

ALL GENERAL GOVERNMENT

Summary: FY 2010-11 House Subcommittee Recommendation
 HB 5880 (H-1) Draft A



Analysts: Robin R. Risko and Ben Gielczyk

IDG/IDT	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive	FY 2010-11 House	FY 2010-11 Senate	FY 2010-11 Enacted	Difference: House From FY 2009-10 YTD	
						Amount	%
	\$645,839,400	\$646,991,900	\$646,991,900			\$1,152,500	0.2
Federal	133,337,400	109,610,400	109,610,400			(23,727,000)	(17.8)
Local	3,089,200	3,446,900	3,446,900			357,700	11.6
Private	1,265,700	1,423,100	1,423,100			157,400	12.4
Restricted	1,664,754,900	1,716,727,100	1,700,827,100			36,072,200	2.2
GF/GP	647,300,400	677,462,500	668,645,800			21,345,400	3.3
Gross	\$3,095,587,000	\$3,155,661,900	\$3,130,945,200			\$35,358,200	1.1
FTEs	7,513.7	7,394.2	7,394.2			(119.5)	(1.6)

Note: FY 2009-10 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through January 31, 2010.

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, State, Technology, Management, and Budget (including the former Departments of Civil Service and Information Technology), 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 2009-10

GENERAL SECTIONS OF BOILERPLATE

The **Executive** deleted all of the following sections:

- Sec. 205. Hiring Freeze
- Sec. 212. Receipt and Retention of Required Reports
- Sec. 215. Disciplinary Action Against State Employees
- Sec. 217. General Fund Restrictions
- Sec. 221. Policy Changes to Implement Public Acts
- Sec. 227. No-Bid Contracts
- Sec. 228. General Fund Lapses

The **House** retains each section.

ATTORNEY GENERAL

**Summary: FY 2010-11 House Subcommittee Recommendation
HB 5880 (H-1) Draft A**

Analyst: Robin R. Risko

	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive	FY 2010-11 House	FY 2010-11 Senate	FY 2010-11 Enacted	Difference: House From FY 2009-10 YTD	
						Amount	%
IDG/IDT	\$21,289,800	\$21,762,300	\$21,762,300			\$472,500	2.2
Federal	8,277,800	8,656,000	8,656,000			378,200	4.6
Local	0	0	0			0	0.0
Private	0	0	0			0	0.0
Restricted	15,521,000	15,290,800	15,290,800			(230,200)	(1.5)
GF/GP	28,785,000	29,168,000	28,266,200			(518,800)	(1.8)
Gross	\$73,873,600	\$74,877,100	\$73,975,300			\$101,700	0.1
FTEs	543.0	520.0	520.0			(23.0)	(4.2)

Note: FY 2009-10 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through January 31, 2010.

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 offering justice to victims of crime and delivering excellent legal services at a minimum cost to taxpayers.

<u>Major Budget Changes From FY 2009-10 YTD Appropriations</u>		<u>FY 2009-10 YTD (as of 2/11/10)</u>	<u>House Change From YTD</u>
1. SOCC Reduction	Gross	\$124,900	(\$9,100)
Reflects a savings due to a 10% reduction in the Attorney General's salary, effective January 1, 2011, as recommended by SOCC and approved by the Legislature (SCR 11 of 2009).	GF/GP	\$124,900	(\$9,100)
2. GF/GP Budget Reductions	FTEs	500.0	(15.0)
Reflects a savings to be achieved by reducing department staff by 15.0 FTE positions and applying administrative rate reductions to information technology costs.	Gross	\$68,300,800	(\$1,142,300)
	GF/GP	\$26,237,000	(\$1,142,300)
3. Eliminate Homeowner Construction Lien Fund	FTEs	4.0	(4.0)
Reflects a reduction of 4.0 FTE positions and a savings due to elimination of the Homeowner Construction Lien Fund.	Gross	\$566,100	(\$566,100)
	Restricted	566,100	(566,100)
4. Eliminate Auto Theft Prevention Grant	FTEs	4.0	(4.0)
Reflects a reduction of 4.0 FTE positions and a savings due to elimination of the Auto Theft Prevention grant from the Department of State Police.	Gross	\$420,000	(\$420,000)
	IDG	420,000	(420,000)
5. Eliminate Funding for Defense of Game and Fish Protection Fund	Gross	\$150,000	(\$150,000)
Reflects a savings due to elimination of funding for defense of the Game and Fish Protection Fund.	Restricted	150,000	(150,000)

ATTORNEY GENERAL

Major Budget Changes From FY 2009-10 YTD Appropriations

	<u>FY 2009-10 YTD (as of 2/11/10)</u>	<u>House Change From YTD</u>	
6. DTMB Consolidation	Gross	N/A	(\$2,300)
Reflects a savings due to the consolidation of the Departments of Management and Budget and Information Technology pursuant to EO 2009-55.	GF/GP	N/A	(\$2,300)
7. Economics	Gross	N/A	\$3,293,300
Includes additional funding to cover costs of a 3% salary and wage increase, as well as increases in insurance, retirement, and workers' compensation premium costs; reduces funding for building occupancy charges.	IDG	N/A	892,500
	Federal	N/A	378,200
	Restricted	N/A	485,900
	GF/GP	N/A	\$1,536,700
8. Budgetary Savings	Gross	N/A	(\$901,800)
Includes a budgetary savings line item and an additional 3.1% reduction to general fund appropriations. The department will have the authority to determine how to achieve the savings.	GF/GP	N/A	(\$901,800)

Major Boilerplate Changes From FY 2009-10

Sec. 313. Settlement and Penalty Revenue – NEW

Prohibits money or proceeds received by the Department for debts, penalties, or lawsuit settlements from being expended or disbursed until appropriated; prohibits the Department from agreeing to accept payment or benefits to a third party in lieu of a debt or obligation due the state; requires a quarterly report on every matter settled by the Attorney General in the previous quarter.

CIVIL RIGHTS

CIVIL RIGHTS

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Analyst: Robin R. Risko

	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive	FY 2010-11 House	FY 2010-11 Senate	FY 2010-11 Enacted	Difference: House From FY 2009-10 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0			\$0	0.0
Federal	2,057,300	1,750,000	1,750,000			(307,300)	(14.9)
Local	0	0	0			0	0.0
Private	0	0	0			0	0.0
Restricted	0	53,000	53,000			53,000	100.0
GF/GP	11,706,400	11,279,100	10,929,000			(777,400)	(6.6)
Gross	\$13,763,700	\$13,082,100	\$12,732,000			(\$1,031,700)	(7.5)
FTEs	130.0	118.0	118.0			(12.0)	(9.2)

Note: FY 2009-10 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through January 31, 2010.

