



SFA ANALYST: Joe Carrasco  
 DATE: August 2016

## APPROPRIATION LINE ITEM AND BOILERPLATE HISTORY

**LEGISLATURE  
 PART 1: LINE ITEM DETAIL**

**2016 PA 268  
 Article VIII  
 FY 2016-17  
 Initial**

**Sec. 105 (1) APPROPRIATION SUMMARY**

<p>1. <u>Full-time equated (FTE) exempted positions</u> - Positions that are exempted from the classified State civil service pursuant to Article XI, Section 5 of the Michigan Constitution. These positions include elected officials, heads of principal departments, a limited number of policy-making positions in departments, members of boards and commissions, employees of State institutions of higher education, employees of the Judiciary, and employees of the Legislature.</p>	N/A
<p>2. <u>Classified FTE positions</u> - All positions in classified State civil service. One FTE position equals 2,088 hours.</p>	N/A
<p>3. <b><u>GROSS APPROPRIATION</u></b> - Total appropriations</p>	<b>\$141,903,600</b>
<p>4. <u>Interdepartmental grants (IDG)</u> - Funds that are also appropriated in other budgets. These funds are categorized as IDGs in the department that spends the funds and are therefore subtracted from the Gross Appropriation to avoid double counting total statewide appropriations.</p>	0
<p>5. <u>ADJUSTED GROSS APPROPRIATION</u> - Gross appropriations less IDGs.</p>	141,903,600
<p>6. <u>Federal revenue</u> - Funding allocated to the State by the Federal government.</p>	0
<p>7. <u>Local revenue</u> - Funds paid by local units of government that support State services and programs.</p>	0
<p>8. <u>Private revenue</u> - Available appropriated funds from private sources, including funding from non-governmental agencies.</p>	400,000
<p>9. <u>State restricted revenue</u> - Revenue earmarked for a specific purpose by the State Constitution, statute, or appropriation bill. Restricted revenue also includes general fund/special purpose funds, such as fee revenue used to support licensing programs.</p>	4,275,800
<p>10. <u>State general fund/general purpose</u> - Revenue that has no constitutional or statutory restrictions on how it is used. Approximately 90% of the general fund/general purpose (GF/GP) revenue is derived from the income, single business, insurance, sales, and use taxes.</p>	137,227,800
<p>11. <u>Payments to locals</u> - State appropriations from GF/GP or State restricted revenues that will be allocated to local units of government.</p>	0

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**Sec. 105 (2) LEGISLATURE**

1.	<u>Senate</u>	\$34,523,700
	This line item funds Senate central staff, partisan staff, the Office of the Secretary of the Senate, Senators' compensation, and Senate office budgets.	
2.	<u>Senate automated data processing</u>	\$2,500,000
	This line provides funding for Senate information technology costs in the Senate Information Systems (SIS) Office.	
3.	<u>Senate fiscal agency</u>	\$3,779,600
	The Senate Fiscal Agency (SFA) is a nonpartisan legislative agency created to provide the Michigan Senate with assistance in two principal ways: providing staff support to the Senate Appropriations Committee and assisting all members of the Senate on State budget-related issues; and providing analysis of all proposed legislation being considered by the Senate.	
4.	<u>House of representatives</u>	\$53,095,900
	This line item funds House central staff, partisan staff, the Clerk of the House, Representatives' compensation, and office budgets for Representatives.	
5.	<u>House automated data processing</u>	\$2,200,000
	This line provides funding for House information technology costs.	
6.	<u>House fiscal agency</u>	\$3,779,600
	The House Fiscal Agency (HFA) is a nonpartisan agency that provides assistance to the House Appropriations Committee and to other members of the Michigan House of Representatives regarding state fiscal matters. In addition to budget-related issues, the agency also provides members of the House with projections of the Michigan economy and estimates of state revenues and expenditures. The agency also provides fiscal analysis of proposed legislation.	
	<b>Unit Gross Appropriation</b>	<b>\$99,878,800</b>
	State general fund/general purpose	99,878,800

