



Senate Fiscal Agency
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BILL ANALYSIS



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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2016-17 YEAR-TO-DATE	FY 2017-18 CONFERENCE	CHANGES FROM FY 2016-17 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	2,175.3	2,322.3	147.0	6.8
GROSS	419,512,400	434,272,000	14,759,600	3.5
Less:				
Interdepartmental Grants Received	46,923,800	47,835,100	911,300	1.9
ADJUSTED GROSS	372,588,600	386,436,900	13,848,300	3.7
Less:				
Federal Funds.....	64,441,800	65,020,900	579,100	0.9
Local and Private	363,400	361,800	(1,600)	(0.4)
TOTAL STATE SPENDING	307,783,400	319,879,100	12,095,700	3.9
Less:				
Other State Restricted Funds.....	264,062,300	277,037,600	12,975,300	4.9
GENERAL FUND/GENERAL PURPOSE	43,721,100	44,016,600	295,500	0.7
PAYMENTS TO LOCALS	32,625,700	30,225,700	(2,400,000)	(7.4)

FY 2016-17 Year-to-Date Gross Appropriation \$419,512,400

Changes from FY 2016-17 Year-to-Date:

Items Included by the Senate and House

- 1. New Energy Requirements.** The Governor, House, and Senate included \$3,110,500 in Public Utility Assessments and 19.0 FTEs to fulfill various requirements of Public Acts 341 and 342 of 2016, legislation commonly referred to as the 'Energy Package'. 3,110,500
- 2. First Responder Presumed Coverage Fund.** The Governor, House, and Senate included \$1,780,000 from the new Marihuana Excise Tax Fund for claims against the First Responder Presumed Coverage Fund, and \$200,000 for administration. 1,980,000
- 3. Day Care Worker Background Checks.** The Governor, House, and Senate included Federal funds for background checks for day care workers statewide on an ongoing basis. Funds for this purpose were released to states based on new Federal regulations. 800,000
- 4. Natural Gas Pipeline Inspections.** The Governor, House, and Senate included Federal funds and Public Utility Assessments to annualize funding added during FY 2016-17 to meet Federal guidelines with regard to natural gas pipeline inspections. 144,300
- 5. Attorney General Costs for Unlicensed Activity.** The Governor, House, and Senate included restricted funds for Attorney General costs related to investigation and prosecution of unlicensed regulatory activities. 439,300
- 6. Storage Tank Regulation.** The Governor, House, and Senate eliminated \$2.6 million in aboveground and underground storage tank fees and replaced those appropriations with Refined Petroleum Fund (RPF), in accordance with Public Act 467 of 2016. The Act eliminated the collection of the fees and increased the funding mechanism for the RPF from 7/8 cent per gallon of refined petroleum products sold to 1 cent per gallon. 0
- 7. Michigan Indigent Defense Commission.** The Governor, House, and Senate budgets reflected the transfer of the Commission from the Judiciary to LARA pursuant to Public Act 439 of 2016. The Senate included this item. 2,386,800

- 8. **Video Franchise Fees.** The Governor, House, and Senate included additional Public Utility Assessment appropriations to reflect the restoration of these fees. The fees had originally sunset in 2016, but were restored by Public Act 438 of 2016. 300,000
- 9. **Administrative Hearings - Corrections.** The Governor, House, and Senate reduced the IDG received from Corrections to reflect actual hearing caseloads. (200,000)
- 10. **Reduce Overstated Restricted and Federal Funds.** The Governor, House, and Senate included reductions to a number of line items and restricted and Federal fund sources to reflect available revenue. (2,983,300)
- 11. **FY 2016-17 Employee Lump Sum Payments.** Technical adjustment to remove these payments to employees. (1,957,300)
- 12. **Remove FY 2016-17 One-Time Items and Supplemental Appropriations.** (4,960,000)
- 13. **Economic Adjustments.** Includes a negative \$973,500 Gross and a negative \$96,600 GF/GP for OPEB and \$5,250,500 Gross and \$527,500 GF/GP for other economic adjustments. 4,277,000

Conference Agreement on Items of Difference

- 14. **Medical Marihuana - Sales Regulation.** The Governor included an \$18.7 million prorated appropriation from the new Marihuana Regulatory Fund and 108.0 FTEs for the regulation of medical marihuana licensed growers, processors, provisioning centers, and secure transporters. It should be noted that the fund source for this item is distinct from the Michigan Medical Marihuana Fund, and consists of application fees and annual assessments that will be levied upon the aforementioned regulated community. The Senate retained this item, but at a reduced level of \$10.0 million. The House included a reduced amount of \$16.5 million and 88.0 FTEs. The Conference included the Senate's amount of \$10.0 million and 108.0 FTEs. 10,000,000
- 15. **Increase Direct Shipper Enforcement Fund Appropriation.** The Senate and Conference included additional appropriations from this fund to increase enforcement actions against unlicensed sellers of wine. The increase would bring appropriations from this fund to \$300,000. The House did not include this item. 172,200
- 16. **Ethnic Commission Service Expansions.** The Governor and Senate included an additional \$25,000 each for the Hispanic/Latino Commission of Michigan, the Asian Pacific American Affairs Commission, and the Commission on Middle Eastern American Affairs for new initiatives. 75,000
- 17. **Fire Protection Grants Enhancement - One-Time.** The House and Conference included an additional \$1.0 million GF/GP for these grants bringing the total to \$10.3 million. The Senate did not include this increase. 1,000,000
- 18. **Drinking Water Declaration of Emergency.** The Conference included a \$100 placeholder from the Drinking Water Declaration of Emergency Reserve Fund. The placeholder would be used to transfer additional funds should the need arise. 100
- 19. **Liquor Control Enforcement and License Investigation Revolving Fund.** The Conference included an additional \$175,000 from this fund for investigations and enforcement actions by the Michigan Liquor Control Commission. This fund was created in Public Act 434 of 2016; this item would appropriate the funds earmarked for this purpose as prescribed in the Act. 175,000
- 20. **FY 2017-18 One-Time Gross Appropriations.** \$1.0 million GF/GP for Fire Protection Grants Enhancement; \$100 placeholder from Drinking Water Declaration of Emergency Reserve Fund.