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 2009-10 YTD Appropriations		FY 2009-10 YTD (as of 2/11/10)	House Change From YTD
1. GF/GP Budget Reductions	FTEs	125.0	(10.0)
Reflects a savings to be achieved by carrying forward a reduction of 10.0 FTE positions from FY 2009-10 and applying administrative rate reductions to information technology costs.	Gross	\$13,496,600	(\$936,500)
	GF/GP	\$11,439,300	(\$936,500)
2. Federal Funding Contract Decrease	Gross	\$2,057,300	(\$307,300)
Reduces federal Equal Employment Opportunity Commission grant funding by \$195,000 and United States Department of Housing and Urban Development funding by \$112,300 based on projections of anticipated revenue.	Federal	2,057,300	(307,300)
3. Accounting Service Consolidation	FTEs	125.0	(2.0)
Reflects a reduction of 2.0 FTE positions and a savings due to the transfer of accounting functions from the Department of Civil Rights to the Department of Technology, Management, and Budget.	Gross	\$12,728,600	(\$88,600)
	GF/GP	\$10,686,300	(\$88,600)
4. Fund Source Shift	Gross	N/A	\$0
Reflects an increase in state restricted funding and a decrease in GF/GP funding by a like amount.	Restricted	N/A	53,000
	GF/GP	N/A	(\$53,000)
5. DTMB Consolidation	Gross	N/A	(\$700)
Reflects a savings due to the consolidation of the Departments of Management and Budget and Information Technology pursuant to EO 2009-55.	GF/GP	N/A	(\$700)

CIVIL RIGHTS

Major Budget Changes From FY 2009-10 YTD Appropriations

**FY 2009-10 YTD
(as of 2/11/10)** **House Change
From YTD**

6. *Economics*

Includes additional funding to cover costs of a 3% salary and wage increase, as well as increases in insurance, retirement, and workers' compensation premium costs; reduces funding for building occupancy charges.

Gross	N/A	\$651,500
GF/GP	N/A	\$651,500

7. *Budgetary Savings*

Includes a budgetary savings line item and an additional 3.1% reduction to general fund appropriations. The department will have the authority to determine how to achieve the savings.

Gross	N/A	(\$350,100)
GF/GP	N/A	(\$350,100)

Major Boilerplate Changes From FY 2009-10

None

EXECUTIVE OFFICE

**Summary: FY 2010-11 House Subcommittee Recommendation
HB 5880 (H-1) Draft A**

Analyst: Robin R. Risko

	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive	FY 2010-11 House	FY 2010-11 Senate	FY 2010-11 Enacted	Difference: House From FY 2009-10 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0			\$0	0.0
Federal	0	0	0			0	0.0
Local	0	0	0			0	0.0
Private	0	0	0			0	0.0
Restricted	0	0	0			0	0.0
GF/GP	4,823,700	4,630,800	4,498,300			(325,400)	(6.7)
Gross	\$4,823,700	\$4,630,800	\$4,498,300			(\$325,400)	(6.7)
FTEs	84.2	84.2	84.2			0.0	0.0

Note: FY 2009-10 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through January 31, 2010.

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: Executive, Cabinet Affairs and Management, Chief Operating Officer, External Affairs, Legal, Operations, Appointments, Constituent Services, Policy, Communications, Legislative Affairs, Scheduling, and the Governor's offices in Washington D.C., Southeastern Michigan, and the Upper Peninsula.

Major Budget Changes From FY 2009-10 YTD Appropriations

		FY 2009-10 YTD (as of 2/11/10)	House Change From YTD
1. SOCC Reduction	Gross	\$3,973,900	(\$18,600)
Reflects a savings due to a 10% reduction in the salaries and expense allowances of the Governor and Lieutenant Governor, effective January 1, 2011, as recommended by SOCC and approved by the Legislature (SCR 11 of 2009).	GF/GP	\$3,973,900	(\$18,600)
2. GF/GP Budget Reductions	Gross	\$3,673,000	(\$174,300)
Reflects a savings to be achieved through administrative reductions.	GF/GP	\$3,673,000	(\$174,300)
3. Budgetary Savings	Gross	N/A	(\$132,500)
Includes an additional 2.9% reduction to general fund appropriations. The Executive Office will have the authority to determine how to achieve the savings.	GF/GP	N/A	(\$132,500)

Major Boilerplate Changes From FY 2009-10

There is no boilerplate for the Executive Office.

LEGISLATURE

Summary: FY 2010-11 House Subcommittee Recommendation
 HB 5880 (H-1) Draft A

Analyst: Robin R. Risko

	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive	FY 2010-11 House	FY 2010-11 Senate	FY 2010-11 Enacted	Difference: House From FY 2009-10 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0			\$0	0.0
Federal	0	0	0			0	0.0
Local	0	0	0			0	0.0
Private	400,000	400,000	400,000			0	0.0
Restricted	1,109,800	1,109,800	1,109,800			0	0.0
GF/GP	104,764,900	100,574,300	98,323,300			(6,441,600)	(6.1)
Gross	\$106,274,700	\$102,084,100	\$99,833,100			(\$6,441,600)	(6.1)
FTEs	0.0	0.0	0.0			0.0	0.0

Note: FY 2009-10 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through January 31, 2010.

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.

Major Budget Changes From FY 2009-10 YTD Appropriations

	FY 2009-10 YTD (as of 2/11/10)	House Change From YTD
1. SOCC Reduction	Gross \$69,007,800	(\$1,249,500)
Reflects a savings due to a 10% reduction in the salaries, supplemental salaries, and expense allowances of members of the Legislature, effective January 1, 2011, as recommended by SOCC and approved by the Legislature (SCR 11 of 2009).	GF/GP \$69,007,800	(\$1,249,500)
2. GF/GP Budget Reductions	Gross \$106,274,700	(\$2,941,100)
Reflects a savings to be achieved through administrative reductions.	GF/GP \$104,764,900	(\$2,941,100)
3. Budgetary Savings	Gross N/A	(\$2,251,000)
Includes an additional 2.2% reduction to general fund appropriations. The Legislature will have the authority to determine how to achieve the savings.	GF/GP N/A	(\$2,251,000)

Major Boilerplate Changes From FY 2009-10

Sec. 610. Health Insurance Benefits – DELETED

Prohibits funding from being used to pay for health insurance benefits for unmarried domestic partners of legislators or legislative employees.