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**Sec. 105 (3) LEGISLATIVE COUNCIL**

1.	<u>Legislative Council</u>	\$11,981,200
	<p>Article IV, Section 15, of the Michigan Constitution provides for a bi-partisan Legislative Council. The Council is responsible for bill drafting, research, and other services for members of the legislature. The Constitution also provides that the Council shall periodically examine and recommend to the legislature revision of the various laws of the State. Public Act 268 of 1986 (The Legislative Council Act) implements Article IV, Section 15. The Legislative Council line item in the appropriation bill funds the Legislative Service Bureau, the Michigan Law Revision Commission, the Joint Committee on Administrative Rules, production of the Michigan Manual, Capitol Tour Guides, the Legislative Council Administrator, publication of Public Acts, and the Legislative Internet Technology Division.</p>	
2.	<u>Legislative service bureau automated data processing</u>	\$1,426,600
	<p>This line item funds the operation of the Council's computer system and other information technology costs.</p>	
4.	<u>Worker's compensation</u>	\$151,400
	<p>This line item funds worker's compensation costs for all legislative employees.</p>	
5.	<u>National association dues</u>	\$454,700
	<p>This line item funds dues as allocated by the Legislative Council. Prior to FY 2003-04, boilerplate language allocated funding to the National Conference of State Legislatures, the Council of State Governments, the National Commission on Uniform State Laws, and the National Commission of Insurance Legislators. Beginning in FY 2011-12 the allocation of funds is determined by the Legislative Council.</p>	
6.	<u>Legislative Corrections Ombudsman</u>	\$729,200
	<p>The Michigan Legislature established the Office of Legislative Corrections Ombudsman within the Legislative Council in 1975 following several prison riots throughout the country. This nonpartisan agency was established to investigate issues affecting the Michigan Department of Corrections (MDOC), prisoners and Corrections staff. Statute grants the Ombudsman authority to investigate administrative actions of the Michigan Department of Corrections that are alleged to be contrary to law or Department policy.</p>	
7.	<u>Michigan veterans facility ombudsman</u>	\$150,000
	<p>The Michigan Legislature established the Office of Michigan Veterans Facility Ombudsman within the Legislative Council in 2016 following a Legislative Audit Report released in February 2016. Statute grants the Ombudsman authority to investigate complaints made at the veterans homes in Grand Rapids and Marquette.</p>	
	<b>Unit Gross Appropriation</b>	<b>\$14,893,100</b>
	Private revenue	400,000
	State general fund/general purpose	14,493,100

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**Sec. 105 (4) LEGISLATIVE RETIREMENT SYSTEM**

1.	<u>General nonretirement expenses</u>	\$4,962,800
	<p>This appropriation funds the retirement costs for members of the Defined Benefit Plan, which was closed to new members after March 30, 1997. The funding also funds health care costs for retired legislators and certain deferred vested members.</p>	
	<b>Unit Gross Appropriation</b>	<b>\$4,962,800</b>
	State restricted revenue	1,154,600
	State general fund/general purpose	3,808,200

**Sec. 105 (5) PROPERTY MANAGEMENT**

1.	<u>Cora Anderson building</u>	\$11,426,700
	<p>This appropriation funds the purchase and annual operations costs of the House Office Building.</p>	
2.	<u>Farnum building and other properties</u>	\$2,851,800
	<p>This appropriation funds property management costs for Senate owned properties.</p>	
	<b>Unit Gross Appropriation</b>	<b>\$14,278,500</b>
	State general fund/general purpose	14,278,500

