintenance projects at military facilities. If not appropriated soon, these monies could be made available to other states for similar projects.

	<u>Executive</u>	<u>House</u>	<u>Senate</u>
Gross	\$6,763,000	\$6,763,000	
Federal	6,793,000	6,793,000	

FY 2006-07 Appropriation Items:**2. North Lansing Complex Renovations**

This \$25 million project is currently under construction. This appropriation of state restricted monies will offset a reduction of federal monies. The revised financing split will be \$24.2 million federal and \$800,000 state.

	<u>Executive</u>	<u>House</u>	<u>Senate</u>
Gross	\$300,000	\$300,000	
Restricted	300,000	300,000	

3. Ferris State University – Optometry Building and Center for Collaborative Health Education

This planning authorization allows the university to hire professional consultants to prepare a program statement and schematic planning documents. This project entails the construction of a new 91,000 sq. ft. instructional facility for the FSU College of Optometry. It is anticipated to cost \$23.8 million with the State share being \$17.85 million and the school share being \$5.95 million.

Gross	\$0	\$100	
GF/GP	\$0	\$100	

4. Wayne County Community College – Northwest Campus Replacement

This planning authorization allows the college to hire professional consultants to prepare a program statement and schematic planning documents. This project entails the construction of a new 180,000 sq. ft. instructional facility and demolition or renovation of the existing buildings at its Northwest Campus site. The project is anticipated to cost \$42 million with the State and school shares being \$21 million each.

Gross	\$100	\$100	
GF/GP	\$100	\$100	

CIVIL RIGHTS**5. Training for Real Estate Agents**

Funding to provide training to real estate agents on activities associated with fair housing practices. A portion of the fees paid by real estate agents will be used to fund the training program.

Gross	\$55,000	\$55,000	
Restricted	55,000	55,000	

6. Funding for Training of Victims of Criminal Acts (VOCA)

Appropriates available federal funds to be used to pay for training of victims of criminal acts. The funds will also be used for creating an on-line directory of resources that victims can access.

Gross	\$221,000	\$221,000	
IDG	221,000	221,000	

COMMUNITY HEALTH**7. Middle School Health Promotion**

Recognizes \$700,000 of a new 3-year grant from the W. K. Kellogg Foundation for middle school student-led programs in underserved communities to improve health related behaviors and address health disparities as a new Promotion of Healthy Behaviors appropriation line item. Funding authorization has also been requested for FY 2007-08 by the Executive.

Gross	\$700,000	\$700,000	
Private	700,000	700,000	

8. Vital Records System Enhancements

Adds 3.0 FTEs and appropriates \$2.5 million from a new federal Medicaid Transformation grant to enhance the state vital records system and interfaces, providing benefit to the Medicaid program of improved speed and accuracy of validation of vital events and citizenship for eligibility determination.

Gross	\$2,500,000	\$2,500,000	
Federal	2,500,000	2,500,000	

9. Credentialing Database for Health Care Providers

Adds \$3.1 million to the Health Professions line item to recognize a new federal Medicaid Transformation grant that would be used for the development of a "one source" credentialing database for licensed health care professionals and facilities. Five FTE positions would be responsible for carrying out these activities.

Gross	\$3,100,000	\$3,100,000	
Federal	3,100,000	3,100,000	

10. Women, Infants, and Children Nutrition Program

An additional \$3.3 million of federal grant funds for the Special Supplemental Nutrition Program for Women, Infants, and Children are available for WIC food costs, based on caseload and costs, and for administration. WIC participation was 229,770 in FY 2005-06, and has increased since FY 2001-02.

Gross	\$3,313,000	\$3,313,000	
Federal	3,313,000	3,313,000	

FY 2006-07 Appropriation Items:**11. Crime Victim Program Funding for Michigan State Police**

Appropriates \$1.0 million of state restricted Crime Victim's Rights Fund available balance for interdepartmental grant to Department of State Police, to replace GF/GP, for costs for the sex offender registry, amber alert missing child notification system, polygraph tests and forensic science expert witness testimony programs. Statutory revisions will be required for these new uses of the Fund.