Total Changes \$14,759,600

FY 2017-18 Conference Report Ongoing/One-Time Gross Appropriation \$434,272,000

Amount Over/(Under) GF/GP Target: \$0

Boilerplate Changes from FY 2016-17 Year-to-Date:Items Included by the Senate and House

1. **Communication with the Legislature.** The Governor removed and House and Senate retained a prohibition against taking disciplinary action against Department employees who communicate with the Legislature. (Sec. 218)
2. **TV or Radio Productions.** The Governor removed and House and Senate retained a prohibition against the Department producing radio or TV productions. (Sec. 219)
3. **Regulatory Activities Report.** The Governor removed and House and Senate retained a report providing details on licensing/regulatory activities undertaken by each agency or bureau in the Department. (Sec. 226)
4. **Carbon Dioxide Sequestration.** The Governor removed and House and Senate removed a section requiring the Public Service Commission and Michigan Agency for Energy to explore policies related to carbon sequestration, and produce a report. (Sec. 301)
5. **Low-Income Energy Assistance - Program Management.** The Governor included a new section identifying the Michigan Agency for Energy as the manager of the low-income energy assistance program, pursuant to an agreement with the Michigan Department of Health and Human Services. The House and Senate included this item. (Sec. 301)
6. **Medical Marihuana Report.** The Governor retained a report for this program, but removed the specifications for the report. The House and Senate retained current-year language. (Sec. 507)
7. **Wood Product Manufacturing - Facility Inspections.** The Governor, House, and Senate removed a requirement that MIOSHA establish a consistent method of performing and tracking inspections of these facilities. Requires a report. (Sec. 516)
8. **Bureau of Services for Blind Persons (BSBP) - Identify Federal Match.** The Governor removed and House and Senate retained a requirement that BSBP work with service organizations to identify qualified Federal match dollars. (Sec. 705)
9. **First Responder Presumed Coverage Fund.** The Governor included a new section allowing Fund revenue in excess of those appropriated to be spent on qualified claims. The House and Senate included this section. (Sec. 708)
10. **Indigent Defense - Grants.** The Governor included a new section allowing the Michigan Indigent Defense Commission (MIDC) to spend these grants as they are received, up to \$250,000 from the Byrne formula, and up to \$300,000 from other Federal grants. This language was included in the FY 2016-17 Judiciary budget, as the MIDC part of that budget until last year. The House and Senate included this section. (Sec. 800)
11. **Indigent Defense Reports.** The Governor included a new section requiring reports on various processes in the MIDC. This language was included in the FY 2016-17 Judiciary budget, as the MIDC part of that budget until last year. The House and Senate included this section. (Sec. 801)
12. **MLCC IT Update Metrics.** The Governor, House, and Senate removed a section establishing metrics for IT updates in the MLCC that were included in the FY 2016-17 budget. (Sec. 1001)

Conference Agreement on Items of Difference

13. **Out-of-State Travel Report.** The Governor replaced this report with a less detailed version that is consistent with the report found in most other Department budget bills. The Senate retained current-year language. The House and Conference retained the current-year language with some minor changes. (Sec. 207)
14. **Report Retention.** The Governor and Senate removed a requirement that reports be retained according to State and Federal laws. (Sec. 217)
15. **Healthy Michigan Plan - Accounting Structure.** The Governor removed and Senate retained a section requiring the Department to notify the State Budget Office and fiscal agencies if any changes to the existing accounting structure for costs associated with Healthy Michigan. (Sec. 220)
16. **Employee Performance Monitoring.** The Governor removed and Senate retained a section stating the intent of the Legislature that the Department establish an employee performance monitoring process in addition to what is required by the Civil Service Commission and to produce a report. Additionally, the Senate changed the report to include the number employee evaluations performed. (Sec. 227)

17. **Liquor License Delay Mitigation.** The Governor removed and Senate retained a section requiring the Michigan Liquor Control Commission to utilize funds to invest in technology to mitigate delays in license issuance related to section 503 of the Michigan Liquor Control Code. (Sec. 401)
18. **Unlawful Shipments of Wine.** The Governor removed a section requiring funds to be expended for the investigation and enforcement of unlawful outstate sellers of wine. The Senate included a revised version of this section. (Sec. 402)
19. **Opioid Overprescription Reporting.** The Governor removed and Senate retained a report on administrative actions taken against healthcare providers who overprescribe or overdispense opioids, and that the Department formulate a plan to notify patients of those providers. (Sec. 517)
20. **Michigan Automated Prescription System (MAPS) Upgrades.** The Governor removed and Senate retained a report related to the MAPS system. (Sec. 519)
21. **Medical Marihuana Operation and Oversight Grants.** The Governor included a new subsection to the existing medical marihuana operation and oversight grants to county law enforcement. The new language establishes intent that the grants end in FY 2017-18. The Senate did not include this additional language. (Sec. 12-902[5] of Governor's Rec)

Date Completed: 5-30-17

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