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SUMMARY: FY 2005-06 SUPPLEMENTAL APPROPRIATIONS
Senate Bill 166 (H-1) Draft 1

	Executive (Letters of 8/17/06, 10/10/06, 11/27/06, 12/7/06, & 1/29/07)		Senate		House Substitute	
Budget Area	**Gross**	**GF/GP**	**Gross**	**GF/GP**	**Gross**	**GF/GP**
Corrections	$13,714,200	$13,714,200	$15,447,800	$15,447,800	$15,447,800	$15,447,800
Environmental Quality	0	0	0	0	0	0
Human Services	30,705,500	30,705,500	30,705,500	30,705,500	30,705,500	30,705,500
Michigan Strategic Fund	8,000,000	0	8,000,000	0	8,000,000	0
Military and Veterans Affairs	700,000	0	700,000	0	700,000	0
State Police	3,321,500	3,321,500	3,585,300	3,585,300	3,585,300	3,585,300
TOTAL	**$56,441,200**	**$47,741,200**	**$58,438,600**	**$49,738,600**	**$58,438,600**	**$49,738,600**

Note: Human Services amounts under Executive column reflect increase of $962,900 GF/GP from amounts contained in specified letters; this amount was subsequently requested by DMB.

FY 2005-06 Budgetary Issues:		**Executive**	**Senate**	**House**
DEPARTMENT OF CORRECTIONS				
1. Appropriates additional $13.7 million GF/GP revenue and utilizes $4.3 million in unexpended appropriations to provide funding for $18.0 million in outstanding liabilities for FY 2005-06. Additional funding would be provided as follows: $11,712,400 for hospital and specialty care services, $5,647,100 for prison clinics, $182,200 for prisoner reintegration programs, and $462,200 for information technology services and projects. Executive proposes to fund additional $1,733,600 in information technology costs through utilizing capital outlay bonding authority. Senate and House fund additional information technology costs with GF/GP revenue.	**Gross**	**$18,003,900**	**$19,737,500**	**$19,737,500**
	GF/GP	$18,003,900	$19,737,500	$19,737,500
2. Reduces appropriations in 18 different line items to help support $18.0 million increase in Gross appropriations to fund FY 2006-07 shortfalls. Of the $4.3 million in unexpended current-year appropriations, $4.0 million is funding formerly held for a Michigan Prisoner Re-Entry Initiative (MPRI) work project.	**Gross**	**($4,289,700)**	**($4,289,700)**	**($4,289,700)**
	GF/GP	($4,289,700)	($4,289,700)	($4,289,700)
DEPARTMENT OF ENVIRONMENTAL QUALITY				
3. Funding source shift, $300,000 from Land and Water Permit Fees to Environmental Protection Fund.	**Gross**	**$0**	**$0**	**$0**
	GF/GP	$0	$0	$0

