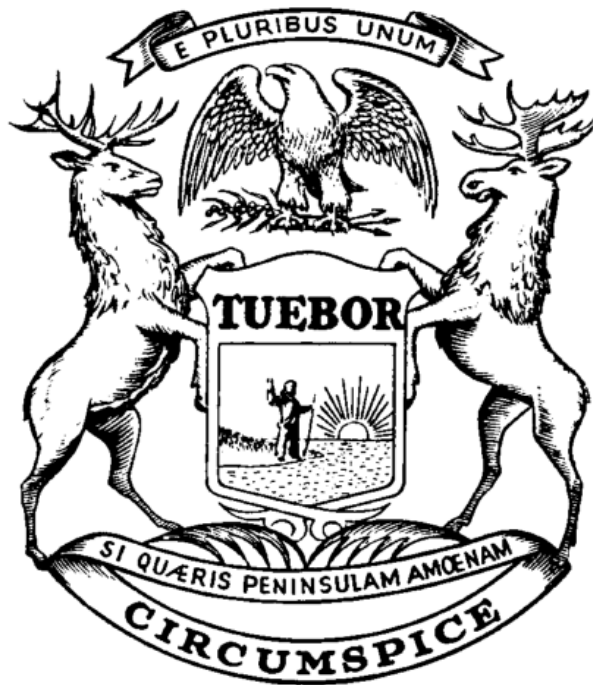


**STATE OF MICHIGAN  
FISCAL YEAR 2012-13**

# **Appropriations Summary and Analysis**



**HOUSE  
FISCAL  
AGENCY**

**Mary Ann Cleary, Director**

**JULY 2012**

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HOUSE FISCAL AGENCY

**MARY ANN CLEARY, DIRECTOR**

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July 2012

TO: Members of the Michigan House of Representatives

FROM: Mary Ann Cleary, Director

This ***FY 2012-13 Appropriations Summary and Analysis*** summarizes the enacted FY 2012-13 state budget. A *Glossary*, following the table of contents, explains terms used throughout this report to describe Michigan's budget. The *Director's Overview* provides information on resources used in the enacted FY 2012-13 budget; summary tables of appropriated funds and fund sources are also included. *Budget Detail* pages note major budget and boilerplate changes for each department/agency. The last section of the report provides an overview of consensus revenue estimates.

When analyzing the budget, it is important to note the following:

**Adjusted Gross** is the amount to use when measuring the effect of state spending (including spending from federal sources) on the state's economy.

**State Spending From State Sources** is the amount to use when measuring the amount of state resources collected from taxpayers to finance state spending.

**General Fund/General Purpose (GF/GP)** is the amount to use when measuring state resources available for legislative allocation to various state programs.

Information in the *Budget Detail* section was provided by HFA Analysts; report production was coordinated by Kathryn Bateson, Administrative Assistant. House Fiscal Agency staff and their areas of responsibility are listed on the inside back cover of this publication. Please feel free to contact them, or me, if you have questions or need further information.



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# GLOSSARY

## Frequently Used State Budget Terms

### STATE BUDGET TERMS

**Gross Appropriations (Gross):** The total of all applicable appropriations (statutory spending authorizations) in a budget bill.

**Adjusted Gross Appropriations (Adjusted Gross):** The net amount of all gross appropriations after subtracting interdepartmental grants (IDGs) and intradepartmental transfers (IDTs).

**Lapses:** Appropriation amounts that are unspent/unobligated at the end of a fiscal year; appropriations are automatically terminated at the end of a fiscal year unless otherwise provided by law.

**Work Project:** A statutorily-authorized account which allows a spending authorization to be carried over from one fiscal year to a succeeding fiscal year or years—i.e., allows funds to be spent over a period of years.

### APPROPRIATION BILL TERMS

**Line Item:** Specific funding amount in an appropriation bill which establishes spending authorization for a particular program or function (may be for a single purpose or for multiple purposes).

**Boilerplate:** Specific language sections in an appropriation bill which direct, limit, or restrict line item expenditures; express legislative intent; and/or require reports.

### REVENUE SOURCES

**General Fund/General Purpose (GF/GP):** Unrestricted General Fund revenue available to fund any activity accounted for in the General Fund; unused GF/GP revenue lapses to the General Fund at the end of a fiscal year.

**State Restricted (Restricted):** State revenue restricted by state law or outside restriction that is available only for specified purposes; at year-end, unused restricted revenue remains in the restricted fund.

**Federal Revenue:** Federal grant or matchable revenue dedicated to specific programs.

**Local Revenue:** Revenue from local units of government.

**Private Revenue:** Revenue from nongovernment entities: rents, royalties or interest payments; payments from hospitals or individuals; and gifts and bequests.

**Interdepartmental Grant (IDG):** Funds received by one state department from another state department (usually for a service provided by the receiving department).

**Intradepartmental Transfer (IDT):** Transfers of funds being provided from one appropriation unit to another in the same department.

### MAJOR STATE FUNDS

**Budget Stabilization Fund (BSF):** The Countercyclical Economic and Budget Stabilization Fund; also known as the “rainy day” fund.

**School Aid Fund (SAF):** A restricted fund; the primary funding source for K-12 schools and Intermediate School Districts.

**General Fund:** The General Fund (funded from taxes and other general revenue) is used to account for the ordinary operations of a governmental unit that are not accounted for in another fund.





# **FY 2012-13 Budget Detail**

## **DIRECTOR'S OVERVIEW**

**Overview  
Resources Used in Enacted Budget  
Summary Tables**

## OVERVIEW

# FY 2012-13 DIRECTOR'S OVERVIEW Summary and Analysis

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The enacted state budget for Fiscal Year (FY) 2012-13, year-to-date (YTD) at July 9, 2012, includes \$48.2 billion in adjusted gross appropriations, funded from the following sources:

- \$19.9 billion from federal funds.
- \$0.5 billion from local and private sources.
- \$18.8 billion from state restricted funds.
- \$9.0 billion from General Fund/General Purpose (GF/GP) revenue.

Compared to FY 2011-12 YTD appropriations (at July 9, 2012), the enacted budget provides an adjusted gross increase of 1.5% and a GF/GP increase of 5.9%. The current FY 2012-13 GF/GP appropriation total does reflect \$365.8 million in one-time appropriations including \$184.4 million for GF/GP programs and \$181.4 million to the School Aid Fund (SAF). In addition, there is a one-time deposit of \$140.0 million into the Budget Stabilization Fund (BSF).

FY 2012-13 enacted budget assumes the passage of various fees changes. See page 14 for specific details.

The FY 2012-13 GF/GP and School Aid budgets are based on consensus revenue estimates agreed to at the May 16, 2012, Consensus Revenue Estimating Conference (CREC), and includes the recently enacted income tax changes (Public Acts 223-224 of 2012). The FY 2012-13 GF/GP adjusted estimate is a decrease of \$185.5 million or 2.0% from FY 2011-12, and the SAF estimate is an increase of \$281.2 million or 2.6%.

Appropriation comparison tables for individual budget areas in the *Budget Detail* section of this report generally reflect FY 2011-12 year-to-date amounts as of February 9, 2012 (rather than July 9, 2012) to reflect FY 2011-12 budget amounts appropriated when the FY 2012-13 Executive Budget was originally released.

The figures shown in the Budget Detail tables include both standard line item appropriation totals and funds appropriated for purposes designated as one-time only. Those funding amounts are also detailed in the table on page 11.

## RESOURCES USED IN FY 2012-13 YEAR-TO-DATE BUDGET

Resources used to fund General Fund/General Purpose, School Aid Fund, and Merit Award Trust Fund expenditures in the FY 2012-13 YTD budget are reported below.

### FY 2012-13 GENERAL FUND/GENERAL PURPOSE RESOURCES (Millions of Dollars)

Beginning fund balance	\$744.1
Revenue estimate	8,969.9
Accelerated income tax cut	(91.0)
Adjustments:	
EVIP/Revenue sharing	(370.6)
One-time sales tax earmarks to Transportation	(110.0)
Other revenue	1.2
<b>Total Resources</b>	<b>\$9,143.6</b>

**Beginning Fund Balance:** Carryforward from prior fiscal year.

**Revenue Estimates:** Revenue estimates agreed to at the May 2012 Consensus Revenue Estimating Conference.

**Accelerated Income Tax Cut:** Reduced revenue due to moving rate reduction from January 1, 2013 to October 1, 2012 and increasing personal exemption (PAs 223 and 224 of 2012).

**EVIP/Revenue Sharing:** Appropriations for Economic Vitality Incentive Program and County Revenue Sharing, which reduce available GF/GP resources.

**One-Time Sales Tax Earmarks to Transportation:** Diversion of General Fund revenue for federal highway and aeronautic match purposes for FY 2012-13 only (PAs 225 and 226 of 2012).

**Other revenue:** Miscellaneous revenue adjustments.

### FY 2012-13 SCHOOL AID FUND (Millions of Dollars)

Beginning balance	\$194.6
Revenue estimate	11,169.5
Accelerated income tax cut	(13.0)
Adjustments:	
GF/GP transfer	282.4
Federal revenue	1,701.0
<b>Total Resources</b>	<b>\$13,334.5</b>

**Beginning Balance:** Carryforward from prior fiscal year.

**Revenue Estimate:** Revenue estimates agreed to at the May 2012 Consensus Revenue Estimating Conference.

**Accelerated Income Tax Cut:** Reduced revenue due to moving rate reduction from January 1, 2013 to October 1, 2012 and increasing personal exemption (PAs 223 and 224 of 2012).

**OVERVIEW**

**GF/GP Transfer:** Annual transfer; amount varies from year to year.

**Federal Revenue:** Includes grants for the (federal) No Child Left Behind Act, special education, school lunch, and other smaller grant programs.

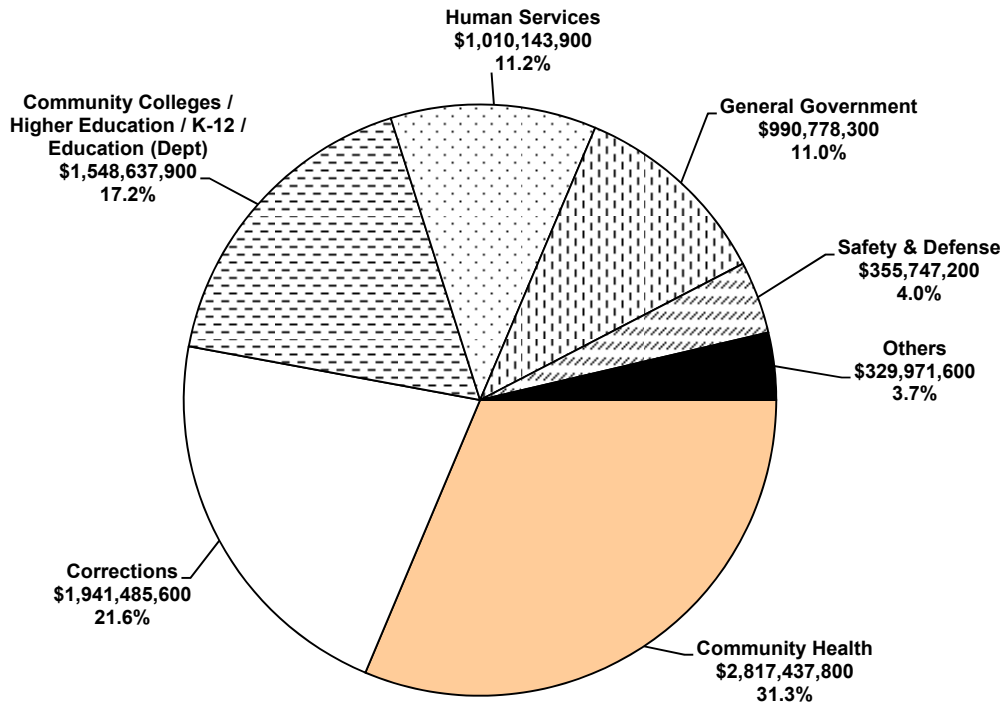
**FY 2012-13 ESTIMATES  
TOBACCO SETTLEMENT REVENUE/EXPENDITURES  
(Millions of Dollars)**

**Merit Award Trust Fund Revenue**

FY 2012-13 Beginning Balance	\$0.0
Tobacco settlement revenue	283.9
Assumed withheld payment	(35.4)
Payments on securitization bonds	(59.9)
Deposit to 21st Century Jobs Fund	(75.0)
<b>Resources Subtotal</b>	<b>\$113.6</b>
Attorney General: Administration	(\$0.5)
Community Health: Medicaid base funding	(76.7)
Community Health: Aging - respite care	(4.5)
Human Services: Family Independence Program	(30.1)
State Police: Tobacco tax enforcement	(0.7)
Treasury: Tuition Incentive Program administration	(1.1)
<b>Expense Subtotal</b>	<b>(\$113.6)</b>
<b>FY 2012-13 Ending Balance</b>	<b>\$0.0</b>

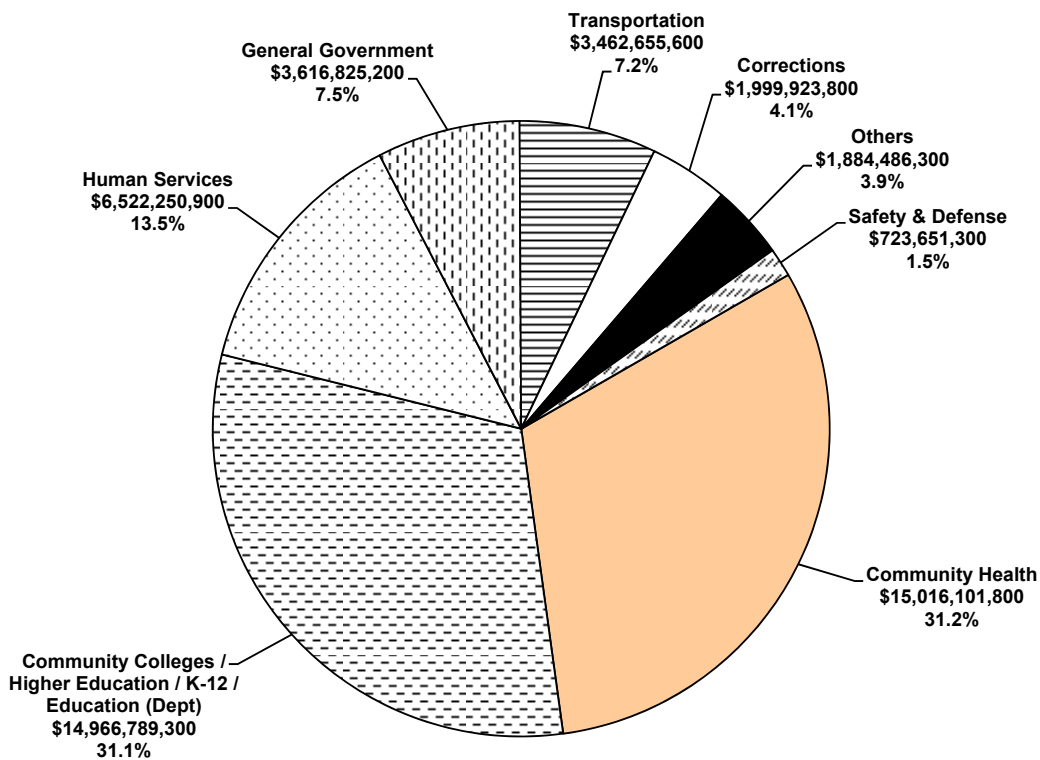
**FY 2012-13 YTD General Fund/General Purpose (GF/GP) Appropriations**

**Total: \$8,994,202,300**



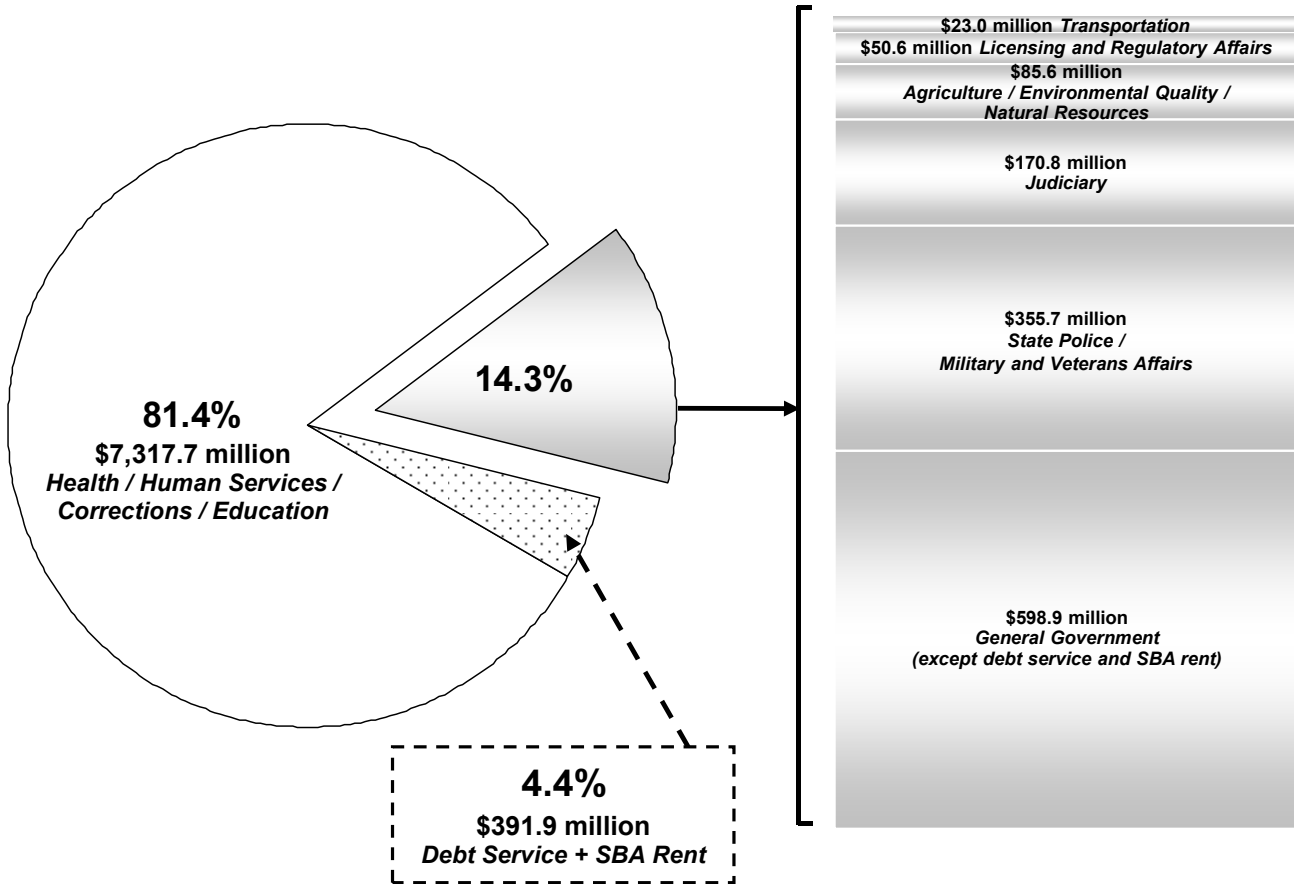
**FY 2012-13 YTD Adjusted Gross Appropriations**

**Total: \$48,192,684,200**

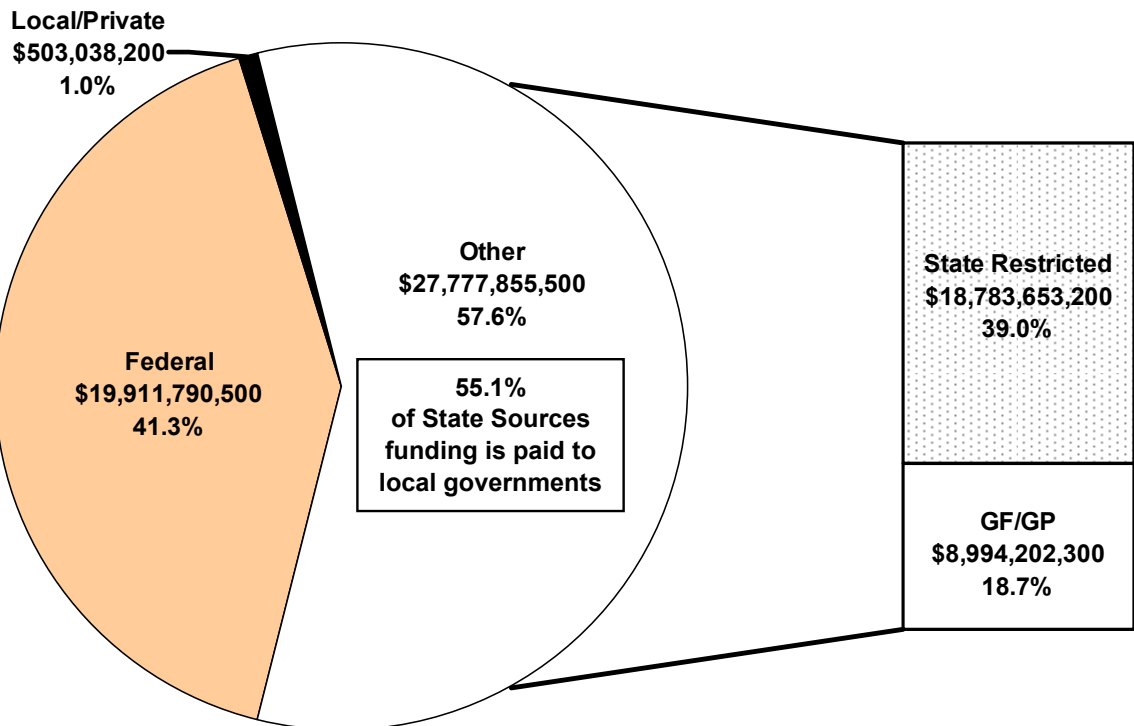


**OVERVIEW**

**FY 2012-13 GF/GP Distribution = \$8,994,202,300**



**FY 2012-13 Adjusted Gross Sources = \$48,192,684,200**



## SUMMARY TABLES

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In the following tables, FY 2011-12 appropriations are year-to-date through July 9, 2012 and FY 2012-13 appropriations are enacted figures.

**Table 1** (page 8) details the FY 2012-13 budget by Source of Funds. When interdepartmental grants and intradepartmental transfers are deducted (to avoid double counting), gross appropriations of \$49.0 billion reduce to \$48.2 billion in adjusted gross appropriations.

**Table 2** (page 9) and **Table 3** (page 10) compare FY 2011-12 YTD appropriations to FY 2012-13 appropriations.

Adjusted Gross Appropriations increase from \$47.5 billion in FY 2011-12 to \$48.2 billion in FY 2012-13, an increase of \$719.4 million or 1.5%.

GF/GP Appropriations increase from \$8.5 billion in FY 2011-12 to \$9.0 billion in FY 2012-13, an increase of \$502.4 million or 5.9%.

**Table 4** (page 11) shows FY 2012-13 one-time appropriations by department.

**Table 5** (page 12) compares the number of authorized Full-Time Equated (FTE) Positions (classified and unclassified) for FY 2011-12 YTD to FY 2012-13. A decrease of 1,496.6 FTEs or -2.7% in total FTEs is shown in Table 5—from 55,149.5 in FY 2011-12 to 53,652.9 in FY 2012-13. Each FTE is equivalent to 2,088 hours of employee compensated time (including overtime, annual leave, and used sick leave) during the year.

**Table 6** (page 13) shows FY 2012-13 State Spending From State Sources Paid to Local Governments and compares enacted payments to local units of government to the amount of spending from state sources provided in each budget. Pursuant to Article IX, Section 30 of the *Constitution of the State of Michigan of 1963*, at least 48.97% of state spending from state resources must be paid to all units of local government. The enacted FY 2012-13 budget provides for \$15.3 billion in state spending to local units of government, 55.1% of the estimated \$27.8 billion in state spending from state resources—well above the constitutional requirement.

**Table 7** (pages 14-16) details the target agreement for fee changes. The agreement includes the sunset extension of three fees, a new fee, and numerous fees maintained at the current fee level—with an estimated total of \$83.9 million in assumed revenue.

**OVERVIEW**

**TABLE 1  
FY 2012-13 ENACTED APPROPRIATIONS BY SOURCE OF FUNDS**

Department/Budget Area	Gross	IDG/IDI	Adjusted Gross	Federal	Local	Private	State Restricted	GF/GP
Community Colleges	294,130,500	0	294,130,500	0	0	0	197,614,100	96,516,400
Education	328,909,900	0	328,909,900	244,551,300	5,560,400	3,078,700	7,626,300	68,093,200
Higher Education	1,399,220,400	0	1,399,220,400	97,026,400	0	0	200,565,700	1,101,628,300
School Aid	12,944,528,500	0	12,944,528,500	1,701,041,400	0	0	10,961,087,100	282,400,000
<b>EDUCATION</b>	<b>\$14,966,789,300</b>	<b>\$0</b>	<b>\$14,966,789,300</b>	<b>\$2,042,619,100</b>	<b>\$5,560,400</b>	<b>\$3,078,700</b>	<b>\$11,366,893,200</b>	<b>\$1,548,637,900</b>
Attorney General	85,082,500	24,082,100	61,000,400	9,932,600	0	0	17,242,000	33,825,800
Civil Rights	14,765,500	0	14,765,500	2,641,300	0	18,700	151,900	11,953,600
Executive Office	4,887,900	0	4,887,900	0	0	0	0	4,887,900
Legislative Auditor General	18,687,700	3,792,100	14,895,600	0	0	0	1,890,700	13,004,900
Legislature	110,922,500	0	110,922,500	0	0	400,000	1,109,800	109,412,700
State	220,669,300	20,000,000	200,669,300	1,810,000	0	100	183,971,100	14,888,100
Tech., Mgmt., and Budget: Operations	886,103,000	635,564,900	250,538,100	9,464,300	1,320,800	190,200	90,517,200	149,045,600
Tech., Mgmt., and Budget: SBA Rent	256,870,600	0	256,870,600	0	0	0	0	256,870,600
Treasury: Operations	490,289,100	8,861,800	481,427,300	40,365,300	2,252,700	0	350,462,200	88,347,100
Treasury: MI Strategic Fund	984,234,400	37,600	984,196,800	658,020,600	4,433,500	5,380,000	142,861,100	173,501,600
Treasury: Debt Service	140,554,900	0	140,554,900	0	0	0	5,514,500	135,040,400
Treasury: Revenue Sharing	1,096,096,300	0	1,096,096,300	0	0	0	1,096,096,300	0
<b>GENERAL GOVERNMENT</b>	<b>\$4,309,163,700</b>	<b>\$692,338,500</b>	<b>\$3,616,825,200</b>	<b>\$722,234,100</b>	<b>\$8,007,000</b>	<b>\$5,989,000</b>	<b>\$1,889,816,800</b>	<b>\$990,778,300</b>
Community Health	15,026,125,600	10,023,800	15,016,101,800	9,690,867,900	257,148,600	93,289,000	2,157,358,500	2,817,437,800
Human Services	6,552,832,200	30,581,300	6,522,250,900	5,384,799,500	32,529,400	7,876,600	86,901,500	1,010,143,900
<b>HUMAN SERVICES</b>	<b>\$21,578,957,800</b>	<b>\$40,605,100</b>	<b>\$21,538,352,700</b>	<b>\$15,075,667,400</b>	<b>\$289,678,000</b>	<b>\$101,165,600</b>	<b>\$2,244,260,000</b>	<b>\$3,827,581,700</b>
Agriculture	76,953,000	519,300	76,433,700	11,199,600	0	175,800	28,959,400	36,098,900
Environmental Quality	431,729,900	9,021,200	422,708,700	161,687,500	0	533,200	230,675,600	29,812,400
Natural Resources	337,882,800	2,027,200	335,855,600	66,524,800	0	7,239,200	242,353,700	19,737,900
<b>RESOURCE PROTECTION</b>	<b>\$846,565,700</b>	<b>\$11,567,700</b>	<b>\$834,998,000</b>	<b>\$239,411,900</b>	<b>\$0</b>	<b>\$7,948,200</b>	<b>\$501,988,700</b>	<b>\$85,649,200</b>
Corrections	2,000,915,900	992,100	1,999,923,800	8,784,400	264,300	0	49,389,500	1,941,485,600
Military and Veterans Affairs	172,073,600	1,166,500	170,907,100	99,239,400	1,503,600	1,503,700	30,427,000	38,233,400
State Police	577,982,700	25,238,500	552,744,200	104,911,000	6,869,400	231,300	123,218,700	317,513,800
<b>SAFETY AND DEFENSE</b>	<b>\$2,750,972,200</b>	<b>\$27,397,100</b>	<b>\$2,723,575,100</b>	<b>\$212,934,800</b>	<b>\$8,637,300</b>	<b>\$1,735,000</b>	<b>\$203,035,200</b>	<b>\$2,297,232,800</b>
Capital Outlay	0	0	0	0	0	0	0	0
Judiciary	273,760,100	2,638,200	271,121,900	6,017,100	7,049,300	921,800	86,382,200	170,751,500
Licensing and Regulatory Affairs	791,863,300	13,496,900	778,366,400	391,076,000	7,159,900	3,927,800	325,631,800	50,570,900
Transportation	3,466,187,500	3,531,900	3,462,655,600	1,221,830,100	52,080,200	100,000	2,165,645,300	23,000,000
<b>ALL OTHERS</b>	<b>\$4,531,810,900</b>	<b>\$19,667,000</b>	<b>\$4,512,143,900</b>	<b>\$1,618,923,200</b>	<b>\$66,289,400</b>	<b>\$4,949,600</b>	<b>\$2,577,659,300</b>	<b>\$244,322,400</b>
<b>TOTAL APPROPRIATIONS</b>	<b>\$48,984,259,600</b>	<b>\$791,575,400</b>	<b>\$48,192,684,200</b>	<b>\$19,911,790,500</b>	<b>\$378,172,100</b>	<b>\$124,866,100</b>	<b>\$18,783,653,200</b>	<b>\$8,994,202,300</b>

Note: FY 2012-13 enacted amounts include \$339.4 million Gross (\$365.8 million GF/GP) in appropriations designated as one-time only in budget act language.



**TABLE 2**  
**ADJUSTED GROSS APPROPRIATIONS**  
**FY 2012-13 Enacted Compared with FY 2011-12 Year-to-Date**

<u>Department/Budget Area</u>	<u>FY 2011-12 YTD*</u>	<u>FY 2012-13</u>	<u>FY 2012-13 vs. FY 2011-12</u> <u>Difference</u>	
Community Colleges	283,880,500	294,130,500	10,250,000	3.6%
Education	336,684,800	328,909,900	(7,774,900)	-2.3%
Higher Education	1,364,178,400	1,399,220,400	35,042,000	2.6%
School Aid	12,746,884,600	12,944,528,500	197,643,900	1.6%
<b>EDUCATION</b>	<b>\$14,731,628,300</b>	<b>\$14,966,789,300</b>	<b>\$235,161,000</b>	<b>1.6%</b>
Attorney General	57,018,900	61,000,400	3,981,500	7.0%
Civil Rights	14,338,300	14,765,500	427,200	3.0%
Executive Office	4,599,200	4,887,900	288,700	6.3%
Legislative Auditor General	13,198,900	14,895,600	1,696,700	12.9%
Legislature	113,532,700	110,922,500	(2,610,200)	-2.3%
State	195,377,000	200,669,300	5,292,300	2.7%
Tech., Mgmt., and Budget: Operations	220,152,300	250,538,100	30,385,800	13.8%
Tech., Mgmt., and Budget: SBA Rent	256,870,600	256,870,600	0	0.0%
Treasury: Operations	464,728,900	481,427,300	16,698,400	3.6%
Treasury: MI Strategic Fund	991,669,900	984,196,800	(7,473,100)	-0.8%
Treasury: Debt Service	140,928,000	140,554,900	(373,100)	-0.3%
Treasury: Revenue Sharing	998,979,300	1,096,096,300	97,117,000	9.7%
<b>GENERAL GOVERNMENT</b>	<b>\$3,471,394,000</b>	<b>\$3,616,825,200</b>	<b>\$145,431,200</b>	<b>4.2%</b>
Community Health	14,523,994,600	15,016,101,800	492,107,200	3.4%
Human Services	6,734,127,000	6,522,250,900	(211,876,100)	-3.1%
<b>HUMAN SERVICES</b>	<b>\$21,258,121,600</b>	<b>\$21,538,352,700</b>	<b>\$280,231,100</b>	<b>1.3%</b>
Agriculture	76,280,300	76,433,700	153,400	0.2%
Environmental Quality	427,059,000	422,708,700	(4,350,300)	-1.0%
Natural Resources	343,053,600	335,855,600	(7,198,000)	-2.1%
<b>RESOURCE PROTECTION</b>	<b>\$846,392,900</b>	<b>\$834,998,000</b>	<b>(\$11,394,900)</b>	<b>-1.3%</b>
Corrections	2,021,804,500	1,999,923,800	(21,880,700)	-1.1%
Military and Veterans Affairs	157,081,600	170,907,100	13,825,500	8.8%
State Police	518,663,200	552,744,200	34,081,000	6.6%
<b>SAFETY AND DEFENSE</b>	<b>\$2,697,549,300</b>	<b>\$2,723,575,100</b>	<b>\$26,025,800</b>	<b>1.0%</b>
Capital Outlay	37,767,200	0	(37,767,200)	-100.0%
Judiciary	256,355,800	271,121,900	14,766,100	5.8%
Licensing and Regulatory Affairs	847,567,900	778,366,400	(69,201,500)	-8.2%
Transportation	3,326,469,400	3,462,655,600	136,186,200	4.1%
<b>ALL OTHERS</b>	<b>\$4,468,160,300</b>	<b>\$4,512,143,900</b>	<b>\$43,983,600</b>	<b>1.0%</b>
<b>TOTAL APPROPRIATIONS</b>	<b>\$47,473,246,400</b>	<b>\$48,192,684,200</b>	<b>\$719,437,800</b>	<b>1.5%</b>

\* As of 7/9/2012

OVERVIEW

**TABLE 3**  
**GENERAL FUND/GENERAL PURPOSE APPROPRIATIONS**  
**FY 2012-13 Enacted Compared with FY 2011-12 Year-to-Date**

<u>Department/Budget Area</u>	<u>FY 2011-12 YTD*</u>	<u>FY 2012-13</u>	<u>FY 2012-13 vs. FY 2011-12</u>	
			<u>Difference</u>	<u></u>
Community Colleges	88,000,000	96,516,400	8,516,400	9.7%
Education	74,768,900	68,093,200	(6,675,700)	-8.9%
Higher Education	1,065,632,500	1,101,628,300	35,995,800	3.4%
School Aid	78,642,400	282,400,000	203,757,600	259.1%
<b>EDUCATION</b>	<b>\$1,307,043,800</b>	<b>\$1,548,637,900</b>	<b>\$241,594,100</b>	<b>18.5%</b>
Attorney General	30,736,300	33,825,800	3,089,500	10.1%
Civil Rights	11,187,100	11,953,600	766,500	6.9%
Executive Office	4,599,200	4,887,900	288,700	6.3%
Legislative Auditor General	11,624,100	13,004,900	1,380,800	11.9%
Legislature	112,022,900	109,412,700	(2,610,200)	-2.3%
State	12,750,600	14,888,100	2,137,500	16.8%
Tech., Mgmt., and Budget: Operations	117,962,500	149,045,600	31,083,100	26.3%
Tech., Mgmt., and Budget: SBA Rent	256,870,600	256,870,600	0	0.0%
Treasury: Operations	81,145,100	88,347,100	7,202,000	8.9%
Treasury: MI Strategic Fund	135,376,400	173,501,600	38,125,200	28.2%
Treasury: Debt Service	125,413,500	135,040,400	9,626,900	7.7%
Treasury: Revenue Sharing	0	0	0	N/A
<b>GENERAL GOVERNMENT</b>	<b>\$899,688,300</b>	<b>\$990,778,300</b>	<b>\$91,090,000</b>	<b>10.1%</b>
Community Health	2,756,391,100	2,817,437,800	61,046,700	2.2%
Human Services	971,598,200	1,010,143,900	38,545,700	4.0%
<b>HUMAN SERVICES</b>	<b>\$3,727,989,300</b>	<b>\$3,827,581,700</b>	<b>\$99,592,400</b>	<b>2.7%</b>
Agriculture	30,018,700	36,098,900	6,080,200	20.3%
Environmental Quality	28,378,300	29,812,400	1,434,100	5.1%
Natural Resources	23,826,700	19,737,900	(4,088,800)	-17.2%
<b>RESOURCE PROTECTION</b>	<b>\$82,223,700</b>	<b>\$85,649,200</b>	<b>\$3,425,500</b>	<b>4.2%</b>
Corrections	1,954,339,100	1,941,485,600	(12,853,500)	-0.7%
Military and Veterans Affairs	38,483,700	38,233,400	(250,300)	-0.7%
State Police	281,105,000	317,513,800	36,408,800	13.0%
<b>SAFETY AND DEFENSE</b>	<b>\$2,273,927,800</b>	<b>\$2,297,232,800</b>	<b>\$23,305,000</b>	<b>1.0%</b>
Capital Outlay	1,800	0	(1,800)	-100.0%
Judiciary	156,711,600	170,751,500	14,039,900	9.0%
Licensing and Regulatory Affairs	43,674,100	50,570,900	6,896,800	15.8%
Transportation	500,000	23,000,000	22,500,000	4,500.0%
<b>ALL OTHERS</b>	<b>\$200,887,500</b>	<b>\$244,322,400</b>	<b>\$43,434,900</b>	<b>21.6%</b>
<b>TOTAL APPROPRIATIONS</b>	<b>\$8,491,760,400</b>	<b>\$8,994,202,300</b>	<b>\$502,441,900</b>	<b>5.9%</b>

\* As of 7/9/2012

**TABLE 4**  
**APPROPRIATIONS DESIGNATED AS ONE-TIME ONLY**  
**FY 2012-13 Enacted**

<u>Department/Budget Area</u>	<u>Gross</u>	<u>GF/GP</u>
Community Colleges	0	0
Education	674,300	164,100
Higher Education	0	0
School Aid*	181,400,000	181,400,000
<b>EDUCATION</b>	<b>\$182,074,300</b>	<b>\$181,564,100</b>
Attorney General	1,025,900	393,300
Civil Rights	128,900	104,300
Executive Office	58,700	58,700
Legislative Auditor General	270,900	184,800
Legislature	0	0
State	2,294,400	1,034,900
Tech., Mgmt., and Budget: Operations	25,680,200	21,792,200
Tech., Mgmt., and Budget: SBA Rent	0	0
Treasury: Operations	5,742,700	3,311,500
Treasury: MI Strategic Fund	51,135,700	50,140,900
Treasury: Debt Service	0	0
Treasury: Revenue Sharing*	20,000,000	0
<b>GENERAL GOVERNMENT</b>	<b>\$106,337,400</b>	<b>\$77,020,600</b>
Community Health	46,924,500	15,346,500
Human Services	74,441,900	34,636,800
<b>HUMAN SERVICES</b>	<b>\$121,366,400</b>	<b>\$49,983,300</b>
Agriculture	2,470,300	2,235,300
Environmental Quality	5,549,200	4,160,100
Natural Resources	3,892,600	2,096,200
<b>RESOURCE PROTECTION</b>	<b>\$11,912,100</b>	<b>\$8,491,600</b>
Corrections	14,355,400	14,003,300
Military and Veterans Affairs	18,607,900	6,055,900
State Police	5,993,700	4,858,900
<b>SAFETY AND DEFENSE</b>	<b>\$38,957,000</b>	<b>\$24,918,100</b>
Judiciary	827,200	636,900
Licensing and Regulatory Affairs	5,036,800	177,500
Transportation*	26,260,800	23,000,000
<b>ALL OTHERS</b>	<b>\$32,124,800</b>	<b>\$23,814,400</b>
<b>TOTALS</b>	<b>\$492,772,000</b>	<b>\$365,792,100</b>

\* Note: School Aid reflects one-time fund source; enacted appropriation only designates \$51.0 million as one-time. Appropriations do not reflect one-time sales tax shift of \$20.0 million for EVIP (revenue sharing) and \$110.0 million for Transportation.

OVERVIEW

**TABLE 5**  
**AUTHORIZED FULL-TIME EQUATED (FTE) POSITIONS\***  
**FY 2012-13 Enacted Compared with FY 2011-12 Year-to-Date**

<u>Department/Budget Area</u>	<u>FY 2011-12 YTD</u>	<u>FY 2012-13</u>	<u>FY 2012-13 vs. FY 2011-12</u>	
			<u>Difference</u>	
Community Colleges	0.0	0.0	0.0	--
Education	598.0	590.5	(7.5)	-1.3%
Higher Education	0.0	0.0	0.0	--
School Aid	0.0	0.0	0.0	--
<b>EDUCATION</b>	<b>598.0</b>	<b>590.5</b>	<b>(7.5)</b>	<b>-1.3%</b>
Attorney General	520.0	514.0	(6.0)	-1.2%
Civil Rights	126.0	127.0	1.0	0.8%
Executive Office	84.2	84.2	0.0	0.0%
Legislative Auditor General	0.0	0.0	0.0	--
Legislature	0.0	0.0	0.0	--
State	1,815.0	1,695.0	(120.0)	-6.6%
Tech., Mgmt., and Budget: Operations	3,038.5	2,814.0	(224.5)	-7.4%
Tech., Mgmt., and Budget: SBA Rent	0.0	0.0	0.0	--
Treasury: Operations	1,755.5	1,784.5	29.0	1.7%
Treasury: MI Strategic Fund	820.0	748.0	(72.0)	-8.8%
Treasury: Debt Service	0.0	0.0	0.0	--
Treasury: Revenue Sharing	0.0	0.0	0.0	--
<b>GENERAL GOVERNMENT</b>	<b>8,159.2</b>	<b>7,766.7</b>	<b>(392.5)</b>	<b>-4.8%</b>
Community Health	3,640.2	3,544.6	(95.6)	-2.6%
Human Services	11,546.5	11,764.0	217.5	1.9%
<b>HUMAN SERVICES</b>	<b>15,186.7</b>	<b>15,308.6</b>	<b>121.9</b>	<b>0.8%</b>
Agriculture	443.0	431.0	(12.0)	-2.7%
Environmental Quality	1,340.5	1,327.5	(13.0)	-1.0%
Natural Resources	2,179.4	2,099.8	(79.6)	-3.7%
<b>RESOURCE PROTECTION</b>	<b>3,962.9</b>	<b>3,858.3</b>	<b>(104.6)</b>	<b>-2.6%</b>
Corrections	15,568.8	14,695.2	(873.6)	-5.6%
Military and Veterans Affairs	996.0	842.0	(154.0)	-15.5%
State Police	2,753.0	2,884.0	131.0	4.8%
<b>SAFETY AND DEFENSE</b>	<b>19,317.8</b>	<b>18,421.2</b>	<b>(896.6)</b>	<b>-4.6%</b>
Capital Outlay	0.0	0.0	0.0	--
Judiciary	491.0	472.0	(19.0)	-3.9%
Licensing and Regulatory Affairs	4,384.3	4,317.3	(67.0)	-1.5%
Transportation	3,049.6	2,918.3	(131.3)	-4.3%
<b>ALL OTHERS</b>	<b>7,924.9</b>	<b>7,707.6</b>	<b>(217.3)</b>	<b>-2.7%</b>
<b>TOTAL FTE POSITIONS</b>	<b>55,149.5</b>	<b>53,652.9</b>	<b>(1,496.6)</b>	<b>-2.7%</b>

\* Includes classified, unclassified, and nonlegislative exempt positions. Represents authorized/estimated positions, not necessarily actual positions funded.

