

**FY 2008-09 SUPPLEMENTAL APPROPRIATIONS**  
**Summary: As Reported by the House Committee**  
**House Bill 4311 (H-3)**



HFA Director: Mitchell E. Bean  
 Supplemental Coordinator: Kyle I. Jen

Budget Area	Executive*		House		Senate	
	Gross	GF/GP	Gross	GF/GP	Gross	GF/GP
Corrections	\$9,800,000	\$10,000,000	\$9,800,000	\$10,000,000		
Higher Education	0	(97,976,900)	0	(97,976,900)		
Human Services	0	97,976,900	0	97,976,900		
State	0	0	0	0		
<b>TOTAL</b>	<b>\$9,800,000</b>	<b>\$10,000,000</b>	<b>\$9,800,000</b>	<b>\$10,000,000</b>		

\*Reflects only State Budget Office requests included in House substitute.

**OVERVIEW**

House Bill 4311 (H-3) contains various supplemental requests received from the State Budget Office (SBO) that are currently pending before the Legislature. Briefly, those requests are as follows:

- Several pending requests for the Corrections budget totaling \$10.0 million GF/GP.
- A fund shift of federal and state revenue between the Human Services and Higher Education budgets to draw down up to \$155 million in federal TANF contingency fund revenues; the fund shift has not net GF/GP impact on the state budget.
- Boilerplate language for the Department of State reappropriating Help America Vote Act work project balances.

More detailed information on the supplemental adjustments contained in the bill is provided below.

**FY 2008-09 Appropriation Items:**

**CORRECTIONS**

**1. Prison Store Operations**

The State Budget Office requests restoration of restricted revenues deriving from prison store operations; a new line for "prison store operations" would appropriate the funding and be used for storekeeper positions that are being retained, rather than eliminated as previously contemplated. (9/9/08 SBO letter)

	<u>Executive</u>	<u>House</u>	<u>Senate</u>
<b>Gross</b>	<b>\$4,800,000</b>	<b>\$4,800,000</b>	
Restricted	4,800,000	4,800,000	

**2. Northern Region Consolidations**

Because the Department of Corrections is automating business office functions and consolidating and reducing business office staff, the state budget office requests establishment of a northern region support and services line item to fund consolidated functions at various locations in the region. A placeholder of \$100 is proposed (funded through a \$100 reduction to the Chippewa line item) so that transfers can be made into the line. (9/9/08 SBO letter)

<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
GF/GP	\$0	\$0

**FY 2008-09 Appropriation Items:**

**3. Offset Shortfalls in Offender Collections**

Offsets anticipated shortfalls in revenues from parole and probation oversight fees, which support the cost of parole and probation agents, and tether program participant revenues, which support the cost of the electronic monitoring program. The Department of Corrections projects combined revenues of about \$8.6 million against combined deducts of about \$16.8 million. Combined revenues were \$9.5 million in FY 2005-06, \$9.3 million in FY 2006-07, and \$8.8 million in FY 2007-08. (6/1/09 SBO letter)

	<u>Executive</u>	<u>House</u>	<u>Senate</u>
<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	
Restricted	(5,000,000)	(5,000,000)	
GF/GP	\$5,000,000	\$5,000,000	

**4. Hospital and Specialty Care Services**

In combination with a \$19.0 million legislative transfer approved in July, funds a shortfall in cost of off-site hospital and specialty care, which was provided through March 31 under a contract with Correctional Medical Services, Inc. (CMS). Care currently is provided under a contract with Prison Health Services, Inc. (PHS). Expenditures for the first half of the fiscal year were \$61.8 million, with the possibility of another \$1.4 million that is being questioned. Projected expenditures for the year are \$104.3 million against an appropriation of \$80.3 million. (6/1/09 SBO letter)

<b>Gross</b>	<b>\$5,000,000</b>	<b>\$5,000,000</b>	
GF/GP	\$5,000,000	\$5,000,000	

**HIGHER EDUCATION**

**5. TANF Fund Shift for Financial Aid Programs**

Replaces \$173.1 million in GF/GP, Merit Award Trust Fund, and associated federal funds appropriated for state financial aid programs with an equal amount of federal TANF funding. Affected programs are Competitive Scholarships, Tuition Grants, Tuition Incentive Program, Promise Grants, and Nursing Scholarships. Offsetting adjustments included in Human Services budget. The financing shift will better position the State to achieve necessary state-funded Maintenance of Effort (MOE) and matching requirements to draw down up to \$155 million in federal TANF contingency fund revenues during FY 2008-09. (7/30/09 SBO letter)

<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	
Federal	170,466,500	170,466,500	
Restricted	(72,489,600)	(72,489,600)	
GF/GP	(\$97,976,900)	(\$97,976,900)	

**HUMAN SERVICES**

**6. TANF Program Fund Shifts**

Replaces \$170.5 million in federal Temporary Assistance for Needy Families (TANF) revenue appropriated for DHS field staff costs and the family independence program with an equivalent amount of GF/GP (\$98.0 million) and Merit Award Trust Fund (\$72.5 million) revenues. The GF/GP and Merit Award revenues are transferred from the Higher Education budget, which in turn receives the TANF revenue savings from DHS. The financing shift will better position the State to achieve necessary state-funded Maintenance of Effort (MOE) and matching requirements to draw down up to \$155 million in federal TANF contingency fund revenues during FY 2008- 09. (7/30/09 SBO letter)

<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	
Federal	(170,466,500)	(170,466,500)	
Restricted	72,489,600	72,489,600	
GF/GP	\$97,976,900	\$97,976,900	

**FY 2008-09 Boilerplate Items:**

**STATE**

**1. Help America Vote Act (HAVA)**

Reappropriates HAVA work project balances that would have lapsed at the end of FY 2008-09 for an additional four years. These work projects fund election reform projects which are still in various stages of completion. (7/30/09 SBO letter)

	<u>Executive</u>	<u>House</u>	<u>Senate</u>
	Included	Sec. 301	