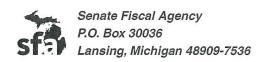




Fax: (517) 373-1986

Senate Bill 218: FY 2017-18 General Omnibus Appropriation Bill

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Fax: (517) 373-1986

Senate Bill 139 (as introduced 2-9-17)

Committee: Appropriations

			CHANGES FY 2016-17 YEAI	-
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2016-17 YEAR-TO-DATE	FY 2017-18 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	476.0	493.5	17.5	3.7
GROSS	95,906,900	104,928,800	9,021,900	9.4
Less:				
Interdepartmental Grants Received	323,200	310,300	(12,900)	(4.0)
ADJUSTED GROSS	95,583,700	104,618,500	9,034,800	9.5
Less:				
Federal Funds	10,471,200	11,273,900	802,700	7.7
Local and Private	130,700	101,600	(29,100)	(22.3)
TOTAL STATE SPENDING	84,981,800	93,243,000	8,261,200	9.7
Less:				
Other State Restricted Funds	35,054,900	36,661,000	1,606,100	4.6
GENERAL FUND/GENERAL PURPOSE	49,926,900	56,582,000	6,655,100	13.3
PAYMENTS TO LOCALS	4,750,000	7,350,000	2,600,000	54.7

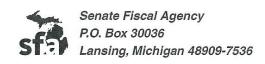
FY 2016-17 Year-to-Date Gross Appropriation	\$95,906,900
Changes from FY 2016-17 Year-to-Date:	
 Michigan Agriculture Environmental Assurance Program (MAEAP) Enhancement. Governor recommended an increase of \$1.5 million Restricted to reflect added revenue resulting from fee increases provided by PA 118 of 2015. 	1,500,000
 Food and Agriculture Investment Program. Governor recommended \$2,743,900 GF/GP for a grant program which follows closely the FY 2016-17 \$1.5 million Value-Added Grant Program. 	2,743,900
 Federal Food and Dairy Regulatory Requirements. Governor recommended 4.0 FTEs and \$1,122,300 Gross (\$980,100 GF/GP) to implement requirements of the Federal Food Safety Modernization Act. 	1,122,300
 Enhanced Wildlife Risk Management. Governor recommended one-time funding of \$1.0 million GF/GP for local conservation districts in Alpena County to assess cattle farms and implement practices to prevent the spread of bovine tuberculosis. 	1,000,000
 Fruit Tree Commission. Governor recommended one-time funding of an additional \$1.0 million GF/GP in one-time funding for capital improvements for Fruit Tree Commission research facilities, for a total FY 2017-18 recommendation of \$1.5 million GF/GP. 	1,000,000
6. Double Up Food Bucks - Statewide . Governor recommended one-time funding of \$750,000 GF/GP to bring the program to targeted areas throughout the State.	750,000

7. Drinking Water Declaration of Emergency. Governor recommended one-time funding of \$680,100 Gross (\$680,000 GF/GP) for providing Double Up Food Bucks program in the city of Flint and to perform water tests at local food service establishments.	680,100
 Agriculture Development Expansion. Governor recommended an additional FTE and \$408,500 GF/GP to support the promotion of Michigan food processing and products in worldwide markets. 	408,500
 Right to Farm Program. Governor recommended an additional 2.5 FTEs and \$384,000 GF/GP to handle increased workload of Right to Farm program. 	384,000
 Farmland Preservation Program. Governor recommended an additional \$305,600 in restricted fund support of farmland preservation efforts. 	305,600
11. Intercounty Drain Mapping Project. Governor recommended a one-time appropriation of \$250,000 GF/GP to fund a project with the Michigan Association of County Drain Commissioner to establish a state standard drainage infrastructure mapping tool.	250,000
 Department Operations. Governor recommended an increase of 1.0 FTE and \$187,700 GF/GP for department operations. 	187,700
 Value-Added Grants - One-Time. Governor recommended the elimination of one-time appropriation of \$1.0 million GF/GP in Value-Added Grants. 	(1,000,000)
 Animal Agriculture Initiative. Governor recommended the elimination of one-time appropriation of \$500,000 GF/GP for Animal Agriculture Initiative research project. 	(500,000)
 Value-Added Grants - Ongoing. Governor recommended the elimination of ongoing appropriation of \$300,000 GF/GP in Value-Added Grants. 	(300,000)
 Vital Agriculture Infrastructure Grant. Governor recommended the elimination of one-time appropriation of \$220,000 GF/GP for an agriculture bridge infrastructure project. 	(220,000)
 Grape and Wine Council. Governor recommended the elimination of one-time appropriation of \$170,000 GF/GP for the Wine and Grape Council. 	(170,000)
 County Fairs, Shows and Expositions Grants. Governor recommended the reduction of \$169,500 GF/GP for the Grant program, leaving a FY 2017-18 recommended appropriation of \$300,500 GF/GP. 	(169,500)
 Remove FY 2016-17 Supplemental Appropriations. PA 340 of 2016 provided \$1,805,600 in restricted revenue support for MAEAP. 	(1,805,600)
20. Technical Adjustments for Actual Revenue Received.	1,771,400
21. Unclassified Salaries. Economic adjustment.	16,400
22. Economic Adjustments. Includes \$1,067,100 Gross and \$732,500 GF/GP for economic adjustments.	1,067,100
Total Changes	\$9,021,900
FY 2017-18 Governor's Recommendation	\$104,928,800

- 1. **Disciplinary Action.** Governor eliminated language-prohibiting action against an employee for communicating with legislative staff. (Sec. 215)
- 2. Retain Reports. Governor eliminated a requirement that all reports be kept and retained by MDARD. (Sec. 234)
- 3. **Technology Use**. Governor struck language requiring use of technology in licensing and registration using a secure web portal. (Sec. 303)

- 4. **Food Safety Modernization Act**. Governor struck language providing guidelines for implementing Food Modernization Act, funding, and to require a report. (Sec. 403)
- 5. **TB Testing Costs.** Governor eliminated section which required that the MDARD pay for all whole herd and individual TB testing in modified accredited zones. (Sec. 451)
- 6. **Animal Indemnity**. Governor amended a section by modifying guidelines for animal indemnity payments, eliminating some language duplicative of statute and modified reporting requirements. (Sec.453)
- 7. **Bovine TB Monitoring**. Governor amended language to update guidelines per a more recent MOU between the USDA and the MDARD. (Sec. 454)
- 8. **Bovine TB Activity and Status Report**. Governor removed annual and quarterly report requirement of the MDARD activities and current status of bovine TB in the State. (Sec. 457)
- 9. **Whole Herd TB Testing.** Governor eliminated language prohibiting whole herds from being tested more often than every four years or not re-tested until all other county herds have been tested, except under certain circumstances. (Sec. 459)
- 10. **Laboratory Program.** Governor eliminated boilerplate section requiring the turn-around times at Geagley Lab to increase from 30-50% to 75-80% and the implementation of a risk based inspection program on and to track program outcomes. House expanded language. (Sec. 652)
- 11. **Value-Added Grants.** Governor eliminated a boilerplate section that provided guidelines and procedures for a Value-Added Grants program which including a competitive grant program and a Food and Agriculture Investment Program. (Sec. 701)
- 12. **Rural Development Fund Grants.** Governor eliminated a boilerplate section requiring work with the Rural Development Fund board to establish a process and criteria for the program. (Sec. 702)
- 13. **Agriculture Development Division Annual Report.** Governor amended language adding metrics and activity goals for FY 2017-18. (Sec. 706)
- 14. **Grape and Wine Report.** Governor eliminated a section requiring an annual report on Grape and Wine Industry Council activities. (Sec. 709)
- 15. **Food and Agriculture Investment Program.** Governor added a new boilerplate section providing guidelines for a new agriculture investment program which would include the allowance to spend funds for grants, loans or loan guarantees, infrastructure development, other economic assistance, program administration and export assistance and promotion. (Sec. 711)
- 16. Equine Funds. Governor removed a section requiring that equine funds only be spent for equine purposes. (Sec. 801)
- 17. **Equine Regulatory Costs.** Governor eliminated a section which provided criteria to the Gaming Board for establishing equine regulatory costs. (Sec. 804)
- 18. County Fairs, Show and Expositions Grant Program. Governor amended language to substitute "expositions" in place of any reference to "exhibitions" and modifies guidelines. (Sec. 805)
- 19. Drinking Water Declaration of Emergency. Governor added a new boilerplate section which provides guidelines for the expenditure of part 1 appropriations for Drinking Water Declaration of Emergency, including the operation of Double Up Food Bucks program and the water testing at local food establishments in the emergency-declared area. (Sec. 901)

Date Completed: 2-21-17 Fiscal Analyst: Bruce Baker





Fax: (517) 373-1986

Senate Bill 142 (as introduced) Committee: Appropriations

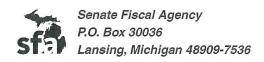
			CHANGES FROM FY 2016-17 YEAR-TO-DATE	
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2016-17 YEAR-TO-DATE	FY 2017-18 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	527.0	533.0	6.0	1.1
GROSS	101,485,800	101,068,800	(417,000)	(0.4)
Less:				
Interdepartmental Grants Received	28,989,700	29,915,300	925,600	3.2
ADJUSTED GROSS	72,496,100	71,153,500	(1,342,600)	(1.9)
Less:				
Federal Funds	9,476,700	9,518,000	41,300	0.4
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	63,019,400	61,635,500	(1,383,900)	(2.2)
Less:				
Other State Restricted Funds	20,178,900	21,336,900	1,158,000	5.7
GENERAL FUND/GENERAL PURPOSE	42,840,500	40,298,600	(2,541,900)	(5.9)
PAYMENTS TO LOCALS	0	0	0	0.0

FY 2016-17 Year-to-Date Gross Appropriation	\$101,485,800
Changes from FY 2016-17 Year-to-Date:	
 Removal of FY 2016-17 One-Time Appropriation. Removed GF/GP funding of \$4.4 million provided as follows: \$3.0 million for legal defense costs; \$700,000 for Prescription Drug Abuse program; and \$700,000 for the Juvenile Life Without Parole litigation costs. 	(4,400,000)
 Removal of FY 216-17 Lump Sum Payments. Removed funding totaling \$618,000 (\$245,700 GF/GP) for the 1.5% lump sum payments received by all State classified employees as part of negotiated contracts for FY 2016-17. 	(618,000)
 Technical Baseline Adjustments. The Governor included one negative GF/GP adjustment of \$7,100 to the IT line item. 	(7,100)
4. Unlicensed Activity Law Enforcement. Funding of \$732,300 GF/GP and 5.5 FTEs were added to enhance services provided by the Attorney General to the Department of Licensing and Regulatory Affairs to investigate unlicensed builders, accountants, and realtors across the State.	732,300
 Prescription Drug Abuse Unit. Funding of \$700,000 GF/GP was provided to continue the development of a statewide drug enforcement strategy to battle prescription drug abuse in Michigan. 	700,000
 Student Safety. Restricted funding was provided to extend a work project for the OK2SAY Program that works to prevent bullying and allow students to feel safe in reporting safety issues. The current work project is set to expire on 9/30/17. 	470,000
 Medical Marihuana. Restricted funding was increased and 4.0 FTEs added for services required to comply with Public Acts 281-283 of 2016. 	375,000

FY 2017-18 Governor's Recommendation	\$101,068,800
Total Changes	(\$417,000)
11. Economic Adjustments. Includes \$1,341,200 Gross and \$638,300 GF/GP.	1,341,200
 Unclassified Salaries. Increased GF/GP funding by \$22,600 for total funding of \$776,600 for FY 2017-18. 	22,600
9. One-Time - PACC Juvenile Life Without Parole Cases. One-time GF/GP funding totaling \$750,000 is provided for the Prosecuting Attorneys Coordination Council to provide assistance to local prosecutors for costs associated with investigations, crime victim rights, prosecutions and appeals for retroactive juvenile life without parole cases.	750,000
 Energy Package. Restricted funding was increased and one FTE added for services required to comply with Public Act 341 of 2016. 	217,000

- 1. **Boilerplate Structure. Governor:** Moved boilerplate from the FY 2016-17 general sections that applied to all General Government budgets to the Article for the Department of Attorney General. Changes to those items can be found in the highlight sheet for the **General Sections**.
- 2. **NEW. 301. Drug Investigation and Prosecution Unit. Governor:** Adds new language that requires the attorney general to use funds appropriated in Part 1 to maintain a minimum of 24 drug investigations and to prosecute when sufficient evidence is obtained. (**NEW** Sec. 301)
- 3. **Mortgage Fraud Investigations.** Language states that from the funds appropriated in Part 1 for Attorney General Operations, the Department must allocate \$600,000 for the investigation and prosecution of mortgage fraud. **Governor:** Deleted. (Current Law Sec. 313)
- 4. **Juvenile Life without Parole.** Language states that the \$700,000 appropriated in part 1 is to be used for investigations, crime victim rights, prosecutions and appeals for retroactive juvenile life without parole cases. Also requires a report to be submitted by September 30. **Governor:** Increased amount to \$750,000. (Sec. 314a)
- 5. **Legacy Cost Estimates.** Total legacy costs are estimated at \$18,361,000. Of the total, Pension-related legacy costs are estimated at \$10,096,700 and retiree health care legacy costs are estimated at \$8,264,300 for fiscal year ending September 30, 2017. **Governor:** Provided the following Legacy Costs estimates for FY 2018: Total legacy costs estimated at \$17,281,300. Of that total, \$8,893,100 are for pension-related legacy costs and \$8,388,200 are for retiree health care legacy costs for the fiscal year ending September 30, 2018. (Sec. 315)
- 6. Sexual Assault Law Enforcement Efforts. Language requires the Department to use the funds for testing of backlogged sexual assault kits across the State outside of Wayne County. The language also requires the Department to submit a spending plan to the Legislature prior to release of the funds. The order of priority for expenditure of the funds is: 1) to eliminate all county sexual assault kit backlogs by the end of the fiscal year, 2) to assist local prosecutors with investigations and prosecutions of viable cases, and 3) to provide victim services. It also requires a spending plan submitted to the Legislature prior to release of the funds. Governor: Eliminated section. (Current Law Sec. 316)

Date Completed: 2-15-17 Fiscal Analyst: Joe Carrasco, Jr.





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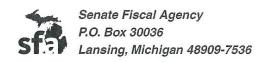
Senate Bill 142 (as introduced) Committee: Appropriations

			CHANGES FROM FY 2016-17 YEAR-TO-DATE	
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2016-17 YEAR-TO-DATE	FY 2017-18 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	129.0	127.0	(2.0)	(1.6)
GROSS	16,248,500	16,099,600	(148,900)	(0.9)
Less:				
Interdepartmental Grants Received	293,600	296,600	3,000	1.0
ADJUSTED GROSS	15,954,900	15,803,000	(151,900)	(1.0)
Less:				
Federal Funds	2,763,000	2,775,800	12,800	0.5
Local and Private	18,700	18,700	0	0.0
TOTAL STATE SPENDING	13,173,200	13,008,500	(164,700)	(1.3)
Less:				
Other State Restricted Funds	151,900	151,900	0	0.0
GENERAL FUND/GENERAL PURPOSE	13,021,300	12,856,600	(164,700)	(1.3)
PAYMENTS TO LOCALS	0	0	0	0.0

FY 2016-17 Year-to-Date Gross Appropriation	\$16,248,500
Changes from FY 2016-17 Year-to-Date:	
 Removal of FY 2016-17 One-Time Appropriation. Removed GF/GP funding of \$250,000 provided for additional funding for the Division of Deaf and Hard of Hearing. 	(250,000)
 Removal of FY 2016-17 Lump Sum Payments. Removed funding totaling \$92,100 (\$72,800 GF/GP) for the 1.5% lump sum payments received by all State classified employees as part of negotiated contracts for FY 2016-17. 	(92,100)
 Technical Baseline Adjustments. The Governor included two technical GF/GP adjustments: a negative adjustment of \$600 for the Operations line item and a negative adjustment of \$4,500 to the IT line item. 	(5,100)
 Unclassified Salaries. Increased GF/GP funding by \$19,800 for total funding of \$680,100 for FY 2017-18. 	19,800
5. Economic Adjustments. Includes \$178,500 Gross and \$143,400 GF/GP.	178,500
Total Changes	(\$148,900)
FY 2017-18 Governor's Recommendation	\$16,099,600

- 1. **Boilerplate Structure. Governor:** Moved boilerplate from the FY 2015-16 general sections that applied to all General Government budgets to the Article for the Department of Civil Rights. Changes to those items can be found in the highlight sheet for the **General Sections**.
- 2. **Department Report.** Requires a detailed report submitted by November 30 that covers the Department's activities and operations. **Governor:** Eliminated section. (Current Law Sec. 404)
- 3. **Notifications Required Regarding Federal Reports or Complaints.** Requires the Department to notify the Office of State Budget, Senate and House appropriations committees, and the Senate and House fiscal agencies prior to submitting a report or complaint to the United State Commission on Civil Rights or other Federal departments. **Governor:** Eliminated section. (Current Law Sec. 405)
- 4. **Legacy Cost Estimates.** Total legacy costs are estimated at \$3,062,000. Of the total, Pension-related legacy costs are estimated at \$1,697,800 and retiree health care legacy costs are estimated at \$1,364,200 for fiscal year ending September 30, 2017. **Governor:** Provided the following Legacy Costs estimates for FY 2018: Total legacy costs estimated at \$2,695,600. Of that total, \$1,387,200 are for pension-related legacy costs and \$1,308,400 are for retiree health care legacy costs for the fiscal year ending September 30, 2018. (Sec. 410)

Date Completed: 2-15-17 Fiscal Analyst: Joe Carrasco, Jr.