**TABLE 6  
STATE SPENDING FROM STATE SOURCES PAID TO LOCAL GOVERNMENTS  
FY 2012-13 Enacted**

<u>Department/Budget Area</u>	<u>Spending From State Sources</u>	<u>State Spending to Local Government Units</u>	<u>% of State Spending From State Sources as Payment to Locals</u>
Community Colleges	294,130,500	294,130,500	100.0%
Education	75,719,500	6,208,000	8.2%
Higher Education	1,302,194,000	0	0.0%
School Aid	11,243,487,100	10,934,991,200	97.3%
<b>EDUCATION</b>	<b>\$12,915,531,100</b>	<b>\$11,235,329,700</b>	<b>87.0%</b>
Attorney General	51,067,800	0	0.0%
Civil Rights	12,105,500	0	0.0%
Executive Office	4,887,900	0	0.0%
Legislative Auditor General	14,895,600	0	0.0%
Legislature	110,522,500	0	0.0%
State	198,859,200	1,360,800	0.7%
Tech., Mgmt., and Budget: Operations	239,562,800	0	0.0%
Tech., Mgmt., and Budget: SBA Rent	256,870,600	0	0.0%
Treasury: Operations	438,809,300	155,166,700	35.4%
Treasury: MI Strategic Fund	316,362,700	15,224,800	4.8%
Treasury: Debt Service	140,554,900	0	0.0%
Treasury: Revenue Sharing	1,096,096,300	1,096,096,300	100.0%
<b>GENERAL GOVERNMENT</b>	<b>\$2,880,595,100</b>	<b>\$1,267,848,600</b>	<b>44.0%</b>
Community Health	4,974,796,300	1,229,341,700	24.7%
Human Services	1,097,045,400	100,595,000	9.2%
<b>HUMAN SERVICES</b>	<b>\$6,071,841,700</b>	<b>\$1,329,936,700</b>	<b>21.9%</b>
Agriculture	65,058,300	1,500,000	2.3%
Environmental Quality	260,488,000	2,775,000	1.1%
Natural Resources	262,091,600	5,921,100	2.3%
<b>RESOURCE PROTECTION</b>	<b>\$587,637,900</b>	<b>\$10,196,100</b>	<b>1.7%</b>
Corrections	1,990,875,100	91,166,400	4.6%
Military and Veterans Affairs	68,660,400	120,000	0.2%
State Police	440,732,500	18,728,700	4.2%
<b>SAFETY AND DEFENSE</b>	<b>\$2,500,268,000</b>	<b>\$110,015,100</b>	<b>4.4%</b>
Judiciary	257,133,700	127,604,200	49.6%
Licensing and Regulatory Affairs	376,202,700	0	0.0%
Transportation	2,188,645,300	1,233,655,900	56.4%
<b>ALL OTHERS</b>	<b>\$2,821,981,700</b>	<b>\$1,361,260,100</b>	<b>48.2%</b>
<b>TOTALS</b>	<b>\$27,777,855,500</b>	<b>\$15,314,586,300</b>	<b>55.1%</b>

**OVERVIEW**

**TABLE 7  
FY 2012-13 TARGET AGREEMENT ON FEES**

<u>Department</u>	<u>Fee Title</u>	-----Current Law----- (as of 2/9/2012)		<u>Proposed FY 2013 Fee Amount</u>	<u>Estimated Revenue</u>
		<u>FY 2012 Fee Amount</u>	<u>FY 2013 Fee Amount</u>		
Agriculture/Rural Development	<u>Nursery</u>				
	• Plant nursery license fee	\$100.00	\$50.00	\$100.00	\$250,000
	• Plant growers license fee	\$100.00	\$20.00	\$100.00	
	<u>Pesticide applicator</u>				
	• Private pesticide applicator certification	\$50.00	\$10.00	\$50.00	\$100,000
	• Private registered pesticide applicator	\$50.00	\$10.00	\$50.00	
	<u>Livestock dealer</u>				
	• Class I	\$400.00	\$0.00	\$400.00	\$21,000
	• Class II	\$250.00	\$0.00	\$250.00	
	• Class III	\$150.00	\$0.00	\$150.00	
	• Class IV	\$50.00	\$5.00	\$50.00	
	<u>Grain dealers' fees</u>				\$300,000
	Environmental Quality	Environmental Protection Regulatory Fee - Refined Petroleum Fund	7/8 cent/ gallon on refined petroleum products	Fee sunsets on 12/31/2012	7/8 cent/ gallon on refined petroleum products
Licensing & Regulatory Affairs	<u>Corporation fee</u>				
	• business corporation annual report filing	\$25.00	\$15.00	\$25.00	\$1,320,000
	• non-profit corporation annual report filing	\$20.00	\$10.00	\$20.00	\$506,100
	• LLC annual statement of resident agent	\$25.00	\$15.00	\$25.00	\$3,340,000
	<u>Securities fee</u>				
	• broker/dealer annual registration fee	\$300.00	\$250.00	\$300.00	\$100,200
	• agent annual registration and/or change fee	\$65.00	\$30.00	\$65.00	\$5,125,000
	• investment advisor annual registration fee	\$200.00	\$150.00	\$200.00	\$30,000
	• investment advisor representative annual registration and/or change fee	\$65.00	\$30.00	\$65.00	\$359,400
	• federal covered investment advisor annual notice fee	\$200.00	\$50.00	\$200.00	\$188,700
	<u>Construction code - mechanical</u>				
	• contractor exam fee	\$100.00	\$25.00	\$100.00	\$43,900
	• contractor annual license	\$100.00	\$75.00	\$100.00	\$703,800
	<u>Construction code - electrical</u>				
	• electrician exam fee	\$100.00	\$25.00	\$100.00	\$112,500
	• master electrician annual license	\$50.00	\$25.00	\$50.00	\$278,000
	• electrical journeyman annual license	\$40.00	\$20.00	\$40.00	\$279,500
	• apprentice electrician and specialty apprentice electrician annual license/registration	\$15.00	\$5.00	\$15.00	\$35,000
	• fire alarm specialty technician annual license	\$50.00	\$25.00	\$50.00	\$17,000
	• fire alarm specialty apprentice technician annual license	\$15.00	\$5.00	\$15.00	
• sign specialist annual license	\$40.00	\$20.00	\$40.00	\$7,500	
• electrical, fire alarm, and sign specialty contractor annual license	\$200.00	\$100.00	\$200.00	\$609,100	

**TABLE 7  
FY 2012-13 TARGET AGREEMENT ON FEES**

<u>Department</u>	<u>Fee Title</u>	-----Current Law----- (as of 2/9/2012)		<u>Proposed FY 2013 Fee Amount</u>	<u>Estimated Revenue</u>
		<u>FY 2012 Fee Amount</u>	<u>FY 2013 Fee Amount</u>		
Licensing & Regulatory Affairs (cont.)	<u>Construction code - plumbing</u>				
	• journey plumber annual license	\$40.00	\$20.00	\$40.00	\$99,500
	• journey plumber license reinstatement	\$50.00	\$25.00	\$50.00	
	• apprentice plumber annual license	\$15.00	\$5.00	\$15.00	\$21,000
	• apprentice plumber license reinstatement	\$20.00	\$10.00	\$20.00	
	• journey, apprentice, or master plumber exam fee	\$100.00	\$50.00	\$100.00	\$39,500
	• master plumber or plumbing contractor annual license	\$300.00	\$200.00	\$300.00	\$494,700
	• replacement of lost/destroyed plumbing license	\$30.00	\$20.00	\$30.00	
	<u>Construction code - engineering</u>				
	• building official/inspector annual registration	\$25.00	\$10.00	\$25.00	\$2,300
	<u>Licensing / regulation - engineering</u>				
	• professional engineer application processing fee	\$35.00	\$30.00	\$35.00	\$465,800
	• professional engineer annual license	\$40.00	\$20.00	\$40.00	
	<u>Licensing / regulation - land surveyor</u>				
	• application processing	\$35.00	\$30.00	\$35.00	\$24,500
	<u>Licensing / regulation - barber</u>				
	• student barber, barber, student instructor, barber instructor application processing fee	\$20.00	\$15.00	\$20.00	\$284,300
	• barbershop application processing fee	\$50.00	\$40.00	\$50.00	
	• barber college application processing fee	\$75.00	\$50.00	\$75.00	
	<u>Licensing / regulation - cosmetologist</u>				
	• application processing fee	\$15.00	\$10.00	\$15.00	\$1,555,700
• annual license	\$24.00	\$12.00	\$24.00		
• student registration	\$15.00	\$5.00	\$15.00		
<u>Licensing / regulation - misc. occupations</u>					
• collection and agency manager license	\$35.00	\$25.00	\$35.00	\$10,500	
• community planner application processing fee	\$35.00	\$30.00	\$35.00	\$1,200	
• employment or consulting agent annual license	\$40.00	\$30.00	\$40.00	\$2,200	
• forester annual registration	\$40.00	\$25.00	\$40.00	\$300	
• hearing aid dealer trainee annual license	\$40.00	\$20.00	\$40.00	\$7,000	

**OVERVIEW**

**TABLE 7  
FY 2013 TARGET AGREEMENT ON FEES**

<b><u>Department</u></b>	<b><u>Fee Title</u></b>	<b>-----Current Law----- (as of 2/9/2012)</b>		<b><u>Proposed FY 2013 Fee Amount</u></b>	<b><u>Estimated Revenue</u></b>
		<b><u>FY 2012 Fee Amount</u></b>	<b><u>FY 2013 Fee Amount</u></b>		
Licensing & Regulatory Affairs (cont.)	<u>Licensing / regulation - real estate</u>				
	• brokers and associate brokers application processing fee	\$35.00	\$20.00	\$35.00	\$41,000
	• branch office annual license	\$20.00	\$10.00	\$20.00	
	• certified general or residential, licensed, or limited real estate appraiser application processing fee	\$35.00	\$25.00	\$35.00	
	<u>Licensing / regulation - mortuary</u>				
	• mortuary science or funeral director annual license	\$40.00	\$30.00	\$40.00	\$104,300
	• funeral resident trainee annual license	\$30.00	\$15.00	\$30.00	
	<u>Licensing / regulation - ocularist</u>				
	• application processing	\$35.00	\$15.00	\$35.00	\$200
	• annual registration	\$40.00	\$20.00	\$40.00	
• apprentice annual registration	\$20.00	\$10.00	\$20.00		
State Police	Fingerprint Fee	\$30.00	\$0	\$30.00	\$9.5 million
	Name-Based Criminal Record Check (ICHAT)	\$10.00	\$0	\$10.00	\$5.7 million
<b>TOTAL - ESTIMATED</b>					<b>\$83,901,400</b>



**FY 2012-13  
Budget Detail  
for  
EDUCATION**

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**Community Colleges  
Department of Education  
Higher Education  
School Aid**

**COMMUNITY COLLEGES**  
**Summary of FY 2012-13 Enacted Appropriations**  
**Article II, 2012 Public Act 201 (House Bill 5372)**

**Analyst: Erik Jonasson**

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: Enacted From FY 2011-12 YTD	
						Amount	%
<b>IDG/IDT</b>	\$0	\$0	\$0	\$0	\$0	\$0	--
<b>Federal</b>	0	0	0	0	0	0	--
<b>Local</b>	0	0	0	0	0	0	--
<b>Private</b>	0	0	0	0	0	0	--
<b>Restricted</b>	195,880,500	197,614,100	197,614,100	294,130,600	197,614,100	1,733,600	0.9
<b>GF/GP</b>	88,000,000	96,516,400	96,516,400	0	96,516,400	8,516,400	9.7
<b>Gross</b>	<b>\$283,880,500</b>	<b>\$294,130,500</b>	<b>\$294,130,500</b>	<b>\$294,130,600</b>	<b>\$294,130,500</b>	<b>\$10,250,000</b>	<b>3.6</b>
<b>FTEs</b>	0.0	0.0	0.0	0.0	0.0	0.0	--

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post-Employment Benefit prefunding under Senate Bill 683.  
 (2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

**Overview**

The Community Colleges budget supports the 28 community colleges located throughout the state. The colleges are governed by locally-elected boards of trustees. The colleges offer numerous educational programs aimed at traditional transfer students, career and technical education, developmental and remedial education, and continuing education courses. The colleges are funded through a combination of state aid, local property tax revenue, tuition and fees revenue, and other sources of revenue such as federal grants and investment earnings. State aid makes up about 19% of total community college general fund operating revenue, although the revenue mix varies considerably among the colleges.

**Major Budget Changes From FY 2011-12 YTD Appropriations**

	FY 2011-12 YTD (as of 2/9/12)	Enacted Change From YTD
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**1. Operations Funding**

Reflects a 3% increase (\$8.5 million GF/GP) in funding for community colleges operations using the Performance Indicators funding formula. Performance funding is allocated as follows:

- 50% across-the-board
- 17.5% weighted degree completions
- 15% for meeting local strategic value requirements
- 10% contact-hour equated students
- 7.5% administrative costs

Colleges must use performance funding to offset the employer share of contributions for employee retirement costs (see boilerplate Sec. 230).

<b>Gross</b>	<b>\$283,880,500</b>	<b>\$8,516,400</b>
Restricted	195,880,500	0
GF/GP	\$88,000,000	\$8,516,400

**2. MPERS Retirement Contributions**

Includes new funding of \$1.7 million from the State School Aid fund for paying a portion of the employer's share of Michigan Public Schools Employees' Retirement System (MPERS) contributions. Funds are distributed in proportion to each college's FY 2011-12 operations funding.

<b>Gross</b>	<b>N/A</b>	<b>\$1,733,600</b>
Restricted	N/A	1,733,600

**Major Boilerplate Changes From FY 2011-12**

**Sec. 205. *Deprived and Depressed Communities* – RETAINED**

Encourages colleges to ensure businesses in economically distressed areas compete for and perform contracts.

**Sec. 206. *Payment of Appropriations* – REVISED**

Provides for 11 payments per year to community colleges; directs Department of Treasury to withhold appropriations if colleges fail to submit Activities Classification Structure data. Language revised to require that the state budget director notify the House and Senate appropriations subcommittees before withholding funds.

**Sec. 209. *Transparency Website* – REVISED**

Requires the colleges to post general fund expenditures on their websites. Language revised by eliminating requirements to list employee names and salaries and standardizing the layout of reports on college websites. Additional information required includes links to current collective bargaining agreements and links to the most recent Activities Classification Structure dataset. Language includes authority to withhold State aid payments for noncompliance.

**Sec. 210. *Collaboration With Four-Year Universities, Local Employers, and Each Other* – RETAINED**

Encourages colleges to collaborate with four-year universities, particularly in areas of training, instruction, program articulation, and meeting local employment needs.

**Sec. 210a. *Block Transfer* – REVISED**

Establishes a 24-member committee made up of representatives from community colleges, universities, and the legislature to develop a process to improve the transferability of core college courses between community colleges and universities, including the development of equivalency standards and identifying equivalent courses offered by the institutions. New language reduces the number of representatives from community colleges and public universities from ten to five, and adds an additional report to be completed by September 1, 2013.

**Sec. 211. *Equal Opportunities* – DELETED**

Encourages colleges to promote equal opportunities and foster a diverse student body and administration.

**Sec. 214. *Remedial Education Assessment Cut Score* – DELETED**

Establishes a 12-member committee of community college representatives, K-12 education representatives, and lawmakers to develop a common set of “cut scores” to be utilized by the colleges to determine the placement of recent high school graduates in remedial education courses at the college.

**Sec. 219. *Recovery Act P-20 Data System* – REVISED**

Provides that colleges shall comply with the provisions in the American Recovery and Reinvestment Act concerning the establishment of a statewide P-20 longitudinal data system. Language revised to require community colleges to submit P-20 data by June 30 of each year.

**Sec. 229a. *State Building Authority Rent Payments* – NEW**

New language indicating the state share of costs for previously constructed capital outlay projects for community colleges as appropriated in the Department of Technology, Management, and Budget (DTMB) budget. Appropriations for community college capital outlay projects total \$26.2 million.

**Sec 230. *Performance Indicators Formula* – REVISED**

States intent that formula developed by performance indicator task force be used for funding distribution in future years. New language adds an additional section describing the funding distribution for the Performance Indicators Formula. The distribution is outlined as follows: 50% proportionate to base, 10% based on contact hour equated students, 7.5% based on administrative costs, 17.5% based on weighted degree completions, and 15% for local strategic value. “Local strategic value” is distributed proportionate to base funding, provided colleges meet a series of outlined requirements related to services provided to local communities. All performance funding over FY 2011-12 appropriations is required to be used for employee retirement costs.

**COMMUNITY COLLEGES**

**Performance Funding in FY 2012-13 Budget**

College	FY 2011-12 Appropriation	Performance Indicators Formula Components					\$1.7 million MPERS payments	FY 2012-13 Increase*	FY 2012-13 Appropriation	FY 2012-13 Percent Change from FY 2011-12
		50% Distribution Proportionate to Base Funding	10.0% Student Contact Hour	7.5% Admin. Costs	17.5% Weighted Degrees	15.0% Strategic Value				
Alpena	\$4,984,300	\$74,800	\$7,000	\$18,100	\$27,000	\$22,400	\$30,400	\$179,700	<b>\$5,164,000</b>	3.61%
Bay de Noc	\$5,040,200	\$75,600	\$9,200	\$11,100	\$25,200	\$22,700	\$30,800	\$174,600	<b>\$5,214,800</b>	3.46%
Delta	\$13,336,200	\$200,000	\$38,900	\$31,800	\$105,800	\$60,000	\$81,400	\$517,900	<b>\$13,854,100</b>	3.88%
Glen Oaks	\$2,320,900	\$34,800	\$5,500	\$10,500	\$11,300	\$10,500	\$14,200	\$86,800	<b>\$2,407,700</b>	3.74%
Gogebic	\$4,140,500	\$62,100	\$4,600	\$10,500	\$15,400	\$18,600	\$25,300	\$136,500	<b>\$4,277,000</b>	3.30%
Grand Rapids	\$16,649,700	\$249,700	\$57,400	\$28,700	\$68,800	\$74,900	\$101,700	\$581,200	<b>\$17,230,900</b>	3.49%
Henry Ford	\$20,145,000	\$302,200	\$57,200	\$20,500	\$71,800	\$90,700	\$123,000	\$665,400	<b>\$20,810,400</b>	3.30%
Jackson	\$11,219,700	\$168,300	\$26,100	\$25,300	\$52,100	\$50,500	\$68,500	\$390,800	<b>\$11,610,500</b>	3.48%
Kalamazoo	\$11,522,700	\$172,800	\$38,100	\$32,200	\$62,500	\$51,900	\$70,400	\$427,900	<b>\$11,950,600</b>	3.71%
Kellogg	\$9,047,900	\$135,700	\$20,900	\$32,400	\$52,400	\$40,700	\$55,300	\$337,400	<b>\$9,385,300</b>	3.73%
Kirtland	\$2,872,900	\$43,100	\$7,100	\$20,700	\$24,500	\$12,900	\$17,500	\$125,800	<b>\$2,998,700</b>	4.38%
Lake Michigan	\$4,937,700	\$74,100	\$16,200	\$13,100	\$18,200	\$22,200	\$30,200	\$174,000	<b>\$5,111,700</b>	3.52%
Lansing	\$28,651,900	\$429,800	\$67,600	\$40,100	\$145,600	\$128,900	\$175,000	\$987,000	<b>\$29,638,900</b>	3.44%
Macomb	\$30,490,300	\$457,300	\$85,100	\$33,400	\$140,400	\$137,200	\$186,200	\$1,039,600	<b>\$31,529,900</b>	3.41%
Mid Michigan	\$4,266,800	\$64,000	\$17,500	\$11,900	\$33,200	\$19,200	\$26,100	\$171,900	<b>\$4,438,700</b>	4.03%
Monroe	\$4,094,000	\$61,400	\$14,300	\$31,300	\$22,500	\$18,400	\$25,000	\$172,900	<b>\$4,266,900</b>	4.22%
Montcalm	\$2,946,800	\$44,200	\$6,600	\$23,700	\$17,200	\$13,300	\$18,000	\$123,000	<b>\$3,069,800</b>	4.17%
Mott	\$14,526,400	\$217,900	\$43,400	\$31,200	\$71,500	\$65,400	\$88,700	\$518,100	<b>\$15,044,500</b>	3.57%
Muskegon	\$8,256,700	\$123,900	\$17,800	\$30,700	\$27,000	\$37,200	\$50,400	\$287,000	<b>\$8,543,700</b>	3.48%
North Central	\$2,886,500	\$43,300	\$8,400	\$25,900	\$15,800	\$13,000	\$17,600	\$124,000	<b>\$3,010,500</b>	4.30%
Northwestern	\$8,430,300	\$126,500	\$18,300	\$24,500	\$24,500	\$37,900	\$51,500	\$283,200	<b>\$8,713,500</b>	3.36%
Oakland	\$19,455,900	\$291,800	\$94,600	\$36,800	\$98,500	\$87,600	\$118,800	\$728,100	<b>\$20,184,000</b>	3.74%
St. Clair	\$6,534,100	\$98,000	\$17,300	\$14,700	\$33,200	\$29,400	\$39,900	\$232,500	<b>\$6,766,600</b>	3.56%
Schoolcraft	\$11,477,300	\$172,200	\$45,000	\$21,100	\$84,900	\$51,600	\$70,100	\$444,900	<b>\$11,922,200</b>	3.88%
Southwestern	\$6,143,700	\$92,200	\$10,900	\$5,800	\$16,400	\$27,600	\$37,500	\$190,400	<b>\$6,334,100</b>	3.10%
Washtenaw	\$11,827,300	\$177,400	\$48,900	\$29,900	\$158,500	\$53,200	\$72,200	\$540,100	<b>\$12,367,400</b>	4.57%
Wayne County	\$15,425,900	\$231,400	\$62,900	\$20,900	\$57,400	\$69,400	\$94,200	\$536,200	<b>\$15,962,100</b>	3.48%
West Shore	\$2,248,900	\$33,700	\$4,800	\$2,000	\$8,800	\$10,100	\$13,700	\$73,100	<b>\$2,322,000</b>	3.25%
<b>Total</b>	<b>\$283,880,500</b>	<b>\$4,258,200</b>	<b>\$851,600</b>	<b>\$638,800</b>	<b>\$1,490,400</b>	<b>\$1,277,400</b>	<b>\$1,733,600</b>	<b>\$10,250,000</b>	<b>\$294,130,500</b>	<b>3.68%</b>

\*All appropriations over FY 2011-12 funding are designated solely for offsetting MPERS retirement costs.

**DEPARTMENT OF EDUCATION**  
**Summary of FY 2012-13 Enacted Appropriations**  
**Article VI, 2012 Public Act 200 (House Bill 5365)**

**Analysts: Bethany Wicksall and Mark Wolf**

IDG/IDT	FY 2011-12 YTD	FY 2012-13	FY 2012-13	FY 2012-13	FY 2012-13	Difference: Enacted	
	as of 2/9/12	Revised Executive	House	Senate	Enacted	From FY 2011-12 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	--
<b>Federal</b>	244,074,400	246,894,300	244,551,300	244,551,300	244,551,300	476,900	0.2
<b>Local</b>	7,269,200	5,560,400	5,560,400	5,560,400	5,560,400	(1,708,800)	(23.5)
<b>Private</b>	3,133,400	2,828,700	2,828,700	2,828,700	3,078,700	(54,700)	(1.7)
<b>Restricted</b>	7,438,900	7,626,300	7,626,300	7,626,300	7,626,300	187,400	2.5
<b>GF/GP</b>	64,643,900	68,043,200	67,363,900	64,298,500	68,093,200	3,449,300	5.3
<b>Gross</b>	<b>\$326,559,800</b>	<b>\$330,952,900</b>	<b>\$327,930,600</b>	<b>\$324,865,200</b>	<b>\$328,909,900</b>	<b>\$2,350,100</b>	<b>0.7</b>
<b>FTEs</b>	596.0	594.5	586.5	588.5	590.5	(5.5)	(0.9)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post-Employment Benefit prefunding under Senate Bill 683.

(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

**Overview**

The State Board of Education is an eight-member elected board constitutionally mandated to provide leadership and supervision for public education in Michigan. The Michigan Department of Education (MDE) is the administrative arm of the Board charged with implementing state and federal educational mandates and administering programs. Major responsibilities of the MDE include developing and overseeing the K-12 school system, certifying teachers, disbursing funds to educational organizations and libraries, and providing technical assistance to school districts and libraries.

**Major Budget Changes From FY 2011-12 YTD Appropriations**

**1. Early Childhood Investment Corporation**

Provides an \$827,700 Gross (\$172,400 GF/GP) increase to the Office of Great Start for the Early Childhood Investment Corporation (ECIC) to support early childhood education program improvements through the 54 Great Start Collaboratives, to provide planning grants for the Children's Healthcare Access Program (CHAP), and to support the state's Tiered Quality Rating Improvement System (TQRIS), which provides assessments and professional development training for child care providers in the state.

	FY 2011-12 YTD (as of 2/9/12)	Enacted Change From YTD
<b>Gross</b>	<b>\$12,723,000</b>	<b>\$827,700</b>
Federal	12,723,000	655,300
GF/GP	\$0	\$172,400

**2. State Aid to Libraries**

Increases funding for State Aid to Libraries by \$762,300 GF/GP. Funds are distributed under 1977 PA 89 generally on a per-capita basis.

<b>Gross</b>	<b>\$5,445,700</b>	<b>\$762,300</b>
GF/GP	\$5,445,700	\$762,300

**3. Michigan College Access Network**

Provides \$2.0 million GF/GP to partially replace lost federal funds. Funds to be provided to the Michigan College Access Network (MCAN) to enable MCAN and its partners to continue to provide support to families preparing for college and to enable the continued placement of college advisors in urban and rural schools in the state.

FTE	6.0	(6.0)
<b>Gross</b>	<b>\$4,322,400</b>	<b>(\$2,322,400)</b>
Federal	4,322,400	(4,322,400)
GF/GP	\$0	\$2,000,000

**DEPARTMENT OF EDUCATION**

<b><u>Major Budget Changes From FY 2011-12 YTD Appropriations</u></b>	<b><u>FY 2011-12 YTD (as of 2/9/12)</u></b>	<b><u>Enacted Change From YTD</u></b>
<b>4. Technology Infrastructure Grant Program</b>	FTE 67.6	1.0
Provides \$125,000 GF/GP and 1.0 FTE position in staff support to the Office of Grants Coordination and School Support Services to implement the technology infrastructure improvement grant program added in the School Aid budget (Sec. 22i). The program would provide districts (and ISDs on behalf of constituent districts) with \$50.0 million in funding for the acquisition of computer-adaptive student assessments and the development or improvement of a district's technology infrastructure in preparation for the planned implementation in FY 2014-15 of online student achievement growth assessments. Grants are capped at \$2.0 million per district.	<b>Gross \$11,311,400</b>	<b>\$125,000</b>
	Federal 10,715,700	0
	Local 11,700	0
	Restricted 71,700	0
	GF/GP \$512,300	\$125,000
<b>5. Performance-Based Funding Initiative</b>	FTE 64.1	1.0
Provides \$125,000 GF/GP and 1.0 FTE position in staff support to the Bureau of Assessment and Accountability (BAA) to implement the performance funding program proposed in the School Aid Budget (Sec. 22j). The program provides districts with incentive funds, totaling an estimated \$30.0 million, based on students' proficiency changes in grades 3-8 mathematics (MEAP), grades 3-8 reading (MEAP), and all subject areas for high school students (MME).	<b>Gross \$11,635,000</b>	<b>\$125,000</b>
	Federal 9,992,200	0
	GF/GP \$1,642,800	\$125,000
<b>6. Early Childhood Program Funding and Administration Report</b>	<b>Gross N/A</b>	<b>\$310,000</b>
Provides \$310,000 Gross (\$60,000 GF/GP) to the Office of Great Start to fund the cost of a study (Sec. 1002) on the funding and administration of early childhood programs.	Private N/A	250,000
	GF/GP N/A	\$60,000
<b>7. Office of State Aid and School Finance</b>	FTE 7.5	2.0
Increases funding for the Office of State Aid and School Finance by \$250,000 to fund 2.0 additional FTE positions. Staffing and resources for the office have remained flat for several years, while its workload has increased in recent years due to an increase in the number of schools operating under deficit elimination plans. Additional responsibilities are anticipated with the amendments to Sec. 25 of the School Aid Act.	<b>Gross \$1,023,400</b>	<b>\$250,000</b>
	GF/GP \$1,023,400	\$250,000
<b>8. Persistently Lowest Achieving (PLA) Schools</b>	FTE 64.1	2.0
Provides \$885,000 GF/GP and 2.0 FTE positions to the Bureau of Assessment and Accountability, School Reform Office (SRO) to support reform/redesign activities of PLA schools not receiving federal School Improvement Grants (SIG), allowing the SRO to provide services commensurate with SIG-funded activities, including weekly monitoring, ongoing learning, and technical assistance to PLA schools. Additionally, the funds would enable the SRO and the Office of Education Innovation and Improvement (OEII) to assist schools in closing the achievement gap between highest and lowest achieving districts (i.e. so-called "focus schools"), as provided for in the MDE's federal Elementary and Secondary Education Act (ESEA) flexibility waiver request.	<b>Gross \$11,635,000</b>	<b>\$885,000</b>
	Federal 9,992,200	0
	GF/GP \$1,642,800	\$885,000
<b>9. Michigan Schools for the Deaf and Blind (MSDB)</b>	FTE 103.0	(27.0)
Reduces funding and staffing for the MSDB following the recent sale of the MSDB's Flint campus to a private developer. The sale of the property has reduced the MSDB's property maintenance costs, requiring less capital expense and fewer maintenance staff. Enrollment declines in recent years have also allowed the MSDB to reduce staff.	<b>Gross \$14,624,600</b>	<b>(\$2,088,000)</b>
	Federal 6,464,200	(45,000)
	Local 7,181,000	(1,827,300)
	Private 760,800	(215,700)
	Restricted 218,600	0

**DEPARTMENT OF EDUCATION**

<b><u>Major Budget Changes From FY 2011-12 YTD Appropriations</u></b>		<b>FY 2011-12 YTD (as of 2/9/12)</b>	<b>Enacted Change From YTD</b>
<b>10. Charter School Oversight - Office of Education Innovation and Improvement</b>	FTE	55.7	2.0
Provides \$250,000 GF/GP and 2.0 FTE positions to the Office of Education Innovation and Improvement (Public School Academy Unit) for the administration of charter planning grants and continued levels of oversight and support of charter schools following enactment of 2011 PA 270 (SB 618), which lifted the cap on university-authorized charter schools. [These positions were added in FY 2011-12 with 2012 PA 89.]	<b>Gross</b>	<b>\$10,931,900</b>	<b>\$250,000</b>
	Federal	8,883,300	0
	Private	573,300	0
	Restricted	510,900	0
	GF/GP	\$964,400	\$250,000
<b>11. Michigan Electronic Library (MeL) Database</b>	<b>Gross</b>	<b>\$950,000</b>	<b>\$800,000</b>
Provides \$800,000 GF/GP for the Library of Michigan to support the library's acquisition of business databases and other online resource programs for small businesses and entrepreneurs.	GF/GP	\$950,000	\$800,000
<b>12. Child Development and Care (CDC) Caseloads</b>	<b>Gross</b>	<b>\$159,155,700</b>	<b>(\$3,000,000)</b>
Reduces funding for the child care assistance payments by \$3.0 million due to changes in monthly caseloads and costs per case. The May CREC estimates the FY 2011-12 average monthly caseloads will be 27,860 at an average monthly cost of \$476, and the FY 2012-13 average monthly caseloads will be 27,340 at an average monthly cost of \$476.	Federal	117,166,900	0
	GF/GP	\$41,988,800	(\$3,000,000)
<b>13. Federal Fund Shift</b>	<b>Gross</b>	<b>N/A</b>	<b>\$1,849,000</b>
Includes an additional \$1.8 million from several federal fund sources previously appropriated in the budget of the Center for Education Performance and Information (CEPI) within the School Aid Budget. These federal funds are offset with GF/GP funds in the CEPI budget.	Federal	N/A	1,849,000
<b>14. State Aid Management System (SAMS)</b>	<b>Gross</b>	<b>\$3,511,000</b>	<b>\$125,000</b>
Provides an additional \$125,000 for IT costs to support the maintenance of the State Aid Management System (SAMS), the Department's new IT system used to disburse school aid payments to districts. The MDE fully migrated to the new system in July 2011. The additional funds support 1.0 FTE position included in the budget for the Department of Technology, Management, and Budget.	Federal	2,062,400	0
	Local	76,500	0
	Restricted	325,500	0
	GF/GP	\$1,046,600	\$125,000
<b>15. Economic Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$3,782,500</b>
Reflects increased costs of \$3.8 million Gross (\$730,500 GF/GP) for negotiated salary and wage increases, actuarially-required retirement rate increases and other economic adjustments for FY 2012-13.	Federal	N/A	2,566,200
	Local	N/A	102,000
	Restricted	N/A	383,800
	GF/GP	N/A	\$730,500
<b>16. One-Time Boilerplate Appropriations</b>	<b>Gross</b>	<b>N/A</b>	<b>\$674,300</b>
Includes an FY 2012-13 appropriation, designated as "one-time", of \$624,300 Gross (\$114,100 GF/GP) for negotiated one-time lump sum payments to state employees. As part of their contract, unionized employees will receive a 1% lump sum payment, and Non-Exclusively Represented Employees (NEREs) will receive a 2% lump sum payment in October 2012. Also includes \$50,000 GF/GP for the Central Assessment Lending Library at Central Michigan University.	Federal	N/A	429,100
	Local	N/A	16,500
	Restricted	N/A	64,600
	GF/GP	N/A	\$164,100
<b>17. Full-Time Equivalent (FTE) Positions Authorization</b>	FTE	N/A	19.5
Increases the FTE authorization for the Office of Assessment and Accountability (2.5 FTEs), the Office of Grants Coordination and School Support Services (14.0 FTEs), Office of Audits (1.0 FTE), and central support services (2.0 FTEs) to reflect the actual number of FTE positions within those line items. There is no associated funding change.	<b>Gross</b>	<b>N/A</b>	<b>\$0</b>
	GF/GP	N/A	\$0

**DEPARTMENT OF EDUCATION**

<b><u>Major Budget Changes From FY 2011-12 YTD Appropriations</u></b>		<b>FY 2011-12 YTD (as of 2/9/12)</b>	<b>Enacted Change From YTD</b>
<b>18. State Board of Education/Superintendent of Public Instruction</b>	FTE	14.0	0.0
Maintains a single line item for unclassified positions, but reduces funding by \$9,600 Gross, and increases funding for State Board/Superintendent Operations by \$9,600 Gross.	<b>Gross</b>	<b>\$3,031,500</b>	<b>\$0</b>
	Federal	345,900	0
	Private	28,100	0
	Restricted	647,700	0
	GF/GP	\$2,009,800	\$0

**19. Anticipated FY 2013-14 Budget Changes**

Provides \$1.5 million Gross (\$0.3 million GF/GP) for actuarially-required retirement rate increases and other economic adjustments for FY 2013-14. (Boilerplate intent language only; would not be binding appropriation.)

**Major Boilerplate Changes From FY 2011-12**

**Sec. 214. Out-of-State Travel – RETAINED**

Restricts out-of-state travel by Department employees to certain circumstances and requires a report on travel by employees, including travel for professional development and training.

**Sec. 217. Economically Distressed Areas – DELETED**

Encourages the Department to contract with businesses located in economically distressed communities.

**Sec. 220. Timely Data – REVISED**

Requires the Department to provide data requested by legislators, legislative staff, and the fiscal agencies in a timely manner and provides that the funding for the State Board/Superintendent operations shall be reduced by 1% of state funds if the Department fails to provide reasonably requested data within 30 days, or fails to provide reports required by boilerplate or statute within 30 days of the due date.

**Sec. 228. Office Space Consolidation – NEW**

Provides legislative intent that the Department comply with the office space consolidation plan by DTMB.

**Sec. 601. Charter School Office – REVISED**

Earmarks \$600,000 and 5.5 FTE positions to operate the Office of Education Improvement and Innovation, Public School Academy Unit.

**Sec. 701. Collaboration with the Center for Educational Performance and Information (CEPI) – DELETED**

Directs MDE to work collaboratively with CEPI to support data collection.

**Sec. 803. Keep Library Functions Together – REVISED**

Provides legislative intent that the State maintain the Library of Michigan and its component programs together in a state Department, except that the genealogy collection may be moved elsewhere. (The Department plans to move the genealogy collection to the State Archives.)

**Sec. 804. Library Collections – DELETED**

Requires the MDE and the Library of Michigan to maintain custody of the non-Michigan genealogy and all Michigan-specific collections and continue to make these collections available to the public.

**Sec. 902. College Access Program – REVISED**

Provides that funds appropriated for the college access program may be used to support (1) Michigan College Access Network operations, programming, and services to local college access networks; (2) local college access networks, which are community-based organizations that work to improve college participation and completion rates; (3) the Michigan College Access Portal, an online portal to help students and families plan and apply for college; (4) public awareness campaigns to encourage low-income and first-generation students to attend college; and (5) subgrants to post-secondary institutions to provide student mentors and college advisors to assist high school students in navigating the postsecondary planning and enrollment process.

**Sec. 1001. Number of Child Care Providers Report – NEW**

Requires report on the number of childcare providers by type receiving payment for childcare services on October 1.



**Sec. 1002. Early Childhood Programs Funding Study – NEW**

Requires a report by the Office of Great Start on the source and funding of early childhood activities, the agency responsible for distributing funding, the recipients of funding, the number of children served, a “fiscal map” of federal, state, and private expenditures on programs and services for children through age 8 and their families, and an analysis of the effectiveness of early childhood programs in ensuring funding is used for services and the efficiency of funding spent on administration, including a review of the role and responsibilities of the Office of Great Start and the Early Childhood Investment Corporation. The report is due to the Legislature by May 15, 2013. If the report is not submitted when due, the Office of Great Start shall have 1% of its state funds withheld.

**Sec. 1003. Early Childhood Investment Corporation Annual Report – NEW**

Requires the Early Childhood Investment Corporation (ECIC) to submit an annual report by February 15 for FY 2011 and FY 2012 detailing the amounts of grants award, grant recipients, the activities funded by each grant, an analysis of the work of each grantee. The section also requires ECIC contracts to be bid through a statewide RFP process.

**Sec. 1201. Anticipated FY 2013-14 Appropriations – NEW**

Provides for legislative intent to provide appropriations for FY 2013-14, adjusting FY 2012-13 amounts based on economic and other factors. (See item 18 under Major Budget Changes for specific anticipated appropriation adjustments.)

**HIGHER EDUCATION**

**HIGHER EDUCATION  
Summary of FY 2012-13 Enacted Appropriations  
Article III, 2012 Public Act 201 (House Bill 5372)**

**Analyst: Kyle I. Jen**

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: Enacted From FY 2011-12 YTD	
						Amount	%
<b>IDG/IDT</b>	\$0	\$0	\$0	\$0	\$0	\$0	--
<b>Federal</b>	98,326,400	97,026,400	99,026,400	97,026,400	97,026,400	(1,300,000)	(1.3)
<b>Local</b>	0	0	0	0	0	0	--
<b>Private</b>	0	0	0	0	0	0	--
<b>Restricted</b>	200,219,500	200,565,700	200,565,700	200,565,700	200,565,700	346,200	0.2
<b>GF/GP</b>	1,065,632,500	1,102,389,400	1,100,049,500	1,102,939,400	1,101,628,300	35,995,800	3.4
<b>Gross</b>	<b>\$1,364,178,400</b>	<b>\$1,399,981,500</b>	<b>\$1,399,641,600</b>	<b>\$1,400,531,500</b>	<b>\$1,399,220,400</b>	<b>\$35,042,000</b>	<b>2.6</b>
<b>FTEs</b>	0.0	0.0	0.0	0.0	0.0	0.0	--

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012.  
(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard appropriation items and appropriations designated as one-time.

**Overview**

The Higher Education budget, as contained in Article III of the compiled School Aid Act, provides funding for operational support of the state's 15 public universities, the Agricultural Experiment Station and Cooperative Extension Service operated by Michigan State University, various financial aid programs for students attending public and independent colleges and universities in the state, and several other smaller higher education-related programs.

**Major Budget Changes From FY 2011-12 YTD Appropriations**

**1. University Operations**

Provides overall increase of \$36.2 million GF/GP (3.0%) to 15 public universities. Funding increase distributed based on several performance funding components:

- Critical skill area undergraduate degrees/certificates (\$6.0 million)
- Performance comparisons vs. national peers for six-year graduate rate, total degree completions, and institutional support as a percentage of core expenditures (\$6.0 million each)
- Research and development expenditures (\$3.0 million; doctoral/research Carnegie Classification groups only)
- A tuition restraint incentive component with a 4.0% limit (\$9.1 million). See Sec. 265 for related tuition restraint provisions.

To receive performance funding (funding components other than tuition restraint incentive), universities must comply with requirements related to reverse transfer agreements, dual enrollment policy, and Michigan Transfer Network participation (see Sec. 265a). Prior to allocation of funding for tuition restraint incentive, university appropriation increases from FY 2011-12 range from 0.7% to 8.2%.

**2. Michigan Public School Employee Retirement System (MPERS)**

Includes \$446,200 (School Aid Fund) to be allocated to the seven universities with employees in MPERS (Central, Eastern, Ferris, Lake Superior State, Michigan Tech, Northern, Western) in proportion to retiree health care costs, in order to offset a portion of those costs.

	FY 2011-12 YTD (as of 2/9/12)	Enacted Change From YTD
<b>Gross</b>	<b>\$1,207,234,700</b>	<b>\$36,217,000</b>
Restricted	200,019,500	0
GF/GP	\$1,007,215,200	\$36,217,000

<b>Gross</b>	<b>NA</b>	<b>\$446,200</b>
Restricted	NA	\$446,200

**HIGHER EDUCATION**

<b><u>Major Budget Changes From FY 2011-12 YTD Appropriations</u></b>		<b><u>FY 2011-12 YTD (as of 2/9/12)</u></b>	<b><u>Enacted Change From YTD</u></b>
<b>3. Agricultural Experiment and Cooperative Extension Activities</b>	<b>Gross</b>	<b>\$52,625,800</b>	<b>\$1,578,800</b>
Increases funding for Agricultural Experiment Station and Cooperative Extension Service operated by Michigan State University by 3.0%. FY 2012-13 appropriation is \$54.2 million GF/GP.	GF/GP	\$52,625,800	\$1,578,800
<b>4. One-Time University Appropriations</b>	<b>Gross</b>	<b>\$1,900,000</b>	<b>(\$1,900,000)</b>
Removes appropriations to three universities for specific purposes included in FY 2011-12 budget, which were designated as one-time items: \$1.2 million to Michigan State for Facility for Rare Isotope Beams (FY 2012-13 appropriation of \$2.3 million included in Treasury budget), \$500,000 to Eastern Michigan for Autism Collaborative Center (FY 2012-13 appropriation of same amount included in Community Health budget), and \$200,000 to Western Michigan for economic development and commercialization (not continued).	GF/GP	\$1,900,000	(\$1,900,000)
<b>5. State Competitive Scholarships</b>	<b>Gross</b>	<b>\$18,361,700</b>	<b>\$0</b>
Maintains FY 2011-12 appropriation level for State Competitive Scholarships. Program provides merit/need-based awards to students at public and independent institutions.	Federal	18,361,700	0
<b>6. Tuition Grants</b>	<b>Gross</b>	<b>\$31,664,700</b>	<b>\$0</b>
Maintains FY 2011-12 appropriation level for Tuition Grants. Program provides need-based awards to students at independent colleges.	Federal	31,664,700	0
<b>7. Tuition Incentive Program</b>	<b>Gross</b>	<b>\$43,800,000</b>	<b>\$0</b>
Maintains FY 2011-12 appropriation level for Tuition Incentive Program. Program pays associate's degree tuition costs for Medicaid-eligible middle and high school students who go on to graduate from high school and enroll in college.	Federal	43,800,000	0
<b>8. Robert C. Byrd Scholarship</b>	<b>Gross</b>	<b>\$1,300,000</b>	<b>(\$1,300,000)</b>
Removes \$1.3 million in funding for merit-based Robert C. Byrd Honors Scholarships due to federal funding elimination.	Federal	1,300,000	(1,300,000)
<b>9. Children of Veterans Tuition Grant Program</b>	<b>Gross</b>	<b>\$1,200,000</b>	<b>\$0</b>
Replaces \$100,000 in restricted funds with \$100,000 GF/GP to reflect declining income tax check-off contributions for program.	Restricted GF/GP	200,000 \$1,000,000	(100,000) \$100,000

**Major Boilerplate Changes From FY 2011-12**

**Sec. 236b. Contingency Funds – NEW**

Appropriates up to \$6.0 million in federal contingency funds, to be transferred to specific line items through the legislative transfer process.

**Sec. 237a. Research University Definition – DELETED**

Defines the term "Research University" to include three Carnegie Classification categories.

**Sec. 237b. Definitions – NEW**

Defines the term "Workforce Development Agency."

**Sec. 240. Deprived and Depressed Communities – DELETED**

Directs universities to ensure that businesses in deprived and depressed communities compete for contracts.

**Sec. 244. Postsecondary Student Data System – REVISED**

Requires universities to cooperate with measures taken by state to comply with federal provisions requiring establishment of a statewide P-20 education longitudinal data system. Revised to remove reference to federal provisions and authorize state budget director to withhold monthly payments for a university not in compliance.

## **HIGHER EDUCATION**

### **Major Boilerplate Changes From FY 2011-12**

#### **Sec. 245. Posting of Expenditures – REVISED**

Requires report from each university categorizing general fund expenditures among major categories for all internal units, as well as a list of all employee salary amounts for positions funded by general fund. Revised to require various budget, compensation, other financial, and performance data (including salary list) on university website, using a standard format; allows Budget Director to withhold appropriation payments if university is not in compliance.

#### **Sec. 246. MPSERS Reimbursement – NEW**

Provides for allocation of funding to the seven universities with employees in MPSERS (Central, Eastern, Ferris, Lake Superior State, Michigan Tech, Northern, Western) in proportion to retiree health care costs.

#### **Sec. 251. State Competitive Scholarship Program – REVISED**

Provides for distribution of funds appropriated for State Competitive Scholarships; specifies maximum grant amount of at least \$600, unless insufficient funds are available, in which case a report is required. Revised to reflect actual FY 2011-12 maximum grant amount of \$575.

#### **Sec. 252. Tuition Grant Program – REVISED**

Provides for distribution of funds appropriated for Tuition Grants; specifies maximum grant amount of at least \$1,512, unless insufficient funds are available, in which case a report is required; limits award eligibility to undergraduate students; provides for carry forward of unexpended funds; caps awards received by students at a single institution at \$3.0 million. Revised to add provision for report if additional funds are available beyond \$1,512 maximum award amount.

#### **Sec. 254. Financial Aid Payment Schedules – REVISED**

Specifies 50%/50%/0%/0% quarterly payment schedule for financial aid programs. Revised to 50%/30%/10%/10% schedule.

#### **Sec. 256. Tuition Incentive Program – REVISED**

Specifies criteria for Tuition Incentive Program eligibility. Revised to allow students with high school certificates of completion to participate, include more specific process for certifying Medicaid eligibility, and add clarification that term "incarcerated" does not apply to individuals detained in juvenile detention facilities.

#### **Sec. 262. Textbook Policies – DELETED**

States intent that universities submit report on policies for minimizing the costs of textbooks.

#### **Sec. 263. Project GREEN – REVISED**

Allocates \$5.6 million from Agricultural Experiment and Cooperative Extension Activities appropriation for Project GREEN (Generating Research and Extension to meet Environmental and Economic Needs); requires report. Revised to delete reporting requirement (similar report required in Sec. 263a) and rename programs as "MSU AgBioResearch" and "MSU Extension."

#### **Sec. 263a. Research and Outreach Priorities – REVISED**

Directs Michigan State University to develop, in consultation with Agricultural Experiment and Cooperative Extension Service stakeholders, a set of research and outreach priorities and convene a summit on production agriculture; requires report on fund sources and review of major programs. Revised to provide for establishment of a strategic growth initiative for the food agriculture industry and state intent regarding metric goals that will be used to evaluate impacts of MSU AgBioResearch and MSU Extension (renamed).

#### **Sec. 265. Tuition Restraint – REVISED**

Provides for tuition restraint incentive funds appropriated to universities to be paid only if a university certifies that it did not adopt an increase in FY 2010-11 resident undergraduate tuition/fees after February 1, 2011, and that it will not adopt an increase in FY 2011-12 resident undergraduate tuition/fees that is greater than the prior five-year statewide average tuition/fee increase (7.1%). Revised to provide for allocation of funding component tied to tuition restraint in FY 2012-13; universities holding resident undergraduate tuition/fee increase at or below 4.0% will receive funds in proportion to amount below 4.1%. Expands definition of "tuition and fee rate" to be more specific. Defines the term "fee" to include the cost of a university-affiliated health insurance policy for a university that compels resident undergraduate students to have health insurance coverage as a condition of enrollment.

**Major Boilerplate Changes From FY 2011-12**

**Sec. 265a. University Performance Funding – NEW**

Includes three requirements to receive performance funding:

- Certification that university participates in reverse transfer agreements with at least three Michigan community colleges (or has made a good faith effort toward entering into such agreements).
- Certification that dual enrollment policy does not consider use of credits toward high school graduation requirements.
- Participation in Michigan Transfer Network.

Establishes process for universities to certify (by August 31, 2012) they have complied, or will comply with, all requirements. Provides for reappropriation of funds forfeited due to discompliance; funds would be added to tuition restraint incentive funding.

**Sec. 266. University Funding Formula – DELETED**

States that, in subsequent budget years, university operations funding shall be allocated to each university using an incentive-based formula developed and enacted by the Legislature.

**Sec. 270a. Consolidation of Purchases – DELETED**

Requires universities to coordinate purchases of goods and services; requires report from Presidents Council on purchasing and associated savings.

**Sec. 271. Academic Program Accreditation – DELETED**

Requires universities to report on expenditures made for academic program accreditation.

**Sec. 272. Transfer Credit Reporting – DELETED**

Requires universities to report on the transfer credits rejected for incoming students.

**Sec. 273a. Non-Profit Worker Centers – NEW**

States intent that universities not use appropriated funds to benefit a non-profit worker center whose documented activities include coercion through protest, demonstration, or organization against a Michigan business.

**Sec. 274. Embryonic Stem Cell Research – REVISED**

States intent that universities conducting research using human embryonic stem cells report to the Department of Community Health regarding embryos and stem cell lines received or utilized by the university. List of data items revised to be more specific to stem cell lines.

**Sec. 283. Information to High Schools – REVISED**

Requires universities to inform high schools regarding academic status of students from each high school. Revised to require universities to work with Center for Educational Performance and Information to implement requirement.

**Sec. 284. Information to Community Colleges – REVISED**

Requires universities to inform community colleges regarding academic status of transfer students. Revised to require universities to work with Center for Educational Performance and Information to implement requirement.

**Sec. 292. Crime Statistics – DELETED**

Requires universities to make materials prepared in accordance with federal crime and campus security reporting requirements available through the Internet. Section deleted but merged into reporting requirements under Sec. 245.

**Sec. 293a. State Building Authority (SBA) Rent Payments – NEW**

States amounts appropriated through Department of Technology, Management, and Budget for SBA rent payments associated with state costs for previous capital projects at universities (total: \$124.0 million).

**Sec. 294. One-Time Appropriations – DELETED**

Appropriates \$1.9 million GF/GP on a one-time basis only in FY 2011-12.

SCHOOL AID

**SCHOOL AID**  
**Summary of FY 2012-13 Enacted Appropriations**  
**Article I, 2012 Public Act 201 (House Bill 5372)**

**Analysts: Bethany Wicksall and Mark Wolf**

	FY 2011-12 YTD as of 2/27/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: Enacted From FY 2011-12 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	--
<b>Federal</b>	1,658,031,800	1,701,041,400	1,701,041,400	1,701,041,400	1,701,041,400	43,009,600	2.6
<b>Local</b>	0	0	0	0	0	0	--
<b>Private</b>	0	0	0	0	0	0	--
<b>Restricted</b>	10,967,333,600	10,785,973,400	10,782,707,800	10,715,091,400	10,961,087,100	(6,246,500)	(0.1)
<b>GF/GP</b>	118,642,400	200,000,000	333,000,000	296,516,400	282,400,000	163,757,600	138.0
<b>Gross</b>	<b>\$12,744,007,800</b>	<b>\$12,687,014,800</b>	<b>\$12,816,749,200</b>	<b>\$12,712,649,200</b>	<b>\$12,944,528,500</b>	<b>\$200,520,700</b>	<b>1.6</b>

Notes: FY 2011-12 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 27, 2012.

