

**ALL GENERAL GOVERNMENT  
Summary: As Passed by the House  
Senate Bill 245 (H-1)**

**Analysts: Robin R. Risko and Viola Bay Wild**

	FY 2008-09 YTD	FY 2009-10 Executive	FY 2009-10 Senate	FY 2009-10 House	FY 2009-10 Enacted	Difference: House From FY 2008-09 YTD	
						Amount	%
<b>IDG/IDT</b>	\$656,022,900	\$644,343,900	\$620,696,000	\$638,339,900		(\$17,683,000)	(2.7)
<b>Federal</b>	118,833,200	116,844,500	116,094,500	115,994,600		(2,838,600)	(2.4)
<b>Local</b>	3,098,000	3,554,000	3,554,000	3,554,000		456,000	14.7
<b>Private</b>	1,265,700	1,275,700	1,275,700	1,275,700		10,000	0.8
<b>Restricted</b>	1,706,587,700	1,737,614,500	1,596,847,000	1,672,032,100		(34,555,600)	(2.0)
<b>GF/GP</b>	665,008,600	686,704,900	637,609,600	650,398,000		(14,610,600)	(2.2)
<b>Gross</b>	<b>\$3,150,816,100</b>	<b>\$3,190,337,500</b>	<b>\$2,976,076,800</b>	<b>\$3,081,594,300</b>		<b>(\$69,221,800)</b>	<b>(2.2)</b>
<b>FTEs</b>	7,511.7	7,494.7	7,469.7	7,485.7		(26.0)	(0.3)

Note: FY 2008-09 figures reflect supplementals and Executive Order (EO) actions through January 31, 2009.

**Overview of All General Government Departments**

The following departmental and agency budgets are included in this budget bill: Executive Office, Legislature, Legislative Auditor General, and the Departments of Attorney General, Civil Rights, Information Technology, Management and Budget (including Civil Service), State, and Treasury (including Lottery, Gaming Control Board, and Michigan Strategic Fund). The Department of Treasury budget also includes revenue sharing payments to local units of government and general obligation debt service. A summary of major budget issues are listed by department on the following pages.

**Major Boilerplate Changes From FY 2008-09**

**GENERAL SECTIONS OF BOILERPLATE**

**Sec. 205. Hiring Freeze – RETAINED**

Imposes a hiring freeze on the state classified civil service; authorizes the Attorney General, Secretary of State, and State Budget Director to grant exceptions; and requires a quarterly report on number of exceptions approved. **Executive** deletes current-year language; **Senate** and **House** retain current-year language.

**Sec. 212. Receipt and Retention of Copies of Required Reports – RETAINED**

Requires departments to receive and retain copies of all reports required in the bill, and requires federal and state guidelines for short-term and long-term retention of records be followed. **Executive** deletes current-year language; **Senate** and **House** retain current-year language.

**Sec. 215. Disciplinary Action Against State Employees – RETAINED**

Prohibits departments from taking disciplinary action against employees for communicating with members of the Legislature and their staffs. **Executive** deletes current-year language; **Senate** and **House** retain current-year language.

**Sec. 216 (2). Out-of-State Travel Restrictions – DELETED**

Authorizes State Budget Director to grant exceptions to allow out-of-state travel and requires a monthly report on exceptions made. **Executive**, **Senate**, and **House** delete current-year language.

**Sec. 217. General Fund Restrictions – RETAINED**

Prohibits use of general fund appropriations where federal funding is available for the same purpose. **Executive** deletes current-year language; **Senate** and **House** retain current-year language.

**Sec. 221. Report on Policy Changes – RETAINED**

Requires departments to report on policy changes made in order to implement public acts and prohibits funding from being used for adopting rules that apply to small businesses and have disproportionate economic impact on small businesses. **Executive** deletes current-year language; **Senate** and **House** retain current-year language.

**Major Boilerplate Changes From FY 2008-09**

**GENERAL SECTIONS OF BOILERPLATE (Continued)**

**Sec. 224. *Travel Restrictions* – DELETED**

Prohibits departments from approving travel by more than one employee to professional development conferences or training seminars located outside of the state unless funded with federal or private funds. **Executive, Senate, and House** delete current-year language.

**Sec. 220. *Political Action Committees* – NEW (Added by Senate)**

Prohibits funding from being used to establish, operate, or administer a payroll deduction plan that enables classified state employees to make contributions to either a committee or a political organization. **Executive and House** do not include.

**Sec. 227. *No-Bid Contracts* – NEW (Added by Senate)**

Prohibits departments from entering into no-bid contracts for greater than \$500,000 unless there are no other bidders. **Executive and House** do not include.

**Sec. 228. *General Fund Lapses* – NEW (Added by Senate)**

Requires departments to report on estimates of general fund lapses at the close of the fiscal year. **Executive** does not include; **House** includes.

**Sec. 229. *Report on FTEs* - NEW (Added by House)**

Requires the departments to report on a bimonthly basis on the number of FTEs in pay status by civil service classification. **Executive and Senate** do not include.

**Sec. 230. *Transparency Language* - NEW (Added by House)**

Requires the executive departments and agencies to develop, post, and maintain, on a publicly accessible Internet site, all expenditures made by the departments and agencies, to include the purpose for which each expenditure is made. **Executive and Senate** do not include.

**ATTORNEY GENERAL**  
**Summary: As Passed by the House**  
**Senate Bill 245 (H-1)**

Analyst: Viola Bay Wild

	FY 2008-09 YTD	FY 2009-10 Executive	FY 2009-10 Senate	FY 2009-10 House	FY 2009-10 Enacted	Difference: House From FY 2008-09 YTD	
						Amount	%
<b>IDG/IDT</b>	\$24,301,000	\$24,744,100	\$21,289,800	\$21,289,800	\$0	(\$3,011,200)	(12.4)
<b>Federal</b>	8,050,800	8,177,800	8,277,800	8,177,800	0	127,000	1.6
<b>Local</b>	0	0	0	0	0	0	0.0
<b>Private</b>	0	0	0	0	0	0	0.0
<b>Restricted</b>	11,927,600	11,916,700	15,521,000	15,371,000	0	3,443,400	28.9
<b>GF/GP</b>	31,648,000	31,983,300	28,785,000	28,818,300	0	(2,829,700)	(8.9)
<b>Gross</b>	<b>\$75,927,400</b>	<b>\$76,821,900</b>	<b>\$73,873,600</b>	<b>\$73,656,900</b>	<b>\$0</b>	<b>(\$2,270,500)</b>	<b>(3.0)</b>
<b>FTEs</b>	543.0	543.0	543.0	543.0	0.0	0.0	0.0

Note: FY 2008-09 figures reflect supplementals and Executive Order (EO) actions through January 31, 2009.

**Overview**

The Attorney General (AG) serves as legal counsel for state departments, agencies, boards, 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 offering justice to victims of crime and delivering excellent legal services at a minimum cost to taxpayers.

**Major Budget Changes From FY 2008-09 YTD Appropriations**

		FY 2008-09 YTD	Executive Change From YTD	Senate Change From YTD	House Change From YTD
<b>1. Executive Order 2008-21 Reductions</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$160,700)</b>	<b>(\$160,700)</b>	<b>(\$160,700)</b>
The <b>Executive</b> reduces funding for Attorney General Operations by \$160,700 Gross to annualize the 2.0% GF/GP reduction taken by E.O. 2008-21 into FY 2010. The <b>Senate</b> and <b>House</b> concur with the Executive.	<b>GF/GP</b>	<b>N/A</b>	<b>(\$160,700)</b>	<b>(\$160,700)</b>	<b>(\$160,700)</b>
<b>2. Microsoft Upgrade / DIT Reduction</b>	<b>Gross</b>	<b>N/A</b>	<b>\$68,700</b>	<b>\$68,700</b>	<b>\$68,700</b>
The <b>Executive</b> increases funding by \$80,800 GF/GP for software upgrade of Microsoft Office Professional 2007 and reduces funding by \$12,100 GF/GP for virtual storage savings and DIT 2.0% administrative reduction. The <b>Senate</b> and <b>House</b> concur with the Executive.	<b>GF/GP</b>	<b>N/A</b>	<b>\$68,700</b>	<b>\$68,700</b>	<b>\$68,700</b>
<b>3. Private Rent Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$32,000</b>	<b>\$32,000</b>	<b>\$32,000</b>
The <b>Executive</b> includes funding increase of \$32,000 GF/GP due to increased rent costs of privately owned buildings leased by the Department in East Lansing, Lansing, and Petoskey. The <b>Senate</b> and <b>House</b> concur with the Executive.	<b>GF/GP</b>	<b>N/A</b>	<b>\$32,000</b>	<b>\$32,000</b>	<b>\$32,000</b>
<b>4. Internal Audit Consolidation</b>	<b>Gross</b>	<b>\$47,900</b>	<b>(\$47,900)</b>	<b>(\$47,900)</b>	<b>(\$47,900)</b>
The <b>Executive</b> reduces funding by \$47,900 GF/GP to reflect the transfer of internal audit functions to DMB pursuant to E.O. 2007-31. The <b>Senate</b> and <b>House</b> concur with Executive.	<b>GF/GP</b>	<b>\$47,900</b>	<b>(\$47,900)</b>	<b>(\$47,900)</b>	<b>(\$47,900)</b>

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		FY 2008-09 YTD	Executive Change From YTD	Senate Change From YTD	House Change From YTD
<b>5. Economic Adjustments</b>	<b>Gross</b>	N/A	\$1,152,400	\$1,152,400	\$1,152,400
The <b>Executive</b> increases funding by \$1.14 million Gross and \$426.0 GF/GP for economics which includes salaries and wages, retirement, building occupancy charges, and insurances costs. An additional \$17,200 GF/GP is appropriated for DIT economics. The <b>Senate</b> and <b>House</b> concur with the Executive.					
	IDG	N/A	433,100	433,100	433,100
	Federal	N/A	127,000	127,000	127,000
	Restricted	N/A	149,100	149,100	149,100
	GF/GP	N/A	\$443,200	\$443,200	\$443,200
<b>6. Prosecuting Attorney Coordinating Council (PACC)</b>	<b>Gross</b>	N/A	\$0	\$100,000	\$0
The <b>Senate</b> increases Federal authorization for the PACC in anticipation of additional federal revenue.					
	Federal	N/A	\$0	\$100,000	\$0
<b>7. Funding Reductions</b>	<b>Gross</b>	N/A	\$0	(\$3,048,300)	(\$3,169,200)
The <b>Senate</b> reduces funding in the following lines: Operations by \$2.9 million, Child Support Enforcement by \$64,000, and PACC by \$95,900. The <b>House</b> reduces funding in the following lines: Operations by \$3.0 million, Child Support Enforcement by \$67,500, and IT by \$85,800.					
	GF/GP	N/A	\$0	(\$3,048,300)	(\$3,169,200)

#### Major Boilerplate Changes From FY 2008-09

##### **Sec. 307. Antitrust Revenue – REVISED**

Appropriates additional antitrust, securities fraud, consumer protection or class action enforcement revenue, or attorney fees recovered by the AG, up to \$250,000 to Department. The **Executive**, **Senate** and **House** include new language that allows carryforward of unexpended funds, up to \$250,000.

##### **Sec. 311. Medicaid False Claims - NOT INCLUDED**

The **Senate** included language that allowed for the expenditure of money received by the Department under the Medicaid False Claims Act. The **Executive** and **House** did not include language.

##### **Sec. 312. Legal Services Costs – REVISED**

The **Executive** Includes new language that states the Department may not receive or expend funds in addition to amounts authorized in part 1 for legal services provided specifically to other state departments or agencies except for costs for expert witnesses, court costs, or other nonsalary litigation expenses unless they are authorized by a supplemental appropriation or transfer. The **House** concurred with the Executive; the **Senate** deletes current-year language.