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Senate Bill 144 (as introduced) Committee: Appropriations

			CHANGES FROM FY 2016-17 YEAR-TO-DATE	
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2016-17 YEAR-TO-DATE	FY 2017-18 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	13,803.9	13,803.9	0.0	0.0
GROSS	2,002,729,000	2,014,419,200	11,690,200	0.6
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	2,002,729,000	2,014,419,200	11,690,200	0.6
Less:				
Federal Funds	5,523,700	5,293,800	(229,900)	(4.2)
Local and Private	8,692,800	8,842,400	149,600	1.7
TOTAL STATE SPENDING	1,988,512,500	2,000,283,000	11,770,500	0.6
Less:				
Other State Restricted Funds	36,554,600	36,149,400	(405,200)	(1.1)
GENERAL FUND/GENERAL PURPOSE	1,951,957,900	1,964,133,600	12,175,700	0.6
PAYMENTS TO LOCALS	111,888,200	114,388,800	2,500,600	2.2

FY 2016-17 Year-to-Date Gross Appropriation	\$2,002,729,000
Changes from FY 2016-17 Year-to-Date:	
 Westside Residential Alternative to Prison Program. Governor proposed a new alternative sentencing program for probation violators in thirteen West Michigan counties. 	1,500,000
New Custody Staff Training. Governor funded an officer academy with an expected graduated class of 177 to address higher than anticipated attrition.	4,359,000
3. Trinity Food Service Contract. Governor funded contractual inflationary adjustment.	4,036,000
 Corizon Health Care Contract. Governor funded inflationary and cost-per-prisoner contract adjustments. 	3,511,900
Oncology. Governor provided for increased caseload and associated specialty care costs for cancer.	2,328,300
6. Fiscal Year 2018 DTMB Rate Changes. Impact of new per user fee structure.	1,500,000
 One-Time Funding Removal. Governor eliminated one time funding for officer academy in FY 2016-17 and ballistic vests. 	(8,987,400)
 Hepatitis C. Governor aligned funding with anticipated Hepatitis C caseload (F2-F4 metavir scores). 	(3,199,500)
 Supervising Region Incentive Program. Governor eliminated \$2,518,600 ongoing and \$481,300 one-time dedicated funding for the Supervising Region Incentive Program. 	(2,999,900)
 Goodwill Flip the Script. Governor eliminated dedicated funding for Goodwill Flip the Script program. 	(1,500,000)

FY 2017-18 Governor's Recommendation	\$2,014,419,200
Total Changes	\$11,690,200
14. Economic Adjustments. Includes -\$5,341,700 Gross and -\$5,275,700 GF/GP for OERC and \$17,731,100 Gross and \$17,487,500 GF/GP for other economic adjustments.	12,389,400
 Unclassified Salaries. Includes \$53,800 Gross and \$53,800 GF/GP for unclassified salaries. 	53,800
12. Other Changes. Governor eliminated placeholders for the cost effective housing initiative and future facility, removed excess authorization for administrative hearings officers and inmate legal services, aligned authorization with anticipated restricted revenues, adjusted IDGs to account for payroll increases, and funded a rent increase for Grandview Plaza.	(501,400)
 Pugsley Facility Closure. Governor recognized savings from lower than anticipated Pugsley facility closure costs. 	(800,000)

- 1. **Deletions.** The Governor proposed to eliminate the following sections from current-year boilerplate: 206, 212, 214, 239, 405, 411, 412, 417, 419(1), 437, 505, 508, 511, 601, 602, 611, 612, 616, 802, 803, 806, 812, 816, 901, 902, 904, 908, 909, 910, 912, 937, 940, 942, 1000, 1011, and 1201. These deletions include a variety of reporting requirements, record retention requirements, statements of legislative intent, and language pertaining to health services, mental health awareness training, Goodwill Flip-the-Script, the Supervising Region Incentive Program, parole board policies, one-time reports, contracting requirements, and anticipated appropriations.
- 2. **Definitions.** Eight definitions were eliminated from the bill. All were acronyms that are no longer referenced in the bill.
- Section numbering. Governor renumbered several sections and edited headings to maintain consistency across all budget areas.
- 4. **Reporting requirements.** Governor reduced the frequency of reporting for vendor contract compliance (Sec. 307), prisoner populations (Sec. 419), parole review (Sec. 422), and Hepatitis C treatment (Sec. 807). Also added State Budget Office to the list of report recipients where it wasn't already.
- 5. **Program additions.** Governor added sections to assist the State Court Administrative Office with data compilation for the Swift and Sure Sanctions Program (Sec. 247), and to implement the Westside Residential Alternative to Prison program (Sec. 617).
- 6. **Updated amounts for Total Legacy Costs.** Governor updated total legacy costs section. The pension-related costs are \$145,738,300 and the retiree health care costs are \$137,512,400. (Sec. 214)

Date Completed: 3-8-17 Fiscal Analyst: Ryan M. Bergan





Fax: (517) 373-1986

Senate Bill 147 (as introduced) Committee: Appropriations

			CHANGES FY 2016-17 YEA	-
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2016-17 YEAR-TO-DATE	FY 2017-18 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	597.5	603.5	6.0	1.0
GROSS	331,975,200	349,309,500	17,334,300	5.2
Less:				
Interdepartmental Grants Received	0	0	0	0
ADJUSTED GROSS	331,975,200	349,309,500	17,334,300	5.2
Less:				
Federal Funds	239,821,900	251,854,700	12,032,800	5.0
Local and Private	7,591,400	7,851,500	260,100	3.4
TOTAL STATE SPENDING	84,561,900	89,603,300	5,041,400	6.0
Less:				
Other State Restricted Funds	8,380,700	8,567,600	186,900	2.2
GENERAL FUND/GENERAL PURPOSE	76,181,200	81,035,700	4,854,500	6.4
PAYMENTS TO LOCALS	19,176,000	13,176,000	(6,000,000)	(31.3)

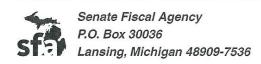
FY 2016-17 Year-to-Date Gross Appropriation	
Changes from FY 2016-17 Year-to-Date:	
 Child Development and Care Public Assistance. The Governor increased appropriations in order to increase child care provider reimbursement rates to the 75th percentile of the market rate, which is the Federally-recommended rate. Of the total increase, \$18.8 million is Federal funding and \$8.4 million is GF/GP. 	27,200,000
 State Assessment Support. The Governor increased GF/GP to the Assessment and Accountability Office to fill ten currently vacant positions as a result of declining Federal dollars in the Assessment and Accountability Office. 	2,550,000
3. Child Development and Care External Support. The Governor increased Federal funding to external support. Of the total, \$1,365,500 is to monitor and support 'license exempt' providers who are giving care in their own home or related child's home and \$800,000 is for Licensing and Regulatory Affairs to review the background check results that come from the FY 2016-17 supplemental request. The increase is part of the reauthorization agreement of Federal funds.	2,165,500
4. Partnership Model with Districts. The Governor created this office with 4.0 FTEs GF/GP to support partnership liaisons to work with districts to identify need, develop intervention plans, and coordinate public, private, and non-profit resources to drive school improvement.	641,800
 Building Occupancy Charge Fund Shift. The Governor included a fund shift due to the Federal funds becoming unavailable to support Building Occupancy Charges within the Hannah Building and replaced those funds with \$56,700 GF/GP. 	0

6. Drinking Water Declaration of Emergency . The Governor removed the Federal funding from the Drinking Water Declaration of Emergency line item in one-time appropriations. The \$100 Drinking Water Declaration of Emergency Reserve Fund place holder is still included to allow transfers of additional funding in the event that it is needed in FY 2017-18.	(8,050,000)
7. Removal of FY 2016-17 One-Time . The Governor removed FY 2016-17 one-time appropriations, which included \$4.5 million for statewide school drinking water testing reimbursement, which was transferred to School Aid, and \$500,000 for certification fee support. This funding was all GF/GP.	(5,000,000)
 Renaissance Zone Reimbursement. The Governor reduced Renaissance Zone Reimbursement due to phase out and expiration of existing zones over the past few years resulting in significant lapses at the end of each year. This funding is all GF/GP. 	(2,000,000)
9. Federal State Assessment Funding. The Governor reduced Federal funding as a result of a \$2.0 million in reduction in Federal funding for the Office of Assessment and Accountability. This reduction was partially offset by a \$1.0 million Federal grant to improve the quality, validity, and reliability of State assessment to measure student growth and achievement.	(1,000,000)
 Lump Sum Removal. The Governor made a lump-sum removal from Information Technology, Michigan Administrative Hearing System, and Child Care and Development Fund, of which \$123,500 of the decrease was GF/GP. 	(667,900)
11. FTE Increase and Transfer. The Governor Increased the Field Office by 2.0 FTEs for a Nonpublic Schools Ombudsman and a Foster Care Liaison due to requirements under the Federal Every Student Succeeds Act. No funding was included with the FTE increase. The Governor also moved 5.0 FTEs and their corresponding funding from the Office of Improvement and Innovation to the Michigan Schools for Deaf and Blind operations line item.	0
12. Economic Adjustments . Gross economic increase of \$1,494,900 and \$329,500 GF/GP.	1,494,900
Total Changes	\$17,334,300
FY 2017-18 Governor's Recommendation	\$17,334,300

- Deleted Reports. The Governor deleted a number of sections related to reporting requirements, which include: 223
 (retention of all reports), 227 (responding to requests from the Legislature and report due dates within 30 days), 230
 (nonpublic school mandate report), 325 (notification of grants received), 1001 (child care provider report), and 1003
 (Early Childhood Investment Corporation report).
- 2. Other Deleted Sections. The Governor deleted a number of other sections, which include: 216 (appeals to Adequate Yearly Progress status), 219 (identify GSRP student on the kindergarten entry exam), 221 (sexual misconduct retention), 222 (protects employees who testify to the Legislature), 228 (requires consideration of issuing a request for information prior to issuing a request for proposals for contracts over \$1.0 million), 229 (notification of entering \$1.0 million contracts and Federal waivers), 302 (State Board travel expenditure cap), 502 (allow substitute teaching hours to qualify for teaching credit), 803 (legislative intent to keep the Library of Michigan whole), 1009 (increased the Child Development and Care threshold to 125% of the Federal Poverty Level), 1010 & 1101 (drinking water declaration of emergency funding), 1102 (voluntary water testing reimbursement), and 1201 (legislative intent for second year appropriations).
- 3. Modified Sections. The Governor made modifications to a number of sections, which include: 350 (special education taskforce distributing information to parents of newly identified students with special needs instead of all parents annually), 701 (requires implementation of multi-tiered systems of support to grades K-8 from K-3 for schools that receive At-Risk funding), and 1007 (streamlined the activity report on child care licensors in Licensing and Regulatory Affairs).

- 4. **Increased Child Development and Care Public Support**. The Governor included a new section for the appropriation increase in the child development and care public assistance line item. The section requires that the funds be used to increase the child care provider reimbursement rate. (Sec. 1004)
- 5. Increased Child Development and Care External Support. The Governor included a new section for the appropriation increase in the child development and care external support line item. The section requires that the funds be used to assist Licensing and Regulatory Affairs in providing fingerprinting services and background checks of employees of child care providers as required by the Federal grant. (sec. 1005)
- 6. **Technical Modifications**. The Governor made a number of modifications that include date changes, spending changes to reflect part 1 appropriations, legacy cost estimations, and standardized section language. (Sec. 201, 207, 212, 214, 503, 801, 804)

Date Completed: 2-14-17 Fiscal Analyst: Cory Savino





Fax: (517) 373-1986

Senate Bill 140 (as introduced) Committee: Appropriations

			CHANGES FY 2016-17 YEAR	-
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2016-17 YEAR-TO-DATE	FY 2017-18 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	1,236.0	1,254.0	18.0	1.5
GROSS	516,886,400	510,842,000	(6,044,400)	(1.2)
Less:				
Interdepartmental Grants Received	9,225,700	3,100,500	(6,125,200)	(66.4)
ADJUSTED GROSS	507,660,700	507,741,500	80,800	0.0
Less:				
Federal Funds	139,022,800	170,042,600	31,019,800	22.3
Local and Private	555,300	555,300	0	0.0
TOTAL STATE SPENDING	368,082,600	337,143,600	(30,939,000)	(8.4)
Less:				
Other State Restricted Funds	318,809,200	285,825,300	(32,983,900)	(10.3)
GENERAL FUND/GENERAL PURPOSE	49,273,400	51,318,300	2,044,900	4.2
PAYMENTS TO LOCALS	3,750,000	4,531,000	781,000	20.8

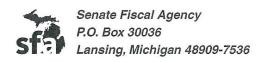
FY 2016-17 Year-to-Date Gross Appropriation	\$516,886,400
Changes from FY 2016-17 Year-to-Date:	
 Vapor Intrusion Program. The Governor provided GF/GP, laboratory services fees, and 8.0 FTEs for the establishment of a vapor intrusion program. The program will address public health concerns stemming from chemicals in soil that manage to leak into basements and building foundations. 	1,376,300
 Communications and Public Affairs Office. The Governor provided GF/GP and 3.0 additional FTEs for the establishment of a communications and public affairs office that would provide a liaison between technical staff and the public. 	708,400
Drinking Water Declaration of Emergency. The Governor included support for technical assistance the Department is funding at Flint's water treatment plant.	1,000,100
 Oil, Gas, and Mineral Services. The Governor included additional GF/GP funding to support this program, which regulates the extraction of natural resources in Michigan. Low fuel prices have created a structural funding deficit in the program. 	4,000,000
 Lead and Copper Rule Program. The Governor provided additional GF/GP and 17.0 new FTEs to support the Department's compliance efforts with the Federal Lead and Copper Rule. 	2,562,400
6. Water State Revolving Funds. The Governor provided additional Federal authorization to reflect availability of funds. This program, formerly called the Water Pollution Control and Drinking Water Revolving Fund, receives Federal funds and State match which provide grants and loans to local units of government for improvements to drinking water and wastewater infrastructure. Additional GF/GP and loan repayment revenue was included to provide necessary State match to draw down these funds. Total funding is \$120.0 million.	35,007,000

 Manufactured Housing Community Regulation. The Governor included GF/GP and 3.0 FTEs to support new regulations on drinking water and wastewater systems in manufactured housing communities. 	500,000
 Energy Regulation Package. The Governor included Public Utility Assessment revenues to support one additional FTE to perform the Department's duties under PA 341 of 2016. 	150,000
 Strategic Water Quality Initiatives Grants and Loans. The Governor reduced this program to \$62.0 million to reflect availability of funds. Revenue for the program is derived from bond sales authorized under Proposal 2 of 2002. 	(35,000,000)
10. Clean Michigan Initiatives - Response Activities. The Governor removed \$14.9 million in CMI funds for response activities at environmental cleanup sites to reflect availability of revenues. CMI funds are dwindling, generally, and have been exhausted in this particular area, as provided by statute. These funds were replaced with a like amount of Refined Petroleum Fund, albeit on a one-time basis.	0
 Air Quality Program - Fund Shift. The Governor removed \$1.4 million in Environmental Pollution Prevention Fund revenue that is no longer available and replaced it with GF/GP. 	0
 Remove FY 2016-17 Supplemental and One-Time Appropriations. The Governor removed a number of these items that were not included as part of the Department's base budget. 	(15,125,100)
13. Other Changes. The Governor included various technical changes including reductions to over-appropriated restricted and Federal funds, reclassification of an interdivisional charge, removal of lump sum payments to employees, and increased rent costs.	(3,955,400)
14. Economic Adjustments. Includes a negative \$613,900 Gross and a negative \$110,800 GF/GP for OPEB and \$3,345,800 Gross and \$633,900 GF/GP for other economic adjustments.	2,731,900
Total Changes	(\$6,044,400)
FY 2017-18 Governor's Recommendation	\$510,842,000

- 1. **Communication with the Legislature.** The Governor removed a prohibition against taking disciplinary action against Department employees who communicate with the Legislature. (Sec. 220)
- 2. Rule Promulgation Small Business Impact. The Governor removed a prohibition against the promulgation of rules that would have a disproportionate impact on small businesses. (Sec. 221)
- 3. **Clean Michigan Initiative Report.** The Governor removed a report that requires various information about projects funded with bond proceeds from the Clean Michigan Initiative. (Sec. 235)
- 4. **Refined Petroleum Fund Repayment.** The Governor removed a statement of legislative intent that the \$70.0 million transferred to the Environmental Protection Fund from the Refined Petroleum Fund in FY 2006-07 be repaid. (Sec. 305)
- 5. **Refined Petroleum Fund Site List.** The Governor removed a section detailing the RPF sites that would be funded in the budget. (Sec. 306)
- 6. **PFC Workgroup.** The Governor removed a section requiring a workgroup to study the effects of exposure to perfluorinated compounds and to establish cleanup criteria. (Sec. 312)

- 7. **Vapor Intrusion Program.** The Governor included new a new section establishing performance metrics for the new vapor intrusion program. (Sec. 6-313 of Governor's Rec.)
- 8. Water Quality and Use Initiative Spending Plan. The Governor removed a requirement that a spending plan be established for this program. (Sec. 402)
- 9. **Western Lake Erie Collaborative Agreement.** The Governor removed a reporting requirement on the implementation plan for the Agreement. (Sec. 410)
- 10. **Lead and Copper Rule Technical Assistance Metrics.** The Governor included a new section containing metrics for the additional staff and funding for Lead and Copper Rule technical assistance. (Sec. 6-604 of Governor's Rec.)
- 11. Flint Water Crisis Expenditure Report. The Governor removed a section that requires various information about expenditures made in relation to the Flint water crisis. (Sec. 803)

Date Completed: 2-17-17 Fiscal Analyst: Josh Sefton





Fax: (517) 373-1986

Senate Bill 142 (as introduced) Committee: Appropriations

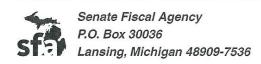
			CHANGES FROM FY 2016-17 YEAR-TO-DATE	
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2016-17 YEAR-TO-DATE	FY 2017-18 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	74.2	79.2	5.0	6.7
GROSS	5,636,300	6,848,500	1,212,200	21.5
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	5,636,300	6,848,500	1,212,200	21.5
Less:				
Federal Funds	0	0	0	0.0
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	5,636,300	6,848,500	1,212,200	21.5
Less:				
Other State Restricted Funds	0	0	0	0.0
GENERAL FUND/GENERAL PURPOSE	5,636,300	6,848,500	1,212,200	21.5
PAYMENTS TO LOCALS	0	0_	0	0.0

FY 2016-17 Year-to-Date Gross Appropriation	\$5,636,300
Changes from FY 2016-17 Year-to-Date:	
 Executive Office Operations. Governor recommended a 3.0% overall increase for Executive Office operations. 	200,000
 Office of Urban Initiatives – Transferred all funding and 5.0 FTEs to Executive Office from DTMB. 	1,012,200
Total Changes	\$1,212,200
FY 2017-18 Governor's Recommendation	\$6,848,500

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

1. There is no boilerplate for the Executive Office.

Date Completed: 2-15-17 Fiscal Analyst: Joe Carrasco, Jr.