**Overview**

The School Aid budget makes appropriations to the state's 549 local school districts, 256 public school academies, and 57 intermediate school districts (ISDs) for operations and certain categorical programs. It also appropriates funds to the Center for Educational Performance and Information, the Michigan Strategic Fund, and other entities to implement certain grants and other programs related to K-12 education.

**Major Budget Changes From FY 2011-12 YTD Appropriations**

		FY 2011-12 YTD (as of 2/27/12)	Enacted Change From YTD
<b>1. School Bond Redemption Fund (Sec. 11j)</b>	<b>Gross</b>	<b>\$93,575,300</b>	<b>\$26,814,700</b>
Increases by \$26.8 million to a total of \$120.4 million for increased interest payments.	Restricted	93,575,300	26,814,700
<b>2. Cash Flow Borrowing Costs (Sec. 11m)</b>	<b>Gross</b>	<b>\$8,500,000</b>	<b>(\$5,300,000)</b>
Reduces by \$5.3 million due to lower interest and borrowing costs for the School Aid Fund.	Restricted	8,500,000	(5,300,000)
<b>3. Prop. A Obligation - Foundation Allowances (Sec. 22a)</b>	<b>Gross</b>	<b>\$5,769,000,000</b>	<b>(\$57,000,000)</b>
Decreases funding by \$57.0 million to incorporate revised taxable value and pupil membership estimates from the May Consensus Revenue Estimating Conference.	Restricted	5,769,000,000	(57,000,000)
<b>4. Discretionary - Foundation Allowances (Sec. 22b)</b>	<b>Gross</b>	<b>\$3,052,000,000</b>	<b>\$100,300,000</b>
Increases funding by a total of \$100.3 million to include the following:	Restricted	2,955,028,100	(68,418,300)
<ul style="list-style-type: none"> <li>An equity payment to increase the minimum foundation allowance to \$6,966 (a \$120 per pupil increase from the current \$6,846 minimum) totaling \$80.0 million,</li> <li>The elimination of 4 district specific foundation allowance adjustments totaling \$4.0 million,</li> <li>An assumed \$20.0 million in savings for requiring full-day kindergarten for a full foundation allowance, and</li> <li>Revised taxable value and pupil membership estimates from the May Consensus Revenue Estimating Conference.</li> </ul>	GF/GP	\$96,971,900	\$168,718,300
<b>5. Michigan Business Tax (MBT) Impact on Out-of-Formula Districts (Sec. 22e)</b>	<b>Gross</b>	<b>\$700,000</b>	<b>(\$700,000)</b>
Eliminates funding which held out-of-formula districts harmless from local personal property tax exemptions when the MBT was created.	Restricted	700,000	(700,000)

**SCHOOL AID**

<b><u>Major Budget Changes From FY 2011-12 YTD Appropriations</u></b>		<b><u>FY 2011-12 YTD (as of 2/27/12)</u></b>	<b><u>Enacted Change From YTD</u></b>
<b>6. Best Practices Grants (Sec. 22f)</b>	<b>Gross</b>	<b>\$154,000,000</b>	<b>(\$74,000,000)</b>
Decreases the allocation to \$80.0 million and distributes grants equal to \$52 per pupil to districts that meet 7 out of 8 revised best practices criteria. (See Major Boilerplate Changes below for a detailed discussion of the best practices criteria.)	Restricted	154,000,000	(74,000,000)
<b>7. Consolidation Innovation Grants (Sec. 22g)</b>	<b>Gross</b>	<b>N/A</b>	<b>\$10,000,000</b>
Provides \$10.0 million in funding, designated as one-time, for competitive assistance grants to help defray transition costs associated with the consolidation of operations or services among districts, ISDs, and local units of government for consolidations that take place on or after June 1, 2012.	Restricted	N/A	10,000,000
<b>8. Technology Infrastructure Improvement Grants (Sec. 22i)</b>	<b>Gross</b>	<b>N/A</b>	<b>\$50,000,000</b>
Creates a \$50.0 million competitive grant program providing grants to districts, or ISDs on behalf of constituent districts, to support technology infrastructure upgrades in preparation for the planned implementation of online student achievement growth assessments in 2014-15. Grants may not exceed \$2.0 million per district.	Restricted	N/A	50,000,000
<b>9. District Performance-Based Funding (Sec. 22j)</b>	<b>Gross</b>	<b>N/A</b>	<b>\$30,000,000</b>
Establishes a new performance-based grant program providing awards to districts of up to \$100 per pupil based on 2010-11 Michigan Education Assessment Program (MEAP) and Michigan Merit Exam (MME) data. Awards will be prorated based on available funding.	Restricted	N/A	30,000,000
<b>10. Juvenile Detention Facility Programs (Sec. 24a)</b>	<b>Gross</b>	<b>\$2,114,800</b>	<b>\$21,000</b>
Increases by \$21,000 for economic adjustments.	Restricted	2,114,800	21,000
<b>11. Youth Challenge Program (Sec. 24c)</b>	<b>Gross</b>	<b>\$765,600</b>	<b>\$734,400</b>
Increases by \$734,400 to \$1,500,000.	Restricted	765,600	734,400
<b>12. Renaissance Zone Reimbursements (Sec. 26a)</b>	<b>Gross</b>	<b>\$26,300,000</b>	<b>\$1,500,000</b>
Maintains FY 2011-12 reimbursement levels to districts and ISDs and adds \$1.5 million to reimburse libraries.	Restricted	26,300,000	0
	GF/GP	\$0	\$1,500,000
<b>13. Promise Zone State Education Tax (SET) Capture (Sec. 26c)</b>	<b>Gross</b>	<b>N/A</b>	<b>\$347,800</b>
Appropriates \$347,800 to districts and ISDs with an approved Promise Zone development plan for the purposes of the local Promise Zone Authority under the Michigan Promise Zone Authority Act, 2008 PA 549.	Restricted	N/A	347,800
<b>14. Great Start Collaborative Grants (Sec. 32b)</b>	<b>Gross</b>	<b>\$5,900,000</b>	<b>(\$5,900,000)</b>
Eliminates this section and rolls funding into a new Early Childhood Funding Block Grant (Sec. 32p).	Restricted	5,900,000	(5,900,000)
<b>15. Great Start Readiness Program (GSRP) (Sec. 32d)</b>	<b>Gross</b>	<b>\$104,575,000</b>	<b>\$5,000,000</b>
Increases formula (district) GSRP funding by \$5.0 million, providing an additional 1,470 slots, and revises formula to award slots to each ISD on an ISD-wide basis. ISDs may decide how to distribute slots throughout the ISD. Maintains FY 2011-12 funding for competitive non-district grants.	Restricted	104,275,000	5,000,000
	GF/GP	\$300,000	\$0
<b>16. Great Parents, Great Start Grants (Sec. 32j)</b>	<b>Gross</b>	<b>\$5,000,000</b>	<b>(\$5,000,000)</b>
Eliminates this section and rolls funding into a new Early Childhood Funding Block Grant (Sec. 32p).	Restricted	5,000,000	(5,000,000)

**SCHOOL AID**

<b><u>Major Budget Changes From FY 2011-12 YTD Appropriations</u></b>		<b><u>FY 2011-12 YTD (as of 2/27/12)</u></b>	<b><u>Enacted Change From YTD</u></b>
<b>17. Early Childhood Funding Block Grant (Sec. 32p)</b>	<b>Gross</b>	<b>N/A</b>	<b>\$10,900,000</b>
Rolls funding for Great Start Collaborative grants (Sec. 32b) and Great Parents, Great Start grants (Sec. 32j) into a single allocation, with each ISD receiving the same amount of funding under this section as it received in FY 2011-12 for the two grant programs. Each ISD must apply to the Department, indicating the activities supported by the grant, and must convene a local Great Start Collaborative and a Great Start Parent Coalition.	Restricted	N/A	10,900,000
<b>18. Federal Funding (Sec. 39a)</b>	<b>Gross</b>	<b>\$794,333,300</b>	<b>\$51,509,300</b>
Increases anticipated funding for "No Child Left Behind" and other federal funding by \$51.5 million to a total of \$845.8 million.	Federal	794,333,300	51,509,300
	Restricted	0	0
<b>19. Special Education (Sec. 51a)</b>	<b>Gross</b>	<b>\$1,392,169,100</b>	<b>\$43,100,000</b>
Increases funding by \$43.1 million to a total of \$1.4 billion to recognize consensus estimates for growth in special education costs.	Federal	437,400,000	1,600,000
	Restricted	954,769,100	41,500,000
<b>20. School Bus Inspections (Sec. 74(4))</b>	<b>Gross</b>	<b>\$1,608,900</b>	<b>\$26,000</b>
Increases by \$26,000 for economic adjustments.	Restricted	1,608,900	26,000
<b>21. ISD General Operations (Sec. 81)</b>	<b>Gross</b>	<b>\$62,108,000</b>	<b>\$2,000,000</b>
Maintains base funding for ISD general operations at FY 2011-12 levels and increases by \$2.0 million to provide ISDs that meet 4 out of 5 best practices criteria with an additional 3.2% of their FY 2011-12 allocation.	Restricted	62,108,000	2,000,000
<b>22. Center for Educational Performance and Information (Sec. 94a)</b>	<b>Gross</b>	<b>\$8,661,900</b>	<b>\$750,000</b>
Increases by \$750,000 for economic adjustments and replaces federal funding transferred to the MDE budget with GF/GP.	Federal	2,893,200	(2,699,700)
	GF/GP	\$5,768,700	\$3,449,700
<b>23. Principal Educator Evaluator Training (Sec. 95)</b>	<b>Gross</b>	<b>N/A</b>	<b>\$1,750,000</b>
Provides \$1.75 million for grants to districts to support professional development for principals and assistant principals in a department-approved training program on implementing educator evaluation programs.	Restricted	N/A	1,750,000
<b>24. Michigan Virtual University (MVU) (Sec. 98)</b>	<b>Gross</b>	<b>\$4,387,500</b>	<b>\$0</b>
Maintains current year total appropriations but shifts support of the program from partial federal funding to full funding from GF/GP. (See Major Boilerplate Changes below for a detailed discussion of other changes for the MVU.)	Federal	2,700,000	(2,700,000)
	GF/GP	\$1,687,500	\$2,700,000
<b>25. Math and Science Centers (Sec. 99)</b>	<b>Gross</b>	<b>\$7,874,300</b>	<b>\$100,000</b>
Increases by \$100,000 for a Math/Science Center that is a participant in the Michigan Science, Technology, Engineering, and Mathematics (STEM) Partnership and replaces \$110,000 in GF/GP fund support with School Aid Fund.	Federal	5,249,300	0
	Restricted	2,515,000	210,000
	GF/GP	\$110,000	(\$110,000)
<b>26. Michigan Education Assessment Program (Sec. 104)</b>	<b>Gross</b>	<b>\$43,444,400</b>	<b>(\$8,500,000)</b>
Adjusts FY 2012-13 funding to remove \$8.5 million in two-year funding for FY 2010-11 and FY 2011-12 related to implementation of assessment changes required under 2009 state education reforms.	Federal	8,250,000	0
	Restricted	35,194,400	(8,500,000)
<b>27. Michigan Public School Employees' Retirement System (MPERS) Cost Offset (Sec. 147a)</b>	<b>Gross</b>	<b>\$155,000,000</b>	<b>\$0</b>
Maintains the current appropriation of \$155.0 million to reimburse school districts (excluding ISDs) for approximately 2% of their MPERS payroll.	Restricted	155,000,000	0
<b>28. MPERS Retirement Obligation Reform Reserve Fund (Sec. 147b)</b>	<b>Gross</b>	<b>\$133,000,000</b>	<b>(\$92,000,000)</b>
Appropriates an additional \$41.0 million, above the \$133.0 million appropriated in FY 2011-12, into the MPERS Retirement Obligation Reform Reserve Fund, bringing the fund balance to \$174.0 million.	Restricted	133,000,000	(92,000,000)



<u>Major Budget Changes From FY 2011-12 YTD Appropriations</u>	<u>FY 2011-12 YTD (as of 2/27/12)</u>	<u>Enacted Change From YTD</u>
<p><b>29. MPSERS Pre-Funding (Sec. 147c)</b>                      Appropriates \$130.0 million to MPSERS pursuant to Section 41 of the Public School Employees' Retirement Act of 1979, 1980 PA 300, MCL 38.1341. If that section is not amended by SB 1040, the allocation shall lapse to the School Aid Fund.</p>	<p><b>Gross</b> Restricted</p>	<p><b>N/A</b> N/A</p>
<p><b>30. Adair - Database Payment (Sec. 152a)</b>                      Increases reimbursements to districts and ISDs by \$3.9 million to a total of \$38.0 million for the costs related to state-mandated collection, maintenance, and data reporting.</p>	<p><b>Gross</b> Restricted</p>	<p><b>\$130,000,000</b> \$130,000,000</p>
		<p><b>\$34,064,500</b> 34,064,500</p>
		<p><b>\$3,936,000</b> 3,936,000</p>

**Major Boilerplate Changes From FY 2011-12**

**Sec. 3, et al. Education Achievement Authority, Education Achievement System, Achievement School – NEW**  
 Defines the "Education Achievement Authority" (EAA) as established pursuant to an interlocal agreement under the Urban Cooperation Act between the Detroit Public Schools and Eastern Michigan University, and defines the "Education Achievement System" (EAS) as encompassing the authority and all achievement schools. Defines an "achievement school" as a public school within the EAS operated, managed, authorized, established, or overseen by the EAA. An achievement school would be eligible in the same manner as a district for all applicable funding. Section 20 allocates funding to an achievement school based on the foundation allowance of the school district in which the achievement school is located.

**Sec. 6(4). Pupil Membership Definitions – REVISED**

Maintains current law in requiring the same number of instructional hours for full-time equated kindergarten pupils as pupils in grades 1-12 (1,098 hours) beginning in FY 2012-13 and reiterates that the change in kindergarten instructional hours is not a mandate. However, the bill adds that for districts that provided a full-day kindergarten program supplemented with federal Title 1 funding for the last two years, the number of instructional hours required for a full-time equated kindergarten pupil is equal to half of the number of instructional hours for full-time equated pupils in grades 1-12, to the extent allowable under federal law. The bill also requires the Department to seek clarification from the U.S. Department of Education by December 1, 2012, as to whether the continued use of Title 1 funds to fund the second half of a full-day program for those districts that did so in the prior two years is an allowable use of federal Title 1 funds. Requires that districts report (along with its pupil membership report) to the Department and CEPI the number of instructional hours scheduled per kindergarten pupil and, if the number of hours is not the same for all kindergarten pupils, the number of kindergarten pupils by the number of scheduled instructional hours.

**Sec. 11t. Comprehensive Education Fund – NEW**

Provides intent to enact legislation changing the name of the "State School Aid Fund" to the "Comprehensive Education Fund."

**Sec. 11u. Review of Categorical Funding – NEW**

Provides intent to review the extent to which categorical funding appropriated in the act instead could be appropriated as part of the foundation allowance and other basic per-pupil payments.

**Sec. 18. District Financial and Pupil Accounting – REVISED**

Requires districts, ISDs, PSAs, and the EAS providing online learning to submit a report to the Department detailing the per-pupil costs of operating the online learning program, including costs of instructional materials, electronic equipment, salaries and benefits, purchased courses and curricula, oversight fees, travel costs associated with school activities and testing, facilities costs, special education costs, and other data. The report is due by October 1, 2012. The Department is to submit a report by December 31, 2012, synthesizing the data included in the district reports. [The report is also required under 2012 PA 129 (SB 619), but because the bill was not granted immediate effect, the bill takes effect after the reports were to be submitted.]

**Sec. 19. Data Reporting Requirements – REVISED**

Adds legislative intent language that the state implement standard reporting requirements for education data approved by the department and CEPI not later than FY 2014-15 and requires the Department to work with CEPI, districts, ISDs, and other interested stakeholders to implement this change. Also requires districts and ISDs to implement this statewide standard not later than FY 2014-15 or when a district or ISD updates its education data reporting system, whichever is later.

## **SCHOOL AID**

### **Major Boilerplate Changes From FY 2011-12**

#### **Sec. 20. Foundation Allowances – REVISED**

Increases the minimum foundation allowance from \$6,846 to \$6,966, raising all foundation allowances below \$6,966 in FY 2011-12 to \$6,966 for FY 2012-13. This would provide an increase of up to \$120 per pupil for 488 local districts and PSAs out of a total 805 districts. Eliminates foundation allowance adjustments for specific districts including Wayne-Westland, Gibraltar, Garden City and Huron. The 4 district-specific adjustments were reduced in FY 2011-12, and language was included that specified FY 2011-12 would be the final year of those adjustments.

#### **Sec. 22b. Discretionary - Foundation Allowances – REVISED**

Requires that the Department report to the Legislature by January 1, 2013, the estimated amount of savings realized due to the requirement that districts provide the same number of instructional hours per kindergarten pupil as the number of instructional hours per pupil in grades 1-12.

#### **Sec. 22f. Best Practices Grants – REVISED**

Provides \$80.0 million in funding to qualifying districts for grants equal to \$52 per pupil. To qualify, districts must meet 7 of the following 8 criteria:

- Participate in Schools of Choice programs under Section 105 and Section 105c. PSAs are considered to have met this requirement. (NEW)
- Measure student growth at least twice annually and report that growth to parents or provide the Department with a plan and be able to show progress toward developing the technology infrastructure necessary for the implementation of student growth assessments by FY 2014-15. (NEW)
- Provide dual enrollment and other opportunities for postsecondary coursework. PSAs that do not offer grades at the secondary level may satisfy this requirement by informing parents of available post-secondary opportunities for students when they are at the secondary level. (NEW)
- Provide online learning opportunities. (NEW)
- Act as policy holder for health care services benefits.
- Provide a dashboard to parents and members of the community.
- Obtain competitive bids for non-instructional services for FY 2012-13. (REVISED)
- Provide physical education or health education consistent with State Board of Education policy. (NEW)

Redistributes any funds left after all awards have been distributed to qualifying districts with a foundation less than \$8,019 on an equal per pupil basis.

#### **Sec. 22i. Technology Infrastructure Grants – NEW**

Provides \$50.0 million in competitive grants to districts and ISDs, on behalf of their constituent districts, for the development or improvement of the district's technology infrastructure in preparation for the planned implementation of online student achievement growth assessments in FY 2014-15 or for access to a computer adaptive student assessment test. Grant awards are capped at \$2.0 million per school district, with awards granted to ISDs if the grant provides cost savings compared to grants given to the individual constituent districts.

**Major Boilerplate Changes From FY 2011-12**

***Sec. 22j. Performance-Based Funding – NEW***

Provides \$30.0 million for performance-based grants equal to a maximum \$100 per pupil based on student academic performance. Districts would receive a portion or all of the following:

- \$30 per pupil for improving proficiency in mathematics for grades 3 to 8.
- \$30 per pupil for improving proficiency in reading for grades 3 to 8.
- \$40 per pupil for improving proficiency over 4 years for high school students in all subject areas.

For both of the grades 3 to 8 standards, the Department would determine a model based on recently revised MEAP cut scores using a metric that assigns districts points ranging from 0 to 3 for each student depending on whether or not they began the year performing proficiently and whether they decline, maintain, or improve proficiency over the school year. A district would be eligible if the district average number of points was greater than 1.5, the district tests at least 95% of its students in reading or mathematics, and the district had at least 30 students in grades 3 to 8 that had a performance level change designation.

For the high school standards, the awards would be made using a metric based on a positive 4-year trend in the percentage of high school students in each district testing as proficient in all state assessment subject areas (mathematics, reading, science, social studies, and writing). A district would qualify if a linear regression of the district's percentage of high school students testing proficient over the 4-year period is at least equal to the statewide average linear regression over that same period, the district's linear regression is positive, the district tested 95% of its students on the Michigan Merit Exam, and the district had at least 20 students take all the tested subjects on the Michigan Merit Exam for each of the last 4 years.

Uses FY 2010-11 MEAP and MME data and provides that each district's allocation is subject to proration based on available appropriations.

***Sec. 25. Pupil Membership Adjustments – REVISED***

Revises this section, which allows for an adjustment to districts' pupil membership counts, to automatically adjust a district's pupil membership using the same process for all districts, if a pupil transfers from one district to another district after the count day.

***Sec. 31a. At-Risk Pupil Support – REVISED***

Eliminates the application process for districts that meet Adequate Yearly Progress (AYP) to be allowed to use a portion of their At-Risk funding more flexibly than is otherwise allowed. Instead, allows such districts to spend up to 20% of their at-risk funds more flexibly than required by statute as long as funds are spent for specific purposes designed to benefit at-risk pupils and districts maintain documentation of these expenditures and make them available to the department upon request. Also expands the language to allow districts to use at-risk funding for small class size in grades K-12 rather than just K-6 as is allowed under current law.

***Secs. 32b, 32d, 32j and 32p. Early Childhood Programs – REVISED***

Current statute requires that the Department work with ISDs, Early Childhood Investment Corporation (ECIC) and other stakeholders to report to the Legislature regarding legislative intent to move funding in FY 2012-13 to an early childhood block grant program administered by ISDs in conjunction with local Great Start Collaboratives. The Department complied and recommended a multi-year phase-in to the block grant. Phase 1 began in FY 2011-12 by making ISDs the fiduciary for each of the 4 separate appropriation sections.

The bill implements the Phase 2 recommendation for FY 2012-13, which would revise the formula for Great Start Readiness Program (GSRP) district preschool funding so that the number of eligible pupils are measured, and slots are awarded, on an ISD-wide basis. ISDs would then determine how to distribute those slots among their constituent districts. The bill also rolls funding for Great Start Collaborative grants (Sec. 32b), and Great Parents, Great Start grants (Sec. 32j) into a single block grant for early childhood programs (Sec. 32p). Requires ISDs to convene a local Great Start Collaborative and a local Great Start Parent Coalition, but ISDs may reconstitute a collaborative or parent coalition that is found to be ineffective. Allows funds to be used for existing Parents Involved in Education (PIE) programs, but limits PIE services to families at or below 300% of the federal poverty level.

***Sec. 56. Special Education Millage Equalization – REVISED***

Provides that for FY 2012-13 only, each ISD is to receive the same amount it received in FY 2011-12.

***Sec. 62. Vocational Education Millage Equalization – REVISED***

Provides that for FY 2012-13 only, each ISD is to receive the same amount it received in FY 2011-12.

## **SCHOOL AID**

### **Major Boilerplate Changes From FY 2011-12**

#### **Sec. 81. ISD General Operations – REVISED**

Maintains base funding for ISDs at current-year levels and provides ISDs meeting the performance requirements with an additional 3.2% of their FY 2011-12 allocations. Each ISD would have to satisfy at least 4 out of the 5 following criteria by June 1, 2013:

- Enter into agreement with the Department to develop a service consolidation plan in 2012-2013 to reduce costs and to implement that plan in 2013-2014 and report to the Department by February 1, 2014 on its progress.
- Obtain competitive bids on at least 1 non-instructional service valued at \$50,000 or more for itself or its constituent districts.
- Develop a technology plan in accordance with the Department policy on behalf of all of its constituent districts to integrate technology into the classroom and prepare teachers to use digital technology for instruction.
- Provide to parents and community members a dashboard or report card including specified items demonstrating the ISD's efforts to manage its finances responsibly.
- Work in a consortium with one or more other ISDs to develop information management system requirements and bid specifications that can be used as statewide models including student management systems, learning management tools, and business services.

#### **Sec. 94a. Center for Education Performance and Information (CEPI) – REVISED**

Revises an \$850,000 grant that currently goes to a single partnership between an ISD and 1 high-need local district into competitive grants to support collaborative efforts on the P-20 longitudinal data system including P-20 longitudinal data system portal hosting, hardware and software acquisition, maintenance, enhancements, user support and related materials and professional learning tools aimed at improving the utility of the P-20 longitudinal data system. Priority is given to an applicant that had received funding under this section in the prior fiscal year, but after 3 years of continuous funding requires an applicant to compete openly with other applicants.

#### **Sec. 95. Principal Educator Evaluator Training – NEW**

Creates a new grant program to train principals and assistant principals in educator evaluations. For FY 2012-13, all districts may apply for funds, but for FY 2013-14, priority will be given to districts with new building administrators who have not yet had training. In order to qualify as a Department-approved training program, a program must include instructional content on methods of evaluating teachers consistently across multiple grades and subjects, include training on observation focused on reliability and bias awareness, incorporate videos of actual lessons for applying rubrics and consistent scoring, provide ongoing support to maintain inter-rater reliability and align with recommendations of the Governor's Council on Educator Effectiveness. Specifies that the department must approve all training programs recommended by the Governor's Council on Educator Effectiveness. Grant awards will be determined by the MDE but shall not exceed \$350 per participant.

#### **Sec. 98. Michigan Virtual University (MVU) – REVISED**

Redefines the role of the MVU and requires that it establish the Center for Online Learning Research and Innovation which shall research, design and recommend online and blended learning education delivery models, online assessments, criteria to monitor and evaluate cyber schools and online course providers, analyze student performance and course completion data from cyber schools and online course providers, design professional development for online learning, as well as a number of other related requirements as specified in statute. Also permits the appointment of an advisory group, which will make recommendations intended to accelerate innovation in the education system and better prepare students to be career- and college-ready and increase the proportion of Michigan citizens with high-quality degrees and credentials by at least 60% by 2025.

#### **Sec. 101. Days and Hours of Instruction – REVISED**

Eliminates the requirement that districts report the number of planned hours of instruction. Actual hours of instruction would still have to be reported.

#### **Sec. 101a. Verification of Dropouts – NEW**

Provides that if a district wishes to enroll a pupil after the pupil has dropped out of another district and the pupil's most recent educating district has failed to immediately update the pupil's status in the Michigan student data system (MSDS) maintained by CEPI, the enrolling district may submit evidence to the Department indicating that the pupil was a dropout. The Department shall review the evidence to determine whether the pupil was a dropout. If so, the department would permit the pupil to enroll as a dropout in the new enrolling district.

#### **Sec. 102. Deficit Districts and Deficit Elimination Plans – REVISED**

Adds a requirement that districts with approved deficit elimination plans post them on the district's website. Also requires the Department to provide quarterly status reports on districts' progress in implementing their deficit elimination plans, and requires the Superintendent of Public Instruction to publicly present the quarterly report to the appropriations subcommittees.

**Major Boilerplate Changes From FY 2011-12**

**Sec. 147. MPSERS Employer Contribution Rates – REVISED**

Estimates the MPSERS employer contribution rates for FYs 2012-13 and 2013-14 as follows, with the proviso that a different rate may be calculated by the Office of Retirement Services (ORS) pursuant to Senate Bill 1040:

	FY 2011-12		FY 2012-13		FY 2013-14	
	Employees Pre-July 1, 2010	Employees on or after July 1, 2010	Employees Pre-July 1, 2010	Employees on or after July 1, 2010	Employees Pre-July 1, 2010	Employees on or after July 1, 2010
Pension Normal Rate	3.74%	2.24%	3.47%	2.24%	3.94%	2.67%
Pension Unfunded Accrued Liability (UAL)	12.49%	12.49%	12.49%	12.49%	15.86%	15.86%
Early Retirement Incentive (5 years)	0%	0%	2.66%	2.66%	2.66%	2.66%
Retiree Health Rate	8.50%	8.50%	8.75%	8.75%	8.75%	8.75%
<b>Total Rate</b>	<b>24.46%</b>	<b>23.23%</b>	<b>27.37%</b>	<b>26.14%</b>	<b>31.21%</b>	<b>29.94%</b>



**FY 2012-13  
Budget Detail  
for  
GENERAL GOVERNMENT**

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**Attorney General  
Civil Rights  
Executive Office  
Legislature  
Legislative Auditor General  
State  
Technology, Management, and Budget  
Treasury**

**ALL GENERAL GOVERNMENT  
Summary of FY 2012-13 Enacted Appropriations  
Article VIII, 2012 Public Act 200 (House Bill 5365)**

**Analysts: Robin R. Risko and Ben Gielczyk**

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: Enacted From FY 2011-12 YTD	
						Amount	%
<b>IDG/IDT</b>	\$689,218,400	\$692,338,500	\$692,338,500	\$692,338,500	\$692,338,500	\$3,120,100	0.5
<b>Federal</b>	769,753,400	722,234,100	722,234,100	722,234,100	722,234,100	(47,519,300)	(6.2)
<b>Local</b>	8,109,500	8,007,000	8,007,000	8,007,000	8,007,000	(102,500)	(1.3)
<b>Private</b>	985,600	5,989,000	5,989,000	5,989,000	5,989,000	5,003,400	507.7
<b>Restricted</b>	1,773,984,000	1,858,956,100	1,882,956,100	1,869,254,900	1,889,816,800	115,832,800	6.5
<b>GF/GP</b>	875,464,100	938,746,200	888,754,100	938,678,400	990,778,300	115,314,200	13.2
<b>Gross</b>	<b>\$4,117,515,000</b>	<b>\$4,226,270,900</b>	<b>\$4,200,278,800</b>	<b>\$4,236,501,900</b>	<b>\$4,309,163,700</b>	<b>\$191,648,700</b>	<b>4.7</b>
<b>FTEs</b>	8,159.2	7,783.7	7,785.7	7,783.7	7,766.7	(392.5)	(4.8)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post-Employment Benefit prefunding under Senate Bill 683, 2012 PA 64.

(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

**Overview of All General Government Departments**

Currently, the following departmental and agency budgets are included in the General Government appropriations bill: Executive Office, Legislature, Legislative Auditor General, and the Departments of Attorney General, Civil Rights, State, Technology, Management, and Budget (including the former Departments of Civil Service and Information Technology, and State Building Authority rent costs), and Treasury (including the Bureau of State Lottery, Michigan Gaming Control Board, Michigan Strategic Fund - Michigan State Housing Development Authority, Revenue Sharing, and Debt Service). **Budget issues are listed by department on the following pages.**

**Major Boilerplate Changes From FY 2011-12**

**GENERAL SECTIONS OF BOILERPLATE**

**Sec. 206. Transparency Website – REVISED**

Requires DTMB to maintain a searchable website accessible to the public at no cost that includes expenditure data, data on payments made to vendors, and data on numbers of active employees, job specifications, and wage rates; requires quarterly updates.

**Sec. 211. Budget Stabilization Fund – REVISED**

Shows calculation used to determine pay-in/pay-out amount to/from Budget Stabilization Fund, required by Section 352 of Management and Budget Act, 1984 PA 431; requires a deposit of \$140.0 million into the fund in FY 2012-13.

**Sec. 216. Out-of-State Travel – REVISED**

Requires departments and agencies to report on out-of-state travel expenses, listing all travel by all employees outside of this state that is funded in whole or in part with funds appropriated to the departments/agencies.

**Sec. 221. Reduce Impact of Rules on Small Businesses – DELETED**

Prohibits use of funds to prepare regulatory plans or to promulgate rules that fail to reduce the disproportionate economic impact on small businesses.

**Sec. 231. Full-Time Equated Position Report – NEW**

Specifies intent of the Legislature that departments and agencies properly account for their spending and do not use FTE positions as placeholders for spending in other parts of their budgets; requires report.

**Sec. 232. Measurable Outcomes – NEW**

Requires departments and agencies to identify and rank by importance 10 measurable outcomes to be affected by expenditure of appropriations; requires biannual updates on the measurable outcomes; requires 5 measurable outcomes, rather than 10, for smaller departments/agencies.



**Major Boilerplate Changes From FY 2011-12**

***Sec. 233. Spending Authorization for Special Maintenance – NEW***

Authorizes appropriation of federal and state restricted funds up to the amounts that will be earned based on initiatives undertaken with funds appropriated for special maintenance, remodeling, and additions for state facilities.

***Sec. 234. Spending Authorization for Enterprisewide Information Technology Investments – NEW***

Authorizes appropriation of federal and state restricted funds up to the amounts that will be earned based on initiatives undertaken with funds appropriated for enterprisewide information technology investments.

**ATTORNEY GENERAL  
Summary of FY 2011-12 Enacted Appropriations  
Article VIII, 2012 Public Act 200 (House Bill 5365)**

**Analyst: Robin R. Risko**

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: Enacted From FY 2011-12 YTD	
						Amount	%
<b>IDG/IDT</b>	\$23,007,400	\$24,082,100	\$24,082,100	\$24,082,100	\$24,082,100	\$1,074,700	4.7
<b>Federal</b>	9,299,900	9,932,600	9,932,600	9,932,600	9,932,600	632,700	6.8
<b>Local</b>	0	0	0	0	0	0	--
<b>Private</b>	0	0	0	0	0	0	--
<b>Restricted</b>	16,282,700	17,242,000	17,242,000	17,242,000	17,242,000	959,300	5.9
<b>GF/GP</b>	29,836,300	33,690,500	33,357,500	33,690,500	33,825,800	3,989,500	13.4
<b>Gross</b>	<b>\$78,426,300</b>	<b>\$84,947,200</b>	<b>\$84,614,200</b>	<b>\$84,947,200</b>	<b>\$85,082,500</b>	<b>\$6,656,200</b>	<b>8.5</b>
<b>FTEs</b>	520.0	513.0	513.0	513.0	514.0	(6.0)	(1.2)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post-Employment Benefit prefunding under Senate Bill 683, 2012 PA 64.  
(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

**Overview**

The Attorney General serves as legal counsel for state departments, agencies, boards, and commissions, and their officers, brings actions and intervenes in cases on the state's behalf, and represents legislators and judges who may be sued while acting in their official capacities. The Attorney General issues opinions on questions of law submitted by members of the Legislature and others, serves as chief law enforcement officer of the state, and has supervisory powers over all local prosecuting attorneys. The department's mission is to protect the common legal rights of citizens, defend the Constitution and the laws of the state, and represent the legal interests of government. Its goals include making the state a safe place for its citizens, offering justice to victims of crime, defending common natural resources and monetary assets of the state, and delivering excellent legal services at a minimum cost to taxpayers.

**Major Budget Changes From FY 2011-12 YTD Appropriations**

FY 2011-12 YTD Enacted Change  
(as of 2/9/12) From YTD

<b>1. Public Safety Initiative - Cities in Distress</b>	FTE	N/A	1.0
Includes one additional FTE position and funding to support prosecutorial services to reduce the backlog of outstanding warrants in high-crime areas of the state and to increase prosecutions and incarceration of offenders.	<b>Gross</b>	<b>N/A</b>	<b>\$900,000</b>
	GF/GP	N/A	\$900,000
<b>2. Tobacco Tax Enforcement</b>	FTE	N/A	5.0
Includes additional FTE positions and funding to support enforcement of tobacco tax laws and enforcement of the multi-state tobacco settlement agreement.	<b>Gross</b>	<b>N/A</b>	<b>\$500,000</b>
	GF/GP	N/A	\$500,000
<b>3. Information Technology</b>	<b>Gross</b>	<b>\$781,600</b>	<b>\$500,000</b>
Includes additional funding to cover deficits in information technology appropriations which have existed for the past six fiscal years.	GF/GP	\$781,600	\$500,000
<b>4. Full-Year Savings From Announced Contingency Plan</b>	FTE	N/A	(12.0)
Reflects full-year savings anticipated from the contingency plan issued in September 2011. The plan was introduced to achieve savings in lieu of state employee concessions that did not materialize. Funded vacant FTE positions are eliminated as part of the plan.	<b>Gross</b>	<b>N/A</b>	<b>(\$1,298,000)</b>
	IDG	N/A	(729,000)
	Federal	N/A	(120,000)
	Restricted	N/A	(409,000)
	GF/GP	N/A	(\$40,000)

**ATTORNEY GENERAL**

<b>5. Additional Attorney for Casino Regulation</b>	<b>Gross</b>	<b>N/A</b>	<b>\$164,800</b>
Includes additional State Casino Gaming Fund revenue to support an attorney position which will assist the illegal gambling task force with legal matters relating to the identification and investigation of illegal gambling operations.	Restricted	N/A	164,800
<b>6. Eliminate Funding for Redistricting</b>	<b>Gross</b>	<b>\$250,000</b>	<b>(\$250,000)</b>
Eliminates one-time funding included in the FY 2011-12 budget for legal activities associated with defending Michigan's redistricting plan.	GF/GP	\$250,000	(\$250,000)
<b>7. Transfer Funding to Unclassified Positions</b>	<b>Gross</b>	<b>N/A</b>	<b>\$0</b>
Transfers \$88,400 from the Attorney General Operations line item to the Unclassified Positions line item to cover costs of salary increases (\$68,400 for Solicitor General and \$20,000 for the other four unclassified positions).	GF/GP	N/A	\$0
<b>8. Economic Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$4,978,200</b>
Includes \$5.0 million Gross (\$1.9 million GF/GP) for negotiated salary and wage increases, the actuarially-required retirement rate increase, reduced employer health insurance costs due to the 20% employee contribution, increased building occupancy and rent charges, and reduced workers' compensation costs.	IDG	N/A	1,457,300
	Federal	N/A	632,300
	Restricted	N/A	1,037,700
	GF/GP	N/A	\$1,850,900
<b>9. One-Time Appropriations - Employee Lump Sum Payments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$1,025,900</b>
Includes a one-time appropriation of \$1.0 million Gross (\$393,300 GF/GP) for the negotiated one-time lump sum payments to state employees.	IDG	N/A	297,300
	Federal	N/A	122,600
	Restricted	N/A	212,700
	GF/GP	N/A	\$393,300
<b>10. Unclassified Positions</b>	<b>Gross</b>	<b>N/A</b>	<b>\$135,300</b>
Includes additional funding for unclassified positions in an effort to provide adequate funding for the 6.0 unclassified positions that are authorized in Article XI, Section 5, of the State Constitution.	GF/GP	N/A	\$135,300

**Major Boilerplate Changes From FY 2011-12**

None

**CIVIL RIGHTS**

**CIVIL RIGHTS  
Summary of FY 2012-13 Enacted Appropriations  
Article VIII, 2012 Public Act 200 (House Bill 5365)**

**Analyst: Robin R. Risko**

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: Enacted From FY 2011-12 YTD	
						Amount	%
<b>IDG/IDT</b>	\$144,500	\$0	\$0	\$0	\$0	(\$144,500)	(100.0)
<b>Federal</b>	2,880,600	2,641,300	2,641,300	2,641,300	2,641,300	(239,300)	(8.3)
<b>Local</b>	0	0	0	0	0	0	--
<b>Private</b>	18,700	18,700	18,700	18,700	18,700	0	0.0
<b>Restricted</b>	151,900	151,900	151,900	151,900	151,900	0	0.0
<b>GF/GP</b>	11,187,100	11,520,700	11,406,500	11,520,700	11,953,600	766,500	6.9
<b>Gross</b>	<b>\$14,382,800</b>	<b>\$14,332,600</b>	<b>\$14,218,400</b>	<b>\$14,332,600</b>	<b>\$14,765,500</b>	<b>\$382,700</b>	<b>2.7</b>
<b>FTEs</b>	126.0	121.0	126.0	121.0	127.0	1.0	0.8

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post-Employment Benefit prefunding under Senate Bill 683, 2012 PA 64.

(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

**Overview**

The Michigan Civil Rights Commission is charged with investigating alleged discrimination against any person because of religion, race, color, national origin, sex, age, marital status, height, weight, arrest record, or physical and mental disabilities. The Commission is directed to "secure the equal protection of such civil rights without such discrimination." The Department of Civil Rights serves as the administrative arm charged with implementing policies of the Commission. The department works to prevent discrimination through educational programs that promote voluntary compliance with civil rights laws, investigates and resolves discrimination complaints, disseminates information on the rights and responsibilities of Michigan citizens as provided by law, and provides information and services to businesses on diversity initiatives, equal employment law, procurement opportunities, feasibility studies, and joint venture/strategic alliance matchmaking.

**Major Budget Changes From FY 2011-12 YTD Appropriations**

		FY 2011-12 YTD (as of 2/9/12)	Enacted Change From YTD
<b>1. Reduce Federal Funding/Offset With GF/GP</b>	<b>Gross</b>	<b>\$1,186,100</b>	<b>(\$547,400)</b>
Reduces federal funding authorization for the Division on Deaf and Hard of Hearing by \$667,400 in order to reflect the amount of federal funding actually available, and increases GF/GP by \$120,000 to partially offset the loss of federal revenue. This funding will be used to meet the statutory obligation of testing and certifying sign language interpreters.	Federal	667,400	(667,400)
	Private	18,700	0
	Restricted	93,400	0
	GF/GP	\$406,600	\$120,000
<b>2. Full-Year Savings From Announced Contingency Plan</b>	FTE	N/A	(6.0)
Reflects full-year savings anticipated from the contingency plan issued in September 2011. The plan was introduced to achieve savings in lieu of state employee concessions that did not materialize. Funded vacant FTE positions are eliminated as part of the plan.	<b>Gross</b>	<b>N/A</b>	<b>(\$260,900)</b>
	GF/GP	N/A	(\$260,900)
<b>3. Asian Pacific American Affairs Commission</b>	FTE	0.0	1.0
Includes one FTE position and funding for the Asian Pacific American Affairs Commission which was transferred in the FY 2011-12 budget from DLARA, but without FTE authorization or funding. The Commission's objectives are to study the status of, serve the needs of, recognize the accomplishments of, devise methods to overcome discrimination against, ensure equal access to state services for, initiate programs for the betterment of, and promote public awareness of Asian Pacific Americans.	<b>Gross</b>	<b>\$0</b>	<b>\$100,000</b>
	GF/GP	\$0	\$100,000

<b><u>Major Budget Changes From FY 2011-12 YTD Appropriations</u></b>	<b><u>FY 2011-12 YTD</u></b>	<b><u>Enacted Change</u></b>
	<b><u>(as of 2/9/12)</u></b>	<b><u>From YTD</u></b>
<b>4. Increased Enforcement</b>	FTE	5.0
Includes additional FTE positions and funding for increased enforcement activities which will help to reduce the average processing time for discrimination complaints.	<b>Gross</b>	<b>\$287,800</b>
	Federal	172,800
	GF/GP	\$115,000
<b>5. Economic Adjustments</b>	<b>Gross</b>	<b>\$241,400</b>
Includes \$241,400 Gross (\$155,200 GF/GP) for negotiated salary and wage increases, the actuarially-required retirement rate increase, reduced employer health insurance costs due to the 20% employee contribution, reduced building occupancy and rent charges, and workers' compensation costs.	Federal	86,200
	GF/GP	\$155,200
<b>6. One-Time Appropriations - Employee Lump Sum Payments</b>	<b>Gross</b>	<b>\$128,900</b>
Includes a one-time appropriation of \$128,900 Gross (\$104,300 GF/GP) for the negotiated one-time lump sum payments to state employees.	Federal	24,600
	GF/GP	\$104,300
<b>7. Unclassified Positions</b>	FTE	1.0
Includes authorization for an additional unclassified position and additional funding in an effort to provide adequate funding for the 6.0 unclassified positions that are authorized in Article XI, Section 5, of the State Constitution.	<b>Gross</b>	<b>\$432,900</b>
	GF/GP	\$432,900

**Major Boilerplate Changes From FY 2011-12**

**Sec. 401. (2) Private Contingency Funds – REVISED**  
 Appropriates up to \$750,000 in private contingency funds.

**EXECUTIVE OFFICE**  
**Summary of FY 2012-13 Enacted Appropriations**  
**Article VIII, 2012 Public Act 200 (House Bill 5365)**

**Analyst: Robin R. Risko**

	<u>FY 2011-12 YTD as of 2/9/12</u>	<u>FY 2012-13 Revised Executive</u>	<u>FY 2012-13 House</u>	<u>FY 2012-13 Senate</u>	<u>FY 2012-13 Enacted</u>	<u>Difference: Enacted From FY 2011-12 YTD</u>	
						<u>Amount</u>	<u>%</u>
<b>IDG/IDT</b>	\$0	\$0	\$0	\$0	\$0	\$0	--
<b>Federal</b>	0	0	0	0	0	0	--
<b>Local</b>	0	0	0	0	0	0	--
<b>Private</b>	0	0	0	0	0	0	--
<b>Restricted</b>	0	0	0	0	0	0	--
<b>GF/GP</b>	4,599,200	4,887,900	4,887,900	4,887,900	4,887,900	288,700	6.3
<b>Gross</b>	<b>\$4,599,200</b>	<b>\$4,887,900</b>	<b>\$4,887,900</b>	<b>\$4,887,900</b>	<b>\$4,887,900</b>	<b>\$288,700</b>	<b>6.3</b>
<b>FTEs</b>	84.2	84.2	84.2	84.2	84.2	0.0	0.0

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post-Employment Benefit prefunding under Senate Bill 683, 2012 PA 64.

(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

**Overview**

The Executive Office budget provides funding for the Governor, the Lieutenant Governor, and their staffs. Major constitutionally-specified responsibilities include organization and supervision of the Executive branch and submission of an annual state budget to the legislature, recommending sufficient revenues to meet proposed expenditures.

<u>Major Budget Changes From FY 2011-12 YTD Appropriations</u>		<u>FY 2011-12 YTD (as of 2/9/12)</u>	<u>Enacted Change From YTD</u>
<b>1. Economic Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$230,000</b>
Includes \$230,000 GF/GP for negotiated salary and wage increases.	GF/GP	N/A	\$230,000
<b>2. One-Time Appropriations - Employee Lump Sum Payments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$58,700</b>
Includes a one-time appropriation of \$58,700 GF/GP for the negotiated one-time lump sum payments to state employees.	GF/GP	N/A	\$58,700

**Major Boilerplate Changes From FY 2011-12**

None

# LEGISLATURE

## Summary of FY 2012-13 Enacted Appropriations

### Article VIII, 2012 Public Act 200 (House Bill 5365)

Analyst: Robin R. Risko

IDG/IDT	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: Enacted From FY 2011-12 YTD	
						Amount	%
	\$250,000	\$0	\$0	\$0	\$0	(\$250,000)	(100.0)
<b>Federal</b>	0	0	0	0	0	0	--
<b>Local</b>	0	0	0	0	0	0	--
<b>Private</b>	400,000	400,000	400,000	400,000	400,000	0	0.0
<b>Restricted</b>	1,109,800	1,109,800	1,109,800	1,109,800	1,109,800	0	0.0
<b>GF/GP</b>	102,884,800	108,012,700	108,212,700	112,367,700	109,412,700	6,527,900	6.3
<b>Gross</b>	<b>\$104,644,600</b>	<b>\$109,522,500</b>	<b>\$109,722,500</b>	<b>\$113,877,500</b>	<b>\$110,922,500</b>	<b>\$6,277,900</b>	<b>6.0</b>
<b>FTEs</b>	0.0	0.0	0.0	0.0	0.0	0.0	--

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post-Employment Benefit prefunding under Senate Bill 683, 2012 PA 64.

(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

#### Overview

This budget provides funding for the Legislative branch of state government, including the Legislative Council and agencies it governs, the Legislative Retirement System, and Property Management. The Legislature enacts the laws of Michigan, levies taxes, and appropriates funding from revenue collected for the support of public institutions and the administration of the affairs of state government. The Legislative Council provides a wide variety of essential services to members and staff of the Legislature. The Michigan Legislative Retirement System provides retirement allowances, survivors' allowances, and other benefits for members of the Legislature and their spouses, dependents, survivors, and beneficiaries. Property Management employees maintain, operate, and repair the Capitol Building, House of Representatives Office Building, and Farnum Building.

<u>Major Budget Changes From FY 2011-12 YTD Appropriations</u>		<u>FY 2011-12 YTD</u> <u>(as of 2/9/12)</u>	<u>Enacted Change</u> <u>From YTD</u>
<b>1. Economic Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$4,877,900</b>
Includes additional funding to cover costs of economic adjustments.	GF/GP	N/A	\$4,877,900
<b>2. Legislative Corrections Ombudsman</b>	<b>Gross</b>	<b>\$606,200</b>	<b>\$0</b>
Includes additional GF/GP for the Legislative Corrections Ombudsman.	IDG	250,000	(250,000)
The general fund will replace IDG funding which previously came from the Department of Corrections.	GF/GP	\$356,200	\$250,000
<b>3. Additional Funding for OPEB Prefunding</b>	<b>Gross</b>	<b>\$0</b>	<b>\$1,400,000</b>
Includes \$700,000 GF/GP for the House and \$700,000 GF/GP for the Senate to adequately fund OPEB prefunding costs.	GF/GP	\$0	\$1,400,000

**\*Please note: The Legislative Auditor General budget is rolled in with the Legislature budget in the Executive budget recommendation, but appears separate in this document.**

#### Major Boilerplate Changes From FY 2011-12

##### **Sec. 603. National Association Dues – REVISED**

Requires the Legislative Council to distribute funds appropriated for payment of national association dues.