##### **Sec. 313. Settlement and Penalty Revenue – NEW**

The **House** includes new language that require that any money or proceeds received by the Department for debts, penalties, or lawsuit settlements may not be expended until appropriated; prohibits Department from agreeing to accept payment or benefits to a third party as part of a settlement; requires report.

##### **Sec. 314. Special Attorney Generals – NEW**

The **House** includes new language that requires Department to report the names, addresses and compensation of special attorneys general.

##### **Sec. 315. Complaint Report – NEW**

The **House** includes new language that requires Department to annually report the number of complaints investigated and number of violations prosecuted concerning the Michigan Occupational Safety and Health Act.

##### **Sec. 316. Legal Services Costs – NEW**

The **House** includes new language that requires Department to report on the complaints received, complaints investigated, and number of court actions concerning the pricing and advertising of consumer items.

**CIVIL RIGHTS**  
**Summary: As Passed by the House**  
**Senate Bill 245 (H-1)**

**Analyst: Robin R. Risko**

	FY 2008-09 YTD	FY 2009-10 Executive	FY 2009-10 Senate	FY 2009-10 House	FY 2009-10 Enacted	Difference: House From FY 2008-09 YTD	
						Amount	%
<b>IDG/IDT</b>	\$0	\$0	\$0	\$0		\$0	0.0
<b>Federal</b>	2,057,300	2,057,300	2,057,300	2,057,300		0	0.0
<b>Local</b>	0	0	0	0		0	0.0
<b>Private</b>	0	0	0	0		0	0.0
<b>Restricted</b>	0	0	0	0		0	0.0
<b>GF/GP</b>	12,231,700	12,320,100	11,088,100	11,097,100		(1,134,600)	(9.3)
<b>Gross</b>	<b>\$14,289,000</b>	<b>\$14,377,400</b>	<b>\$13,145,400</b>	<b>\$13,154,400</b>		<b>(\$1,134,600)</b>	<b>(7.9)</b>
<b>FTEs</b>	130.0	130.0	130.0	130.0		0.0	0.0

Note: FY 2008-09 figures reflect supplementals and Executive Order (EO) actions through January 31, 2009.

**Overview**

The Michigan Civil Rights Commission is charged with investigating alleged discrimination against any person because of religion, race, color, or national origin, and is directed to "secure the equal protection of such civil rights without such discrimination." The Michigan Department of Civil Rights serves as the administrative arm charged with implementing policies of the Commission. The Department provides 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 2008-09 YTD**

**Appropriations**

**1. Internal Auditor Transfer**

Reflects a savings due to the transfer of internal audit services to the Department of Management and Budget.

	FY 2008-09 YTD	Executive Change From YTD	Senate Change From YTD	House Change From YTD
<b>Gross</b>	<b>\$68,700</b>	<b>(\$68,700)</b>	<b>(\$68,700)</b>	<b>(\$68,700)</b>
GF/GP	\$68,700	(\$68,700)	(\$68,700)	(\$68,700)

**2. Administrative Efficiencies**

Reflects a savings to be achieved by not filling vacant FTE positions and by reducing expenditures for contractual services, supplies, and materials and information technology.

	FY 2008-09 YTD	Executive Change From YTD	Senate Change From YTD	House Change From YTD
<b>Gross</b>	<b>N/A</b>	<b>(\$62,100)</b>	<b>(\$62,100)</b>	<b>(\$62,100)</b>
GF/GP	N/A	(\$62,100)	(\$62,100)	(\$62,100)

**3. Microsoft Upgrade**

Includes additional funding for software upgrade to Microsoft Office Professional 2007 from Microsoft Office 2002.

	FY 2008-09 YTD	Executive Change From YTD	Senate Change From YTD	House Change From YTD
<b>Gross</b>	<b>N/A</b>	<b>\$22,600</b>	<b>\$22,600</b>	<b>\$22,600</b>
GF/GP	N/A	\$22,600	\$22,600	\$22,600

**4. Economic Adjustments**

Includes additional funding for salary and wage, insurance, retirement, and workers' compensation premium costs (\$222,700 GF/GP); reduces funding for building occupancy and rent charges (\$26,100 GF/GP).

	FY 2008-09 YTD	Executive Change From YTD	Senate Change From YTD	House Change From YTD
<b>Gross</b>	<b>N/A</b>	<b>\$196,600</b>	<b>\$196,600</b>	<b>\$196,600</b>
GF/GP	N/A	\$196,600	\$196,600	\$196,600

**5. GF/GP Reductions**

Reduces general fund support for department operations; **Senate** by 10.4% from current-year; **House** by 10.3%.

	FY 2008-09 YTD	Executive Change From YTD	Senate Change From YTD	House Change From YTD
<b>Gross</b>	<b>\$11,898,300</b>	<b>\$0</b>	<b>(\$1,232,000)</b>	<b>(\$1,223,000)</b>
GF/GP	\$11,898,300	\$0	(\$1,232,000)	(\$1,223,000)

**Major Boilerplate Changes From FY 2008-09**

None

**EXECUTIVE OFFICE**  
**Summary: As Passed by the House**  
**Senate Bill 245 (H-1)**

**Analyst: Robin R. Risko**

	FY 2008-09 YTD	FY 2009-10 Executive	FY 2009-10 Senate	FY 2009-10 House	FY 2009-10 Enacted	Difference: House From FY 2008-09 YTD	
						Amount	%
<b>IDG/IDT</b>	\$0	\$0	\$0	\$0		\$0	0.0
<b>Federal</b>	0	0	0	0		0	0.0
<b>Local</b>	0	0	0	0		0	0.0
<b>Private</b>	0	0	0	0		0	0.0
<b>Restricted</b>	0	0	0	0		0	0.0
<b>GF/GP</b>	5,317,300	5,317,300	4,823,700	4,824,300		(493,000)	(9.3)
<b>Gross</b>	<b>\$5,317,300</b>	<b>\$5,317,300</b>	<b>\$4,823,700</b>	<b>\$4,824,300</b>		<b>(\$493,000)</b>	<b>(9.3)</b>
<b>FTEs</b>	84.2	84.2	84.2	84.2		0.0	0.0

*Note: FY 2008-09 figures reflect supplementals and Executive Order (EO) actions through January 31, 2009.*

**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 annual preparation and submission of the Executive budget. Divisions within the Governor's Office include: Legal, Operations, Community-Based Initiatives, Appointments, Constituent Services, Policy, Communications, Legislative Affairs, Scheduling, Special Projects, and the Governor's Washington D.C., Southeastern Michigan, and Upper Peninsula Offices.

**Major Budget Changes From FY 2008-09 YTD Appropriations**

	FY 2008-09 YTD	Executive Change From YTD	Senate Change From YTD	House Change From YTD
<b>1. GF/GP Reductions</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$493,600)</b>	<b>(\$493,000)</b>
Reduces general fund support for Executive Office operations; <b>Senate</b> and <b>House</b> by 11.8% from current-year.	GF/GP	\$4,166,600	(\$493,600)	(\$493,000)

**Major Boilerplate Changes From FY 2008-09**

There is no boilerplate for the Executive Office.

**INFORMATION TECHNOLOGY**  
**Summary: As Passed by the House**  
**Senate Bill 245 (H-1)**

Analyst: Viola Bay Wild

	FY 2008-09 YTD	FY 2009-10 Executive	FY 2009-10 Senate	FY 2009-10 House	FY 2009-10 Enacted	Difference: House From FY 2008-09 YTD	
						Amount	%
<b>IDG/IDT</b>	\$431,421,900	\$423,318,400	\$404,134,800	\$421,778,700	\$0	(\$9,643,200)	(2.2)
<b>Federal</b>	0	0	0	0	0	0	0.0
<b>Local</b>	0	0	0	0	0	0	0.0
<b>Private</b>	0	0	0	0	0	0	0.0
<b>Restricted</b>	0	0	0	0	0	0	0.0
<b>GF/GP</b>	0	0	0	0	0	0	0.0
<b>Gross</b>	<b>\$431,421,900</b>	<b>\$423,318,400</b>	<b>\$404,134,800</b>	<b>\$421,778,700</b>	<b>\$0</b>	<b>(\$9,643,200)</b>	<b>(2.2)</b>
<b>FTEs</b>	1,660.0	1,635.0	1,633.0	1,644.0	0.0	(16.0)	(1.0)

Note: FY 2008-09 figures reflect supplementals and Executive Order (EO) actions through January 31, 2009.

**Overview**

The Department of Information Technology (DIT) acts as a general contractor between the state's information technology (IT) users and private sector providers of IT products and services: application development and maintenance; desktop, mainframe, server, and local area network computer support and management; contract, project, and procurement planning; telecommunication services; security; and software and software licensing. The DIT uses existing technology funds and state employees from within the other 19 executive branch departments and agencies. Each state department and agency requests spending authority to fund IT-related activities and pays for technology services rendered by DIT through an interdepartmental grant; administration of fund sources remains with each state department/agency.

**Major Budget Changes From FY 2008-09 YTD**  
**Appropriations**

		FY 2008-09 YTD	Executive Change From YTD	Senate Change From YTD	House Change From YTD
<b>1. Statewide Microsoft Office Upgrade</b>	<b>Gross</b>	<b>N/A</b>	<b>\$6,900,000</b>	<b>\$6,900,000</b>	<b>\$6,900,000</b>
The <b>Executive</b> includes additional funding of \$6.9 million Gross for software upgrade; current Microsoft software will be out of warranty in 2010 and will no longer have support and updates for users. Funding will be used to purchase Microsoft Office Professional 2007 and license applications to provide statewide software standardization, reduce security risks, and allow DIT remote desktop service management. <b>Senate</b> and <b>House</b> concur with Executive.	<b>IDG</b>	<b>N/A</b>	<b>6,900,000</b>	<b>6,900,000</b>	<b>6,900,000</b>
<b>2. Michigan Business Portal</b>	<b>FTEs</b>	<b>N/A</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>
The <b>Executive</b> includes 5.0 FTEs and \$963,200 Gross funding for the Michigan Business One Stop Portal. Website to be available in spring of 2009 to help centralize and streamline all aspects of doing business in Michigan. <b>Senate</b> and <b>House</b> concur with Executive.	<b>Gross</b>	<b>N/A</b>	<b>\$963,200</b>	<b>\$963,200</b>	<b>\$963,200</b>
	<b>IDG</b>	<b>N/A</b>	<b>963,200</b>	<b>963,200</b>	<b>963,200</b>