Fax: (517) 373-1986

Senate Bill 135 (as introduced) Committee: Appropriations

			CHANGES FY 2016-17 YEA	-
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2016-17 YEAR-TO-DATE	FY 2017-18 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	15,594.5	15,614.5	20.0	0.1
GROSS	24,884,891,300	25,537,414,500	652,523,200	2.6
Less:				
Interdepartmental Grants Received	13,513,700	13,640,900	127,200	0.9
ADJUSTED GROSS	24,871,377,600	25,523,773,600	652,396,000	2.6
Less:				
Federal Funds	17,905,772,200	18,351,244,100	445,471,900	2.5
Local and Private	278,705,100	268,624,300	(10,080,800)	(3.6)
TOTAL STATE SPENDING	6,686,900,300	6,903,905,200	217,004,900	3.2
Less:				
Other State Restricted Funds	2,294,167,500	2,442,169,800	148,002,300	6.5
GENERAL FUND/GENERAL PURPOSE	4,392,732,800	4,461,735,400	69,002,600	1.6
PAYMENTS TO LOCALS	1,326,260,100	1,371,570,500	45,310,400	3.4

FY 2016-17 Year-to-Date Gross Appropriation	\$24,884,891,300
Changes from FY 2016-17 Year-to-Date:	
 Medicaid and Related Match Rates. Governor reflected drops in traditional Medicaid match rate to 64.78%, Title XXI match rate to 98.35%, and expansion Medicaid match to 94.0% effective January 1, 2018. Total cost increase of \$99.3 million GF/GP. 	0
2. Other Fund Source Adjustments. Governor reflected numerous fund source shifts, including a \$9.5 million reduction in available Temporary Assistance for Needy Families (TANF) revenue, \$25.3 million additional available Tobacco Settlement revenue, and a \$79.6 million increase in Health Insurance Claims Assessment (HICA) revenue. Total GF/GP savings from these and other smaller fund source shifts of \$103.4 million.	0
3. Changes in Federal Grants. Budget reflected changes in available Federal grants.	21,426,600
4. Medicaid Actuarial Soundness Adjustments. Governor included 1.0% increases for traditional and expansion Medicaid managed care organizations for physical health and behavioral health to ensure rates paid meet Federal actuarial soundness requirements.	86,600,800
 Adjustments to Special Medicaid Payments. Governor included reductions to special hospital payments to reflect the maximum allowable Federal amounts as well as adjustments to special financing payments and payments to publicly affiliated clinics. \$9.7 million GF/GP savings. 	(173,656,900)
 Healthy Michigan Plan (HMP) Base and Caseload. Governor included increased funding for the Medicaid expansion, also known as the HMP, to reflect growth in the caseload to over 650,000 people. GF/GP cost of \$20.2 million. 	434,456,400

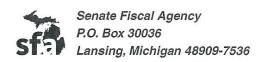
FY 2017-18 Governor's Recommendation	\$25,537,414,500
Total Changes	\$652,523,200
 Economic Adjustments. Includes \$27.9 million Gross and \$13.8 million GF/GP for economic adjustments. 	27,856,400
 Other Changes. Other changes, mostly involving technical adjustments to reflect unrealized non-GF revenues, resulted in a reduction in Gross authorization. 	(18,914,400)
16. Removal of FY 2016-17 Lump Sum Adjustment. \$5.1 million GF/GP savings.	(12,274,900)
15. One-Time Funding Adjustments. Includes the removal of two one-time Information Technology projects, the conversion of two ongoing \$1.0 million programs to one-time (university autism and refugee services), and \$13.4 million Gross, \$1.0 million GF/GP to fund new initiatives in Flint.	(52,160,700)
14. Technical Adjustments Tied to Federal and State Policy Changes. Budget reflected annualization of the expiration of the Medicaid managed care Use Tax (\$157.9 million Gross and \$41.7 million GF/GP savings). Budget also reflected the anticipated reinstatement of the Federal health insurer fee in calendar year 2018 (\$167.0 million Gross, \$0 GF/GP cost).	9,143,300
13. Program Reductions. Governor had several program reductions. Various FY 2016-17 dental services enhancements were removed, including funding for clinics around the state and a Medicaid pregnant woman dental rate enhancement (savings of \$4.5 million GF/GP), a \$2.0 million Gross and GF/GP reduction to Centers for Independent Living, and a reduction of \$1.4 million Gross and GF/GP in funding for Wayne State University psychiatric services. The budget also assumed the expiration of the county hold harmless provision for foster care, resulting in a shift of costs from the state to counties amount to \$8.0 million.	(21,357,500)
12. Staff Enhancements. The Governor included additional staff, in particular 95.0 FTEs for adult services, 72.0 FTEs for state facilities, 51.0 FTEs to expand the Pathways to Potential program, and 11.0 FTEs for foster parent and youth support. Total cost \$20.8 million GF/GP.	29,516,200
11. Program Enhancements. The Governor included a number of enhancements in the budget; Among these were creation of a provider tax funded quality pool for nursing homes (\$73.0 million Gross, \$8.2 million GF/GP savings from tax retention), a \$0.50 per hour wage pass-through for direct care workers (\$50.0 million Gross, \$14.2 million GF/GP), an increase in foster care private agency administrative rates (\$14.2 million Gross, \$6.8 million GF/GP), expansion of Medicaid non-emergency transportation contracts (\$12.0 million Gross, \$3.4 million GF/GP), an increase in the emergency shelter per diem from \$12 to \$16 (\$3.8 million Gross and GF/GP), increased senior services funding to eliminate wait lists (\$3.6 million Gross and GF/GP), an increase in the FIP clothing allowance to \$200 (\$2.7 million Gross, \$0 GF/GP), and an increase in multicultural funding (\$2.0 million Gross and GF/GP).	161,221,000
 Integrated Service Delivery. Governor included the second year of funding for the Department's Integrated Service Delivery initiative. GF/GP cost of \$3.5 million. 	45,089,800
 Public Assistance Base and Caseload. Governor including minor adjustments to most caseloads along with a \$21.7 million Gross, \$4.0 million GF/GP savings in the Family Independence Program (FIP). Total GF/GP savings of \$4.6 million. 	(22,350,700)
 Children's Services Base and Caseload. Governor included minor adjustments to most children's services caseloads, with a larger \$11.5 million Gross, \$5.3 million GF/GP savings in the Adoption Subsidies program. Total GF/GP savings of \$1.8 million. 	(8,994,100)
7. Traditional Medicaid Base and Caseload. Governor included adjustments to reflect anticipated costs for the base Medicaid program. GF/GP cost of \$68.3 million.	146,921,900

- 1. **Deletions.** Governor eliminated the following sections from current year boilerplate: 214, 228, 231, 233, 240, 252, 264, 280, 288, 289, 290, 291, 293, 299, 310, 511, 514, 515, 519, 532, 537, 540, 556, 558, 562, 564, 568, 569, 602, 603, 614, 617, 625, 630, 672, 701, 721, 805, 908, 911, 912, 928, 941, 994, 997, 1057, 1058, 1140, 1142, 1150, 1151, 1225, 1228, 1229, 1300, 1301, 1307, 1311, 1340, 1424, 1502, 1503, 1645, 1701, 1704, 1705, 1724, 1730, 1757, 1782, 1806, 1820, 1850, 1862, 1870, 1875, 1876, 1877, 1890, 1894, 1899, 1909, 1912, and 2001.
- 2. Section numbering. Governor renumbered the following current year boilerplate sections for uniformity across budget areas: 205 renumbered 221, 206 renumbered 210, 207 renumbered 213, 208 renumbered 204, 209 renumbered 205, 210 renumbered 206, 211 renumbered 226, 212 replaced by 265, 213 renumbered 227, 217 renumbered 207, 230 renumbered 1901, 265 replaced 212, 276 renumbered 208, 287 renumbered 209, 292 renumbered 211, 294 renumbered 1903, 297 renumbered 214, 534 renumbered 1904, 642 renumbered 454, 905 replaced by 1007, 960 renumbered 1906, 1007 replaced 905, 1180 renumbered 1182, 1910 renumbered 1905.
- 3. **Definitions.** Three definitions were eliminated from the bill, "current fiscal year" and "previous fiscal year" though these two phrases remained in the Governor's bill. The other definition deleted was "SSI". The phrase "part D of title IV" was replaced by "part D of title I+V". (Sec. 203)
- 4. **Revenue Source Information.** Governor removed the annual requirement for the Department to provide additional information on Federal, Private, and Local fund sources in preparing the budget. (Sec. 212 and 265)
- 5. **Public Availability of Policy and Procedures Manual.** Governor removed subsection that required the Department to ensure that the policy and procedure manuals are publically accessible. (Sec. 222)
- 6. **Automatic Appropriation of Collected Fees.** Governor added additional phrase into section that allows collected fees to be appropriated when received. (Sec. 223)
- 7. **Healthy Michigan Plan Advertising.** Governor deleted language appropriating \$1.0 million to the Medicaid Health Plans to inform residents about HMP incentives shown to improve health outcomes, and prohibits the use of funds to advertise enrollment in the HMP. (Sec. 228)
- 8. Legislative Waiver/State Plan Amendment Notification. Governor restricted notification of a waiver or state plan amendment to only those pertaining to the Centers for Medicare and Medicaid Services. (Sec. 263)
- 9. Limit on Administrative Components of New Contracts. Governor deleted language requiring a minimum of 90% of contracts financed through GF/GP or State Restricted funds must be spent on direct services. The language allows exceptions to be made if it can be demonstrated that they are necessary. (Sec. 288)
- 10. **Legacy Costs.** Governor altered language specifying legacy costs for FY18, to include \$172.7 million for pension-related costs and \$162.9 million for retiree health care costs. (Sec. 297)
- 11. **Medicaid Behavioral Health Workgroup.** Governor modified language requiring the Department to continue working with stakeholders to improve the coordination of physical and behavioral health services. All efforts made towards improvement must be built on the core values agreed to by the Section 298 Stakeholder Workgroup. (Sec. 298)
- 12. **Emergency Shelter Rate Increase.** Governor added section that increased the per diem rates for emergency shelter programs to \$16.00 per bed per night from the current \$12.00 per bed per night. (Sec. 453)
- 13. Child Welfare Out-of-State Placement Conditions. Governor modified approval procedures to require the executive director of the children's services agency instead of the deputy director for children's services and removed language requesting determination for the statewide recidivism rate for adjudicated youth placed in care and reporting. (Sec. 513)
- 14. **Administrative Daily Rate Increase.** Governor modified section that outlines the administrative daily rate for several types of children's services. In addition to foster care, independent living and trial unification services the Department will pay \$46.20 in an administrative rate for private child welfare agencies. (Sec. 546)
- 15. **Foster Care Regional Resource Team/MYOI.** Governor added language that directs the Department to support foster parent regional resource teams and expand the Michigan Youth Opportunities Initiative to all counties in the state. (Sec. 594)
- 16. **Indigent Funerary Services Rate.** Governor removed language for \$5.00 increase in per case payment for funeral directors that provided funeral goods and services for indigent individuals. (Sec. 613)
- 17. **FIP Clothing Allowance.** Governor increased of the clothing allowance for all FIP cases to \$200 from a \$140 annual allowance. (Sec. 669)

- 18. **Standard Utility Allowance Increase (Heat and Eat).** Governor added language that authorizes the Department to provide an additional \$20.01 annual payment in heating assistance to food assistance cases that are not eligible for heating assistance for an expanded monthly allotment of food assistance. (Sec. 688)
- 19. **Pathways to Potential Expansion.** Governor added language that increased the resources available to the Pathways to Potential program in "rising tide" communities: Central Lake, Charlotte, Evart, Grayling, Harrison, Hillsdale, Newberry, Paw Paw, River Rouge, Sandusky. (Sec. 689)
- 20. Adult Services Field Staff. Governor added language that directs the Department to improve staffing ratios in adult protective services to decrease crime and fraud amongst older adults. (Sec. 851)
- 21. Reporting on Data by CMHSPs. Governor combined reporting requirements on substance use disorder, prevention, education and treatment programs with other reporting requirements by CMHSPs. Deleted previous year section pertaining to substance use disorder programs. (Sec. 904 and 908)
- 22. **Marihuana Regulatory Fund.** Governor included new language directing the use of revenue from the marihuana regulatory fund be used to improve physical health, expand access to substance use disorder prevention and treatment services; and strengthen existing prevention, treatment, and recovery systems. (Sec. 909)
- 23. **Direct Care Worker Wage Increase.** Governor modified language allocating up to \$45.0 million to increase the hourly wage for direct care workers who provide Medicaid behavioral health supports and services. (Sec. 1009).
- 24. **Opioid Fraud.** Governor removed language dedicating 1.0 FTE to coordinating with the Department of Licensing and Regulatory Affairs (LARA), the Department of Attorney General, and the Medicaid Health Plans to reduce fraud related to opioid prescribing within Medicaid and address the recommendations of the prescription drug and opioid abuse task force. (Sec. 1150)
- 25. Opioid Addiction Treatment. Governor removed language dedicating 1.0 FTE to coordinating with LARA, the Department of Attorney General, and the Medicaid Health Plans to help inform Medicaid enrollees of medically appropriate treatment options for opioid addiction and address the recommendations of the prescription drug and opioid abuse task force. (Sec. 1151)
- 26. **Childhood Lead Program Expansion.** Governor included new language requiring the Department to re-establish a public health drinking water unit and enhance efforts to monitor child blood lead levels. (Sec. 1180)
- 27. **Vapor Intrusion Response Unit.** Governor included new language directing the Department to establish a vapor intrusion response unit to reduce the number of residents exposed to toxic substances through vapor intrusion, and improve health outcomes for people who have been exposed. (Sec. 1181)
- 28. **Pregnancy and Parenting Pilot Program.** Governor removed language allocating \$400,000 of TANF funds for a real alternatives pregnancy and parenting support program. Language also includes outcome goals for the program. (Sec. 1307)
- 29. **National Brand Peanut Butter.** Governor removed language requiring WIC to include national brand peanut butter on the list of approved basket items. (Sec. 1340)
- 30. **Nursing Facility Quality Measure Initiative.** Governor included new language directing the Department to implement a nursing facility quality initiative, financed through an increase in the Nursing Home QAAP, to provide quality incentive payments to reward improvements in outcomes for nursing facility patients and residents. (Sec. 1646)
- 31. **GME Quality Data Reporting.** Governor altered language to require the Department to withhold 25% of a hospital's GME payments if they haven't submitted the data to a qualifying nonprofit organization by January 1, 2018. (Sec. 1805)
- 32. **GME Cost and Retention Reporting.** Governor removed subsections that required the Department develop a template for hospital's to report GME related information, convene a workgroup to develop new metrics for the distribution of GME funding, and seek a waiver if needed. (Sec. 1812)
- 33. **Medicaid Nonemergency Transportation.** Governor rewrote language to require the Department to increase the number of counties where a contracted brokers administers the Medicaid nonemergency transportation benefit. (Sec. 1861)
- 34. **Protected Class Prescriptions.** Governor removed language prohibiting the Department from subjecting certain prescription drugs to prior authorization procedures. (Sec. 1875)

Date Completed: 2-16-17 Fiscal Analysts: Ellyn Ackerman, Steve Angelotti, and John Maxwell

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberation.