**LEGISLATIVE AUDITOR GENERAL  
Summary of FY 2012-13 Enacted Appropriations  
Article VIII, 2012 Public Act 200 (House Bill 5365)**

**Analyst: Robin R. Risko**

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: Enacted From FY 2011-12 YTD	
						Amount	%
<b>IDG/IDT</b>	\$3,767,500	\$3,792,100	\$3,792,100	\$3,792,100	\$3,792,100	\$24,600	0.7
<b>Federal</b>	0	0	0	0	0	0	--
<b>Local</b>	0	0	0	0	0	0	--
<b>Private</b>	0	0	0	0	0	0	--
<b>Restricted</b>	1,574,800	1,890,700	1,890,700	1,890,700	1,890,700	315,900	20.1
<b>GF/GP</b>	11,624,100	13,004,900	13,004,900	13,004,900	13,004,900	1,380,800	11.9
<b>Gross</b>	<b>\$16,966,400</b>	<b>\$18,687,700</b>	<b>\$18,687,700</b>	<b>\$18,687,700</b>	<b>\$18,687,700</b>	<b>\$1,721,300</b>	<b>10.1</b>
<b>FTEs</b>	0.0	0.0	0.0	0.0	0.0	0.0	--

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post-Employment Benefit prefunding under Senate Bill 683, 2012 PA 64.

(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

**Overview**

The Legislative Auditor General is responsible for conducting post financial and performance audits of state government operations. Audit reports provide a continuing flow of information to assist the Legislature in its oversight of approximately 100 individual state funds. Audit reports provide citizens with a measure of accountability and assist state departments and agencies in improving financial management of their operations. The goal of the Legislative Auditor General is to improve accounting and financial reporting practices and promote effectiveness, efficiency, and economy in state government. The mission is to improve the accountability of public funds and to improve the operations of state government for the benefit of the citizens of the state.

<b>Major Budget Changes From FY 2011-12 YTD Appropriations</b>		<b>FY 2011-12 YTD (as of 2/9/12)</b>	<b>Enacted Change From YTD</b>
<b>1. FY 2011-12 Base Adjustment</b>	<b>Gross</b>	<b>N/A</b>	<b>\$511,000</b>
Includes additional funding to correct understated appropriations in the FY 2011-12 budget for employee-related economics.	IDG	N/A	202,400
	Restricted	N/A	89,200
	GF/GP	N/A	\$219,400
	<b>Gross</b>	<b>N/A</b>	<b>\$0</b>
<b>2. Fund Source Shifts as a Result of the Statewide Single Audit</b>	IDG	N/A	(500,000)
Reduces IDG revenue and increases state restricted and GF/GP in order to accurately reflect where expenditures will occur as a result of converting to a statewide single audit.	Restricted	N/A	160,000
	GF/GP	N/A	\$340,000
	<b>Gross</b>	<b>N/A</b>	<b>\$939,400</b>
<b>3. Economic Adjustments</b>	IDG	N/A	210,100
	Restricted	N/A	92,700
		GF/GP	N/A
	<b>Gross</b>	<b>N/A</b>	<b>\$270,900</b>
<b>4. One-Time Appropriations - Employee Lump Sum Payments</b>	IDG	N/A	59,000
	Federal	N/A	27,100
	GF/GP	N/A	\$184,800
	<b>Gross</b>	<b>N/A</b>	<b>\$270,900</b>



**Major Boilerplate Changes From FY 2011-12**

**Sec. 624. *Statewide Single Audit* – DELETED**

Requires a report regarding the feasibility of converting to a statewide single audit.

**Sec. 625. *Appropriation of Unexpended FY 2010-11 GF/GP* – DELETED**

Appropriates up to \$905,000 of unexpended FY 2010-11 GF/GP funding to be used to pay costs of economic increases; of the \$905,000, requires funding that is not used to pay costs of economic increases to lapse to the general fund.

**DEPARTMENT OF STATE**  
**Summary of FY 2012-13 Enacted Appropriations**  
**Article VIII, 2012 Public Act 200 (House Bill 5365)**

Analyst: Ben Gielczyk

IDG/IDT	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: Enacted From FY 2011-12 YTD	
						Amount	%
	\$26,312,700	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	(\$6,312,700)	(24.0)
<b>Federal</b>	1,810,000	1,810,000	1,810,000	1,810,000	1,810,000	0	0.0
<b>Local</b>	0	0	0	0	0	0	--
<b>Private</b>	100	100	100	100	100	0	0.0
<b>Restricted</b>	179,884,700	184,971,100	183,971,100	184,971,100	183,971,100	4,086,400	2.3
<b>GF/GP</b>	11,750,600	14,041,300	14,505,200	14,041,300	14,888,100	3,137,500	26.7
<b>Gross</b>	<b>\$219,758,100</b>	<b>\$220,822,500</b>	<b>\$220,286,400</b>	<b>\$220,822,500</b>	<b>\$220,669,300</b>	<b>\$911,200</b>	<b>0.4</b>
<b>FTEs</b>	1,815.0	1,698.0	1,695.0	1,698.0	1,695.0	(120.0)	(6.6)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post-Employment Benefit prefunding under Senate Bill 683, 2012 PA 64.

(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

**Overview**

The Department of State administers programs in eight areas: Driver Licensing and Vehicle Registration, which includes titling and registering vehicles; Elections and Campaign Finance Administration, which includes training local election officials and monitoring campaign finance; Regulatory and Consumer Protection, which includes inspecting and licensing automotive repair facilities; Traffic Safety, which includes driver testing; Office of the Great Seal; Assigned Claims Facility; Uniform Commercial Code; and Executive Direction and Central Support.

<b>Major Budget Changes From FY 2011-12 YTD Appropriations</b>		<b>FY 2011-12 YTD (as of 2/9/12)</b>	<b>Enacted Change From YTD</b>
<b>1. Credit and Debit Card Assessment Fees</b>	<b>Gross</b>	<b>\$1,000,000</b>	<b>\$4,000,000</b>
Increases appropriation authorization by \$4.0 million Gross to accommodate the increase in credit and debit card fee collections due to the increase in online transactions associated with ExpressSOS.	Restricted	1,000,000	4,000,000
<b>2. Contingency Plan Adjustment</b>	FTE	N/A	(11.0)
Includes reduction of \$965,800 Gross (\$103,900 GF/GP) due to the elimination of 11.0 FTE positions (funded, vacant) provided as part of the FY 2011-12 employee concession contingency plan.	<b>Gross</b>	<b>N/A</b>	<b>(\$965,800)</b>
	Restricted	N/A	(861,900)
	GF/GP	N/A	(\$103,900)
<b>3. Transportation Administration Collection (TAC) Fund Adjustments</b>	FTE	N/A	(113.0)
Includes reduction of \$8.0 million Gross to adjust TAC Fund appropriation authorization to actual revenues. Eliminates 113.0 FTE positions (unfilled and unfunded) associated with TAC Fund appropriation.	<b>Gross</b>	<b>N/A</b>	<b>(\$8,000,000)</b>
	Restricted	N/A	(8,000,000)
<b>4. Economic Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$3,335,900</b>
Includes funding for increased costs of \$3.3 million Gross (\$291,200 GF/GP) for negotiated salary and wage increases, actuarially-required retirement rate increase, reduced employer health insurance costs, and other economic adjustments.	IDG	N/A	701,600
	Restricted	N/A	2,343,100
	GF/GP	N/A	\$291,200
<b>5. Commercial Driver License Medical Certificate (One-Time)</b>	FTE	<b>N/A</b>	<b>4.0</b>
Includes 4.0 FTEs and \$600,000 GF/GP designated as one-time funding.	<b>Gross</b>	<b>N/A</b>	<b>\$600,000</b>
	GF/GP	N/A	\$600,000

<u>Major Budget Changes From FY 2011-12 YTD Appropriations</u>		<u>FY 2011-12 YTD (as of 2/9/12)</u>	<u>Enacted Change From YTD</u>
<b>6. Unclassified Positions</b>	<b>Gross</b>	<b>\$453,200</b>	<b>\$246,800</b>
Includes increase of \$246,800 for unclassified positions.	GF/GP	\$453,200	\$246,800
<b>7. Michigan Transportation Fund Fund Shift</b>	<b>Gross</b>	<b>N/A</b>	<b>\$0</b>
Replaces \$1.7 million of Michigan Transportation Fund revenue with General Fund. Statutorily, the Michigan Transportation Fund IDG to Department of State must remain at \$20.0 million.	IDG	N/A	(1,668,500)
	GF/GP	N/A	\$1,668,500
<b>8. One-Time Appropriations</b>	<b>Gross</b>	<b>N/A</b>	<b>\$1,694,400</b>
Includes \$1.7 million Gross, \$434,900 GF/GP, designated as a one-time appropriation, for state employee lump sum payments and ExpressSOS marketing.	Restricted	N/A	1,259,500
	GF/GP	N/A	\$434,900

### Major Boilerplate Changes From FY 2011-12

#### **Sec. 711 (2). Olympic Education Training Plates Revenue – DELETED**

Appropriates funds in the Olympic Education Training Center Fund to the Olympic Education Training Center at Northern Michigan University.

#### **Sec. 1201. Anticipated FY 2013-14 Appropriations – REVISED**

States legislative intent to provide appropriations for FY 2013-14, adjusting FY 2012-13 amounts based on economic and other factors. Revises to update year to FY 2013-14.

**TECHNOLOGY, MANAGEMENT, AND BUDGET  
Summary of FY 2012-13 Enacted Appropriations  
Article VIII, 2012 Public Act 200 (House Bill 5365)**

**Analyst: Ben Gielczyk**

	FY 2011-12 YTD as of 2/9/12	FY 2012-13		FY 2012-13 Senate	FY 2012-13 Enacted	Difference: Enacted From FY 2011-12 YTD	
		Revised Executive	FY 2012-13 House			Amount	%
<b>IDG/IDT</b>	\$620,917,600	\$635,564,900	\$635,564,900	\$635,564,900	\$635,564,900	\$14,647,300	2.4
<b>Federal</b>	10,653,700	9,464,300	9,464,300	9,464,300	9,464,300	(1,189,400)	(11.2)
<b>Local</b>	1,520,800	1,320,800	1,320,800	1,320,800	1,320,800	(200,000)	(13.2)
<b>Private</b>	186,800	190,200	190,200	190,200	190,200	3,400	1.8
<b>Restricted</b>	89,828,500	90,517,200	90,517,200	90,517,200	90,517,200	688,700	0.8
<b>GF/GP</b>	374,553,100	401,916,200	380,041,900	399,916,200	405,916,200	31,363,100	8.4
<b>Gross</b>	<b>\$1,097,660,500</b>	<b>\$1,138,973,600</b>	<b>\$1,117,099,300</b>	<b>\$1,136,973,600</b>	<b>\$1,142,973,600</b>	<b>\$45,313,100</b>	<b>4.1</b>
<b>FTEs</b>	3,038.5	2,814.0	2,814.0	2,814.0	2,814.0	(224.5)	(7.4)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post-Employment Benefit prefunding under Senate Bill 683, 2012 PA 64.  
(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

**Overview**

The Department of Technology, Management, and Budget is an interdepartmental service and management agency responsible for ensuring proper financial record keeping for state agencies; managing capital outlay projects, state property, state buildings, state purchasing programs, and the state's retirement systems; supervising the state's motor vehicle fleet; providing office and building support services to state agencies; and acting as a general contractor between the state's information technology users and private sector providers of information technology products and services. The Department houses the Office of the State Budget, which prepares, presents, and executes the state budget on behalf of the Governor, and several other autonomous units: Office of the State Employer, Office of the Children's Ombudsman, Office of Regulatory Reform, State Building Authority, and Civil Service Commission.

<b>Major Budget Changes From FY 2011-12 YTD Appropriations</b>		<b>FY 2011-12 YTD (as of 2/9/12)</b>	<b>Enacted Change From YTD</b>
<b>1. Information Technology Development Projects</b>	<b>Gross</b>	<b>N/A</b>	<b>\$47,000,000</b>
Includes \$47.0 million GF/GP for statewide IT initiatives targeting technology upgrades and automation opportunities.	GF/GP	N/A	\$47,000,000
<b>2. Building Maintenance Fund</b>	<b>Gross</b>	<b>N/A</b>	<b>\$18,000,000</b>
Includes \$18.0 million GF/GP to address deterioration and maintenance issues at state-owned buildings.	GF/GP	N/A	\$18,000,000
<b>3. Contingency Plan Adjustments</b>	FTE	N/A	(9.0)
Includes reduction of \$806,300 Gross (\$567,100 GF/GP) due to the elimination of 9.0 FTE positions (funded, vacant positions). These positions were offered as part of the FY 2011-12 employee concession contingency plan.	<b>Gross</b>	<b>N/A</b>	<b>(\$806,300)</b>
	IDG	N/A	(9,400)
	Restricted	N/A	(229,800)
	GF/GP	N/A	(\$567,100)
<b>4. Military Retirement Program Transfer</b>	<b>Gross</b>	<b>N/A</b>	<b>\$3,981,700</b>
Transfers \$4.0 million GF/GP from the Department of Military of Veterans Affairs (DMVA) to the Office of Retirement Services for the costs associated with the Military Retirement Program.	GF/GP	N/A	\$3,981,700
<b>5. Information Technology Adjustments</b>	FTE	1,559.5	(100.0)
Includes \$4.3 million Gross for various department and agency technology services adjustments. Eliminates 100.0 FTE positions to accurately reflect funded positions.	<b>Gross</b>	<b>\$444,146,200</b>	<b>\$4,270,800</b>
	IDG	444,146,200	4,270,800

<b><u>Major Budget Changes From FY 2011-12 YTD Appropriations</u></b>		<b>FY 2011-12 YTD (as of 2/9/12)</b>	<b>Enacted Change From YTD</b>
<b>6. Statewide Single Audit Implementation</b>	FTE	N/A	1.0
Includes \$90,000 Gross and 1.0 FTE to allow the Office of Financial Management to establish and fill a new position to assume the additional workload that will result from the implementation of a statewide single audit.	<b>Gross</b>	<b>N/A</b>	<b>\$90,000</b>
	Restricted	N/A	90,000
<b>7. Professional Development Funds</b>	<b>Gross</b>	<b>N/A</b>	<b>\$175,000</b>
Includes funding to provide professional development and training for State classified employees. Negotiated in collective bargaining.	Restricted	N/A	175,000
<b>8. Economic Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$15,048,500</b>
Reflects increased costs of \$15.0 million Gross (\$2.4 million GF/GP) for negotiated salary and wage increases, actuarially-required retirement rate increase, reduced employer health insurance costs due to 20% employee contribution, and other economic adjustments.	IDG	N/A	10,381,800
	Federal	N/A	658,900
	Private	N/A	3,400
	Restricted	N/A	1,590,300
	GF/GP	N/A	\$2,414,100
<b>9. Teacher Evaluation Pilot Program (One-Time)</b>	<b>Gross</b>	<b>N/A</b>	<b>\$4,000,000</b>
Includes \$4.0 million GF/GP designated as one-time appropriations for a pilot study of the teacher and administrator evaluation system.	GF/GP	N/A	\$4,000,000
<b>10. Other One-Time Appropriations</b>	<b>Gross</b>	<b>N/A</b>	<b>\$21,680,200</b>
Includes \$21.7 million Gross, \$17.8 million GF/GP, designated as a one-time appropriation for:	IDG	N/A	3,104,100
• State employee lump sum payments: \$4.7 million	Federal	N/A	426,700
• Special maintenance, remodeling, and addition - state facilities: \$10.0 million	Restricted	N/A	357,200
• Space consolidation fund: \$7.0 million	GF/GP	N/A	\$17,792,200

**Major Boilerplate Changes From FY 2011-12**

**Sec. 803 (5). Statewide Administrative and Support Services – REVISED**

Prohibits DTMB from expending funds for the purchase of new office furniture without first examining the possibility of using existing inventory that can be reused or refurbished. Revised to include language requiring department to develop a plan for a statewide state-owned inventory management system.

**Sec. 813 (4). Motor Vehicle Fleet (MVF) – REVISED**

Revises subsection (4) by changing when the department may charge for fuel costs increases. Changes amount from \$2.27 per gallon to “\$3.04 net of tax.”

**Sec. 814. Report on Enterprisewide Information Technology Investments – NEW**

Requires department to provide a detailed plan for the funding appropriated for Enterprisewide Information Technology Investments.

**Sec. 821. Space Consolidation Fund – NEW**

Requires department to provide a detailed plan for the funding appropriated for the Space Consolidation Fund.

**Sec. 822a. Report on Privatizing State Lottery – DELETED**

Requires DTMB to submit a report by April 1 regarding the feasibility of privatizing the state lottery.

**Sec. 850. One Percent Charges for Civil Service – REVISED**

Provides that 1% of restricted funds for the Civil Service Commission (CSC) be assessed on actual 1% restricted sources total aggregate payroll of classified service for the preceding fiscal year. Revises language, but no effective change.

**Sec. 1201. Anticipated FY 2013-14 Appropriations – REVISED**

States legislative intent to provide appropriations for FY 2013-14, adjusting FY 2012-13 amounts based on economic and other factors. Revises to update year to FY 2013-14.

**TREASURY**

**TREASURY**

**Summary of FY 2012-13 Enacted Appropriations  
Article VIII, 2012 Public Act 200 (House Bill 5365)**

**Analyst: Ben Gielczyk**

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: Enacted From FY 2011-12 YTD	
						Amount	%
<b>IDG/IDT</b>	\$14,818,700	\$8,899,400	\$8,899,400	\$8,899,400	\$8,899,400	(\$5,919,300)	(39.9)
<b>Federal</b>	745,109,200	698,385,900	698,385,900	698,385,900	698,385,900	(46,723,300)	(6.3)
<b>Local</b>	6,588,700	6,686,200	6,686,200	6,686,200	6,686,200	97,500	1.5
<b>Private</b>	380,000	5,380,000	5,380,000	5,380,000	5,380,000	5,000,000	1,315.8
<b>Restricted</b>	1,485,151,600	1,563,073,400	1,588,073,400	1,573,372,200	1,594,934,100	109,782,500	7.4
<b>GF/GP</b>	329,028,900	351,673,800	323,337,500	349,249,200	396,889,100	67,860,200	20.6
<b>Gross</b>	<b>\$2,581,077,100</b>	<b>\$2,634,098,700</b>	<b>\$2,630,762,400</b>	<b>\$2,641,972,900</b>	<b>\$2,711,174,700</b>	<b>\$130,097,600</b>	<b>5.0</b>
<b>FTEs</b>	2,575.5	2,553.5	2,553.5	2,553.5	2,532.5	(43.0)	(1.7)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post-Employment Benefit prefunding under Senate Bill 683, 2012 PA 64.

(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

**Overview**

The Department of Treasury is the chief fiscal agency of the state and the primary source of advice to the Governor on tax and fiscal policy issues. The Department's mission is to collect state taxes, to invest, control, and disburse state monies, and to protect the state's credit rating and that of its cities. The Department manages one of the nation's largest pension funds, administers revenue sharing, and administers the student financial aid programs. It also investigates fraudulent financial activity, provides assistance on all property tax-related issues and advises issuers of municipal obligations. The Bureau of State Lottery, the Michigan Gaming Control Board (MGCB), Michigan State Housing and Development Authority (MSHDA), and the Michigan Strategic Fund (MSF) are autonomous agencies housed within the Department of Treasury. Funds and programs of the MSF are administered by the Michigan Economic Development Corporation (MEDC), which also administers the 21st Century Jobs Fund.

<b>Major Budget Changes From FY 2011-12 YTD Appropriations</b>		<b>FY 2011-12 YTD (as of 2/9/12)</b>	<b>Enacted Change From YTD</b>
<b>1. Presidential Primary</b>	<b>Gross</b>	<b>\$10,000,000</b>	<b>(\$10,000,000)</b>
Removes \$10.0 million GF/GP appropriated in FY 2011-12 for costs associated with the 2012 Presidential Primary.	GF/GP	\$10,000,000	(\$10,000,000)
<b>2. Constitutional Revenue Sharing</b>	<b>Gross</b>	<b>\$697,500,500</b>	<b>\$27,995,800</b>
Increases constitutional revenue sharing payments by \$28.0 million Gross to adjust for May Consensus Revenue Estimating Conference (CREC). NOTE: FY 2011-12 appropriations have been adjusted to reflect revised CREC estimates. Constitutional revenue sharing payments are fixed at 15.0% of sales tax revenue at a 4.0% rate.	Restricted	697,500,500	27,995,800
<b>3. Economic Vitality Incentive Program</b>	<b>Gross</b>	<b>\$210,000,000</b>	<b>\$15,000,000</b>
Includes additional \$15.0 million to be split evenly (\$7.5 million) between ongoing and one-time appropriations.	Restricted	210,000,000	15,000,000
<b>4. County Payments</b>	<b>Gross</b>	<b>\$115,000,000</b>	<b>\$15,600,000</b>
Includes \$130.6 million (77.9% of full-funding) for county payments. Approximately \$26.1 million (20% of total funding) will be used for a county incentive program detailed in section 952 and \$104.5 million will be used for county revenue sharing payments. \$2.5 million of the County Incentive Program payments is designated as one-time funding.	Restricted	115,000,000	15,600,000

**TREASURY**

<b><u>Major Budget Changes From FY 2011-12 YTD Appropriations</u></b>		<b><u>FY 2011-12 YTD (as of 2/9/12)</u></b>	<b><u>Enacted Change From YTD</u></b>
<b>5. Competitive Assistance Grant Program</b>	<b>Gross</b>	<b>\$5,000,000</b>	<b>\$10,000,000</b>
Includes \$15.0 million (\$10.0 million one-time) for competitive grant assistance program to assist local units of government with consolidations, mergers, cooperative efforts, and collaborations.	Restricted	5,000,000	10,000,000
<b>6. Payments in Lieu of Taxes</b>	<b>Gross</b>	<b>\$10,577,000</b>	<b>\$3,679,900</b>
Increases payments in lieu of taxes (PILT) by \$3.7 million Gross (\$1.2 million GF/GP) to reflect legislative change requiring the Michigan Natural Resource Trust Fund (MNRTF) to make MNRTF Purchased Land PILT payments in full and to restore PILT payments to FY 2010-11 levels.	Restricted	1,646,600	2,453,900
	GF/GP	\$8,930,400	\$1,226,000
<b>7. Contingency Plan Adjustment</b>	FTE	N/A	(43.0)
Includes reduction of \$3.1 million Gross (\$993,700 GF/GP) due to the elimination of 43.0 FTEs (funded, vacant positions). These positions were offered as part of the FY 2011-12 employee concession contingency plan. Includes fund shift to replace restricted funds associated with contingency plan.	<b>Gross</b>	<b>N/A</b>	<b>(\$3,088,300)</b>
	Restricted	N/A	(2,094,600)
	GF/GP		(\$993,700)
<b>8. FY 2011-12 Supplemental Appropriations Removal</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$2,000,000)</b>
Removes \$2.0 million GF/GP in FY 2011-12 one-time supplemental appropriations for Michigan Finance Authority (\$1.0 million) and Tax Plan Implementation.	GF/GP	N/A	(\$2,000,000)
<b>9. Tobacco Tax Enforcement</b>	FTE	0.0	13.0
Includes \$1.5 million GF/GP and 13.0 FTE positions to support tobacco tax enforcement. Replaces \$3.0 million Gross authorization included in FY 2011-12.	<b>Gross</b>	<b>\$3,000,000</b>	<b>(\$1,500,000)</b>
	Restricted	3,000,000	(3,000,000)
	GF/GP	\$0	\$1,500,000
<b>10. General Fund Replacement Revenue</b>	<b>Gross</b>	<b>\$23,893,500</b>	<b>\$0</b>
Includes \$16.4 million GF/GP as replacement revenue for restricted and IDG funds. Replaces \$10.0 million Refined Petroleum Fund that supports debt service payments. Replaces \$6.4 million of IDG from Michigan Transportation Fund.	IDG	8,379,000	(6,421,600)
	Restricted	15,514,500	(10,000,000)
	GF/GP	\$0	\$16,421,600
<b>11. Office of Fiscal Responsibility</b>	FTE	N/A	10.0
Includes \$4.5 million GF/GP and 10.0 FTE positions for assistance to local units of government facing financial emergencies.	<b>Gross</b>	<b>N/A</b>	<b>\$4,500,000</b>
	GF/GP	N/A	\$4,500,000
<b>12. Facility for Rare Isotope Beams</b>	<b>Gross</b>	<b>N/A</b>	<b>\$2,339,900</b>
Includes \$2.3 million for debt service associated with the Facility for Rare Isotope Beams project at Michigan State University.	GF/GP	N/A	\$2,339,900
<b>13. Community College Renaissance Zone Reimbursements</b>	<b>Gross</b>	<b>N/A</b>	<b>\$3,500,000</b>
Includes \$3.5 million GF/GP for renaissance zone payments to community colleges.	GF/GP	N/A	\$3,500,000
<b>14. Dual Enrollment Payments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$10,000,000</b>
Includes \$10.0 million GF/GP to fund dual enrollment payments due to higher education institutions.	GF/GP	N/A	\$10,000,000
<b>15. Health Insurance Claims Assessment Program</b>	FTE	N/A	15.0
Includes \$1.9 million Gross and 15.0 FTE positions for the administration of the Health Insurance Claims Assessment Program under PA 142 of 2011.	<b>Gross</b>	<b>N/A</b>	<b>\$1,948,400</b>
	Restricted	N/A	1,948,400

**TREASURY**

<b>Major Budget Changes From FY 2011-12 YTD Appropriations</b>		<b>FY 2011-12 YTD (as of 2/9/12)</b>	<b>Enacted Change From YTD</b>
<b>16. Other One-Time Appropriations (Treasury)</b>	<b>Gross</b>	<b>N/A</b>	<b>\$5,742,700</b>
Includes \$5.7 million Gross, \$3.3 million GF/GP, in new line item section:	IDG	N/A	112,800
	Federal	N/A	171,700
• State employee lump sum payments: \$2.7 million Gross	Restricted	N/A	2,146,700
• Treasury legal services: \$3.0 million Gross	GF/GP	N/A	\$3,311,500
NOTE: Other one-time appropriations are listed in individual major budget changes.			
<b>MICHIGAN STRATEGIC FUND</b>			
<b>17. Business Attraction and Economic Gardening</b>	<b>Gross</b>	<b>\$100,000,000</b>	<b>\$0</b>
Includes FY 2011-12 one-time boilerplate appropriations (\$50.0 million GF/GP) in line-item as ongoing appropriations. No net gross funding change.	Restricted	25,000,000	0
	GF/GP	\$75,000,000	\$0
<b>18. Arts and Cultural Grants</b>	<b>Gross</b>	<b>\$2,567,400</b>	<b>\$3,582,600</b>
Includes additional \$3.6 million GF/GP to support arts and cultural programs and events.	Federal	1,050,000	0
	Private	100,000	0
	GF/GP	\$1,417,400	\$3,582,600
<b>19. Workforce Development Private Fund Authorization</b>	<b>Gross</b>	<b>N/A</b>	<b>\$5,000,000</b>
Includes \$5.0 million Gross private fund appropriation authorization in anticipation of foundation grants awarded to the Workforce Development Agency.	Private	N/A	5,000,000
<b>20. Federal Fund Authorization Adjustment</b>	<b>Gross</b>	<b>\$233,328,300</b>	<b>(\$50,000,000)</b>
Reduces federal fund authorization for Workforce Investment Act by \$50.0 million to reflect available federal funds.	Federal	233,328,300	(50,000,000)
<b>21. One-Time Appropriations (MSF/MSHDA)</b>	<b>Gross</b>	<b>N/A</b>	<b>\$1,135,700</b>
Includes \$1.1 million Gross (\$140,900 GF/GP) designated as one-time for negotiated one-time lump sum payments.	Federal	N/A	408,500
	Restricted	N/A	586,300
	GF/GP	N/A	\$140,900
<b>22. Community Ventures</b>	<b>Gross</b>	<b>N/A</b>	<b>\$9,800,000</b>
Includes \$10.0 million GF/GP for a new talent fund targeting structurally unemployed in distressed cities. Executive vetoed \$200,000 associated with boilerplate Section 1052.	GF/GP	N/A	\$9,800,000
<b>23. One-Time Film Incentive Funding</b>	<b>Gross</b>	<b>\$25,000,000</b>	<b>\$25,000,000</b>
Increases one-time FY 2011-12 funding by \$25.0 million GF/GP. All funding (\$50.0 million) is designated as one-time appropriations.	GF/GP	\$25,000,000	\$25,000,000
<b>24. Employment Services Program Transfer</b>	FTE	21.0	(21.0)
Removes penalty and interest fund source for certain Workforce Development Programs (Employment Services Program) and transfers funding to the Department of Licensing and Regulatory Affairs. Eliminates 21.0 FTE positions.	<b>Gross</b>	<b>\$2,814,700</b>	<b>(\$2,814,700)</b>
	Restricted	2,814,700	(2,814,700)
<b>25. Economic Adjustments (Treasury Operations and MSF)</b>	<b>Gross</b>	<b>N/A</b>	<b>\$15,213,600</b>
Includes funding for increased costs of \$15.2 million Gross (\$2.0 million GF/GP) for negotiated salary and wage increases, actuarially-required retirement rate increase, reduced employer health insurance costs due to 20% employee contribution, and other economic adjustments.	IDG	N/A	389,500
	Federal	N/A	2,266,400
	Local	N/A	97,500
	Restricted	N/A	10,411,000
	GF/GP	N/A	\$2,049,200



**Major Boilerplate Changes From FY 2011-12**

**Sec. 905. *Municipal Finance Fee Fund Carry Forward* – NEW**

Includes the Municipal Finance Fee Fund in the Department of Treasury. Fees are established under the Municipal Finance Act, PA 34 of 2001. The section would allow the Department of Treasury to carry forward the municipal finance fees for future appropriation rather than have the fees lapse to the General Fund.

**Sec. 906. *Charge for Audits Conducted* – REVISED**

Authorizes Department of Treasury to charge for audits as permitted by state or federal law under contractual arrangements with local units of government, other principal executive departments, or state agencies. Deletes (2) which requires appropriation for state compliance audits to be used to cover costs of audits performed by independent CPAs or Department of Treasury auditors. Deletes (3) which requires audit to be performed for the most current county fiscal year in conjunction with the financial single audit. Includes new (2) which creates a revolving fund known as the Audit Charges Fund to collect contractual charges and carry forward for future appropriation.

**Sec. 922. *Michigan Transportation Fund* – DELETED**

Requires department to submit a report for the previous fiscal year regarding amount of Michigan Transportation Fund revenue collected and the cost of collection. Permits cost of collection to be prorated in FY 2011-12 only. Requires analysis by April 1, 2012, of the actual cost of tax administration in order to justify continuation of proration.

**Sec. 943. *Tobacco Tax Enforcement* – DELETED**

Authorizes the department to use tobacco tax enforcement funding for certain costs associated with tobacco tax enforcement; requires a report.

**REVENUE SHARING**

**Sec. 951. *Competitive Grant Assistance Program* – NEW**

Includes new section to provide \$15.0 million (was \$5.0 million in FY 2011-12) for assistance grants to cities, villages, townships, and counties that elect to merge government services via a Competitive Grant Assistance Program; \$10.0 million of total available funding considered one-time boilerplate appropriation. Includes school districts and ISDs; includes work project language; and continues to make available unclaimed EVIP funds.

**Sec. 952. *Economic Vitality Incentive Program and County Incentive Program* – REVISED**

Includes section but revises language. There are minor revisions throughout; major revisions include Category 3 and payment structure. Category 3 certification allows for pension plan revisions or compliance with PA 152 (including opt-out provision). PA 152 imposes a health care benefit hard cap or 80/20 funding requirement that a local unit must implement for all employees (local units can opt-out by a two-thirds vote of the governing body). Payment structure revision links 2 payment month payments in each category solely to that category (CVTs will not receive payments associated with categories until due dates for category). CIP would distribute \$26.1 million (20%) of total county payments. CIP follows current-year EVIP payment structure.

**LOTTERY**

**Sec. 960. *Lottery Operating Revenues* – REVISED**

Appropriates funds from State Lottery Fund for necessary expenses in operating lottery games and charitable gaming. Makes technical revision to reference statute.

**CASINO GAMING**

**Sec. 979. *Millionaire Party Regulation* – NEW**

Appropriations amount not to exceed \$4.0 million to the Michigan Gaming Control Board from the State Lottery Fund to support regulation and licensing of millionaire parties pursuant to Executive Order 2012-4. Requires report.

**MICHIGAN STRATEGIC FUND**

**Sec. 1001. *Contingency Funds* – REVISED**

Appropriates federal, state, and private contingency funds. Includes \$20.0 million Federal, \$2.0 million restricted, \$2.0 million private, and \$100,000 for local contingency funds.

**Sec. 1007. *Report on MEDC Program* – REVISED**

Requires report on activities of MEDC from investment or Indian gaming revenues. Specific programs to be reported on are included in boilerplate. Revised to include reporting of investments funded and updates list of programs to include Business Development Program, Community Revitalization Program, and Film Incentives; changes report to February 15.

**Sec. 1021. *21st Century Jobs Funds Spending Reauthorization* – DELETED**

Provides for a continuation of authorization for 21st Century Jobs Trust funds authorized by PA 127 of 2007. Funds are made available until September 30, 2016 and work project will not exceed \$5.5 million.

## TREASURY

### Major Boilerplate Changes From FY 2011-12

**Sec. 1023. Tourism Coordination – REVISED**

Requires MSF to coordinate with tourism industry. Requires report; revises report date.

**Sec. 1031. Spending Plan Report – REVISED**

Requires MSF to report on the spending plan for innovation and entrepreneurship and business attraction and economic gardening. Revises to state that if spending plan changes after reporting date, MSF shall notify the appropriation subcommittees, fiscal agencies, and budget office within 10 business days.

**Sec. 1032. Film Tax Credit Program – REVISED**

Requires film office to report on film tax credit program. Revises to adjust for new film grant program.

**Sec. 1033. Film Incentives Status Report – NEW**

Requires quarterly reports on the status of the film incentives approved under section 29h of the MSF Act.

**Sec. 1033b. Film Production Expenditures – NEW**

Specifies legislative intent that the applicable percentage of the state certified qualified production expenditures be determined based on the date of the agreement.

**Sec. 1034. Business Incubator Program – REVISED**

Stipulates funding be awarded competitively to business incubators in ten counties or cities. Requires that \$1.3 million in 21st Century Jobs Trust Fund funding be used to fund business incubators. Increases minimum funding levels; adds new business incubators.

**Sec. 1034b. Van Andel Institute Funding – NEW**

Requires \$500,000 of the funding appropriated for Innovation and Entrepreneurship be used to provide a grant to the Van Andel Institute to be used as a match for funding received from the department of defense and the national institutes of health for advanced medical research.

**Sec. 1050. Community College Reporting Requirements – REVISED**

Combines former sections 1050, 1051, and 1052 into one section and revises reporting date to March 1. Includes new subsection that requires MSF to place the reports on a publicly accessible Internet site.

**Sec. 1052. Chaldean Employment Assistance – VETOED**

Requires \$200,000 of the funding appropriated for Community Ventures to be allocated to a Chaldean nonprofit to fund an existing workforce development program.

**Sec. 1053. Pre-College Engineering Programs – NEW**

Requires \$340,000 of the funding appropriated for Community Ventures to be allocated evenly to pre-college engineering programs in Detroit and Grand Rapids.

**Sec. 1061. Local Workforce Development Boards – DELETED**

Requires local workforce development boards to maintain partnership with government agencies, public school districts, and public colleges in their service area to qualify for funding. Requires educational advisory group.

**Sec. 1064. Workforce Training Funds Allocation – DELETED**

Allocates \$100,000 to an existing employee-led public/private workforce development program meeting certain criteria and \$100,000 to an existing workforce development program operated collaboratively with local businesses and educational institutions meeting certain criteria.

**Sec. 1065. Allocations to Public Libraries – DELETED**

Requires Michigan Works! agencies to use a portion of funds to pay for services provided by libraries that serve as access points.

**Sec. 1066. Gang Diversion Program – DELETED**

Indicates intent that a portion of the WIA, statewide activities funds be allocated to support coordinated efforts between local Michigan Works! agencies and police and sheriff departments to create programs that offer gang diversion activities.

**Sec. 1068. Workforce Training Programs Report – REVISED**

Requires report with detailed funding information for each Michigan Works! agency by fund source. Revises to change references to No Worker Left Behind to Workforce Training Programs.

**Sec. 1201. Anticipated FY 2013-14 Appropriations – REVISED**

States legislative intent to provide appropriations for FY 2013-14, adjusting FY 2012-13 amounts based on economic and other factors. Revises to update year to FY 2013-14.

**FY 2012-13  
Budget Detail  
for  
HEALTH AND  
HUMAN SERVICES**

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**Community Health  
Human Services**

**COMMUNITY HEALTH**

**COMMUNITY HEALTH  
Summary of FY 2012-13 Enacted Appropriations  
Article IV, 2012 Public Act 200 (House Bill 5365)**

**Analysts: Margaret Alston, Susan Frey, and Steve Stauff**

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: Enacted From FY 2011-12 YTD	
						Amount	%
<b>IDG/IDT</b>	\$7,241,200	\$10,023,800	\$10,023,800	\$10,023,800	\$10,023,800	\$2,782,600	38.4
<b>Federal</b>	9,274,293,000	9,740,485,300	9,686,137,800	9,702,741,100	9,690,867,900	416,574,900	4.5
<b>Local</b>	257,851,000	257,280,100	256,951,300	257,214,300	257,148,600	(702,400)	(0.3)
<b>Private</b>	96,499,200	93,264,000	93,364,000	93,364,000	93,289,000	(3,210,200)	(3.3)
<b>Restricted</b>	2,031,475,500	2,146,562,200	2,146,538,500	2,146,557,500	2,157,358,500	125,883,000	6.2
<b>GF/GP</b>	2,975,227,400	2,847,864,700	2,825,781,700	2,825,612,300	2,817,437,800	(157,789,600)	(5.3)
<b>Gross</b>	<b>\$14,642,587,300</b>	<b>\$15,095,480,100</b>	<b>\$15,018,797,100</b>	<b>\$15,035,513,000</b>	<b>\$15,026,125,600</b>	<b>\$383,538,300</b>	<b>2.6</b>
<b>FTEs</b>	3,640.2	3,613.9	3,535.6	3,539.6	3,544.6	(95.6)	(2.6)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post-Employment Benefit prefunding under Enrolled Senate Bill 683 (Public Act 64 of 2012).

(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

(3) FTE positions for the Executive Budget Bill were overstated by 63.3.

**Overview**

The Department of Community Health budget provides funding for a wide range of mental health, substance abuse, public health, and medical services programs, including Medicaid. Established in 1996, the Department also includes the Office of Services to the Aging, the Crime Victim Services Commission, and health policy.

<b>Major Budget Changes From FY 2011-12 YTD Appropriations</b>	<b>FY 2011-12 YTD (as of 2/9/12)</b>	<b>Enacted Change From YTD</b>
<b>1. Economic Adjustments</b>	<b>Gross</b>	<b>N/A \$18,595,400</b>
Includes a net increase of \$18.6 million Gross (\$7.2 million GF/GP) to finance negotiated salary and wage increases, actuarially-required retirement rate increases, reduced employer health insurance costs due to 20% employee contribution, and economic adjustments for worker's compensation, building occupancy and rent, food, and gas, fuel, and utility costs for FY 2012-13.	IDG	N/A (54,500)
	Federal	N/A 3,933,200
	Restricted	N/A 325,500
	Local	N/A 7,183,800
	Private	N/A (600)
	GF/GP	N/A \$7,208,000
<b>2. FY 2011-12 Contingency Plan Savings</b>	<b>FTE</b>	<b>N/A (88.3)</b>
Recognizes FY 2011-12 contingency plan savings of \$12.2 million Gross (\$6.1 million GF/GP) which is achieved by eliminating 88.3 funded and vacant FTE positions throughout the Department, reducing travel costs, and eliminating contracts.	<b>Gross</b>	<b>N/A (\$12,176,400)</b>
	Federal	N/A (3,034,400)
	Restricted	N/A (304,600)
	Local	N/A (2,776,500)
	GF/G	N/A (\$6,060,900)
<b>3. FY 2012-13 State Employees One-Time Lump Sum Payments</b>	<b>Gross</b>	<b>N/A \$4,285,300</b>
Authorizes one-time only allocation of \$4.3 million Gross (\$2.6 million GF/GP) for negotiated one-time lump sum payments to state employees. The authorization for the lump sum payments is included in a new appropriation unit entitled "Sec. 121. ONE-TIME BASIS ONLY APPROPRIATIONS".	IDG	N/A 19,700
	Federal	N/A 1,279,400
	Restricted	N/A 263,500
	Local	N/A 150,400
	Private	N/A 800
GF/GP	N/A \$2,571,500	

<b><u>Major Budget Changes From FY 2011-12 YTD Appropriations</u></b>		<b>FY 2011-12 YTD (as of 2/9/12)</b>	<b>Enacted Change From YTD</b>
<b>4. Salary Increases for Unclassified FTE Positions</b>	<b>Gross</b>	<b>\$583,900</b>	<b>\$116,100</b>
Includes an increase of \$116,100 GF/GP for the Director and Other Unclassified FTE Positions line item pursuant to the Leadership Target Agreement. The budgetary adjustment represents a 20% increase from the FY 2011-12 year-to-date authorization for this line item.	GF/GP	\$583,900	\$116,100
<b>5. Community Health Automated Medicaid Processing System (CHAMPS) Funding</b>	<b>Gross</b>	<b>\$25,723,700</b>	<b>\$34,477,400</b>
Adds full-year funding of \$13.4 million Gross (\$5.9 million GF/GP) for CHAMPS and includes savings of \$8.9 million Gross (\$1.2 million GF/GP) due to the completion of the federal Health Insurance Portability and Affordability Act (HIPAA) 5010 project which required enhancements related to the Medicaid claims processing system. Authorizes FY 2012-13 one-time allocation of \$30.0 million Gross (\$3.0 million GF/GP) for CHAMPS to implement medical codes for diagnosis and inpatient procedures (ICD-10) as required by federal law.	Federal	22,889,000	26,732,000
	GF/GP	\$2,834,700	\$7,745,400
<b>6. Family Support Subsidy Program</b>	<b>Gross</b>	<b>\$19,470,500</b>	<b>(\$309,500)</b>
Removes excess FY 2011-12 TANF revenue authorization of \$500,000 from the Family Support Subsidy Program which provides \$222.11 monthly payment to an average of 7,159 income-eligible families with a child under age 18 living at home who is severely mentally impaired, severely multiply impaired, or autistic. The reduction for this program is offset with an increase of \$190,500 in TANF revenue anticipating a 1.0% caseload increase in FY 2012-13.	Federal	19,470,500	(309,500)
	GF/GP	\$0	\$0
<b>7. Staffing for Autism Treatment Services Initiative</b>	<b>Gross</b>	<b>N/A</b>	<b>\$0</b>
Adds funding of \$400,000 GF/GP to the Mental Health/Substance Abuse Program Administration line item renamed "Behavioral Health Program Administration" to finance 3.0 FTE positions related to implementation of the autism treatment services initiative. The funding increase is offset by nursing home transition savings.	GF/GP	N/A	\$0
<b>8. Actuarially Sound Capitation Payment Rates Adjustment</b>	<b>Gross</b>	<b>\$6,490,537,900</b>	<b>\$75,148,000</b>
Includes a capitation rate increase of 1.5% for Health Plans and 1.25% for Prepaid Inpatient Health Plans (PIHPs) to ensure that payment rates for these managed care entities are actuarially sound in FY 2012-13. This adjustment results in an additional \$75.1 million Gross (\$25.3 million GF/GP) for the Medicaid Mental Health Services, Medicaid Substance Abuse Services, and Health Plan Services line items.	Federal	4,293,335,900	49,890,800
	Restricted	1,159,708,900	0
	Local	38,931,800	0
	GF/GP	\$998,561,300	\$25,257,200
<b>9. One-Time Funding for Mental Health Services for Special Populations</b>	<b>Gross</b>	<b>\$8,842,800</b>	<b>\$0</b>
Does not eliminate the FY 2011-12 allocation of \$3.0 million GF/GP designated as one-time basis only in Section 1901 of PA 63 of 2011, Article IV for mental health services for special populations. The one-time funding is included in a new appropriation unit entitled "Sec. 121. ONE-TIME BASIS ONLY APPROPRIATIONS". The GF/GP funding would be allocated as follows: \$250,000 for Hispanic/Latino Commission within the Department of Civil Rights; \$700,000 for ACCESS; \$700,000 for Arab/Chaldean; \$650,000 for Chaldean Chamber Foundation; and \$700,000 for Michigan Jewish Federation.	GF/GP	\$8,842,800	\$0
<b>10. Children With Serious Emotional Disturbance Waiver</b>	<b>Gross</b>	<b>\$8,188,000</b>	<b>\$4,463,000</b>
Increases funding for the Children with Serious Emotional Disturbance Waiver Program by \$4.5 million Gross (\$0 GF/GP), enabling the Department to serve additional children eligible for the federal waiver program in which community mental health services programs (CMHSPs) provide home- and community-based mental health services. Currently, 12 CMHSPs in eighteen counties provide services for up to 357 children.	IDG	2,769,000	500,000
	Federal	5,419,000	3,963,000
	GF/GP	\$0	\$0

**COMMUNITY HEALTH**

<b><u>Major Budget Changes From FY 2011-12 YTD Appropriations</u></b>		<b><u>FY 2011-12 YTD</u></b> <b><u>(as of 2/9/12)</u></b>	<b><u>Enacted Change</u></b> <b><u>From YTD</u></b>	
<b>11. Pharmacy Inflationary Adjustment for State Psychiatric Hospitals and Center for Forensic Psychiatry</b>		<b>Gross</b>	<b>\$257,696,200</b>	<b>\$476,100</b>
Includes 3.0% inflationary adjustment for pharmacy costs at state-operated psychiatric hospitals and the Center for Forensic Psychiatry which equates to an increase of \$476,100 Gross (\$240,800 GF/GP) in funding for these facilities.		Federal	29,426,200	23,700
		Restricted	15,240,900	14,300
		Local	17,494,500	197,300
		GF/GP	\$195,534,600	\$240,800
<b>12. Healthy Michigan Fund Programs</b>		<b>Gross</b>	<b>\$37,175,900</b>	<b>\$146,600</b>
<b>Healthy Michigan Fund (HMF) Changes</b> - Healthy Michigan Fund appropriation for Medicaid is modified to \$28.3 million, a reduction of \$842,800 replaced with a like amount of GF/GP, to reflect decline in HMF revenue. HMF appropriation for public health prevention projects is increased by \$146,600 to \$5,146,600.		Restricted	34,175,900	(696,200)
<b>Healthy Michigan Fund Programs Line Item</b> - The Sec. 106 line item name is changed to Health and Wellness Initiatives.		GF/GP	\$3,000,000	\$842,800
<b>HMF Programs One-Time Basis Only Funding</b> - \$3.0 million GF/GP designated as one-time basis only funding in Sec. 1901 of 2011 PA 63, Article IV, for public health prevention projects in the HMF Programs line item is continued under a new Sec. 121 one-time basis only Health and Wellness Initiatives line item. Project allocations of the one-time GF/GP are modified to include an increase for diabetes programs and a new allocation for the nurse family partnership program.				
<b>13. New Wellness 4x4 Initiative</b>		<b>Gross</b>	<b>\$0</b>	<b>\$2,250,000</b>
Includes new funding of \$2.25 million GF/GP for a new community-based collaborative public health program to address obesity, focusing on 4 healthy behaviors and 4 key health measures (\$1.0 million ongoing, \$1.25 million one-time basis only, in the Health and Wellness Initiatives line items).		GF/GP	\$0	\$2,250,000
<b>14. New Children's Physical Health Initiative</b>		<b>Gross</b>	<b>\$0</b>	<b>\$1,000,000</b>
Provides \$1.0 million GF/GP for a new initiative to address childhood obesity with a before- and after-school physical health pilot program that incorporates evidence-based best practices appropriated in Sec. 106 Health and Wellness Initiatives line item. Related boilerplate Sec. 654.		GF/GP	\$0	\$1,000,000
<b>15. Primary Care Services</b>		<b>Gross</b>	<b>\$3,195,900</b>	<b>\$355,200</b>
<b>Island Health Clinics</b> - Continues funding of \$300,000 GF/GP designated as one-time only basis in FY 2011-12 budget for island health clinics for Beaver Island, Mackinac Island and Drummond Island. Adds \$25,000 GF/GP allocation for Bois Blanc Island.		Federal	1,870,300	219,200
<b>Primary Care DSH</b> - Restores primary care disproportionate share (DSH) funding of \$330,200 Gross (\$111,000 GF/GP) for Bronson Methodist Hospital. This funding was also restored for FY 2011-12 in supplemental 2012 PA 89 (HB 4289).		GF/GP	\$1,325,600	\$136,000
<b>16. Michigan Essential Health Care Provider Initiative</b>		<b>Gross</b>	<b>\$872,700</b>	<b>\$618,600</b>
Includes \$1,000,000 Gross (\$500,000 GF/GP) for a new Essential Health Care Provider Program initiative to reduce local and private share of loan repayment costs for obstetricians and gynecologists working in underserved areas (related Sec. 709 (2) boilerplate). Other state funding of \$81,400 GF/GP (and \$300,000 related federal and local funding) for this program is eliminated, the final year of a multi-year phase-out of state funding.		Federal	436,300	300,000
		Local	100,000	(100,000)
		Private	255,000	0
		GF/GP	\$81,400	\$418,600
<b>17. Bioterrorism Preparedness</b>		<b>Gross</b>	<b>\$49,286,900</b>	<b>(\$14,519,100)</b>
Reduces federal grant funding for bioterrorism preparedness by \$14.5 million, to reflect decline in federal grants for public health and hospital preparedness and response for bioterrorism, and completion of federal grants for H1N1 pandemic flu.		Federal	49,286,900	(14,519,100)
		GF/GP	\$0	\$0