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		<u>FY 2008-09 YTD</u>	<u>Executive Change From YTD</u>	<u>Senate Change From YTD</u>	<u>House Change From YTD</u>
<b>3. Electronic Files Archives</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$1,200,000)</b>	<b>(\$1,200,000)</b>	<b>(\$1,200,000)</b>
The <b>Executive</b> reduces funding by \$1.2 million Gross for savings in the way electronic files are archived; new program moves files to a virtual environment. <b>Senate</b> and <b>House</b> concur with Executive.	IDG	N/A	(1,200,000)	(1,200,000)	(1,200,000)
<b>4. Executive Order 2008-21 Reductions</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$288,500)</b>	<b>(\$288,500)</b>	<b>(\$288,500)</b>
The <b>Executive</b> reduces funding by \$288,500 Gross to annualize the 2.0% GF/GP reduction taken by E.O. 2008-21 into FY 2010. <b>Senate</b> and <b>House</b> concur with Executive.	IDG	N/A	(288,500)	(288,500)	(288,500)
<b>5. Department of History, Arts and Libraries (DHAL) Transfer</b>	FTEs	N/A	2.0	0.0	0.0
	<b>Gross</b>	<b>N/A</b>	<b>\$182,200</b>	<b>\$0</b>	<b>\$0</b>
The <b>Executive</b> increases funding by \$216,000 Gross and adds 2.0 FTE positions to reflect transfer of Demographics and Census Data program to DIT; reduces funding by \$33,800 Gross for transfer of Cultural Economics Development program from DHAL to MSF.	IDG	N/A	182,200	0	0
<b>6. Economic Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$3,722,100</b>	<b>\$3,722,100</b>	<b>\$3,722,100</b>
The <b>Executive</b> increases funding by \$3.7 million IDG for economics which includes salaries and wages, retirement, building occupancy charges, and insurance costs. <b>Senate</b> and <b>House</b> concur with Executive.	IDG	N/A	3,722,100	3,722,100	3,722,100
<b>7. Current Services Base Adjustments</b>	FTEs	N/A	(32.0)	N/A	N/A
	<b>Gross</b>	<b>N/A</b>	<b>(\$17,381,100)</b>	<b>N/A</b>	<b>N/A</b>
The <b>Executive</b> adjusts funding to more accurately reflect IT services/projects appropriations in other state department budgets.	IDG	N/A	(17,381,100)	N/A	N/A
Includes the following adjustments:					
<ul style="list-style-type: none"> <li>• Additional \$1.6 million for the Department of Corrections: increase funding for OMNI system, desktop maintenance, and new medical record system called NextGen</li> <li>• Additional \$23,200 for the Department of Energy, Labor, and Economic Growth to transfer pollution/energy functions from DEQ per E.O. 2008-20</li> <li>• Additional \$1.7 million for the Department of State Police to align IT expenditures</li> <li>• Reduction of \$500,000 for the Department of Treasury to remove secondary collections program funding</li> <li>• Reduction of \$60,700 for the Department of History, Arts, and Libraries to remove one-time funding in FY 09 for equipment purchase costs</li> </ul>					

**Major Budget Changes From FY 2008-09 YTD Appropriations**

<b><u>FY 2008-09 YTD</u></b>	<b><u>Executive Change From YTD</u></b>	<b><u>Senate Change From YTD</u></b>	<b><u>House Change From YTD</u></b>
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- Reduction of \$238,800 for the Department of Management and Budget to remove one-time funding in FY 09 for upgrades to Interactive Voice Response software for the Retirement Call Center and to remove State Fair IT appropriation
- Reduction of \$17.6 million for the Department of Human Services for Bridges project funding because project will be completed; transfers out 32.0 associated FTEs to DHS; includes additional costs for Children's Rights settlement implementation; reflects \$1.0 million savings from Juvenile Justice system contract transfer to DHS
- Reduction of \$900 for the Department of Agriculture for removal of UP State Fair authorization
- Increase of \$900 for the Civil Service Commission to align DIT IDG with appropriation

***Program Reductions and Adjustments***

- Additional net increase of \$704,000 for the Department of Corrections for savings from facility closures, investment of data warehouse for healthcare claims, and IT costs associated with Maxey Mental Health Unit staff.
- Reduction of \$54,600 for the Department of Environmental Quality for savings from transferring Wetlands program back to federal government
- Reduction of \$3.0 million for the Department of Human Services for insourcing project control functions of the Michigan Child Support Enforcement System and contract savings associated with system

**Major Boilerplate Changes From FY 2008-09**

***Sec. 574. Report on Expenditures for Spatial Information and Technical Services – RETAINED***

Authorizes Department to supply spatial information and technical services to other departments, and local units of government; requires report. **Executive** deletes report requirement; **Senate** and **House** retain current-year language.

***Sec. 578. Report on Amounts Appropriated by Fund Source – RETAINED***

Requires report requirement on the amounts appropriated by fund source for each department and a listing of expenditures made from those appropriations. **Executive** deletes language; **Senate** and **House** retain current-year language.

***Sec. 579. Report on Life-Cycle of IT Hardware and Software – RETAINED***

Requires report on the life-cycle of information technology-related hardware and software. **Executive** deletes language; **Senate** and **House** retain current-year language.

## **Major Boilerplate Changes From FY 2008-09**

### **Sec. 580. Business Application Modernization Project – RETAINED**

Specifies amount of funding for BAM project, lists what funding can be used for, designates project as a work project, and allows carryforward. **Executive** deletes language which designates funds as work project appropriations and allows carryforward of funding. **Senate** and **House** retain current-year language.

### **Sec. 581. Report on Technology Assets of the State – DELETED**

Requires DIT to conduct a study of the state's information technology assets to determine any benefits and economies that can be achieved; requires report. **Executive**, **Senate** and **House** delete language.

### **Sec. 582. Report on Michigan.gov Improvements – RETAINED**

Requires DIT to provide legislature an annual report which details improvements made to Michigan.gov. **Executive** deletes language; **Senate** and **House** retain current-year language.

### **Sec. 583. Contract Report – RETAINED**

Requires DIT to produce an annual report which lists all follow-on contracts and change orders greater than \$25,000. **Executive** deletes language; **Senate** and **House** retain current-year language.

### **Sec. 584. Report on Information and Referral Services Using 2-1-1 – RETAINED**

Requires DIT to produce a report identifying all information/referral services and the potential cost savings through the shared use of 2-1-1 system. **Executive** deletes language; **Senate** and **House** retain current-year language.

### **Sec. 585. Report on Child Support Enforcement System – RETAINED**

Requires report on amount expended for Child Support Enforcement System, revisions made to spending plans, and amount of penalties paid to federal government. **Executive** deletes language; **Senate** and **House** retain current-year language.

### **Sec. 588. Census-related Services – NEW**

Appropriates funds collected by DIT for census-related information and technical services, statistical studies, population projections, and other demographic products; allows carryforward of funds. **Executive** and **House** include language.

**LEGISLATURE**  
**Summary: As Passed by the House**  
**Senate Bill 245 (H-1)**

**Analyst: Robin R. Risko**

	FY 2008-09 YTD	FY 2009-10 Executive	FY 2009-10 Senate	FY 2009-10 House	FY 2009-10 Enacted	Difference: House From FY 2008-09 YTD	
						Amount	%
<b>IDG/IDT</b>	\$0	\$0	\$0	\$0		\$0	0.0
<b>Federal</b>	0	0	0	0		0	0.0
<b>Local</b>	0	0	0	0		0	0.0
<b>Private</b>	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		0	0.0
<b>GF/GP</b>	112,994,200	112,994,200	103,787,500	104,699,700		(8,294,500)	(7.3)
<b>Gross</b>	<b>\$114,504,000</b>	<b>\$114,504,000</b>	<b>\$105,297,300</b>	<b>\$106,209,500</b>		<b>(8,294,500)</b>	<b>(7.2)</b>
<b>FTEs</b>	0.0	0.0	0.0	0.0		0.0	0.0

Note: FY 2008-09 figures reflect supplementals and Executive Order (EO) actions through January 31, 2009.

**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 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.

<b>Major Budget Changes From FY 2008-09 YTD</b>		<b>FY 2008-09 YTD</b>	<b>Executive Change From YTD</b>	<b>Senate Change From YTD</b>	<b>House Change From YTD</b>
<b>Appropriations</b>					
<b>1. GF/GP Reductions - Legislature</b>	<b>Gross</b>	<b>\$85,655,100</b>	<b>\$0</b>	<b>(\$6,735,700)</b>	<b>(\$6,735,700)</b>
Reduces general fund support for the following line items:	GF/GP	\$85,655,100	\$0	(\$6,735,700)	(\$6,735,700)
<ul style="list-style-type: none"> <li>• House of Representatives Senate and House reduction (\$3,206,100)</li> <li>• House Automated Data Processing Senate and House reduction (\$202,500)</li> <li>• House Fiscal Agency Senate and House reduction (\$321,900)</li> <li>• Senate Senate and House reduction (\$2,428,300)</li> <li>• Senate Automated Data Processing Senate and House reduction (\$255,000)</li> <li>• Senate Fiscal Agency Senate and House reduction (\$321,900)</li> </ul>					

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		<u>FY 2008-09 YTD</u>	<u>Executive Change From YTD</u>	<u>Senate Change From YTD</u>	<u>House Change From YTD</u>
<b>2. GF/GP Reductions - Legislative Council</b>	<b>Gross</b>	<b>\$11,736,600</b>	<b>\$0</b>	<b>(\$1,508,500)</b>	<b>(\$1,173,700)</b>
Reduces general fund support for the following line items:	GF/GP	\$11,736,600	\$0	(\$1,508,500)	(\$1,173,700)
<ul style="list-style-type: none"> <li>• Legislative Council <ul style="list-style-type: none"> <li>Senate reduction (\$1,371,000)</li> <li>House reduction (\$971,000)</li> </ul> </li> <li>• LSB - Automated Data Processing <ul style="list-style-type: none"> <li>Senate reduction (\$137,500)</li> <li>House reduction (\$137,500)</li> </ul> </li> <li>• Worker's Compensation <ul style="list-style-type: none"> <li>Senate reduction (\$0)</li> <li>House reduction (\$13,300)</li> </ul> </li> <li>• National Association Dues <ul style="list-style-type: none"> <li>Senate reduction (\$0)</li> <li>House reduction (\$14,900)</li> </ul> </li> <li>• Legislative Corrections Ombudsman <ul style="list-style-type: none"> <li>Senate reduction (\$0)</li> <li>House reduction (\$37,000)</li> </ul> </li> </ul>					
<b>3. GF/GP Reductions - Property Management</b>	<b>Gross</b>	<b>\$12,178,400</b>	<b>\$0</b>	<b>(\$962,500)</b>	<b>(\$385,100)</b>
Reduces general fund support for the following line items:	GF/GP	\$12,178,400	\$0	(\$962,500)	(\$385,100)
<ul style="list-style-type: none"> <li>• Cora Anderson Building <ul style="list-style-type: none"> <li>Senate reduction (\$773,400)</li> <li>House reduction (\$309,400)</li> </ul> </li> <li>• Farnum Building <ul style="list-style-type: none"> <li>Senate reduction (\$189,100)</li> <li>House reduction (\$75,700)</li> </ul> </li> </ul>					

**Major Boilerplate Changes From FY 2008-09**

**Sec. 610. Health Insurance Benefits – RETAINED**

Prohibits funding from being used to pay for health insurance benefits for unmarried domestic partners of legislators or legislative employees. **Executive** deletes current-year language; **Senate** and **House** retain current-year language.

**LEGISLATIVE AUDITOR GENERAL**  
**Summary: As Passed by the House**  
**Senate Bill 245 (H-1)**

**Analyst: Robin R. Risko**

	FY 2008-09 YTD	FY 2009-10 Executive	FY 2009-10 Senate	FY 2009-10 House	FY 2009-10 Enacted	Difference: House From FY 2008-09 YTD	
						Amount	%
<b>IDG/IDT</b>	\$1,801,500	\$1,801,500	\$1,801,500	\$1,801,500		\$0	0.0
<b>Federal</b>	0	0	0	0		0	0.0
<b>Local</b>	0	0	0	0		0	0.0
<b>Private</b>	0	0	0	0		0	0.0
<b>Restricted</b>	1,539,900	1,539,900	1,539,900	1,528,300		(11,600)	(0.8)
<b>GF/GP</b>	12,549,800	12,486,800	11,238,100	11,571,600		(978,200)	(7.8)
<b>Gross</b>	<b>\$15,891,200</b>	<b>\$15,828,200</b>	<b>\$14,579,500</b>	<b>\$14,901,400</b>		<b>(\$989,800)</b>	<b>(6.2)</b>
<b>FTEs</b>	0.0	0.0	0.0	0.0		0.0	0.0

Note: FY 2008-09 figures reflect supplementals and Executive Order (EO) actions through January 31, 2009.