Fax: (517) 373-1986

Senate Bill 136 (as introduced) Committee: Appropriations

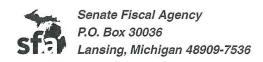
			CHANGES FY 2016-17 YEA	-
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2016-17 YEAR-TO-DATE	FY 2017-18 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	336.5	336.5	0.0	0.0
GROSS	66,257,200	66,741,400	484,200	0.7
Less:				
Interdepartmental Grants Received	707,600	707,600	0	0.0
ADJUSTED GROSS	65,549,600	66,033,800	484,200	0.7
Less:				
Federal Funds	2,000,000	2,014,700	14,700	0.7
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	63,549,600	64,019,100	469,500	0.7
Less:				
Other State Restricted Funds	63,399,600	63,869,100	469,500	0.7
GENERAL FUND/GENERAL PURPOSE	150,000	150,000	0	0.0
PAYMENTS TO LOCALS	0	0	0	0.0

FY 2016-17 Year-to-Date Gross Appropriation	\$66,257,200
Changes from FY 2016-17 Year-to-Date:	
 FY 2016-17 Employee Lump Sum Payments. Technical adjustment to remove these payments to employees. 	(340,800)
2. Economic Adjustments. \$825,000 Gross and \$0.0 GF/GP for economic adjustments.	825,000
Total Changes	\$484,200
FY 2017-18 Governor's Recommendation	\$66,741,400

- 1. **Out-of-State Travel Report.** The Governor replaced this report with a less detailed version consistent with the report found in most other Department budget bills. The replacement version removed certain travel limitations. (Sec. 207)
- 2. **Contingency Funds.** The Governor added a limitation for the use of contingency funds, requiring that they be transferred pursuant to section 393(2) of the Management and Budget Act, 1984 PA 431, MCL 18.1393, prior to use. (Sec. 210).
- 3. **Report Retention.** The Governor removed a requirement that reports be retained according to State and Federal laws. (Sec. 217)
- 4. **Communication with the Legislature.** The Governor removed a section prohibiting the Department from taking disciplinary action against employees who communicate with the Legislature. (Sec. 218)

- 5. **TV or Radio Productions.** The Governor removed a section prohibiting the Department from producing radio or TV productions. (Sec. 219)
- 6. **Healthy Michigan Plan Accounting.** The Governor removed a section requiring the Department to notify the State Budget Office and fiscal agencies of any changes to the existing accounting structure for costs associated with Healthy Michigan. (Sec. 220)
- 7. **Healthy Michigan Reporting.** The Governor removed a section that limited GF/GP expenditures regarding the Healthy Michigan Plan to meeting reporting requirements. The section was not applicable as the budget recommendation included no GF/GP funds. (Sec. 221)
- 8. **Health Insurance Rate Filings Report.** The Governor removed a section requiring the Department to report annual rate filings to the Legislature. (Sec. 301)

Date Completed: 2-16-17 Fiscal Analyst: Michael Siracuse





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Senate Bill 143 (as introduced) Committee: Appropriations

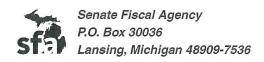
			CHANGES FY 2016-17 YEAR	-
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2016-17 YEAR-TO-DATE	FY 2017-18 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	510.0	501.0	(9.0)	(1.8)
GROSS	298,234,000	299,954,600	1,720,600	0.6
Less:				
Interdepartmental Grants Received	1,550,000	1,550,600	600	0.0
ADJUSTED GROSS	296,684,000	298,404,000	1,720,000	0.6
Less:				
Federal Funds	6,433,500	6,488,900	55,400	0.9
Local and Private	8,307,100	6,971,000	(1,336,100)	(16.1)
TOTAL STATE SPENDING	281,943,400	284,944,100	3,000,700	1.1
Less:				
Other State Restricted Funds	92,786,000	92,539,000	(247,000)	(0.3)
GENERAL FUND/GENERAL PURPOSE	189,157,400	192,405,100	3,247,700	1.7
PAYMENTS TO LOCALS	137,775,900	146,794,000	9,018,100	6.5

FY 2016-17 Year-to-Date Gross Appropriation	\$298,234,000
Changes from FY 2016-17 Year-to-Date:	
 Trial Court Videoconferencing Equipment Updating and Maintenance. Governor included funding for continued maintenance, upgrades and replacement of trial court videoconferencing equipment in courtrooms around the state. 	815,000
 Pretrial Risk Assessment. Governor included funding to support the development of a pretrial risk assessment tool in an effort to increase the number of offenders released on personal recognizance while awaiting trial. 	605,700
 Court of Appeals judgeship. Governor restored funding that was eliminated in the FY 2016-17 budget due to anticipated attrition that was not realized. 	131,000
 Michigan Legal Help Program. Governor provided for full year costs of Michigan Legal Self-Help Program. 	100,000
 Montgomery v. Louisiana Compliance. Governor increased funding to a total of \$750,000 to support the State Appellate Defenders Office compliance with Montgomery v. Louisiana decision. 	50,000
 MIDC transfer to LARA. Governor transferred the Michigan Indigent Defense Commission to the Department of Licensing and Regulatory Affairs in accordance with 2016 PA 442. 	(2,329,000)
7. Judgeship Changes. Governor reduced funding for three district court and one circuit court judgeship eliminated through attrition and included additional three months funding for the three circuit court judgeships added in FY 2016-17 which received nine months of funding. Also reduced funding for one district court judgeship which was eliminated through attrition.	(614,300)

 Problem Solving Courts. Governor removed one-time funding for the expansion of problem-solving courts. 	(250,000)
 Prefunding Judges' Retiree Healthcare. Governor provided funding to implement prefunding of Retiree Healthcare in the Judicial Retirement System. Increased General Fund was offset with a corresponding decrease from the Court Fee Fund. 	0
10. Other Changes. Governor reduced state restricted funding source to align authorization with available revenue, included funding for private security at the Hall of Justice, and funded increased private rent for SADO and Court of Appeals offices.	(1,081,200)
11. Economic Adjustments. Includes \$72,600 Gross and \$73,400 GF/GP for OERC and \$4,220,800 Gross and \$4,005,200 GF/GP for other economic adjustments.	4,293,400
Total Changes	\$1,720,600
FY 2017-18 Governor's Recommendation	\$299,954,600

- 1. **Deletions.** The Governor proposed to eliminate the following sections from current-year boilerplate: 202(2), 204, 205, 207, 211, 212, 306, 312, 322a, 323, 324, 325, 401, and 1201. These deletions included a variety of reporting requirements, language related to one-time appropriations and the Michigan Indigent Defense Commission, statements of legislative intent, language pertaining to foster care cases, and program-specific metrics.
- 2. **Definitions.** Three definitions were removed from the bill: "DOJ" means the United States Department of Justice, "DOT" means the United States Department of Transportation, and "HHS" means the United States Department of Health and Human Services.
- 3. Section numbering. Governor renumbered several sections to maintain consistency across all budget areas.
- 4. **Updated amounts for Total Legacy Costs.** Governor updated total legacy costs section. The pension-related costs are \$7,815,500 and the retiree health care costs are \$6,777,600. (Sec. 224)

Date Completed: 2-13-17 Fiscal Analyst: Ryan M. Bergan





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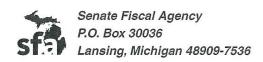
Senate Bill 142 (as introduced) Committee: Appropriations

			CHANGES FY 2016-17 YEA	•
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2016-17 YEAR-TO-DATE	FY 2017-18 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	0.0	0.0	0.0	0.0
GROSS	171,555,500	179,261,000	7,705,500	4.5
Less:				
Interdepartmental Grants Received	5,558,600	5,709,200	150,600	2.7
ADJUSTED GROSS	165,996,900	173,551,800	7,554,900	4.6
Less:				
Federal Funds	0	0	0	0.0
Local and Private	400,000	400,000	0	0.0
TOTAL STATE SPENDING	165,596,900	173,151,800	7,554,900	4.6
Less:				
Other State Restricted Funds	6,245,200	6,247,100	1,900	0.0
GENERAL FUND/GENERAL PURPOSE	159,351,700	166,904,700	7,553,000	4.7
PAYMENTS TO LOCALS	0	0	0	0.0

FY 2016-17 Year-to-Date Gross Appropriation	\$171,555,500
Changes from FY 2016-17 Year-to-Date:	
 Removal of FY 2016-17 Supplemental Funding. Public Act 340 of 2016 provided additional GF/GP funding of \$6.0 million for the upgrade and integration of the legislative computer system (Chamber Automation System). 	(6,000,000)
 Removal of FY 2016-17 One-Time Appropriations. Removed \$500,000 in GF/GP that was appropriated to the Criminal Justice Policy Commission to support a study of the cost savings of redirecting 17-year-olds from the adult court to family and juvenile justice systems. 	(500,000)
 Auditor General Adjustment. Governor recommended a 2.7% overall increase for Auditor General operations. The increase totaled \$634,300 of which \$483,700 is general fund. Funding for the Auditor General totals \$24.3 million (\$16.6 million GF/GP) for FY 2017-18. 	634,300
4. Legislative Adjustment. The Governor increased overall funding for the Legislature by a total of 7.5% (excluding one-time funds). The Senate received an increase of \$1.4 million overall while the House received an overall increase of \$2.4 million. The House and Senate Fiscal Agencies received an increase of \$94,500 each. The Legislative Council received an increase of \$782,700 while the Retirement System received an increase of \$99,300. The Binsfeld Office Building received an increase of \$5.2 million while the Cora Anderson House Building received increases totaling \$342,800. Finally, the Governor included additional funding of \$149,700 for the State Capitol Historic Site line item (\$170,900 for general operations and a reduction totaling \$21,200 for restoration, renewal and maintenance). Funding for the Legislature totals \$152.0 (\$147.3 million GF/GP) for FY 2017-18.	10,571,200

- 1. **Boilerplate Structure. Governor:** Moved boilerplate from the FY 2016-17 general sections that applied to all General Government budgets to the Article for the Legislature. Changes to those items can be found in the highlight sheet for the **General Sections**.
- 2. **Farnum Building.** Provides that the Senate may charge rent and assess utility costs and appropriates funds for renovation, operation, and maintenance of Farnum Building and other Senate properties. **Governor:** Changed reference from Farnum Building to the Senate Office Building. (Sec. 602)
- 3. **Property Management.** Designates property management appropriation for the Legislature as work project. Specifies that the funds will be used to purchase equipment and services for building maintenance. Includes an estimated total cost of \$2.0 million and completion date of September 30, 2020. **Governor:** Changed completion date to September 30, 2021. (Sec. 606)
- 4. **Legislative Automated Processing.** Designates appropriations in Part 1 for automated data processing as work project appropriations. Includes estimated costs of \$2.0 million and tentative completion date of September 30, 2020. **Governor:** Changed completion date to September 30, 2021. (Sec. 607)
- 5. **Legislative Corrections Ombudsman Fund.** Language states that the funds appropriated in Part 1 includes an additional \$125,000 to be used to fund an additional legislative corrections ombudsman analyst. **Governor:** Deleted. (Current Law Sec. 609)
- 6. Criminal Justice Policy Commission Study. 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. Governor: Deleted. (Current Law Sec. 610)
- 7. **Legacy Cost Estimates.** Total legacy costs are estimated at \$21,279,600. Of the total, Pension-related legacy costs are estimated at \$11,998,700 and retiree health care legacy costs are estimated at \$9,280,900 for fiscal year ending September 30, 2017. **Governor:** Provided the following Legacy Costs estimates for FY 2018: Total legacy costs estimated at \$21,252,700. Of that total, \$10,936,800 are for pension-related legacy costs and \$10,315,900 are for retiree health care legacy costs for the fiscal year ending September 30, 2018. (Sec. 615)
- 8. **NEW. Legislative System IT Upgrade. Governor:** New language added stating that the funds appropriated shall be used for the design, development, and implementation of a legislative computer system. Funds cannot be used without written approval from the Speaker of the House, the Senate Majority Leader, and the Legislative Council Administrator. **NEW** (Sec. 616)
- Sec. 618. Legislative Retirement System. Intent language states that all administrative functions and associated funding for the Michigan Legislative Retirement System shall be transferred to DTMB by the end of FY 2015-16. Governor: Deleted. (Current Law Sec. 618)
- 10. **Sec. 619. Michigan Veterans Facility Ombudsman.** Language requires funds appropriated 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 of this state. **Governor:** Deleted. (Current Law Sec. 619)

Date Completed: 2-15-17 Fiscal Analyst: Joe Carrasco, Jr.





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Senate Bill 137 (as introduced) Committee: Appropriations

			CHANGES FY 2016-17 YEAI	-
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2016-17 YEAR-TO-DATE	FY 2017-18 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	2,175.3	2,322.3	147.0	6.8
GROSS	419,512,400	441,576,300	22,063,900	5.3
Less:				
Interdepartmental Grants Received	46,923,800	47,835,100	911,300	1.9
ADJUSTED GROSS	372,588,600	393,741,200	21,152,600	5.7
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	328,358,500	20,575,100	6.7
Less:				
Other State Restricted Funds	264,062,300	285,341,900	21,279,600	8.1
GENERAL FUND/GENERAL PURPOSE	43,721,100	43,016,600	(704,500)	(1.6)
PAYMENTS TO LOCALS	32,625,700	29,225,700	(3,400,000)	(10.4)

FY 2016-17 Year-to-Date Gross Appropriation	\$419,512,400
Changes from FY 2016-17 Year-to-Date:	
1. Medical Marihuana - Sales Regulation. The Governor included a 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.	18,651,600
 New Energy Requirements. The Governor 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
 First Responder Presumed Coverage Fund. The Governor 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
 Day Care Worker Background Checks. The Governor included 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
 Natural Gas Pipeline Inspections. The Governor 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
 Ethnic Commission Service Expansions. The Governor 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

 Attorney General Costs for Unlicensed Activity. The Governor included restricted funds for Attorney General costs related to investigation and prosecution of unlicensed regulatory activities. 	439,300
8. Storage Tank Regulation. The Governor 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
 Michigan Indigent Defense Commission. The Governor's budget reflects the transfer of the Commission from the Judiciary to LARA pursuant to Public Act 439 of 2016. 	2,386,800
 Video Franchise Fees. The Governor 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
 Administrative Hearings - Corrections. The Governor reduced the IDG received from Corrections to reflect actual hearing caseloads. 	(200,000)
12. Reduce Overstated Restricted and Federal Funds. The Governor included reductions to a number of line items and restricted and Federal fund sources to reflect available revenue.	(2,983,300)
 FY 2016-17 Employee Lump Sum Payments. Technical adjustment to remove these payments to employees. 	(1,957,300)
14. Remove FY 2016-17 One-Time Items and Supplemental Appropriations.	(4,960,000)
 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
Total Changes	\$22,063,900
FY 2017-18 Governor's Recommendation	\$441,576,300

- 1. **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. (Sec. 207)
- 2. **Report Retention.** The Governor removed a requirement that reports be retained according to State and Federal laws. (Sec. 217)
- 3. **Communication with the Legislature.** The Governor removed a prohibition against taking disciplinary action against Department employees who communicate with the Legislature. (Sec. 218)
- 4. **TV or Radio Productions.** The Governor removed a prohibition against the Department producing radio or TV productions. (Sec. 219)
- 5. **Healthy Michigan Plan Accounting Structure.** The Governor removed 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)
- 6. **Regulatory Activities Report.** The Governor removed a report providing details on licensing/regulatory activities undertaken by each agency or bureau in the Department. (Sec. 226)
- 7. **Employee Performance Monitoring.** The Governor removed 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. (Sec. 227)

- 8. **Carbon Dioxide Sequestration.** The Governor 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)
- 9. 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. (Sec. 12-301 of Governor's Rec.)
- Liquor License Delay Mitigation. The Governor removed 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)
- 11. **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. (Sec. 402)
- 12. **Medical Marihuana Report.** The Governor retained a report for this program, but removed the specifications for the report. (Sec. 507)
- 13. **Wood Product Manufacturing Facility Inspections.** The Governor removed a requirement that MIOSHA establish a consistent method of performing and tracking inspections of these facilities. Requires a report. (Sec. 516)
- 14. **Opioid Overprescription Reporting.** The Governor removed 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)
- 15. **Michigan Automated Prescription System (MAPS) Upgrades.** The Governor removed a report related to the MAPS system. (Sec. 519)
- 16. **Bureau of Services for Blind Persons (BSBP) Identify Federal Match.** The Governor removed a requirement that BSBP work with service organizations to identify qualified Federal match dollars. (Sec. 705)
- 17. **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. (Sec. 12-708 of Governor's Rec.)
- 18. **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. (Sec. 12-800)
- 19. **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. (Sec. 12-801)
- 20. **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. (Sec. 12-902[5])
- 21. MLCC IT Update Metrics. The Governor removed a section establishing metrics for IT updates in the MLCC that were included in the FY 2016-17 budget. (Sec. 1001)

Date Completed: 2-14-17 Fiscal Analyst: Josh Sefton





ANALYSIS

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Senate Bill 146 (as introduced 2-9-17)

Committee: Appropriations

			CHANGES FY 2016-17 YEAI	-
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2016-17 YEAR-TO-DATE	FY 2017-18 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	898.5	904.0	5.5	0.6
GROSS	177,100,200	180,004,400	2,904,200	1.6
Less:				
Interdepartmental Grants Received	101,800	101,800	0	0.0
ADJUSTED GROSS	176,998,400	179,902,600	2,904,200	1.6
Less:				
Federal Funds	91,793,600	92,334,100	540,500	0.6
Local and Private	2,265,200	2,168,400	(96,800)	(4.3)
TOTAL STATE SPENDING	82,939,600	85,400,100	2,460,500	3.0
Less:				
Other State Restricted Funds	24,696,000	22,332,600	(2,363,400)	(9.6)
GENERAL FUND/GENERAL PURPOSE	58,243,600	63,067,500	4,823,900	8.3
PAYMENTS TO LOCALS	102,400	142,400	40,000	39.1

FY 2016-17 Year-to-Date Gross Appropriation	\$177,100,200
Changes from FY 2016-17 Year-to-Date:	
 Grand Rapids Home for Veterans. Governor recommended \$2,820,000 GF/GP to cover additional staff and training costs. 	2,820,000
 Michigan Veterans Facility Authority. Governor provided \$1.5 million in support of administrative operations of authority, established by PA 561 of 2016, et al. 	1,500,000
 Land Purchases and Appraisals. Governor recommended \$1.0 million Restricted for the purpose of departmental property appraisals and land purchases. 	1,000,000
 D.J. Jacobetti Home for Veterans. Governor recommended \$800,000 GF/GP for increased staffing to support ongoing effort to establish Medicaid certification for the facility. 	800,000
 National Guard Tuition Assistance Program Enhancement. Governor recommended a \$500,000 GF/GP enhancement for the program to reflect increased participation. 	500,000
 Grand Rapids Home for Veterans. Governor recommended the elimination of one-time appropriations of \$1.0 million GF/GP for a Medicaid certification project. 	(1,000,000)
 Camp Grayling Housing Enhancement. Governor recommended the elimination of one- time appropriations of \$300,000 GF/GP to provide a new commander's residence. 	(300,000)
 Homeless Veterans Grant. Governor recommended the elimination of one-time grant of \$300,000 GF/GP to address the problem of homeless veterans. 	(300,000)
 Veterans Homes Planning Placeholder. Governor recommended the elimination of a one- time placeholder appropriation of \$100. 	(100)

