



Senate Fiscal Agency
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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2014-15 YEAR-TO-DATE	FY 2015-16 CONFERENCE	CHANGES FROM FY 2014-15 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	2,820.30	2,163.30	(657.0)	(23.3)
GROSS	542,388,200	407,649,000	(134,739,200)	(24.8)
Less:				
Interdepartmental Grants Received	14,509,800	46,068,700	31,558,900	217.5
ADJUSTED GROSS.....	527,878,400	361,580,300	(166,298,100)	(31.5)
Less:				
Federal Funds.....	200,624,800	63,674,900	(136,949,900)	(68.3)
Local and Private	968,300	1,020,300	52,000	5.4
TOTAL STATE SPENDING.....	326,285,300	296,885,100	(29,400,200)	(9.0)
Less:				
Other State Restricted Funds.....	286,464,000	258,403,600	(28,060,400)	(9.8)
GENERAL FUND/GENERAL PURPOSE.....	39,821,300	38,481,500	(1,339,800)	(3.4)
PAYMENTS TO LOCALS	28,225,700	28,225,700	0	0.0

FY 2014-15 Year-to-Date Gross Appropriation	\$542,388,200
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Changes from FY 2014-15 Year-to-Date:

Items Included by the Senate and House

- 1. Eliminate Fee Sunsets.** The House and Senate budgets are predicated on the delay or elimination or delay of sunsets on 49 fees collected throughout the department. In total these fees generate about \$17.5 million annually. 0
- 2. Retail Liquor License Fee Increase.** The Governor proposed increases to the fees paid for retail liquor licenses. The proposal would increase fees by 50% for three years, and then reduce that increase by half afterward. For example, a fee that is currently \$600 would be increased to \$900 for three years, and then be reduced to \$750 in subsequent years. The Department has indicated that in the last several years fund balances that had sustained the Liquor Control Commission for a number of years have been spent. The House and Senate did not assume an increase in these fees. 0
- 3. Information Technology.** The Governor, House, and Senate removed \$2.1 million to reflect the end of support for the Michigan Business One-Stop, but partially offset this reduction with a \$1.8 million increase in Information Technology to reflect ongoing upgrades to the Licensing and Corporation Database. (327,900)
- 4. Bureau of Health Care Systems GF/GP Reduction.** The Governor, House, and Senate reduced GF/GP appropriations for the Bureau. It is anticipated that this reduction would result in no programmatic changes as savings will be realized via lapses, holding positions vacant, or other savings measures. The budget contains a total of \$59.3 million for the Bureau. (200,000)
- 5. Fund Shifts.** The Governor, House, and Senate included two fund shifts: The first would remove \$112,500 in GF/GP from the Workers' Compensation Agency and replace it with Corporations Fees. The second shift would remove \$900,000 (half Federal and half GF/GP) from the Michigan Administrative Hearing System and replace it with an interdepartmental grant from the Department of Community Health. 0

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| 6. Remove FY 2014-15 One-Time Appropriations. | (15,700,000) |
| 7. Technical Adjustments. The Governor, House, and Senate made a number of technical adjustments throughout the LARA budget. These adjustments include: \$407,200 in increased interdepartmental grant appropriations for the Michigan Administrative Hearing System, a \$69,300 increase to reflect the elimination of the METRO Authority under the recent personal property tax reforms, a \$200,000 reduction to Utility Consumer Representation Grants to reflect available revenue, and adjustments for FY 2014-15 supplementals and Executive Reduction Orders. | 476,500 |
| 8. Remove Video Franchise Assessments. The Governor, House, and Senate removed appropriations from this fund which are currently used to fund the Public Service Commission. The fees will sunset at the end of the calendar year and were not included in the Governor's recommendation for fee sunset extension. | (417,200) |
| 9. Economic Adjustments. Includes a negative \$3,093,800 Gross and a negative \$74,500 GF/GP for OPEB and \$1,200,000 Gross and \$26,600 GF/GP for other economic adjustments. | (1,893,800) |

