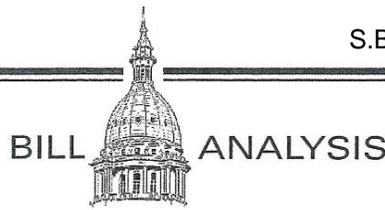




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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2014-15 YEAR-TO-DATE	FY 2015-16 CONFERENCE	CHANGES FROM FY 2014-15 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	14,179.3	14,174.3	(5.0)	(0.0)
<b>GROSS .....</b>	<b>2,022,721,700</b>	<b>1,962,226,000</b>	<b>(60,495,700)</b>	<b>(3.0)</b>
Less:				
Interdepartmental Grants Received .....	225,000	225,000	0	0.0
<b>ADJUSTED GROSS.....</b>	<b>2,022,496,700</b>	<b>1,962,001,000</b>	<b>(60,495,700)</b>	<b>(3.0)</b>
Less:				
Federal Funds.....	5,081,000	5,568,700	487,700	9.6
Local and Private .....	8,547,700	8,533,200	(14,500)	(0.2)
<b>TOTAL STATE SPENDING.....</b>	<b>2,008,868,000</b>	<b>1,947,899,100</b>	<b>(60,968,900)</b>	<b>(3.0)</b>
Less:				
Other State Restricted Funds.....	48,769,600	43,950,700	(4,818,900)	(9.9)
<b>GENERAL FUND/GENERAL PURPOSE.....</b>	<b>1,960,098,400</b>	<b>1,903,948,400</b>	<b>(56,150,000)</b>	<b>(2.9)</b>
<b>PAYMENTS TO LOCALS .....</b>	<b>115,714,000</b>	<b>114,323,600</b>	<b>(1,390,400)</b>	<b>(1.2)</b>

**FY 2014-15 Year-to-Date Gross Appropriation ..... \$2,022,721,700**

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

Items Included by the Senate and House

- Restoration of One-Time Executive Order 2015-5 Cuts.** Governor restored funding to budget lines which had been cut in Executive Order 2015-5 on a one-time basis for FY 2014-15. Senate and House concurred. 4,700,000
- Neal et al. Litigation Settlement Expiration.** Governor removed \$25.0 million GF/GP settlement payments with the Neal et al. civil case. Senate and House concurred. (25,000,000)
- One-Time Funding Removal.** Governor cut one-time costs for education enhancements, field mobilization costs, and the 70 x 7 life recovery program. Senate and House concurred. (2,085,900)
- Kinross/Hiawatha Facility Swap.** Governor recognized \$2.0 million GF/GP savings from transition of prisoners from Kinross to the Hiawatha facility in the Upper Peninsula. Senate and House concurred. (2,000,000)
- Electronic Monitoring Center Savings.** Governor identified \$1.0 million in funds that can be eliminated by the State purchasing rather than leasing the GPS and radio tethers. Senate and House concurred. (1,000,000)
- Relocation of Mental Health Pilot to DCH.** Governor moved this program to the DCH budget. Senate and House concurred. (1,000,000)
- Economic Adjustments.** Includes a negative \$14,406,000 Gross and a negative \$14,772,500 GF/GP for OPEB and \$9,153,100 Gross and \$9,608,400 GF/GP for other economic adjustments. Senate concurred. (5,252,900)
- Other Changes.** Governor reflected reduction in restricted revenue amounts. Senate and House concurred. (2,356,900)