FY 2017-18 Governor's Recommendation	\$180,004,400
Total Changes	\$2,904,200
14. Economic Adjustments . Includes \$1,622,200 Gross and \$476,800 GF/GP for economic adjustments.	1,622,200
13. Unclassified Salaries. Governor recommended an economic adjustment of \$42,800 GF/GP.	42,800
12. Technical Adjustment for Actual Revenue Received.	(720,700)
 Remove FY 2016-17 Supplemental Appropriations. PA 340 of 2016 provided \$3.0 million GF/GP for the Michigan Veterans Facility Authority. 	(3,000,000)
10. National Guard Tuition Assistance Program Funding Adjustment. Governor recommended a technical funding adjustment for the program. The total recommended appropriation for the program for FY 2017-18 is \$4,007,000, including enhancements.	(60,000)

- 1. **Disciplinary Action.** Governor eliminated language prohibiting action against employee who communicates with Legislature. (Sec. 215)
- 2. Sale of Property. Governor struck requirement to give 60-day notice prior to announcement to sell property. (Sec. 233)
- 3. **Special Maintenance Carry Forward.** Governor struck a Section requiring appropriations for one-time Special Maintenance be carried forward at the end of the fiscal year. (Sec. 234)
- 4. Unclassified Positions. Governor struck language listing the titles of unclassified employees. (Sec. 300)
- 5. **Youth Challenge Program.** Governor amended language with new subsection granting carryforward status to any unexpended private donations to the program. (Sec 307)
- 6. **National Guard Tuition Assistance Program.** Governor amended language with new subsection allowing for the deposit and expenditure of restricted funds based on part 1 appropriation. (Sec. 310)
- 7. **Information Technology.** Governor removed boilerplate which provides for IDG-pass through billing for technology services supplied by DTMB. (Sec. 311)
- 8. Michigan Veterans Affairs Agency (MVAA) Grants to Veterans Service Organizations. Governor amended language by removing a specific number of hours of service (116,500) as being a goal of service provided. (Sec. 406)
- 9. MVAA, Veterans Homes and Michigan Veterans Facility Authority. Governor amended language by including reference to Michigan Veterans Facility Authority, created by PA 340 of 2016. (Sec. 501)
- 10. **Medicaid and Medicare Certification Standards for D.J. Jacobetti Home for Veterans**. Governor amended language by modifying schedule for the completion of certification to FY 2017-18. (Sec.502)
- 11. **Board of Managers, Veterans Homes and Michigan Veterans Facility Authority.** Governor amended language by including reference to Michigan Veterans Facility Authority, created by PA 340 of 2016. (Sec. 504)
- 12. **Capital Outlay -- Land and Acquisitions.** Governor amended language by removing a subsection, which requires the Department to provide a listing of property sales and acquisitions on a quarterly basis. (Sec. 604)
- 13. Veterans Homes Planning. Governor struck language providing guidelines for veterans' homes planning. (Sec. 605)
- 14. Budget Year Two Funding. Governor struck language providing guidelines for year two appropriations. (Sec. 1201)
- 15. **Budget Year Two -- Outreach Metric.** Governor struck language requiring the reporting of the percentage of veterans contacted, with a goal of 100% reached. (Sec. 1202)
- Budget Year Two -- Developed Claims Metric. Governor struck language requiring the MVAA to maintain a minimum of 50% fully developed claims as determined by the USDVA. (Sec. 1203)

Date Completed: 2-21-17 Fiscal Analyst: Bruce Baker





ANALYSIS

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Senate Bill 141 (as introduced) Committee: Appropriations

			CHANGES FY 2016-17 YEAI	
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2016-17 YEAR-TO-DATE	FY 2017-18 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	2,237.8	2,264.8	27.0	1.2
GROSS	408,954,100	416,374,300	7,420,200	1.8
Less:				
Interdepartmental Grants Received	1,375,900	232,200	(1,143,700)	(83.1)
ADJUSTED GROSS	407,578,200	416,142,100	8,563,900	2.1
Less:				
Federal Funds	72,765,400	70,095,700	(2,669,700)	(3.7)
Local and Private	7,446,400	7,446,000	(400)	(0.0)
TOTAL STATE SPENDING	327,366,400	338,600,400	11,234,000	3.4
Less:				
Other State Restricted Funds	283,956,400	274,553,100	(9,403,300)	(3.3)
GENERAL FUND/GENERAL PURPOSE	43,410,000	64,047,300	20,637,300	47.5
PAYMENTS TO LOCALS	8,200,000	9,854,300	1,654,300	20.2

FY 2016-17 Year-to-Date Gross Appropriation	\$408,954,100
Changes from FY 2016-17 Year-to-Date:	
 State Parks Repair and Maintenance - One-Time. The Governor included GF/GP for various repair and maintenance projects among Michigan's State Parks. 	10,000,000
 Trail Development. The Governor included GF/GP for development of nonmotorized trails, focusing on the Iron Belle trail, which will connect Ironwood and Detroit with a walking and biking trail. 	5,000,000
 Conservation Officers. The Governor included GF/GP funding to support ten new conservation officers and two support staff. 	1,827,500
4. Abandoned Mine Shaft Closure. The Governor included one-time GF/GP funding for a limited term FTE to coordinate the closure of abandoned mine shafts on DNR-managed public land. This funding would be sufficient to close about half of these facilities, focused on the higher risks to public health and safety.	2,002,400
 Wetland Mitigation Banking Program. The Governor included \$403,500 Federal ongoing, and \$3,850,000 GF/GP one-time for the development of a wetland mitigation banking program on tax-reverted lands. 	4,253,500
 Land Ownership Tracking System. The Governor included \$1.9 million GF/GP and \$1.0 million from the Forest Development Fund that would enable the Department to complete the rewrite of this computer system which is used to track all State-owned land. 	2,900,000

FY 2017-18 Governor's Recommendation	\$416,374,300
Total Changes	\$7,420,200
20. Economic Adjustments. Includes a negative \$531,500 Gross and a negative \$92,200 GF/GP for OPEB and \$4,378,500 Gross and \$561,700 GF/GP for other economic adjustments.	3,847,000
19. Remove FY 2016-17 One-Time Appropriations and Supplementals.	(17,350,000)
 Remove FY 2016-17 Employee Lump Sum Payments. The Governor removed employee lump-sum payments made as part of labor negotiations for FY 2016-17. 	(1,481,800)
 Reduce Over-Appropriated Funds. The Governor reduced appropriations from a number of funds to reflect available revenue. 	(5,489,200)
16. Remove FY 2016-17 Capital Outlay. The Governor removed prior-year capital outlay projects totaling \$842,100 and reduced other capital outlay appropriations including forest development infrastructure, State game and wildlife area maintenance, and State parks repair and maintenance by \$9.6 million.	(10,442,100)
15. MIRecGrants System Support. The Governor included additional Federal and restricted funds to support maintenance on the computer system used to manage the Department's recreation grant system.	63,500
 State Park Revenue Bonds - Debt Service Adjustment. The Governor included additional revenue to cover increased costs of servicing these bonds. 	2,200
 Oil, Gas, and Mineral Lease Compliance. The Governor included additional State Parks Endowment Fund revenue to hire 2.0 FTEs to ensure lessees remain compliant in their mineral leases. 	304,600
 Wildlife Management - Increase Federal Funds. The Governor included additional Federal Pittman-Robertson funds Michigan is expected to receive due to increased firearm and ammunition sales. 	3,908,000
11. Michigan Wildlife Council. The Governor included additional authorization for the Council to focus on promoting wildlife conservation. The Council is funded from a \$1 per license surcharge on hunting and fishing licenses.	500,000
 Forest Fire Equipment. The Governor included additional GF/GP to replace aging wildfire equipment. 	350,000
 State Archives - Public Infrastructure Records. The Governor included additional GF/GP to support 3.0 FTEs at the State Archives focused on making public infrastructure records available to the public on a long-term basis. 	565,100
8. Capital Outlay. The Governor included additional funds for State and local boating facilities, East Tawas State Harbor, and wetland restoration and acquisition. Funding breakdown is \$4.3 million Michigan State Waterways Fund and \$1.5 million from waterfowl hunting license fees.	5,842,000
7. Transportation Revenue Package - Recreation Improvement Account. The Governor included additional funds to reflect new revenues to the Account due to gas tax increases in the transportation revenue package. These funds are allocated as follows: (\$50,000) Recreation Improvement Fund Grants, \$50,000 Snowmobile Local Grants Program, \$304,800 Forest Recreation and Trails, and \$512,700 Recreational Boating program. This item is an adjustment to increases included in FY 17.	817,500

- 1. **Report Retention.** The Governor removed a requirement that reports be retained according to State and Federal laws. (Sec. 218)
- 2. **Waterways Projects Report.** The Governor removed a report on Michigan State Waterways projects completed in the previous fiscal year. (Sec. 219)

- 3. **Communication with the Legislature.** The Governor removed a prohibition against taking disciplinary action against Department employees who communicate with the Legislature. (Sec. 220)
- 4. **Invasive Species Grant Earmark.** The Governor removed a requirement that not less than \$3.6 million appropriated for invasive species prevention and control be allocated toward grants. (Sec. 251)
- 5. **Invasive Species Order Swine.** The Governor removed a report on efforts and expenditures related to the enforcement of the invasive species order against swine. (Sec. 503)
- 6. **Cervid Operation Licensing Fees.** The Governor removed a report on the use of cervidae licensing and inspection fees as well as a requirement that those fees be used only for regulation of private cervid operations. (Sec. 504)
- 7. **Urban Deer Management Plan.** The Governor removed a section requiring the Department to develop an urban deer management plan and to use it as a basis for discussion on the issue with local units of government. (Sec. 505)
- 8. Water Control Structure Certification. The Governor removed a requirement that the Department not impede the certification process for water control structures on Michigan waterways. (Sec. 602)
- 9. **Increased Conservation Officers.** The Governor included a new section requiring that increased funds for law enforcement in the Department be used to hire 10 new conservation officers and 2 new support staff. (Sec. 701 of Gov's Rec.)
- 10. **Grand River Waterway Study.** The Governor removed a section requiring the Department to work with the State Budget Office to establish work project status for funds included in the FY 2013-14 budget for an engineering study on the Grand River. (Sec. 706)
- 11. **Forest Management Investment.** The Governor removed language related to performance metrics for an increase in funding in the Forest Management Division that was included in the FY 2016-17 budget. (Sec. 808)
- 12. **Forest Fire Equipment.** The Governor removed language related to performance metrics for an increase in forest fire equipment replacement that was included in the FY 2016-17 budget. (Sec. 809)
- 13. **Snowmobile Law Enforcement Grants.** The Governor removed a section directing the Department to provide snowmobile law enforcement grants to counties from appropriations for that purpose. (Sec. 901)
- 14. **Marine Safety Grant Report.** The Governor removed a report on marine safety grants to county law enforcement. (Sec. 902)
- 15. **Forest Management Technology Enhancement.** The Governor removed language related to performance metrics for an increase in funding in the Forest Management Division for technology that was included in the FY 2016-17 budget. (Sec. 1201)
- 16. Land Ownership Tracking System (LOTS) Replacement. The Governor removed a section regarding the replacement of the LOTS system. (Sec. 1202)
- 17. Invasive Species Program Increase Interdepartmental Funding. The Governor removed language on performance metrics for this FY 2016-17 one-time item. (Sec. 1203)
- 18. **Swimmer's Itch Pilot Program.** The Governor removed language related to FY 2016-17 one-time funding for a pilot program to combat swimmer's itch. (Sec. 1204)
- Wetland Mitigation Banking. The Governor included a new section that establishes metrics for new funding for wetland mitigation banking. The stated goal is to facilitate an increase in credits available to 1,800. (Sec. 1201 of Gov's Rec.)
- 20. **Abandoned Mine Shaft Closures.** The Governor included a new section that established a goal of 50 closures for the new funds included in the budget for this purpose. (Sec. 1202 of Gov's Rec.)

Date Completed: 2-21-17 Fiscal Analyst: Josh Sefton





Fax: (517) 373-1986

Senate Bill 142 (as introduced) Committee: Appropriations

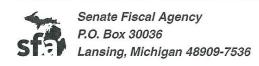
			CHANGES FY 2016-17 YEA	_
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2016-17 YEAR-TO-DATE	FY 2017-18 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	1,587.0	1,608.0	21.0	1.3
GROSS	248,315,600	249,358,500	1,042,900	0.4
Less:				
Interdepartmental Grants Received	20,000,000	20,000,000	0	0.0
ADJUSTED GROSS	228,315,600	229,358,500	1,042,900	0.5
Less:				
Federal Funds	1,460,000	1,460,000	0	0.0
Local and Private	100	50,100	50,000	50,000.0
TOTAL STATE SPENDING	226,855,500	227,848,400	992,900	0.4
Less:				
Other State Restricted Funds	204,745,900	205,709,400	963,500	0.5
GENERAL FUND/GENERAL PURPOSE	22,109,600	22,139,000	29,400	0.1
PAYMENTS TO LOCALS	1,211,300	1,215,900	4,600	0.4

FY 2016-17 Year-to-Date Gross Appropriation	\$248,315,600
Changes from FY 2016-17 Year-to-Date:	
 Removal of FY 2016-17 Supplemental Funding. Public Act 340 of 2016 provided additional funding to allow certain Sect. of State branch offices to assist with redeeming winning lottery tickets in the UP by serving as Lottery Claim Centers to process winning tickets valued between \$600 and \$50,000. 	(300,000)
 Removal of FY 2016-17 One-Time Appropriation. Removed GF/GP funding of \$5.0 million provided for voting machine replacements. 	(5,000,000)
3. Lottery Assistance in the Upper Peninsula. New restricted funding and 10.0 FTEs to allow certain SOS branch offices to assist with redeeming winning lottery tickets in the UP by serving as Lottery Claim Centers to process winning tickets valued between \$600 and \$50,000. Funding was provided in the Branch Operations line item which totals \$87.9 million for FY 2017-18.	1,015,800
4. Credit Card Service Fees. Increased restricted fund authorization level to provide for the anticipated increase in credit card activity at branch offices and self-service terminals that will result in the collection of additional fees for use of credit cards. Total funding for FY 2017-18 for the Credit Card Assessments line item was increased to \$8.0 million.	2,000,000
5. Office of Investigative Services Expansion. Added GF/GP funding and 11.0 FTEs to enhance consumer protection aimed at fraud prevention and detection by increasing regulatory enforcement of vehicle repair facilities and mechanics. Funding is provided in the Legal Services Operations line item totaling \$14.9 million for FY 2017-18.	1,420,400
 Information Technology Increase. Increased restricted (TACF) funding necessary to maintain current level of online support. Total funding for IT for FY 2017-18 is \$37.5 million. 	1,000,000

FY 2017-18 Governor's Recommendation	\$249,358,500
Total Changes	\$1,042,900
12. Economic Adjustments. Includes \$2,548,500 Gross and \$244,200 GF/GP.	2,548,500
 Unclassified Salaries. Increased funding by \$18,900 for total funding of \$647,700 for FY 2017-18. 	18,900
10. Funding Shift. The budget included a shift from restricted funds to GF/GP funds totaling \$3.0 million due to decreased fee collections. The result is a net zero on the budget, however, GF/GP funding is increased by \$3.0 million while restricted funding is reduced accordingly.	0
Technical Reduction. Various lines are adjusted to align funding sources with actual expenditures.	(1,078,700)
 Removal of FY 216-17 Lump Sum Payments. Removed funding for the 1.5% lump sum payments received by all State classified employees as part of negotiated contracts for FY 2016-17. 	(982,000)
7. Mi-Time Line Expansion. Increased GF/GP funding will allow for the expansion of this program to allow customers to virtually wait in line by use of a mobile application. Currently this service is available in 30 branch offices across the State. This additional funding will allow 20 more branches to make this technology available to customers. Funding was provided in the Branch Operations line item which totals \$87.9 million for FY 2017-18.	400,000

- 1. **Boilerplate Structure. Governor:** Moved boilerplate from the FY 2016-17 general sections that applied to all General Government budgets to the Article for the Department of State. Changes to those items can be found in the highlight sheet for the **General Sections**.
- 2. **Commemorative/Specialty Plates.** Provides for and limits expenditures from commemorative and specialty license plate fee revenue to administration of the program. Revenues in excess of appropriations shall remain in the Transportation Administration Collection Fund for future appropriations. **Governor**: Deleted. (Current Law Sec. 710)
- 3. Business Application Modernization Project Report. Requires a report of the total funds expended for the business application modernization project, start dates, costs, and penalties paid to the state by the contract provider. Governor: Eliminated section. (Current Law Sec. 716b)
- 4. **Buena Vista Branch Office.** Requires the Department to maintain a full service branch office in Buena Vista Township. **Governor:** Eliminated section. (Current Law Sec. 718)
- 5. **ATM Commission Fees.** Allows the Department to collect a commission fee from companies providing ATM machines in branch offices. The fees received shall be deposited in the TACF. **Governor:** Deleted. (Current Law Sec. 721)
- 6. Legacy Cost Estimates. Total legacy costs are estimated at \$31,874,100. Of the total, pension-related legacy costs are estimated at \$17,673,400 and retiree health care legacy costs are estimated at \$14,200,700 for fiscal year ending September 30, 2017. Governor: Provided the following Legacy Costs estimates for FY 2018: Total legacy costs estimated at \$31,170,200. Of that total, \$16,040,400 are for pension-related legacy costs and \$15,129,800 are for retiree health care legacy costs for the fiscal year ending September 30, 2018. (Sec. 725)

Date Completed: 2-15-17 Fiscal Analyst: Joe Carrasco, Jr.