LEGISLATIVE AUDITOR GENERAL

**Summary: FY 2010-11 House Subcommittee Recommendation
HB 5880 (H-1) Draft A**

Analyst: Robin R. Risko

	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive	FY 2010-11 House	FY 2010-11 Senate	FY 2010-11 Enacted	Difference: House From FY 2009-10 YTD	
						Amount	%
IDG/IDT	\$1,801,500	\$1,801,500	\$1,801,500			\$0	0.0
Federal	0	0	0			0	0.0
Local	0	0	0			0	0.0
Private	0	0	0			0	0.0
Restricted	1,539,900	1,539,900	1,539,900			0	0.0
GF/GP	11,619,800	11,155,000	10,808,800			(811,000)	(7.0)
Gross	\$14,961,200	\$14,496,400	\$14,150,200			(\$811,000)	(5.4)
FTEs	0.0	0.0	0.0			0.0	0.0

Note: FY 2009-10 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through January 31, 2010.

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 2009-10 YTD Appropriations</u>		<u>FY 2009-10 YTD (as of 2/11/10)</u>	<u>House Change From YTD</u>
1. GF/GP Budget Reductions	Gross	\$14,647,700	(\$464,800)
Reflects a savings to be achieved through administrative reductions.	GF/GP	\$11,306,300	(\$464,800)
2. Budgetary Savings	Gross	N/A	(\$346,200)
Includes an additional 3.1% reduction to general fund appropriations. The Auditor General will have the authority to determine how to achieve the savings.	GF/GP	N/A	(\$346,200)

Major Boilerplate Changes From FY 2009-10

None

STATE

Summary: FY 2010-11 House Subcommittee Recommendation HB 5880 (H-1) Draft A

Analyst: Ben Gielczyk

	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive	FY 2010-11 House	FY 2010-11 Senate	FY 2010-11 Enacted	Difference: House From FY 2009-10 YTD	
						Amount	%
IDG/IDT	\$20,000,000	\$20,000,000	\$20,000,000			\$0	0.0
Federal	1,810,000	1,810,000	1,810,000			0	0.0
Local	0	0	0			0	0.0
Private	100	100	100			0	0.0
Restricted	169,364,700	176,578,000	176,578,000			7,213,300	4.3
GF/GP	17,955,400	14,179,200	13,742,700			(4,212,700)	(23.5)
Gross	\$209,130,200	\$212,567,300	\$212,130,800			\$3,000,600	1.4
FTEs	1,815.0	1,815.0	1,815.0			0.0	0.0

Note: FY 2009-10 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through January 31, 2010.

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.

<u>Major Budget Changes From FY 2009-10 YTD Appropriations</u>		<u>FY 2009-10 YTD (as of 2/11/10)</u>	<u>House Change From YTD</u>
1. GF/GP Reductions	Gross	N/A	(\$1,182,300)
Reduces GF/GP funding for the following line items: Regulatory Services Operations by \$287,600; Customer Delivery Branch Operations by \$277,900; Central Operations by \$277,500; Department Services Operations by \$272,300; Executive Direction Operations by \$7,000; and Information Technology Administrative reductions of \$60,000.	GF/GP	N/A	(\$1,182,300)
2. Department of Technology, Management and Budget Savings	Gross	N/A	(\$22,500)
Includes consolidated savings from the merger of Department of Management and Budget (DMB) and Department of Information Technology (DIT) under Executive Order 2009-55.	Restricted	N/A	(20,700)
	GF/GP	N/A	(\$1,800)
3. Business Application Modernization (BAM)	Gross	(\$4,550,000)	(\$4,550,000)
Eliminates total funding for BAM due to the completion of the project by DIT. BAM program is an end-to-end review of business processes which will allow for more online transactions, reduce error, expand form of payment, and other electronic and online upgrades.	Restricted	(1,800,000)	(1,800,000)
	GF/GP	(\$2,750,000)	(\$2,750,000)
4. Credit and Debit Card Service Assessment	Gross	N/A	\$1,000,000
Includes additional funding for credit and debit card service assessment. Funding was formerly a boilerplate appropriation in Sec. 816 of the FY 2009-10 Department of State budget.	Restricted	N/A	1,000,000
	GF/GP	N/A	\$0
5. Organ Donor Program	Gross	\$104,100	(\$25,000)
Reduced funding for organ donor program with targeted reductions for department.	Private	100	0
	GF/GP	\$104,000	(\$25,000)

STATE

<u>Major Budget Changes From FY 2009-10 YTD Appropriations</u>		<u>FY 2009-10 YTD (as of 2/11/10)</u>	<u>House Change From YTD</u>
6. State Officers Compensation Commission (SOCC) Adjustment Reduces funding for Secretary of State salary as part of SOCC adopted salary reductions. Reductions will be applied to nine months of salary as SOCC recommendations do not take effect until January 1, 2011.	Gross GF/GP	\$124,900 \$124,900	(\$9,100) (\$9,100)
7. Economic Adjustments Includes additional funding for salary and wage, insurance, retirement, and rent (\$8.2 million Gross; \$505,900 million GF/GP); reduces funding for worker's compensation and building occupancy costs (\$464,300 Gross; \$401,300 GF/GP). Also includes DIT economic adjustment increases of \$492,300 Gross and \$87,400 GF/GP.	Gross Restricted GF/GP	N/A N/A N/A	\$8,226,000 8,034,000 \$192,000
8. Budgetary Savings Includes a budgetary savings line item and an additional 3.1% reduction to general fund appropriations. The department will have the authority to determine how to achieve the savings.	Gross GF/GP	N/A N/A	(\$436,500) (\$436,500)

Major Boilerplate Changes From FY 2009-10

The **Executive** deleted all of the following sections:

- Sec. 805a. Help America Vote Act (HAVA) Report (House Sec. 706)
- Sec. 815. Branch Office Closings or Consolidations (House Sec. 714)
- Sec. 818. Motorcycle Safety Education Program (House Sec. 716)
- Sec. 824. Buena Vista Township Branch Office (House Sec. 718)
- Sec. 825. General Fund Expenditures (House Sec. 719)
- Sec. 827. Branch Office Locations in Urban Areas (House Sec. 720)

The **House** retains each section.

Sec. 715. Credit and Debit Card Service Assessment - REVISED

Stipulates that service assessments collected by the department of state from the user of a credit or debit card is appropriated to the department for necessary expenses related to that service. Removes language indicating that funds are allocated for expenditure when they are received by the Department of Treasury because funding was moved to Part 1 appropriation.

Sec. 719. Business Application Modernization (BAM) Project - DELETED

Appropriates \$4.6 million funding for the BAM Project to be used for development, implementation, and maintenance of BAM.

Sec. 721. ATM Commission Fees - NEW

Allows the Department to collect ATM commission fees from companies that have ATM's located in Secretary of State branch offices. Requires commission fees collected to be deposited in the Transportation Administration Collection Fund.

Sec. 728. Performance Audit Report – DELETED

Requires the Department to submit a report on improvements and changes made with regard to issues identified by the Auditor General in the 2009 cash receipts and branch office customer service audit.

TECHNOLOGY, MANAGEMENT, AND BUDGET
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Analyst: Robin R. Risko

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						Amount	%
IDG/IDT	\$584,509,400	\$589,368,200	\$589,368,200			\$4,858,800	0.8
Federal	11,219,800	2,917,800	2,917,800			(8,302,000)	(74.0)
Local	2,027,600	1,380,400	1,380,400			(647,200)	(31.9)
Private	151,900	170,800	170,800			18,900	12.4
Restricted	72,200,500	84,881,000	84,881,000			12,680,500	17.6
GF/GP	293,574,300	304,346,000	302,515,400			8,941,100	3.0
Gross	\$963,683,500	\$983,064,200	\$981,233,600			\$17,550,100	1.8
FTEs	3,038.0	2,971.5	2,971.5			(66.5)	(2.2)

Note: FY 2009-10 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through January 31, 2010.

Overview

The Department of Technology, Management and Budget was recently created pursuant to Executive Order 2009-55. The EO merges the former Departments of Information Technology and Management and Budget. 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.

<u>Major Budget Changes From FY 2009-10 YTD Appropriations</u>		FY 2009-10 YTD House Change (as of 2/11/10)	From YTD
MANAGEMENT AND BUDGET			
1. SBA Rent Increase	Gross	\$235,370,600	\$10,000,000
Includes additional funding for State Building Authority rent payments. Adjustments are made based on a number of factors including project start and end dates, delays, refinancing, refunding, the number of current projects underway, and assumptions of upcoming finance needs for planned projects.	GF/GP	\$235,370,600	\$10,000,000
2. Gubernatorial Transition	Gross	N/A	\$1,500,000
Includes additional funding for costs associated with the gubernatorial transition. Funding is used for both the outgoing and the incoming governor and covers expenses associated with staff, leave payments, unemployment benefits, office space, supplies, moving, and other related costs.	GF/GP	N/A	\$1,500,000
3. Accounting Service Consolidation	FTEs	N/A	8.0
Includes an additional 8.0 FTE positions and funding to reflect the transfer of accounting functions from the Department of Civil Rights, the Civil Service Commission, and the Office of the State Employer to Management and Budget.	Gross	N/A	\$859,600
	IDG	N/A	859,600

TECHNOLOGY, MANAGEMENT, AND BUDGET

<u>Major Budget Changes From FY 2009-10 YTD Appropriations</u>		<u>FY 2009-10 YTD House Change</u> <u>(as of 2/11/10)</u>	<u>From YTD</u>
4. New Building Operations and Private Rent Adjustment	Gross	N/A	\$861,600
Includes an additional \$785,200 to cover utility and maintenance costs at the State Police headquarters building and an additional \$76,400 for private rent adjustments at One Division and Rickle Road Lab buildings.	IDG	N/A	861,600
5. Audits of Public School Employer Units	FTEs	N/A	2.0
Includes an additional 2.0 FTE positions and funding for costs associated with conducting audits of retirement data submitted by public school employer reporting units. This data includes wages, hours, and contributions of public school employees.	Gross	N/A	\$180,500
	Restricted	N/A	180,500
6. SWCAP-related Fund Source Shifts	Gross	N/A	\$0
Adjusts IDG, federal, state restricted, and GF/GP fund sources in order to reflect how departmental and statewide overhead costs should be financed according to the most recent Statewide Cost Allocation Plan (SWCAP). The Plan allocates the costs of providing central support services to other state departments and their respective fund sources.	IDG	N/A	(48,300)
	Federal	N/A	(266,700)
	Restricted	N/A	2,706,000
	GF/GP	N/A	(\$2,391,000)
7. Building Operations Reductions	FTEs	253.0	(2.0)
Reflects a reduction of 2.0 FTE positions and funding due to building contract reductions (\$601,000), savings from reorganization (\$500,000), and further staff restructuring (\$156,900).	Gross	\$87,784,000	(\$1,257,900)
	IDG	87,784,000	(1,257,900)
8. Eliminate Professional Development Funds	Gross	\$200,000	(\$200,000)
Reflects a savings due to elimination of professional development funds for NEREs and MSCs.	IDG	200,000	(200,000)
9. DTMB Consolidation	FTEs	N/A	(0.5)
Reflects a reduction in FTE positions and a savings due to the consolidation of the Departments of Management and Budget and Information Technology pursuant to EO 2009-55.	Gross	N/A	(\$304,100)
	IDG	N/A	(114,600)
	Restricted	N/A	(22,800)
	GF/GP	N/A	(\$166,700)
10. Federal Funding Authorization	Gross	N/A	\$100
Includes authorization for the department to receive federal funding if it becomes available. The Records Management Services program which was transferred to Management and budget from the former Department of History, Arts, and Libraries has received federal grant funding in the past.	Federal	N/A	100
11. Budget Reductions	FTEs	N/A	(41.0)
Reflects a reduction of 41.0 FTE positions and a savings due to a reduction of staff and support services provided, a reduction of on call hours and system maintenance for MAIN, a reduction in funding for the Center for Education Performance Information, from applying administrative rate reductions to information technology costs, from not filling vacant FTE positions, and from adjusting FTE authorization to reflect actual funded positions.	Gross	N/A	(\$772,000)
	Restricted	N/A	(156,800)
	GF/GP	N/A	(\$615,200)
12. Management and Budget Economics	Gross	N/A	\$4,869,200
Includes additional funding to cover costs of a 3% salary and wage increase, as well as increases in insurance, retirement, and workers' compensation premium costs; reduces funding for building occupancy charges.	IDG	N/A	927,000
	Restricted	N/A	909,700
	GF/GP	N/A	\$3,032,500
13. Budgetary Savings	Gross	N/A	(\$1,830,600)
Includes a budgetary savings line item and an additional 0.6% reduction to general fund appropriations (Management and Budget and Civil Service Commission). The department and Commission will have the authority to determine how to achieve the savings.	GF/GP	N/A	(\$1,830,600)

<u>Major Budget Changes From FY 2009-10 YTD Appropriations</u>	FY 2009-10 YTD House Change	
	<u>(as of 2/11/10)</u>	<u>From YTD</u>
TECHNOLOGY SERVICES		
14. Base Adjustments		
Reduces line items within the Technology Services budget to reflect actual appropriations in FY 2010 for information technology services and projects in other state department budgets:		
<ul style="list-style-type: none"> • Agriculture - \$178,600 • Civil Rights - \$85,700 • Civil Service Commission - \$400,000 • Corrections - \$402,300 • Education - \$14,300 • Environmental Quality - \$2,700 • Human Services - \$4,381,100 • Management and Budget - \$1,855,600 • Military and Veterans Affairs - \$100,000 • State - \$137,200 • Treasury - \$687,000 	Gross	\$423,323,100
	IDG	(\$8,244,500)
		(8,244,500)
15. Program Enhancements		
Makes the following adjustments to reflect appropriations for program enhancements made in other state department budgets:		
<ul style="list-style-type: none"> • Human Services - \$14.2 million for increased costs due to Children's Rights Settlement (development of Statewide Automated Child Welfare Information System and need for new child welfare and other staff) • Corrections - \$102,600 for desktop maintenance • Gaming - 1.0 FTE position and \$94,000 for increased workload • Education - \$85,000 for implementation of Race to the Top education reform • State Police - \$36,200 for Automated Fingerprint Identification System • Management and Budget - \$4,000 for audits of public school employer units 	FTEs	1,635.0
	Gross	\$423,323,100
	IDG	\$14,534,800
		14,534,800
16. Budget Reductions		
Reflects a savings to be achieved in the various department budgets through staff reductions, administrative efficiencies, administrative rate reductions, contract reductions, server and license reductions, reductions in CSS&M and maintenance costs, and delaying equipment purchases:		
<ul style="list-style-type: none"> • Technology Services - \$549,900 • Civil Rights - \$58,900 • Civil Service Commission - \$17,400 • Corrections - \$359,100 • Education - \$50,000 • Environmental Quality - 1.0 FTE position and \$100,600 • Human Services - \$1.0 million • Management and Budget - \$459,600 • Military and Veterans Affairs - \$30,000 • Natural Resources - \$103,900 • State - \$16,600 • State Police - \$248,700 • Transportation - \$1.4 million • Treasury - \$616,300 	FTEs	1,635.0
	Gross	\$423,323,100
	IDG	(\$5,017,500)
		(5,017,500)

TECHNOLOGY, MANAGEMENT, AND BUDGET

<u>Major Budget Changes From FY 2009-10 YTD Appropriations</u>	FY 2009-10 YTD House Change (as of 2/11/10) From YTD		
17. Eliminate Program Funding	Gross	\$423,323,100	(\$6,363,500)
Reflects elimination of funding in various department budgets for programs no longer needing funding or as a result of funding not being available:	IDG	423,323,100	(6,363,500)
<ul style="list-style-type: none"> • Community Health - \$400,000 for Newborn Screening program and \$971,300 for WIC program • Natural Resources - \$27,100 in excess authorization • State - \$4.6 million for Business Application Modernization project • Treasury - \$415,100 for Michigan Merit Award Trust Fund 			
18. Transfers	FTEs	N/A	(2.0)
Reflects the transfer of FTE positions and funding within various department budgets from IT programs to non-IT programs:	Gross	N/A	(\$1,310,100)
<ul style="list-style-type: none"> • Corrections - 1.0 FTE position and \$110,000; IT staff person moved to analyst position within department • Human Services - \$557,200; portion of Bridges funding moved to non-IT program • State Police - \$538,900; aligns funding for one-time IT expenditures between IT and non-IT line items within department • Treasury - 1.0 FTE position and \$104,000; IT staff person moved to non-IT program 	IDG	N/A	(1,310,100)
19. DTMB Consolidation	FTEs	N/A	(3.0)
Reflects a reduction of 3.0 FTE positions and a savings due to the consolidation of the Departments of Management and Budget and Information Technology pursuant to EO 2009-55.	Gross	N/A	(\$662,500)
	IDG	N/A	(662,500)
20. Technology Services Economics	Gross	N/A	\$9,412,900
Includes additional funding to cover costs of a 3% salary and wage increase, as well as increases in insurance and retirement; reduces funding for workers' compensation premium costs and building occupancy charges.	IDG	N/A	9,412,900
CIVIL SERVICE COMMISSION			
21. Budget Reductions	FTEs	469.5	(20.0)
Reflects a reduction of 20.0 FTE positions and a savings to be achieved through retirement, attrition, possible layoffs, and by applying administrative rate reductions to information technology costs.	Gross	\$49,555,700	(\$1,766,300)
	Federal	10,293,900	(800)
	Restricted	16,521,500	(1,000)
	GF/GP	\$19,943,900	(\$1,764,500)
22. Accounting Service Consolidation	FTEs	N/A	(8.0)
Reflects a reduction of FTE positions and a savings due to the transfer of accounting functions from the Civil Service Commission to Management and Budget.	Gross	N/A	(\$93,200)
	GF/GP	N/A	(\$93,200)
23. Fund Source Shifts	Gross	N/A	\$0
Adjusts IDG, federal, local, private, and state restricted fund sources in order to more accurately reflect where expenditures occur. The net effect on the total budget is \$0.	IDG	N/A	1,338,700
	Federal	N/A	(8,453,200)
	Local	N/A	(727,600)
	Private	N/A	8,100
	Restricted	N/A	7,834,000
24. Civil Service Commission Economics	Gross	N/A	\$3,153,600
Includes additional funding to cover costs of a 3% salary and wage increase, as well as increases in insurance and retirement; reduces funding for workers' compensation premium costs.	IDG	N/A	143,100
	Federal	N/A	418,600
	Local	N/A	80,400
	Private	N/A	10,800
	Restricted	N/A	1,230,900
	GF/GP	N/A	\$1,269,800

Major Boilerplate Changes From FY 2009-10

MANAGEMENT AND BUDGET

The **Executive** deleted all of the following sections:

- Sec. 710. Revisions to Computer Contracts (House Sec. 809.)
- Sec. 715 (3). Motor Vehicle Fleet Assignment ((House Sec. 813(3))
- Sec. 715 (4). Motor Vehicle Fleet Plan ((House Sec. 813(4))
- Sec. 716. Purchasing From Michigan-Based Firms (House Sec. 814.)
- Sec. 717. Purchasing (House Sec. 815.)
- Sec. 718. Collection of Vendor Disclosure Information (House Sec. 816.)
- Sec. 719. Vendor Disclosure Call Centers (House Sec. 817.)
- Sec. 724. Document and Data Imaging (House Sec. 821.)
- Sec. 725. Unclassified Salaries (House Sec. 822.)

The **House** retains each section.

Sec. 727. Contract Savings – DELETED

Requires the department to take measures to reduce existing contractual expenditures by \$20 million, lists required measures to be followed, and requires annual report on the amount of contract savings achieved.

Sec. 873. Capital Outlay Projects for Community Colleges – NEW (Standard Capital Outlay Language)

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

Sec. 874. Matching Fund Requirements for Capital Outlay Projects – NEW (Standard Capital Outlay Language)

Authorizes reducing the amount of state funds required for a capital outlay project if the amount of matching funds from the university or community college are reduced.

Sec. 875. Documentation for Authorized Capital Outlay Projects – NEW (Standard Capital Outlay Language)

Authorizes the department to require documentation from universities and community colleges that have authorization for capital outlay projects.

TECHNOLOGY SERVICES

The **Executive** deleted all of the following sections:

- Sec. 574. Expenditures for Spatial Information and Technical Services (House Sec. 824.)
- Sec. 577 (4). Michigan Public Safety Communications System (House Sec. 827.)
- Sec. 578. Technology-related Appropriations and Expenditures (House Sec. 828.)
- Sec. 579. Life-Cycle of IT Hardware and Software (House Sec. 829.)
- Sec. 583. Contracts (House Sec. 830.)
- Sec. 584. Information and Referral Services Using 2-1-1 (House Sec. 831.)
- Sec. 585. Child Support Enforcement System (House Sec. 832.)

The **House** retains each section.

Sec. 580. Business Application Modernization Project – DELETED

Specifies the amount of funding appropriated for BAM project, lists what funding can be used for, designates funding as a work project account, and authorizes unexpended funding to be carried forward.

Sec. 582. Michigan.gov – DELETED

Requires report on improvements made to Michigan.gov.

CIVIL SERVICE COMMISSION

Sec. 754. Office of Great Workplace Development – DELETED

Prohibits funding to be used for the Office of Great Workplace Development.

TREASURY

**Summary: FY 2010-11 House Subcommittee Recommendation
HB 5880 (H-1) Draft A**

Analyst: Ben Gielczyk

	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive	FY 2010-11 House	FY 2010-11 Senate	FY 2010-11 Enacted	Difference: House From FY 2009-10 YTD	
						Amount	%
IDG/IDT	\$11,120,700	\$14,059,900	\$14,059,900			\$2,939,200	26.4
Federal	95,782,000	94,476,600	94,476,600			(1,305,400)	(1.4)
Local	1,526,400	2,066,500	2,066,500			540,100	35.4
Private	723,700	852,200	852,200			128,500	17.8
Restricted	1,353,620,700	1,437,274,600	1,421,374,600			67,753,900	5.0
GF/GP	151,964,700	202,130,100	199,562,100			47,597,400	31.3
Gross	\$1,614,738,200	\$1,750,859,900	\$1,732,391,900			\$117,653,700	7.3
FTEs	1,867.5	1,885.5	1,885.5			18.0	1.0

Note: FY 2009-10 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through January 31, 2010.

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), 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.

Major Budget Changes From FY 2009-10 YTD Appropriations		FY 2009-10 YTD (as of 2/11/10)	House Change From YTD
TREASURY OPERATIONS			
1. GF/GP Budget Reductions	FTEs	N/A	(9.0)
Reduces funding \$1.8 million GF/GP and eliminates 9.0 FTE positions. Reductions are achieved through consolidated staff reductions, DIT rate and administrative reductions, and targeted program reductions by the department.	Gross	N/A	(\$1,787,700)
	GF/GP	N/A	(\$1,787,700)
2. Contractual Services for Other Departments	Gross	N/A	\$3,684,200
Increases funding to various line items for contractual services provided by the Department for other departments and state agencies. Spending authorization was previously provided for in boilerplate Sec. 928 of the FY 2010 General Government budget.	IDG	N/A	1,930,300
	Restricted	N/A	1,753,900
	GF/GP	N/A	\$0
3. Tax Compliance	FTEs	338.0	9.0
Includes \$1.0 million Gross and 9.0 FTEs in additional audit staff to meet obligations of MBT business filings. Program will generate \$4.0 million in FY 2011 and \$10.0 million in FY 2012. Will be implemented as part of FY 2010 supplemental.	Gross	\$34,988,700	\$1,000,000
	Restricted	33,103,900	1,000,000
	GF/GP	\$1,884,800	\$0
4. Tax Processing	FTEs	151.0	4.0
Increases funding by \$400,000 Gross and 4.0 FTEs to eliminate backlog of paid error returns to be processed. Program will generate \$10.0 million in revenue beginning in FY 2011. Also proposed as part of FY 2009-10 supplemental.	Gross	\$14,075,100	\$400,000
	IDG	2,298,200	0
	Restricted	11,776,900	400,000

TREASURY

<u>Major Budget Changes From FY 2009-10 YTD Appropriations</u>		<u>FY 2009-10 YTD (as of 2/11/10)</u>	<u>House Change From YTD</u>
5. Bottle Bill Supplemental	Gross	\$1,500,000	(\$1,500,000)
Removes one-time reverse bottle bill redemption antifraud fund supplemental included in FY 2009-10 budget.	Restricted	1,500,000	(1,500,000)
6. College Access Challenge Grant Program	Gross	\$2,202,400	(\$2,202,400)
Removes funding for College Access Challenge Grant Program. Funding for program was available for two years and is established as a work project to be used through FY 2010-11.	Federal	2,202,400	(2,202,400)
7. Tax and Economic Policy	FTEs	81.0	1.0
Includes \$150,000 and 1.0 FTE position for implementation of additional duties associated with Emergency 911 administration.	Gross	\$9,279,900	\$150,000
	Restricted	7,432,000	150,000
	GF/GP	\$1,847,900	\$0
8. Michigan Transportation Fund Adjustment	Gross	N/A	\$647,500
Increases IDG from MDOT Michigan Transportation Fund by \$647,500 Gross. Mandated MTF adjustment. Funding increases are distributed as follows: Customer Contact (\$284,900); Tax and Economic Policy (\$155,400); and Tax Processing (\$207,200).	IDG	N/A	647,500
9. Fund Shifts	Gross	N/A	\$0
Reduces GF/GP funding levels due to shift in funding to restricted funds. Supervision of General Property Tax Law shifts \$635,000 in GF/GP funding to restricted funding by using available reserve balances in assessor training fees and land reutilization fees. Banking and Management Services shifts \$258,500 in GF/GP funding to restricted indirect funds based on common activities within department similar to SWCAP.	Local	N/A	485,000
	Restricted	N/A	408,500
	GF/GP	N/A	(\$893,500)
10. Department of Technology, Management, and Budget (DTMB) Consolidation	Gross	N/A	(\$32,700)
Reduces funding due to savings from consolidation of the Department of Management and Budget and the Department of Information Technology	Restricted	N/A	(27,700)
	GF/GP	N/A	(\$5,000)
11. Michigan Merit Award Administration	FTEs	6.0	(6.0)
Eliminates funding for Michigan Merit Award Administration. Program is eliminated due to elimination of Michigan Promise Grant program.	Gross	\$1,430,800	(\$1,430,800)
	Restricted	1,430,800	(1,430,800)
12. Business Property Tax Appeal	FTEs	N/A	7.0
Includes \$900,000 in GF/GP funding and 7.0 FTE positions for new Business Property Tax Appeal program. Program will provide assessment review for property tax appeals that affect School Aid Fund.	Gross	N/A	\$900,000
	GF/GP	N/A	\$900,000
13. Economic Adjustments	Gross	N/A	\$10,153,900
Increases funding by \$9.3 million Gross and \$1.1 GF/GP for economics, which includes salaries and wages, retirement, building occupancy charges, workers' compensation, and insurance costs; includes Lottery and Michigan Gaming Control Board. Also includes DIT economic adjustments of \$833,900 Gross and \$184,400 GF/GP.	IDG	N/A	361,400
	Federal	N/A	798,600
	Local	N/A	55,100
	Restricted	N/A	7,671,400
	GF/GP	N/A	\$1,267,400
14. Budgetary Savings	Gross	N/A	(\$1,851,400)
Includes a budgetary savings line item and an additional 3.1% reduction to general fund appropriations. The department will have the authority to determine how to achieve the savings.	GF/GP	N/A	(\$1,851,400)

TREASURY

<u>Major Budget Changes From FY 2009-10 YTD Appropriations</u>	<u>FY 2009-10 YTD (as of 2/11/10)</u>	<u>House Change From YTD</u>
DEBT SERVICE		
15. Debt Service Payments		
Increases funding by \$54.7 million based on principal and interest requirements of general obligation bond issues and new issues. Reduces Water Pollution Control Board (\$62,400) and Great Lakes Water Quality (\$10.9 million). Increases funding for Quality of Life Bond (\$32.5 million) and Clean Michigan Initiative (\$33.2 million). Between FY 2007-08 and FY 2009-10 debt service payments were refinanced and pushed into the future for a planned savings of \$100 million. Increase in FY 2010-11 is due to new issues and scheduled required increases.	Gross \$80,177,500	\$54,731,700
	Restricted 15,514,500	0
	GF/GP \$64,663,000	\$54,731,700
GRANTS		
16. Convention Facility Development Distribution		
Eliminates \$9.0 million in one-time convention facility development funding associated with Public Act 62 of 2009.	Gross \$83,850,000	(\$9,000,000)
	Restricted 83,850,000	(9,000,000)
CASINO GAMING		
17. Office of Racing Commissioner		
Includes \$1.9 million Gross and 10.0 FTE (1.0 FTE unclassified) positions for the Office of Racing Commission that was transferred from the Department of Agriculture as part of Executive Orders 2009-45, 2009-54.	FTEs N/A	9.0
	Gross N/A	\$1,905,000
	Restricted N/A	1,905,000
18. Casino Gaming Control Administration/Information Technology		
Includes \$1.6 million in restricted funds for casino gaming laboratory services and background investigations. Funding was previously appropriated in boilerplate Section 972 of FY 2010-11 General Government budget. Also includes \$86,500 in restricted funding and 1.0 FTE position under the Casino Gaming Control Administration for Indian Gaming Auditor to audit new casinos along with \$94,000 in restricted funding for Casino Gaming DIT staff person to audit new Indian Casinos.	FTEs 115.0	1.0
	Gross \$21,011,900	\$1,783,500
	Restricted 21,011,900	1,783,500
STATE LOTTERY		
19. Promotion and Advertising		
Eliminates \$18.6 million in funding for promotion and advertising. Moves spending authorization to boilerplate section to allow up to one percent of sales revenue to go to promotion and advertising.	Gross \$18,622,000	(\$18,622,000)
	Restricted 18,622,000	(18,622,000)
20. Lottery Operations		
Includes \$78,000 Gross and 1.0 FTE position for assistance in the introduction of Powerball.	FTEs 181.0	1.0
	Gross \$20,847,800	\$78,000
	Restricted 20,847,800	78,000
REVENUE SHARING		
21. Constitutional Revenue Sharing		
Reduces revenue sharing payments by \$19.1 million. Fiscal Year 2009-10 YTD amounts were based on the January 2009 Consensus Revenue Estimating Conference (CREC) figures. Executive recommended amounts are based on January 2010 CREC.	Gross \$622,137,900	(\$19,094,300)
	Restricted 622,137,900	(19,094,300)
22. Statutory Revenue Sharing		
Increases statutory revenue sharing payments by \$151,800 from FY 2009-10 YTD amounts. Executive recommended amounts are based on January 2010 CREC.	Gross \$314,169,900	\$151,800
	Restricted 314,169,900	151,800
23. County Revenue Sharing		
Increases county revenue sharing payments by \$59.4 million to fund the additional counties anticipated to be eligible again for state payments. Counties become eligible when they exhaust their revenue sharing reserve funds.	Gross \$55,291,700	\$59,449,000
	Restricted 55,291,700	59,449,000
24. Budgetary Savings		
Includes an additional 3.1% reduction to revenue sharing appropriations (statutory reduced by \$10.0 million and county reduced by \$3.6 million).	Gross N/A	(\$13,572,000)
	Restricted N/A	(13,572,000)

<u>Major Budget Changes From FY 2009-10 YTD Appropriations</u>	<u>FY 2009-10 YTD (as of 2/11/10)</u>	<u>House Change From YTD</u>
MICHIGAN STRATEGIC FUND		
25. 21st Century Jobs Program Funding	Gross \$28,500,000	\$46,500,000
Increases funding by \$46.5 million in restricted funding to restore FY 2009-10 transfer to general fund. Statute provides for \$75 million.	Restricted 28,500,000	46,500,000
26. Economic Development Job Training (EDJT) Program	Gross \$4,705,800	(\$4,705,800)
Eliminates funding for the Economic Development Job Training Program. The EDJT program provides employee training grants to maintain or attract permanent jobs for Michigan residents. The grants are for high-skill/high-wage jobs in 21st century industries, such as advanced manufacturing, life sciences, technology, homeland security, and alternative energy.	GF/GP \$4,705,800	(\$4,705,800)
27. Michigan Promotion Program	Gross \$5,402,800	\$13,000,000
Includes \$13.0 million in restricted funds from proposed assessment on select vehicle rentals for promotion of tourism and business. Assessments would be deposited in Michigan Promotion Fund.	Restricted 0 GF/GP \$5,402,800	13,000,000 \$0
28. Arts and Cultural Grants	Gross N/A	\$100,000
Includes \$100,000 in restricted funds for Arts and Cultural Grants. New funding would come from a voluntary income tax check off beginning in tax year 2009 that would be deposited in the arts fund.	Private N/A	100,000
29. Business Incubator Program	Gross \$950,000	(\$950,000)
Eliminates one-time funding for business incubator program.	Restricted 950,000	(950,000)
30. MSF Economic Adjustments	Gross N/A	\$812,800
Includes \$812,800 Gross and \$658,300 GF/GP funding for economics, which include increased funding for salaries and wages, retirement, workers' compensation, and insurance costs.	Federal N/A Private N/A Restricted N/A GF/GP N/A	98,400 28,500 27,600 \$658,300
31. Budgetary Savings	Gross N/A	(\$3,044,600)
Includes a budgetary savings line item and an additional 3.1% reduction to general fund appropriations. Also includes a 3.1% reduction to the 21st Century Jobs Trust Fund appropriation. The agency will have the authority to determine how to achieve the savings.	Restricted N/A GF/GP N/A	(2,328,000) (\$716,600)

Major Boilerplate Changes From FY 2009-10

DEPARTMENT OF TREASURY

The **Executive** deleted all of the following sections:

- Sec. 905. Sale of Tax Manuals
 - Sec. 906. State Audits
 - Sec. 918. Tax Orientation Workshops
 - Sec. 938. PILT Payments
 - Sec. 939. Public Employee Pension Fund Investment
 - Sec. 942. Field Collection Report
 - Sec. 945. Fourteen-Point Review
 - Sec. 947. Revenue Enhancement Program
 - Sec. 948. Electronic Income Tax Filing
 - Sec. 963. Department of Human Services Bridge Cards
 - Sec. 975. State Services Fee Fund Balance
 - Sec. 1003. Michigan Growth Capital Fund
 - Sec. 1007. Grants and Investment Program
 - Sec. 1008. Interlocal Agreements
 - Sec. 1023. Tourism Promotion
 - Sec. 1033. Michigan Film Office Advisory Council
 - Sec. 1034. Business Incubator Program
- The **House** retains each section.

TREASURY

Major Boilerplate Changes From FY 2009-10

Sec. 903. Private Collection Agency/Law Firm Contracting - REVISED

Authorizes the Department to contract with private collection agencies and law firms to collect taxes and other accounts due, including defaulted student loans; requires report. Revision states that the amounts appropriated for defaulted student loan collections are not to exceed 23% of the collection or a lesser amount prescribed in the contract.

Sec. 924. Principal Residence Tax Audits - REVISED

Authorizes the Department to receive and expend principal residence audit fund revenue for administration of principal residence audits; requires report. Revision requires that the report state the amount of exemptions denied and the revenue received under the program.

Sec. 925. Public-Private Partnership Fund – REVISED

Authorizes a Public-Private Partnership Investment Fund for use in public-private partnerships. Directs the state treasurer and state budget director to determine. Revision authorizes unencumbered balance at the end of the year to be carried forward for appropriation in future years.

Sec. 929. Data and Collection Services – DELETED

Authorizes Department to enter into agreements to supply data or collection services to other executive principal departments or state agencies, the US Department of Treasury, or local units of government. Deleted due to the inclusion of funding in part 1.

Sec. 943. Form 1099-G Mailings - DELETED

Directs the Department to not include complete social security numbers in form 1099-G mailings to taxpayers.

Sec. 946. Coordinated Assessment and Training Activities - DELETED

Authorizes members of state tax commission and management level staff of the assessment and certification division to meet with statewide assessment organizations quarterly to coordinate assessment and training activities.

Sec. 949. Tobacco Stamp Program – DELETED

Directs Department to explore the possibility of a public-private partnership for new tobacco stamp technology; requires report.

Sec. 950. Revenue Sharing – REVISED

Directs distribution of constitutional and statutory revenue sharing payments to cities, villages and townships. Allows cities, villages, and townships to receive less than 98.75% of their FY 2009-10 total revenue sharing payment if constitutional revenue sharing funding is reduced.

Sec. 955. County Revenue Sharing – REVISED

Directs the county revenue sharing appropriation to be distributed by the department to eligible counties according to the Glenn Steil State Revenue Sharing Act of 1971.

LOTTERY

Sec. 962. Promotion and Advertising - NEW

Authorizes appropriation of one percent of the prior fiscal year's lottery ticket sales for promotion and advertising. Formerly funded through line-item appropriation.

CASINO GAMING

Sec. 972. Gaming Oversight - DELETED

Appropriates funds distributed by the Michigan Gaming Control Board to the Department for oversight of casino gaming upon receipt. Directs the funds to be used to pay for costs incurred for casino gaming oversight activities. Deleted due to inclusion of funding in part 1.

Sec. 976. Horse Racing Industry Crimes - NEW

Authorizes the racing commissioner to pay rewards of not more than \$5,800 to a person who provides information that results in the arrest and conviction for a crime that involves the horse racing industry. Awards are paid from the Office of Racing Commissioner line-item.

MICHIGAN STRATEGIC FUND (MSF)

Sec. 1002. Economic Development Job Training (EDJT) Grants – DELETED

Provides description and direction for Economic Development Job Training Grant program. Program is eliminated.

Sec. 1010. Advertising Material - DELETED

Requires that no MSF funding is spent on premiums or advertising material involving personal effects or apparel except Travel Michigan.

Major Boilerplate Changes From FY 2009-10

Sec. 1024. Small Business Technology and Development Centers (SBTDC) - REVISED

Revises to remove allocation of \$1.4 million from the 21st 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.

Sec. 1027. Lakeshore Advantage – DELETED

Stipulates that funds appropriated for the jobs for Michigan investment program: 21st Century Jobs Fund, \$3.0 million may be allocated to Lakeshore Advantage for the same purposes as the fiscal year 2007-2008 allocation.

Sec. 1035. Michigan Council for Arts and Cultural Affairs (MCACA) Arts and Cultural Grants – REVISED

Requires MCACA to develop and administer targeted arts and cultural grant programs. MCACA is required to develop and publish application criteria and may charge non-refundable application fee that shall be deposited in the Council for the Arts Fund to be used for expenses necessary to administer the programs.

Sec. 1036. Arts and Cultural Institutions Project Program - NEW

Authorizes MCACA to offer an Arts and Cultural Institutions Project Program to remodel, repair, renovate, or construct certain arts and cultural institutions. Requires application process to be developed and allows for application fee to offset costs associated with reviewing the proposals. Projects recommended are not to exceed \$50.0 million in total.