<b><u>Major Budget Changes From FY 2011-12 YTD Appropriations</u></b>		<b>FY 2011-12 YTD (as of 2/9/12)</b>	<b>Enacted Change From YTD</b>
<b>18. Lead Abatement Funding – VETOED</b>	<b>Gross</b>	<b>\$2,647,700</b>	<b>(\$2,647,700)</b>
Governor vetoes Healthy Homes (formerly Lead Abatement Program) line item which includes new appropriation of \$2,000,000 state restricted funding for expanded abatement of lead in homes where children reside who have tested positive for high blood lead. New funds are from the state Environmental Response Fund. Governor indicates funds are not available, and intent to request restoration of original funding amount for program.	Federal	1,963,600	(1,963,600)
	Restricted	684,100	(684,100)
	GF/GP	\$0	\$0
<b>19. Traumatic Brain Injury Treatment Model Project</b>	<b>Gross</b>	<b>\$0</b>	<b>\$200,000</b>
Restores \$200,000 Gross (\$100,000 GF/GP) funding for use of EBM Care, Inc. traumatic brain injury treatment interactive software at 4 trauma hospitals. This funding was also restored for FY 2011-12 in supplemental 2012 PA 89 (HB 4289).	Federal	0	100,000
	GF/GP	\$0	\$100,000
<b>20. Maternal and Infant Home Visiting Program</b>	<b>Gross</b>	<b>\$2,200,000</b>	<b>\$2,107,200</b>
Recognizes \$2.1 million increased funds from the Maternal, Infant and Early Childhood Home Visiting federal program grant authorized under the Patient Protection and Affordable Care Act. All funding for this program totaling \$4.3 million is appropriated in the Prenatal Care Outreach and Service Delivery Support line item, including the \$2.2 million year-to-date funding moved from Special Projects line item.	Federal	2,200,000	2,107,200
	GF/GP	\$0	\$0
<b>21. One-Time Funding for Infant Mortality</b>	<b>Gross</b>	<b>\$0</b>	<b>\$750,000</b>
Includes new one-time funding of \$750,000 GF/GP for expanded maternal and child health and infant mortality programming, appropriated in the Sec. 121 one-time basis only Health and Wellness Initiatives line item.	GF/GP	\$0	\$750,000
<b>22. New Alternative Home Visit Support Program – VETOED</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
Governor vetoes boilerplate Sec. 1136, eliminating related \$2.0 million appropriation of federal Temporary Assistance for Needy Families (TANF) grant funding from the Prenatal Outreach and Service Delivery Support line item, for a new initiative planned for 2 years for a real alternatives pregnancy and parenting support services program as a pilot project to provide enhanced counseling and support for women during pregnancy through 12 months after birth. Governor indicates funds are not available.	Federal	0	0
	GF/GP	\$0	\$0
<b>23. Enhanced Support for Nurse Family Partnership – VETOED</b>	<b>Gross</b>	<b>\$3,794,200</b>	<b>\$0</b>
Governor vetoes boilerplate Sec. 1137, eliminating related \$1.0 million appropriation of federal TANF grant funding from the Prenatal Outreach and Service Delivery Support line item, for a new initiative planned for 2 years to enhance support and education for the nurse family partnership program including strategic planning and awareness for a Detroit-based nurse family partnership program. Governor indicates funds are not available.	Federal	2,294,200	0
	GF/GP	\$1,500,000	\$0
<b>24. Crime Victim Services</b>	<b>Gross</b>	<b>\$37,554,100</b>	<b>\$600,000</b>
Recognizes \$600,000 new federal grant funds for enhancement of the Michigan crime victim information and notification network system (VINE) providing offender custody status and related court event information to victims of crime.	Federal	23,489,700	600,000
	Restricted	14,064,400	0
	GF/GP	\$0	\$0
<b>25. Area Agencies on Aging Community Services Funding</b>	<b>Gross</b>	<b>\$35,314,400</b>	<b>\$1,100,000</b>
Includes an increase of \$1.1 million GF/GP for senior community services programs, to be allocated to area agencies on aging for locally-determined needs (Community Services line item YTD funding shown). Related new boilerplate Sec. 1421.	Federal	22,880,900	0
	Private	200,000	0
	GF/GP	\$12,233,500	\$1,100,000

**COMMUNITY HEALTH**

<b><u>Major Budget Changes From FY 2011-12 YTD Appropriations</u></b>	<b><u>FY 2011-12 YTD (as of 2/9/12)</u></b>	<b><u>Enacted Change From YTD</u></b>
<b>26. Cochlear Implant Policy Change</b>	<b>Gross</b>	<b>\$0</b>
Increases the Department's budget by \$560,000 Gross (\$188,900 GF/GP) reflecting annualized FY 2011-12 costs due to a change in State Medicaid policy to cover cochlear implants for both ears rather than just one ear. The appropriation lines affected are Medical Care and Treatment, Physician Services and Auxiliary Medical Services.	Federal	371,100
	GF/GP	\$188,900
<b>27. Electronic Health Records Incentive Program</b>	<b>FTEs</b>	<b>0.0</b>
Increases the Electronic Health Records Incentive Program line by \$24.7 million Gross (reduces GF/GP \$60,800) and makes a technical adjustment by incorporating 24.0 FTEs. The FY 2011-12 base authorization of \$119.4 million Gross included funding for administration of the program, but no FTEs. All of the FY 2012-13 authorization is for electronic health record (EHR) incentive payments. The Department of Community Health will provide incentive payments to eligible professionals, hospitals and critical access hospitals as they adopt, implement, upgrade or demonstrate meaningful use of certified EHR technology. An EHR is an electronic record of patient health information generated by one or more encounters in any care delivery setting.	<b>Gross</b>	<b>24.0</b>
	<b>\$119,388,800</b>	<b>\$24,692,600</b>
	Federal	24,753,400
	GF/GP	(\$60,800)
<b>28. Graduate Medical Education</b>	<b>Gross</b>	<b>\$162,325,900</b>
Reduces FY 2011-12 year-to-date funding for the Graduate Medical Education (GME) program by \$231,600 Gross (\$100,000 GF/GP). Of this amount the Hospital Services and Therapy line is increased by \$21.4 million Gross and the Hospital Services and Therapy - Graduate Medical Education line in the One-Time Basis Only Appropriations unit is decreased by \$12.8 million Gross.	Federal	(\$231,600)
	GF/GP	(131,600)
		(\$100,000)
<b>29. Primary Care Physician Rate Increase</b>	<b>Gross</b>	<b>N/A</b>
Recognizes an increase of \$281.8 million of federal funds that will be available to provide an increase in the reimbursement rates for primary care doctors, family doctors and pediatricians up to 100% of Medicare rates. Not included in the rate increase are nurse practioners, physician assistants and OB/GYNs. This reimbursement level change is a requirement of the Affordable Care Act of 2010 and is entirely federally funded.	Federal	\$281,800,000
	GF/GP	\$0
<b>30. OB/GYN Rate Increase</b>	<b>Gross</b>	<b>N/A</b>
Includes an increase of \$11.9 million Gross (\$4.0 million GF/GP) to provide an increase in the reimbursement rates for OB/GYN doctors. The increase equates to approximately 20% and is split between the Physician Services and Health Plan Services appropriation lines. Related boilerplate Sec. 1862.	Federal	\$11,901,200
	GF/GP	7,901,200
		\$4,000,000
<b>31. Behavioral Health Drugs on Preferred Drug List</b>	<b>Gross</b>	<b>\$338,717,500</b>
Restores \$18.7 million Gross (\$6.3 million GF/GP) of the anticipated savings included in the Pharmaceutical Services line of the FY 2011-12 budget. These savings were to result from including behavioral health drugs on the preferred drug list. A statutory change would have been required to have realized these savings, but no Legislative action was taken.	Federal	\$18,700,000
	GF/GP	12,414,900
		\$6,285,100
<b>32. Healthy Kids Dental Expansion</b>	<b>Gross</b>	<b>N/A</b>
Funding of \$16.6 million Gross (\$5.6 million GF/GP) is included in the Dental Services line to expand the coverage area of the Healthy Kids Dental program.	Federal	\$16,666,700
	GF/GP	11,065,000
		\$5,601,700



<b><u>Major Budget Changes From FY 2011-12 YTD Appropriations</u></b>		<b>FY 2011-12 YTD (as of 2/9/12)</b>	<b>Enacted Change From YTD</b>
<b>33. Airport Parking Tax Deposit to MBTF</b>	<b>Gross</b>	<b>\$105,877,700</b>	<b>\$0</b>
Replaces \$6.7 million of funding received from Wayne County for support of the Medicaid Adult Benefits Waiver program with a like amount of revenue from the Medicaid Benefits Trust Fund (MBTF). For many years Wayne County has provided the Department Wayne's portion of the Airport Parking Tax which the Department uses for support of the Medicaid Adult Benefits Waiver program. This change would simply direct Wayne County's portion of the Airport Parking Tax to the Medicaid Benefits Trust Fund. Legislation would be necessary to make this adjustment.	Federal	70,027,300	0
	Local	6,653,800	(6,653,800)
	Restricted	6,100,000	6,653,800
	GF/GP	\$23,096,600	\$0
<b>34. Medicaid Estate Recovery Program</b>	<b>Gross</b>	<b>\$1,686,454,600</b>	<b>\$16,661,700</b>
Restores \$16.7 million Gross (\$5.6 million GF/GP) of the anticipated savings included in the Pharmaceutical Services line of the FY 2011-12 budget. These savings were to result from strengthening current Michigan estate recovery laws. A statutory change would have been required to have realized these savings, but the change did not occur.	Federal	1,133,338,700	11,061,700
	Merit Awd	82,275,800	0
	Restricted	256,925,600	0
	Local	6,618,800	0
	GF/GP	\$207,295,700	\$5,600,000
<b>35. MIChoice Program Adjustments</b>	<b>Gross</b>	<b>\$229,921,000</b>	<b>\$36,372,100</b>
Increases the Medicaid Home- and Community-Based Services Waiver line by \$36.4 million Gross (\$13.2 million GF/GP) to recognize additional transitions from nursing homes (\$24.6 million Gross) and the reduction in the waiting list for the MIChoice program (\$11.8 million Gross).	Federal	146,177,400	23,211,200
	Local	265,000	0
	Private	2,100,000	0
	GF/GP	\$81,378,600	\$13,160,900
<b>36. PACE Program Adjustments</b>	<b>Gross</b>	<b>\$30,707,800</b>	<b>\$0</b>
Increases the Program for All-Inclusive Care for the Elderly (PACE) line item by \$4.1 million Gross (\$1.4 million GF/GP) bringing the existing PACE programs up to capacity (\$2.5 million Gross) and adding a Berrien County PACE program (\$1.6 million Gross). Both actions are funded by a reduction to the Long-Term Care Services line in the amount of the PACE increases, therefore netting to zero change within the DCH budget.	Federal	20,310,200	0
	GF/GP	\$10,397,600	\$0
<b>37. Autism Spectrum Disorder Coverage</b>	<b>Gross</b>	<b>\$0</b>	<b>\$20,886,200</b>
Includes \$20.9 million Gross (\$6.7 million GF/GP) to fund autism spectrum disorder treatment for Medicaid and MICHild eligible children. The new line "Autism Services" is authorized at \$17.6 million Gross and the MICHild line at \$3.3 Gross.	Federal	0	14,203,200
	GF/GP	\$0	\$6,683,000
<b>38. Use Tax Adjustment</b>	<b>Gross</b>	<b>\$201,057,300</b>	<b>(\$201,057,300)</b>
Includes reversing the FY 2011-12 supplemental 2011 PA 278 that provided use tax (GF/GP) funding to correct authorization necessary to implement the State's final Health Insurance Claim Assessment (HICA) legislation. The Department budget is reduced \$201.1 million Gross (\$167.3 million GF/GP).	Federal	132,979,300	(132,979,300)
	Restricted	(99,214,200)	99,214,200
	GF/GP	\$167,292,200	(\$167,292,200)
<b>39. School-Based Services</b>	<b>Gross</b>	<b>\$91,296,500</b>	<b>\$40,206,200</b>
Increases the School-Based Services line by \$40.2 million Federal representing Michigan school district's 60% portion of the federal Medicaid funds earned by the school district match. The other 40% of federal funding (\$26.8 million) is retained by the State and is used to offset GF/GP in the Medicare Premium Payments line.	Federal	152,160,800	67,010,300
	GF/GP	(\$60,864,300)	(\$26,804,100)
<b>40. Rural and Sole Community Hospital Payments</b>	<b>Gross</b>	<b>\$29,533,400</b>	<b>\$5,950,600</b>
Increases the rural and sole community hospital payment pool by \$6.0 million Gross (\$2.0 million GF/GP), from \$29.5 million Gross to \$35.5 million Gross. The funding is shifted from the One-Time Basis Only unit to the ongoing Medical Services unit, specifically the Hospital Services appropriation line. Related boilerplate Sec. 1866.	Federal	19,533,400	3,950,600
	GF/GP	\$10,000,000	\$2,000,000

**COMMUNITY HEALTH**

<b><u>Major Budget Changes From FY 2011-12 YTD Appropriations</u></b>	<b><u>FY 2011-12 YTD</u></b>	<b><u>Enacted Change</u></b>
	<b><u>(as of 2/9/12)</u></b>	<b><u>From YTD</u></b>

<b>41. One-Time Appropriations</b>	<b>Gross</b>	<b>N/A</b>	<b>N/A</b>
Includes \$46.9 million Gross (\$15,346,500 GF/GP) of one-time basis only appropriations. All one-time appropriations are discussed above throughout the Major Budget Changes section.	<b>GF/GP</b>	<b>N/A</b>	<b>N/A</b>

**42. Anticipated FY 2013-14 Budget Changes**  
Indicates that FY 2013-14 appropriations are anticipated to be the same as FY 2012-13, except line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. Provides adjustments will be determined after the January 2013 Consensus Revenue Estimating Conference. (PART 2A, Sec. 2001)

**Major Boilerplate Changes From FY 2011-12**

**GENERAL SECTIONS**

**Sec. 207. Principal Measurable Outcomes – NEW**

Requires the Department to identify 10 principal measurable outcomes to be affected by the expenditure of appropriated funds and submit a report to the House and Senate Appropriations Committees, House and Senate Fiscal Agencies, and State Budget Director that ranks the outcomes by level of importance and contains current data on those outcomes.

**Sec. 264. Submission and Applications for Medicaid Waivers – REVISED**

Requires the Department to inform the House and Senate Appropriations Subcommittees on Community Health and the House and Senate Fiscal Agencies of any alterations or adjustments made to the published plan for integrated care of individuals who are dual Medicare/Medicaid eligibles when the final version of the plan has been submitted to the federal Centers for Medicare and Medicaid Services or Department of Health and Human Services. Also, requires the Department to submit the plan for integrated care for dual eligibles to the Legislature for review at least 30 days before implementation of the plan.

**Sec. 297. Statewide Office Space Consolidation Plan – NEW**

Expresses Legislature's intent that all principal executive departments and agencies cooperate with the development and implementation of the Department of Technology, Management, and Budget statewide office space consolidation plan.

**BEHAVIORAL HEALTH SERVICES (renamed from COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS)**

**Sec. 498. Effectiveness of Substance Use Disorders Treatment Programs – NEW**

Requires DCH to use standard program evaluation measures to assess the effectiveness of heroin and other opiates treatment programs provided through coordinating agencies and service providers in reducing and preventing the incidence of substance use disorders.

**Sec. 499. Mental Health Needs of Deaf and Hard-of-Hearing Persons – NEW**

Requires the Department to explore ways to use mental health funding to address the mental health needs of deaf and hard-of-hearing persons.

**HEALTH POLICY**

**Sec. 715. Options for Incentivizing Primary Care Medical School Students to Stay in Michigan – NEW**

Requires DCH to evaluate options for incentivizing students attending medical schools in Michigan to meet their primary care residency requirements in Michigan and to practice in Michigan.

**Sec. 716. Incentivizing Medical Students to Serve in Counties Under 100,000 – NEW**

Encourages the Department to create a pilot program incentivizing students attending Michigan medical schools to provide medical services in counties of less than 100,000 residents with a medically underserved population. Requires a report by September 30, 2013.

**Major Boilerplate Changes From FY 2011-12**

**FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES**

***Sec. 1103. Sexual and Maternal Health Expenditure and Demographics Report – REVISED***

Requires annual report of an estimate of public funds administered by the Department for family planning, sexually transmitted infection prevention and treatment, pregnancies, and births, and to report demographics collected by DCH that are voluntarily self-reported by individuals utilizing those services. Requires DCH to provide actual or estimated expenditure data by marital status, and permits the use of state Plan First!, MIChild, Healthy Kids, public assistance, or other official application form to determine actual or estimated public expenditures based on marital status.

***Sec. 1138. Maternal and Child Health Contractual Services – NEW***

Requires the Department to allocate funds for family, maternal, and children's health services pursuant to section 1 of Public Act 360 of 2002, related to contractual family planning and reproductive services.

**OFFICE OF SERVICES TO THE AGING**

***Sec. 1401. Eligibility for Senior Community Services and Nutrition Services Programs – DELETED***

Eligibility for services funded by community services and nutrition services appropriation line items shall be restricted to individuals at least 60 years of age who fail to qualify for home care services under Titles XVIII, XIX, or XX of the Social Security Act.

***Sec. 1403. Home-Delivered Meals Waiting Lists – REVISED***

Requires area agency on aging regions to report home-delivered meals waiting lists to the Office of Services to the Aging and the Legislature by February 1, and establishes standard criteria for persons included on the waiting list.

**MEDICAL SERVICES ADMINISTRATION – NEW**

***Sec. 1501. Electronic Health Records Incentive Program Work Project – NEW***

Establishes unexpended funds for the Electronic Health Records Incentive program as a work project appropriation with the completion date estimated to be September 30, 2017.

**MEDICAL SERVICES**

***Sec. 1846. Graduate Medical Education (GME) Funding – REVISED***

Requires the Department to conduct research on the effectiveness of GME funding and report the results by April 1, 2013.

***Sec. 1860. Nursing Facilities Reimbursement Reports – NEW***

Allows the Department to receive separate reports from the Health Care Association of Michigan, the Michigan County Medical Care Facility Council, and Aging Services of Michigan regarding each group's proposal in designing and implementing a new reimbursement payment system for nursing facilities. Copies of the reports will be available from the Department by July 1, 2013.

***Sec. 1861. Nonemergency Medical Transportation Competitive Bid – NEW***

Allows nonemergency medical transportation to be competitively bid; may take into consideration a minimum of two bids; one bid must be a public transportation agency; and defines qualified vendor.

***Sec. 1863. Quality Indicators in HMO Contract Rebid – NEW***

Requires the Department to study the possibility of excluding certain Medicaid managed care organizations from the next rebidding process that score in the lowest quartile on quality indicators.

***Sec. 1866. Rural Hospital Payments – NEW***

Requires the Department to award \$12.0 million GF/GP, and any associated federal Medicaid match, to hospitals providing services to low-income rural residents with those hospitals meeting certain criteria established by the Department. No hospital or hospital system may receive more than 5% of the total distribution and a report is due from the Department by April 1, 2013.

**HUMAN SERVICES**

**HUMAN SERVICES  
Summary of FY 2012-13 Enacted Appropriations  
Article X, 2012 Public Act 200 (House Bill 5365)**

**Analyst: Kevin Koorstra**

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: Enacted From FY 2011-12 YTD	
						Amount	%
<b>IDG/IDT</b>	\$35,821,900	\$31,241,700	\$30,581,300	\$31,241,700	\$30,581,300	(\$5,240,600)	(14.6)
<b>Federal</b>	5,496,420,500	5,394,076,700	5,530,111,200	5,386,656,100	5,384,799,500	(111,621,000)	(2.0)
<b>Local</b>	28,679,500	33,549,200	31,182,400	31,448,000	32,529,400	3,849,900	13.4
<b>Private</b>	16,136,400	16,375,800	10,619,700	16,415,000	7,876,600	(8,259,800)	(51.2)
<b>Restricted</b>	123,701,000	88,847,000	82,476,400	87,772,300	86,901,500	(36,799,500)	(29.7)
<b>GF/GP</b>	1,047,330,500	1,028,796,400	1,015,889,600	991,406,500	1,010,143,900	(37,186,600)	(3.6)
<b>Gross</b>	<b>\$6,748,089,800</b>	<b>\$6,592,886,800</b>	<b>\$6,700,860,600</b>	<b>\$6,544,939,600</b>	<b>\$6,552,832,200</b>	<b>(\$195,257,600)</b>	<b>(2.9)</b>
<b>FTEs</b>	11,546.5	11,208.5	11,544.2	11,187.0	11,764.0	217.5	1.9

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post-Employment Benefit prefunding under Senate Bill 683.

(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

**Overview**

The Department of Human Services (DHS) administers a wide range of programs and services to assist Michigan's most vulnerable families, including public assistance programs that provide direct cash support as well as assistance with food and emergency needs. The DHS is also charged with protecting children and assisting families by administering foster care, adoption and family preservation programs, and by enforcing child support laws. The DHS is also responsible for delivering juvenile justice services and for licensing day care, adult foster care, and child welfare agencies in the state.

**Major Budget Changes From FY 2011-12 YTD Appropriations**

	FY 2011-12 YTD (as of 2/9/12)	Enacted Change From YTD
<b>1. Adjustments to Current Services Baseline</b>	FTE	N/A
Reduces funding \$78.8 million Gross (\$26.6 million GF/GP) based on review of historic and current expenditure trends, historic lapses, and transfers in prior fiscal years for each line item. Adjustments also reduce federal Temporary Assistance for Needy Families (TANF) block grant funding \$16.2 million. The intent of these adjustments is to align appropriations with spending rather than program reductions or cuts. Adjustments account for and are in addition to adjustments made in items 24, 25, and 26. As background, DHS lapsed \$43.5 million in GF/GP authorization and \$75.1 million in federal TANF funds at the close of FY 2010-11.	<b>Gross</b>	<b>N/A (\$78,813,400)</b>
	IDG	N/A (660,400)
	Federal	N/A (40,584,500)
	Local	N/A (754,800)
	Private	N/A (8,333,200)
	Restricted	N/A (1,870,700)
	GF/GP	N/A (\$26,609,800)
<b>2. GF/GP Offset With Federal Temporary Assistance for Needy Families (TANF)</b>	<b>Gross</b>	<b>N/A \$0</b>
Redirects \$10.9 million of the \$16.2 million in federal TANF block grant funding available from adjustments made to the current services baseline in item 1 into the family independence program line item to offset GF/GP.	Federal	N/A 10,892,800
	GF/GP	N/A (\$10,892,800)
<b>3. Temporary Assistance for Needy Families (TANF) Fund Source Deduct</b>	<b>Gross</b>	<b>\$4,946,788,100 \$0</b>
Unrolls the federal Temporary Assistance for Needy Families (TANF) block grant from the general "Total federal revenues" fund source deduct into its own appropriations fund source deduct.	Federal	4,946,788,100 (579,039,800)
	TANF	0 579,039,800
	GF/GP	\$0 \$0

**Major Budget Changes From FY 2011-12 YTD Appropriations**

**FY 2011-12 YTD Enacted Change  
(as of 2/9/12) From YTD**

**4. Child Welfare Caseload Adjustments**

Reduces funding for child welfare programs \$21.0 million Gross (\$10.1 million GF/GP) as follows:

- Increases foster care payments \$3.1 million Gross (\$3.4 million GF/GP reduction) from 7,200 cases at \$24,378 per year to 7,500 cases at \$23,552 per year.
- Reduces adoption subsidies \$6.6 million Gross (\$1.4 million GF/GP) from 27,450 cases at \$652.50 per month to 26,850 cases at \$646.53 per month.
- Reduces child care fund \$20.0 million Gross (\$7.5 million GF/GP).
- Increases guardianship assistance payments \$2.6 million Gross (\$2.1 million GF/GP) for 518 cases at \$712.00 per month.

<b>Gross</b>	<b>\$615,071,400</b>	<b>(\$21,001,400)</b>
Federal	337,939,800	(14,461,300)
Local	13,388,800	3,341,000
Private	1,400,000	200,000
GF/GP	\$262,342,800	(\$10,081,100)

**5. Child Welfare Staffing Enhancement**

Increases \$23.3 million Gross (\$7.3 million GF/GP) to hire 577.0 additional child welfare staff in order to be in compliance with the case-to-staff ratios required by the Children's Rights settlement agreement. On May 22, 2012, DHS requested 307 new child protective service workers, 174 new direct care workers, and 96 new first-line supervisors and will hire these staff during FY 2012-13. Boilerplate prohibits expending funds until transferred to other line items. Annualized cost for new staff estimated to be \$49.6 million Gross.

FTE	N/A	577.0
<b>Gross</b>	<b>N/A</b>	<b>\$23,320,300</b>
Federal	N/A	16,027,300
GF/GP	N/A	\$7,293,000

**6. Private Child Welfare Agency Rate Increases**

Increases \$12.2 million Gross (\$7.3 million GF/GP) to increase private child welfare agency rates as follows:

- \$5.5 million Gross (\$2.3 million GF/GP) to provide a new floor rate equal to the current median rate plus 7.5% to residential facilities based on service category.
- \$3.9 million GF/GP to provide a \$37 administrative rate for trial reunification (commonly known as aftercare services).
- \$2.0 million Gross (\$935,000 GF/GP) for training reimbursements.
- \$877,600 Gross (\$175,500 GF/GP) to increase special independent living rates to FY 2010-11 levels.

<b>Gross</b>	<b>N/A</b>	<b>\$12,248,600</b>
Federal	N/A	4,209,000
Local	N/A	735,000
GF/GP	N/A	\$7,304,600

**7. Foster Family Rate Increase**

Increases \$11.3 million Gross (\$6.3 million GF/GP) to increase foster family rates \$3.00 per child per day. New rate would be implemented for current foster care cases, new guardianship assistance cases, and new adoption subsidy cases. The last increase for family rates was implemented in 2004.

<b>Gross</b>	<b>N/A</b>	<b>\$11,291,300</b>
Federal	N/A	4,167,200
Local	N/A	809,700
GF/GP	N/A	\$6,314,400

**8. Michigan Youth Opportunity Initiative**

Increases \$1.7 million Gross (\$648,900 GF/GP) to support 18.0 new FTEs to provide assistance to foster youth aging out of foster care. GF/GP would leverage federal funds to help support these new staff. The GF/GP contribution is redirected from other areas of the budget as a result of increasing federal Temporary Assistance for Needy Families (TANF) block grant funding.

FTE	N/A	18.0
<b>Gross</b>	<b>N/A</b>	<b>\$1,671,800</b>
Federal	N/A	1,022,900
GF/GP	N/A	\$648,900

**9. Family Preservation Programs**

Increases funding for a new Supported Visitation contract (\$2.0 million Gross) and a new Parent Partners contract (\$500,000 Gross). The new programs emphasize mentoring and enhanced support to parents with a child removed from their home. Reduces Strong Families/Safe Children funding \$2.7 million Gross based on estimated available revenues.

<b>Gross</b>	<b>\$53,264,200</b>	<b>(\$238,400)</b>
Federal	52,385,300	(238,400)
GF/GP	\$878,900	\$0

**HUMAN SERVICES**

<b><u>Major Budget Changes From FY 2011-12 YTD Appropriations</u></b>	<b>FY 2011-12 YTD (as of 2/9/12)</b>	<b>Enacted Change From YTD</b>
<b>10. Other Child Welfare Adjustments</b>	<b>Gross</b>	<b>N/A (\$880,900)</b>
Includes child welfare adjustments as reviewed below:	Federal	N/A (280,900)
<ul style="list-style-type: none"> <li>• Increases funding for out-patient mental health services \$4.4 million GF/GP.</li> <li>• Increases funding for new psychotropic oversight contracts \$1.1 million Gross (\$559,200 GF/GP).</li> <li>• Increases Youth in Transition \$15,000 GF/GP.</li> <li>• Eliminates \$4.0 million GF/GP for a one-time needs assessment.</li> <li>• Reduces medical psychiatric evaluations \$1.4 million Gross (\$600,000 GF/GP) by implementing a statewide drug testing contract.</li> <li>• Reduces medical subsidies for adoptive youth \$1.0 million GF/GP.</li> </ul>	GF/GP	N/A (\$600,000)
<b>11. State Juvenile Justice Facilities</b>	FTE	191.7 0.0
Reduces \$2.0 million Gross (\$1.0 million GF/GP) authorization for the 3 DHS juvenile justice facilities. Reduces authorization for W.J Maxey Training School \$1.0 million Gross and reduces authorization for Bay Pines Center and Shawono Center \$500,000 Gross each.	<b>Gross</b>	<b>\$25,221,700 (\$2,000,000)</b>
	Federal	465,600 0
	Local	11,059,000 (1,000,000)
	GF/GP	\$13,697,100 (\$1,000,000)
<b>12. Public Assistance Caseload Adjustments</b>	<b>Gross</b>	<b>\$4,015,400,000 (\$152,420,700)</b>
Reduces funding for public assistance programs \$152.4 million Gross (\$29.8 GF/GP) as follows:	Federal	3,707,089,500 (122,636,500)
<ul style="list-style-type: none"> <li>• Reduces Food Assistance Program (FAP) \$68.4 million Gross from 1,103,042 cases at \$271 per month to 996,958 cases at \$271 per month.</li> <li>• Reduces Family Independence Program (FIP) \$85.7 million Gross from 69,363 cases at \$407 per month to 53,298 cases at \$397.01 per month.</li> <li>• Reduces State Disability Assistance (SDA) \$824,800 GF/GP from 10,250 cases at \$227 per month to 8,777 cases at \$257.33 per month.</li> <li>• Increases SSI State Supplementation \$2.5 million GF/GP from 258,500 cases at \$19.50 per month to 271,800 cases at \$19.31 per month.</li> </ul>	Restricted	81,211,700 0
	GF/GP	\$227,098,800 (\$29,784,200)
<b>13. Energy Services Adjustments</b>	<b>Gross</b>	<b>\$151,451,600 \$83,400,000</b>
Increases federal Low-income Home Energy Assistance Program (LIHEAP) by \$58.5 million based on anticipated federal grant. Removes \$35.0 million in restricted fee revenue targeted for energy assistance during the 2011-2012 heating season (restricted fee revenue and GF/GP in Licensing and Regulatory Affairs budget for this purpose are also removed). Appropriates \$59.9 million Gross (\$32.2 million TANF and \$27.7 million GF/GP) for energy assistance on a one-time basis.	Federal	116,451,600 90,700,000
	Restricted	35,000,000 (35,000,000)
	GF/GP	\$0 \$27,700,000
<b>14. Program Increases</b>	<b>Gross</b>	<b>\$1,445,000 \$1,650,000</b>
Increases \$900,000 GF/GP for Chaldean Community Foundation, \$450,000 GF/GP for food bank funding, and \$300,000 GF/GP for the Prosecuting Attorneys Association of Michigan to assist state prosecutors, adult protective services, and criminal justice system on matters relating to elder abuse and financial exploitation.	Federal	250,000 0
	GF/GP	\$1,195,000 \$1,650,000
<b>15. SSI State Supplementation Rate Reduction</b>	<b>Gross</b>	<b>\$60,489,000 (\$750,000)</b>
Reduces SSI state supplementation rates to the minimum federally required rate. Most of the rate reductions would impact couples on SSI rather than individuals on SSI.	GF/GP	\$60,489,000 (\$750,000)

**HUMAN SERVICES**

<b><u>Major Budget Changes From FY 2011-12 YTD Appropriations</u></b>	<b><u>FY 2011-12 YTD</u></b>	<b><u>Enacted Change</u></b>	
	<b><u>(as of 2/9/12)</u></b>	<b><u>From YTD</u></b>	
<b>16. SSI State Supplementation Administration</b>	<b>Gross</b>	<b>\$2,681,100</b>	<b>(\$300,000)</b>
Reduces \$300,000 GF/GP to recognize savings from distributing SSI State Supplementation payments through Electronic Funds Transfer rather than through paper checks.	GF/GP	\$2,681,100	(\$300,000)
<b>17. Local Office Adult Services Increase</b>	FTE	N/A	20.5
Increases local office adult services staff by 20.5 FTEs and \$1.5 million Gross (\$462,300 GF/GP). New staff will reduce caseloads per worker from 237:1 to 219:1. Adult services staff work on both adult protective services and adult community placements.	<b>Gross</b>	<b>N/A</b>	<b>\$1,467,800</b>
	Federal	N/A	1,005,500
	GF/GP	N/A	\$462,300
<b>18. Mobile Worker Initiative</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
Increases funding \$2.4 million Gross (\$935,400 GF/GP) to purchase smart phones and apps to make direct care staff, licensing staff, and inspector general staff more mobile. With more staff in the field, sufficient savings from rent and leases are projected to offset costs.	Federal	0	0
	GF/GP	\$0	\$0
<b>19. Stratified Case Management</b>	<b>Gross</b>	<b>\$0</b>	<b>\$1,195,000</b>
Increases funding \$1.2 million Gross to launch an initiative to help DHS identify client cases with the most barriers, that use the most services (state, local, or community-based services), and to coordinate services to help persons reach self-sufficiency.	Federal	0	1,145,000
	Private	0	50,000
	GF/GP	\$0	\$0
<b>20. Volunteer Services and Reimbursement</b>	<b>Gross</b>	<b>\$1,036,100</b>	<b>\$225,700</b>
Increases mileage reimbursement for volunteer services \$225,700 Gross (\$58,700 GF/GP) to match IRS rate of \$0.55 per mile.	Federal	629,900	167,000
	GF/GP	\$406,200	\$58,700
<b>21. Background Check Program</b>	<b>Gross</b>	<b>\$1,000,000</b>	<b>(\$1,000,000)</b>
Transfers out \$1.0 million GF/GP from the DHS budget to the LARA budget.	GF/GP	\$1,000,000	(\$1,000,000)
<b>22. Other Program Reductions</b>	<b>Gross</b>	<b>\$2,231,500</b>	<b>(\$316,000)</b>
Removes \$187,000 GF/GP from multicultural integration line and replaces it with TANF, reduces 2-1-1 \$150,000 GF/GP, and eliminates private authorization for the Children's Benefit Fund donations, W.J. Maxey Memorial Fund, and Wayne County gifts and bequests.	Federal	928,100	187,400
	Private	166,000	(166,000)
	GF/GP	\$1,137,400	(\$337,400)
<b>23. Information Technology - Bridges Maintenance and Support</b>	<b>Gross</b>	<b>\$109,561,500</b>	<b>\$2,218,600</b>
Increases funding for maintenance and support for the Bridges information technology eligibility program \$2.2 million Gross (\$856,300 GF/GP). Funding will be used for regular Bridges updates and revisions that have had to be delayed due to information technology activities related to recent public assistance policy revisions as well as transferring out the Child Development and Care (CDC) program to the Office of Great Start within the Department of Education.	IDG	1,943,600	0
	Federal	68,293,700	1,353,300
	GF/GP	\$39,324,200	\$856,300
<b>24. Disability Determination Services</b>	FTEs	721.9	(175.0)
Eliminates funding and FTEs added during FY 2009-10 to again perform eligibility reconsiderations for persons applying for federal SSI and SSDI. The intent was that the reconsideration process would reduce the number of individuals requesting a federal appeal. The FTEs were never hired because the federal government suspended the reconsideration process.	<b>Gross</b>	<b>\$114,949,500</b>	<b>(\$21,904,600)</b>
	IDG	299,900	0
	Federal	113,651,200	(21,904,600)
	GF/GP	\$998,400	\$0
<b>25. FTE and Federal Authorization Adjustments</b>	FTEs	N/A	(43.0)
Reduces FTE authorizations by 43.0 positions within child welfare, children services, and juvenile justice. Reduces federal authorization by \$47.4 million within child support enforcement, child support information technology, and payroll taxes and fringe benefits. These are adjustments to align appropriations with spending rather than program reductions or cuts.	<b>Gross</b>	<b>N/A</b>	<b>(\$47,423,900)</b>
	Federal	N/A	(47,423,900)
	GF/GP	N/A	\$0

**HUMAN SERVICES**

<b><u>Major Budget Changes From FY 2011-12 YTD Appropriations</u></b>	<b>FY 2011-12 YTD (as of 2/9/12)</b>	<b>Enacted Change From YTD</b>
<b>26. FY 2011-12 Employee Contingency Plan</b>	FTEs	N/A (182.0)
Reduces budgeted salaries and wages of child welfare workers to reflect actual realized salaries and wages by \$21.0 million Gross (\$5.8 million GF/GP). Eliminates funded staff vacancies saving \$6.0 million Gross (\$2.3 million GF/GP). Implements a targeted hiring freeze saving \$7.2 million Gross (\$2.8 million GF/GP) and offsets \$7.8 million GF/GP with TANF savings from the employee contingency plan.	<b>Gross</b>	<b>N/A (\$34,241,100)</b>
	Federal	N/A (15,470,100)
	GF/GP	N/A (\$18,771,000)
<b>27. Employee Economics</b>	<b>Gross</b>	<b>N/A \$21,471,600</b>
Increases employee economic costs related to salary and wages, retirement, insurances, and building occupancy changes by \$10.9 million Gross (\$5.5 million GF/GP). Replaces \$3.9 million in IDG funds from DTMB with federal funds. Increases funding designated as one-time in boilerplate for state employee lump sum payments by \$10.5 million Gross (\$3.9 million GF/GP).	IDG	N/A (4,580,200)
	Federal	N/A 15,922,000
	Local	N/A 391,400
	Private	N/A 219,400
	Restricted	N/A 71,200
	GF/GP	N/A \$9,447,800
<b>28. Federal Medical Assistance Percentage (FMAP) Adjustments</b>	<b>Gross</b>	<b>N/A \$0</b>
Reduces GF/GP by \$529,900 from the FMAP federal match rate adjustment from 66.14% to 66.39%. This rate is used to determine federal cost sharing for foster care payments and adoption subsidies.	Federal	N/A 529,900
	GF/GP	N/A (\$529,900)
<b>29. Other One-Time Appropriations – PARTIAL VETO</b>	<b>Gross</b>	<b>\$0 \$4,000,000</b>
Provides \$4.0 million Gross (\$3.0 million GF/GP), on a one-time basis, in a separate line item unit as follows:	Federal	0 1,000,000
	GF/GP	\$0 \$3,000,000
<ul style="list-style-type: none"> <li>• \$2.5 million Gross (\$1.5 million GF/GP) for Inspector General information technology upgrades.</li> <li>• \$750,000 GF/GP for Seita Scholarship at Western Michigan University.</li> <li>• \$500,000 GF/GP for a juvenile justice behavioral health study.</li> <li>• \$250,000 GF/GP for 2 local DHS offices to implement Medicaid eligibility efficiencies through LEAN process.</li> </ul>		
Governor vetoed \$1.0 million GF/GP for before- or after-school programs (Boilerplate section 1203).		
<b>30. Anticipated FY 2013-14 Budget Changes</b>		
Reflects anticipated increase from FY 2012-13 budget of \$30.6 million Gross (\$12.2 million GF/GP) for caseload and economic adjustments in FY 2013-14. (Boilerplate intent language only; would not be binding appropriation.)		

**Major Boilerplate Changes From FY 2011-12**

**GENERAL SECTIONS**

**Sec. 217. Limits on Out-of-State Travel – REVISED**

Limits out-of-state travel to specific conditions; requires report on out-of-state travel exemptions. Removes out-of-state travel limitation; maintains reporting requirement.

**Sec. 223. Medicaid Determination Requirements – DELETED**

Requires DHS to determine Medicaid eligibility within 60 days when disability is an eligibility factor and within 45 days for all other applicants.

**Sec. 224. Medicaid Determination Requirements for Nursing Home Patients – DELETED**

Requires DHS to determine Medicaid eligibility for nursing home patients within 45 days of receipt of necessary information.

**Sec. 231. Use of TANF Contingency Funds – DELETED**

Allows DHS to expend any future TANF Contingency funds for earned income disregard or work programs; requires annual report.



**Major Boilerplate Changes From FY 2011-12**

**Sec. 284. Contingency Fund Appropriations – REVISED**

Appropriates \$200.0 million in federal, \$5.0 million in state restricted, \$20.0 million in local, and \$20.0 million in private contingency funds; appropriations may not be expended until transferred through legislative transfer process. Includes new \$40.0 million federal TANF contingency fund.

**Sec. 290. Welfare Fraud Hotline – NEW**

Requires DHS to include the welfare fraud hotline phone number on any public advertisement.

**Sec. 291. E-Verify – NEW**

Requires DHS to use E-Verify to verify that new employees and new contractors are legally present in the United States; requires report on implementation.

**EXECUTIVE OPERATIONS**

**Sec. 307. 2-1-1 Statewide Call System – REVISED**

Allocates \$550,000 for Michigan 2-1-1 to coordinate and support a statewide 2-1-1 call system; provides that funding shall not exceed 50% of total operating expenses; requires annual report. Revised to \$400,000 and requires 2-1-1 to refer calls of fraud, waste, and abuse to DHS.

**Sec. 311. Child and Adult Licensing – DELETED**

Requires DHS to prioritize licensing activities giving the highest priority to activities based on risks to vulnerable adults and children.

**ADULT AND FAMILY SERVICES**

**Sec. 420. Elder Abuse Prosecuting Attorney Contract – NEW**

Requires DHS to contract with the Prosecuting Attorneys Association of Michigan to fund 2 elder abuse resource prosecuting attorney positions to provide support and services to state prosecutors, adult protective service workers, and criminal justice system to assist with elder abuse and financial exploitation cases; requires annual report.

**Sec. 425. Employment Support Services Program – REVISED**

Requires DHS to reduce waste, fraud, and abuse within the current policy on payments for car repairs and car purchases. Revised to limit car repair allocation to not more than \$500 per year, but allows DHS to approve exceptions up to \$900 per year; requires report on number of exceptions.

**CHILDREN'S SERVICES**

**Sec. 503. Third-Party Private Agency Rate Setting Contract – NEW**

Requires DHS to enter into a contract with a third party to establish per diem rates for private child welfare agencies and DHS on an annual basis; requires report on the established rates.

**Sec. 506. Medicaid Coverage for Children Under State or Court Supervision – NEW**

Requires DHS to guarantee that a child in foster care who is eligible for Medicaid will not have a break in coverage if they move from one county to another.

**Sec. 512. County Child Care Fund Expenses – NEW**

Requires DHS to conduct an analysis of county child care fund expenses and to provide a report on the findings.

**Sec. 525. On-Site Evaluations – NEW**

Requires DHS to use same on-site evaluation process and noncompliance penalties for private-operated and state-operated residential facilities.

**Sec. 527. Child Welfare Staffing Enhancement – NEW**

Prohibits DHS from expending funding from new child welfare staffing enhancement line item until transferred through legislative transfer process to the appropriate line items.

**Sec. 536. Foster Care Assignment System – DELETED**

Establishes criteria requiring DHS to place children within their own county or within a 75-mile radius of the home from which they entered custody except under certain listed circumstances.

**Sec. 540. Psychotropic Medication for Youth in Out-of-Home Placements – NEW**

Requires DHS to determine within 30 days whether to change prescribed psychotropic medication for state wards if the placement administration determines that the medication should be changed, or to seek parental consent within 7 business days for a temporary court ward.

## **HUMAN SERVICES**

### **Major Boilerplate Changes From FY 2011-12**

#### **Sec. 546. Foster Care Agency Administrative Rates – REVISED**

Establishes foster care administrative rate of \$37 for private child placing agencies under contract with DHS; establishes general independent living administrative rate of \$28; establishes specialized independent living administrative rates less than rates provided in FY 2008-09 but more than the general independent living rate. Revision reinstates special independent living administrative rates to FY 2010-11 levels.

#### **Sec. 578. Mental Health Assessment – DELETED**

Requires DHS and child placing agencies to utilize a standardized assessment tool to determine placement and mental health services of children placed with DHS.

### **PUBLIC ASSISTANCE**

#### **Sec. 603. Energy Provider Agreements and Standard Utility Allowance Adjustments – DELETED**

Allows DHS to make direct payments to energy providers; establishes energy caps based on available federal funds; requires DHS to review and adjust the state food assistance standard utility allowance based on current energy costs; requires payments for energy assistance to be paid to energy provider, not the individual.

#### **Sec. 604. State Disability Assistance (SDA) Program – REVISED**

Establishes requirements for the SDA program. Strikes subsection allowing refugees or asylees who lose federal disability assistance to be eligible for SDA.

#### **Sec. 611. State Supplementation Rate Restriction – NEW**

Prohibits state supplementation levels for living independently or living in the household of another from exceeding the minimum level required under federal law or regulations.

#### **Sec. 612. Refugee Assistance Asset Test – NEW**

Requires DHS to implement an asset test for applicants and recipients of refugee assistance program medical benefits.

#### **Sec. 616. Electronic Benefit Transfer (EBT) Fees – NEW**

Prohibits retailers participating in EBT program from charging more than \$2.50 in fees for cash back.

#### **Sec. 644. Regional Homeless Shelters – DELETED**

Requires DHS to prioritize money for regional homeless shelters that offer wraparound services with a lower cost per night than an alternative homeless shelter.

#### **Sec. 657. Extended Family Independence Program (EFIP) Notifications – NEW**

Requires DHS to notify individuals eligible for EFIP that receiving EFIP will count toward the federal and state lifetime cash assistance limits.

### **JUVENILE JUSTICE SERVICES**

#### **Sec. 721. Residential Facility of Last Resort – NEW**

If demand exceeds capacity at state-operated facilities, requires DHS to post a RFP to contract with not less than 1 private provider to be a residential facility of last resort instead of increasing available occupancy at state-operated facilities.

### **ONE-TIME BASIS ONLY**

#### **Sec. 1207. Medicaid Determination and Eligibility LEAN Process – NEW**

Requires DHS to make a determination of Medicaid eligibility no later than 60 days when disability is an eligibility factor and no later than 45 days for all other applications, including nursing homes; requires DHS to implement a LEAN process to increase the efficiency and reduce standards of promptness of Medicaid eligibility determination at 2 local offices; requires report on the LEAN process at the 2 local offices and the plan to implement statewide.