**Overview**

The Office of 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 Office of the Legislative Auditor General is to improve accounting and financial reporting practices and promote effectiveness, efficiency, and economy in state government; its 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.

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		<u>FY 2008-09 YTD</u>	<u>Executive Change From YTD</u>	<u>Senate Change From YTD</u>	<u>House Change From YTD</u>
<b>1. Remove One-Time Funding</b>	<b>Gross</b>	<b>\$63,000</b>	<b>(\$63,000)</b>	<b>(\$63,000)</b>	<b>(\$63,000)</b>
Reflects elimination of one-time funding included in the current-year budget for network migration costs.	GF/GP	\$63,000	(\$63,000)	(\$63,000)	(\$63,000)
<b>2. GF/GP Reductions</b>	<b>Gross</b>	<b>\$12,236,300</b>	<b>\$0</b>	<b>(\$1,248,700)</b>	<b>(\$1,255,000)</b>
Reduces general fund support for field operations; <b>Senate</b> by 10.2% from current-year; <b>House</b> by 10.3%.	GF/GP	\$12,236,300	\$0	(\$1,248,700)	(\$1,255,000)
<b>3. Fund Source Adjustment</b>	<b>Gross</b>	<b>\$18,700</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Reduces state restricted Legislative Retirement System fund source and increases GF/GP by a like amount.	Restricted GF/GP	18,700 \$0	\$0	\$0	(11,600) \$11,600
<b>4. Economic Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$0</b>	<b>\$0</b>	<b>\$328,200</b>
Includes additional funding for salary and wage, insurance, retirement, and rent costs.	GF/GP	N/A	\$0	\$0	\$328,200

**Major Boilerplate Changes From FY 2008-09**

**Sec. 624. Information Technology – DELETED**

Appropriates \$63,000 as one-time funding for transition of the information technology network from the Executive branch network to the Legislative branch network. **Executive, Senate, and House** delete current-year language.

**MANAGEMENT AND BUDGET**  
**Summary: As Passed by the House**  
**Senate Bill 245 (H-1)**

Analyst: Viola Bay Wild

	FY 2008-09 YTD	FY 2009-10 Executive	FY 2009-10 Senate	FY 2009-10 House	FY 2009-10 Enacted	Difference: House From FY 2008-09 YTD	
						Amount	%
<b>IDG/IDT</b>	\$167,603,800	\$162,436,800	\$162,349,100	\$162,349,100	\$0	(\$5,254,700)	(3.1)
<b>Federal</b>	10,743,700	11,219,800	11,219,800	11,219,800	0	476,100	4.4
<b>Local</b>	1,992,900	2,027,600	2,027,600	2,027,600	0	34,700	1.7
<b>Private</b>	150,000	151,900	151,900	151,900	0	1,900	1.3
<b>Restricted</b>	77,665,100	74,373,900	73,738,000	80,693,200	0	3,028,100	3.9
<b>GF/GP</b>	291,888,900	316,413,500	307,248,000	307,656,300	0	15,767,400	5.4
<b>Gross</b>	<b>\$550,044,400</b>	<b>\$566,623,500</b>	<b>\$556,734,400</b>	<b>\$564,097,900</b>	<b>\$0</b>	<b>\$14,053,500</b>	<b>2.6</b>
<b>FTEs</b>	1,431.0	1,416.0	1,400.0	1,405.0	0.0	(26.0)	(1.8)

Note: FY 2008-09 figures reflect supplementals and Executive Order (EO) actions through January 31, 2009.

**Overview**

The Department of Management and Budget (DMB) is the interdepartmental service and management agency responsible for ensuring proper financial record keeping for state agencies; managing capital outlay projects, state property, state purchasing programs, and the state's retirement systems; supervising the state motor vehicle fleet, and providing office support services to state agencies. The Office of the State Budget, prepares, presents, and executes the state budget on behalf of the Governor. The DMB has several autonomous units: Office of the State Employer, Office of the Children's Ombudsman, Office of Regulatory Reform, Michigan State Fair, State Building Authority, and Civil Service.

**Major Budget Changes From FY 2008-09 YTD**  
**Appropriations**

		FY 2008-09 YTD	Executive Change From YTD	Senate Change From YTD	House Change From YTD
<b>DEPARTMENT OF MANAGEMENT AND BUDGET</b>	FTEs	N/A	(1.0)	(1.0)	(1.0)
	<b>Gross</b>	<b>N/A</b>	<b>(\$1,102,300)</b>	<b>(\$1,102,300)</b>	<b>(\$1,102,300)</b>
<b>1. Internal Audit Consolidation</b>	IDG	N/A	(5,983,200)	(5,983,200)	(5,983,200)
The <b>Executive</b> reduces appropriation by \$1.1 million Gross and eliminates 1.0 FTE to reflect transfer of funding for statewide internal auditors to DMB as a result of Executive Order 2007-31. The <b>Senate</b> and <b>House</b> concur with the Executive.	Federal	N/A	706,700	706,700	706,700
	Restricted	N/A	1,773,800	1,773,800	1,773,800
	GF/GP	N/A	\$2,400,400	\$2,400,400	\$2,400,400
<b>2. Executive Order 2008-21 Reductions</b>	FTEs	N/A	(2.0)	(2.0)	(2.0)
The <b>Executive</b> reduces funding by \$217,800 Gross and \$100,600 GF/GP to annualize the 2.0% GF/GP reduction taken by E.O. 2008-21 into FY 2010; eliminates 2.0 FTEs. The <b>Senate</b> and <b>House</b> concur with the Executive.	<b>Gross</b>	<b>N/A</b>	<b>(\$217,800)</b>	<b>(\$217,800)</b>	<b>(\$217,800)</b>
	IDG	N/A	(100,000)	(100,000)	(100,000)
	Restricted	N/A	(17,200)	(17,200)	(17,200)
	GF/GP	N/A	(\$100,600)	(\$100,600)	(\$100,600)
<b>3. State Building Authority Rent</b>	<b>Gross</b>	<b>\$231,822,10</b>	<b>\$20,000,000</b>	<b>\$20,000,000</b>	<b>\$20,000,000</b>
The <b>Executive</b> includes \$20.0 million GF/GP to make adjustments for projected rent payments for previously-constructed projects. The <b>Senate</b> and <b>House</b> concur with the Executive.	Restricted	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	GF/GP	1,520,000	\$20,000,000	\$20,000,000	\$20,000,000
		\$230,302,10			
			0		

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		<u>FY 2008-09 YTD</u>	<u>Executive Change From YTD</u>	<u>Senate Change From YTD</u>	<u>House Change From YTD</u>
<b>4. Microsoft Upgrade / DIT Reduction</b>	<b>Gross</b>	<b>N/A</b>	<b>\$42,000</b>	<b>\$42,000</b>	<b>\$42,000</b>
The <b>Executive</b> includes funding increase of \$193,600 Gross and \$97,600 GF/GP for software upgrade to Microsoft Office Professional 2007 and license applications; reduces funding by \$151,600 Gross and \$76,200 GF/GP for virtual storage savings and DIT 2.0% administrative reduction. The <b>Senate</b> and <b>House</b> concur with the Executive.	IDG	N/A	43,500	43,500	43,500
	Restricted	N/A	(22,900)	(22,900)	(22,900)
	GF/GP	N/A	\$21,400	\$21,400	\$21,400
<b>5. Michigan State Fair</b>	FTEs	10.0	(10.0)	0.0	0.0
The <b>Executive</b> eliminates \$6.6 million Gross funding and 10.0 FTEs for Michigan State Fair in Detroit. Reduction ends state funding for fair in FY 2010. The FY 2009 fair would be the last fair to receive state financial support. The <b>Senate</b> includes a \$100 placeholder; <b>House</b> funds fair at FY 2008-09 funding level.	<b>Gross</b>	<b>\$6,605,300</b>	<b>(\$6,605,300)</b>	<b>(\$6,605,200)</b>	<b>\$0</b>
	Restricted	6,605,300	(6,605,300)	(6,605,300)	0
	GF/GP	\$0	\$0	\$100	\$0
<b>6. State Police FTE Transfer</b>	FTEs	N/A	3.0	3.0	3.0
The <b>Executive</b> reflects transfer of 3.0 FTEs and \$282,700 Gross funding for carpenter positions from Michigan State Police to DMB. The <b>Senate</b> and <b>House</b> concur with the Executive.	<b>Gross</b>	<b>N/A</b>	<b>\$282,700</b>	<b>\$282,700</b>	<b>\$282,700</b>
	IDG	N/A	282,700	282,700	282,700
<b>7. Department of History, Arts and Libraries (DHAL) Transfer</b>	FTEs	N/A	21.0	0.0	0.0
The <b>Executive</b> includes \$1.6 million Gross and \$1.3 million GF/GP funding to reflect transfer of the State Records Center and State Archives and IT costs from DHAL. The Governor recommends the elimination of DHAL in FY 2010.	<b>Gross</b>	<b>N/A</b>	<b>\$1,648,300</b>	<b>\$0</b>	<b>\$0</b>
	IDG	N/A	87,700	0	0
	Restricted	N/A	285,900	0	0
	GF/GP	N/A	\$1,274,700	\$0	\$0
<b>8. Building Occupancy Charges (BOC)</b>	FTEs	N/A	0.0	0.0	0.0
The <b>Executive</b> includes \$1.2 million Gross and GF/GP funding to reflect BOC expenditures that were transferred related to the State Records Center and the State Archives.	<b>Gross</b>	<b>N/A</b>	<b>\$1,174,700</b>	<b>\$0</b>	<b>\$1,174,700</b>
	GF/GP	N/A	\$1,174,700	\$0	\$1,174,700
<b>9. Census Tracking/Reapportionment</b>	FTEs	N/A	0.0	0.0	0.0
The <b>House</b> includes \$100 placeholder for census tracking and reapportionment program.	<b>Gross</b>	<b>N/A</b>	<b>\$0</b>	<b>\$0</b>	<b>\$100</b>
	GF/GP	N/A	0	0	\$100
<b>10. Funding Reductions</b>	FTEs	N/A	0.0	0.0	0.0
The <b>Senate</b> reduces funding in the following line items: Executive Operations - \$50,400, Administrative Services - \$101,100, Budget and Financial Management - \$1,256,000, Office of State Employer - \$81,500, Business Support Services - \$444,500, Office of Children's Ombudsman - \$161,400, and IT - \$1,446,800. <b>House</b> reduces funding in the following line items: Executive Operations - \$35,500, Administrative Services - \$61,200, Budget and Financial Management - \$956,100, Office of State Employer - \$41,300, Business Support Services - \$802,200, Office of Children's Ombudsman - \$301,800 and DIT - \$2,165,700.	<b>Gross</b>	<b>N/A</b>	<b>\$0</b>	<b>(\$3,541,700)</b>	<b>(\$4,363,800)</b>
	GF/GP	N/A	0	(\$3,541,700)	(\$4,363,800)