	<u>Executive</u>	<u>House</u>	<u>Senate</u>
Gross	\$1,033,200	\$1,033,200	
Restricted	1,033,200	1,033,200	

12. Increase MACI Hospital Payment To Upper Payment Limit

Increases authorization within the Hospital Services and Therapy line item by \$23.4 million gross to increase Medicaid Access to Care Initiative (MACI) payments to hospitals up to the upper payment limit. The increase is funded with \$10.2 million of state restricted Quality Assurance Assessment (QAAP) revenue and federal Medicaid matching funds of \$13.2 million. A similar adjustment has been proposed in the FY 2007-08 Executive budget recommendation.

Gross	\$23,400,000	\$23,400,000	
Federal	13,192,900	13,192,900	
Restricted	10,207,100	10,207,100	

13. Hospital QAAP Adjustment

The Hospital Services and Therapy line item is increased by \$7.4 million gross (\$3.2 million GF/GP), reversing a reduction that was included in Senate Bill 436, authorizing the state to retain \$3.2 million of hospital QAAP revenue.

Gross	\$0	\$7,404,100	
Federal	0	4,174,400	
GF/GP	\$0	\$3,229,700	

14. Morris Hood Diabetes Outreach Program

Reinstates \$100,000 of state restricted Healthy Michigan Funds for the Morris Hood Wayne State University diabetes outreach program by retrieving the funds from the Medical Services Hospital and Therapy line item, and replacing the latter with GF/GP. These adjustments reverse changes made in Enrolled SB 436.

Gross	\$0	\$100,000	
Restricted	0	0	
GF/GP	\$0	\$100,000	

CORRECTIONS**15. Hospital and Specialty Care**

Supplements original appropriation of \$58.9 million and earlier FY 2006-07 supplemental appropriation of \$12.6 million with additional \$23.3 million for hospital and specialty care. Figure is the net of a projected shortfall of about \$26.4 million, offset by savings of \$2.0 million through paroles of medically fragile prisoners and \$1.1 million through adding infirmary beds to reduce the length of off-site hospital stays. Costs have increased due to a combination of increased utilization, higher prices, and increased prisoner population.

Gross	\$23,276,900	\$23,276,900	
GF/GP	\$23,276,900	\$23,276,900	

EDUCATION**16. Commodity Distribution Fee Revenue**

Increases the authorization to use available commodity distribution fee revenue to pay for the costs associated with the termination of a contract with Northern Food Service.

Gross	\$227,000	\$227,000	
Restricted	227,000	227,000	

ENVIRONMENTAL QUALITY**17. Green Chemistry Initiative**

Develop innovative chemical technologies targeting pollution prevention efforts, designed to reduce or eliminate the use or generation of hazardous substances during the use of chemical products.

Gross	\$1,000,000	\$1,000,000	
Restricted	1,000,000	1,000,000	

18. Brownfield Grants and Loans Program

Assists local governments through redevelopment grants and loans to cleanup environmental contamination at sites with redevelopment potential.

Gross	\$10,000,000	\$10,000,000	
Restricted	10,000,000	10,000,000	

19. Office of the Great Lakes

Guide shippers in ballast water management practices leading to reductions in aquatic invasive species to the Great Lakes.

Gross	\$45,000	\$45,000	
Federal	22,500	22,500	
Restricted	22,500	22,500	

20. Air Quality Programs

Expand the existing Homeland Security Bio-watch program to include indoor monitoring. Funding is included in the FY 2007-08 Executive Recommendation as well.

Gross	\$575,000	\$575,000	
Federal	575,000	575,000	

FY 2006-07 Appropriation Items:**21. Information Technology Services**

Deduct adjustment needed to correct funding source errors made during budget development. A new IDT for the Environmental Laboratory would be created. This adjustment is recommended in the May 4 legislative transfer package.