**Sec. 105 (6) STATE CAPITOL HISTORIC SITE**

1.	<u>General operations</u>	\$4,269,200
	<p>This line item was formerly named the Capitol Building and was moved to this new unit and renamed beginning in FY 2014-15. This line item funds legislative facilities staff who are responsible for the maintenance, operation, and repair of the Capitol and grounds, except areas under the control of the House or Senate.</p>	
2.	Restoration, renewal and maintenance	3,121,200
	<p>Public Act 240 of 2013 established the Michigan State Capitol Historic Site which created the Michigan State Capitol Commission. The Commission's role is to operate and manage the State Capitol Historic Site, maintain and restore the Capitol building, establish, maintain, and operate parking facilities in the State Capitol area, and perform other duties.</p>	
	<b>Unit Gross Appropriation</b>	<b>\$7,390,400</b>
	State restricted revenue	3,121,200
	State general fund/general purpose	4,269,200

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**Sec. 105 (8) ONE-TIME BASIS ONLY APPROPRIATIONS**

1.	<u>Criminal justice policy commission study</u>	\$500,000
	<p>This line item was added in FY 2016-17 to provide one-time funding to conduct a study to determine what the additional estimated annual costs to counties will be if 17-year-olds are redirected from the adult court and correctional systems into the family court and juvenile justice systems. The study also shall determine the estimated savings to the state corrections system, as well as any other financial or policy costs and benefits, from such a redirection.</p>	
	<b>Unit Gross Appropriation</b>	<b>\$500,000</b>
	State general fund/general purpose.	\$500,000

**LEGISLATURE**  
**PART 2: BOILERPLATE DETAIL**  
**2016 PA 268, Article VIII**

Section Number	Description and History
600	<p><b><u>Expenditure Authorization.</u></b> Authorizes Legislature to receive, expend and transfer funds in addition to amounts authorized in Part 1.</p> <p><b>Background:</b> This section has been included for over twenty years and allows the Legislature to receive and expend funds in addition to appropriations in Part 1.</p>
601	<p><b><u>Expenditures and Transfers.</u></b> Transfer and expenditure approval process for the Legislature.</p> <p><b>Background:</b> This section was first included in FY 1991-92. This language is similar to language contained in Section 442 of the Management and Budget Act (1984 PA 431).</p>
602	<p><b><u>Farnum Building.</u></b> Provides that the Senate may charge rent and assess utility costs and appropriates funds for renovation, operation, and maintenance of the Farnum Building and other Senate properties.</p> <p><b>Background:</b> This section is used to partially fund costs associated with renovation and maintenance of the Farnum Building.</p>
603	<p><b><u>National Association Dues.</u></b> Provides that the appropriation in Part 1 for national association dues shall be distributed by the Legislative Council.</p> <p><b>Background:</b> This section previously allocated funding for national association dues to the National Conference of State Legislatures (NCSL), Council of State Governments (CSG), National Council of Insurance Legislators (NCIL), and National Conference of Commissioners on Uniform State Laws (NCCUSL). Budget reductions in FY 2003-04 resulted in the language being modified to provide that the Legislative Council will distribute funding for national association dues with no specific amount for an individual organization being listed in the boilerplate. In FY 2008-09 language was added stating that from the appropriation, \$51,000 was to be paid to the NCCUSL. In FY 2010-11, the language was modified to state that NCCUSL would only be paid if funds are available. In FY 2011-12 the language was again modified to delete language regarding the NCCUSL and now states that the dues shall be distributed by the Legislative Council. In FY 2016-17 the language was again modified to require that the first \$34,800 be paid to the NCCUSL.</p>
604	<p><b><u>Legislative Parking Facilities.</u></b> Provides for operation of Legislative parking facilities by the Michigan State Capitol Historic Site. Authorizes the Michigan State Capitol Commission to collect fees for use of parking facilities. Provides that revenue received from parking fees shall be allocated by the Commission.</p> <p><b>Background:</b> Similar authorization is included in Section 205 of the Legislative Council Act (1986 PA 268). Beginning in FY 2014-15, the reference was changed from the Legislative Council to the Michigan State Capitol Historic Site and the Michigan State Capitol Commission to comply with the requirements established in PA 240 of 2013 that established the Michigan State Capitol Historic Site.</p>
605	<p><b><u>Michigan Manual.</u></b> Designates as work project appropriation for the Michigan Manual as a work project.</p> <p><b>Background:</b> \$3,700 was carried forward from previous fiscal years into FY 2014-15 for publication of the Michigan Manual.</p>