Conference Agreement on Items of Difference

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| 1. Michigan Liquor Control Commission (MLCC) Licensing and Enforcement. The Senate included an additional \$900,000 from the Liquor Purchase Revolving Fund (LPRF) to address a deficit in funding for MLCC licensing and enforcement. The House included \$1.5 million for this purpose. The Conference provided \$500,000 LPRF. | 500,000 |
| 2. Remove Overstated Liquor License Fee Authority. The Conference removed \$500,000 in unused Liquor License Fee spending authority from the MLCC. Since license fee revenue falls below currently-appropriated levels, this reduction would not affect the MLCC's operations. | (500,000) |
| 3. Bureau of Children and Adult Licensing. The Conference included a \$3.5 million fund shift which reduced GF/GP in this program, and replaced it with an IDG from the Michigan Department of Education (MDE). In the MDE budget this IDG is supported with a Federal grant. | 0 |
| 4. Health Care Facility Inspection Fee Increase. The Governor proposed a general increase on inspection fees for health care facilities as well as a move to a triennial inspection schedule. In total the increase would raise about \$1.3 million each year, but as these fees have been over-appropriated in the current and prior year budgets, no increase in appropriations would be necessary. The Senate did not include these fee increases as part of the LARA budget. The Conference included an assumed fee increase that would generate approximately \$1.1 million annually. | 0 |
| 5. First Responder Presumed Coverage Fund. The House and Senate added a placeholder for providing money for this new fund to operate. The fund was created by Public Act 515 of 2014 and provides benefits to public safety officers who have certain medical conditions caused through the course of their employment. The Conference did not include this placeholder or funding for the program. | 0 |
| 6. Reinventing Performance in Michigan Fund Shift. The House replaced \$525,000 GF/GP in this program with an IDG from anticipated agreements with other State departments. The Conference instead replaced the \$525,000 GF/GP with Corporation Fees. | 0 |
| 7. Remove GF/GP for Inspection of Freestanding Surgical Outpatient Facilities. The House and Conference removed \$530,000 GF/GP from the Bureau of Health Care Services (BHCS) that had been earmarked for the inspection of freestanding surgical outpatient facilities. The fee increase detailed in Item 2 above would provide funding for these inspections. | (530,000) |
| 8. Remove One-Time GF/GP from BHCS. The House and Conference removed \$99,700 GF/GP that was included in the FY 2014-15 budget for the purpose of making disciplinary actions taken against health professionals searchable on the BHCS licensing website. The work is complete. | (99,700) |

9. MIOSHA Fund Shift. The House and Conference included a fund shift in the Michigan Occupational Safety and Health Administration. \$174,000 GF/GP was removed and replaced with Corporation Fees.	0
10. LPRF Fund Shift. The Senate included a fund shift in the Information Technology Services and Projects line by reducing LPRF appropriations by \$900,000 and replacing them with Corporation Fees. The Conference did not include this fund shift, but instead reduced LPRF supporting Fire Protection Grants by \$773,000 and LPRF supporting the Bureau of Fire Services by \$555,700. These funds were replaced with GF/GP revenue.	0
11. Executive Budget Revisions. The Governor issued Executive Orders earlier this year that had budget implications for LARA as programs were both moved to and from the department. In total, approximately \$152.4 million was removed from LARA and \$36.4 million was added. Programs removed from LARA were the Unemployment Insurance Agency and Motor Carrier Division of the Public Service Commission. Programs moved to LARA were the Office of New Americans, the Bureau of Children and Adult Licensing, the Retired Engineers Technical Assistance Program, and the position of Air Policy Director.	(116,047,100)
Total Changes	(\$134,739,200)
FY 2015-16 Conference Report Ongoing/One-Time Gross Appropriation	\$407,649,000
Amount Over/(Under) GF/GP Target:	\$0

Boilerplate Changes from FY 2014-15 Year-to-Date:

Items Included by the Senate and House

1. **Liquor Control Commission IT Work Project.** The Governor, House, and Senate removed a section identifying appropriations for Liquor Control Commission IT Upgrades as a work project. (Sec. 211)
2. **Report Retention.** The Governor removed and House and Senate retained language requiring that report retention guidelines be followed. (Sec. 212)
3. **Communication with the Legislature.** The Governor removed and House and Senate retained a prohibition on taking disciplinary action against employees who communicate with the Legislature. (Sec. 215)
4. **Office Space Report.** The Governor removed and House and Senate retained a report on the utilization of office space. (Sec. 219)
5. **Special Event Fee Report.** The Governor removed and House and Senate retained a report requirement for revenues the Department receives from holding trainings and other special events. (Sec. 241(5))
6. **Prefund OPEB.** The Governor removed and House and Senate retained a statement of intent that OPEB costs continue to be prefunded. (Sec. 250)
7. **Homeowner Construction Lien Fund Appropriation.** The Governor removed and House and Senate retained a report on the remaining balance in this fund. (Sec. 505[2])
8. **Health Professional Disciplinary Actions.** The Governor removed a requirement that disciplinary actions be posted on the online license verification website, and that \$200,000 be allocated for this purpose. The House and Senate retained the requirement but removed the earmark. (Sec. 512)
9. **BSBP Matching Funds.** The Governor removed and House and Senate retained a requirement that the Bureau of Services for Blind Persons work collaboratively to maximize available Federal matching dollars. (Sec. 705)
10. **Tax Tribunal Report.** The Governor removed and House and Senate retained a report on the activities of the Tax Tribunal. (Sec. 801)

Conference Agreement on Items of Difference

11. **New Program Benchmarks.** The House retained the original section. The Governor removed a section requiring any new or expanded programs over \$500,000 to have identified metrics. The Senate and Conference included a revised version of this section. (Sec. 205)
12. **FTEs as Spending Placeholders.** The Governor removed and Senate retained a section prohibiting the use of FTEs as spending placeholders. The section also required a report on the number of FTEs in the Department. The House and Conference removed the section. (Sec. 240)
13. **Reinventing Performance in Michigan (RPM) Costs.** The Governor removed and Senate retained a section requiring the Department to work with other agencies participating in the RPM program to help cover the Department's costs. The House and Conference retained the section but removed a statement of intent that the program be funded through memoranda of understanding. (Sec. 243)
14. **Healthy Michigan Plan Accounting.** The Governor removed and Conference retained a section requiring the Department to work with the Department of Community Health to identify any expenditures related to the Healthy Michigan Plan. (Sec. 245)
15. **Licensing and Regulatory Program Report.** The Governor removed a section requiring a detailed activity report on most of the Department's programs. The Conference retained this report and expanded it to include a summary section. (Sec. 248)
16. **Department Revenue and Expenditure Report.** The Senate included a new section requiring a detailed report on revenues and expenditures for the Department in the prior fiscal year. The Conference did not include this section. (Sec. 251)
17. **Employee Performance Monitoring Process.** The Senate included a new section requiring the Department to establish a performance monitoring process that is consistent throughout the Department. The section also requires a report on this process. The Conference retained this section. (Sec. 252)
18. **Nursing Facility Complaint Report.** The Governor removed and Senate retained a report on the number of complaints, investigations, and frequently-cited deficiencies at nursing facilities. The House and Conference removed this section. (Sec. 506)
19. **Medical Marihuana Program Report.** The Governor, House, and Conference modified a report requirement containing various metrics related to the Medical Marihuana Program. The revised section does not specify particular metrics. The Senate retained the original language. (Sec. 507)
20. **Bureau of Health Care Services.** The Governor, House, and Conference removed and Senate retained a report on facilities regulated by the Bureau. (Sec. 509)
21. **Freestanding Surgical Outpatient Facilities.** The Governor, House, and Conference removed and Senate retained the earmark of \$530,000 for the inspection and licensing of these facilities. (Sec. 510)
22. **Unemployment Insurance Agency (UIA) Integrated System Project Report.** The Governor and Conference removed and House and Senate retained a section requiring quarterly status reports on this IT project. (Sec. 702)
23. **MARVIN Usage.** The Governor, House, and Conference removed and Senate retained a section requiring a report on usage of the UIA's MARVIN system and establishing a goal of 80% usage of the Internet MARVIN system. (Sec. 703)
24. **Unemployment Insurance Agency Metrics.** The Governor included a new section requiring that increased funds for the UIA be used for maintaining customer service standards, and that metrics be identified to measure the success of those efforts. The Senate and House included this section, but the Conference removed it to reflect moving UIA to the Talent Investment Agency. (Sec. 904.)

Date Completed: 5-28-15

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