	<u>Executive</u>	<u>House</u>	<u>Senate</u>
Gross	\$0	\$0	
IDT	0	122,200	
Federal	0	(344,000)	
Restricted	0	221,800	

HUMAN SERVICES**22. Early Childhood Investment Corporation**

Shifts \$1.7 million in federal funding from the Day Care Services line item. This line item had been used to fund grants administered by the Early Childhood Investment Corporation (ECIC) to various regional Great Start Collaboratives around the state. The collaboratives utilize funds to assess and improve early childhood programs in their area. These funds would be transferred to a new specific line item added to the FY 2007 budget as a placeholder for future ECIC-related appropriations.

Gross	\$0	\$0
Federal	0	0

23. Nutrition Education Program

Increases authorization for Food Stamp Nutrition Education Program operated by Michigan State University (MSU). The recently received federal award exceeded the appropriation level in the FY 2007 budget act. This increases appropriations to cover the full award. All matching funds are provided by MSU.

Gross	\$1,914,000	\$1,914,000
Federal	1,914,000	1,914,000

24. Federal Funding Adjustment for Child Support

Increases federal authorization for the line item, which covers information technology costs related to Michigan Child Support Enforcement System.

Gross	\$2,182,100	\$2,182,100
Federal	2,182,100	2,182,100

25. Federal Funds for Single Audit Costs

Provides additional funding to cover the federal share of the costs of the upcoming Single Audit of the Department.

Gross	\$950,000	\$950,000
Federal	950,000	950,000

26. Strong Families/Safe Children – Caseworker Visits

Increases authorization for Strong Families/Safe Children line item to support new federal grant for monthly caseworker visits for foster children.

Gross	\$1,512,800	\$1,512,800
Federal	1,512,800	1,512,800

27. Foster Care Fund Shift

Shifts appropriations for foster care payments from federal revenue to local revenue. Shift is necessitated by reductions in federally funded Title IV-E foster care caseload.

Gross	\$0	\$0
Federal	(6,000,000)	(6,000,000)
Local	6,000,000	6,000,000

28. Emergency Funding – Hurricane Katrina

Increases federal authorization to reflect federal emergency funds provided for Hurricane Katrina and Hurricane Rita victims who were moved to Michigan due to the hurricanes.

Gross	\$500,000	\$500,000
Federal	500,000	500,000

INFORMATION TECHNOLOGY**29. Adjustment for State Police**

Adjusts the DIT budget to reflect the actual amount of funding authorized for information technology costs in the State Police budget. Funding in the State Police budget was transferred out of program line items and into the IT line item.

Gross	\$5,046,200	\$5,046,200
IDG	5,046,200	5,046,200

JUDICIARY**30. Trial Court Automation Support**

Increases authorization for direct trial court automation support line item based on projected revenue from increased user fees. Funding will support the development and implementation of a new software system for trial court case management. Project expected to be completed over four years with estimated cost of \$8 to \$12 million.

Gross	\$890,000	\$890,000
Local	890,000	890,000

31. Drunk Driving Fund

Increases funding appropriation to drunk driving case-flow program to recognize increased fee collections and provide sufficient spending authority to disburse funds to the appropriate courts as required by statute.

Gross	\$700,000	\$700,000
Restricted	700,000	700,000

FY 2006-07 Appropriation Items:**32. Judicial Information Systems**

Increases appropriation to the judicial information systems to recognize additional federal revenues for the Judicial Data Warehouse (JDW) expansion. Project will allow trial courts to report data to state law enforcement database daily and enhance JDW capabilities.

Gross
Federal

Executive

\$1,500,000
1,500,000

House

\$1,500,000
1,500,000

Senate**LABOR AND ECONOMIC GROWTH****33. Cable Television Competition Law**

Recognizes new restricted fund revenue available from Video Services Local Franchise Act to enable the Public Service Commission to regulate local cable television franchise agreements.

Gross
Restricted

\$600,000
600,000

\$600,000
600,000

34. New Lending and Financial Regulations

Adds \$873,700 of state restricted revenue for Office of Financial and Insurance Services, \$573,700 to support payday lending legislation, and \$300,000 to support anti-money laundering.

Gross
Restricted

\$873,700
873,700

\$873,700
873,700

MICHIGAN STRATEGIC FUND**35. Community Block Grant Program**

Anticipates increased federal funds for the Community Development Block Grant Program.