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		<u>FY 2008-09 YTD</u>	<u>Executive Change From YTD</u>	<u>Senate Change From YTD</u>	<u>House Change From YTD</u>
<b>11. Economic Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$1,966,500</b>	<b>\$1,966,500</b>	<b>\$1,966,500</b>
The <b>Executive</b> increases funding by \$1.7 million Gross and \$693,100 GF/GP for economics which includes salaries and wages, retirement, building occupancy charges, and insurance costs. An additional \$289,200 Gross and \$223,600 GF/GP is appropriated for DIT economics. The <b>Senate</b> and <b>House</b> concur with the Executive.	IDG	N/A	612,100	612,100	612,100
	Restricted	N/A	437,700	437,700	437,700
	GF/GP	N/A	\$916,700	\$916,700	\$916,700
<b>CIVIL SERVICE Commission (CSC)</b>					
<b>12. Civil Service Executive Order 2008-21 Reductions</b>	<b>FTEs</b>	<b>N/A</b>	<b>(12.0)</b>	<b>(12.0)</b>	<b>(12.0)</b>
The <b>Executive</b> reduces funding by \$264,500 GF/GP and eliminates 6.0 FTEs to annualize the 2.0% GF/GP reduction taken by E.O. 2008-21. Includes reduction of 6.0 FTEs and \$169,500 GF/GP for elimination of HR staff for MDOC facility closures in Deerfield and Camp Branch facilities required by executive order. The <b>Senate</b> and <b>House</b> concur with the Executive.	<b>Gross</b>	<b>N/A</b>	<b>(\$434,000)</b>	<b>(\$434,000)</b>	<b>(\$434,000)</b>
	GF/GP	N/A	(\$434,000)	(\$434,000)	(\$434,000)
<b>13. MDOC Facility Closures</b>	<b>FTEs</b>	<b>N/A</b>	<b>(10.0)</b>	<b>(10.0)</b>	<b>(10.0)</b>
The <b>Executive</b> reduces funding by \$1.1 million GF/GP and eliminates 10.0 FTEs for reduction of HR staff in additional MDOC facilities.	<b>Gross</b>	<b>N/A</b>	<b>(\$1,065,400)</b>	<b>(\$1,065,400)</b>	<b>(\$1,065,400)</b>
	GF/GP	N/A	(\$1,065,400)	(\$1,065,400)	(\$1,065,400)
<b>14. MDCH Facility Closure</b>	<b>FTEs</b>	<b>N/A</b>	<b>(4.0)</b>	<b>(4.0)</b>	<b>(4.0)</b>
The <b>Executive</b> reduces funding by \$373,900 Gross and \$193,200 GF/GP and eliminates 4.0 FTEs for reduction of HR staff from closure of Mt. Pleasant hospital. The <b>Senate</b> and <b>House</b> concur with the Executive.	<b>Gross</b>	<b>N/A</b>	<b>(\$373,900)</b>	<b>(\$373,900)</b>	<b>(\$373,900)</b>
	IDG	N/A	(2,300)	(2,300)	(2,300)
	Federal	N/A	(68,100)	(68,100)	(68,100)
	Local	N/A	(12,000)	(12,000)	(12,000)
	Private	N/A	(1,500)	(1,500)	(1,500)
	Restricted	N/A	(96,800)	(96,800)	(96,800)
	GF/GP	N/A	(\$193,200)	(\$193,200)	(\$193,200)
<b>15. Microsoft Upgrade</b>	<b>Gross</b>	<b>N/A</b>	<b>\$85,800</b>	<b>\$85,800</b>	<b>\$85,800</b>
The <b>Executive</b> includes funding increase of \$85,800 Gross and \$18,300 GF/GP for the costs of Microsoft Office Professional software upgrade. The <b>Senate</b> and <b>House</b> concur with the Executive.	Federal	N/A	36,800	36,800	36,800
	Restricted	N/A	30,700	30,700	30,700
	GF/GP	N/A	\$18,300	\$18,300	\$18,300
<b>16. Office of Great Workplace Development</b>	<b>FTEs</b>	<b>N/A</b>	<b>0.0</b>	<b>(5.0)</b>	<b>0.0</b>
The <b>Senate</b> eliminates the \$700,000 funding for this office and the 5.0 FTE positions associated with it.	<b>Gross</b>	<b>N/A</b>	<b>\$0</b>	<b>(\$700,000)</b>	<b>\$0</b>
	Restricted	N/A	0	(350,000)	0
	GF/GP	N/A	\$0	(\$350,000)	\$0
<b>17. CSC Funding Reductions</b>	<b>FTEs</b>	<b>N/A</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
The <b>Senate</b> reduces funding in the following line items: Agency Services - \$342,900, Executive Direction - \$426,800, Human Resources Operations - \$1,829,400, and IT - \$225,400.	<b>Gross</b>	<b>N/A</b>	<b>\$0</b>	<b>(\$2,824,500)</b>	<b>(\$3,118,800)</b>
<b>House</b> reduces funding in the following line items: Agency Services - \$824,900, Executive Direction - \$1,047,200, and Human Resources Operations - \$1,246,700.	GF/GP	N/A	0	(\$2,824,500)	(\$3,118,800)

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>	<u>FY 2008-09 YTD</u>	<u>Executive Change From YTD</u>	<u>Senate Change From YTD</u>	<u>House Change From YTD</u>	
<b>18. Economic Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$1,317,100</b>	<b>\$1,317,100</b>	<b>\$1,317,100</b>
The <b>Executive</b> increases funding by \$1.3 million Gross and \$548,100 GF/GP for economics which includes salaries and wages, retirement, building occupancy charges, and insurance costs. An additional \$33,900 Gross and \$16,900 GF/GP is appropriated for DIT economics. The <b>Senate</b> and <b>House</b> concur with the Executive.	IDG	N/A	28,700	28,700	28,700
	Federal	N/A	242,900	242,900	242,900
	Local	N/A	46,700	46,700	46,700
	Private	N/A	3,400	3,400	3,400
	Restricted	N/A	430,400	430,400	430,400
	GF/GP	N/A	\$565,000	\$565,000	\$565,000

### Major Boilerplate Changes From FY 2008-09

#### **DEPARTMENT OF MANAGEMENT AND BUDGET**

##### **Sec. 710. Revisions to Computer Contracts – RETAINED**

Requires DMB to report on any revisions that increase or decrease current computer contracts by more than \$500,000 at least 14 days prior to finalization of revisions. **Executive** deletes language, **Senate** and **House** retain language.

##### **Sec. 715(3). Motor Vehicle Fleet Assignment – RETAINED**

Expresses legislative intent that DMB have the authority to determine appropriateness of vehicle assignment. **Executive** deletes language, **Senate** and **House** retain language.

##### **Sec. 715(4). Motor Vehicle Fleet Plan – RETAINED**

Requires DMB to maintain a plan for the state's motor vehicle fleet and lists specific information to be included in plan. **Executive** deletes language, **Senate** and **House** retain language.

##### **Sec. 716. Purchasing From Michigan-Based Firms – RETAINED**

Requires DMB to adopt policies and procedures necessary to provide a purchasing preference for products manufactured or services offered by Michigan-based firms. **Executive** deletes language, **Senate** and **House** retain language.

##### **Sec. 716a. Supplier Diversity Program – DELETED**

Appropriates \$400,000 for Supplier Diversity Program to fund up to 4.0 FTEs or contract with private companies to implement program; DMB may expend additional \$100,000 on program. **Executive**, **Senate**, and **House** delete language.

##### **Sec. 717. Purchasing Decisions – RETAINED**

Establishes guidelines for DMB to follow when determining whether a purchase, contract, or provision of supplies, materials, services, insurance, utilities, third party financing, equipment, printing, and other items needed by state departments is in the best interests of the state. **Executive** deletes language, **Senate** and **House** retain language.

##### **Sec. 718. Vendor Disclosure Information to Collect – RETAINED**

Lists information DMB is authorized to collect from vendors to ensure compliance with procurement of goods and services from Michigan-based providers. **Executive** deletes language, **Senate** and **House** retain language.

##### **Sec. 719. Vendor Disclosure Call Centers – RETAINED**

Authorizes DMB to require any vendor or subcontractor who provides call or contact center services to the state to disclose the location from which the call or contact center services are being provided to the inbound caller. **Executive** deletes language, **Senate** and **House** retain language.

##### **Sec. 720. Census Tracking/Reapportionment – NEW**

Requires that appropriation in part 1 for census tracking/reapportionment be equally distributed to the Senate and House of Representatives and shall be used for equipment, supplies, and services needed for tracking census and reapportionment information for the State. **House** includes new language.

##### **Sec. 724. Report on Unclassified Salaries – NOT INCLUDED**

Requires that DMB prepare report on salaries of unclassified employees and gubernatorial appointees within all state departments and agencies. **Senate** includes new language.

##### **Sec. 724a. Existing 2-1-1 Capacities – DELETED**

Requires DMB to assist DIT in determining how existing 2-1-1 capacities will be utilized by each department with community resource information and referral service. **Executive**, **Senate**, and **House** delete language.

**Major Boilerplate Changes From FY 2008**

***Sec. 724a. State Fairgrounds Maintenance* – NOT INCLUDED**

Appropriates up to \$150,000 from the state exposition and fairgrounds fund to maintain the State Fairgrounds. **Senate** includes new language.

***Sec. 754. Office of Great Workplace Development* – NOT INCLUDED**

Prohibits funding in part 1 to be used to fund the Office of Great Workplace Development. **Senate** includes new language.

**STATE**  
**Summary: As Passed by the House**  
**Senate Bill 245 (H-1)**

**Analyst: Viola Bay Wild**

	FY 2008-09 YTD	FY 2009-10	FY 2009-10	FY 2009-10	FY 2009-10	Difference: House	
		Executive	Senate	House	Enacted	From FY 2008-09 YTD	Amount %
<b>IDG/IDT</b>	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$0	\$0	0.0
<b>Federal</b>	5,673,700	1,810,000	1,810,000	1,810,000	0	\$3,863,700	(68.1)
<b>Local</b>	0	0	0	0	0	0	0.0
<b>Private</b>	100	100	100	100	0	0	0.0
<b>Restricted</b>	162,573,800	163,614,700	169,364,700	163,614,700	0	1,040,900	0.6
<b>GF/GP</b>	26,130,800	28,214,200	17,892,800	25,600,400	0	(530,400)	(2.0)
<b>Gross</b>	<b>\$214,378,400</b>	<b>\$213,639,000</b>	<b>\$209,067,600</b>	<b>\$211,025,200</b>	<b>\$0</b>	<b>(\$3,353,200)</b>	<b>(1.6)</b>
<b>FTEs</b>	1,815.0	1,815.0	1,815.0	1,815.0	0.0	0.0	0.0

Note: FY 2008-09 figures reflect supplementals and Executive Order (EO) actions through January 31, 2009.