FY 2005-06 Budgetary Issues:		Executive	Senate	House
DEPARTMENT OF HUMAN SERVICES				
4. Increases GF/GP authorization by $42.1 million to correct for a current GF/GP over-expenditure in the FIP line item. The over-expenditure resulted from a shortfall in federal revenue, particularly the Temporary Assistance for Needy Families (TANF) block grant, available to finance DHS expenditures across the department. An unexpected increase in the FIP caseload late in the year increased FIP costs further and expanded the overall shortfall. The figure reflects a correction requested by the State Budget Office from the amount listed in the original request.	**Gross**	**$42,906,400**	**$42,906,400**	**$42,906,400**
	GF/GP	$42,906,400	$42,906,400	$42,906,400
5. Reduces GF/GP authorization in 53 other DHS line items to partially offset the additional GF/GP included in FIP line item above. Reductions represent unutilized GF/GP appropriations across the Department. These appropriations would otherwise lapse to the general fund. The figure reflects a correction requested by the State Budget Office from the amounts listed in the original request.	**Gross**	**($12,200,900)**	**($12,200,900)**	**($12,200,900)**
	GF/GP	($12,200,900)	($12,200,900)	($12,200,900)
6. Shifts funding of foster care payments from federal sources to local sources by $3.0 million. The action reflects a decrease in federal Title IV-E eligibility for foster case cases. Cases not eligible for Title IV-E funding (56% federal, 44% state match) become State Ward Board and Care cases. These cases are funded using 50% state and 50% county funds. Thus, the shift in caseload has lead to fewer federal funds being utilized, with these costs passed on to local counties. State Ward Board and Care caseload has increased from 42% of statewide cases in FY 2005 to 50% in FY 2006.	**Gross**	**$0**	**$0**	**$0**
	Federal	(3,000,000)	(3,000,000)	(3,000,000)
	Local	3,000,000	3,000,000	3,000,000
	GF/GP	$0	$0	$0
MICHIGAN STRATEGIC FUND				
7. Increased Federal funds for the Community Development Block Grant Program.	**Gross**	**$8,000,000**	**$8,000,000**	**$8,000,000**
	Federal	8,000,000	8,000,000	8,000,000
	GF/GP	$0	$0	$0
DEPARTMENT OF MILITARY & VETERANS AFFAIRS				
8. Increases Medicare authorization for the Grand Rapids Veterans Home.	**Gross**	**$700,000**	**$700,000**	**$700,000**
	Federal	700,000	700,000	700,000
	GF/GP	$0	$0	$0
DEPARTMENT OF STATE POLICE				
9. Increases general fund support for Worker's Compensation, Fleet Leasing, Training Administration, Laboratory Operations, Emergency Management Planning and Administration, Uniform Services, and Information Technology to pay outstanding bills from FY 2005-06. Executive proposes to fund additional $263,800 in information technology costs through utilizing capital outlay bonding authority. Senate and House fund additional information technology costs with GF/GP revenue.	**Gross**	**$3,321,500**	**$3,585,300**	**$3,585,300**
	GF/GP	$3,321,500	$3,585,300	$3,585,300

FY 2005-06 Boilerplate Issues:	Executive	Senate	House
CAPITAL OUTLAY			
1. Section xxx. Authorizes up to $2.3 million in information technology expenditures for Departments of Corrections and State Police financed through State Building Authority.	Included	Not Included	Not Included
2. Section 301. Re-appropriates any remaining FY 2001-02 GF/GP appropriations of $1,288,300 for Major Special Maintenance from the departments of Community Health, Human Services, Management and Budget, Military and Veterans Affairs, and State Police to the Department of Corrections.	Included	Included	Included

REPEALERS

3. Section 501 of PA 158 of 2005 (Transportation). Repeals Section 501 of the FY 2005-06 state transportation budget act, which appropriates certain Motor Carrier fees, not used in the Department of Labor and Economic Growth (DLEG) or Department of State Police budgets, to the Michigan Transportation Fund (MTF). Revenue from the Motor Carrier Act totals approximately $8 million. Historically, this revenue has been appropriated for DLEG or State Police for motor carrier regulatory and safety activities, with the excess appropriated in boilerplate for the MTF. The State Budget Office indicates that federal law has pre-empted "single state registration fees" such as those established under the Motor Carrier Act resulting in a $7.1 million revenue shortfall in the FY 2006-07 budget. Repealing Section 501 would allow approximately $1.5 million in excess FY 2005-06 revenue to carry forward for use in the FY 2006-07 State Police or DLEG budgets, rather than having these funds lapse to the MTF. The State Budget Office revenue estimates appear to be reasonable in relation to prior years' revenue history.	Included	Included	Included
4. Section 502 of PA 341 of 2006 (Community Colleges). Repeals Section 502 of the FY 2006-07 Community Colleges budget act, which requires the annual audit of the Activities Classification Structure data submitted by seven randomly-selected community colleges.	Not included	Included	Included
5. Enacting Section 1. Tie bars bill to Senate Bill 184, which would amend the Management and Budget Act to (1) require a report by June 1 each year providing estimates regarding line item overexpenditures and (2) specify that federal and restricted appropriations can only be expended up to the amount of funds actually received.	Not included	Included	Not included