Gross
Federal

\$8,000,000
8,000,000

\$8,000,000
8,000,000

MILITARY AND VETERANS AFFAIRS**36. Starbase Grant**

Provides federal revenue for an agreement with the Parametric Technology Corporation for training and certification to Starbase directors and teachers for engineering software.

Gross
Federal

\$707,000
707,000

\$707,000
707,000

37. Grand Rapids Veterans' Home

Increases available Federal and restricted authorization to cover Medicare prescription drug costs and projected veterans program operating costs.

Gross
Federal
Restricted

\$2,533,900
2,140,300
393,600

\$2,533,900
2,140,300
393,600

38. D. J. Jacobetti Veterans' Home

Increases Federal authorization to cover Medicare prescription drug costs.

Gross
Federal

\$180,000
180,000

\$180,000
180,000

NATURAL RESOURCES**39. Wildlife Management**

Provides Deer Habitat Reserve funding to improve and expand winter deer range environments.

Gross
Restricted

\$300,000
300,000

\$300,000
300,000

40. Forest Fire Protection

Homeland Security grants to develop an internet burn permit system.

Gross
Federal

\$278,000
278,000

\$278,000
278,000

41. Forest Recreation and Trails

Process and monitor wilderness camping and trail land use permit applications.

Gross
Restricted

\$250,000
250,000

\$250,000
250,000

42. Minerals Management

Process and land use permit applications for non-metallic mineral extraction and development.

Gross
Restricted

\$225,000
225,000

\$225,000
225,000

43. General Law Enforcement

Provides funds for ORV law enforcement efforts, consistent with the formula provided in the ORV statute.

Gross
Restricted

\$50,000
50,000

\$50,000
50,000

44. Off-Road Vehicle Trail Improvement Grants

Provides funds for trail maintenance and development, consistent with the formula provided in the ORV statute.

Gross
Restricted

\$55,000
55,000

\$55,000
55,000

STATE**45. Motorcycle Safety Education Grants**

Authorization to receive federal grant funding made available from the Department of State Police, Office of Highway Safety Planning, for the purchase of motorcycle equipment to be used for training purposes at the public training sites.

Gross
Federal

\$80,000
80,000

\$80,000
80,000

FY 2006-07 Appropriation Items:**Executive****House****Senate****46. Driver Education**

Authorization to receive federal grant funding made available from the Department of State Police, Office of Highway Safety Planning, to be used to fund training workshops for driver education instructors beginning in June.

Gross	\$60,000	\$60,000
Federal	60,000	60,000

STATE POLICE**47. Adjustments for Solving Projected FY07 Deficit**

Various funding adjustments to resolve projected current year budget problems for the State Police. Includes a new \$1.0 million IDG appropriation from the Department of Community Health Crime Victims Rights Fund and a \$1.3 million increase in the IDG appropriation from the Michigan Department of Transportation State Trunkline Fund. These increases in restricted revenue funding are used to offset GF/GP funds in some lines; GF/GP funding would then be transferred to lines projected to have insufficient funding. Request also includes technical change to properly reflect Information Technology services and projects.

Gross	\$5,421,500	\$5,421,500
IDG	3,507,000	3,507,000
Federal	714,500	714,500
Restricted	1,200,000	1,200,000
GF/GP	\$0	\$0

48. Auto Theft Prevention Program

Restores \$4.0 million in Auto Theft Prevention Funds that were removed from the FY 2006-07 State Police budget by Executive Order 2007-3.

Gross	\$0	\$4,000,000
Restricted	\$0	\$4,000,000

TRANSPORTATION**49. IDG to State Police**

Increase the appropriation for the Interdepartmental grant (IDG) from the State Trunkline Fund (STF) in the Transportation budget. The increase corresponds with the \$1.3 million proposed increase in STF IDG funding in the Michigan State Police budget.

Gross	\$1,298,400	\$1,298,400
Restricted	\$1,298,400	\$1,298,400

FY 2006-07 Boilerplate Items:**Executive****House****Senate****CAPITAL OUTLAY****1. Sec. 301. Subject to PA 431 of 1984**

Refers to capital outlay requirements and document approval process delineated under the Management and Budget Act.

