



**Senate Fiscal Agency**  
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**BILL ANALYSIS**



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Senate Bill 277  
 Committee: Appropriations

**FY 2004-05 Year-to-Date Gross Appropriation ..... \$110,713,400**

**Changes from FY 2004-05 Year-to-Date:**

- 1. **Armory Closures.** The Governor recommends the closure of the Charlotte, Lansing Maintenance, Manistique, Menominee, Saginaw and Three Rivers Armories. (300,000)
- 2. **Federal Funds for Training Sites.** The Governor recommends the appropriation of additional Federal revenue for Military Training sites (\$2.0 million) and for Headquarters and Armories (\$200,000). 2,200,000
- 3. **Homeland Security.** The Governor recommends additional Federal Homeland Security funds for training and equipment to be received via a pass-through grant from the Department of State Police. 200,000
- 4. **Military Retirement.** The Governor recommends the inclusion of addition GF/GP to pay for anticipated payments to retired Michigan Army and Air National Guard per P.A. 150 of 1967. 131,000
- 5. **Veterans Homes.** The Governor recommends additional Medicaid/Medicare revenue (\$128,000) for the D.J. Jacobetti Home and additional Private Fund donations (\$40,000) for the Grand Rapids Veterans Home. 168,000
- 6. **Starbase Grant.** The Governor recommends additional Federal funds available for the 100% Federally-funded educational program for elementary school students. 40,000
- 7. **National Guard Tuition Program Adjustment.** The Governor recommends a decrease in necessary GF/GP expenditures for the program due to a new Federal educational program that helps pay for Army Guard tuitions. (200,000)
- 8. **Technology Adjustments.** The Governor recommends a reduction of \$57,000 Federal to reflect technology cost distribution and a reduction of \$13,900 GF/GP to reflect changes in DIT rates to agencies. (71,700)
- 9. **Mackinac Bridge Walk.** The Governor recommends increased authorization from the Mackinac Bridge Authority for expenditures of Guard members used for security purposes during the Labor Day Mackinac Bridge Walk. 15,000
- 10. **HR Optimization.** The Governor recommends an additional \$14,700 to reflect HR optimization efforts. 14,700
- 11. **Economic Adjustments.** Restores FY 2004-05 employee concessions and applies standard economic adjustments to all but employee-related FY 2005-06 salary increases. 4,198,100

Total Changes ..... \$6,395,100

**FY 2005-06 Governor's Recommendation ..... \$117,108,500**

**Changes from FY 2004-05 Year to Date:****Deleted Boilerplate Sections**

1. **Privatization.** Requires privatization plan notice. (Sec. 207)
2. **Report Requirements.** Requires Department to create and retain reports. (Sec. 211)
3. **Armory Closing or Consolidation.** Requires consultation with Legislature prior to armory closing or consolidation. (Sec. 213)
4. **State Cemeteries.** Requires Department to fund State military cemeteries in Crawford and Dickinson Counties should legislation and funding permit their construction (Sec. 214)
5. **Armory Rental.** Allows for rental fees of Armories and equipment. (Sec. 301)
6. **Veterans Homes' Expenditures.** Prohibits expenditure for anything other than for veterans and veterans' families. (Sec. 601)
7. **Veterans Homes' Report.** Requires annual report of State veterans' homes. (Sec. 602)
8. **County Counselor Assistance.** Requires steps to assist county veterans' counselors to obtain training. (Sec. 704)
9. **Michigan Veterans Trust Fund (MVTF).** States intent to find alternative fund source for Veterans Survivors Tuition Program and, in that event, requires the MVTF Board to only expend MVTF interest earnings and to pay back any MVTF corpus funds that may have been spent. (Sec. 705)

**Amended Boilerplate Sections**

10. **Hiring Freeze.** The Governor changed the interval of required hiring freeze reports to the Legislature from monthly to quarterly. (Sec 205-Gov)
11. **National Guard Tuition Program.** The Governor changed the maximum amount of permissible expenditure from \$1.3 to \$1.1 million. (Sec. 213-Gov)
12. **Challenge Program.** The Governor added a requirement that efforts be made to insure at least 75% of the program participants are from families at or below 200% of the Federal poverty level. (Sec. 302-Gov)

**New Boilerplate Sections**

13. **Contingency Funds.** The Governor included language allowing for the expenditure of certain funds listed in boilerplate by the transfer process. The list includes a total of \$5.0 million Federal, \$2.0 million restricted, \$100,000 local and \$100,000 in private funds. (Sec. 212-Gov)

Date Completed: 3-22-05

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