**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 2008-09 YTD Appropriations</b>		<b>FY 2008-09 YTD</b>	<b>Executive Change From YTD</b>	<b>Senate Change From YTD</b>	<b>House Change From YTD</b>
<b>1. Executive Order 2008-21 Reductions</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$132,600)</b>	<b>(\$132,600)</b>	<b>(\$132,600)</b>
The <b>Executive</b> reduces funding by \$132,600 GF/GP to annualize the 2.0% GF/GP reduction taken by E.O. 2008-21 into FY 2010. The <b>Senate</b> and <b>House</b> concur with the Executive.	GF/GP	N/A	(\$132,600)	(\$132,600)	(\$132,600)
<b>2. Help America Vote Act (HAVA) Funding</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$3,863,700)</b>	<b>(\$3,863,700)</b>	<b>(\$3,863,700)</b>
The <b>Executive</b> removes \$3.9 million one-time federal funding for HAVA program appropriated in previous year. The <b>Senate</b> and <b>House</b> concur with the Executive.	Federal	N/A	(3,863,700)	(3,863,700)	(3,863,700)
<b>3. Internal Audit Consolidation</b>	<b>Gross</b>	<b>\$148,600</b>	<b>(\$148,600)</b>	<b>(\$148,600)</b>	<b>(\$148,600)</b>
The <b>Executive</b> reduces funding by \$148,600 GF/GP to reflect transfer of internal audit functions to DMB pursuant to E.O. 2007-31. The <b>Senate</b> and <b>House</b> concur with the Executive.	Restricted	\$148,600	(148,600)	(148,600)	(148,600)
<b>4. Microsoft Upgrade / Business Portal</b>	<b>Gross</b>	<b>N/A</b>	<b>\$320,700</b>	<b>\$320,700</b>	<b>\$320,700</b>
The <b>Executive</b> includes funding increase of \$266,700 Gross and \$47,200 GF/GP for costs of software upgrade to purchase Microsoft Office Professional 2007 and license applications; additional \$54,000 Gross funding for Michigan Business One Stop Portal. The <b>Senate</b> and <b>House</b> concur with the Executive.	Restricted GF/GP	N/A N/A	273,500 \$47,200	273,500 \$47,200	273,500 \$47,200

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		FY 2008-09 YTD	Executive Change From YTD	Senate Change From YTD	House Change From YTD
<b>5. Department of Information Technology (DIT) Reduction</b>	<b>Gross</b>	N/A	<b>(\$35,400)</b>	<b>(\$35,400)</b>	<b>(\$35,400)</b>
The <b>Executive</b> includes reduction of \$35,400 Gross and \$3,200 GF/GP to reflect DIT 2.0% administrative reduction and virtual storage savings. The <b>Senate</b> and <b>House</b> concur with the Executive.	Restricted	N/A	(32,200)	(32,200)	(32,200)
	GF/GP	N/A	(\$3,200)	(\$3,200)	(\$3,200)
<b>6. Branch Services Fee</b>	<b>Gross</b>	N/A	<b>\$0</b>	<b>\$5,750,000</b>	<b>\$0</b>
The <b>Senate</b> includes funding from a proposed new fee, the Branch Services Fee; new fee has not been enacted.	Restricted	N/A	0	5,750,000	0
	GF/GP	N/A	0	\$0	0
<b>7. Funding Reductions</b>	<b>Gross</b>	N/A	<b>\$0</b>	<b>(\$10,321,400)</b>	<b>(\$2,613,800)</b>
The <b>Senate</b> includes reduction for following line items: Executive Direction Operations - \$5,000, Department Services Operations - \$910,000, Regulatory Services Operations - \$435,000, Customer Delivery Branch Operations - \$5,924,900, Customer Delivery Central Operations - \$2,909,300, and IT by \$137,200.	GF/GP	N/A	0	(\$10,321,400)	(\$2,613,800)
<b>House</b> reduced following line items: Department Services Operations - \$366,500, Regulatory Services Operations - \$553,000, Customer Deliver Branch Operations - \$1,273,200, Customer Delivery Central Operations - \$315,700, and IT - \$105,400.					
<b>8. Economic Adjustments</b>	<b>Gross</b>	N/A	<b>\$3,120,200</b>	<b>\$3,120,200</b>	<b>\$3,120,200</b>
The <b>Executive</b> increases funding by \$2.9 million Gross and \$2.0 million GF/GP for economics which includes salaries and wages, retirement, building occupancy charges, and insurance costs. An additional \$201,100 Gross and \$167,500 GF/GP is appropriated for DIT economics. The <b>Senate</b> and <b>House</b> concur with the Executive.	Restricted	N/A	948,200	948,200	948,200
	GF/GP	N/A	\$2,172,000	\$2,172,000	\$2,172,000

**Major Boilerplate Changes From FY 2008-09**

**Sec. 802. Technical Language Revision – NOT INCLUDED**

**Executive** added the phrase "In addition to the appropriation in part 1" as new language at the beginning of Sections 802,806, 810, and 816. **Senate** and **House** do not include language.

**Sec. 805a. Help America Vote Act (HAVA) Report – NEW**

Requires Department to report on the activities and success of enforcement and compliance with the Help America Vote Act of 2002. **Senate** and **House** include language.

**Sec. 815. Branch Office Closings or Consolidations – RETAINED**

Requires 180 days advance notice of branch office closures and consolidations and 60 days advance notice for relocations. **Executive** deletes language; **Senate** and **House** retain language.

**Sec. 815a. Report on Branch Office Transactions – DELETED**

Requires the Department to report on the number of branch office transactions completed online. **Executive**, **Senate** and **House** delete language.

**Sec. 818(1) and (2). Motorcycle Safety Education Program – RETAINED**

Requires funds appropriated for Motorcycle Safety Education Grants and Administration to be used for program operation; requires funding to come from license endorsements and registration and testing fees. **Executive** deletes this language in subsections 1 and 2; **Senate** and **House** retain language.

**Major Boilerplate Changes From FY 2008-09**

**Sec. 819. Business Application Modernization (BAM) Project – RETAINED**

Appropriates \$4.6 million funding for the BAM Project to be used for development, implementation, and maintenance of BAM; Executive deletes language that designates unexpended funding as a work project; **Senate** and **House** retain language.

**Sec. 824. Buena Vista Township Branch Office – RETAINED**

Requires Department to maintain a full service branch office in the Buena Vista Township. **Executive** deletes language; **Senate** and **House** retain language.

**Sec. 825. General Fund Expenditures – NEW**

Requires Department to use available restricted funds first for expenditures before using general fund dollars. **House** includes new language.

**Sec. 827. Branch Office Locations in Urban Areas – RETAINED**

Encourages branch offices to be located in downtown areas, town centers, central business districts, and brownfield sites rather than greenfield and open space sites. **Executive** deletes language; **Senate** and **House** retain language.

**Sec. 828. Performance Audit Report – NEW**

Requires Department to submit report on improvements and changes taken by the department concerning issues identified by the Auditor General in the 2009 cash receipts and branch office customer service audit. **House** includes new language.

# TREASURY

## Summary: As Passed by the House Senate Bill 245 (H-1)

Analyst: Viola Bay Wild

	FY 2008-09 YTD	FY 2009-10 Executive	FY 2009-10 Senate	FY 2009-10 House	FY 2009-10 Enacted	Difference: House From FY 2008-09 YTD	
						Amount	%
<b>IDG/IDT</b>	\$10,894,700	\$11,120,800	\$11,120,800	\$11,120,800	\$0	\$226,100	2.1
<b>Federal</b>	92,307,700	93,579,600	92,729,600	92,729,700	0	422,000	0.5
<b>Local</b>	1,105,100	1,526,400	1,526,400	1,526,400	0	421,300	38.1
<b>Private</b>	715,600	723,700	723,700	723,700	0	8,100	1.1
<b>Restricted</b>	1,451,771,500	1,484,909,500	1,335,573,600	1,409,715,100	0	(42,056,400)	(2.9)
<b>GF/GP</b>	172,247,900	166,608,400	152,746,400	156,130,300	0	(16,117,600)	(9.4)
<b>Gross</b>	<b>\$1,729,042,500</b>	<b>\$1,758,468,400</b>	<b>\$1,594,420,500</b>	<b>\$1,671,946,000</b>	<b>\$0</b>	<b>(\$57,096,500)</b>	<b>(3.3)</b>
<b>FTEs</b>	1,846.5	1,871.5	1,864.5	1,864.5	0.0	18.0	1.0

Note: FY 2008-09 figures reflect supplementals and Executive Order (EO) actions through January 31, 2009.

### 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, advises issuers of municipal obligations. The Bureau of State Lottery, the Michigan Gaming Control Board (MGCB), 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 21<sup>st</sup> Century Jobs Fund.

<u>Major Budget Changes From FY 2008-09 YTD</u>		<u>FY 2008-09</u>	<u>Executive</u>	<u>Senate</u>	<u>House</u>
<u>Appropriations</u>		<u>YTD</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
			<u>From YTD</u>	<u>From YTD</u>	<u>From YTD</u>
<b>TREASURY OPERATIONS</b>					
<b>1. Treasury Operations</b>	<b>Gross</b>	<b>\$411,191,300</b>	<b>(\$32,260,100)</b>	<b>(\$3,862,900)</b>	<b>(\$37,758,600)</b>
The <b>Executive</b> funds operations (excluding Revenue Sharing, Debt Service, and the MSF) at \$378.9 million Gross (\$11.0 million - IDG; \$37.3 million - Federal; \$1.5 million - Local; \$260.4 million - Restricted; and \$68.7 million GF/GP).	IDG	10,814,400	225,200	225,200	225,200
	Federal	36,868,900	394,200	394,200	394,200
	Local	1,105,100	421,300	421,300	421,300
	Restricted	287,132,300	(26,752,900)	10,566,900	(26,752,800)
	GF/GP	\$75,270,600	(\$6,547,900)	(\$15,470,500)	(\$12,046,500)
The <b>Senate</b> provides \$407.3 million gross funding (\$11.0 million - IDG; \$37.3 million - Federal; \$1.5 million - Local; \$297.7 million - Restricted; and \$59.8 million GF/GP).					
The <b>House</b> provides \$373.4 million Gross (\$11.0 million - IDG; \$37.3 million - Federal; \$1.5 million - Local; \$260.4 million - Restricted; and \$63.2 million GF/GP).					
<b>2. Tax Compliance Enforcement Program</b>	FTEs	N/A	10.0	10.0	10.0
	<b>Gross</b>	<b>N/A</b>	<b>\$895,000</b>	<b>\$895,000</b>	<b>\$895,000</b>
The <b>Executive</b> includes additional 10.0 FTEs and increases funding by \$895,000 GF/GP for expanded tax enforcement on business accounts. The <b>Senate</b> and <b>House</b> concur with the Executive.	GF/GP	N/A	\$895,000	\$895,000	\$895,000

<b><u>Major Budget Changes From FY 2008-09 YTD Appropriations</u></b>		<b><u>FY 2008-09 YTD</u></b>	<b><u>Executive Change From YTD</u></b>	<b><u>Senate Change From YTD</u></b>	<b><u>House Change From YTD</u></b>
<b>3. Income Tax Automation</b>	FTEs	N/A	2.0	2.0	2.0
The <b>Executive</b> includes 2.0 additional FTEs and increases funding by \$150,000 GF/GP for implementation of automated tax processing program using software that helps auto-correct errors on tax returns. The <b>Senate</b> and <b>House</b> concur with the <b>Executive</b> .	<b>Gross</b>	<b>N/A</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$150,000</b>
	GF/GP	N/A	\$150,000	\$150,000	\$150,000
<b>4. Michigan Business Tax (MBT) Implementation</b>	<b>Gross</b>	<b>\$11,813,800</b>	<b>(\$6,500,000)</b>	<b>(\$6,500,000)</b>	<b>(\$6,500,000)</b>
The <b>Executive</b> reduces funding for MBT implementation by \$6.5 million GF/GP. The <b>Senate</b> and <b>House</b> concur with the <b>Executive</b> .	GF/GP	\$11,813,800	(\$6,500,000)	(\$6,500,000)	(\$6,500,000)
<b>5. Secondary Collections Program</b>	FTEs	17.0	(8.0)	(8.0)	(8.0)
The <b>Executive</b> eliminates \$1.1 million Gross funding and 8.0 FTEs associated with secondary tax collection contract that was not implemented. The <b>Senate</b> and <b>House</b> concur with the <b>Executive</b> .	<b>Gross</b>	<b>N/A</b>	<b>(\$1,100,000)</b>	<b>(\$1,100,000)</b>	<b>(\$1,100,000)</b>
	Restricted	N/A	(1,100,000)	(1,100,000)	(1,100,000)
<b>6. Commercial Mobile Radio Service (CMRS)</b>	<b>Gross</b>	<b>\$11,100,000</b>	<b>(\$11,100,000)</b>	<b>\$9,100,000</b>	<b>(\$11,100,000)</b>
The <b>Executive</b> eliminates line item appropriation for funding for CMRS. New boilerplate language appropriates revenue and requires distribution of funding pursuant to Emergency 9-1-1 Service Enabling Act, PA 32 of 1986. The <b>Senate</b> retains line item and increased funding by \$9.1 million for full-year funding. The <b>House</b> concurs with the <b>Executive</b> .	Restricted	11,100,000	(11,100,000)	9,100,000	(11,100,000)
<b>7. Telephone / Telegraph Reappraisals</b>	<b>Gross</b>	<b>N/A</b>	<b>\$500,000</b>	<b>\$500,000</b>	<b>\$0</b>
The <b>Executive</b> adds \$500,000 GF/GP for on-going telephone / telegraph reappraisal program. The <b>Senate</b> concurs with the <b>Executive</b> .	GF/GP	N/A	\$500,000	\$500,000	\$0
<b>8. Michigan Education Savings Program State Match Funding</b>	<b>Gross</b>	<b>\$800,000</b>	<b>(\$800,000)</b>	<b>\$0</b>	<b>(\$800,000)</b>
The <b>Executive</b> eliminates \$800,000 funding from Merit Award Trust Fund and language providing state match for contributions to Michigan Education Savings Program on behalf of children. Current year language provides state match of \$1 for each \$3 contributed (\$200 maximum match) for first year of enrollment. The <b>House</b> concurs with the <b>Executive</b> .	Restricted	800,000	(800,000)	0	(800,000)