Fax: (517) 373-1986

Senate Bill 145 (as introduced 2-9-17)

Committee: Appropriations

			CHANGES FY 2016-17 YEAI	-
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2016-17 YEAR-TO-DATE	FY 2017-18 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	3,226.0	3,437.0	211.0	6.5
GROSS	649,476,100	693,588,900	44,112,800	6.8
Less:				
Interdepartmental Grants Received	26,580,400	26,221,600	(358,800)	(1.3)
ADJUSTED GROSS	622,895,700	667,367,300	44,471,600	7.1
Less:				
Federal Funds	87,967,800	83,662,500	(4,305,300)	(4.9)
Local and Private	5,906,600	6,013,300	106,700	1.8
TOTAL STATE SPENDING	529,021,300	577,691,500	48,670,200	9.2
Less:				
Other State Restricted Funds	123,858,500	135,423,700	11,565,200	9.3
GENERAL FUND/GENERAL PURPOSE	405,162,800	442,267,800	37,105,000	9.2
PAYMENTS TO LOCALS	17,198,900	14,113,200	(3,085,700)	(17.9)

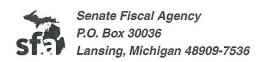
FY 2016-17 Year-to-Date Gross Appropriation	\$649,476,100
Changes from FY 2016-17 Year-to-Date:	
 Trooper School. Governor recommended funding of \$9,224,000 GF/GP (\$2,977,100 ongoing and \$6,246,900 one-time) for a new trooper school to begin in June, 2018 to graduate 100 troopers to increase overall departmental enlisted strength to 2,072. 	9,224,000
 Recruit School Second-Year Costs. Governor recommended \$6,382,900 GF/GP in additional funds to reflect FY 2017-18 full second-year costs in salary, benefits, CSS&M, and fleet costs for the FY 2016-17 trooper school graduates. 	6,382,900
3. Medical Marijuana Regulation and Licensing. Governor recommended 48.0 FTEs and \$8,775,700 from the Medical Marihuana Fund per PA 281 of 2016 to support \$4,299,500 and 30.0 FTEs in Investigative Services, \$874,500 and 8.0 FTEs in Forensic Science, \$309,200 and 3.0 FTEs in Intelligence Operations, \$709,200 and 7.0 FTEs in Commercial Vehicle Enforcement and Inspections, and \$2,583,300 in departmental rent and fleet leasing costs.	8,775,700
4. Forensic Science Enhancement - On going. Governor recommended 14.0 FTEs and \$1,840,000 GF/GP for laboratory services, including 10.0 FTEs to work with controlled substances caseloads and 4.0 FTEs for firearms cases.	1,840,000
 Forensic Science Enhancement - One-time. Governor recommended \$730,000 GF/GP in one-time funding for the support of biological casework. 	730,000
 Forensic Science Testing Supplies. Governor recommended \$844,700 GF/GP for lab testing supplies including \$444,000 for general forensic testing supplies and consumables and \$400,700 for DNA needs. 	844,700

FY 2017-18 Governor's Recommendation	\$693,588,900
Total Changes	\$44,112,800
24. Economic Adjustments. Governor recommendation includes \$13,678,100 Gross and \$10,614,100 GF/GP for economic adjustments.	13,678,100
23. Unclassified Salaries. Economic adjustment.	18,200
22. Other Changes. Governor recommended technical adjustments to align authorization to reflect actual revenues.	(6,060,300)
21. State Services Fee Fund. Governor recommended the supplanting of \$4.0 million in State Services Fee Funds with \$4.0 million GF/GP revenue to phase out the use of those restricted funds.	0
20. MCOLES Funding Adjustment. Governor recommended \$521,200 GF/GP to supplant Secondary Road Patrol and Training Funds per PA 289 of 2016, which had been used for administrative purposes. A technical adjustment also reduced the level of training fund support by \$153,200 to equal expected receipt of funds.	368,000
 Michigan International Speedway (MIS) Traffic Control. Governor recommended the elimination of an \$800,000 GF/GP grant to support traffic control at the MIS. 	(800,000)
 School Safety Initiative Grants. Governor recommended the elimination of a one-time appropriation of \$2.0 million GF/GP for school safety grants. 	(2,000,000)
17. Advanced 9-1-1. Governor recommended the elimination of a one-time appropriation of \$2,200,000 GF/GP to establish advanced 9-1-1 services statewide.	(2,200,000)
 FY 2016-17 Trooper School Costs. Governor recommended the elimination of a one-time appropriation of \$3.2 million GF/GP for FY 2016-17 trooper school costs. 	(3,200,000)
15. Marihuana Excise Tax Funding. Governor recommended \$660,000 in Medical Marihuana Excise Tax revenue per PA 281 of 2016 to provide \$330,000 to the (MCOLES) for training to local agencies and \$330,000 to the State Police for training and equipment.	660,000
14. Sexual Assault Prevention and Education Initiative. Governor recommended an increase of \$100,000 GF/GP to the grant program to make the higher education initiative a one-time appropriation of \$600,000 GF/GP for FY 2017-18.	100,000
 OK2SAY Hotline Expansion. Governor recommended 6.0 FTEs and \$608,300 GF/GP for the operation of the student safety hotline. 	608,300
12. Law Enforcement Officer Job Task Analysis. Governor recommended \$200,000 GF/GP in one-time appropriations for the Michigan Commission on Law Enforcement Standards (MCOLES) to do a job task analysis to identify the essential skills and abilities for core law enforcement positions.	200,000
11. Fair and Impartial Policing Grants. Governor recommended \$1.0 million GF/GP in one-time appropriations for training grants to law enforcement agencies, including the State Police.	1,000,000
10. Equipment Lifecycle Replacement. Governor recommended \$1,484,000 GF/GP for lifecycle equipment replacement, including \$1.0 million in one-time appropriations for Secure Cities program which includes in-car cameras and \$484,000 in ongoing appropriations to support replacement of department ballistic vests and tasers.	1,484,000
 Emergency Management. Governor recommended 7.0 FTEs and \$978,900 GF/GP to expand readiness and response capabilities in event of disasters. 	978,900
 Disaster and Emergency Contingency Fund. Governor recommended a one-time replenishment of \$10.0 million GF/GP appropriated to the fund to meet statutory cap amount. 	10,000,000
7. Computer Crimes Unit Expansion. Governor recommended 8.0 FTEs and \$1,480,300 GF/GP to increase capacity of unit to prevent, detect and investigate cybercrimes.	1,480,300

- 1. Incoming IDGs. Governor struck language listing all incoming IDGs to the MSP budget. (Sec. 204)
- 2. **Outgoing IDGs.** Governor struck language listing all outgoing IDGs from the MSP budget with the exception of a Byrne Justice Assistance Grant to the Judiciary which was shifted to Sec. 215 for FY 2016-17. (Sec. 204a)
- 3. **Disciplinary Action.** Governor eliminated language prohibiting action against employee who communicates with Legislature. (Sec. 215)
- 4. **List of Core Services.** Governor amended list of departmental core services by updating other titles to conform to part 1 appropriations. (Sec. 222)
- 5. Post Closures. Governor struck boilerplate section requiring prior legislative notice of MSP post closures. (Sec. 222)
- 6. **Privatization Notice.** Governor struck boilerplate section requiring prior legislative notice of MSP privatization plans. (Sec. 223)
- Contractual and Reimbursed Services Revenue. Governor added two subsections which allow for receipt and expenditure of revenue for contractual and reimbursed services and provide that such an allowance would be in accordance with SIGMA procedures. (Sec. 226)
- 8. **Federal Revenues.** Governor added a subsection to section allowing for the receipt and expenditure of federal funds which would make such an allowance in accordance to SIGMA procedures. (Sec. 241)
- 9. **Training**. Governor modified language requiring the development and delivery of training to support law enforcement. (Sec. 401)
- 10. **Criminal Justice Information Systems**. Governor deleted requirement to provide detailed report on concealed pistol licensing. (Sec. 402)
- 11. **Forensic Testing.** Governor updated language referencing accreditation boards, removed date for when 30-day average turnaround time should be met, deleted alleged duplicative section and moved certain language requiring DNA protocol notices to biometrics section. (Sec. 403)
- 12. Biometric Testing. Governor shifted DNA protocol notification language from Sec. 403 to Sec. 404. (Sec. 404)
- 13. **Sexual Assault Kit Analysis.** Governor changed required report to Legislature date from October 31 to December 1. (Sec. 405)
- 14. **Traffic Enforcement.** Governor increased metric requiring a minimum of 400,000 hours of traffic enforcement to 455,200. (Sec. 601)
- 15. **Intelligence Operations.** Governor kept intelligence operations language from existing Sec. 701 for specialized services and increase metric requiring an increase of cyber crimes unit cases completed compared to FY 2014-15 from 20% to 40% for FY 2017-18 and added a goal of decreasing backlogs of digital forensic analysis cases until a 60-day turnaround is maintained. (Sec. 701)
- 16. Specialized Services. Governor pulled specialized services language from Sec. 701 and placed it in Sec. 702. (Sec. 702)
- 17. **Emergency Management**. Governor updated language to reflect SIGMA procedures and increase metric requirement of providing three training sessions to enhance safe response to natural or manmade disasters to requiring four. (Sec. 704)
- 18. **Secondary Road Patrol Grant Program.** Governor amended language by removing quarterly report requirement. (Sec.706)
- 19. **School Safety Initiative Grant Program**. Governor eliminated section relating to guidelines for FY 2016-17 one-time appropriation. (Sec. 901)
- 20. **Advanced 9-1-1 Project**. Governor eliminated section relating to guidelines for FY 2016-17 one-time appropriation. (Sec. 903)
- 21. Budget Year Two Funding. Governor struck language providing guidelines for year two appropriations. (Sec. 1201)

Date Completed: 2-21-17 Fiscal Analyst: Bruce Baker

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberation.





Fax: (517) 373-1986

Senate Bill 142 (as introduced) Committee: Appropriations

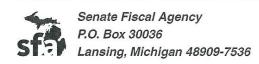
			CHANGES FY 2016-17 YEAR	-
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2016-17 YEAR-TO-DATE	FY 2017-18 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	1,609.0	1,609.0	0.0	0.0
GROSS	1,149,114,300	1,143,324,800	(5,789,500)	(0.5)
Less:				
Interdepartmental Grants Received	0	0	0	0
ADJUSTED GROSS	1,149,114,300	1,143,324,800	(5,789,500)	(0.5)
Less:				
Federal Funds	768,144,800	762,144,800	(6,000,000)	(8.0)
Local and Private	6,119,000	6,120,900	1,900	0.0
TOTAL STATE SPENDING	374,850,500	375,059,100	208,600	0.1
Less:				
Other State Restricted Funds	192,341,600	181,556,700	(10,784,900)	(5.6)
GENERAL FUND/GENERAL PURPOSE	182,508,900	193,502,400	10,993,500	6.0
PAYMENTS TO LOCALS	11,224,800	34,300,000	23,075,200	205.6

FY 2016-17 Year-to-Date Gross Appropriation	\$1,149,114,300
Changes from FY 2016-17 Year-to-Date:	
1. Business Attraction and Community Revitalization. The Governor increased Business Attraction and Community Revitalization by \$10.0 million. Of the total increase, there was a \$14.0 million increase in ongoing appropriations and a \$4.0 million decrease in one-time appropriations. This brings total appropriations to \$125.5 million Gross, \$103.9 million GF/GP and \$21.6 million in 21st Century Jobs Trust Fund dollars.	10,000,000
 Going Pro. The Governor increased the Going Pro program, which is renamed from the Skilled Trades Training Program. The increase was all included as one-time appropriations. This bring total Going Pro appropriations to \$40.9 million, \$25.6 million in Penalties and Interests fund dollars and \$15.3 million GF/GP 	10,000,000
 Talent Marketing. The Governor included this new program which is focused on attracting out-of-state talent to Michigan. The appropriation is all supported by GF/GP. 	5,000,000
4. Project Rising Tide. The Governor included this program began in the MEDC corporate budget to provide technical assistance to rural communities that work through the process of the Redevelopment Ready Certification program. The \$2.0 million in GF/GP would allow the program to expand beyond the 10 initial communities that are currently in the program.	2,000,000
5. Arts and Culture Grants . The Governor increased Arts and Culture Grants by \$1.0 million GF/GP in one-time appropriations due to a growing number of applications for arts and culture grants that far exceed current appropriations. This brings total appropriation to \$11,150,000 Gross, \$10.0 million GF/GP.	1,000,000

6. Removal of FY 2016-17 One-Time Appropriations and Supplemental. The Governor removed FY 2016-17 one time and supplemental appropriations. Of the total, \$14,120,000 in GF/GP was the year-end total for special grants, \$8,778,500 in Federal and restricted funds was for the Statewide Data Systems Integration, and \$1.0 million GF/GP was the year-end total for Sustainability Employment Pilot Program.	(23,898,500)
7. Technical Adjustments. The Governor included a \$7.1 million reduction in MSHDA Fees and Charges with the remaining technical adjustments being the lump sum payment removal and adjustments to the fund sources of the economic adjustments.	(9,091,900)
8. Protect and Grow . The Governor reduced the one-time protect and grow funding by \$2.0 with \$1.0 million remaining for FY 2017-18. This funding is focused on retaining and growing the defense industry in Michigan.	(2,000,000)
TANF Reduction. The Governor included a \$1.2 million reduction in TANF dollars, bringing total TANF dollars in TED to \$63.7 million.	(1,200,000)
10. FTE Transfer. The Governor moved 7.0 FTEs and their corresponding funding from the UIA and 5.0 from Workforce Program Administration, to TIA executive direction (7.0), MSF Administrative Services (3.0), and TED executive direction and operations (2.0).	0
11. Economic Adjustments. Economic increase of \$2,400,900 Gross and \$217,800 GF/GP.	2,400,900
Total Changes	(\$5,789,500)
FY 2017-18 Governor's Recommendation	\$1,143,324,800

- 1. **Deleted Reports**. The Governor deleted a number of reports, which include: 990 (Michigan State Housing Development Authority production goal report), 1007 (Michigan Strategic Fund and Michigan Economic Development Corporation report), 1010 (Jobs for Michigan Investment Fund report), 1033 (Michigan Film and Media Office activity report), 1076 (Unemployment Insurance Agency quarterly report on implementing the integrated systems project), 1077 (Unemployment Insurance agency quarterly report on the usage of the Internal Web portal).
- 2. **Other Deleted Sections**. The Governor deleted a number of other sections, which include 1041 (limits the amount that can be transferred to Business Attraction and Community Development to no more than 60% before April 1), 1046 (Special Grants), 1081 (Statewide System for data Integration one-time appropriations), and 1083 (Sustainable Employment Pilot one-time appropriations).
- 3. Modified Sections. The Governor modified a number of sections including 1005 (removing private revenue from the Pure Michigan report), 1035 (Allowing Arts and Culture grant funding to be used for administration of the program), 1042 (simplifies Business Attraction quarterly report to 'all previous appropriations' from listing all the various previous work project appropriations), 1061 (Includes 'apprenticeship awareness' as one of the focuses of the Youth Entrepreneurship grants), 1065 (name change from 'Skilled Trades Training Program' to 'Going Pro' and moving the quarterly report to an annual report due Feb. 15), and 1066 (name change to 'Going Pro' and focus on addressing 'indemand talent needs in Michigan' from 'employees of Michigan Businesses').
- 4. **New One-Time Appropriations Metric Sections**. The Governor included a number new sections that include benchmark metric specifications for new appropriations, which include: 1050 (Business attraction and community Development one-time appropriations), 1051 (Talent Marketing one-time appropriations), 1052 (Rising Tide one-time appropriations), 1053 (Arts and Culture Grant one-time appropriations), 1054 (Protect and Grow one-time appropriations), and 1084 (Going Pro one-time appropriations).
- 5. **Technical Modifications**. The Governor made a number of technical adjustments to reflect date changes, part 1 appropriations totals, legacy costs estimates, and standardizing language. (Sec. 980 & 981)

Date Completed: 2-15-17 Fiscal Analyst: Cory Savino





Fax: (517) 373-1986

Senate Bill 142 (as introduced) Committee: Appropriations

			CHANGES FY 2016-17 YEA	_
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2016-17 YEAR-TO-DATE	FY 2017-18 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	2,877.0	2,937.0	60.0	2.1
GROSS	1,383,725,700	1,405,543,900	21,818,200	1.6
Less:				
Interdepartmental Grants Received	694,054,100	713,959,000	19,904,900	2.9
ADJUSTED GROSS	689,671,600	691,584,900	1,913,300	0.3
Less:				
Federal Funds	4,958,200	4,985,300	27,100	0.5
Local and Private	2,320,000	2,444,400	124,400	5.4
TOTAL STATE SPENDING	682,393,400	684,155,200	1,761,800	0.3
Less:				
Other State Restricted Funds	114,340,800	111,399,300	(2,941,500)	(2.6)
GENERAL FUND/GENERAL PURPOSE	568,052,600	572,755,900	4,703,300	0.8
PAYMENTS TO LOCALS	0	2,500,000	2,500,000	