Included	Included
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2. Sec. 302. Required Cost Statement

Requires that facility operating costs be included with submitted planning documents.

Included	Included
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3. Sec. 303. Final Planning and Construction

Outlines certain administrative procedures a community college or university must comply with in order to move a project to the final design/construction phase.

Included	Included
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4. Sec. 331. Administrative Criteria – Matching Funds

Details certain administrative requirements for a community college with a partially state funded project; limits state funds for a project to 50% of the total cost.

Included	Included
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5. Sec. 332. Reduction of Matching Funds

If actual project matching funds are less than that authorized, state funds are to be reduced proportionally.

Included	Included
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6. Sec. 333. Matching Funds Documentation

Allows DMB director to require community colleges and universities to document project matching funds and governing board approvals.

Included	Included
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COLLEGES AND UNIVERSITIES**7. Sec. 371. MPSERS Credits**

Directs Michigan Public School Employees Retirement System (MPSERS), upon enactment of legislation, to issue credits to state universities and community colleges reducing the institutions' pension contributions. These credits would offset reductions made to the operations appropriations of the 28 community colleges and seven state universities with employees in MPSERS under Executive Order 2007-3.

Included	Included
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FY 2006-07 Boilerplate Items:**Executive** **House** **Senate****HUMAN SERVICES****8. Sec. 431. ECIC, Great Start Collaborative Grants**

Adds new language related to the new line item appropriation for "ECIC, Early Childhood Investment Corporation" (see DHS Budgetary Issues). Provides that the DHS contract to administer an amount for (a) competitive grants for the creation of Great Start Communities or other community purposes as identified by the ECIC; and (b) technical assistance to Intermediate School Districts or other community agencies for implementation of needs assessments and strategic plans.

Included Included

9. Sec. 432. ECIC Annual Report

Requires DHS to provide an annual report to the Appropriation Subcommittees on the DHS budget on the ECIC's activities, including information on grants and contracts awarded by the ECIC. The reporting requirement varies somewhat from an existing boilerplate section (Sec. 678) in the current FY 2007 budget act. In particular, the two sections require information on ECIC contract selection criteria, but current Sec. 678 requires the report 30 days before issuance of any requests for proposals (RFPs), while the language in the bill requires the report on the day of the issuance of any RFPs.

Included Included

LABOR & ECONOMIC GROWTH**10. Sec. 471. Create Video Franchise Assessment Fund**

Creates new Video Franchise Assessment Fund from revenue provided in the Uniform Video Services Local Franchise Act, MCL 484.3314. Funds to be used by the Public Service Commission to regulate local cable television franchise agreements.

Included Included

MICHIGAN STRATEGIC FUND**11. Sec. 571. Transfer Michigan Forest Finance Authority Funds**

Transfers \$20.0 million from Michigan Forest Finance Authority work project in the 21st Century Jobs Trust Fund to the General Fund from the spending reduction of this work project included in Executive Order 2007-3.

Included Included

STATE POLICE**12. Sec. 633. State Police Posts**

Specifies that all State Police posts operating as of April 12, 2007 shall remain open and operating through FY 2006-07. The State Police announced that the posts in Hart and Calumet would close in July in order to save costs. This language keeps the posts open through the end of the fiscal year to allow more time to negotiate lease agreements.

Not Included Included

REPEALER**13. Sec. 1001. Repeal of EQUIP Grant Boilerplate Appropriation**

Repeals Sec. 627 of Article 10 of the FY 2006-07 omnibus budget act (2006 PA 345). This section appropriated up to \$1.7 million to finance "Enhance Quality Improvement Program" (EQUIP) grants aimed at assisting current day care providers and establishing new family and group day care homes. These funds were eliminated by the DHS in FY 2005-06 in order to finance the Great Start Collaborative grants administered by the ECIC. However, the Legislature restored the appropriation for the EQUIP grants in the FY 2006-07 budget.

Included Included