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		<u>FY 2008-09 YTD</u>	<u>Executive Change From YTD</u>	<u>Senate Change From YTD</u>	<u>House Change From YTD</u>
<b>9. Microsoft Upgrade / Business Portal / DIT Reduction</b>	<b>Gross</b>	<b>N/A</b>	<b>\$161,100</b>	<b>\$161,100</b>	<b>\$161,100</b>
	IDG	N/A	(800)	(800)	(800)
The <b>Executive</b> includes funding increase of \$255,300 Gross and \$46,300 GF/GP for Microsoft Office Professional software upgrade and business website portal. Appropriation also includes \$94,200 Gross and \$12,500 GF/GP reduction to reflect DIT 2.0% administrative reduction and virtual storage savings. <b>Senate</b> and <b>House</b> concur with the Executive.	Federal	N/A	(900)	(900)	(900)
	Restricted	N/A	129,000	129,000	129,000
	GF/GP	N/A	\$33,800	\$33,800	\$33,800
<b>10. Principal Residence Exemption (PRE) Program / Investments Staff</b>	<b>Gross</b>	<b>N/A</b>	<b>\$460,000</b>	<b>\$460,000</b>	<b>\$460,000</b>
The <b>Executive</b> includes \$160,000 Gross for PRE for tax appeal hearing referee; includes \$300,000 Gross funding and 2.0 FTEs for STARR investment oversight. <b>Senate</b> and <b>House</b> concur with the Executive.	FTEs	N/A	3.0	3.0	3.0
	Restricted	N/A	460,000	460,000	460,000
<b>11. Office of History, Arts and Libraries</b>	<b>Gross</b>	<b>N/A</b>	<b>\$0</b>	<b>\$0</b>	<b>\$100</b>
The <b>House</b> includes a new line item for this office with a \$100 placeholder.	GF/GP	N/A	\$0	\$0	\$100
<b>12. State Aid to Libraries Grant</b>	<b>Gross</b>	<b>N/A</b>	<b>\$0</b>	<b>\$0</b>	<b>\$100</b>
The <b>House</b> includes a new line item for a State Aid to Libraries grant and included a \$100 placeholder.	GF/GP	N/A	\$0	\$0	\$100
<b>REVENUE SHARING</b>					
<b>13. Constitutional Revenue Sharing</b>	<b>Gross</b>	<b>\$654,445,000</b>	<b>\$6,774,400</b>	<b>(\$32,307,100)</b>	<b>(\$32,308,100)</b>
The current-year estimated payments, based on the May 2009 Consensus Revenue Estimating Conference (CREC), are \$654.4 million. The <b>Executive</b> recommendation was based on the January 2009 (CREC) and funded payments at \$661.2 million for payments to cities, villages, and townships- this is a \$6.8 million increase. <b>Senate</b> and <b>House</b> reduce funding for payments by \$32.3 million based on the May CREC agreements.	Restricted	654,445,000	6,774,400	(32,307,100)	(32,308,100)
<b>14. Statutory Revenue Sharing</b>	<b>Gross</b>	<b>\$388,003,000</b>	<b>\$35,090,700</b>	<b>(\$78,327,900)</b>	<b>(\$5,000,200)</b>
The current-year estimated payments, based on the May 2009 Consensus Revenue Estimating Conference (CREC), are \$388.0 million. The <b>Executive</b> recommendation was based on the January 2009 (CREC) and funded payments at \$423.1 million for payments to cities, villages, and townships- this is a \$35.1 million increase from 2008-09 estimated payments. <b>Senate</b> funds payments at \$309.7 million which is a \$78.3 million reduction; <b>House</b> funds payments at \$383.0 million which is a \$5.0 million reduction.	Restricted	388,003,000	35,090,700	(78,327,900)	(5,000,200)

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		<u>FY 2008-09 YTD</u>	<u>Executive Change From YTD</u>	<u>Senate Change From YTD</u>	<u>House Change From YTD</u>
<b>15. County Revenue Sharing</b>	<b>Gross</b>	<b>\$2,394,500</b>	<b>\$46,752,700</b>	<b>\$52,176,800</b>	<b>\$62,131,600</b>
The <b>Executive</b> funds County Revenue Sharing payments at \$49.1 million which represents an increase of \$46.8 million to fund the additional counties anticipated to be eligible again for payments. Current estimates are that \$65.5 million funding is needed for full funding of estimated payments. Counties become eligible for payments when they have exhausted their revenue sharing reserve funds. The <b>Senate</b> includes \$52.2 million additional funding; <b>House</b> includes an additional \$62.1 million.	Restricted	2,394,500	46,752,700	52,176,800	62,131,600
<b>16. Payment in Lieu of Taxes (PILT)</b>	<b>Gross</b>	<b>\$14,189,200</b>	<b>\$200,000</b>	<b>(\$2,627,800)</b>	<b>\$200,000</b>
The <b>Executive</b> increases funding by \$200,000 Gross and \$100,000 GF/GP to PILT program for increased purchased lands payment. <b>House</b> concurs with the Executive. <b>Senate</b> reduces funding by \$2.62 million GF/GP.	IDG	100	0	0	0
	Restricted	2,350,000	100,000	(340,000)	100,000
	GF/GP	\$11,839,100	\$100,000	(\$2,287,800)	\$100,000
<b>DEBT SERVICE</b>					
<b>17. Debt Service Payments</b>	<b>Gross</b>	<b>\$83,123,000</b>	<b>(\$945,500)</b>	<b>(\$945,500)</b>	<b>(\$945,500)</b>
The <b>Executive</b> reduces funding by \$945,500 Gross and GF/GP for debt service based upon principal and interest requirements of general obligation bond issues. The <b>Senate</b> and <b>House</b> concur with the Executive.	Restricted	15,514,500	0	0	0
	GF/GP	\$67,608,500	(\$945,500)	(\$945,500)	(\$945,500)
<b>18. Economic Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$4,070,600</b>	<b>\$4,070,600</b>	<b>\$4,070,600</b>
The <b>Executive</b> increases funding by \$3.7 million Gross and \$668,700 GF/GP for economics which includes salaries and wages, retirement, building occupancy charges, and insurance costs; appropriation includes funding for Lottery and MGCB. An additional \$324,000 Gross and \$71,000 GF/GP is appropriated for DIT economics. The <b>Senate</b> and <b>House</b> concur with the Executive.	IDG	N/A	97,800	97,800	97,800
	Federal	N/A	319,800	319,800	319,800
	Local	N/A	21,300	21,300	21,300
	Restricted	N/A	2,892,000	2,892,000	2,892,000
	GF/GP	N/A	\$739,700	\$739,700	\$739,700
<b>MICHIGAN GAMING CONTROL BOARD</b>					
<b>19. Michigan Gaming Control Board (MGCB)</b>	FTEs	N/A	1.0	1.0	1.0
The <b>Executive</b> increases funding for MGCB by \$88,500 Gross for additional auditor needed to fulfill Board's responsibilities for new Nottawaseppi Tribe casino. The <b>Senate</b> and <b>House</b> concur with the Executive.	<b>Gross</b>	<b>N/A</b>	<b>\$88,500</b>	<b>\$88,500</b>	<b>\$88,500</b>
	Restricted	N/A	88,500	88,500	88,500
<b>LOTTERY</b>					
<b>20. Lottery Sales Staff</b>	FTEs	N/A	10.0	10.0	10.0
The <b>Executive</b> increases funding for Lottery by \$835,000 Gross for 10.0 additional FTEs for sales representatives to help monitor lottery sites at retailers. The <b>Senate</b> and <b>House</b> concur with the Executive.	<b>Gross</b>	<b>N/A</b>	<b>\$835,000</b>	<b>\$835,000</b>	<b>\$835,000</b>
	Restricted	N/A	835,000	835,000	835,000

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		<u>FY 2008-09 YTD</u>	<u>Executive Change From YTD</u>	<u>Senate Change From YTD</u>	<u>House Change From YTD</u>
<b>21. Funding Reductions</b>	<b>Gross</b>	<b>N/A</b>	<b>\$0</b>	<b>(\$6,534,800)</b>	<b>(\$4,998,800)</b>
The <b>Senate</b> includes \$6.5 million funding reductions: \$227,000 for travel, \$1.2 million for Supervision of General Property Tax, 140,600 for Local Finance, \$500,000 by elimination of Property Tax Appeal Program, \$204,900 for Mail Operations, \$153,400 for Student Financial Assistance Programs, \$5,000 for Grants in Counties in Lieu of Taxes, \$3.3 million for Senior Citizens Cooperative Housing, \$400,000 for Renaissance Zone Reimbursement by eliminating payments to public libraries, \$403.5 million for IT. <b>House</b> includes \$5.0 million reductions: \$200,000 for travel, \$2.0 million for Supervision of General Property Tax, \$86,300 for Local Finance, \$500,000 by elimination of Property Tax Appeal Program, \$153,700 for Student Financial Assistance Programs, \$5,000 for Grants in Counties in Lieu of Taxes, \$1.65 million for Senior Citizens Cooperative Housing, \$403.8 million for IT.	<b>GF/GP</b>	<b>N/A</b>	<b>\$0</b>	<b>(\$6,534,800)</b>	<b>(\$4,998,800)</b>
<b>MICHIGAN STRATEGIC FUND (MSF)</b>	<b>Gross</b>	<b>\$148,030,500</b>	<b>\$15,657,400</b>	<b>(\$29,500,200)</b>	<b>(\$1,360,500)</b>
<b>22. Michigan Strategic Fund</b>	IDG	80,300	900	900	900
The <b>Executive</b> provides FY 2009-10 funding for the MSF at \$163.7 million Gross: (\$81,200 - IDG; \$56.3 million - Federal; \$723,700 - Private; \$75.6 million - Restricted; and \$31.0 million - GF/GP). <b>Senate</b> provides \$118.5 million Gross funding: (\$81,200 - IDG; \$55.5 million - Federal; \$723,700 - Private; \$36.0 million - Restricted; and \$26.3 million - GF/GP). <b>House</b> provides \$137.7 million Gross funding: (\$81,200 - IDG; \$55.5 million - Federal; \$723,700 - Private; \$54.6 million - Restricted; and \$26.2 million - GF/GP).	Federal	55,438,800	877,700	27,700	27,800
	Private	715,600	8,100	8,100	8,100
	Restricted	63,805,200	11,750,100	(27,829,600)	350,100
	GF/GP	\$27,990,600	\$3,020,100	(\$1,707,300)	(\$1,747,400)
<b>23. 21st Century Jobs Program Funding</b>	<b>Gross</b>	<b>\$52,950,000</b>	<b>\$22,050,000</b>	<b>(\$20,529,700)</b>	<b>\$9,050,000</b>
E.O. 2009-22 reduced funding by \$9.05 million. The <b>Executive</b> restores this funding and \$13.0 million additional funding for 21st Century Jobs Program from FY 2008-09 enacted appropriations; <b>Senate</b> decreases funding from current-year by \$20.5 million; <b>House</b> increases funding by \$9.0 million.	Restricted	52,950,000	22,050,000	(20,529,700)	9,050,000
<b>24. MSF Executive Order 2008-21 Reductions</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$149,000)</b>	<b>(\$149,000)</b>	<b>(\$149,000)</b>
The <b>Executive</b> reduces funding for Economic Development Job Training administration by \$149,000 Gross and GF/GP to annualize the 2.0% GF/GP reduction taken by E.O. 2008-21 into FY 2010. The <b>Senate</b> and <b>House</b> concur with the Executive.	<b>GF/GP</b>	<b>N/A</b>	<b>(\$149,000)</b>	<b>(\$149,000)</b>	<b>(\$149,000)</b>