**FY 2012-13**

**Budget Detail**

**for**

**RESOURCE PROTECTION**

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**Agriculture and Rural Development**

**Environmental Quality**

**Natural Resources**

**AGRICULTURE AND RURAL DEVELOPMENT  
Summary of FY 2012-13 Enacted Appropriations  
Article I, 2012 Public Act 200 (House Bill 5365)**

**Analyst: William E. Hamilton**

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: Enacted From FY 2011-12 YTD	
						Amount	%
<b>IDG/IDT</b>	\$437,700	\$319,300	\$319,300	\$319,300	\$519,300	\$81,600	18.6
<b>Federal</b>	14,587,700	11,199,600	11,199,600	11,199,600	11,199,600	(3,388,100)	(23.2)
<b>Local</b>	0	0	0	0	0	0	--
<b>Private</b>	178,400	175,800	175,800	175,800	175,800	(\$2,600)	(1.5)
<b>Restricted</b>	29,600,500	28,659,400	28,959,400	28,959,400	28,959,400	(641,100)	(2.2)
<b>GF/GP</b>	29,878,700	34,160,500	34,160,500	35,612,200	36,098,900	6,220,200	20.8
<b>Gross</b>	<b>\$74,683,000</b>	<b>\$74,514,600</b>	<b>\$74,814,600</b>	<b>\$76,266,300</b>	<b>\$76,953,000</b>	<b>\$2,270,000</b>	<b>0.3</b>
<b>FTEs</b>	443.0	424.0	424.0	427.0	431.0	(12.0)	(2.7)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post-Employment Benefit prefunding under Senate Bill 683.  
(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

**Overview**

The Department's key programs and priorities include ensuring food safety and security, protecting animal health and welfare, managing invasive exotic species, regulating pesticide use, certifying agricultural commodities, ensuring environmental stewardship, protecting consumers, and promoting the state's agricultural economy.

<b>Major Budget Changes From FY 2011-12 YTD Appropriations</b>	<b>FY 2011-12 YTD (as of 2/9/12)</b>	<b>Enacted Change From YTD</b>
<b>1. Unclassified Salaries</b> Adds 4.0 unclassified FTE positions and \$486,700 GF/GP.	FTEs 2.0 <b>Gross \$213,300</b> GF/GP \$213,300	4.0 <b>\$486,700</b> \$486,700
<b>2. Information Technology</b> Includes economic adjustments and shifts \$20,000 from the Agriculture Equine Industry Development Fund (AEIDF) to Light Horse Breeders' Awards (Item 15 below).	<b>Gross \$1,356,300</b> IDG 2,900 Restricted 156,100 GF/GP \$1,197,300	100 (14,600) \$43,100
<b>3. Food and Dairy - Milk Safety and Quality Assurance</b> Recognizes economic adjustments; includes \$300,000 GF/GP increase as compared to the Executive recommendation, and 3.0 additional FTE positions.	FTEs 23.0 <b>Gross \$3,103,200</b> Federal 35,700 Restricted 165,800 GF/GP \$2,901,700	3.0 <b>\$371,600</b> 800 3,800 \$367,000
<b>4. Animal Industry - Indemnity Livestock Depredations</b> Adds new line item to account for indemnity payments for livestock depredations as provided in boilerplate Section 453 (2) and (3).	<b>Gross N/A</b> GF/GP N/A	<b>\$50,000</b> \$50,000
<b>5. Pesticide and Plant Pest Management - PPPM</b> Recognizes economic cost reductions and \$400,000 restricted fund reduction to reflect actual anticipated revenue. Includes \$70,000 GF/GP increase to provide for nursery inspections.	FTEs 88.0 <b>Gross \$11,025,400</b> Federal 2,043,900 Private 86,500 Restricted 5,224,900 GF/GP \$3,670,100	(11.0) <b>(\$415,300)</b> 5,100 300 (387,200) (\$33,500)

**AGRICULTURE AND RURAL DEVELOPMENT**

<b><u>Major Budget Changes From FY 2011-12 YTD Appropriations</u></b>		<b><u>FY 2011-12 YTD (as of 2/9/12)</u></b>	<b><u>Enacted Change From YTD</u></b>
<b>6. <i>Producer Security/Grain Dealer Licensing</i></b>	FTEs	4.0	0.0
Recognizes \$8,200 in economic increases, and \$300,000 in additional restricted revenue from the passage of Senate Bill 887 and Senate Bill 888, bills that would amend the Grain Dealers Act (licensing program) and the Farm Produce Insurance Act, respectively; reduces GF/GP support by a like amount.	<b>Gross</b>	<b>\$566,000</b>	<b>\$8,200</b>
	Restricted	253,600	303,800
	GF/GP	\$312,400	(\$295,600)
<b>7. <i>Environmental Stewardship</i></b>	FTEs	18.0	0.0
Recognizes economic increases and \$200,100 restricted revenue reduction to reflect actual anticipated revenue.	<b>Gross</b>	<b>\$6,252,500</b>	<b>(\$106,000)</b>
	Federal	1,387,600	21,400
	Restricted	4,864,800	(127,400)
	GF/GP	\$0	\$0
<b>8. <i>Michigan Agriculture Environmental Assurance Program (MAEAP)</i></b>	FTEs	3.0	4.0
Recognizes economic increase and \$200,100 restricted revenue reduction to reflect actual anticipated revenue; provides \$1.0 million GF/GP increase to baseline funding with the aim of achieving goal of 5,000 MAEAP verifications by 2015.	<b>Gross</b>	<b>\$575,400</b>	<b>\$1,046,100</b>
	Restricted	299,900	23,900
	GF/GP	\$275,500	\$1,022,200
<b>9. <i>Private Forestry Program</i></b>	<b>Gross</b>	<b>N/A</b>	<b>\$200,000</b>
Recognizes \$200,000 IDG from MDNR (Forest Development Fund) for private forestry program. Department currently administers this program under an agreement with MDNR, but the program is not currently recognized in budget.	IDG	N/A	200,000
	GF/GP	N/A	\$0
<b>10. <i>Local Conservation Districts</i></b>	<b>Gross</b>	<b>\$100</b>	<b>\$0</b>
Retains \$100 placeholder.	GF/GP	\$100	\$0
<b>11. <i>Migrant Labor Housing</i></b>	FTEs	6.0	3.0
Recognizes economic adjustments of \$42,500, and elimination of federal fund source. Adds \$400,000 in baseline GF/GP funding for program which helps ensure safe housing for seasonal farm workers. Department currently conducts pre-season inspections at 850 licensed migrant labor camps in Michigan. Increased funding would support 3.0 additional FTE positions in order to also provide in-season inspections.	<b>Gross</b>	<b>\$1,202,600</b>	<b>(\$45,700)</b>
	Federal	488,200	(488,200)
	Restricted	148,200	8,800
	GF/GP	\$566,200	\$433,700
<b>12. <i>Agriculture Development</i></b>	FTEs	5.0	5.0
Recognizes \$45,700 in economic adjustments; adds \$600,000 in baseline GF/GP funding and 5.0 FTE positions to assist with local and regional economic development activities, including promotion of agricultural exports.	<b>Gross</b>	<b>\$2,066,300</b>	<b>\$645,700</b>
	Federal	1,532,800	34,000
	Restricted	102,200	2,300
	GF/GP	\$431,300	\$609,400
<b>13. <i>Rural Development Value-Added Grant Program</i></b>	<b>Gross</b>	<b>N/A</b>	<b>\$1,050,000</b>
Includes funding for ongoing program in Agriculture Development appropriations unit, with additional funding in the one-time section of the budget. See Item 16 below, and related boilerplate Section 710.	GF/GP	N/A	\$1,050,000
<b>14. <i>County Fairs Capital Improvement Grants</i></b>	<b>Gross</b>	<b>N/A</b>	<b>\$281,600</b>
Includes a new grant program as an ongoing line item in the Fairs and Racing appropriations unit of the budget. See related boilerplate Section 805.	GF/GP	N/A	\$281,600
<b>15. <i>Horse Racing Program - Light Horse Breeders' Awards</i></b>	<b>Gross</b>	<b>N/A</b>	<b>\$20,000</b>
Adds line item for Light Horse Breeders' Awards, funded from redirection of AEIDF from Information Technology line item.	Restricted	N/A	20,000
<b>16. <i>One-Time - State Employee Lump Sum Payment</i></b>	<b>Gross</b>	<b>N/A</b>	<b>\$470,300</b>
Includes \$470,300 Gross (\$235,300 GF/GP) for negotiated one-time state employee lump sum payment.	IDG	N/A	2,400
	Federal	N/A	85,000
	Restricted	N/A	146,100
	GF/GP	N/A	\$235,300

**AGRICULTURE AND RURAL DEVELOPMENT**

<b><u>Major Budget Changes From FY 2011-12 YTD Appropriations</u></b>		<b><u>FY 2011-12 YTD (as of 2/9/12)</u></b>	<b><u>Enacted Change From YTD</u></b>
<b>17. One-Time - Private Forest Development Program</b>	<b>Gross</b>	<b>N/A</b>	<b>\$600,000</b>
Includes \$600,000 GF/GP for Private Forestry Initiative program to provide assistance to private landowners in managing forest land; program to be carried out through grants to local conservation districts. See related boilerplate Section 1103.	GF/GP	N/A	\$600,000
<b>18. One-Time - Healthy Food, Food Safety Modernization</b>	<b>Gross</b>	<b>N/A</b>	<b>\$500,000</b>
Includes \$500,000 GF/GP to develop and implement preventative food safety measures associated with FDA Food Safety Modernization Act; \$93,200 would be used in the Food and Dairy, \$270,000 in Laboratory, and \$136,800 for Animal Health.	GF/GP	N/A	\$500,000
<b>19. One-Time - Rural Development Grant Program</b>	<b>Gross</b>	<b>N/A</b>	<b>\$900,000</b>
Includes \$900,000 GF/GP for new grant program as defined in boilerplate Section 1101.	GF/GP	N/A	\$900,000

**Major Boilerplate Changes From FY 2011-12**

**Sec. 219. DTMB Office Space Plan – NEW**

Directs state executive branch agencies to cooperate with DTMB office space consolidation plan.

**Sec. 231. Measuring Outcomes – NEW**

Requires department to identify and report on 10 measurable outcomes.

**Sec. 450. Bovine TB - Reimburse DNR for Monitoring/Testing – DELETED**

Does not include current year language which had required department to reimburse DNR for monitoring and testing for Bovine TB.

**Sec. 453. Indemnification Payments – REVISED**

Authorizes department to provide for indemnity pursuant to Animal Industry Act; limits indemnification orders to \$100,000 per order; provides for report. Subsection (2) authorizes department to indemnify for livestock killed by wolves, coyotes, or cougars. Provides new reporting requirement.

**Sec. 552. Clean Sweep Program – NEW**

Encourages department to work with local public health departments and the USDA to maintain and expand Clean Sweep program, including disposal of prescription drugs. Provides reporting requirement.

**Sec. 608. MAEAP and Lake St. Clair Water Quality – NEW**

Directs the department to address water quality issues affecting Lake St. Clair, including non-point source pollution.

**Sec. 710. Rural Development Value-Added Grant Program – NEW**

New section references boilerplate Section 1101 regarding administration of new program.

**Sec. 803. Thoroughbred Program Escrow – RESTORED**

Provides for "escrowing" of funds for thoroughbred program. The Governor's signing letter asserted that this section is unenforceable.

**Sec. 805. County Fair Capital Grant Program – NEW**

Provides for matching program for county fair capital grants appropriated in part 1.

**Sec. 1101. Rural Development Value-Added Grant Program – NEW**

Provides criteria for Rural Development value-added grant program. Provides for reports.

**Sec. 1103. Private Forestry Program – NEW**

Provides guidance for one-time Private Forestry Program.

# ENVIRONMENTAL QUALITY

## Summary of FY 2012-13 Enacted Appropriations

### Article VII, 2012 Public Act 200 (House Bill 5365)

Analyst: Viola Bay Wild

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: Enacted From FY 2011-12 YTD	
						Amount	%
<b>IDG/IDT</b>	\$12,615,200	\$9,021,200	\$9,021,200	\$9,021,200	\$9,021,200	(\$3,594,000)	(28.5)
<b>Federal</b>	160,757,400	161,687,500	161,687,500	161,687,500	161,687,500	930,100	0.6
<b>Local</b>	0	0	0	0	0	0	--
<b>Private</b>	725,800	533,200	533,200	533,200	533,200	(192,600)	(26.5)
<b>Restricted</b>	226,510,400	230,881,300	230,752,400	230,233,000	230,675,600	4,165,200	1.8
<b>GF/GP</b>	28,378,300	29,405,000	29,072,000	30,053,300	29,812,400	1,434,100	5.1
<b>Gross</b>	<b>\$428,987,100</b>	<b>\$431,528,200</b>	<b>\$431,066,300</b>	<b>\$431,528,200</b>	<b>\$431,729,900</b>	<b>\$2,742,800</b>	<b>0.6</b>
<b>FTEs</b>	1,340.5	1,347.8	1,327.5	1,328.8	1,327.5	(13.0)	(1.0)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post-Employment Benefit prefunding under Senate Bill 683.

(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

(3) House and Enacted totals include \$300,000 restricted funding appropriated by boilerplate in Section 307.

#### Overview

The Department of Environmental Quality (DEQ) supports environmental protection, conservation, and cleanup and redevelopment programs and regulatory efforts established to protect, restore, and reuse Michigan's air, water, and land resources.

<u>Major Budget Changes From FY 2011-12 YTD Appropriations</u>	<u>FY 2011-12 YTD (as of 2/9/12)</u>	<u>Enacted Change from YTD</u>
<b>1. Funding Authorization Reductions</b>	<b>Gross</b>	<b>N/A (\$5,288,800)</b>
Reduces funding authorization by \$5.3 million to align with anticipated revenues. Federal funding reduced by \$1.6 million, restricted by \$3.1 million, private by \$200,000, and IDG by \$380,000. Restricted funds reduced include Water Analysis Fees, Great Lakes Protection Fund, Stormwater Permit Fees, Environmental Protection Bond Fund, and Environmental Response Fund, among others.	IDG	N/A (380,000)
	Federal	N/A (1,561,600)
	Private	N/A (200,000)
	Restricted	N/A (3,147,200)
<b>2. FTE Reduction</b>	<b>FTE</b>	<b>N/A (19.0)</b>
Includes a reduction of 19.0 FTE authorizations from various line items; these FTEs no longer had funding associated with the positions.	<b>Gross</b>	<b>N/A \$0</b>
	Restricted	N/A 0
<b>3. State-Owned Sites Cleanup Program</b>	<b>Gross</b>	<b>\$4,400,000 (\$4,400,000)</b>
Eliminates one-time \$4.4 million restricted funding of the State Site Cleanup Fund from previous year for cleanups of high-risk sites where the State is responsible for the contamination.	Restricted	4,400,000 (4,400,000)
<b>4. Wetlands Funding</b>	<b>Gross</b>	<b>\$2,000,000 (\$1,500,000)</b>
Eliminates Environmental Protection Fund funding of \$2.0 million for wetlands program because funds are no longer available and replaces funding with \$500,000 federal support and a one-time \$1.5 million GF/GP appropriation (\$1.5 million one-time GF/GP funding appropriated in new line item—shown in item 18 below).	Federal	0 500,000
	Restricted	2,000,000 (2,000,000)
	GF/GP	\$0 \$0
<b>5. Cost Allocation Adjustment</b>	<b>Gross</b>	<b>N/A \$0</b>
Adjusts funding to reflect cost allocation changes from FY 2011-12.	IDG	N/A (52,000)
	Federal	N/A (367,100)
	Restricted	N/A 419,100

**ENVIRONMENTAL QUALITY**

<b><u>Major Budget Changes From FY 2011-12 YTD Appropriations</u></b>		<b>FY 2011-12 YTD (as of 2/9/12)</b>	<b>Enacted Change from YTD</b>
<b>6. Leaking Underground Storage Tanks (LUST) Cleanups</b>	<b>Gross</b>	<b>\$20,000,000</b>	<b>\$10,000,000</b>
Includes additional \$10.0 million Refined Petroleum Fund (RPF) revenue for cleanup work at LUST sites. Funding is available by replacing \$10.0 million of RPF revenues currently used for debt service in Treasury with GF/GP funding.	Restricted	20,000,000	10,000,000
<b>7. Coastal and Inland Waters Permit Information System (CIWPIS)</b>	<b>Gross</b>	<b>\$3,200,000</b>	<b>(\$3,200,000)</b>
Eliminates one-time \$3.2 million funding for CIWPIS information system that was appropriated in FY 2011-12.	Restricted	3,200,000	(3,200,000)
<b>8. MiWaters Data System Project</b>	<b>Gross</b>	<b>N/A</b>	<b>\$2,000,000</b>
Provides \$2.0 million funding from Land and Water Permit Fees Fund to upgrade the National Pollutant Discharge Elimination Management System and combine it with Coastal and Inland Waters Permit Information System (CIWPIS) to form new MiWaters data system.	Restricted	N/A	2,000,000
<b>9. Drinking Water Revolving Fund (DWRP) Program</b>	<b>Gross</b>	<b>N/A</b>	<b>\$2,500,000</b>
Includes \$2.5 million GF/GP for DWRP program to provide state match to secure federal funding for infrastructure loans for public water facilities. An additional one-time GF/GP appropriation of \$2.5 million is provided in separate line item (see item 18 below).	GF/GP	N/A	\$2,500,000
<b>10. State Revolving Fund Program Staff</b>	FTE	N/A	5.0
Includes \$725,000 funding from the Strategic Water Quality Initiative Fund and 5.0 FTE positions for new cleanup program for sewer improvement projects.	<b>Gross</b>	<b>N/A</b>	<b>\$725,000</b>
	Restricted	N/A	725,000
<b>11. Great Lakes Compact Council</b>	<b>Gross</b>	<b>N/A</b>	<b>\$50,000</b>
Provides \$50,000 GF/GP to help fund administrative costs of the Great Lakes Compact Council.	GF/GP	N/A	\$50,000
<b>12. Nonferrous Metallic Mining Funding</b>	FTE	N/A	1.0
Provides \$100,000 funding from the Nonferrous Metallic Mineral Surveillance Fund and 1.0 FTE position for the Nonferrous Metallic Mining Program.	<b>Gross</b>	<b>N/A</b>	<b>\$100,000</b>
	Restricted	N/A	100,000
<b>13. Large Quantity Water Withdrawal Program</b>	FTE	N/A	0.0
Includes \$350,000 GF/GP funding for the Water Withdrawal Program; eliminates \$219,400 unfunded restricted fund authorization and \$325,000 CMI funding that is no longer available.	<b>Gross</b>	<b>N/A</b>	<b>(\$194,400)</b>
	Restricted	N/A	(544,400)
	GF/GP	N/A	\$350,000
<b>14. FY 2011-12 Contingency Plans Funding</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$81,600)</b>
Includes reduction of \$81,600 GF/GP funding as part of an employee concessions contingency plan for FY 2011-12.	GF/GP	N/A	(\$81,600)
<b>15. Muskegon Cleanup Site One-Time Appropriation</b>	<b>Gross</b>	<b>\$6,000,000</b>	<b>(\$6,000,000)</b>
Eliminates one-time funding of \$6.0 million GF/GP for Muskegon cleanup site appropriated through boilerplate in FY 2011-12.	GF/GP	\$6,000,000	(\$6,000,000)
<b>16. Other Post-Employment Benefits (OPEB) FY 2011-12 GF/GP Relief Adjustment</b>	<b>Gross</b>	<b>N/A</b>	<b>\$0</b>
Includes adjustments to replace the one-time IDG funding relief of \$3.5 million for OPEB costs in FY 2011-12.	IDG	N/A	(3,293,400)
	Federal	N/A	1,393,800
	Restricted	N/A	1,899,600
	GF/GP	N/A	\$0
<b>17. Unclassified Salaries</b>	<b>Gross</b>	<b>\$500,000</b>	<b>\$200,000</b>
Provides \$200,000 additional funding for the Unclassified Salaries line item.	Restricted	356,400	142,600
	GF/GP	\$143,600	\$57,400



<b><u>Major Budget Changes From FY 2011-12 YTD Appropriations</u></b>	<b>FY 2011-12 YTD (as of 2/9/12)</b>	<b>Enacted Change from YTD</b>	
<b>18. One-Time Appropriations</b>	<b>Gross</b>	<b>N/A</b>	<b>\$5,549,200</b>
Includes the following one-time appropriations for FY 2012-13:	IDG	N/A	48,800
• \$1.5 million Gross (\$160,100 GF/GP) for negotiated one-time lump sum payments to state employees.	Federal	N/A	415,700
	Private	N/A	4,200
• \$2.5 million Gross and GF/GP for Drinking Water Revolving Fund state match program.	Restricted	N/A	920,400
	GF/GP	N/A	\$4,160,100
• \$1.5 million Gross and GF/GP for Wetlands Program.			
<b>19. Economic Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$1,983,400</b>
Reflects increased costs of \$2.0 million Gross (\$398,200 GF/GP) for negotiated salary and wage increases, actuarially-required retirement rate increase, reduced employer health insurance costs due to 20% employee contribution, and other economic adjustments.	IDG	N/A	82,600
	Federal	N/A	549,300
	Private	N/A	3,200
	Restricted	N/A	950,100
	GF/GP	N/A	\$398,200

**Major Boilerplate Changes From FY 2011-12**

**Sec. 209. Out-of-State Travel Report – NEW**

Requires Department to report out-of-state travel expenses annually.

**Sec. 218. Office Space Consolidation Plan – NEW**

States legislative intent that DEQ work with DTMB to develop and implement a statewide office consolidation plan.

**Sec. 227. Permit Application Status Tracking Tool – REVISED**

Requires report on implementation of permit application tracking tool on DEQ website; report must list actions and program changes taken to implement tool, include a plan and timeline for implementation, and list any estimated costs.

**Sec. 228. Customer Satisfaction Evaluation Program – REVISED**

Requires report on the development of a customer satisfaction evaluation program; report must include update on program development and feedback the Department received from evaluations.

**Sec. 229. Expedited Permitting Program – REVISED**

Requires report listing actions and program changes taken to implement the Expedited Permitting Program; report must include a plan and timeline for implementation and identify estimated costs of implementation.

**Sec. 230. Measurable Outcomes Report – NEW**

Requires report identifying 10 principal measurable outcomes of budget expenditures.

**Sec. 306. Refined Petroleum Fund Cleanup Site List – REVISED**

Lists cleanup projects funded through the Refined Petroleum Product Cleanup Program; requires report on amount spent at each site and work performed.

**Sec. 307. Engineering Study Appropriation – NEW**

Appropriates \$300,000 CMI funding for an engineering study concerning the Wickes Manufacturing TCE plume site.

**Sec. 310. Bonding Language – NEW**

Allows DEQ, if approved by State Budget Director, to expend GF/GP funding to meet project cash flow requirements of projects financed by bonds if bonds have not yet been authorized; funding to be repaid to GF/GP when bonds are sold.

**Sec. 311. Tax Exemption Certificates – DELETED**

Requires DEQ to enter into an MOU with Treasury on tax exemption certificates for air and water pollution equipment.

**Sec. 401. Aquatic Nuisance Control (ANC) – REVISED**

Requires \$700,000 and 5 FTEs be allocated to the Aquatic Nuisance Control program.

**Sec. 601. Solid Waste Program Report – REVISED**

Requires report on the Department's Solid Waste Management Program and policies. Report shall include plan for long-term funding and all actions and program changes taken to implement recommendation of 2012 report.

**Sec. 602. Clean Sweep Program – NEW**

Directs DEQ to work with local health departments, Department of Agriculture and Rural Development, and USDA to maintain and expand the program for disposal of hazardous household chemicals and drugs; requires report.

**NATURAL RESOURCES**  
**Summary of FY 2012-13 Enacted Appropriations**  
**Article XIV, 2012 Public Act 200 (House Bill 5365)**

**Analyst: Viola Bay Wild**

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: Enacted From FY 2011-12 YTD	
						Amount	%
<b>IDG/IDT</b>	\$6,587,500	\$2,027,200	\$2,027,200	\$2,027,200	\$2,027,200	(\$4,560,300)	(69.2)
<b>Federal</b>	69,356,200	66,603,000	66,524,800	66,603,000	66,524,800	(2,831,400)	(4.1)
<b>Local</b>	0	0	0	0	0	0	--
<b>Private</b>	2,931,600	7,239,200	7,239,200	7,239,200	7,239,200	4,307,600	146.9
<b>Restricted</b>	246,939,100	245,054,800	241,907,000	241,724,100	242,353,700	(4,585,400)	(1.9)
<b>GF/GP</b>	18,326,700	19,637,900	16,442,500	16,737,900	19,737,900	1,411,200	7.7
<b>Gross</b>	<b>\$344,141,100</b>	<b>\$340,562,100</b>	<b>\$334,140,700</b>	<b>\$334,331,400</b>	<b>\$337,882,800</b>	<b>(\$6,258,300)</b>	<b>(1.8)</b>
<b>FTEs</b>	2,179.4	2,152.5	2,099.8	2,152.5	2,099.8	(79.6)	(3.7)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post-Employment Benefit prefunding under Senate Bill 683.

(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

**Overview**

The Department of Natural Resources (DNR) manages, conserves, and protects Michigan's resources. Programs include forest management, land and minerals management, wildlife and fisheries management, conservation law enforcement, state parks and forest campgrounds, and Michigan's historical programs.

<b>Major Budget Changes From FY 2011-12 YTD Appropriations</b>		<b>FY 2011-12 YTD (as of 2/9/12)</b>	<b>Enacted Change From YTD</b>
<b>1. Funding and FTE Authorization Adjustments</b>	FTE	N/A	(24.0)
Reduces restricted funding authorization by \$10.1 million and private funding by \$260,100 to align with anticipated revenues. Includes a net federal funding authorization increase of \$1.6 million; reduces FTE authorizations by 24.0 positions through the elimination of unfilled and unfunded positions.	<b>Gross</b>	<b>N/A</b>	<b>(\$8,728,900)</b>
	Federal	N/A	1,648,800
	Private	N/A	(260,100)
	Restricted	N/A	(10,117,600)
<b>2. FTE Reduction</b>	FTE	N/A	(52.7)
Includes a reduction of 52.7 FTE authorizations from various line items; these FTEs no longer had funding associated with the positions.	<b>Gross</b>	<b>N/A</b>	<b>\$0</b>
	Restricted	N/A	0
<b>3. Great Lakes Restoration Initiative</b>	<b>Gross</b>	<b>\$10,000,000</b>	<b>(\$4,500,000)</b>
Reduces federal funding by \$4.5 million to align with anticipated revenues.	Federal	10,000,000	(4,500,000)
<b>4. Gifts and Bequests Authorization</b>	<b>Gross</b>	<b>\$500,000</b>	<b>\$4,500,000</b>
Includes additional \$4.5 million private funding authorization in Gifts and Bequests line item.	Private	500,000	4,500,000
<b>5. Dam Management Grant Program</b>	FTE	N/A	1.0
Includes \$500,000 GF/GP funding and 1.0 FTE position for competitive grants for removal or maintenance of failing dams from private and state-owned land. An additional one-time GF/GP appropriation of \$2.0 million is provided in separate line item (see item 15 below).	<b>Gross</b>	<b>N/A</b>	<b>\$500,000</b>
	GF/GP	N/A	\$500,000
<b>6. Summer Youth Initiative</b>	<b>Gross</b>	<b>N/A</b>	<b>\$3,000,000</b>
Appropriates \$3.0 million GF/GP funding for a summer employment program for youth in Pontiac, Flint, Saginaw, and Detroit.	GF/GP	N/A	\$3,000,000

NATURAL RESOURCES

<u>Major Budget Changes From FY 2011-12 YTD Appropriations</u>		<u>FY 2011-12 YTD (as of 2/9/12)</u>	<u>Enacted Change From YTD</u>
<b>7. FY 2011-12 Contingency Plans Funding</b>	FTE	N/A	(3.9)
Includes reduction of \$364,200 GF/GP funding and elimination of authorization for 3.9 FTE positions as part of an employee concessions contingency plan for FY 2011-12.	<b>Gross</b>	<b>N/A</b>	<b>(\$364,200)</b>
	GF/GP	N/A	(\$364,200)
<b>8. State Park Improvement Revenue Bond Payment</b>	<b>Gross</b>	<b>N/A</b>	<b>\$3,300</b>
Appropriates \$3,300 restricted funding for State Park Improvement Revenue Bond payment.	Restricted	N/A	3,300
<b>9. Other Post-Employment Benefits (OPEB) FY 2011-12 GF/GP Relief Adjustment</b>	<b>Gross</b>	<b>N/A</b>	<b>\$0</b>
Includes funding adjustments to replace the one-time IDG funding relief of \$4.6 million for OPEB costs in FY 2011-12.	IDG	N/A	(4,590,100)
	Federal	N/A	1,300,800
	Restricted	N/A	3,289,300
<b>10. Grand Marais Harbor One-Time Appropriation</b>	<b>Gross</b>	<b>\$4,000,000</b>	<b>(\$4,000,000)</b>
Eliminates one-time funding of \$4.0 million GF/GP for Grand Marais Harbor appropriated through boilerplate in FY 2011-12.	GF/GP	\$4,000,000	(\$4,000,000)
<b>11. State Park Funding</b>	<b>Gross</b>	<b>N/A</b>	<b>\$275,000</b>
Includes additional \$275,000 restricted funding from the Michigan State Park Endowment Fund to the state parks line item.	Restricted	N/A	275,000
<b>12. Cormorant Population Mitigation</b>	<b>Gross</b>	<b>\$100,000</b>	<b>\$0</b>
Shifts the program funding of \$100,000 from the Game and Fish Protection Fund to GF/GP funding.	Restricted	100,000	(100,000)
	GF/GP	\$0	\$100,000
<b>13. Fish Resource Management</b>	<b>Gross</b>	<b>N/A</b>	<b>\$100,000</b>
Includes additional \$100,000 Game and Fish Protection Fund funding to the Fish Resource Management line item.	Restricted	N/A	100,000
	GF/GP	N/A	\$0
<b>14. Unclassified Salaries</b>	<b>Gross</b>	<b>N/A</b>	<b>\$396,800</b>
Includes additional \$396,800 restricted funding for the Unclassified Salaries line item.	Restricted	N/A	396,800
	GF/GP	N/A	\$0
<b>15. One-Time Appropriations</b>	<b>Gross</b>	<b>N/A</b>	<b>\$3,892,600</b>
Includes the following one-time appropriations for FY 2012-13:	IDG	N/A	11,300
• \$1.9 million Gross (\$96,200 GF/GP) for negotiated one-time lump sum payments to state employees.	Federal	N/A	260,500
	Private	N/A	15,500
• \$2.0 million Gross and GF/GP for Dam Management Grant Program.	Restricted	N/A	1,509,100
	GF/GP	N/A	\$2,096,200
<b>16. Economic Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$5,370,600</b>
Reflects increased costs of \$5.4 million Gross (\$79,200 GF/GP) for negotiated salary and wage increases, actuarially-required retirement rate increase, reduced employer health insurance costs due to 20% employee contribution, and other economic adjustments.	IDG	N/A	18,500
	Federal	N/A	908,500
	Private	N/A	52,200
	Restricted	N/A	4,312,200
	GF/GP	N/A	\$79,200
<b>17. Capital Outlay Projects</b>	<b>Gross</b>	<b>\$25,080,000</b>	<b>(\$6,703,500)</b>
Reduces funding for capital outlay projects in FY 2012-13 by \$6.7 million. Restricted funding for state parks repair and maintenance is reduced by \$3.3 million; restricted funding for waterways projects is reduced by \$979,400 and federal funding is reduced by \$2.5 million.	Federal	3,750,000	(2,450,000)
	Restricted	21,330,000	(4,253,500)

Major Boilerplate Changes From FY 2011-12**Sec. 218. Out-of-State Travel Report – NEW**

Requires Department to report out-of-state travel expenses annually.

**Sec. 219. Office Space Consolidation Plan – NEW**

States legislative intent that DNR work with DTMB to develop and implement a statewide office consolidation plan.

## NATURAL RESOURCES

### Major Boilerplate Changes From FY 2011-12

**Sec. 230. Measurable Outcomes Report – NEW**

Requires report identifying 10 principal measurable outcomes of budget expenditures; requires biannual updates.

**Sec. 301. Engineering Services Fees – DELETED**

Allows fee charge against capital outlay or special maintenance appropriation to recover engineering service cost.

**Sec. 402. Livestock Loss Indemnification – DELETED**

States legislative intent that the DNR reimburse Department of Agriculture and Rural Development for livestock losses caused by wolves, coyotes, or cougars.

**Sec. 503. Invasive Species Order Enforcement – NEW**

Requires report on efforts taken to enforce the Natural Resources Commission's invasive species order concerning raising feral swine in Michigan.

**Sec. 504. Cervid Operation Fees – NEW**

Requires report on the use of registration fees from privately owned cervid operations.

**Sec. 603. Cormorant Management – NEW**

Requires quarterly report on the use of cormorant management funding; provides that the Department must submit funding to the USDA to pay for increased taking of cormorants and their nests.

**Sec. 707. State Forest Campgrounds Mini-State Parks Pilot Program – DELETED**

Requires a strategic plan be developed to incorporate selected state forest campgrounds into the state park system as mini-state parks; requires report.

**Sec. 710. DNR Aircraft Report – DELETED**

Requires report on the wildfire protection aircraft program. Report shall include number of planes owned, aircraft costs and usage, number of wildfires, and annual flight hours logged.

**Sec. 1003. Dam Management Program – NEW**

Provides that unexpended funds for the Dam Management Grant Program are considered work project appropriations; requires that a long-term plan be part of grant application.

**Sec. 1004. Capital Outlay - Grand Marais Harbor Project – DELETED**

Requires that DNR fund a capital outlay project to construct a breakwall at the Grand Marais Harbor once the necessary permits have been issued; estimated cost of project is \$7.0 million.

**Sec. 1101. One-Time Appropriation - Grand Marais Harbor Capital Outlay Project – DELETED**

Appropriates \$4.0 million GF/GP for Grand Marais Harbor capital outlay project; funding on a one-time basis only.

**FY 2012-13  
Budget Detail  
for  
PUBLIC SAFETY AND  
DEFENSE**

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**Corrections  
Military and Veterans Affairs  
State Police**

**CORRECTIONS**

**CORRECTIONS  
Summary of FY 2012-13 Enacted Appropriations  
Article V, 2012 Public Act 200 (House Bill 5365)**

**Analyst: Robert Schneider**

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: Enacted From FY 2011-12 YTD	
						Amount	%
<b>IDG/IDT</b>	\$974,700	\$992,100	\$992,100	\$992,100	\$992,100	\$17,400	1.7
<b>Federal</b>	8,259,500	8,784,400	8,784,400	8,784,400	8,784,400	524,900	6.3
<b>Local</b>	455,800	264,300	264,300	264,300	264,300	(191,500)	(42.0)
<b>Private</b>	0	0	0	0	0	0	--
<b>Restricted</b>	53,870,300	72,271,500	69,751,500	72,271,500	49,389,500	(4,480,800)	(8.3)
<b>GF/GP</b>	1,950,939,100	1,982,185,600	1,945,453,900	1,909,608,900	1,941,485,600	(9,453,500)	(0.5)
<b>Gross</b>	<b>\$2,014,499,400</b>	<b>\$2,064,497,900</b>	<b>\$2,025,246,200</b>	<b>\$1,991,921,200</b>	<b>\$2,000,915,900</b>	<b>(\$13,583,500)</b>	<b>(0.7)</b>
<b>FTEs</b>	15,568.8	14,879.2	14,437.3	14,320.2	14,695.2	(873.6)	(5.6)
<b>Avg. Pop.</b>	45,501	46,543	45,223	43,746	45,917	416	0.9

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post-Employment Benefit prefunding under Senate Bill 683.

(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

**Overview**

The Michigan Department of Corrections (MDOC) is responsible for the operation and maintenance of the state's 31 correctional facilities that house felony offenders sentenced to prison. This includes the provision of physical and mental health care, education and other prisoner programs, and reintegration programs. The Department is also responsible for the supervision of all parolees and probationers under Department jurisdiction and has oversight over community corrections programs and other programs designed to encourage alternatives to prison placement for appropriate offenders. As of December 31, 2011, the Department was responsible for 115,926 Michigan offenders: 52,893 probationers, 42,904 prisoners, and 20,129 parolees.

**Major Budget Changes From FY 2011-12 YTD Appropriations**

**1. Prison and Re-Entry Center Restructuring**

Increases funding by \$10.8 million to implement an MDOC plan to restructure current prison and re-entry facilities. Ryan Correctional Facility would be re-purposed as the Detroit Reentry Center to house parolees and parole violators, while a similar Tuscola County re-entry facility will be closed. In addition, to maintain prison bed space, the Muskegon Correctional Facility will be reopened. Overall, the changes add 290 regular prison beds and 884 re-entry beds to the system. Funding impacts are summarized below:

	FY 2011-12 YTD (as of 2/9/12)	Enacted Change From YTD
FTE	N/A	84.0
<b>Gross</b>	<b>N/A</b>	<b>\$10,800,000</b>
GF/GP	N/A	\$10,800,000

Action	FTEs	Funding Change
Convert Ryan to re-entry center	(117.4)	(\$11,799,000)
Close Tuscola re-entry center	(34.0)	(\$3,849,000)
Re-open Muskegon prison	209.4	\$22,948,000
Food service/transportation/health care	26.0	3,500,000

**2. Utilization of Retired Correctional Custody Staff**

Includes \$10.0 million GF/GP savings tied to the use of retired correctional officers to fill custody positions and reduce overtime usage by current officers. Amendments could be needed to the State Employees' Retirement Act to achieve the full projected savings.

<b>Gross</b>	<b>N/A</b>	<b>(\$10,000,000)</b>
GF/GP	N/A	(\$10,000,000)

**CORRECTIONS**

<b><u>Major Budget Changes From FY 2011-12 YTD Appropriations</u></b>	<b><u>FY 2011-12 YTD (as of 2/9/12)</u></b>	<b><u>Enacted Change From YTD</u></b>
<b>3. <i>Reclassification of Resident Unit Officer Positions</i></b>	<b>Gross</b>	<b>N/A</b>
Recognizes \$11.9 million in GF/GP savings related to the recent reclassification of 10-level resident unit officers back to the 9-level corrections officer classification. The action reduces salary and retirement costs for over 2,400 MDOC employees that had been classified as resident unit or medical unit officers.	GF/GP	N/A
		<b>(\$11,850,000)</b>
		<b>(\$11,850,000)</b>
<b>4. <i>Prison Savings - Perimeter Security Vehicle Assignments</i></b>	FTE	10,240.9
Reduces funding by \$15.6 million GF/GP across prison facilities to reflect the elimination of 135.4 FTE custody positions that had been assigned to operate perimeter security vehicles to monitor the perimeter of various prison facilities. Represents 5.2 FTE positions at 26 different facilities that utilize an ARV for security purposes.	<b>Gross</b>	<b>\$1,097,527,600</b>
		<b>(135.4)</b>
		<b>(\$15,600,000)</b>
	Federal	1,615,900
	Restricted	377,000
	GF/GP	\$1,095,534,700
		<b>0</b>
		<b>0</b>
		<b>(\$15,600,000)</b>
<b>5. <i>Other Prison Operation Savings Initiatives</i></b>	FTE	10,240.9
Recognizes savings from various other MDOC savings proposals, including \$1.8 million in negotiated personnel contract savings, \$2.0 million assumed from bidding out for linens and prisoner clothing and reducing Michigan State Industries laundry operations, \$600,000 from converting to an electronic prison law library system, and \$500,000 from converting Assistant Resident Unit Supervisor positions to Prisoner Counselor positions (with lower pay scale) upon new attrition.	<b>Gross</b>	<b>\$1,097,527,600</b>
		<b>0.0</b>
		<b>(\$4,900,000)</b>
	Federal	1,615,900
	Restricted	377,000
	GF/GP	\$1,095,534,700
		<b>0</b>
		<b>0</b>
		<b>(\$4,900,000)</b>
<b>6. <i>Reverse FY 2012 Budgeted Prison Operations Savings</i></b>	Beds	1,750
Removes \$31.3 million in net GF/GP savings included in FY 2011-12 budget to be achieved through contracting for cost-effective housing of prisoners and through other prison operations savings and efficiencies. This includes the elimination of a \$47.9 million Cost-Effective Housing Initiative appropriation to support payments to a third-party contractor as well as offsetting savings of \$79.2 million in the Inmate Housing Fund line item. Both line items are retained as \$100 placeholders.	<b>Gross</b>	<b>(\$31,326,500)</b>
		<b>(1,750)</b>
		<b>\$31,326,500</b>
	GF/GP	(\$31,326,500)
		<b>\$31,326,500</b>
<b>7. <i>County Jail Reimbursement Program</i></b>	<b>Gross</b>	<b>\$17,072,100</b>
Reduces program funding by \$2.0 million to bring appropriations down closer to recent spending levels. Total reimbursement payments to counties for FY 2010-11 were just under \$13.0 million. No changes are proposed to eligibility and per diem reimbursement provisions in boilerplate.	Restricted	5,900,000
		<b>(\$2,000,000)</b>
	GF/GP	\$11,172,100
		<b>0</b>
		<b>(\$2,000,000)</b>
<b>8. <i>Clinical Complexes - Prisoner Health Care Savings</i></b>	<b>Gross</b>	<b>\$159,582,100</b>
Reduces appropriations for MDOC clinical complexes by \$2.9 million GF/GP. Action reflects that total spending for FY 2010-11 was \$140.5 million gross, which fell significantly below appropriated levels.	Restricted	354,900
		<b>(\$2,908,900)</b>
	GF/GP	\$159,227,200
		<b>0</b>
		<b>(\$2,908,900)</b>
<b>9. <i>Prison Savings - Direct Prisoner Observation Duties</i></b>	<b>Gross</b>	<b>\$1,097,527,600</b>
Reflects savings of \$2.2 million GF/GP attributable to use of trained prisoners, rather than custody staff, for direct and continuous observation duties for prisoners who display a self-injury or suicide risk. The policy change would reduce personnel costs (particularly overtime costs) that are often incurred when custody staff is used for direct observation.		<b>(\$2,200,000)</b>
	Federal	1,615,900
	Restricted	377,000
	GF/GP	\$1,095,534,700
		<b>0</b>
		<b>0</b>
		<b>(\$2,200,000)</b>
<b>10. <i>Prison Savings - Staffing Reductions</i></b>	FTE	10,240.9
Eliminates a net 32.8 miscellaneous FTE positions across the state's prison facilities and within both regional administrative offices. Position adjustments are based on need, with some facilities gaining positions and others losing positions. Proposal results in total savings of \$2.4 million GF/GP.	<b>Gross</b>	<b>\$1,097,527,600</b>
		<b>(32.8)</b>
		<b>(\$2,400,000)</b>
	Federal	1,615,900
	Restricted	377,000
	GF/GP	\$1,095,534,700
		<b>0</b>
		<b>0</b>
		<b>(\$2,400,000)</b>

**CORRECTIONS**

<b><u>Major Budget Changes From FY 2011-12 YTD Appropriations</u></b>	<b>FY 2011-12 YTD (as of 2/9/12)</b>	<b>Enacted Change From YTD</b>
<b>11. Prison Savings - Issuance of Prisoner Clothing</b>	<b>Gross \$1,097,527,600</b>	<b>(\$1,100,000)</b>
Reduces funding by \$1.1 million GF/GP tied to reductions in the provision of state-issued clothing to prisoners. The Department will seek savings from both reductions in the standard set of clothing items issued to prisoners and from exploring the purchase of clothing from outside vendors rather than manufacturing clothing internally.	Federal 1,615,900	0
	Restricted 377,000	0
	GF/GP \$1,095,534,700	(\$1,100,000)
<b>12. Closure of Mound Correctional Facility</b>	FTE 324.4	(324.4)
The Mound Correctional Facility in Detroit was closed in December 2011, and partial-year savings from the closure were included as part of the MDOC's FY 2011-12 contingency savings plan to achieve GF/GP savings in lieu of employee concessions. Budget includes \$34.1 million GF/GP in full-year savings from the closure, including \$27.3 million in direct savings from the facility line item, \$1.6 million from food service, \$845,200 in education savings, and \$4.3 million from health care.	Beds 1,062	(1,062)
	<b>Gross \$34,106,300</b>	<b>(\$34,106,300)</b>
	GF/GP \$34,106,300	(\$34,106,300)
<b>13. Prisoner Phone Revenue - Special Equipment and Maintenance</b>	<b>Gross \$0</b>	<b>\$4,300,000</b>
Appropriates \$5.8 million in new restricted revenue from prisoner phone charges in the Special Equipment and Maintenance line item. New prisoner telephone contract will assess additional charges on prisoner calls with a portion of the revenue deposited into a Special Equipment Fund (SEF). Restricted revenue would be used for special security equipment such as tasers, ballistic vests, and contraband detection equipment. Combination of SEF revenue and reductions to normal equipment and maintenance spending result in \$1.5 million GF/GP savings.	Restricted 0	5,800,000
	GF/GP \$0	(\$1,500,000)
<b>14. Prisoner Phone Revenue - Capital Outlay</b>	<b>Gross \$0</b>	<b>\$0</b>
Rejects Executive proposal to appropriate Special Equipment Fund revenue for capital outlay expenditures. Governor had requested \$13.9 million in Special Equipment Fund revenue from prisoner phone charges to finance security-related capital outlay purchases. \$11.4 million would have been used to begin financing the replacement of personal protection equipment across the prison system. Another \$2.5 million would support the installation of new security cameras within two cell blocks at the Michigan Reformatory.	Restricted 0	0
	GF/GP \$0	\$0
<b>15. Field Operations Staff Reductions</b>	FTE 2,173.9	(125.0)
Includes \$11.3 million GF/GP savings and reduction of 125.0 field operations staff positions related to supervision of parolees and probationers. This incorporates reductions of 115 FTE positions and \$10.0 million GF/GP that were initially included in MDOC's FY 2011-12 contingency plan issued in September 2011 by the State Budget Office to achieve GF/GP savings in lieu of employee concessions that did not materialize, along with additional savings of \$1.0 million tied to the elimination of an additional 10 parole/probation agent positions and \$280,000 related to the conversion of field agent positions to parole supervision assistant positions.	<b>Gross \$257,063,200</b>	<b>(\$11,280,000)</b>
	Restricted 11,585,100	0
	Federal 144,200	0
	Local 455,800	0
	GF/GP \$244,878,100	(\$11,280,000)
<b>16. Other Field Operations Savings</b>	FTE 2,173.9	(13.0)
Reduces budget by \$450,000 and 11.0 FTE positions to recognize anticipated savings from expanded telephone reporting by offenders. MDOC will meet telephone reporting costs for offenders who are not able to meet the costs of using the system, thereby reducing staffing needs. MDOC reports that eligibility criteria for telephone reporting will not change. Also includes savings of \$650,000 and elimination of 2.0 FTE positions tied to the closure of Outer District parole office.	<b>Gross \$257,063,200</b>	<b>(\$1,100,000)</b>
	Restricted 11,585,100	0
	Federal 144,200	0
	Local 455,800	0
	GF/GP \$244,878,100	(\$1,100,000)



**CORRECTIONS**

<b><u>Major Budget Changes From FY 2011-12 YTD Appropriations</u></b>	<b><u>FY 2011-12 YTD (as of 2/9/12)</u></b>	<b><u>Enacted Change From YTD</u></b>
<b>17. Contingency Plan - Competitive Bidding of Prisoner Health Care and Mental Health Services</b>	FTE 1,948.2	0.0
	<b>Gross \$251,237,300</b>	<b>(\$10,133,100)</b>
Reduces funding by \$10.1 million GF/GP in anticipation of savings to be achieved through competitive bidding of prisoner health care services and mental health services currently delivered by state employees and of the operations of the Woodland Center Correctional Facility, which houses MDOC prisoners with serious mental illness. While no specific FTE reduction is proposed, the plan could impact around 1,948 positions currently funded in the budget. Proposal was also included as part of MDOC's FY 2011-12 contingency savings plan to achieve GF/GP savings in lieu of employee concessions.	Restricted 746,300	0
	GF/GP \$250,491,000	(\$10,133,100)
<b>18. Public Safety Initiative</b>	<b>Gross \$0</b>	<b>\$4,750,000</b>
Adds \$4.5 million GF/GP to implement the Governor's announced public safety initiative related to local corrections. Funding would assist distressed communities, particularly the City of Flint, in purchasing jail bed space in neighboring counties to address backlogs of active warrants. Legislature added \$250,000 to the appropriation line item.	GF/GP \$0	\$4,750,000
<b>19. New Custody Staff Training</b>	<b>Gross \$4,304,200</b>	<b>\$3,531,500</b>
Increases funding for new custody staff training costs by \$3.5 million GF/GP to support completion of training for 350 new corrections officers. Base training budget for FY 2011-12 provides funding for around 200 trained officers. Funding primarily supports salary and payroll costs of new officers while they participate in training.	GF/GP \$4,304,200	\$3,531,500
<b>20. Neal Settlement Agreement</b>	<b>Gross \$15,000,000</b>	<b>\$5,000,000</b>
Adds \$5.0 million to cover an increase in the required settlement payment arising from a lawsuit brought by female inmates alleging sexual harassment within MDOC facilities during the 1990s. Total payment will be \$20.0 million for both FY 2012-13 and FY 2013-14 before increasing to \$25.0 million for final payment in FY 2014-15.	GF/GP \$15,000,000	\$5,000,000
<b>21. Information Technology Maintenance and Development</b>	<b>Gross \$22,382,800</b>	<b>\$2,445,500</b>
Adds \$2.4 million GF/GP to cover the costs of information technology system development and maintenance. Around \$1.8 million will support additional contractual programming services related to MDOC offender assessment tools and interstate compact development. The remaining \$615,700 will support 6 additional programmer/analysts within the Department of Technology, Management, and Budget (DTMB) to work on support and maintenance of existing MDOC systems.	Restricted 805,900	0
	GF/GP \$21,576,900	\$2,445,500
<b>22. Prisoner Re-Entry Programs</b>	<b>Gross \$54,944,700</b>	<b>(\$3,910,000)</b>
Reduces total funding for prisoner re-entry by \$3.9 million. In addition, \$3.1 million is transferred from prisoner re-entry appropriations into various prison facility line items to support prison program coordinators.	Federal 1,035,000	0
	GF/GP \$53,909,700	(\$3,910,000)
<b>23. FTE Position Authorization Adjustments</b>	FTE N/A	(102.0)
Reduces FTE authorization by 128.0 positions in order to better align FTEs with actual staffing levels across several budget line items. In addition, budget adds 21.0 FTE positions associated with the Ryan Correctional Facility and 5.0 FTE positions to Public Works Program line item to correct budget adjustments from last year.		
<b>24. Public Works Restricted Revenue Adjustment</b>	<b>Gross \$10,000,000</b>	<b>(\$9,000,000)</b>
Reduces restricted revenue appropriations for prisoner public works programs by \$9.0 million. Program was revised last year to require public works beneficiaries to meet the full costs of providing public works services. Since the policy change, spending has fallen well below appropriated levels.	Federal 10,000,000	9,000,000
	GF/GP \$0	\$0

**CORRECTIONS**

<b><u>Major Budget Changes From FY 2011-12 YTD Appropriations</u></b>	<b><u>FY 2011-12 YTD (as of 2/9/12)</u></b>	<b><u>Enacted Change From YTD</u></b>	
<b>25. Economic Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$37,267,800</b>
Includes \$37.3 million Gross (\$36.3 million GF/GP) to account for various economic adjustments related to personnel (salaries, insurance, retirement), building occupancy, worker's compensation, food and fuel costs.	IDG	N/A	13,500
	Federal	N/A	36,900
	Local	N/A	4,500
	Restricted	N/A	863,800
	GF/GP	N/A	\$36,349,100
<b>26. One-Time Appropriations</b>	<b>Gross</b>	<b>\$0</b>	<b>\$14,355,400</b>
Includes one-time funding of \$1.1 million GF/GP for computerized document imaging equipment and the utilization of DTMB's File Net system for the digitization of prisoner files and \$13.2 million Gross (\$12.9 million GF/GP) to cover lump sum payments to state employees.	IDG	0	3,900
	Federal	0	83,400
	Local	0	1,300
	Restricted	0	263,500
	GF/GP	0	\$14,003,300

**27. Anticipated FY 2013-14 Budget Changes**

Reflects anticipated increase from FY 2012-13 budget of \$37.6 million Gross (\$43.0 million GF/GP) for economic and facility utility cost adjustments net of reductions in capital outlay needs in FY 2013-14. (Boilerplate intent language only; would not be binding appropriation.)