FY 2016-17 Year-to-Date Gross Appropriation	\$1,383,725,700
Changes from FY 2016-17 Year-to-Date:	
 Removal of FY 2016-17 Supplemental Funding. Public Act 340 of 2016 provided additional funding for three programs: \$500,000 to pay survivor benefits of public safety officers killed in the line of duty; \$10.0 million for deposit into the Drinking Water Declaration of Emergency Reserve Fund; and \$72.0 million to for final debt payment for the Venture Michigan I. 	(82,534,000)
 Removal of FY 2016-17 One-Time Appropriations. Governor: Removed a total of \$14.2 million (\$11.4 million GF/GP) of the following one-time funding provided in the FY 2016-17 budget: Legal Services (\$5.0 million); IT Investment Fund (\$4.5 million); Office of Retirement Services (\$2.85 million); Enterprisewide Special Maintenance (\$1.6 million); and Special Projects (\$250,000). 	(14,200,900)
 Citizen Centric Government Project. Provided new GF/GP funding to allow citizens to interact with the State of Michigan programs and services through the use of individualized online portals, key high-value system integrations, and new mobile applications allowing access to resources on a 24/7 basis. 	1,000,000
 Labor Market Information Population and Labor Force Projections. Provided new GF/GP funding and 2.0 FTEs to produce population projections for the State in total and all individual counties. 	268,300
Michigan Master Computing Contract. Provided restricted funding and 3.0 FTEs for this new program that redefines the IT procurement process.	373,500

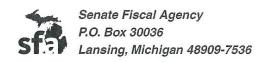
6.	Cyber Security Improvements. Additional GF/GP funding was provided for third year of a multi-year program to enhance cyber security program. Total FY 2017-18 funding for Homeland and Cyber Security is \$16.2 million.	3,044,600
7.	SIGMA-Permanent Organizational Structure. Increased funding by a total of \$14.9 million (\$12.3 million GF/GP) and added 26.0 FTEs in the Budget and Financial Management line item to provide ongoing SIGMA operations, contractual services, and continued improvements related to SIGMA. Funding for Budget and Financial Management totals \$38.8 million for FY 2017-18.	14,880,600
8.	MiPage-Mobile Center of Excellence Permanent Operating Support. Provided additional GF/GP funding for continued support of the State's mobility efforts. Total funding in FY 2017-18 for the Enterprise Identity Management line item is \$9.3 million.	1,587,000
9.	Office of Performance and Transformation – Provided additional GF/GP funding for the <i>Socrata</i> transparency website. This office was transferred to DTMB via Executive Orcer 2016-4 and is responsible for the systematic review and coordination of the State's regulatory, business, and customer service environments. This item also is funded in the Budget and Financial Services unit, funded at \$38.8 million for FY 2017-18.	500,000
10.	School Reform Office. Additional GF/GP funding provided for three programs: \$280,000 for the Partnership with Enroll Detroit to assist families transforming to new schools; \$252,000 and 2.0 FTEs to support a pilot program that measures deferred maintenance costs to replacement value of priority schools; and \$250,000 to support student and parent surveys for accountability measurement. Funding for the School Reform Office totals \$3.1 million for FY 2017-18.	782,000
11.	Accounting Services for Grand Rapids Veterans Home. Increased IDG funding and added 8.0 FTEs for costs associated with providing accounting services to the GR Veterans Home.	1,206,300
12.	Information Technology (IT) - Alignment of IDG Funding. Governor: Aligned its IDG funding with enacted FY 2016-17 appropriations for all departments.	23,296,300
13.	Removal of FY 216-17 Lump Sum Payments. Removed funding for the 1.5% lump sum payments received by all State classified employees as part of negotiated contracts for FY 2016-17.	(2,848,200)
14.	SIGMA Reduction. The budget included reductions in two IT line items to offset the costs of the program increase for the SIGMA Permanent Organizational Structure program in the Budget and Financial Management line item (described above) The reductions included \$6,321,000 (all IDG funding) in the Technology Services line item and another \$6,321,000 (\$3.8 million GF/GP) in the Information Technology line item.	(12,642,000)
15.	Transfer of Office of Urban Initiatives. All GF/GP funding and 5.0 FTEs were transferred to the Executive Office.	(1,012,200)
16.	One-Time Items. The budget included ten one-time items totaling \$80.9 million in GF/GP appropriations. Items included: \$25.0 million for deposit into the Drinking Water Declaration of Emergency Reserve Fund; \$20.0 million for deposit into the Michigan Infrastructure Fund; \$9.1 million for the migration of 131 Michigan.gov items to new portal; \$7.5 for IT Investment Fund projects; \$5.5 million for the Citizen Centric Government IT project (described above); \$5.0 million for the continued replacement of the Michigan Public Safety Communications System; \$4.5 million for the SIGMA Permanent Organizational Structure; \$4.0 million for Cyber Security; \$353,000 for the School Reform Office for the PERIS program to allow priority schools to automate the submission of data; and \$700 for seven \$100 placeholders for planning grants for three university projects, two community college projects, and two State agency projects.	80,938,800

17. Other Changes. The budget included 2.0 FTEs and adjustments to several items in the budget totaling \$478,800. Changes include: \$380,000 for administrative costs for the Michigan Military Retirement System; \$137,900 and 1.0 FTE for the State Police Cyber Crimes Unit; \$127,700 and 1.0 FTE for the Office of Financial Management to administer MEDC's payroll; \$27,000 for the MSP Retirement System; and a negative \$193,800 for SWCAP adjustments.	478,800
18. Unclassified Salaries. Increased funding by \$30,100 for total funding of \$1,031,750 for FY 2017-18.	30,100
19. Economic Adjustments. Includes \$6,669,200 Gross and \$1,633,100 GF/GP.	6,669,200
Total Changes	\$21,818,200
FY 2017-18 Governor's Recommendation	\$1,405,543,900

- 1. **Boilerplate Structure.** The Governor moved boilerplate from the FY 2016-17 general sections that applied to all General Government budgets to the Article for the Department of Technology, Management, and Budget. Changes to those items can be found in the highlight sheet for the **General Sections**.
- 2. **MAIN Charges.** Language states that MAIN shall be funded by charges against State funds that benefit from the use of MAIN. **Governor:** Modified language to include SIGMA as additional recipient of the funds as the State transitions from MAIN to SIGMA. (Sec. 807)
- 3. **Request for Proposals Website.** Requires DTMB to maintain an Internet website that contains notice of all invitations to bid and requests for proposals over \$50,000. Prohibits the Department from accepting a bid or proposal less than 14 days after the request was made available on the website. (Sec. 810)
- 4. **Privatization RFP Factors.** Language stipulates that DTMB shall include factors that will be used to evaluate and determine price related to requests for proposals issued for the purpose of privatization. **Governor:** Deleted. (Current Law Sec. 816)
- 5. **Space Consolidation.** Requires the Department to develop a plan regarding the use of space consolidation funds and report annually to the Legislature. **Governor:** Deleted as project has been completed. (Current Law Sec. 821)
- 6. **Legacy Cost Estimates.** Total legacy costs are estimated at \$78,962,000. Of the total, pension-related legacy costs are estimated at \$43,795,600 and retiree health care legacy costs are estimated at \$35,166,400 for fiscal year ending September 30, 2017. **Governor:** Provided the following Legacy Costs estimates for FY 2018: Total legacy costs estimated at \$84,145,300. Of that total, \$43,301,700 are for pension-related legacy costs and \$40,843,600 are for retiree health care legacy costs for the fiscal year ending September 30, 2018. (Sec. 822e)
- 7. **Report for Office of Urban Initiatives.** Requires a report by April 15 to the Legislature, the State Budget Director, and the fiscal agencies on the expenditures for the office of urban initiatives. The report shall provide information detailing the economic impact and job growth initiatives for each urban and metropolitan area receiving funds under part 1. **Governor:** Deleted as Office is transferred to the Executive Office. (Current Law Sec. 822h)
- 8. **Office of Good Government.** Language states that the funds appropriated in Part 1 shall be used to expand the Office and to broaden the office's support of transformative good government initiatives. **Governor:** Deleted. (Current Law Sec. 822j)
- 9. **Hawthorn Center Appraisal.** Language requires DTMB to work with the Department of Health and Human Services on an appraisal of state-owned lands and buildings at the Hawthorn Center Psychiatric Hospital Facility for Children and Adolescents. The Department also must create a proposal for possible replacement of the facility and submit the appraisal and proposal to the legislature by March 1, 2017. **Governor:** Deleted. (Current Law Sec. 822k)
- 10. **Tracking Performance of Vendors.** Language states that the Department shall establish a system that collaborates with other departments to track the performance of vendors who are awarded contracts through the procurement process. **Governor:** Deleted. (Current Law Sec. 822m)

- 11. **Placement of all Contract Proposals on Department Website.** Language requires the Department to establish a publically accessible portal on the Department's website that displays all contract proposals for all State departments and agencies. **Governor:** Deleted. (Current Law Sec. 822n)
- 12. **Spatial Information/Technical Services.** Allows Department to enter into agreements to supply spatial information and technical services to other departments, local units of government, and organizations. Includes annual reporting requirement regarding receipt and expenditure of funds under this section. **Governor:** Deleted reporting requirement. (Sec. 824)
- 13. **MAIN Access.** Provides for access to all historical and current data contained within MAIN for the Legislature and State departments. **Governor:** Adds "or its successor" due to MAIN being replaced by SIGMA. (Sec. 825)
- 14. **Modernization of State IT Systems.** Language states that the increased funding shall be used to modernize the State's IT systems and integrate State system interfaces to improve customer service. **Governor:** Deleted. (Current Law Sec. 836)
- 15. **NEW.** Cyber Security Use of Funding. Governor: Added new language specifying metrics to be measured regarding cyber security. (**NEW** Sec. 836)
- 16. **Cyber Security System Improvements.** Language states that the increased funding for cyber security shall be used to increase cyber security by developing a comprehensive security framework. **Governor:** Deleted. (Current Law Sec. 837)
- 17. **NEW. Citizen Centric Government. Governor:** Added new language specifying metrics to be measured regarding MiLogin and MiPage. (**NEW** Sec. 837)
- 18. **Enterprise Identity Management (MiLogin).** Language states that the funds for the enterprise identity management program shall be used to expand the enterprise identity management program to provide an enterprisewide single sign-on and identity management tool. **Governor:** Deleted. (Current Law Sec. 838)
- 19. **NEW. MiPage Mobile Center of Excellence. Governor:** Added new language specifying metrics to be measured regarding the MiPage Mobile Center of Excellence. (**NEW** Sec. 838)
- 20. **Office of Retirement Services.** Language requires the increased funding to be used for expanding the Office's IT capability so as to provide a 90% customer contact satisfaction level. **Governor:** Deleted. (Current Law Sec. 839)
- 21. **NEW. Caro Center Replacement. Governor:** Added new language stating that the planning authorization for the Caro Center's scope is changed from the initial plan to modernize the Center to now building a new psychiatric hospital in its place. (**NEW** Sec. 868)
- 22. **NEW Sec. 900. Drinking Water Declaration of Emergency Reserve Fund. Governor:** Added new language creating the Reserve Fund. Language also requires the deposit of \$25.0 million into the fund in FY 2017-18, states that funds cannot be spent until appropriated by the Legislature, requires all interest earnings by the Reserve Fund to be deposited in the general fund, and states that any funds remaining in the Reserve Fund at the end of the fiscal year shall remain in the Reserve Fund and not lapse to the general fund. (**NEW** Sec. 900)
- 23. **Other Deletions.** In keeping with the condensed structure of the Governor's budget, the following current-year language sections and/or subsections were not included: 822, 822d, 827(4) (the current law report), 828, 829, 830, 831, 832, 860(e), (f), and (g) and 862. The majority of these sections required the Department to provide either reports or notifications to the Legislature.

Date Completed: 2-15-17 Fiscal Analyst: Joe Carrasco, Jr.





Fax: (517) 373-1986

Senate Bill 148 (as introduced) Committee: Appropriations

			CHANGES FY 2016-17 YEA	-
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2016-17 YEAR-TO-DATE	FY 2017-18 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	2,912.3	2,912.3	0.0	0.0
GROSS	4,115,753,600	4,347,443,000	231,689,400	5.6
Less:				
Interdepartmental Grants Received	4,013,400	4,039,300	25,900	0.6
ADJUSTED GROSS	4,111,740,200	4,343,403,700	231,663,500	5.6
Less:				
Federal Funds	1,314,744,000	1,340,301,200	25,557,200	1.9
Local and Private	50,518,500	50,632,000	113,500	0.2
TOTAL STATE SPENDING	2,746,477,700	2,952,470,500	205,992,800	7.5
Less:				
Other State Restricted Funds	2,736,727,700	2,952,470,500	215,742,800	7.9
GENERAL FUND/GENERAL PURPOSE	9,750,000	0	(9,750,000)	(100.0)
PAYMENTS TO LOCALS	1,587,185,200	1,715,980,300	128,795,100	8.1

FY 2016-17 Year-to-Date Gross Appropr	iation		\$4,115,753,600
Changes from FY 2016-17 Year-to-Date:		-	
 Michigan Transportation Fund. The the Road Funding Package of 2015 to <u>Cha</u> 			201,683,700
Cities & Villages	\$49,589,000	\$491,162,500	
County Road Commissions		\$880,938,200	
State Trunkline Road & Bridge	\$62,338,800	\$1,131,621,800	
Local Bridge Program	\$814,300	\$28,282,900	
 Federal Program Increases. The Conference of Federal highway funding (\$17.6 million) Federal distributions to local agencies transit (\$2.0 million). 	n), Federal road and brid	ge projects (\$7.4 million),	32,923,400
 Transportation Economic Developm Targeted Industries: Category A of Category A funds were diverted by appropriation for FY 2017-18 was \$42, 	the Transportation Economic earmarks in the previous	omic Development Fund.	17,671,600
 Transit and Rail Program Adjustment rail adjustments included increases of million), Rail Operations & Infrastructur Service Initiatives (\$500,000). 	lue to additional revenue	for Transit Capital (\$5.5	15,103,000

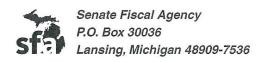
FY 2017-18 Governor's Recommendation	\$4,347,443,000
Total Changes	\$231,689,400
15. Economic Adjustments. \$5,599,400 Gross and \$0.0 GF/GP for economic adjustments.	5,599,400
 Other Changes. Including removal of FY 2016-17 One-Time Funding (\$8,500,000), FY 2016-17 Supplementals (\$1,250,000), Debt Service Adjustments (\$8,985,900), and Adjustments to Interdepartmental Grants (\$108,400). 	(18,844,300)
13. Local Agency Wetland Mitigation. PA 246 of 2016 established the Local Agency Wetland Mitigation Fund and Advisory Board. The Board provides grants to local road agencies for the purpose of construction and purchasing land for a wetland mitigation bank. Although it was created in statute during FY 2015-16, the Local Agency Wetland Mitigation Fund was not appropriated any funds until FY 2016-17 with the passage of a supplemental, PA 340 of 2016. To make up for the absence of funding for FY 2015-16, the supplemental appropriated two fiscal years of funding for the Wetland Mitigation Fund; \$2.0 million for each fiscal year, totaling \$4,000,000. For FY 2017-18, the Governor recommended a total for the Fund of \$2,000,000, half the amount appropriated in FY 2016-17.	(2,000,000)
 FY 2016-17 Employee Lump Sum Payments. The Governor's recommendation included a technical adjustment to remove lump sum payments to retiring employees. 	(2,450,900)
11. Movable Bridge. PA 246 of 2016 established the Movable Bridge Fund for distributions to each person or agency responsible for the operation of a publicly owned movable bridge. Prior to the act, operating costs for movable bridges were covered by each local agency's distribution of MTF funds. Although it was created in statute during FY 2015-16, the Movable Bridge Fund was not appropriated any funds until FY 2016-17 with the passage of a supplemental, PA 340 of 2016. To make up for the absence of funding for FY 2015-16, the supplemental appropriated two fiscal years of funding for the Movable Bridge Fund; \$5.0 million for each fiscal year, totaling \$10,000,000. For FY 2017-18, the Governor recommended a total for the Fund of \$5,110,000, an \$110,000 increase over base funding, but \$4,890,000 less that the \$10.0 million appropriated in FY 2016-17.	(4,890,000)
10. Aviation Program Adjustments. The Governor's recommendation adjusted aviation program funding to reflect lower-than-projected revenue from aviation fuel taxes.	(6,159,200)
adjustment to align the appropriation with actual revenue.	(19,197,300)
 evaluate warranties under the Road Funding Package and has not had a baseline increase in funding for over a decade. With the additional \$250,000, The Governor's total appropriation was \$1,876,400. 9. Blue Water Bridge Fund Reduction. The Governor's recommendation included a negative 	(40.407.200)
8. Transportation Asset Management Council. The Governor's recommendation included additional baseline support for the Council (TAMC). The TAMC has new responsibilities to	250,000
 Information Technology Improvements. The Governor's recommendation included additional money for IT modernization projects from the State Trunkline Fund. 	1,000,000
 Salt Storage Buildings and Containment Contract. The Governor's recommendation included this investment from the State Trunkline Fund to renovate existing salt storage facilities. 	2,500,000
 Metro Detroit Drainage and Flooding Mitigation. The Governor included an increase to the Highway Maintenance line item from the State Trunkline Fund to contract performance of drainage maintenance in Oakland, Macomb, and Wayne Counties. 	8,500,000

- 1. **Communication with the Legislature.** The Governor removed a section prohibiting the Department from taking disciplinary action against employees who communicate with the Legislature. (Sec. 215)
- 2. **Federal Rule Change Notification.** The Governor removed a requirement that the Department inform the Legislature of proposed Federal rule changes that would require amendments to Michigan law. (Sec. 217)