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		<u>FY 2008-09 YTD</u>	<u>Executive Change From YTD</u>	<u>Senate Change From YTD</u>	<u>House Change From YTD</u>
<b>25. MSF Funding Reductions</b>	<b>Gross</b>	<b>N/A</b>	<b>\$0</b>	<b>(\$2,920,400)</b>	<b>(\$2,960,400)</b>
The <b>Senate</b> reduced all administrative line items and Michigan promotion by 10.0% below Governor's recommendation. Reductions were: Administration - \$259,100, Job Creation Services \$1,398,600, Film Office - \$18,400, Economic Development Job Training (EDJT) Grants - \$672,500, Michigan Promotion - \$571,800. <b>House</b> reduced following line items: EDJT Grants - \$2,018,000, Administration \$97,000, Job Creation Services - \$523,900, Michigan Promotion - \$314,700, Film Office - \$6,800.	GF/GP	N/A	\$0	(\$2,920,200)	(\$2,960,400)
<b>26. Department of History, Arts and Libraries (DHAL) Transfer</b>	FTEs	N/A	7.0	0.0	0.0
	<b>Gross</b>	<b>N/A</b>	<b>\$2,657,100</b>	<b>\$0</b>	<b>\$0</b>
The <b>Executive</b> includes 7.0 FTEs and \$2.6 million Gross and \$1.8 million GF/GP funding for transfer of Council for Arts and Cultural Affairs, Cultural Economic Development program, and Arts and Cultural Institution Planning Grants from DHAL to the MSF. (FY 2008-09 funding was \$8.9 million.)	Federal	N/A	850,000	0	0
	GF/GP	N/A	\$1,807,100	\$0	\$0
<b>27. Business Incubator Program</b>	<b>Gross</b>	<b>\$1,250,000</b>	<b>(\$1,250,000)</b>	<b>(\$1,249,900)</b>	<b>\$350,000</b>
The <b>Executive</b> eliminates \$1.25 million Gross one-time funding for business incubator program in five counties. The <b>Senate</b> includes \$100 placeholder; <b>House</b> includes \$350,000 additional funding to be appropriated to eight incubator programs.	Restricted	1,250,000	(1,250,000)	(1,250,000)	350,000
	GF/GP	\$0	\$0	\$100	\$0
<b>28. Defense Contract Coordination Center</b>	<b>Gross</b>	<b>N/A</b>	<b>N/A</b>	<b>\$3,000,000</b>	<b>N/A</b>
The <b>Senate</b> includes \$3.0 million funding for new line item; funding from 21st Century Jobs Trust Fund.	Restricted	N/A	N/A	3,000,000	N/A
<b>29. MSF Economic Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$232,600</b>	<b>\$232,600</b>	<b>\$232,600</b>
The <b>Executive</b> includes \$232,600 Gross and \$195,800 GF/GP funding for economics which include increased funding for salaries and wages, retirement, worker's compensation, building occupancy charges and insurance costs. <b>Senate</b> and <b>House</b> concur with the Executive.	IDG	N/A	900	900	900
	Federal	N/A	27,700	27,700	27,700
	Private	N/A	8,100	8,100	8,100
	Restricted	N/A	100	100	100
	GF/GP	N/A	\$195,800	\$195,800	\$195,800

### Major Boilerplate Changes From FY 2008-09

#### DEPARTMENT OF TREASURY

##### **Sec. 905. Sale of Tax Manuals – RETAINED**

Requires Department to provide copies of the state tax manual via the Department's website or provide for sale copies of the tax manuals on CD or other electronic media. **Executive** deletes language; **Senate** and **House** retain language.

##### **Sec. 920. Grants to Counties in Lieu of Taxes – DELETED**

Authorizes grants to counties in lieu of taxes for lands transferred to the federal government. **Executive** and **Senate** retain current language; **House** deletes language.

## **Major Boilerplate Changes From FY 2008-09**

### ***Sec. 927. Telephone / Telegraph Reappraisals – DELETED***

States legislative intent that telephone / telegraph reappraisals be funded at \$1.5 million by supplemental appropriations. **Executive, Senate and House** delete language.

### ***Sec. 930a. Secondary Collections Activities – DELETED***

Requires Department to select a private collection agency for secondary collection activities in order to benchmark primary agency performance for individual tax, discontinued business tax, state agency accounts, and active business tax accounts older than 36 months; requires quarterly report. **Executive, Senate and House** delete language.

### ***Sec. 933. Michigan Education Savings Program – DELETED***

Requires Michigan Education Savings Program funds be used as state match for funds invested on behalf of children; state to provide \$1 for each \$3 contributed with \$200 maximum match; state match only for first year of enrollment. **Executive and House** delete language; **Senate** retains language.

### ***Sec. 938. PILT Payments – REVISED***

Requires Department to pay PILT payments to local units of government by February 14 for bills received by January 15. **Executive** deletes language; **Senate and House** revise language to provide legislative intent that Department work with local units to improve PILT system on purchased lands; requires report.

### ***Sec. 941. Medical Pension Liability – DELETED***

Directs Department to analyze new insurance products to address medical pension liability for state employee retirees. **Executive and House** delete language; **Senate** retains language and eliminates reporting requirement.

### ***Sec. 942. Field Collection Report – NOT INCLUDED***

Requires Department to report on additional revenue collection related to increased field staff. The **Senate** included language.

### ***Sec. 944. Pension Plan Consultant Report – REVISED***

Requires Department to forward any report from a pension plan consultant to Legislature and state budget director. **Executive** deletes language; **Senate and House** revise language to require report be forwarded within 30 days.

### ***Sec. 944a. Commercial Mobile Radio Service Payments (CMRS) – NEW***

Appropriates revenue from the emergency 9-1-1 surcharge program and authorizes distribution under the Emergency 9-1-1 Service Enabling Act, 1986 PA 32 replaces a line item appropriation. **Executive** includes language in Section 944; **House** includes language as Section 944a.

### ***Sec. 947. Revenue Enhancement Program – REVISED***

Stipulates that funding in part 1 may be used for principal residence exemption compliance program. Requires quarterly reports for personal property tax audit and Principal Residence Audit programs. **Executive** deletes language; **Senate** modifies language and deletes web-based database expenditures and carryforward language; **House** eliminates language requiring funding levels, and deletes database expenditures and carryforward language.

### ***Sec. 948. Electronic Income Tax Filing – RETAINED***

Directs Department to report the number of tax returns, including state income and single business tax returns, filed on-line in the preceding fiscal year. **Executive** deletes language; **Senate and House** retain language.

### ***Sec. 949. Tobacco Stamp Program – INCLUDED***

Directs Department to explore the possibility of a public-private partnership for new tobacco stamp technology; requires report. **Senate and House** include new language.

### ***Sec. 950. Revenue Sharing – REVISED***

Directs distribution of constitutional and statutory revenue sharing payments to cities, villages and townships; includes 2% additional statutory payments to local units that received statutory payments in FY 2006-07. **Executive** eliminates requirement that local units receive an equal distribution to what that unit received in FY 2008-09 and allows cities, villages and townships to receive less than 100% of their FY 2008-09 total revenue sharing payment if constitutional revenue sharing funding is reduced. **Senate** revises language so that payments shall be 88% or less of previous year's combined payment; **House** revises language to require payments be 96.2% or less than previous year.

### ***Sec. 952. Grants to Cities with Emergency Financial Managers – DELETED***

Requires appropriations for special grants to cities to be used to restore past revenue sharing reductions to cities which had an emergency financial manager appointed to them. **Senate and House** delete language.

## **LOTTERY**

### ***Sec. 963. Department of Human Services (DHS) Bridge Cards – RETAINED***

Directs Lottery to notify lottery retailers that DHS bridge cards are not to be used to purchase lottery tickets. **Executive** deletes language; **Senate and House** retain language.

## **Major Boilerplate Changes From FY 2008-09**

### **Sec. 963. Lottery Promotion and Advertising Appropriation – NEW**

Appropriates 1.0% of prior fiscal year's lottery ticket sales for promotion and advertising. **Executive** includes new language as Section 963; **House** includes language as Section 964.

### **MICHIGAN STRATEGIC FUND (MSF)**

#### **Sec. 1001(1). Federal Contingency Funds – RETAINED**

**Senate** deletes appropriation of up to \$10.0 million for federal contingency funds. **Executive** and **House** include language.

#### **Sec. 1002. Economic Development Job Training (EDJT) Grants – REVISED**

**Executive** renames the EDJT program the "Economic Diversification Skills Training Program"; deletes requirement that EDJT participants be 16 years old and not enrolled in state funded educational programs; deletes employer maximum match rate of 50% requirement for incumbent worker training grants. **Senate** modifies language and reduces allocation for aerospace funding; **House** agreed with Executive changes and revises employer maximum match language for training grants.

#### **Sec. 1014. Michigan Core Communities Fund – DELETED**

Outlines purposes and uses of fund and procedures for grant distribution. **Executive** and **House** delete language.

#### **Sec. 1020. Federal Pass Through Funds – RETAINED**

Appropriates federal pass-through funds received by local units that do not require additional state matching funds. **Senate** deletes language; **Executive** and **House** retain language.

#### **Sec. 1024. Small Business Technology and Development Centers (SBTDC) – RETAINED**

Allocates \$1.4 million from 21<sup>st</sup> Century Jobs Trust Fund to Small Business Technology and Development Centers for Small Business Innovation Research/Small Business Technology Transfer Research grant or matching loan programs. **Executive** deletes language; **Senate** and **House** retain current-year language.

#### **Sec. 1032. Film Office Report – RETAINED**

Requires report from Film Office on film tax credit program. **Executive** and **House** retain current-year language; **Senate** revises language to require more detailed report.

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

Stipulates funding be awarded competitively to operational business incubators in five counties. **Executive** deletes language; **Senate** retains current-year language; **House** revises language to include 8 business incubators.

#### **Sec. 1034. Michigan Council for Arts and Cultural Affairs (MCACA) Arts and Cultural Grants – NOT INCLUDED**

Authorizes new planning grant program and specifies awards to help complete program statements and planning documents for remodeling, repair, renovation, or construction of arts and cultural institutions. Competitive grants may be to counties, cities, villages, townships, community foundations and non-profit organizations. **Executive** includes language.