**Major Boilerplate Changes From FY 2011-12**

**Sec. 219. Special Equipment Fund – NEW**

Contains guidelines for Special Equipment Fund revenue derived from prisoner telephone charges. Provides that revenues be used for special equipment and security projects which include, but are not limited to, replacement of personal protection systems and acquisition of contraband detection systems. Provides that unexpended funds be carried forward and be available for appropriation in subsequent fiscal years and implements a reporting requirement on revenues and spending from Special Equipment Fund.

**Sec. 239. Management-to-Staff Ratio – REVISED**

Expresses legislative intent that Department maintain management-to-staff ratio of 1 supervisor to each 5 employees at Lansing central office and regional administration offices. Revised to "not more than" 1 supervisor to each 5 employees.

**Sec. 403a. Dashboard Indicators of Offender Success – REVISED**

Requires collaboration between Department and stakeholders on development and utilization of "dashboard" indicators of offender success or failure. Amends current law to require continued efforts with technical assistance provided by the Justice Center of the Council of State Governments on establishing criteria and indicators.

**Sec. 416. Felony Drunk Driver Jail Reduction and Community Treatment Program – REVISED**

Establishes purposes of the felony drunk driver jail reduction and community treatment program, outlines process for development of program standards, and lists allowable program expenditures. Legislative revisions retain guidelines related to allowable expenditures, but eliminate other program guidelines.

**Sec. 418. State Identification and Birth Certificates for Returning Prisoners – REVISED**

Requires MDOC to collaborate with other state entities to develop processes to assist prisoners in obtaining state identification and their birth certificates and report on a plan to implement necessary process and policy changes. Revisions eliminate provisions related to state identification that have been addressed through recent statutory changes.

**Sec. 426. Prisoner Reintegration, Training, and Employment Programs – DELETED**

Allocates \$600,000 to Michigan-chartered non-profit agencies to operate and expand public utility asset recovery recycling programs with at least 45% of employees returning to the community from incarceration.

**Sec. 615. Report on Paroling of Lifers with Possibility of Parole – REVISED**

Requires report from Parole Board with detailed explanation on why inmate who scores "high probability of release" is not being paroled. Language is amended to require parole board to calculate parole guideline scores of each inmate and report on the specific reason any individual who scores "high probability of release" is not being paroled. Requires report to Legislature containing these reasons for each inmate.

**Major Boilerplate Changes From FY 2011-12**

***Sec. 807. Prisoner Medications – REVISED***

Requires MDOC to ensure all prisoner medications be transported with a prisoner upon transfer to another facility and requires the provision of at least a 30-day supply of medication and a prescription for refills when a prisoner is released. Language is revised to require prisoners being released to “have access to” at least a 30-day supply of medication.

***Sec. 814. Psychotropic Medications – NEW***

Requires Department to assure that psychotropic medications are available, when deemed medically necessary by a licensed medical services provider, to prisoners with mental illness diagnoses but not enrolled in Corrections mental health services.

***Sec. 924. Evaluation and Placement of Prisoners With Mental Illness – REVISED***

Provides guidelines for treatment of prisoners with mental illness. Enacted budget revises language to require evaluation of prisoners in therapeutic seclusion at a frequency defined in the Mental Health Code or every 12 hours, whichever requires more frequent evaluations. Current law requires evaluations every 12 hours.

***Sec. 935. Facility Closure Guidelines – DELETED***

Establishes legislative intent that MDOC fully consider local economic impact when making determinations on facility closures and makes it a high priority to close a facility for which the local economic impact is minimized.

***Sec. 935. Cost Effectiveness of Correctional Facilities – NEW***

Requires MDOC to evaluate facilities in terms of cost effectiveness and to make determinations as to how long each facility should remain open; requires analysis of economic impact of closing obsolete facilities and provides that Department shall work with Michigan Economic Development Corporation and other entities to encourage private sector investment in affected communities.

***Sec. 939. Competitive Bidding Provisions – REVISED***

Requires competitive bidding for the privatization of the special alternative incarceration (SAI) facility at Camp Cassidy Lake. Enacted budget modifies language to also require bidding of prison stores, food service, and up to 1,750 custody beds.

***Sec. 943. Perimeter Security Measures – NEW***

Establishes intent that the MDOC maintain sufficient perimeter security measures at prison facilities to ensure the safety of surrounding communities.

***Sec. 945. Prohibition Against Restrictions on Prisoner Mentors – NEW***

Requires MDOC to allow person acting as prisoner mentor to continue the mentoring relationship as that prisoner transitions back into the community during a parole term unless not in the best interest of the prisoner; prohibits MDOC policy from automatically disqualifying a mentor from continuing an established relationship during parole term.

***Sec. 946. Faith-Based Programming – NEW***

Prohibits Department from restricting access to programming or a qualified person providing programming because of the faith-based nature of the programming. Requires communication of a clear policy to key prison staff regarding the validity of faith-based programming.

***Sec. 1009. Information Packet for Prisoner Families – NEW***

Requires MDOC to create and annually update an information packet for families of incoming prisoners to be made available on the MDOC website. Language specifies packet content and encourages collaboration with families and advocacy groups.

***Sec. 1011. Religious Cable Television Programming – NEW***

Provides that MDOC accept in-kind services and equipment donations to facilitate the addition of a cable network that provides programming to address prisoner religious needs. Specifies added channels shall add no extra costs to the State.

***Sec. 1201. Anticipated FY 2013-14 Appropriations***

States legislative intent to provide appropriations for FY 2013-14, adjusting FY 2012-13 amounts based on economic and other factors.

**MILITARY AND VETERANS AFFAIRS  
Summary of FY 2012-13 Enacted Appropriations  
Article XIII, 2012 Public Act 200 (House Bill 5365)**

**Analyst: Robin R. Risko**

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: Enacted From FY 2011-12 YTD	
						Amount	%
<b>IDG/IDT</b>	\$3,963,300	\$1,166,500	\$11,166,500	\$1,166,500	\$1,166,500	(\$2,796,800)	(70.6)
<b>Federal</b>	87,877,900	99,239,400	99,239,400	99,239,400	99,239,400	11,361,500	12.9
<b>Local</b>	765,600	769,200	769,200	1,503,600	1,503,600	738,000	96.4
<b>Private</b>	1,448,000	1,503,700	1,503,700	1,503,700	1,503,700	55,700	3.8
<b>Restricted</b>	28,506,400	30,427,000	30,427,000	30,427,000	30,427,000	1,920,600	6.7
<b>GF/GP</b>	33,983,700	34,733,400	34,411,600	34,733,400	38,233,400	4,249,700	12.5
<b>Gross</b>	<b>\$156,544,900</b>	<b>\$167,839,200</b>	<b>\$177,517,400</b>	<b>\$168,573,600</b>	<b>\$172,073,600</b>	<b>\$15,528,700</b>	<b>9.9</b>
<b>FTEs</b>	826.0	826.0	826.0	841.0	842.0	16.0	1.9

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post-Employment Benefit prefunding under Senate Bill 683, 2012 PA 64.

(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

**Overview**

The Department of Military and Veterans Affairs has three primary missions: to execute duties as specified in various state statutes and by the Governor, to administer state regulated services, and to ensure preparedness of the Michigan National Guard to assist both state and federal authorities. The Michigan National Guard serves to protect the lives and property of Michigan citizens during times of natural disaster and civil unrest, to preserve peace, order, and public safety at the direction of the Governor, and to assist the federal government in defending sovereign interests of the United States when they are threatened or violated. The department also oversees state programs for veterans, the state's veterans' homes in Grand Rapids and Marquette, grants to veterans service organizations, and the Michigan Veterans' Trust Fund.

**Bill Structure**

The current FY 2011-12 bill contains four line items, in four appropriation units, and 27 corresponding scheduled programs. The enacted FY 2012-13 bill contains 15 line items, in five appropriation units, and 23 corresponding scheduled programs. Boilerplate sections in the enacted bill have been rearranged, where necessary, to correspond with new appropriation unit titles.

<b>Major Budget Changes From FY 2011-12 YTD Appropriations</b>		FY 2011-12 YTD (as of 2/9/12)	Enacted Change From YTD
<b>1. Armory Maintenance</b>	<b>Gross</b>	<b>\$651,200</b>	<b>\$2,400,000</b>
Includes an additional ongoing appropriation of \$2.4 million GF/GP to address the backlog of special maintenance projects at the state's 43 armories.	GF/GP	\$651,200	\$2,400,000
<b>2. Military Retirement Program</b>	FTE	1.0	(1.0)
Includes an additional \$150,000 GF/GP to cover full-year costs of mandatory retirement payments required pursuant to 1967 PA 150, the Michigan Military Act, and then transfers all costs associated with the Military Retirement program to the Office of Retirement Services within the Department of Technology, Management, and Budget (\$3,981,700 GF/GP).	<b>Gross</b>	<b>\$3,831,700</b>	<b>(\$3,831,700)</b>
	GF/GP	\$3,831,700	(\$3,831,700)

**MILITARY AND VETERANS AFFAIRS**

<b><u>Major Budget Changes From FY 2011-12 YTD Appropriations</u></b>		<b><u>FY 2011-12 YTD (as of 2/9/12)</u></b>	<b><u>Enacted Change From YTD</u></b>
<b>3. Additional Funding for Unclassified Positions</b>	FTE	7.0	1.0
Reflects a transfer of \$500,000 GF/GP to Unclassified Military Personnel to fully fund current unclassified positions (\$200,000 GF/GP is transferred from Headquarters and Armories, \$150,000 GF/GP from the Grand Rapids Veterans' Home, and \$150,000 GF/GP from the D.J. Jacobetti Veterans' Home). Also, adjusts the number of unclassified positions in the bill to match the number currently on payroll.	<b>Gross</b>	<b>\$665,000</b>	<b>\$500,000</b>
	GF/GP	\$665,000	\$500,000
<b>4. Michigan Youth ChalleNGe Program</b>	FTE	25.0	15.0
Includes additional FTE positions and funding for the Michigan Youth ChalleNGe Program.	<b>Gross</b>	<b>\$4,186,900</b>	<b>\$734,400</b>
	Local	4,186,900	734,400
<b>5. Veterans Affairs Directorate Administration</b>	FTE	2.0	1.0
Reflects a transfer of \$125,000 GF/GP to fund a Veterans Affairs Certification Officer and \$125,000 GF/GP to cover a funding shortfall. (\$125,000 GF/GP is transferred from veterans service organization grants, \$75,000 GF/GP from the Grand Rapids Veterans' Home, and \$50,000 GF/GP from the D.J. Jacobetti Veterans' Home.)	<b>Gross</b>	<b>\$205,300</b>	<b>\$250,000</b>
	GF/GP	\$205,300	\$250,000
<b>6. Veterans Service Organization Grants</b>	<b>Gross</b>	<b>\$3,029,600</b>	<b>(\$125,000)</b>
Reduces grant funding for veterans service organizations by \$125,000 GF/GP and transfers the funding to the Veterans Affairs Directorate Administration (see 5 above).	GF/GP	\$3,029,600	(\$125,000)
<b>7. Transfers to Fund Increases</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$625,000)</b>
Reduces funding by \$225,000 GF/GP for the Grand Rapids Veterans' Home, by \$200,000 GF/GP for the D.J. Jacobetti Veterans' Home, and by \$200,000 GF/GP for Headquarters and Armories, and transfers the funding to Unclassified Military Personnel and Veterans Affairs Directorate Administration (see 4 and 5 above).	GF/GP	N/A	(\$625,000)
<b>8. Grand Rapids Veterans' Home Restricted Funding</b>	<b>Gross</b>	<b>\$16,176,500</b>	<b>(\$2,000,000)</b>
Reduces the budget to more accurately reflect the amount of Income and Assessment revenue received at the Grand Rapids Veterans' Home.	Restricted	16,176,500	(2,000,000)
<b>9. D.J. Jacobetti Veterans' Home Fund Source Shift</b>	<b>Gross</b>	<b>\$11,450,900</b>	<b>\$0</b>
Increases the federal Veterans Health Administration fund source and reduces the Income and Assessments fund source at the D.J. Jacobetti Veterans' Home to more accurately reflect the amount of revenue received at the home.	Federal	6,137,700	250,000
	Restricted	5,313,200	(250,000)
<b>10. Federal Revenue Adjustment</b>	<b>Gross</b>	<b>\$24,294,100</b>	<b>\$425,000</b>
Increases federal funding authorization by \$225,000 for the Grand Rapids Veterans' Home and by \$200,000 and for the D.J. Jacobetti Veterans' Home in order to reflect the amount of federal funding being made available.	Federal	24,294,100	425,000
<b>11. Savings From Privatization of Staff</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$921,300)</b>
Reflects a reduction of \$921,300 GF/GP in anticipation of additional savings resulting from privatizing resident care aide positions at the Grand Rapids Veterans' Home.	GF/GP	N/A	(\$921,300)
<b>12. Economic Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$1,564,400</b>
Includes \$1.6 million Gross (\$546,800 GF/GP) for negotiated salary and wage increases, the actuarially-required retirement rate increase, reduced employer health insurance costs due to the 20% employee contribution, workers' compensation costs, and food and fuel costs.	IDG	N/A	(2,797,500)
	Federal	N/A	2,979,000
	Private	N/A	51,500
	Restricted	N/A	784,600
	GF/GP	N/A	\$546,800

**MILITARY AND VETERANS AFFAIRS**

<b><u>Major Budget Changes From FY 2011-12 YTD Appropriations</u></b>		<b><u>FY 2011-12 YTD (as of 2/9/12)</u></b>	<b><u>Enacted Change From YTD</u></b>
<b>13. Remove One-Time Capital Outlay Funding</b>	<b>Gross</b>	<b>\$1,700,000</b>	<b>(\$1,700,000)</b>
Removes one-time Capital Outlay funding appropriated in the FY 2011-12 budget for construction of a light demolition range at Camp Grayling.	Federal	1,700,000	(1,700,000)
<b>14. One-Time Appropriations - Capital Outlay - Replace Flint Armory</b>	<b>Gross</b>	<b>\$0</b>	<b>\$12,000,000</b>
Includes one-time funding for construction of a new armory in Flint, to replace the existing 87-year-old facility.	Federal	0	9,000,000
	Restricted	0	3,000,000
<b>15. One-Time Appropriations - Capital Outlay - Land Acquisitions and Appraisals</b>	<b>Gross</b>	<b>\$0</b>	<b>\$250,000</b>
Includes one-time authorization for the department to spend up to \$250,000 on land acquisitions and appraisals should land become available.	Restricted	0	250,000
<b>16. One-Time Appropriations - Employee Lump Sum Payments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$707,900</b>
Includes a one-time appropriation of \$707,900 Gross (\$155,900 GF/GP) for the negotiated one-time lump sum payments to state employees.	IDG	N/A	700
	Federal	N/A	407,500
	Local	N/A	3,600
	Private	N/A	4,200
	Restricted	N/A	136,000
	GF/GP	N/A	\$155,900
<b>17. One-Time Appropriations - Special Maintenance State</b>	<b>Gross</b>	<b>\$0</b>	<b>\$2,400,000</b>
Includes a one-time appropriation of \$2.4 million GF/GP for addressing the backlog of special maintenance projects at the state's 43 armories.	GF/GP	\$0	\$2,400,000
<b>18. One-Time Appropriations - Special Maintenance and Remodeling Grand Rapids Veterans' Home</b>	<b>Gross</b>	<b>\$0</b>	<b>\$1,600,000</b>
Includes a one-time appropriation of \$1.6 million GF/GP for special maintenance projects at the Grand Rapids Veterans' Home.	GF/GP	\$0	\$1,600,000
<b>19. One-Time Appropriations - Special Maintenance and Remodeling D.J. Jacobetti Veterans' Home</b>	<b>Gross</b>	<b>\$0</b>	<b>\$516,000</b>
Includes a one-time appropriation of \$516,000 GF/GP for special maintenance projects at the D.J. Jacobetti Veterans' Home.	GF/GP	\$0	\$516,000
<b>20. One-Time Appropriations - Veterans Service Enhancements</b>	<b>Gross</b>	<b>\$0</b>	<b>\$434,000</b>
Includes a one-time appropriation of \$434,000 GF/GP for veterans service enhancements. Initiatives include: establishing and implementing a college campus program to assist veterans on campus with enrolling in the veterans affairs health care system and with filing claims for disabilities; and implementing an Internet-based data system, in collaboration with the Michigan Association of County Veterans Counselors, to ensure that Michigan's veterans and their families receive professional assistance, advocacy, and counseling to obtain and receive benefits.	GF/GP	\$0	\$434,000
<b>21. One-Time Appropriations - County Counselor Accreditation</b>	<b>Gross</b>	<b>\$0</b>	<b>\$200,000</b>
Includes a one-time appropriation of \$200,000 GF/GP for counties to fund additional accredited veterans service officers. The intent is for grants to be made available to underserved counties based on need of veterans services.	GF/GP	\$0	\$200,000
<b>22. One-Time Appropriations - Department Data Upgrades and Digitization</b>	<b>Gross</b>	<b>\$0</b>	<b>\$750,000</b>
Includes a one-time appropriation of \$750,000 GF/GP for department data upgrades and digitization of all medical records and military discharge documents.	GF/GP	\$0	\$750,000

**Major Boilerplate Changes From FY 2011-12**

**GENERAL SECTIONS OF BOILERPLATE**

***Sec. 207. Transparency Website – REVISED***

Requires the department to provide the necessary data to DTMB so DTMB can maintain a searchable website accessible by the public at no cost that includes expenditure data, data on payments made to vendors, and data on number of active employees, job specifications, and wage rates.

***Sec. 211. Information Technology Work Project Account – DELETED***

Designates the appropriation for information technology as a work project account.

***Sec. 213. Out-of-State Travel Restrictions – REVISED***

Requires the department to report on out-of-state travel expenses, listing all travel by all employees outside of this state that is funded in whole or in part with funds appropriated to the department. (Now section 218.)

***Sec. 214. Information Technology Services – DELETED***

Requires the department to pay user fees to DTMB for technology-related services and projects.

***Sec. 218. GF/GP Savings From Department Incentive Pool – DELETED***

Requires unused GF/GP obtained as a result of efficiencies to be designated as the department incentive pool balance; requires funds associated with GF/GP supplemental requests to be debited against the department incentive pool balance if supplemental requests do not meet specified criteria; specifies how the positive year-end balance of the department incentive pool balance shall be allocated.

***Sec. 219. Meetings to Report on Achieving Requirements – REVISED***

Requires the department to provide information quarterly as evidence of validating that all requirements in the bill have been achieved.

**MILITARY**

***Sec. 300. Unclassified Positions – NEW***

Lists titles of unclassified positions currently in the department; requires the department to notify the subcommittees prior to submitting requests for additional unclassified positions or requests for substantive changes to the duties of existing unclassified positions.

***Sec. 302. National Guard Armories – REVISED***

Requires the department to properly operate and maintain armories in the state; requires the department to establish a system that measures the condition and adequacy of armory facilities, and identify and upgrade 15 red armories to yellow or green facilities.

**VETERANS AND COMMUNITY OUTREACH**

***Sec. 401. Veterans Advice, Advocacy, and Assistance – REVISED***

Requires the department to provide advice, advocacy, and assistance services to veterans, to maintain proper levels of staffing and resources, to distribute grant funding, to take steps to improve coordination of veterans benefits counseling, and to increase its responsibility in administration, management, oversight, and outreach of delivery of services; requires the department to increase the percentage of veterans who become aware of their eligibility for education benefits, and increase the percentage of veterans who become aware of job training and placement opportunities.

**HOMES**

***Sec. 501. (2) Veterans' Homes – REVISED***

Requires the department to provide resources necessary to provide adequate nursing care services to a licensed minimum number of 403 residents in skilled nursing beds and 72 residents in domiciliary beds at the Grand Rapids Veterans' Home and 158 residents in skilled nursing beds and 11 residents in domiciliary beds at the D.J. Jacobetti Veterans' Home. (Now section 601.)

***Sec. 602. Michigan Veterans' Facility Ombudsman – NEW***

Specifies legislative intent for establishing a Michigan Veterans' Facility Ombudsman; specifies duties and responsibilities of the Ombudsman. The Ombudsman's purpose will be to conduct investigations concerning actions or omission of actions or conditions at the veterans' homes which are alleged to be contrary to law or policy or that pose a significant health or safety issue.

## **MILITARY AND VETERANS AFFAIRS**

### **CAPITAL OUTLAY AND ONE-TIME APPROPRIATIONS**

#### ***Sec. 703. Special Maintenance and Remodeling at the Veterans' Homes – NEW***

Requires appropriations to be used for maintenance, remodeling, and information technology needs at the homes; specifies that maintenance includes improvements to the mechanical, electrical, plumbing, and security systems, roof repairs and replacements, energy conservation measures, lighting upgrades, repair and replacement of floors, pipe insulation, windows, boilers, new and upgraded fire detection and suppression systems, and other repairs, upgrades, and renovation projects; requires the homes to report on their plans for expending the one-time appropriations.

#### ***Sec. 704. Veterans Service Enhancements – NEW***

Requires appropriation to be used to establish and implement a college campus program, in collaboration with the United States Department of Veterans Affairs vocational rehabilitation program, to assist veterans on campus with enrolling in the veterans affairs health care system and with filing claims for disabilities; requires appropriation to be used to implement an Internet-based data system, in collaboration with the Michigan Association of County Veterans Counselors, to ensure Michigan's veterans and their families receive professional assistance, advocacy, and counseling in obtaining and receiving benefits.

#### ***Sec. 705. County Counselor Accreditation – NEW***

Requires the department to develop an application and grant process to fund accredited veterans service officers; requires grants to be made available to underserved counties, based on need of veterans services.

#### ***Sec. 706. Department Data Upgrades and Digitization – NEW***

Requires the department to digitize all medical records and military discharge documents which are currently on paper and microfilm.



# STATE POLICE

## Summary of FY 2012-13 Enacted Appropriations

### Article XVI, 2012 Public Act 200 (House Bill 5365)

Analyst: Robin R. Risko

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: Enacted From FY 2011-12 YTD	
						Amount	%
<b>IDG/IDT</b>	\$26,111,100	\$25,235,000	\$25,235,000	\$25,235,000	\$25,238,500	(\$872,600)	(3.3)
<b>Federal</b>	106,072,200	104,911,000	104,911,000	104,911,000	104,911,000	(1,161,200)	(1.1)
<b>Local</b>	6,699,800	6,869,400	6,869,400	6,869,400	6,869,400	169,600	2.5
<b>Private</b>	220,900	231,300	231,300	231,300	231,300	10,400	4.7
<b>Restricted</b>	124,470,300	119,005,700	119,005,700	123,005,700	123,218,700	(1,251,600)	(1.0)
<b>GF/GP</b>	270,166,000	316,891,400	313,767,100	312,691,400	317,513,800	47,347,800	17.5
<b>Gross</b>	<b>\$533,740,300</b>	<b>\$573,143,800</b>	<b>\$570,019,500</b>	<b>\$572,943,800</b>	<b>\$577,982,700</b>	<b>\$44,242,400</b>	<b>8.3</b>
<b>FTEs</b>	2,753.0	2,674.0	2,674.0	2,883.0	2,884.0	131.0	4.8

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post-Employment Benefit prefunding under Senate Bill 683, 2012 PA 64.

(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

#### Overview

In addition to the department's role of providing general law enforcement services, the department is responsible for the development and coordination of state-level programs, technologies, and specialized services that enhance enforcement and emergency response capabilities for the entire public safety community. Organizational goals of the department are to prevent and investigate crime and enforce the law, improve traffic safety, provide for homeland security and emergency prevention, response, and recovery, provide the highest quality specialized services, enhance organizational performance, and improve operational efficiencies.

#### Bill Structure

The current FY 2011-12 bill contains four line items, in four appropriation units, and 56 corresponding scheduled programs. The enacted FY 2012-13 bill contains 11 line items, in seven appropriation units, and 57 corresponding scheduled programs. Boilerplate sections in the enacted bill have been rearranged, where necessary, to correspond with new appropriation unit titles.

<b>Major Budget Changes From FY 2011-12 YTD Appropriations</b>		<b>FY 2011-12 YTD (as of 2/9/12)</b>	<b>Enacted Change From YTD</b>
<b>1. Law Enforcement Enhancement</b>	FTEs	N/A	180.0
Includes authorization for 180.0 FTE positions and an additional \$15.0 million GF/GP for law enforcement enhancement. The funding will be used to operate and fund ongoing costs associated with two trooper recruit schools. Included are costs for classroom training, course materials, meals, lodging, supplies, and uniforms for recruits, training staff per diem costs, warehouse supplies, weapons, payroll, and administrative activities.	<b>Gross</b>	<b>N/A</b>	<b>\$15,000,000</b>
	GF/GP	N/A	\$15,000,000
<b>2. Additional Laboratory Operations Staff</b>	FTE	212.0	12.0
Includes additional FTE positions and funding for laboratory operations. Funding will be used for additional scientists, equipment, and training in an effort to achieve a case turnaround time of 30 days.	<b>Gross</b>	<b>\$28,960,100</b>	<b>\$1,895,600</b>
	GF/GP	\$15,753,500	\$1,895,600
<b>3. Additional DNA Analysis Program Staff</b>	FTE	57.5	8.0
Includes additional FTE positions and funding for DNA analysis. Funding will be used for additional scientists, equipment, and training in an effort to achieve a reduced case turnaround time.	<b>Gross</b>	<b>\$7,982,800</b>	<b>\$1,281,600</b>
	GF/GP	\$3,103,400	\$1,281,600

**STATE POLICE**

<b><u>Major Budget Changes From FY 2011-12 YTD Appropriations</u></b>		<b><u>FY 2011-12 YTD (as of 2/9/12)</u></b>	<b><u>Enacted Change From YTD</u></b>
<b>4. Public Safety Initiative - Cities in Distress</b>	<b>Gross</b>	<b>N/A</b>	<b>\$2,769,900</b>
Includes additional funding to provide more investigative and patrol assistance in high-crime areas of the state. Specifically, this funding will be used to cover overtime, training, aviation, and fleet costs associated with assisting Flint, Detroit, Pontiac, and Saginaw.	GF/GP	N/A	\$2,769,900
<b>5. Fleet Leasing</b>	<b>Gross</b>	<b>\$12,980,700</b>	<b>\$2,650,000</b>
Includes additional funding to cover the costs of an increase in rates which are set for vehicles by DTMB. The rate is a blended rate which covers the costs of vehicle acquisition, insurance, gasoline, and maintenance. The rate increase is due primarily to the increase in fuel costs.	GF/GP	\$12,980,700	\$2,650,000
<b>6. Regional Policing Plan</b>	<b>Gross</b>	<b>N/A</b>	<b>\$1,324,000</b>
Includes \$674,000 GF/GP to cover costs for cell phones and blackberry devices for staff that are utilizing mobile offices, and includes \$650,000 GF/GP to cover support, server hosting, and storage costs associated with mobile computers/offices.	GF/GP	N/A	\$1,324,000
<b>7. Replace Outdated Equipment</b>	<b>Gross</b>	<b>N/A</b>	<b>\$1,106,600</b>
Includes \$673,000 GF/GP to replace 180 outdated mobile radios and create a 10-year lifecycle replacement program, and includes \$433,600 GF/GP to replace 160 mobile data computers and create a 5-year lifecycle replacement program.	GF/GP	N/A	\$1,106,600
<b>8. Additional Casino Gaming Staff</b>	FTE	32.0	2.0
Includes additional FTE positions and funding for investigation of illegal gambling operations.	<b>Gross</b>	<b>\$5,028,200</b>	<b>\$249,000</b>
	IDG	5,028,200	249,000
<b>9. Tobacco Tax Enforcement</b>	FTE	N/A	30.0
Includes an additional 30.0 FTE positions and \$4.2 million Gross (\$4.0 million state restricted tobacco tax revenue; \$200,000 GF/GP) for tobacco tax enforcement activities.	<b>Gross</b>	<b>N/A</b>	<b>\$4,200,000</b>
	Restricted	N/A	4,000,000
	GF/GP	N/A	\$200,000
<b>10. Replace Federal and State Restricted Revenues with GF/GP</b>	<b>Gross</b>	<b>N/A</b>	<b>\$318,200</b>
Includes an additional \$9.1 million in GF/GP to replace various federal and state restricted revenues which are no longer available to the department.	Federal	N/A	(1,757,800)
	Restricted	N/A	(7,000,000)
	GF/GP	N/A	\$9,076,000
<ul style="list-style-type: none"> <li>Replaces \$7.0 million in state restricted Commercial Mobile Radio Service Fee revenue within the Michigan Public Safety Communications System due to the fund being exhausted by the end of FY 2011-12.</li> <li>Replaces \$1,403,400 in federal DHS funding which is no longer available; funding is used to maintain telecommunications, licensing fees, server hosting, and maintenance costs for the Michigan Intelligence Operations Center and the Emergency Management and Homeland Security Division.</li> <li>Replaces \$354,400 in federal DOT grant funding which is being reduced by 75% in FY 2012-13; funding is used to maintain Toxicology staffing levels.</li> <li>Replaces \$318,200 in federal Byrne grant (ARRA) funding that will be exhausted by the end of FY 2011-12; funding is used for lab technicians.</li> </ul>			
<b>11. Full-Year Savings From Announced Contingency Plan</b>	FTE	N/A	(2.0)
Reflects full-year savings anticipated from the contingency plan issued in September 2011. The plan was introduced to achieve savings in lieu of state employee concessions that did not materialize. Funded vacant FTE positions are eliminated as part of the plan, as well as shifting current positions funded with GF/GP to vacant restricted funded positions.	<b>Gross</b>	<b>N/A</b>	<b>(\$1,202,300)</b>
	Restricted	N/A	(47,300)
	GF/GP	N/A	(\$1,155,000)

<u>Major Budget Changes From FY 2011-12 YTD Appropriations</u>	<u>FY 2011-12 YTD (as of 2/9/12)</u>	<u>Enacted Change From YTD</u>
<b>12. Economic Adjustments</b>	<b>Gross</b>	<b>N/A</b>
Includes \$13.8 million Gross (\$8.9 million GF/GP) for negotiated salary and wage increases, the actuarially-required retirement rate increase, reduced employer health insurance costs due to the 20% employee contribution, and adjustments for building occupancy charges.	IDG	N/A
	Federal	N/A
	Local	N/A
	Private	N/A
	Restricted	N/A
	GF/GP	N/A
		<b>\$13,754,300</b>
		638,200
		1,363,800
		133,900
		8,700
		2,691,900
		\$8,917,800
<b>13. Align FTE Positions and Revenues</b>	FTE	N/A
Reduces FTE positions by 100.0 to reflect the actual number of funded FTE positions in the department. Reduces various IDG, federal, and state restricted funding sources and increases others in an effort to reflect actual revenues where they are received.	<b>Gross</b>	<b>N/A</b>
	IDG	N/A
	Federal	N/A
	Restricted	N/A
	GF/GP	N/A
		<b>(\$4,737,100)</b>
		(100.0)
		(25,800)
		(1,995,900)
		(2,715,400)
		\$0
<b>14. Unclassified Positions</b>	FTE	N/A
Includes authorization for an additional unclassified position and additional funding in an effort to move toward providing adequate funding for the 6.0 unclassified positions that are authorized in Article XI, Section 5, of the State Constitution.	<b>Gross</b>	<b>N/A</b>
	IDG	N/A
	Restricted	N/A
	GF/GP	N/A
		<b>\$438,900</b>
		1.0
		3,500
		213,000
		\$222,400
<b>15. One-Time Appropriations - Employee Lump Sum Payments</b>	<b>Gross</b>	<b>N/A</b>
Includes a one-time appropriation of \$3.2 million Gross (\$2.1 million GF/GP) for the negotiated one-time lump sum payments to state employees.	IDG	N/A
	Federal	N/A
	Local	N/A
	Private	N/A
	Restricted	N/A
	GF/GP	N/A
		<b>\$3,220,000</b>
		168,700
		249,700
		38,900
		1,700
		675,800
		\$2,085,200
<b>16. One-Time Appropriations - Various</b>	<b>Gross</b>	<b>N/A</b>
Includes the following one-time appropriations:	GF/GP	N/A
<ul style="list-style-type: none"> <li>\$1,356,800 GF/GP to replace 256 in-car cameras that are currently equipped with VHS technology.</li> <li>\$266,900 GF/GP to replace protective gear that currently does not meet federal standards.</li> <li>\$350,000 GF/GP to cover lease costs at the Collins Road facility.</li> </ul>		<b>\$1,973,700</b>
		\$1,973,700

### Major Boilerplate Changes From FY 2011-12

#### **GENERAL SECTIONS OF BOILERPLATE**

##### **Sec. 207. Transparency Website – REVISED**

Requires the department to provide the necessary data to DTMB so DTMB can maintain a searchable website accessible by the public at no cost that includes expenditure data, data on payments made to vendors, and data on number of active employees, job specifications, and wage rates.

##### **Sec. 211. Information Technology Work Project Account – DELETED**

Designates the appropriation for information technology as a work project account.

##### **Sec. 213. Out-of-State Travel Restrictions – REVISED**

Requires the department to report on out-of-state travel expenses, listing all travel by all employees outside of this state that is funded in whole or in part with funds appropriated to the department. (Now section 218.)

##### **Sec. 214. Information Technology Services – DELETED**

Requires the department to pay user fees to DTMB for technology-related services and projects.

## **STATE POLICE**

### **Major Boilerplate Changes From FY 2011-12**

#### **Sec. 218. *GF/GP Savings From Department Incentive Pool* – DELETED**

Requires unused GF/GP obtained as a result of efficiencies to be designated as the department incentive pool balance; requires funds associated with GF/GP supplemental requests to be debited against the department incentive pool balance if supplemental requests do not meet specified criteria; specifies how the positive year-end balance of the department incentive pool balance shall be allocated.

#### **Sec. 219. *Meetings to Report on Achieving Requirements* – REVISED**

Requires the department to provide information quarterly as evidence of validating that all requirements in the bill have been achieved.

#### **Sec. 226. *Worksite Inspections* – DELETED**

Requires the department to strive to inspect its worksites annually to ensure internal control and quality of service.

### **EXECUTIVE DIRECTION**

#### **Sec. 250. *Unclassified Positions* – NEW**

Lists titles of unclassified positions in the department; requires the department to notify the subcommittees prior to submitting requests for additional unclassified positions or requests for substantive changes to the duties of existing unclassified positions.

### **SCIENCE, TECHNOLOGY, AND TRAINING BUREAU**

#### **Sec. 301. *Forensic Testing Services and Evidence* – REVISED**

Requires the department to maintain proper levels of staffing and resources for providing forensic testing services and evidence; requires the department to post changes to protocol for retaining and purging DNA samples and records on the department's website; requires the department to hire and train 20 additional forensic employees with the intent of reaching an average 30-day turnaround time for forensic evidence. (Now section 401.)

#### **Sec. 302. (7) *Recruiting Veterans* – NEW**

Requires the department to place emphasis on recruiting and hiring veterans; requires reports on the number of veterans who commence and the number of veterans who conclude trooper recruit schools.

#### **Sec. 304. *Criminal History and Accident Data Collection System* – REVISED**

Requires the department to maintain proper levels of staffing and resources for maintaining criminal history and accident data collection systems; requires the department to conduct 30 outreach activities targeted to criminal justice agencies.

#### **Sec. 306. (4) *Coordination of LEIN and BRIDGES Systems* – DELETED**

Requires the department to work with DHS to coordinate functions of the LEIN system and the BRIDGES case management system.

#### **Sec. 306. (5) *Probation Information on LEIN* – DELETED**

Requires the department to implement procedures by which all probation information is placed on the LEIN system.

### **FIELD SERVICES BUREAU**

#### **Sec. 401. *Traffic Safety and Enforcement* – REVISED**

Requires the department to maintain proper levels of staffing and resources for overseeing traffic safety and enforcement; requires the department to dedicate a minimum of 23,374 patrol hours in distressed cities. (Now section 501.)

#### **Sec. 402. *Criminal Investigations* – REVISED**

Requires the department to maintain proper levels of staffing and resources for identifying and apprehending criminals through criminal investigations; requires the department to enforce tobacco products tax act; requires the department to hire and train 180 troopers. (Now sections 504 and 602.)

#### **Sec. 406. *Regional Communication Centers* – DELETED**

Requires the department to maintain proper levels of staffing and resources for operating and maintaining regional communication centers in the state.

#### **Sec. 409. *Law Enforcement Delivery of Service Model* – DELETED**

Requires the department to develop a law enforcement delivery of service model and to coordinate with local and county law enforcement for efficient delivery of services without duplication.

#### **Sec. 410. *Cities in Distress Public Safety Initiative* – NEW**

Requires the department to report on statistics associated with the cities in distress public safety initiative (i.e., statistics regarding trooper schools, criminal activity, and local law enforcement officers). (Now section 506.)

**Major Boilerplate Changes From FY 2011-12**

***Sec. 411. Status of Regional Policing Model – NEW***

Requires the department to report on transition by the department to the regional policing model (i.e., costs and savings associated with shifting personnel from traditional office assignments to road patrol assignments). (Now section 507.)

**SUPPORT SERVICES**

***Sec. 505. Public Safety Grants – DELETED***

Requires the department to administer various public safety grants to state, local, and private public safety entities.



**FY 2012-13  
Budget Detail  
for  
ALL OTHERS**

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**Judiciary  
Licensing and Regulatory Affairs  
Transportation**

**JUDICIARY**  
**Summary of FY 2012-13 Enacted Appropriations**  
**Article XI, 2012 Public Act 200 (House Bill 5365)**

**Analyst: Erik Jonasson**

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: Enacted From FY 2011-12 YTD	
						Amount	%
<b>IDG/IDT</b>	\$3,602,700	\$2,638,200	\$2,638,200	\$2,638,200	\$2,638,200	(\$964,500)	(26.8)
<b>Federal</b>	5,694,800	6,017,100	6,017,100	6,017,100	6,017,100	322,300	5.7
<b>Local</b>	6,560,700	7,049,300	7,049,300	7,049,300	7,049,300	488,600	7.4
<b>Private</b>	869,700	921,800	921,800	921,800	921,800	52,100	6.0
<b>Restricted</b>	88,319,000	88,582,200	88,582,200	88,582,200	86,382,200	(1,936,800)	(2.2)
<b>GF/GP</b>	154,740,300	163,551,500	162,856,200	168,551,500	170,751,500	16,011,200	10.3
<b>Gross</b>	<b>\$259,787,200</b>	<b>\$268,760,100</b>	<b>\$268,064,800</b>	<b>\$273,760,100</b>	<b>\$273,760,100</b>	<b>\$13,972,900</b>	<b>5.4</b>
<b>FTEs</b>	491.0	472.0	472.0	472.0	472.0	(19.0)	(3.9)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post-Employment Benefit prefunding under Senate Bill 683.  
 (2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

**Overview**

Article VI of the State Constitution of 1963 forms the basis for Michigan’s judicial branch of government, which receives funds appropriated through the budget act for the Judiciary. The Judiciary budget provides operational funding for the Michigan Supreme Court, Court of Appeals, and related judicial agencies. The budget also funds the salaries of justices of the Supreme Court and judges of the appeals, circuit, probate, and district courts according to constitutional and statutory requirements. Assistance for local court operations is provided through a variety of grant programs. The largest of these, the Court Equity grant program, reimburses counties for trial court operations based on a statutory formula that recognizes circuit and probate caseloads and the numbers of judgeships.

<b>Major Budget Changes From FY 2011-12 YTD Appropriations</b>		<b>FY 2011-12 YTD (as of 2/9/12)</b>	<b>Enacted Change From YTD</b>
<b>1. Fund Shift and Increase for Swift-and-Sure Sanctions Program</b>	<b>Gross</b>	<b>\$1,000,000</b>	<b>\$5,000,000</b>
Includes additional funding of \$5.0 million gross (\$3.2 million GF/GP) for grants to courts implementing or maintaining swift-and-sure sanctions programs. Incorporates fund shift of \$1.0 million IDG from the Department of Corrections to GF/GP. Definition of “qualifying county” expanded in boilerplate section 320.	IDG/IDT	1,000,000	(1,000,000)
	Restricted	0	1,729,400
	GF/GP	\$0	\$4,270,600
<b>2. Continuance and Expansion of Mental Health Courts</b>	FTE	N/A	1.0
Includes funding of \$2.1 million GF/GP for funding and expansion of mental health courts, and 1.0 FTE to conduct mental health court evaluations.	<b>Gross</b>	<b>N/A</b>	<b>\$2,100,000</b>
	GF/GP	N/A	\$2,100,000
<b>3. Replace Court Fee Revenue with GF</b>	<b>Gross</b>	<b>\$94,562,800</b>	<b>\$0</b>
Replaces \$2.2 million in Court Fee Fund revenue with GF/GP for judicial salaries, due to reductions in expected revenue.	Restricted	7,090,200	(2,200,000)
	GF/GP	\$87,472,600	\$2,200,000
<b>4. Drug Court Funding Increase</b>	<b>Gross</b>	<b>N/A</b>	<b>\$1,250,000</b>
Includes additional funding of \$1.25 million for grants to drug treatment courts.	GF/GP	N/A	\$1,250,000



<b><u>Major Budget Changes From FY 2011-12 YTD Appropriations</u></b>		<b><u>FY 2011-12 YTD (as of 2/9/12)</u></b>	<b><u>Enacted Change From YTD</u></b>
<b>5. Court of Appeals Fund Source Transfer</b>	<b>Gross</b>	<b>N/A</b>	<b>\$0</b>
Replaces \$1.7 million in restricted fund revenue for Court of Appeals operations with GF/GP. The associated restricted fund revenues (filing/motion fees and miscellaneous revenue) are added to the fund increase for the swift-and-sure sanctions program in item 1.	Restricted	N/A	(1,729,400)
	GF/GP	N/A	\$1,729,400
<b>6. State Appellate Defender Office (SADO) Staff Increases</b>	FTE	39.0	3.0
Includes additional funding of \$225,000 GF/GP for additional staff to assist in meeting the statutory requirement that SADO handle 25% of indigent appellate defense cases.	<b>Gross</b>	<b>\$5,322,800</b>	<b>\$225,000</b>
	GF/GP	\$4,582,700	\$225,000
<b>7. Additional Court Consolidation Staff</b>	FTE	N/A	2.0
Adds additional funding of \$160,000 GF/GP for 2.0 FTEs at the State Court Administrative Office, to facilitate ongoing consolidation efforts, performance metrics, and operating efficiencies.	<b>Gross</b>	<b>N/A</b>	<b>\$160,000</b>
	GF/GP	N/A	\$160,000
<b>8. Reduced Funding for Eliminated Judgeships</b>	<b>Gross</b>	<b>\$94,279,400</b>	<b>(\$199,600)</b>
Reflects funding reductions related to statutory changes in the number of judgeships resulting from PA 300 of 2011. Additional reductions are expected in future budgets as additional judges retire or become ineligible for reelection.	Restricted	7,090,200	0
	GF/GP	\$87,189,200	(\$199,600)
<b>9. Funding for Court of Appeals Judges</b>	<b>Gross</b>	<b>N/A</b>	<b>\$342,600</b>
Funds two Court of Appeals judges which were appointed to seats that had previously been left vacant.	GF/GP	N/A	\$342,600
<b>10. Economics Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$4,272,800</b>
Includes economics adjustments as follows for FY 2012-2013:	IDG/IDT	N/A	29,700
	Federal	N/A	271,100
	Local	N/A	410,000
	Private	N/A	43,900
<ul style="list-style-type: none"> <li>Salaries, Wages, &amp; OASI: \$949,400 Gross, \$753,500 GF/GP</li> <li>Insurance: (\$313,500) Gross, (\$246,700) GF/GP</li> <li>Retirement: \$3,768,300 Gross, \$2,924,400 GF/GP</li> <li>Worker's Compensation: (\$85,600) Gross and GF/GP</li> <li>Rent &amp; Building Occupancy: (\$45,800) Gross, (\$49,300) GF/GP</li> </ul>	Restricted	N/A	221,800
	GF/GP	N/A	\$3,296,300
<b>11. One-Time Appropriations</b>	<b>Gross</b>	<b>N/A</b>	<b>\$827,200</b>
Creates one-time funding of \$827,200 Gross (\$636,900 GF/GP) for lump sum payments to state employees.	IDG/IDT	N/A	9,100
	Federal	N/A	51,200
	Local	N/A	78600
	Private	N/A	8,200
	Restricted	N/A	43,200
	GF/GP	N/A	\$636,900

**Major Boilerplate Changes From FY 2011-12**

**Sec. 215. Out-of-State Travel – REVISED**

Requires the judiciary to prepare a travel report listing all travel by judicial branch employees in the preceding fiscal year. New language strikes limitations on out-of-state travel and reduces reporting requirements to the dates and costs of transportation for each travel occurrence.