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**PART 2: BOILERPLATE DETAIL**  
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Section Number	Description and History
606	<p><b><u>Property Management.</u></b> Designates property management appropriation for the Legislature as a work project. Includes estimated costs and tentative completion date.</p> <p><b>Background:</b> Amounts carried forward into FY 2003-04 pursuant to this section included: State Capitol Building Facilities, \$375,000; and Farnum Building, \$1,691,653. In FY 2004-05 this language was modified by specifying that funds will be used to purchase equipment and services for building maintenance and including an estimated cost and completion date. In FY 2006-07, language that allowed previous funds to be appropriated for property management to be carried forward as a work project was removed. The estimated cost of the work project is set at \$500,000 and the tentative completion date is September 30, 2020. In FY 2016-17 the work project amount was raised to \$2.0 million with the completion date remaining as September 30, 2020.</p>
607	<p><b><u>Legislative Automated Data Processing.</u></b> Designates appropriations for automated data processing as work project appropriations. Includes estimated costs and tentative completion date.</p> <p><b>Background:</b> First included in FY 2004-05. Language specifies that funds will be used to purchase equipment, software, and services in order to support and implement data processing and technology improvements. In FY 2006-07, language that allowed previous funds to be appropriated for automated data processing to be carried forward as a work project was removed. The estimated cost of the work project is set at \$500,000 and the tentative completion date is September 30, 2020. In FY 2016-17 the work project amount was raised to \$2.0 million with the completion date remaining as September 30, 2020.</p>
608	<p><b><u>Save the Flags Fund.</u></b> Allows the Michigan Capitol Committee to receive contributions and bequests for the Save the Flags Fund, and provides for carry forward.</p>
610	<p><b><u>Criminal Justice Policy Commission Study.</u></b> Language states that \$500,000 included in part 1 shall be used for a study to determine what the additional estimated annual costs to counties would be if 17-year-olds were redirected from the adult court and correctional systems into the family court and juvenile justice systems. The study shall also determine the estimated savings to the state corrections system, as well as any other financial or policy costs and benefits, from such a redirection. Provides that funds are work project appropriations with an anticipated completion date of April 1, 2018.</p> <p><b>Background:</b> This section was added in FY 2016-17.</p>
615	<p><b><u>Legacy Costs.</u></b> This language lists the authorized amount of the appropriations in Part 1 that may be used for legacy costs as well as an estimate of the amount of pension-related legacy costs. For FY 2016-17 pension-related legacy costs are estimated at \$11,998,700 and retiree health care legacy costs are estimated at \$9,280,900.</p> <p><b>Background:</b> This section was added in FY 2014-15.</p>
618	<p><b><u>Legislative Retirement System.</u></b> This section provides Intent language that would transfer all administrative functions and associated funding for the Michigan Legislative Retirement System to DTMB by the end of FY 2015-16.</p> <p><b>Background:</b> This section was added in FY 2014-15.</p>

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<b>Section Number</b>	<b>Description and History</b>
619	<p data-bbox="347 409 1471 527"><b>Michigan Veterans Facility Ombudsman.</b> Language requires that \$150,000 included in part 1 for the Michigan Veterans Facility Ombudsman to be used to create a Veterans Facility Ombudsman to address complaints made at the veterans homes in Grand Rapids and Marquette.</p> <p data-bbox="347 552 1471 640"><b>Background:</b> This section was added in FY 2016-17 as the result of a Legislative Audit Report released in February 2016. The report (# 511-0170-15) found that the provision of member care services at the Grand Rapids Home for Veterans was insufficient.</p>