- 3. **Remanufactured Parts.** The Governor removed a requirement that the Department prioritize the use of remanufactured parts for the maintenance of its auto fleet. (Sec. 270)
- 4. **Commercial Space at Public Terminals.** The Governor removed a section that required space leased by the Department be rented on a competitive market rate basis and that placed restrictions on uses for lease revenue. (Sec. 305)
- 5. **State Infrastructure Bank Program.** The Governor deleted a subsection that required an annual report on the program to the Legislature and the State Budget Office. (Sec. 313)
- 6. **Rest Area Signage.** The Governor removed a section that required signage with contact information be posted for the contractor responsible for rest area maintenance. (Sec. 319)
- 7. **Contractor Payment Process.** The Governor removed a section requiring prompt payment of contractors and Departmental review of the payment process. (Sec. 353)
- 8. Local Federal Aid Project Review. The Governor removed a section requiring review of local Federal aid projects within 120 days of receipt. (Sec. 357)
- 9. **Groundbreaking Ceremony Reimbursement Prohibition.** The Governor removed a section prohibiting reimbursement to contractors or consultants for costs associated with groundbreaking ceremonies. (Sec. 375)
- Billboard Safety Studies. The Governor removed a section prohibiting safety studies on the impacts of billboards on motorist safety. (Sec. 376)
- 11. **E-Verify System Application for all Construction Contracts.** The Governor removed a section requiring the use of the E-Verify system to verify that all persons hired by a contractor are legally present and authorized to work in the United States. Removal of this section also relieves the Department of an annual reporting requirement to the Legislature on the use of the E-Verify system. (Sec. 381)
- 12. **Final Cost-sharing.** The Governor removed a section that requires the Department to submit a final cost-sharing bill to local agencies, when applicable, within 2 years after the date of the final contract payment. (Sec. 382)
- 13. **Aircraft Travel Reporting.** The Governor removed a subsection requiring a reciprocal agreement, and the related annual report, between the Department and the Michigan State Police on police use of fixed-wing aircraft. (Sec. 383)
- 14. **Best Practices.** The Governor removed a section that required the Department to employ and report on best practices for transportation services in the state. (Sec. 393)
- 15. **Funding Prioritization.** The Governor removed a section that required the Department and local agencies to prioritize funding for existing road networks. (Sec. 394)
- 16. **Contractual Eligibility.** The Governor removed a section that required applicants for contractual services, other than construction contracts, meet eligibility requirements. (Sec. 396)
- 17. **Roads Innovation Fund Report.** The Governor removed a section requiring a Departmental report if the Roads Innovation Funds were not released by October 1, 2016. The funds were released before the end of the last fiscal year and the report is no longer required. (Sec. 505)
- 18. **Warranty Program Development and Reporting.** The Governor removed a section that required the Department to develop a warranty program in conjunction with the road construction industry and engineering consultants. The annual reporting requirements in the section were also removed. (Sec. 601)
- 19. **Flooding Mitigation.** The Governor included a new section to support highway drainage maintenance activities on limited access state trunklines in Wayne, Oakland, and Macomb counties. (Sec. 19-605)
- 20. **Deer Removal.** The Governor removed a section that required the Department and local agencies to prioritize large animal carcass removal when funds are available to do so. (Sec. 610)
- 21. **Contract Incentives & Disincentives.** The Governor removed a section that required the Department to establish and report annually on contract incentives and disincentives for the prior fiscal year. (Sec. 612)
- 22. Alternative Road Surface Materials. The Governor removed a section that encouraged the Department to examine the use of alternative or recycled materials for road construction. Removal of this section included removal of the annual reporting requirement on the use of such materials. (Sec. 660)

- 23. **Railroad Abandonment Notification.** The Governor removed a section that required the Department to notify the Legislature if and when the Department receives notification of a railroad company's intent to abandon a rail line. (Sec. 703)
- 24. Rail Operations and Infrastructure Reporting. The Governor modified a section to require reporting on rail and infrastructure "obligations" in lieu of "expenditures". The new section also required notification to the State Budget Director and new reporting deadlines. (Sec. 704)
- 25. **Woodhaven Project.** The Governor removed a section that encouraged the Department to provide assistance to the city of Woodhaven for a rail and street separation project. (Sec. 705)
- 26. Department Ownership and Operation of Airports. The Governor removed a section that encouraged the Department to find private entities or local public agencies to assume ownership and operating responsibility of Department owned airports. (Sec. 802)
- 27. **Aging Aircraft.** The Governor removed a section that required the Department to issue an RFP for competitive bids to manage and sell the Department's aging aircraft fleet. (Sec. 803)
- 28. **One-Time Special Grants.** The Governor removed a section that identified FY 2016-17 earmarks to Berrien, Lenawee, and Macomb counties. (Sec. 1001)

Date Completed: 2-16-17 Fiscal Analyst: Michael Siracuse





Fax: (517) 373-1986

Senate Bill 142 (as introduced) Committee: Appropriations

			CHANGES FY 2016-17 YEAI	
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2016-17 YEAR-TO-DATE	FY 2017-18 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	N/A	N/A	0.0	0.0
GROSS	137,037,000	107,580,000	(29,457,000)	(21.5)
Less:				
Interdepartmental Grants Received	0	0	0	0
ADJUSTED GROSS	137,037,000	107,580,000	(29,457,000)	(21.5)
Less:				
Federal Funds	0	0	0	0
Local and Private	0	0	0	0
TOTAL STATE SPENDING	137,037,000	107,580,000	(29,457,000)	(21.5)
Less:				
Other State Restricted Funds	0	0	0	0
GENERAL FUND/GENERAL PURPOSE	137,037,000	107,580,000	(29,457,000)	(21.5)
PAYMENTS TO LOCALS	0	0	0	0

FY 2016-17 Year-to-Date Gross Appropriation	\$137,037,000
Changes from FY 2016-17 Year-to-Date:	
1. Great Lakes Water Quality Bond . The Governor increased debt service payments for this bond. Of the total, \$1,411,000 is a reduction in scheduled payments and \$5,403,000 is projected in new bond issuances for FY 2017-18. This increased total debt service payments to \$22,865,000.	3,992,000
 Clean Michigan Initiative. The Governor reduced debt service payments for this bond due to projected decreases in scheduled bond payments with no new bonds projected to be issued for FY 2017-18. This decreased total debt service payments to \$62,751,000. 	(26,726,000)
 Quality of Life Bond. The Governor reduced debt service payments for this bond due to projected decreases in scheduled bond payments with no new bonds projected to be issued for FY 2017-18. This decreased total debt service payments to \$21,964,000. 	(6,723,000)
Total Changes	(\$29,457,000)
FY 2017-18 Governor's Recommendation	\$107,580,000

Boilerplate Changes from FY 2016-17 Year-to-Date: None

Date Completed: 2-15-17 Fiscal Analyst: Cory Savino





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Senate Bill 142 (as introduced) Committee: Appropriations

			CHANGES FY 2016-17 YEAR	-
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2016-17 YEAR-TO-DATE	FY 2017-18 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	1,906.5	1,952.5	46.0	2.4
GROSS	522,473,200	512,829,800	(9,643,400)	(1.8)
Less:				
Interdepartmental Grants Received	11,262,300	12,613,700	1,351,400	12.0
ADJUSTED GROSS	511,210,900	500,216,100	(10,994,800)	(2.2)
Less:				
Federal Funds	39,920,800	27,022,600	(12,898,200)	(32.3)
Local and Private	9,227,700	14,543,500	5,315,800	57.6
TOTAL STATE SPENDING	462,062,400	458,650,000	(3,412,400)	(0.7)
Less:				
Other State Restricted Funds	360,603,600	359,881,500	(722,100)	(0.2)
GENERAL FUND/GENERAL PURPOSE	101,458,800	98,768,500	(2,690,300)	(2.7)
PAYMENTS TO LOCALS	186,320,700	159,675,600	(26,645,100)	(14.3)

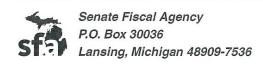
FY 2016-17 Year-to-Date Gross Appropriation	\$522,473,200
Changes from FY 2016-17 Year-to-Date:	
1. City Income Tax Administration. The Governor increased this program, which includes \$3,782,100 for ongoing operation and \$1.5 million for one-time appropriations. The ongoing funding increase is to allow the hire of 20.0 FTEs to support a new city joining the program. The \$1.5 million in one-time appropriations to implement the corporate and withholding tax components for the City of Detroit. The increase is all supported by the City Income Tax Fund. This brings total appropriations to \$11,185,300 City Income Tax Fund dollars.	5,282,100
2. Medical Marihuana Grants and Regulation. The Governor created this funding to implement Public Act 281 of 2016. Of the total, \$3,960,000 is for the Medical Marihuana Excise Fund grants and the remaining \$675,000 is for regulation and administration of the act. The Excise fund distributes revenue to Municipalities, Counties, and County Sheriffs in accordance to statute. This funding is all supported by the Medical Marihuana Excise Fund.	4,635,000
 Information Technology for S.A.P.S. The Governor included one-time appropriations to support Information Technology improvements to the Systems, Application, and Process Support. 	2,000,000
4. Lien Fee Increase. The Governor Increased the Office of Collections due to changes from Public Act 224 and 230 of 2016, which increases the recording fee on Liens from \$10 to \$30. The department increased IDGs to pay for the additional costs.	1,300,000
5. Tax Processing Bureau. The Governor increased the Tax Processing Bureau to hire 9.0 FTEs and support for tax processing operations in order to further reduce the telephone wait time and processing time of individual tax returns. This increase is all supported by GF/GP. Total appropriation would be \$38.8 million, \$11.0 million GF/GP.	992,200

State Lottery. The Governor increased the State Lottery in order to hire 8.0 FTEs for the iLottery games. All supported by State Lottery Revenue.	716,300
 Dual Enrollment. The Governor increased Dual Enrollment to reflect pupil increases from the January Consensus Revenue Estimating Conference. All supported by GF/GP. This brings total appropriations to \$2.0 million Gross and GF/GP. 	500,000
 Payments in Lieu of Taxes. The Governor increased Purchased Lands by 3%, \$96,600 of which was GF/GP 	252,800
 Senior Citizens Cooperative Housing. The Governor increased Senior Citizen Cooperative Housing is due to Public Act 78 of 2016, which increased the number of facilities in the program. The increased was supported by GF/GP. This brings total appropriations to \$10.7 million Gross and GF/GP. 	200,000
 Casino Information Technology. The Governor increased Casino Gaming Administration to hire an additional FTE to increase internal control to ensure the security and accuracy of the revenue reported. 	149,900
11. Federal Department of Education Funding. The Governor decreased the Michigan Finance Authority, due to decreases in various Federal Department of Education grants.	(12,955,700)
 Health and Safety Fund Grant. The Governor decreased the Health and Safety Fund to reflect actual restricted fund revenue and expenditures from this line item. 	(7,500,000)
13. Removal of Grants, One-Time, and Supplemental Funding . The Governor removed \$521,600 in ongoing grants (\$76,000 Plasma Cutting Machine, \$100,000 Gianna House, \$345,600 Student Loan Delinquency Pilot), \$2,842,500 for free individual income tax E-file, \$500,000 for Urban Search and Rescue, the \$100 Drinking Water Declaration of Emergency placeholder, \$3,050,000 from Public Act 340 of 2016, and \$300,000 from Legislative Transfer 2017-1. Of the total decrease, \$6,914,200 was GF/GP and \$300,000 was fund from the Drinking Water Declaration of Emergency Fund.	(7,214,200)
 Technical Changes. The Governor included a lump sum removal throughout the department. Of the total decrease, \$280,400 was GF/GP. 	(1,663,100)
15. FTE transfers. The Governor moved the Financial Review Commission from Executive Direction to the Financial Independence Team, FTEs from Tax Policy to City Income Tax, and rolled out the Office of Revenue and Tax Analysis line item from Tax and Economic Policy.	0
16. Economic Adjustments. Economic increase of \$3,661,300 Gross and \$715,400 GF/GP.	3,661,300
Total Changes	(\$9,643,400)
FY 2017-18 Governor's Recommendation	\$512,829,800

- 1. **Deleted Reports and Notifications**. The Governor deleted a number of reports, which include: 902a (notification of bond refinancing), 927 (personality property tax report), 934(2) (Michigan Financial Authority report), 944 (retention of reports received by pension plan consultants).
- 2. **Other Deleted Sections**. The Governor deleted a number of other sections, which include: 936 (student loan delinquency pilot program), 940 (state capital historic fund), 949g (urban search and rescue), 963 (ban DHS bridge cards from being used to purchase lottery tickets).

- 3. **Minimum Assessing of Requirement Review**. The Governor modified the section involving minimum assessment of requirements review of localities from one locality in every country reviewed annually to requiring that every locality be reviewed at least once every five years. (Sec. 945)
- 4. Equine Development Fund. The Governor made modifications to two sections that involve the Equine Development Fund and proration. The first change removed laboratory analysis from the exception of being prorated in the event revenue in the fund is less than expenditures. The second change was to remove language that allows the racing commission to reduce the number of race dates in the event that revenue in the fund is less than the regulatory costs. (Sec. 977 and 978)
- 5. **Medical Marihuana**. The Governor included a new section that specifics that revenue from the Medical Marihuana Excise Fund must be administered and distributed in accordance to statute. (Sec. 949h)
- 6. City Income Tax Administration. The Governor included a new section that references the increased ongoing appropriations to the City Income Tax Administration and specifies that the appropriations be used to include another city in the program. (Sec. 949i)
- 7. **Wrongful Imprisonment Fund**. The Governor included a new section that creates the Wrongful Imprisonment Fund and specifies that the funds must be used in accordance to PA 343 of 2016. (Sec. 949j)
- 8. **Technical Modifications**. The Governor made a number of technical adjustments such as revised dates, legacy estimates, and standardizing language. (Sec. 915 and 948)

Date Completed: 2-15-17 Fiscal Analyst: Cory Savino





ANALYSIS

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Senate Bill 142 (as introduced) Committee: Appropriations

				FROM R-TO-DATE
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2016-17 YEAR-TO-DATE	FY 2017-18 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	N/A	N/A	0.0	0.0
GROSS	1,227,408,100	1,245,292,200	17,884,100	1.5
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	1,227,408,100	1,245,292,200	17,884,100	1.5
Less:				
Federal Funds	0	0	0	0.0
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	1,227,408,100	1,245,292,200	17,884,100	1.5
Less:				
Other State Restricted Funds	1,227,408,100	1,245,292,200	17,884,100	1.5
GENERAL FUND/GENERAL PURPOSE	0	0	0	0.0
PAYMENTS TO LOCALS	1,227,408,100	1,245,292,200	17,884,100	1.5

FY 2016-17 Year-to-Date Gross Appropriation	\$1,227,408,100
Changes from FY 2016-17 Year-to-Date:	
1. Constitutional Revenue Sharing. The Governor recommended \$773,544,100 for constitutional revenue sharing in FY 2017-18, an increase of 2.3% from the current estimate for FY 2016-17. This increase is consistent with the January 2017 consensus estimate of sales tax revenue. Constitutional revenue sharing distributes 15% of sales tax revenue collected at a 4.0% rate to cities, villages, and townships on a per capita basis.	17,243,500
2. Revenue Sharing Payments to Counties. The Governor recommended a total of \$217,908,100 for revenue sharing payments to counties. This amount would be paid through two line items, \$174,747,700 for County Revenue Sharing and \$43,160,400 for the County Incentive Program. The Governor recommended increases of \$513,700 for County Revenue Sharing and \$126,900 for the County Incentive Program to cover the cost of two counties (Alcona and Charlevoix) that received part-year funding in FY 2016-17 and will be eligible for full-year funding in FY 2017-18. All other counties will receive the same payments in FY 2017-18 as in FY 2016-17, assuming continued compliance with the accountability and transparency requirements of the County Incentive Program.	640,600
3. City, Village, and Township Revenue Sharing. The Governor recommended \$248,840,000 in FY 2017-18 for nonconstitutional or "statutory" payments to cities, villages, and townships, the same amount as in FY 2016-17. The appropriation consists of \$243,040,000 in ongoing funding and \$5.8 million in one-time money. Eligibility, payments, and transparency and accountability requirements would be the same in FY 2017-18 as in	0

the current year.

FY 2017-18 Governor's Recommendation	\$1,245,292,200
Total Changes	\$17,884,100
4. Financially Distressed Cities, Villages, or Townships. The Governor recommended \$5.0 million in FY 2017-18 for this grant program, the same amount as in FY 2016-17.	0

- 1. **Online Option for Citizen's Guide to Finances.** The Governor added an option for a city, village, township, or county to certify that it is using the Department of Treasury online system for the citizen's guide to its finances instead of submitting a paper copy. (Sec. 20-952(3))
- 2. Extend Due Date for Accountability and Transparency Reports and Certification. The Governor extended from December 1 to April 1 the date by which an eligible city, village, township, or county is required to complete its accountability and transparency requirements without forfeiting any payments for which it is eligible. Currently revenue sharing payments are made on the last business day of October, December, February, April, June, and August. A local government must satisfy the accountability and transparency requirements by December 1 or the first day of a subsequent payment month. All eligible local governments receive the first payment which is made prior to the due date for the accountability reports. If the accountability and transparency certifications are not made by December 1 or the first day of any subsequent payment month, the payment for that month (1/6th of the total) is forfeited. Under the Governor's proposal, a local government that did not complete accountability requirements by December 1 but satisfied the requirements by April 1, would be able to receive ("defer" instead of forfeit) its second and third revenue sharing payments in August. (Sec. 20-952(4)(e))

Date Completed: 2-15-17 Fiscal Analyst: Elizabeth Pratt