Conference Agreement on Items of Difference

9. <b>Parole Sanction Certainty Pilot Program.</b> Senate initiated pilot program designed to bring sanction certainty to technical parole violators to reduce returns to prison. House did not include. Conference funded at \$0.5 million GF/GP.	500,000
10. <b>Goodwill 'Flip the Script' Program.</b> Governor and House excluded program from budget proposal. Senate rejected the cut and restored \$2.5 million GF/GP in funding. Conference allocated \$2.0 million GF/GP for program.	(500,000)
11. <b>IDG to DHS for Swift-and-Sure.</b> Governor and House withdrew \$1.0 million GF/GP in program funding in budget recommendation. Senate rejected the cut. Conference did not include.	(1,000,000)
12. <b>Program Reduction.</b> Senate reduced funding by \$3.5 million GF/GP through 'mid-year' true-up adjustment which reflects expenditures forecasted to be below the appropriated line-item amount. House reduced by \$6.3 million. Conference reduced funding by \$2.5 million GF/GP.	(2,500,000)
13. <b>Program and Special Equipment Fund Shift.</b> Governor and Senate shifted \$9.0 million of restricted funds to replace GF/GP for education and re-entry services to align budget priorities. House shifted additional funds. Conference concurred with Governor.	(9,000,000)
14. <b>Unified Physical/Mental Health Care Contract Savings.</b> Senate reduced aggregated healthcare line item by \$15.0 million to recognize 7% savings from Governor's budget as expected unified health care contract realizes reductions in overhead and administrative cost burden as has occurred in other states. House reduced by \$0.9 million GF/GP. Conference reduced by \$15.0 million GF/GP.	(15,000,000)
15. <b>Local Public Works Funding Authorization.</b> Conference restored \$1.0 million in restricted fund, \$0 GF/GP authorization for local public works projects.	1,000,000
<b>Total Changes</b> .....	(\$60,495,700)

<b>FY 2015-16 Conference Report Ongoing/One-Time Gross Appropriation</b> .....	<b>\$1,962,226,000</b>
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**Amount Over/(Under) GF/GP Target: \$0**

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

Items Included by the Senate and House

1. **Updated Amounts for Total Legacy Costs.** Governor updated total legacy costs section, the pension-related costs are: \$188,628,700 and the retiree health care costs are: \$143,701,900. Senate and House concurred with the update. (Sec. 5-246)

Conference Agreement on Items of Difference

2. **Deletions.** The Governor proposed the elimination of the majority of the current-year boilerplate; the approximately fifty-eight Sections or subsections proposed for elimination include: 204, 206, 207, 212, 214, 232, 238, 239, 247, 304, 305, 402, 403, 404, 406, 407, 409, 411, 412, 413, 417, 418, 420, 421, 431, 434, 436, 437, 504, 505, 508, 509, 510, 511, 601, 608, 611, 612, 615, 802, 803, 804(2), 805, 812, 814, 816, 904, 907, 911, 912, 913, 915, 937, 938, 940, 1011, 1051, and 1201. The deletions include a variety of reporting requirements, statements of legislative intent, and guidance on certain programs such as the LEAN program, Swift-and-Sure IDG to DHS, and the workforce development language. Senate concurred with ten of the deletions including 204, 404, 431, 435, 436, 504, 508, 510, 938, and 1051. Senate restored or modified the other sections deleted by the Governor. Conference retains some Senate and House sections.
3. **Definitions.** Fourteen definitions were eliminated from the bill, ranging from simple acronyms such as FTE meaning "full time equivalent", to broader definitions for concepts such as recidivism and cost per prisoner. Twenty-four definitions would remain in the bill with such terms as: full-time equivalent, offender target population, and serious mental illness. Senate concurred with Sec. 203(o), 203(r), and 203(t) deletions but restored all other definitions as well as adding Sec. 203(m) "EPIC" program. Conference included approximately 30 definitions in Sec. 5-203.

4. **Program and Special Equipment Fee Language Change.** Governor changed name of fund from 'special equipment fund' to 'program and special equipment fund'. Senate concurred with updated language. House had different language. Conference concurred with Governor. (Sec. 5-219)
5. **Contingency Funding Allowance Increase.** Governor and Senate increased the amount of State contingency funds allowed to be collected increased from \$5,000,000 to \$10,000,000 for the potential use for State restricted contingency if needed in FY 2015-16 in accordance with the program and special equipment fund shift. House did not include. Conference included modifications. (Sec. 5-229(2))
6. **Performance Metrics Language.** Governor did not include language. Senate modified language to update the requirements from the Department. The following thirteen line-items in the Senate recommendation would be subject to the current modified language: Executive direction, Reentry services, Education program, Community corrections, felony drunk driving, Residential services, Field operations, Parole sanction certainty pilot program, Substance abuse testing and treatment services, clinical and mental health services and support, Detroit re-entry center, Muskegon Correctional Facility, Southern region administration and support. House retained current year language. Conference adopted Senate language. (Sec. 5-247)
7. **Staff Savings Report.** Conference modified language to add a 60 business day response time component as well as reporting requirement to inform outcomes from staff suggestions. (Sec. 5-304)
8. **Effective Process Improvement and Communication (EPIC) Report.** