

**ENERGY, LABOR, AND ECONOMIC GROWTH
FY 2010-11 Summary: As Passed by the Senate
House Bill 5884 (Substitute S-1)**



Analyst: Mark Wolf

	FY 2009-10 Year-to-Date	FY 2010-11 Executive	FY 2010-11 House	FY 2010-11 Senate	FY 2010-11 Enacted	House Change From FY 2009-10 YTD	
						Amount	%
IDG/IDT	\$29,465,100	\$13,503,500	\$13,503,500	13,210,600	N/A	(\$16,254,500)	(55.2)
Federal							
ARRA	45,365,400	0	0	0	N/A	(45,365,400)	(100.0)
Non-ARRA	922,904,000	1,008,535,800	1,008,535,800	834,569,300	N/A	(88,334,700)	(9.6)
Local	15,921,000	16,020,400	16,020,400	15,976,200	N/A	55,200	0.3
Private	5,314,300	6,085,000	6,085,000	6,085,000	N/A	770,700	14.5
Restricted	400,221,500	407,372,400	407,372,400	342,839,700	N/A	(57,381,800)	(14.3)
GF/GP	54,784,100	45,426,700	43,945,200	47,607,900	N/A	(7,176,200)	(13.1)
Gross	\$1,473,975,400	\$1,496,943,800	1,495,462,300	\$1,260,288,700	N/A	(\$213,686,700)	(14.5)
FTEs	4,739.0	4,701.0	4,701.0	4,405.0	N/A	(334.0)	(7.0)

Note: The FY 2009-10 YTD figure reflects contingency transfers, supplementals, and Executive Order actions through May 21, 2010. Subsequent to the issuance of the Executive Recommendation, the Governor issued an Executive Order transferring the Michigan State Housing Development Authority and the Land Bank Fast Track Authority to the Department of Treasury. Funding for those two agencies are reflected in the FY 2010 YTD, Executive, and House figures above. The Senate removes funding for the authorities, and adds it to the General Government budget (HB 5880)/

Department Overview and Senate-Passed Highlights

The Department of Energy, Labor, and Economic Growth has the primary responsibility for the regulatory functions that relate specifically to commercial, business, and workers' issues. Major functional areas of the department include business and occupational licensing and regulation, workforce development programs, and workplace safety and regulation.

Major Budget Issues

Major Budget Changes From FY 2009-10 YTD Appropriations	FY 2009-10 Year-to-Date	Senate Change From YTD
Items of Difference		
1. Michigan Nursing Corps	Gross \$300,000	\$700,000
Eliminates the remaining GF/GP appropriation for the program. The Federal	0	1,000,000
Executive also eliminates the GF/GP appropriation, but redirected \$5.0 million in federal Workforce Investment Act-Statewide Activities funds to the program. The House eliminates the program altogether. The Senate eliminates GF/GP funding, and adds \$1.0 million in WIA funds.	GF/GP \$300,000	(\$300,000)
2. Bureau of Fire Services - Fireworks Safety Fund	FTEs 57.0	0.0
The Executive eliminates the remaining GF/GP appropriation for the Bureau of Fire Services, offsetting it with the revenue from proposed fees inspection, plan review, and training fees (HB 5026). The House eliminates GF/GP funding, but replaces the funding with revenue from the Fireworks Safety Fund to be created by HB 5999 (currently pending in the Senate). The Senate continues to provide the bureau with GF/GP funds, opting to not rely on increased/new fee revenue.	Gross \$6,052,700	\$0
	IDG 809,800	0
	Federal 788,000	0
	Restricted 1,854,900	0
	GF/GP \$2,600,000	\$0
3. Workers Compensation Agency	FTEs 116.0	0.0
The House reduces funding for the WCA and the Board of Magistrates and Appellate Commission by \$1.2 million GF/GP. The Senate reduces the agencies by \$200,000.	Gross \$12,219,700	(\$200,000)
	Restricted 4,731,700	0
	GF/GP \$7,488,000	(\$200,000)
4. Welfare-to-Work	Gross \$107,333,600	(\$10,209,800)
The Executive proposed to reduce funding for the welfare-to-work line item by \$10.2 million. The House reduces funding by \$10.4 million. The Senate concurs with the Executive-proposed reduction of \$10.2 million.	Federal 89,299,000	(7,600,000)
	GF/GP \$18,034,600	(\$2,609,800)

Major Budget Changes From FY 2009-10 YTD Appropriations		FY 2009-10 Year-to-Date	Senate Change From YTD
5. Liquor Control Commission	FTEs	152.0	0.0
The House replaces \$4.8 million Liquor Purchase Revolving Fund (LPRF) supporting the LCC's operations with increased liquor license revenue from a proposed Sunday morning sales permit (HB 5056). The Senate does not concur.	Gross	\$16,180,000	\$0
	Restricted	16,180,000	0
6. Budgetary Savings	Gross	N/A	(\$71,500)
The House adds a negative line item of \$71,500. Reductions are taken at the department's discretion, subject to the legislative transfer process. The state budget director is authorized to reduce funding from other sources (restricted, federal, local, and private) "associated with" the GF/GP reduction shown here.	GF/GP	N/A	(\$71,500)
7. Insurance Advocate	FTE	1.0	(1.0)
The Senate reduces funding and FTE authorization related to the Automobile and Home Insurance Consumer Advocate, a civil service position created by Executive Order 2008-2.	Gross	\$124,500	(\$124,500)
	Restricted	124,500	(124,500)
8. Unfunded Salary Increases	Gross	N/A	(\$10,828,700)
The Senate reduces funding for several line items (those with FTE positions) equal to the 3% increase in employee wages.	IDG	N/A	(292,900)
	Federal	N/A	(5,940,100)
	Local	N/A	(44,200)
	Restricted	N/A	(4,32,700)
	GF/GP	N/A	(\$218,800)
9. Michigan State Housing Development Authority	FTE	289.0	(289.0)
The Senate shifts funding for MSHDA to the General Government budget (HB 5880), following the transfer of the authority to the Department of Treasury.	Gross	\$203,403,000	(\$203,403,000)
	Federal	156,950,000	(156,950,000)
	Restricted	46,453,000	(46,453,000)
10. Land Bank Fast Track Authority	FTE	6.0	(6.0)
The Senate shifts funding for LBFTA to the General Government budget (HB 5880), following the transfer of the authority to the Department of Treasury.	Gross	\$1,991,900	(\$1,991,900)
	Restricted	1,991,900	(1,991,900)
11. Workforce Training Programs Subgrantees	Gross	\$244,143,600	(\$1,000,000)
The Senate reduces funding for the workforce training subgrantees line item by \$1.0 million (WIA) to fund the Michigan Nursing Corps Program.	Federal	239,653,600	(1,000,000)
	GF/GP	\$4,500,000	\$0
Executive Items Agreed to by the Senate			
12. No Worker Left Behind – GF/GP Appropriation	Gross	\$4,500,000	(\$4,500,000)
Eliminates the remaining GF/GP appropriation for the program. The program is funded predominantly with federal funds (primarily WIA funds), which have totaled about \$120 million for each of the past 3 fiscal years (not including ARRA funds).	GF/GP	\$4,500,000	(\$4,500,000)
13. OFIR – Securities and Insurance Regulation	FTEs	349.0	15.0
The Executive adds the Securities Investor Education and Training Fund (\$1.0 million) established under the Uniform Securities Act (2002), 2008 PA 551 (HB 5008). The fund receives all civil fines, costs of investigations and other administrative assessments, and is to be expended on investor education. Additionally, the Executive adds 10.0 FTE positions (\$646,500) to establish a regular examinations cycle (2-3 years) for securities broker-dealers and investment advisors. The Executive also increases OFIR's FTE authorization by 5.0 positions, to reflect the additional staff needed to conduct insurance rate reviews and form reviews. No additional spending authorization is needed to support these additional positions.	Gross	\$53,703,400	\$1,646,500
	Federal	50,400	0
	Restricted	53,653,000	1,646,500
14. Michigan Rehabilitation Service – Jobs, Education, and Training	FTEs	57.0	(57.0)
The Executive eliminates the staffing and funding (IDG-DHS) for the Jobs, Education, and Training (JET) program. Within the DELEG budget, the JET line item refers to JET program participants that are referred to the Michigan Rehabilitation Service (MRS), to provide appropriate vocational rehabilitation assistance to individuals with disabilities. DHS has already stopped referring new JET participants to the MRS.	Gross	\$15,445,000	(\$15,445,000)
	IDG	15,445,000	(15,445,000)

Major Budget Changes From FY 2009-10 YTD Appropriations		FY 2009-10 Year-to-Date	Senate Change From YTD
15. Public Service Commission - Restructure Intrastate Access Charge	FTEs	186.0	4.0
The Executive adds 4.0 FTE positions (\$440,000) for the MPSC costs related to the restructuring of intrastate access charges, as provided in 2009 PA 182 (HB 4257). The act specifically provides that the MPSC "shall recover its actual costs of administering the restructuring mechanism from assessments collected for the operation of the restructuring mechanism." [For FY 2010 this program is added with HB 5409, currently pending in the Senate.]	Gross	\$25,291,900	\$440,000
	Federal	439,000	0
	Restricted	24,852,900	440,000
	Gross	\$1,846,500	(\$1,846,500)
	Restricted	1,846,500	(1,846,500)
16. Homeowner Construction Lien Recovery Fund			
The Executive eliminates the Homeowner Construction Lien Recovery Fund, established in the Construction Lien Act, which is funded by a small fee on building trades licensees, and is used to pay subcontractors, suppliers, and laborers for the work they performed and for which they were not compensated, in lieu of placing a construction lien on the property of the homeowner. Since 2006, the number and value of claims against the fund, and the number and value of payments from the fund has increased significantly, depleting the resources of the fund and its ability to meet the demand of claims. House Bills 5830–5835 (currently pending on the House floor) would eliminate the fund.			
17. Unemployment Insurance Agency	FTEs	1,302.7	0.0
The Executive increases federal spending authorization from the U.S. Department of Labor (Employment and Training Administration) for the administration of the state unemployment insurance program. Boilerplate authorizes the expenditure of funds received in excess of the amount appropriated in Part 1 (the line items). The additional authorization added here is intended to "true-up" the Part 1 appropriation with actual resources available.	Gross	\$119,098,800	\$13,400,000
	Federal	119,098,800	13,400,000
18. Trade Adjustment Assistance	Gross	\$30,000,000	\$57,000,000
The Executive increased federal spending authorization in Trade Adjustment Assistance funds, available from the U.S. Department of Labor, (Employment and Training Administration).	Federal	30,000,000	57,000,000
19. Michigan Commission for the Blind	FTEs	107.0	0.0
Increases spending authorization for the MCB based on additional revenue under Title 1 of the federal Rehabilitation Act.	Gross	\$25,287,000	\$1,030,000
	Federal	19,011,300	1,030,000
	Local	521,000	0
	Private	110,300	0
	Restricted	545,200	0
	GF/GP	\$5,099,200	\$0
20. Michigan Commission for the Blind - Kalamazoo Training Center	Gross	N/A	\$770,000
Adds \$770,000 in private grant funds received by the Michigan Commission for the Blind from the Kalamazoo Community Foundation for renovations at the MCB's Kalamazoo Training Center. The funds are to be used to renovate existing multi-person dorm rooms into single-person rooms in order to better meet the needs of the diverse clientele at the MCB-KTC.	Private	N/A	770,000
21. Bureau of Fire Service - Fire Safe Cigarettes	Gross	N/A	\$40,000
Adds a new fund source - the Fire Safety Standard and Enforcement Fund - related to the bureau's enforcement of the Fire Safety Standard and Firefighter Protection Act - 2009 PA 56 (SB 264) - establishing a requirement that cigarettes be self extinguishing ("fire-safe"). For FY 2010 this funding is added by HB 5409, which is currently pending in the Senate.	Restricted	N/A	40,000
22. State Office of Administrative Hearings and Rules	Gross	\$24,680,900	(\$369,500)
Reduces funding for Corrections hearings (\$348,000) and teacher tenure hearings (\$21,500) to align with the budget recommendations for the Department of Corrections and Department of Education. Additionally, individual fund sources are aggregated (IDG, Federal, Restricted, GF/GP) in order to provide SOAHR with the needed flexibility to properly allocate costs.	IDG	12,910,300	(369,500)
	Federal	7,119,000	0
	Restricted	4,651,600	0
23. Information Technology - DMB/DIT Savings	Gross	\$44,907,200	(\$48,400)
Realizes a small amount of savings related to the merger of the Department of Information Technology and the Department of Management and Budget, pursuant to EO 2009-55, effective March 21, 2010.	Federal	28,162,400	(48,400)
	Restricted	16,641,100	0
	GF/GP	\$103,700	\$0

<u>Major Budget Changes From FY 2009-10 YTD Appropriations</u>		<u>FY 2009-10 Year-to-Date</u>	<u>Senate Change From YTD</u>
24. Fund Shifts and Excess Authorization	Gross	N/A	(\$15,707,300)
Contains a number of fund shifts, based on appropriate cost allocation principles, and reduces excess spending authorization for line items and fund sources that have not been expended in recent years. The largest of these reductions is \$13.1 million from the UIA's Contingent Fund, which was increased by the May 2008 Legislative Transfer, to provide for sufficient spending authority for the UIA's interest payments on Title 12 advances. The MES Act provides that the Contingent Fund is "continuously appropriated" for the payment of Title 12 interest payments.	IDG	N/A	(709,800)
	Federal	N/A	(727,900)
	Restricted	N/A	(14,269,600)
25. Economic Adjustments	Gross	N/A	\$23,781,900
Includes funding increases related to employee salaries and wages (3% increase for classified employees); changes in FICA, retirement, and insurance; adjustments for expected workers' compensation claims; as well as changes in costs of rental payments for state-leased properties and building occupancy charges for state-owned properties. The economic adjustments do not account for the action by the Civil Service Commission on February 10, 2010 rejecting the anticipated pay increases for Non-exclusively Represented Employees (NEREs). The cost savings for this reduction for DELEG is estimated to be \$5.2 million Gross (\$147,300 GF/GP), including FICA and retirement savings. Additionally, the Executive has proposed changes to the state employees' retirement system, which is intended to encourage long-tenured employees to retire. This change requires legislative approval, and the related costs savings would not be known until retirement choices are finalized. (The legislation for the State Employer Retirement System is HB 5954 and SB 1226.)	IDG	N/A	671,600
	Federal	N/A	12,847,900
	Local	N/A	99,400
	Private	N/A	700
	Restricted	N/A	9,509,900
	GF/GP	N/A	\$652,400
26. One-Time Appropriations	Gross	\$46,711,600	(\$46,711,600)
Eliminates authorization for one-time federal funding appropriated in FY 2010 for the WIRED Initiative (\$1.2 million), ARRA WIA National Emergency Grant funds (\$38.0 million), carry-forward GEAR-UP program funds (\$146,200), ARRA State Energy Sector Partnership Grant funds (\$6.0 million), and ARRA Labor Market Information Improvement Grant funds (\$1.3 million).	Federal	46,711,600	(46,711,600)

Major Boilerplate Changes From FY 2009-10

– General Sections –

Sec. 205. Hiring Freeze – RETAINED

Prohibits DELEG from hiring new full-time classified civil service employees and from filling vacant state classified civil service positions unless exceptions to the freeze is granted by the state budget director. The **Executive** and **House** delete this section. The **Senate** retains it.

Sec. 215. Policy Changes – RETAINED

Requires DELEG to report on policy changes made to implement public acts; prohibits adopt of rules that have a disproportionate impact on small businesses. The **Executive** and **House** delete this section. The **Senate** retains it.

Sec. 216. Appropriated Funds De-Aggregation – RETAINED

States intent that all part 1 funds sources not be aggregated into general categories, but be specifically identified as much as possible. The **Executive** and **House** delete this section. The **Senate** retains it.

Sec. 217. Out-of-State Travel Restrictions – RETAINED

Imposes restrictions on out of state travel by departmental employees, except when necessary by law, for the protection of health and safety, to realize budgetary savings or increase state revenue, to comply with federal requirements, to secure specialized training, or when financed by non-state funds. The **Executive** and **House** delete a provision allowing the state budget director to grant exceptions to the limitations on out-of-state travel ban. The **Senate** retains the provision allowing the state budget director to grant exceptions.

Sec. 219. Executive Branch Employee Communications with Legislature – DELETED

Prohibits disciplinary action against Executive employees that communicate with a legislator or legislative staff. The **House** concurs with the Executive. The **Executive**, **House**, and **Senate** delete this section.

Major Boilerplate Changes From FY 2009-10

Sec. 220. Appropriation of Federal Pass-Through Funds – NEW

Allows DELEG to carry forward unexpended federal pass-through funds to local institutions that do not require additional state matching funds, and appropriated federal pass-through funds that do not require a state match. This language is typically included in all departmental budgets, but was removed from the FY 2010 DELEG budget by the Conference Committee. The **Executive** and **House** add this section. The **Senate** adds this section and also a reporting requirement on DELEG.

Sec. 222. Government Efficiency Commission Recommendations – DELETED

Requires DELEG to review recommendations of the Commission on Governmental Efficiency. The **Executive**, **House**, and **Senate** delete this section.

Sec. 223. Contingency Appropriations – MODIFIED

Provides for contingency appropriations of \$45.0 million Federal (increased from \$31.0 million), \$31.0 million Restricted (increased from \$26.0 million), \$8.0 million Local (decrease from \$8.2 million), and \$600,000 Private. The **Executive**, **House**, and **Senate** adjust contingency fund appropriations.

Sec. 224. Restrictions on Out-of-State Travel for Professional Development – RETAINED

Prohibits more than one DELEG employee traveling out-of-state for training conferences unless funded by federal or private funds. The **Executive** and **House** delete this section. The **Senate** retains it.

Sec. 225. Report on Private Grants Received – RETAINED

Requires DELEG to notify the Legislature of any private grant funds received within 10 days after receiving such funds. The **Executive** deletes this section. The **House** and **Senate** retain it.

Sec. 226. General Fund/General Purpose Lapse Report – RETAINED

Requires the department to submit a report, not later than October 15th, providing estimates of GF/GP lapses for departmental programs. The **Executive** deletes this section. The **House** and **Senate** retain it.

Sec. 230. Budgetary Savings – NOT INCLUDED

Specifies that the budgetary savings reductions in Part 1 are to be made to specific line items pursuant to the legislative transfer process provided for in the DMB Act. The **House** added this section. The **Senate** does not include this section.

Sec. 231. (Former Section 230). Transparency Website/Employee Pay Report – MODIFIED

Requires the department to post on a publicly accessible website a listing of all expenditures made by the department in the fiscal year, and a description of the purpose of each expenditure. Also requires the DMB Recovery Office to post expenditure detail on ARRA funds. Also requires DELEG to report quarterly on the number of FTEs by pay status and civil service classification. The **Executive** deletes the transparency website requirement. The **House** and **Senate** retain it, and add the employment report.

Sec. 232. Transparency Website – RETAINED

Specifies that the department shall not expend more than \$10,000 to comply with the transparency website requirement in Section 231. The **Executive** deletes this provision (it is included in current year language). The **House** and **Senate** retain it.

– Regulatory –

Sec. 301a. Fire Protection Grant Report – RETAINED

Requires local units of government receiving fire protection grant assistance to submit a report to the department detailing how grant assistance is expended by the local unit, and also detailing the fire-related activities of the local unit on state property, and the cost of those activities. The **Executive** and **House** retain this section. The **Senate** retains this section and adds a reporting requirement on DELEG.

Sec. 302a. Fire Service Fund Appropriation – NOT INCLUDED

States that the Fire Service Fund established in HB 5026 (pending in the Senate) is to support the activities of the Bureau of Fire Services. The **House** and **Senate** do not include this language.

Sec. 302a. Fire Safe Cigarette Fine Revenue – NOT INCLUDED

Appropriates revenue received for the Cigarette Fire Safety Standard and Firefighter Protection Act Fund, created by 2009 PA 56 (fire-safe cigarettes). This fund receives civil fine revenue and is to be expended for fire safety and prevention programs. The **House** includes this section. The **Senate** does not.

Sec. 303. Elevator Fees – MODIFIED

Provides that elevator regulation fees collected by DELEG that remain unexpended at the close of the fiscal year shall be carried forward into the next fiscal year. The **Executive**, **House**, and **Senate** delete a reporting requirement.

Major Boilerplate Changes From FY 2009-10

Sec. 304. Fees from Customized License Lists – MODIFIED

Provides that DELEG may make customized lists of nonconfidential information of individuals and entities licensed by the department. DELEG may impose a charge for compiling the lists. The **Executive, House, and Senate** delete a reporting requirement.

Sec. 322. Real Estate Education Fund – DELETED

Allows real estate pre- and post-licensure education to be delivered through on-line courses by a community college, university, or private school; allows Real Estate Education Fund to be used for grants to educational providers to establish on-line courses available to students. The fund is established in the State License Fee Act, which directs that the fund be used "only for the operation of departmental programs related to education required of all licensees or applicants for licensure under article 25 of the occupational code." The **Executive, House, and Senate** delete this section.

Sec. 332. UI Computer System – REVISED

Requires the department to have a contract in place by October 1, 2010 to improve the UIA's computer system. The **Senate** adds this section. The existing language requires the department to complete the RFP process for the upgrade of the UIA's computer system. The **Executive and House** do not include either provision.

Sec. 333. UI Internet Claims – REVISED

Requires the department to work to increase the number of Internet-filed unemployment benefit claims (with a goal of 50% of UI claims being filed via the Internet) and requiring a quarterly report on the number of claims filed via the Internet. The **Executive and House** delete this section. The **Senate** retains this section, and revises the language.

Sec. 341. Ergonomics Rules Prohibited – RETAINED

Prohibits promulgation of ergonomics rules that are more stringent than voluntary federal guidelines. The section notes that the prohibition is in accordance with Attorney General Opinion No. 7225 (February 27, 2009), which says that the Governor's statement that the section is unenforceable doesn't invalidate it. The **Executive and House** delete this section. The **Senate** retains it.

Sec. 342. CET GRANT – NEW

Requires the allocation of at least \$40,000 for workplace safety and health grants to non-profit organizations representing the aggregates industry in the state. The **House and Senate** add this section. [This section was included in prior year budgets, but vetoed last year. The **Executive** did not include this section this year.]

Sec. 351. SOAHR Decisions in Public Assistance Cases – DELETED

States legislative intent that the State Office of Administrative Hearings and Rules (SOAHR) develop a system to post administrative hearing decisions regarding public assistance on the Internet. The **Executive, House, and Senate** delete this section.

Sec. 352. Teacher Tenure Cases – DELETED

Requires SOAHR to report on the status of pending teacher tenure cases. The **Executive, House, and Senate** delete this section.

Sec. 361. Low-Income Energy Efficiency Assistance Program - MODIFIED

Establishes deadlines for application and award announcements; requires the Public Service Commission to report to the Legislature and state budget office on the distribution of funds. The **Executive, House, and Senate** add language specifying that funds from unexpended grants may be carried forward in the subsequent fiscal years.

Sec. 366. METRO Authority – DELETED

States the legislature's intent to move the METRO Authority to the Public Service Commission. The **House** concurs with the Executive. The **Executive, House, and Senate** delete this section.

Sec. 368. Regulatory Costs Report – RETAINED

Requires the department to provide a report to the legislature on the regulatory costs and activities of the Bureau of Commercial Service and the Bureau of Construction Codes. The **House** concurs with the Executive. The **Executive, House, and Senate** retain this section.

Sec. 370. Liquor Law Enforcement Grant Report – MODIFIED

Requires local units of government receiving liquor law enforcement grant assistance (55% of retail liquor license revenue collected by the LCC returned to locals) to provide a report to the LCC on how those funds are spent, and also a report showing the liquor-related fees imposed and the amount of revenue generated from such fees. The **House** concurs with the Executive. The **Executive, House, and Senate** retain this section, and the Senate adds a reporting requirement for DELEG.

Major Boilerplate Changes From FY 2009-10

Sec. 372. Michigan Tax Tribunal Fees Report – DELETED

Requires the Michigan Tax Tribunal to develop a proposed schedule of fees to fund the MTT's activities, with the intent of having the fee schedule incorporated into the FY 2010-11 Executive Budget Recommendation. The **Executive, House,** and **Senate** delete this section.

– Office of Financial and Insurance Regulation –

Sec. 405. OFIR Expenditures – DELETED

Requires report of actual expenditures for last completed fiscal year for each division within OFIR. The **House** concurs with the Executive. The **Executive, House,** and **Senate** delete this section.

Sec. 406. OFIR Credit Scoring – RETAINED

Prohibits expending funds to implement a ban on credit scoring in insurance rate setting until the Legislature has authorized such a prohibition. The section also notes that the prohibition is in accordance with Attorney General Opinion No. 7225 (February 27, 2009), which says that the Governor's statement that the section is unenforceable doesn't invalidate it. The **Executive** and **House** delete this section. The **Senate** retains it.

Sec. 407. Health Maintenance Organization Financial Filings – DELETED

Requires that OFIR provide copies of HMO quarterly and annual financial filings on its website. The **Executive, House,** and **Senate** delete this section.

– Housing and Community Development –

Senate Boilerplate language related to the Michigan State Housing Development Authority and the Land Bank Fast Track Authority are transferred to the General Government budget bill (HB 5880), with the transfer of the two authorities to the Department of Treasury.

– Michigan Rehabilitation Services and Michigan Commission for the Blind –

Sec. 603. Local Match Requirements for Facilities Establishment Grants – RETAINED

Requires that local match for vocational rehabilitation facilities establishment grants not exceed 21.3% for the fiscal year ending September 30. The **Executive** and **House** delete this section. The **Senate** retains it.

Sec. 604. Independent Living Funds – MODIFIED

Existing language directs the use of GF/GP funding for the Centers for Independent Living (now eliminated). The **Senate** adds language that provides funds appropriated for independent living shall be used to support CILs in compliance with federal law and regulations, used by existing centers to serve underserved areas, and to support the activities of the statewide independent living council.

Sec. 615. Library Services for the Blind and Physically Handicapped – NEW

Carried over from language in prior-year HAL budgets, the section permits the department to enter into agreements to provide certain services to other agencies (state and local) and charge fees for these services. The **Executive, House,** and **Senate** add this section.

– Career Education –

Sec. 704. After-School Partnership – NEW

Allows \$25,000 to be expended to implement the December 2003 recommendations of the Michigan After School Initiative. [This language has been included in the DELEG bill and other budget bills for the past several years. The Governor vetoed this section last year.] The **Executive** and **House** did not include this section. The **Senate** adds this section.

Sec. 710a. WIA Youth Grant Program – NEW

Allows DELEG to provide grants to non-profit organizations that offer programs to WIA-eligible youth focusing on entrepreneurship, work-readiness skills, job shadowing, and financial literacy. The **House** language is permissive ("may" allocate funds), the **Senate** language is mandatory ("shall" allocate funds).

Sec. 719. Jobs Bank Career Center – NEW

Allows DELEG to provide grant to support the creation of a career center, enhancing on-line job search services for displaced workers and employers. The **House** adds this section. The **Senate** modifies the language to place a limit on the amount allocated for this purpose to no more than \$100,000.

Major Boilerplate Changes From FY 2009-10

Sec. 733. Activities Classification Structure – NEW

Moved from the Community College budget, this section requires DELEG to publish the Activities Classification Structure data book on or before March 1, 2011. The ACS provides data on tuition, enrollment, revenue, expenditures and other program data at each of the 28 community colleges in the state. The **Executive, House, and Senate** add this section.

Sec. 734. North American Indian Tuition Waiver Report – NEW

Moved from the Community College budget, this section requires DELEG to compile a report on the NAITW program, which waives the tuition at community colleges for eligible North American Indians. The **Executive, House, and Senate** add this section.

Sec. 735. Report on Associate's Degrees and Certificates – NEW

Moved from the Community College budget, this section requires DELEG to compile information on the types and number of associates degrees and other certificates granted by the colleges in the prior fiscal year. The **Executive, House, and Senate** add this section.

– Workforce Development –

Sec. 802. Longitudinal Study of former Work First and JET Participants – MODIFIED

Requires a 3-year longitudinal study of former Work First and JET participants, and requires DELEG to submit information on certain data required to be collected. The **Executive, House, and Senate** delete a requirement that information be collected on (1) the current hourly wage of those employed; (2) the number of individuals that earned certain wages; (3) the number of individual receiving tuition reimbursement from employers; (4) the number of individuals receiving other training benefits from employers; (5) whether the individuals have any children; and (6) whether the individuals feel that they are "better off" now that they are no longer receiving public assistance. Data would still be required on employment and wage characteristics of individuals.

Sec. 803. Report on JET Program Participants Referred to the MRS – DELETED

Requires a report on JET participants referred by the Department of Human Services to the Michigan Rehabilitation Service for appropriate vocational rehabilitation services for persons with disabilities. Staffing and funding for the program was eliminated in Part 1. The **Executive, House, and Senate** delete this section.

Sec. 804. Welfare-to-Work Non-custodial Parent Program – RETAINED

Permits the department to utilize TANF funds on a non-custodial parent program, providing services to the non-custodial parents who are unemployed or underemployed and have (or may soon have) child support arrearages. Per BWT policy, beginning October 1, 2009 local Michigan Works Agencies were to stop receiving referrals of noncustodial parents to the JET program, and were to transition current NCP participants to other programs. The **Executive and House** delete this section. The **Senate** retain it.

Sec. 813. –Workforce Program Funding Earmark – NEW

Allocates \$200,000 from funding for the workforce training programs subgrantees line item to a public-private partnership involving an imbedded DHS caseworker. [This section was included in prior year budgets, but was vetoed last year.] The **Executive and House** do not include this section. The **Senate** adds it.

Sec. 814. Focus: HOPE Career Prep Pilot Program – DELETED

Establishes legislative intent that DELEG work with Career Alliance (Genesee-Shiawassee Michigan Works! Agency) and other interested MWAs in implementing the career prep pilot program developed by Focus: HOPE. The **Executive, House, and Senate** delete this section.

Sec. 815. Workforce Funds for Libraries – RETAINED

Provides that funds distributed to local Michigan Works! Agencies may be used by the MWA for services provided to local libraries that serve as access points, service centers, or local partners serving high demand or underserved areas. The **Executive** deletes this section. The **House and Senate** retain it.

Sec. 816. Focus: HOPE Allocation – RETAINED

Allocates to Focus: HOPE \$5.9 million Federal funds from those funds appropriated in Part 1 for Workforce Programs Subgrantees. The **Executive** deletes this section. The **House and Senate** retain it.

Sec. 817. Gang Diversion – RETAINED

States legislative intent to set aside some Workforce Investment Act (statewide activities) funds to support gang diversion activities and support services of local law enforcement and MWAs in Wyoming, Detroit, Benton Harbor, and Saginaw. The **Executive** deletes this section. The **House and Senate** retain it.

Major Boilerplate Changes From FY 2009-10

Sec. 818. Workforce Program Funding Earmark – NEW

Allocates \$150,000 from the funds appropriated in the Workforce Training Program Subgrantees line item to an organization (1) involves prospective employers as community partners; (2) trains displaced workers in health care jobs; (3) provides training at no cost or low-cost to students; and (4) demonstrates a placement rate of at least 80%. The **Executive** and **House** do not include this section. The **Senate** adds this section.

Sec. 821. Michigan Nursing Corps – MODIFIED

This section directs the operation of the Michigan Nursing Corps program, allowing funds to be used to provide financial assistance to train additional nursing academic and clinical faculty (expanding the capacity of nursing education in the state) and to provide accelerated nursing education programs for individuals with baccalaureate degrees in science field. The **Executive** and **Senate** provide that MNC funds may be awarded to healthcare research, training, or development agencies to develop and implement programs in educational technologies, including simulation and other virtual educational methods in order to expand the capacity of nursing education programs in the state. The **House** eliminates funding for the program.

Sec. 831. No Worker Left Behind GF/GP Funding – DELETED

Directs the GF/GP appropriation for No Worker Left Behind to adult education, community colleges, and worker training. Specifies that local MWAs may place a priority on training programs accessible by individuals displaced from manufacturing and related auto-industry jobs. The GF/GP appropriation for the NWLB program was eliminated in Part 1. The **Executive**, **House**, and **Senate** delete this section.

– Capital Outlay –

Sec. 801. Lump-Sum Appropriations – NEW

Directs the allocation of lump-sum appropriations and provides for the availability of lump-sum appropriations for no more than three years. (This is related to the appropriation of private grant funds for renovations at the Michigan Commission for the Blind's Kalamazoo Training Center.) The **Executive**, **House**, and **Senate** add this section.

Sec. 802. Capital Outlay Appropriation Carry-Forward – NEW

Provides for the carry forward of capital outlay funds. (This is related to the appropriation of private grant funds for renovations at the Michigan Commission for the Blind's Kalamazoo Training Center.) The **Executive**, **House**, and **Senate** add this section.

FY 2011 DELEG - House Bill 5884 (S-1), As passed by the Senate
Changes from FY 2010 Year-to-Date Appropriation

	Gross	IDG	Federal	Local	Private	Restricted	GF/GP	FTEs
FY 2009-10 Year-to-Date Appropriation	\$1,473,975,400	\$29,465,100	\$968,269,400	\$15,921,000	\$5,314,300	\$400,221,500	\$54,784,100	4,739.0
Executive-proposed changes agreed to by the Senate								
1. OFIR - Regulatory Compliance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	5.0
2. OFIR - Securities Examination Cycle	\$646,500	\$0	\$0	\$0	\$0	\$646,500	\$0	10.0
3. OFIR - Securities Investor Education and Training Fund	\$1,000,000	\$0	\$0	\$0	\$0	\$1,000,000	\$0	0.0
4. MPSC - Intrastate Access Charge Restructuring	\$440,000	\$0	\$0	\$0	\$0	\$440,000	\$0	4.0
5. Occupational Regulation - Construction Lien Fund	(\$1,846,500)	\$0	\$0	\$0	\$0	(\$1,846,500)	\$0	0.0
6. Occupational Regulation - Fire Safety Standards Fund	\$40,000	\$0	\$0	\$0	\$0	\$40,000	\$0	0.0
7. BVUC - Unemployment Programs	\$13,400,000	\$0	\$13,400,000	\$0	\$0	\$0	\$0	0.0
8. SOAHR - Corrections ALJs	(\$348,000)	(\$348,000)	\$0	\$0	\$0	\$0	\$0	0.0
9. SOAHR - Teacher Tenure	(\$21,500)	(\$21,500)	\$0	\$0	\$0	\$0	\$0	0.0
10. Information Technology - DMB/DIT Consolidation	(\$48,400)	\$0	(\$48,400)	\$0	\$0	\$0	\$0	0.0
11. Jobs, Education and Training (MRS provided services)	(\$15,553,900)	(\$15,553,900)	\$0	\$0	\$0	\$0	\$0	(57.0)
12. Workforce Training Subgrantees - Trade Adjustment Assistance	\$57,000,000	\$0	\$57,000,000	\$0	\$0	\$0	\$0	0.0
13. Workforce Training Subgrantees - No Worker Left Behind	(\$4,500,000)	\$0	\$0	\$0	\$0	\$0	(\$4,500,000)	0.0
14. Capital Outlay - Renovation MCB Kalamazoo Training Center	\$770,000	\$0	\$0	\$0	\$770,000	\$0	\$0	0.0
15. Commission for the Blind - Additional Federal Funding	\$1,030,000	\$0	\$1,030,000	\$0	\$0	\$0	\$0	0.0
16. Welfare-to-Work Reductions	(\$10,209,800)	\$0	(\$7,600,000)	\$0	\$0	\$0	(\$2,609,800)	0.0
17. Fund Shifts and Reduction of Excess Authorization	(\$15,707,300)	(\$709,800)	(\$727,900)	\$0	\$0	(\$14,269,600)	\$0	0.0
18. Economic Adjustments	\$23,781,900	\$671,600	\$12,847,900	\$99,400	\$700	\$9,509,900	\$652,400	0.0
19. WIRED Grant (one-time)	(\$1,200,000)	\$0	(\$1,200,000)	\$0	\$0	\$0	\$0	0.0
20. ARRA: WIA National Emergency Grant (one-time)	(\$38,040,000)	\$0	(\$38,040,000)	\$0	\$0	\$0	\$0	0.0
21. GEAR-UP carryforward appropriation (one-time)	(\$146,200)	\$0	(\$146,200)	\$0	\$0	\$0	\$0	0.0
22. ARRA: State Energy Sector Partnership Grant (one-time)	(\$6,000,000)	\$0	(\$6,000,000)	\$0	\$0	\$0	\$0	0.0
23. ARRA: Labor Market Information Improvement Grant (one-time)	(\$1,325,400)	\$0	(\$1,325,400)	\$0	\$0	\$0	\$0	0.0
Additional changes recommended by the Senate								
24. Transfer MSHDA to Treasury per EO 2010-2	(\$203,403,000)	\$0	(\$156,950,000)	\$0	\$0	(\$46,453,000)	\$0	(289.0)
25. Transfer LBFTA to Treasury per EO 2010-2	(\$1,991,900)	\$0	\$0	\$0	\$0	(\$1,991,900)	\$0	(6.0)
26. Reduction Equal to the 3% Salary Increase	(\$10,828,700)	(\$292,900)	(\$5,940,100)	(\$44,200)	\$0	(\$4,332,700)	(\$218,800)	0.0
27. Michigan Nursing Corps	\$700,000	\$0	\$1,000,000	\$0	\$0	\$0	(\$300,000)	0.0
28. Workforce Training Subgrantees (to MNC)	(\$1,000,000)	\$0	(\$1,000,000)	\$0	\$0	\$0	\$0	0.0
29. Executive Direction - Eliminate Insurance Advocate Funding	(\$124,500)	\$0	\$0	\$0	\$0	(\$124,500)	\$0	(1.0)
29. Workers Compensation Agency reductions	(\$100,000)	\$0	\$0	\$0	\$0	\$0	(\$100,000)	0.0
30. Board of Magistrates reductions	(\$100,000)	\$0	\$0	\$0	\$0	\$0	(\$100,000)	0.0
Total	\$1,260,288,700	\$13,210,600	\$834,569,300	\$15,976,200	\$6,085,000	\$342,839,700	\$47,607,900	4,405.0
Changes from FY 2009-10 Appropriation	(\$213,686,700)	(\$16,254,500)	(\$133,700,100)	\$55,200	\$770,700	(\$57,381,800)	(\$7,176,200)	(334.0)
Percentage Change from FY 2010 YTD Appropriation	-14.5%	-55.2%	-13.8%	0.3%	14.5%	-14.3%	-13.1%	-7.0%

Note: The FY 2009-10 YTD appropriation includes supplementals, legislative transfers, contingency transfers, and Executive Order actions through May 21, 2010