**Sec. 311. Drug Courts – REVISED**

Specifies criteria for drug court grants; provides \$1.8 million IDG of Byrne grant revenue for expanding drug treatment courts to assist in avoiding prison bed space growth for nonviolent offenders. New language removes subsection authorizing judiciary to receive and expend funds from U.S. Department of Transportation in an amount not to exceed \$450,000 for drug treatment courts.

**JUDICIARY**

**Major Boilerplate Changes From FY 2011-12**

**Sec. 320. *Swift-and-Sure Sanctions Pilot Program* – REVISED**

Authorizes \$1.0 million GF/GP appropriated in part 1 to be expended for swift-and-sure sanction program. New language expands funding to \$6.0 million (\$4.2 million GF/GP), expands definition of “qualifying county” to include those with either a unified trial court or a drug treatment court (previously both were required), allows for \$100,000 of swift-and-sure money to be used for administration, and includes a definition of “unified trial court.” Preference is given to courts which have had swift-and-sure programs in prior years, or have higher numbers of residents or former residents under the supervision of the Department of Corrections.

**Sec. 322. *State Appellate Defender Office Byrne Formula Grant* – REVISED**

Provides that, if Byrne formula grant funding is awarded to the State Appellate Defender Office (SADO), SADO may receive and expend funding not exceeding \$250,000 as an IDG from the Department of State Police.

**LICENSING AND REGULATORY AFFAIRS**  
**Summary of FY 2012-13 Enacted Appropriations**  
**Article XII, 2012 Public Act 200 (House Bill 5365)**

Analyst: Paul Holland

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: Enacted From FY 2011-12 YTD	
						Amount	%
IDG/IDT	\$14,870,100	\$13,496,900	\$13,496,900	\$13,496,900	\$13,496,900	(\$1,373,200)	(9.2)
<b>Federal</b>	377,515,600	390,840,600	250,710,900	391,016,600	391,076,000	13,560,400	3.6
<b>Local</b>	7,859,900	7,159,900	0	7,159,900	7,159,900	(700,000)	(8.9)
<b>Private</b>	4,727,800	5,427,800	1,900,000	5,427,800	3,927,800	(800,000)	(16.9)
<b>Restricted</b>	411,820,500	380,017,500	324,030,800	379,841,700	325,631,800	(86,188,700)	(20.9)
<b>GF/GP</b>	\$42,024,100	\$50,570,900	\$10,957,600	\$35,571,000	50,570,900	8,546,800	20.3
<b>Gross</b>	<b>\$858,818,000</b>	<b>\$847,513,600</b>	<b>\$601,096,200</b>	<b>\$832,513,900</b>	<b>\$791,863,300</b>	<b>(\$66,954,700)</b>	<b>(7.8)</b>
<b>FTEs</b>	4,378.3	4,419.8	3,638.3	4,366.8	4,317.3	(61.0)	(1.4)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post-Employment Benefit prefunding under Senate Bill 683 but do not include adjustments for Executive Orders, supplementals, or transfers after February 9, 2012.

(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

(3) Description of House changes pertains to HB 5384 (H-2).

(4) Description of Senate changes pertains to SB 958 (S-1).

(5) Description of Executive pertains to the recommendation issued on 02/09/12 and revision issued on 05/10/12.

**Overview**

The Department of Licensing and Regulatory Affairs (LARA) administers the state's primary regulatory and employment security agencies. LARA is organized into four principal units: 1) Licensing and Regulatory, which implements and enforces Michigan laws pertaining to financial, commercial and occupational, construction and fire safety, health profession and facility, public utility, and liquor regulations; 2) the Michigan Administrative Hearing System, a quasi-judicial agency which centralizes and conducts administrative hearings for agencies throughout state government; 3) Employment Security and Workplace Safety, including the administration of unemployment insurance, workers' compensation insurance, occupational safety and health, and rehabilitation programs; and 4) the Office of Regulatory Reinvention, which oversees administrative rule-making and evaluates the state's regulatory infrastructure. The various agencies within LARA are primarily supported by several federal grants and by revenue generated through numerous fees collected from regulated entities.

<b>Major Budget Changes From FY 2011-12 YTD Appropriations</b>		<b>FY 2011-12 YTD (as of 2/9/12)</b>	<b>Enacted Change from YTD</b>
<b>1. Support for Fireworks Regulation</b>	FTE	57.0	6.0
Increases staff and spending authority for the Bureau of Fire Services (BFS) to administer new consumer fireworks regulations pursuant to 2011 PA 256, funded with revenue from the new Fireworks Safety Fund supported by certification fees and a retail sales tax on the purchase of fireworks.	<b>Gross</b>	<b>\$5,889,300</b>	<b>\$600,000</b>
	IDG	100,000	0
	Federal	788,000	0
	Restricted	5,001,300	600,000
<b>2. Increase GF/GP for Fire Service Inspections</b>	FTE	57.0	0.0
Increases GF/GP appropriation for the Bureau of Fire Services (BFS) rather than increasing the nominal amount of Fire Service Fees (set in boilerplate) paid by hospitals and schools to the BFS for inspections pursuant to the Fire Prevention Code (1941 PA 207).	<b>Gross</b>	<b>\$5,889,300</b>	<b>\$585,000</b>
	IDG	100,000	0
	Federal	788,000	0
	Restricted	5,001,300	0
	GF/GP	\$0	\$585,000

**LICENSING AND REGULATORY AFFAIRS**

<b><u>Major Budget Changes From FY 2011-12 YTD Appropriations</u></b>		<b>FY 2011-12 YTD (as of 2/9/12)</b>	<b>Enacted Change from YTD</b>
<b>3. Support AG Expenses for Bureau of Commercial Services</b>	FTE	175.0	0.0
Increases spending authorization for the Bureau of Commercial Services (BCS) from the Real Estate Enforcement Fund to support legal expenses of the Department of Attorney General (AG) pertaining to the investigation of mortgage fraud; these funds are currently transferred to the AG as an off-budget revenue reduction.	<b>Gross</b>	<b>\$20,520,800</b>	<b>\$300,000</b>
	Restricted	20,520,800	300,000
<b>4. Remove SB 683 OPEB IDG for Bureau of Health Professions</b>	FTE	160.0	0.0
Eliminates the IDG from the Department of Technology, Management, and Budget (DTMB) to the Bureau of Health Professions (BHP) that was included in the revision of the supplemental in SB 683 (S-1) for FY 2011-12 supporting the prefunding of Other Post-Retirement Benefits (OPEB).	<b>Gross</b>	<b>\$28,648,500</b>	<b>(\$884,000)</b>
	IDG	884,000	(884,000)
	Federal	3,507,000	0
	Restricted	24,257,500	0
<b>5. Support for Bureau of Health Systems Facilities Inspections</b>	FTE	199.6	0.0
Increases spending authorization for the Bureau of Health Systems (BHS) to support the inspections of health facilities, from federal Title 18 Medicare funds and Health Systems Fees paid by health facilities regulated by BHS; this is an increase of authorization to spend additional revenues, not an increase in the nominal amount of state fees.	<b>Gross</b>	<b>\$22,907,700</b>	<b>\$1,580,000</b>
	Federal	16,036,800	740,000
	Local	200,000	0
	Restricted	1,915,400	840,000
	GF/GP	\$4,755,500	\$0
<b>6. Support for Bureau of Health Systems FSOF Inspections</b>	FTE	199.6	3.9
Appropriates additional GF/GP and FTEs within the Bureau of Health Systems (BHS) to support the inspection and licensing of Freestanding Surgical Outpatient Facilities (FSOF) as required under the Public Health Code.	<b>Gross</b>	<b>\$22,907,700</b>	<b>\$530,000</b>
	Federal	16,036,800	0
	Local	200,000	0
	Restricted	1,915,400	0
	GF/GP	\$4,755,500	\$530,000
<b>7. Contingency Plan for Workers' Compensation Administration</b>	FTE	96.6	(1.0)
Eliminates one vacant clerical support position within the Workers' Compensation Agency (WCA), resulting in GF/GP savings.	<b>Gross</b>	<b>\$9,218,000</b>	<b>(\$71,100)</b>
	Restricted	3,310,600	0
	GF/GP	\$5,907,400	(\$71,100)
<b>8. Transfer Appropriation to Unemployment Insurance Agency (UIA)</b>	FTE	1,302.7	0.0
Transfers spending authorization for the Penalty and Interest account of the Contingent Fund, which is supported with interest earned on UI contributions and penalties and damages collected under the MESA from the Workforce Development Agency within the Michigan Strategic Fund (where it was transferred by E.O. 2011-4) to the UIA to support staff detailed to the MRS.	<b>Gross</b>	<b>\$142,269,600</b>	<b>\$2,814,700</b>
	Federal	141,269,600	0
	Restricted	1,000,000	2,814,700
<b>9. Staffing Adjustment for Michigan Rehabilitative Services</b>	FTE	513.5	36.5
Increases authorized FTEs in the Michigan Rehabilitative Services (MRS) to accurately reflect the actual number of MRS staff. This increase in FTEs reflects a reclassification of Michigan Career and Technical Institute (MCTI) staff and not an increase in actual staff employed; previously the staff at the MCTI was not considered as FTEs within MRS.	<b>Gross</b>	<b>\$74,576,300</b>	<b>\$0</b>
	Federal	64,327,300	0
	Private	816,000	0
	Restricted	1,492,200	0
	GF/GP	\$7,940,800	\$0
<b>10. Reduce DEQ Costs to Michigan Administrative Hearing System</b>	FTE	205.4	0.0
Reduces the amount paid to the Michigan Administrative Hearing System (MAHS) via IDG from the Department of Environmental Quality (DEQ) to more accurately reflect the costs associated with the DEQ administrative hearing caseload.	<b>Gross</b>	<b>\$31,911,900</b>	<b>(\$80,200)</b>
	IDG	12,886,100	(80,200)
	Federal	7,975,900	0
	Restricted	10,985,600	0
	GF/GP	\$64,300	\$0

**LICENSING AND REGULATORY AFFAIRS**

<b><u>Major Budget Changes From FY 2011-12 YTD Appropriations</u></b>		<b>FY 2011-12 YTD (as of 2/9/12)</b>	<b>Enacted Change from YTD</b>
<b>11. Support IT Upgrades for Liquor Control Commission</b>	<b>Gross</b>	<b>\$100</b>	<b>\$1,999,900</b>
Supports replacement of the COBOL-based IT system currently used by the Liquor Control Commission (LCC) with modern software, funded with the Liquor Purchase Revolving Fund; estimated to take five years to complete and will require further appropriation in future budget bills.	Restricted	100	1,999,900
<b>12. Reduce Private Grant Programs</b>	<b>Gross</b>	<b>\$3,000,000</b>	<b>(\$1,500,000)</b>
Reduces spending authorization for private grants received by LARA.	Private	3,000,000	(1,500,000)
<b>13. Eliminate Low-Income Energy Efficiency Assistance</b>	<b>Gross</b>	<b>\$95,000,000</b>	<b>(\$95,000,000)</b>
Eliminates the Low-Income Energy Efficiency Fund (LIEEF) invalidated by the Court of Appeals in July 2011. The LIEEF program was administered by the Public Service Commission (PSC) which awarded grants, supported by assessments on certain investor-owned utility companies, to the Department of Human Services and nonprofit organizations to support energy assistance for low-income residents and energy efficiency for all Michigan residents. One-time appropriation within the DHS budget for the Low-Income Home Energy Assistance Program (LIHEAP) administered by DHS was increased using anticipated federal funds.	Restricted	95,000,000	(95,000,000)
<b>14. Eliminate Vulnerable Household Warmth Assistance</b>	<b>Gross</b>	<b>\$23,000,000</b>	<b>(\$23,000,000)</b>
Eliminates the Vulnerable Household Warmth Fund (VHWF), which was established by 2011 PA 274 and appropriated for by 2011 PA 275. The VHWF provided funding, through fiscal year 2012, for nonprofit organizations that were awarded grants under the LIEEF program by the PSC in Docket No. U-13129 to support energy assistance for low-income residents.	Restricted	13,000,000	(13,000,000)
	GF/GP	\$10,000,000	(\$10,000,000)
<b>15. State Employee One-Time Lump Sum Payments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$5,036,800</b>
Provides one-time funding for lump sum payments to state employees agreed to in 2011; 1% of salary for employees represented by a union and 2% of salary for employees not exclusively represented.	IDG	N/A	163,500
	Federal	N/A	2,815,400
	Restricted	N/A	1,880,400
	GF/GP	N/A	\$177,500
<b>16. Create Autism Coverage Fund</b>	FTE	N/A	2.0
Appropriates funding for the Autism Coverage Fund, created as a line item within a new appropriation unit, to support reimbursements for insurance carriers through the Autism Coverage Reimbursement Program established by 2012 PA 101, under which insurance carriers may seek reimbursement for claims associated with the diagnosis and treatment of autism spectrum disorders through an application process implemented by Office of Finance and Administrative Services within LARA; 1% of the appropriation may be expended for administrative costs.	<b>Gross</b>	<b>N/A</b>	<b>\$15,000,000</b>
	GF/GP	N/A	\$15,000,000
<b>17. Economics Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$25,214,200</b>
Reflects increased costs for negotiated salary and wage increases (1.902% overall), actuarially-required retirement benefit rate increases, reduced employer health insurance costs due to 20% employee contribution, decreased Workers' Compensation costs, increased property management expenses, and other incidental economic adjustments within LARA. Includes \$848,000 in economics adjustments for DTMB staff providing IT services to LARA.	IDG	N/A	862,500
	Federal	N/A	14,369,600
	Restricted	N/A	9,069,800
	GF/GP	N/A	\$912,300

**LICENSING AND REGULATORY AFFAIRS**

<b><u>Major Budget Changes From FY 2011-12 YTD Appropriations</u></b>		<b>FY 2011-12 YTD (as of 2/9/12)</b>	<b>Enacted Change from YTD</b>
<b>18. Various Fund Shifts</b>	<b>Gross</b>	<b>\$15,462,300</b>	<b>\$0</b>
Includes various fund shifts between and within line items and fund sources which all net out to zero gross, although some do shift between the types of fund sources. Some fund shifts reflect changes in the availability and categorization of funds, while others reflect changes to more accurately reflect program administration. (Includes a \$1.5 million fund shift from federal revenue to GF/GP for grants to Centers for Independent Living.)	IDG	1,435,000	(1,435,000)
	Federal	5,484,800	(4,364,600)
	Local	700,000	(700,000)
	Private	0	700,000
	Restricted	6,727,500	4,386,500
	GF/GP	\$1,115,000	\$1,413,100
<b>19. FTE True-Up</b>	FTE	4,378.3	(108.4)
Adjusts the number of appropriated FTEs throughout agencies within LARA to more accurately reflect the actual staffing practices of LARA.	<b>Gross</b>	<b>N/A</b>	<b>N/A</b>
<b>20. Eliminate/Extend Past Fee Increase Sunsets</b>	<b>Gross</b>	<b>N/A</b>	<b>\$0</b>
Assumes the elimination or extension of sunsets on various past fee increases, set to expire on September 30, 2012, on corporate and business filing fees collected under the Bureau of Commercial Services and numerous occupational registration and licensing fees collected under the Bureaus of Commercial Services and Construction Codes and the Office of Financial and Insurance Regulation. Based on LARA estimates, the elimination of fee sunsets will generate approximately \$16.2 million dollars in FY 2012-13.	Restricted	N/A	0

**Major Boilerplate Changes From FY 2011-12**

**Sec. 203. Definitions – REVISED**

Defines various terms and abbreviations used in the bill. Many definitions are deleted.

**Sec. 210. Deprived and Depressed Communities – DELETED**

Directs LARA to reasonably ensure that businesses in “deprived and depressed” communities compete for and perform contracts for service and supplies.

**Sec. 211. Information Technology Work Projects – REVISED**

Permits appropriations for Information Technology to be designated as work projects and carried forward. Revises LCC IT Upgrade work project anticipated amount and estimate completion date.

**Sec. 219. Office Space Consolidation Plan – NEW**

States that the Legislature intends to cooperate with the office space consolidation plan implemented by DTMB.

**Sec. 227. Sale of Documents – REVISED**

Permits LARA to sell various agency documents at the cost of production and stipulates that the revenues shall carry forward and be expended only on the costs of production and distribution. Deletes restriction of the expending of revenues.

**Sec. 230. Principal Measurable Outcomes – NEW**

Directs LARA to identify and rank 10 measurable outcomes by October 31, 2012 and provide biennial updates on efforts and improvements in those outcomes by April 1.

**Sec. 231. Transparency Website – REVISED**

Requires LARA to maintain, either by itself or centrally with the state, a searchable website accessible by the public at no cost, which includes various appropriation, procurement, and staffing information. Removes authorization for LARA to develop and maintain its own website and directs LARA to work with DTMB.

**Sec. 236 One-Time Lump Sum Payments Report – NEW**

Requires LARA to provide a report with information about every employee that receives a payment of more than \$1,000.

**Sec. 301. Fire Protection Grants – REVISED**

Directs LARA to expend funds in accordance with 1977 PA 289 and stipulates that local units of government are eligible for funds if they provide a specified report to LARA. Adds reporting requirements from Sec. 301a.

**Major Boilerplate Changes From FY 2011-12**

**Sec. 301a. Fire Protection Grant Report – DELETED**

Directs local units of government receiving funds in accordance with 1977 PA 289 to submit a report on the expenditures relating to fire protection of state-owned property and directs to provide a standard template for the report and a summary of the reports and transmit to the Legislature and SBO.

**Sec. 302a. Fire Safe Cigarette Fine Revenue – DELETED**

Appropriates funds credited to the Cigarette Fire Safety Standard and Firefighter Protection Act Fund created by 2009 PA 56 to be expended for purposes provided for in 2009 PA 56.

**Sec. 342. Training Grants to Mining Industry – VETOED**

Directs LARA to allocate not less than \$80,000 of MIOSHA Consultation, Education, and Training (CET) grants to nonprofit organizations representing the mining industry.

**Sec. 361. Low-Income Energy Efficiency Fund Program – DELETED**

Requires the PSC to provide a report on the distribution of funds for the LIEEF program and permits LARA to carry forward unexpended funds collected under the LIEEF program to the subsequent fiscal year.

**Sec. 390. Tax Tribunal Caseload Report – REVISED**

Requires the Tax Tribunal and MAHS to provide a report containing specified information about the caseload, dispositions, and backlog of tax tribunal cases to the Legislature and SBO. Adds new reporting requirements.

**Sec. 708. Quarterly Staff Reports From Nursing Facilities – DELETED**

Requires that nursing facilities' quarterly reports to LARA include the specified information and requires LARA to make the quarterly staff report available to the public.

**Sec. 714. Nursing Facility Complaint Investigations Report – REVISED**

Requires LARA to report the timeliness of nursing facility complaint investigations and the number of allegations that are substantiated on an annual basis to the Legislature and SBO and requires LARA to make every effort to contact complainants during the investigations. Adds the reporting requirements from Sec. 718.

**Sec. 716. Investigations of Health Care Professionals – DELETED**

Requires LARA to give priority to investigations of alleged wrongdoing by licensed health care professionals that are alleged to have occurred within two years of the initial complaint.

**Sec. 718. Nursing Home Complaint Deficiencies – DELETED**

Requires LARA to provide a report on frequently cited complaint deficiencies for nursing homes during the prior three fiscal years to the Legislature and SBO.

**Sec. 726. Medical Marihuana Program Fees – REVISED**

Requires LARA to provide a report of all information pertaining to the revenue and expenditures of the Medical Marihuana Program and other specified information to the Legislature and SBO and permits LARA to raise application and renewal fees if revenue is insufficient to offset expenses of the Program. Revises reporting requirements.

**Sec. 727. Outsource Medical Marihuana Program Administration – DELETED**

Requires LARA to establish and implement a bid process to identify a public or private contractor to administer the Medical Marihuana Program and requires LARA to transfer administration of the Program to the contractor by January 1.

**Sec. 729. Circulating Nurse Data – DELETED**

Permits hospitals and ambulatory surgical centers to report to LARA whether registered nurses serve as circulating nurses during surgical procedures and requires LARA to report on the data it receives to the Legislature.

**Sec. 732. Support for BHS Inspections of FSOFs – NEW**

Stipulates that the Bureau of Health Systems expend at least \$530,000 on the inspections of Freestanding Surgical Outpatient Facilities (FSOFs).

**Sec. 801. Autism Coverage Reimbursement Program – NEW**

Appropriates the money in the Autism Coverage Fund to be expended on the Autism Coverage Reimbursement Program as authorized by 2012 PA 101.

**Sec. 802. Autism Coverage Reimbursement Program Reporting Requirements – NEW**

Stipulates additional reporting requirements pertaining to the Autism Coverage Reimbursement Program authorized by 2012 PA 101.

TRANSPORTATION

**TRANSPORTATION  
Summary of FY 2012-13 Enacted Appropriations  
Article XVII, 2012 Public Act 200 (House Bill 5365)**

**Analyst: William E. Hamilton**

	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: Enacted From FY 2011-12 YTD	
						Amount	%
<b>IDG/IDT</b>	\$19,917,800	\$3,531,900	\$3,531,900	\$3,531,900	\$3,531,900	(\$16,385,900)	(83.3)
<b>Federal</b>	1,241,195,200	1,221,830,100	1,221,830,100	1,221,830,100	1,221,830,100	(19,365,100)	(1.6)
<b>Local</b>	53,968,500	52,080,200	52,080,200	52,080,200	52,080,200	(1,888,300)	(3.5)
<b>Private</b>	0	100,000	100,000	100,000	100,000	100,000	--
<b>Restricted</b>	2,029,355,700	2,055,548,100	2,165,548,100	2,161,548,100	2,165,645,300	136,289,600	6.7
<b>GF/GP</b>	500,000	119,000,000	23,000,000	23,000,000	23,000,000	22,500,000	4,500
<b>Gross</b>	<b>\$3,344,937,200</b>	<b>\$3,452,090,300</b>	<b>\$3,466,090,300</b>	<b>\$3,462,090,300</b>	<b>\$3,466,187,500</b>	<b>\$121,250,300</b>	<b>3.6</b>
<b>FTEs</b>	3,049.6	2,918.3	2,918.3	2,918.3	2,918.3	(131.3)	(4.3)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post-Employment Benefit prefunding under Senate Bill 683.  
(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

**Overview**

The Transportation budget supports state and local highway programs, public transportation programs, aeronautics programs, and administration of the Michigan Department of Transportation (MDOT). Approximately two-thirds of the revenue in this budget comes from state restricted revenue, with approximately one-third from federal sources. Almost all the state-restricted revenue in this budget is constitutionally-restricted – from motor fuel taxes and vehicle registration taxes. This revenue is first credited to the Michigan Transportation Fund (MTF) and then distributed in accordance with 1951 PA 51 (Act 51) to other state transportation funds and programs, including the State Trunkline Fund (STF) and the Comprehensive Transportation Fund (CTF), and to local road agencies. In addition, state aviation fuel taxes, and a portion of the Airport Parking Tax, are dedicated to the State Aeronautics Fund (SAF).

<u>Major Budget Changes From FY 2011-12 YTD Appropriations</u>		FY 2011-12 YTD (as of 2/9/12)	Enacted Change From YTD
<b>1. Debt Service</b>	<b>Gross</b>	<b>\$287,473,400</b>	<b>(\$47,198,900)</b>
Appropriates \$240.3 million for debt service, reflecting anticipated debt service schedules.	Federal	53,434,300	(7,567,600)
	Restricted	234,039,100	(39,631,300)
<b>2. Support Services by Other State Departments</b>	<b>Gross</b>	<b>\$51,748,900</b>	<b>(\$5,431,000)</b>
Appropriation of \$46.3 million for Interdepartmental Grants (IDGs) authorize the reimbursement of other state departments from restricted transportation funds for services provided to those transportation funds; includes \$20.0 million MTF to the Department of State for costs of registration tax collection program and \$2.5 million MTF to Department of Treasury for costs related to collection of motor fuel taxes.	Restricted	51,748,900	(5,431,000)
<b>3. Unclassified Salaries</b>	FTEs	6.0	0.0
Includes an additional \$97,000 (STF) as compared to current year.	<b>Gross</b>	<b>\$602,800</b>	<b>\$97,200</b>
	Restricted	602,800	97,200



**TRANSPORTATION**

<b><u>Major Budget Changes From FY 2011-12 YTD Appropriations</u></b>		<b>FY 2011-12 YTD (as of 2/9/12)</b>	<b>Enacted Change From YTD</b>
<b>4. State Trunkline Road and Bridge Construction</b>	<b>Gross</b>	<b>\$842,310,000</b>	<b>\$98,743,200</b>
Includes \$100.0 million additional STF revenue as compared to the Executive recommendation, in anticipation of passage Senate Bill 351. Senate Bill 351 would redirect part of the sales tax on gasoline from the state General Fund to the STF for FY 2012-13 only. The redirection is intended to provide matching funds for federal aid. Budget also reflects \$1.3 million reduction in baseline restricted revenue.	Federal	742,092,000	0
	Local	30,000,000	0
	Restricted	70,218,000	98,743,200
<b>5. Aeronautics Capital Projects</b>	<b>Gross</b>	<b>\$109,750,600</b>	<b>(\$2,017,400)</b>
Appropriation for Airport Safety, Protection, and Improvement reflects anticipated federal funding and SAF/local matching funds for the federal Airport Improvement Program. Includes an additional \$10.0 million SAF as compared to the Executive Recommendation in anticipation of passage of House Bill 4025; House Bill 4025 would redirect part of the sales tax on aviation fuel from the state General Fund to the SAF.	Federal	94,090,600	(11,907,500)
	Local	13,133,500	(1,988,300)
	Restricted	2,526,500	11,878,400
<b>6. State Employee Lump Sum Payment (One-Time)</b>	<b>Gross</b>	<b>N/A</b>	<b>\$3,260,800</b>
Represents appropriation for negotiated one-time lump sum payments to state employees.	IDG	N/A	14,800
	Restricted	N/A	3,246,800
<b>7. Federal Match - Transit Capital (One-Time)</b>	<b>Gross</b>	<b>N/A</b>	<b>\$12,000,000</b>
Includes one-time GF/GP appropriation to provide matching funds for federal transit grants; related boilerplate Sections 1001 and 1002.	GF/GP	N/A	\$12,000,000
<b>8. Federal Match - Rail Operations/Infrastructure (One-Time)</b>	<b>Gross</b>	<b>N/A</b>	<b>\$11,000,000</b>
Includes one-time GF/GP appropriation to provide matching funds for federal railroad operating and capital grants; related boilerplate Section 1002.	GF/GP	N/A	\$11,000,000

**Major Boilerplate Changes From FY 2011-12**

**Sec. 216. Privatization Notification Plan – DELETED**

Section had provided for reporting requirement on privatization efforts.

**Sec. 219. DTMB Office Space Plan – NEW**

Directs state executive branch agencies to cooperate with DTMB office space consolidation plan.

**Sec. 230. Measurable Outcomes Report – NEW**

Includes new reporting requirement on measurable outcomes.

**Sec. 306. Use of Transportation Funds by Other State Agencies/Biennial Audit – REVISED**

Sets guidelines for use of transportation funds (Interdepartmental Grants) by other state agencies; provides reporting requirements and biennial audit; does not include Subsection (3) which was specific to the Department of Treasury.

**Sec. 381. E-Verify for Legal Status of Contractor/Subcontractor Employees – NEW**

Requires the department to require contractors and subcontractors to use the E-Verify system to verify legal status of contractor and subcontractor employees. Provides reporting requirement.

**Sec. 382. State Airfleet Study – REVISED**

Indicates legislative intent that department and State Budget Office provide independent study of needs of state airfleet every five years.

**Sec. 384. New International Trade Crossing (NITC) – REVISED**

Restricts use of transportation revenue for NITC project; includes reference to completion of Gateway project. The Governor's signing letter asserted that this section is unenforceable.

**Sec. 393. Best Practices for Public Transportation – DELETED**

Current year section defining best practices for public transportation programs not included.

**Sec. 395. Gateway Project Completion – NEW**

Includes language which indicates legislative intent that the Gateway project be finished.

## **TRANSPORTATION**

### **Major Boilerplate Changes From FY 2011-12**

**Sec. 602. *Manufactured Pipe* – DELETED**

Does not include language from current year which provided standards for use and testing of manufactured pipe.

**Sec. 603. *Traffic Congestion* – REVISED**

Directed department to consider traffic congestion be used as criteria in project selection.

**Sec. 661. *Matching Federal-Aid Highway Funds* – NEW**

Indicates that of the funds appropriated from the STF for the state trunkline federal aid and road and bridge construction program, \$100.0 million represents estimated revenue from passage of Senate Bill 351 of the 2011-2012 legislative session and is intended to ensure that the state is able to match all available federal-aid highway funds.

**Sec. 701. *Intercity Bus Equipment Fund* – REVISED**

Provides for separate accounting and carryforward authority for this fund; modified to recognize intercity facilities.

**Sec. 714. *Local Transit Demand-Response Services* – DELETED**

Does not include current year language which had required the department, in cooperation with local transit agencies, to work to ensure that demand-response services are provided throughout Michigan.

**Sec. 734. *Transit Agency Service Performance Measures* – DELETED**

Does not include current year language which had directed the department to work to ensure that transit agencies meet certain service performance measures.

**Sec. 741. *Report on Bus Transit Roll-Over Safety Standards* – NEW**

Requires report on bus roll-over standards.

**Sec. 902. *Aeronautics Capital Program Status Report* – REVISED**

Adds House and Senate Fiscal Agencies as report recipients.

**Sec. 905. *Airport Improvement Program Matching Funds* – NEW**

Indicates that of the funds appropriated from the State Aeronautics Fund for airport safety, protection, and improvement, \$10.0 million represents estimated revenue from passage of House Bill 4025 of the 2011-2012 legislative session and is intended to ensure that the state is able to match all available federal airport improvement program grant funds.

**Sec. 1001. *One-Time Transit Capital* – NEW**

With regard to GF/GP transit capital grants, this new section directs the department give preference to projects for bus rehabilitation and to project applications from local transit agencies which recover not less than 20% of fixed route operating costs from farebox revenue. The requirement is limited to local public transit agencies with service populations greater than 50,000.

**Sec. 1002. *One-Time Transit/Rail General Fund Lapse* – NEW**

Directs that unexpended/unencumbered GF/GP funds lapse to the General Fund; establishes reporting requirement.

**FY 2012-13  
CONSENSUS REVENUE  
ESTIMATES**

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## **Consensus Revenue Estimates FY 2012-13**

**Senior Economist: Rebecca Ross**

This section describes the May 2012 Consensus Revenue Estimating Conference revenue estimates, adjusted for changes enacted for GF/GP and School Aid Fund (SAF) revenue for FY 2011-12 and FY 2012-13. Recently enacted tax changes include PA 223 and 224, which reduce the personal income tax rate to 4.25% (three months earlier than under the previous law) and increase the personal exemption.

For Michigan:

- ▶▶ Personal income is expected to increase 3.0% in 2012 and increase 2.6% in 2013.
- ▶▶ Wage and salary employment is expected to increase 1.6% in 2012 and increase 1.1% in 2013.
- ▶▶ The unemployment rate is expected to be 8.5% in 2012, and then decrease to 8.0% in 2013.

### **General Fund/General Purpose Revenue by Source**

#### ***Personal Income Tax***

- ▶▶ Michigan personal income tax revenue is forecast to increase 8.5% in FY 2011-12, and then increase 12.0% in FY 2012-13.
- ▶▶ GF/GP income tax revenue is expected to increase 9.4% in FY 2011-12, and then increase 14.7% to \$5,576.4 million in FY 2012-13.

#### ***Sales and Use Taxes***

- ▶▶ GF/GP sales and use tax revenue will increase from \$1,800.7 million in FY 2010-11 to \$1,898.8 million in FY 2011-12. In FY 2012-13, sales and use tax revenue is estimated to be \$1,969.4 million.

#### ***Michigan Business, Corporate Income and Insurance Taxes***

- ▶▶ The MBT and all of the corporate income tax plus insurance taxes accrue to the GF/GP.
- ▶▶ Net business taxes were \$1,617.8 million in FY 2010-11, and will decrease to \$1,481.9 million in FY 2011-12, then decrease 59.7% to \$597.9 million in FY 2012-13.

#### ***GF/GP Tax Revenue***

- ▶▶ Final GF/GP tax revenue totaled \$8,274.4 million in FY 2010-11.
- ▶▶ GF/GP tax revenue is expected to increase 4.4% to \$8,637.2 million in FY 2011-12 and decrease 1.1% to \$8,543.9 million in FY 2012-13.

#### ***Net GF/GP Revenue***

- ▶▶ Total net GF/GP revenue includes tax revenue and non-tax revenue.
- ▶▶ Non-tax revenue includes revenue from the liquor purchase revolving fund, federal aid, licenses and permits, and investment income and borrowing costs.
- ▶▶ Total GF/GP revenue was \$8,813.0 million in FY 2010-11.
- ▶▶ Net GF/GP revenue is expected to increase 2.9% to \$9,064.4 million in FY 2011-12 and to decrease 2.0% to \$8,878.9 million in FY 2012-13.

**GF/GP REVENUE ESTIMATES  
(Millions of Dollars)**

	Final			FY 2012-13 Over FY 2011-12	
	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>Change</u>	
Personal Income Tax	\$4,444.8	\$4,861.5	\$5,576.4	\$714.9	14.7%
Sales and Use Taxes	1,800.7	1,898.8	1,969.4	70.6	3.7%
MBT/CIT and Insurance Taxes	1,617.8	1,481.9	597.9	(884.0)	-59.7%
Other Taxes	411.1	395.0	400.2	5.2	1.3%
<b>GF/GP Tax Revenue</b>	<b>\$8,274.4</b>	<b>\$8,637.2</b>	<b>\$8,543.9</b>	<b>(\$93.3)</b>	<b>-1.1%</b>
Non-Tax Revenue	538.7	427.2	335.0	(92.2)	-21.6%
<b>Net GF/GP Revenue</b>	<b>\$8,813.0</b>	<b>\$9,064.4</b>	<b>\$8,878.9</b>	<b>(\$185.5)</b>	<b>-2.0%</b>

**SCHOOL AID FUND REVENUE ESTIMATES  
(Millions of Dollars)**

<u>Revenue</u>	Final			FY 2012-13 Over FY 2011-12	
	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>Change</u>	
Sales and Use Taxes	\$5,245.6	\$5,501.4	\$5,649.2	\$147.8	2.7%
Income Tax Earmark	1,972.5	2,103.4	2,227.1	123.7	5.9%
Lottery and Casinos	841.2	864.7	851.0	(13.7)	-1.6%
MBT	739.2	0.0	0.0	0.0	N/A
Tobacco Taxes	376.2	374.4	364.8	(9.6)	-2.6%
State Education Tax	1,845.1	1,807.1	1,829.4	22.3	1.2%
Real Estate Transfer Tax	123.2	124.9	133.6	8.7	7.0%
Liquor Excise and Specific Taxes	105.2	100.3	102.2	1.9	1.9%
<b>Net SAF Revenue</b>	<b>\$11,248.1</b>	<b>\$10,876.2</b>	<b>\$11,157.4</b>	<b>\$281.2</b>	<b>2.6%</b>

**School Aid Fund Revenue by Source**

***Sales and Use Taxes***

- ▶ Combined sales and use tax revenue dedicated to the SAF equaled \$5,245.6 million in FY 2010-11; it is forecast to increase to \$5,501.4 million in FY 2011-12 and to increase 2.7% to \$5,649.2 million in FY 2012-13.

***Income Tax***

- ▶ Approximately 26% of gross income tax collections are dedicated to the SAF.
- ▶ SAF dedicated income tax revenue is forecast to increase 6.6% to \$2,103.4 million in FY 2011-12 and increase 5.9% to \$2,227.1 million in FY 2012-13.

***Lottery/Casinos***

- ▶ Lottery and casino revenue contributed \$841.2 million to the SAF in FY 2010-11.
- ▶ Lottery and casino revenue to the SAF is projected to increase 2.8% to \$864.7 million in FY 2011-12, and decrease 1.6% to \$851.0 million in FY 2012-13.

***Tobacco Taxes***

- ▶ Approximately 40% of gross tobacco tax revenue is dedicated to the SAF.
- ▶ The SAF received \$376.2 million from tobacco taxes in FY 2010-11.

**CONSENSUS REVENUE**

- ▶▶ The demand for tobacco products is expected to decline over the duration of the forecast, total SAF tobacco tax revenue is expected to decrease 0.5% to \$374.4 million in FY 2011-12 and decline 2.6% to \$364.8 million in FY 2012-13.

***State Education Tax/Real Estate Transfer Tax***

- ▶▶ All of the 6-mill state education tax (SET) and the real estate transfer tax (RET) is dedicated to the SAF.
- ▶▶ Revenue from the SET was \$1,845.1 million in FY 2010-11.
- ▶▶ SET revenue is expected to decrease 2.1% to \$1,807.1 million in FY 2011-12 and increase 1.2% to \$1,829.4 million in FY 2012-13.
- ▶▶ RET contributed \$123.2 million to the SAF in FY 2010-11, and is forecast to contribute \$124.9 million in FY 2011-12 and \$133.6 million in FY 2012-13.

***Net SAF Revenue***

- ▶▶ Net SAF revenue represents revenue available for expenditure each year; it includes tax changes but does not include any GF/GP transfers, federal funds or year-end balances.
- ▶▶ Net SAF revenue was \$11,248.1 million in FY 2010-11; it is expected to decrease 3.3% to \$10,876.2 million in FY 2011-12, then increase 2.6% to \$11,157.4 million in FY 2012-13.

**HFA Estimates of Year-End Balances**

The following table reports House Fiscal Agency estimates of year-end balances for GF/GP, the SAF, and the Budget Stabilization Fund (BSF).

**YEAR-END BALANCE ESTIMATES  
(Millions of Dollars)**

	<b><u>FY 2011-12</u></b>	<b><u>FY 2012-13</u></b>
General Fund/General Purpose	\$744.1	\$25.6
School Aid Fund	\$194.6	(\$8.1)
Budget Stabilization Fund	\$364.9	\$508.6

Year-end estimates notes:

- ▶▶ FY 2011-12 estimates for GF/GP and the SAF are based on consensus revenue estimates and enacted tax changes, year-to-date appropriations, and target agreements.
- ▶▶ SAF revenue is restricted; hence, any year-end balance is carried forward to the subsequent year.
- ▶▶ BSF estimates are based on current balance estimates provided by the Michigan Department of Technology, Management, and Budget and HFA estimates of future deposits and interest earned.

**Budget Stabilization Fund Year-End Balances**

The following table notes BSF deposits, withdrawals, and interest earnings from FY 1999-00 to FY 2010-11, and HFA estimates of deposits, expected interest earnings, and year-end balances for FY 2011-12 and FY 2012-13. A complete list of BSF historical data is available from the HFA upon request.

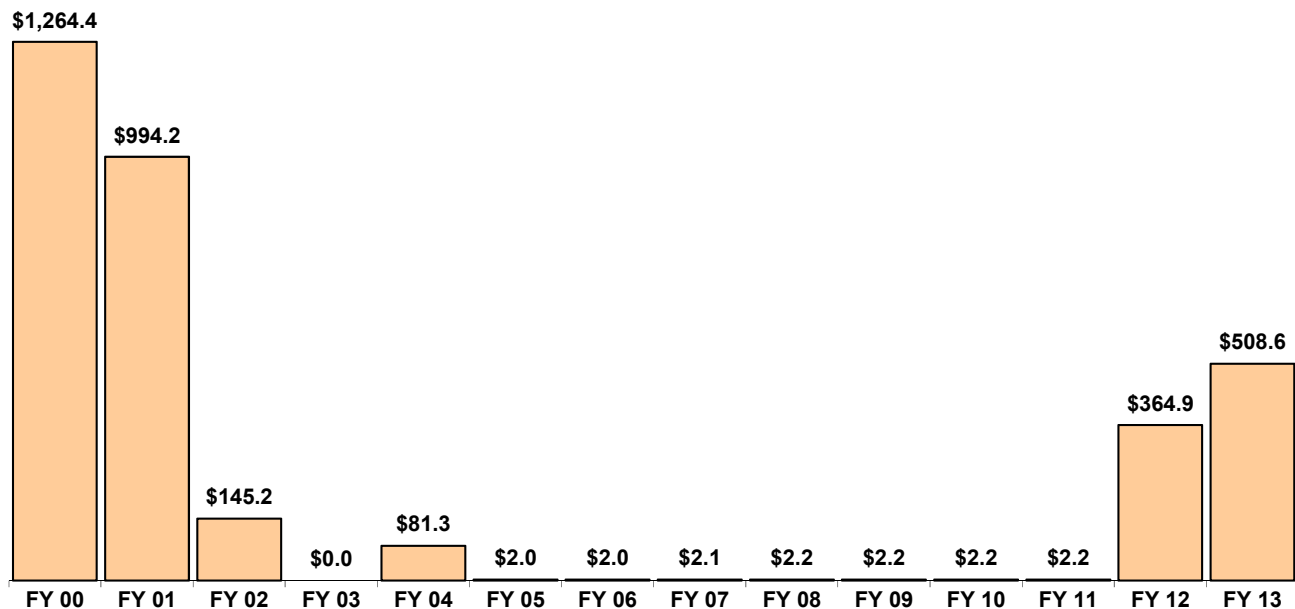
The final BSF fund balance was \$2.2 million for FY 2010-11. Pursuant to Public Act (PA) 63 of 2011 and PA 89 of 2012, a total of \$362.7 million will be deposited into the BSF at the end of FY 2011-12. Also, a target agreement is expected to result in a deposit of \$140.0 million at the end of FY 2012-13. The fund balance is forecast to be \$364.9 million for FY 2011-12 and \$508.6 million for FY 2012-13.

**BUDGET STABILIZATION FUND HISTORY  
(Millions of Dollars)**

<b><u>Fiscal Year</u></b>	<b><u>Deposits</u></b>	<b><u>Withdrawals</u></b>	<b><u>Interest Earned</u></b>	<b><u>Balance</u></b>
1999-2000	100.0	132.0	73.9	1,264.4
2000-01	0.0	337.0	66.7	994.2
2001-02	0.0	869.8	20.8	145.2
2002-03	0.0	156.1	10.9	0.0
2003-04	81.3	0.0	0.0	81.3
2004-05	0.0	81.3	2.0	2.0
2005-06	0.0	0.0	0.0	2.0
2006-07	0.0	0.0	0.1	2.1
2007-08	0.0	0.0	0.1	2.2
2008-09	0.0	0.0	0.1	2.2
2009-10	0.0	0.0	0.0	2.2
2010-11	0.0	0.0	0.0	2.2
2011-12	362.7	0.0	0.1	364.9
2012-13	140.0	0.0	3.7	508.6

*NOTE: Numbers may not add due to rounding.*

**Budget Stabilization Fund (BSF) Balance  
(Millions of Dollars)**



**CONSENSUS REVENUE**

**Compliance With the State Revenue Limit**

HFA estimates of the state revenue limit provided for in Article IX, Section 26, *Constitution of the State of Michigan*, and estimates of total state revenue collections subject to the state revenue limit are shown in the following table. As provided for in the Constitution, the revenue limit is calculated as 9.49% of total state personal income in the previous full calendar year (CY) prior to the fiscal year in which the revenue is measured, as estimated by the Bureau of Economic Analysis, United States Department of Commerce.

**COMPLIANCE WITH THE STATE REVENUE LIMIT  
(Millions of Dollars)**

<b><u>Revenue Limit Calculations</u></b>	<b><u>FY 2010-11</u></b>	<b><u>FY 2011-12</u></b>	<b><u>FY 2012-13</u></b>
Personal Income	CY 2009	CY 2010	CY 2011
Amount	\$342,302	\$342,663	\$360,482
X Limit Ratio	9.49%	9.49%	9.49%
<b>State Revenue Limit</b>	<b>32,484.5</b>	<b>32,518.7</b>	<b>34,209.7</b>
<b>Total Revenue Subject to Revenue Limit</b>	<b>\$26,333.5</b>	<b>\$26,512.3</b>	<b>\$26,908.5</b>
<b>Amount (Under) Over State Revenue Limit</b>	<b>(\$6,151.0)</b>	<b>(\$6,006.4)</b>	<b>(\$7,301.2)</b>

**Implications of Exceeding the State Revenue Limit**

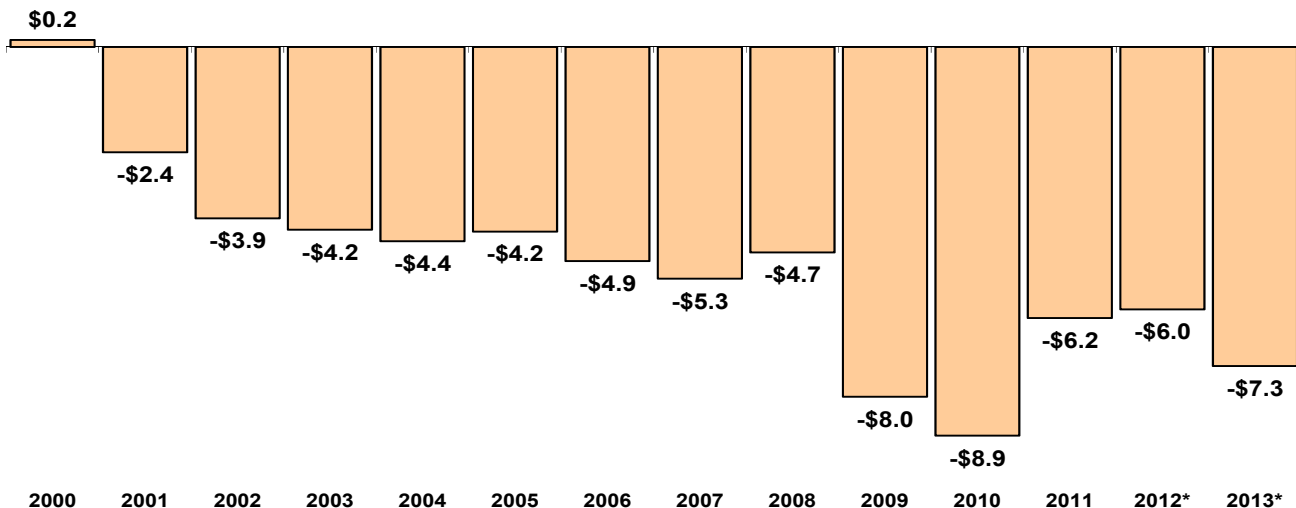
Article IX, Section 26, *Constitution of the State of Michigan*, provides that:

... For any fiscal year in the event that Total State Revenue exceed the limit established in this section by 1% or more, the excess revenues shall be refunded pro rata based on the liability reported on the Michigan income tax and single business tax (or its successor tax or taxes) annual returns filed following the close of such fiscal year. If the excess is less than 1%, this excess may be transferred to the State Budget Stabilization Fund . . .

Furthermore, the state is prohibited from spending any current year revenue in excess of the limit established in Section 26 by Article IX, Section 28.

The FY 2010-11 revenue limit calculation indicates that the state revenue collections will be under the revenue limit by \$6.2 billion. For both FY 2011-12 and FY 2012-13, state revenue is estimated to be substantially below the revenue limit—by \$6.0 billion and \$7.3 billion, respectively.

**Constitutional Revenue Limit  
(Billions of Dollars)**



\*2012 and 2013 are consensus estimates





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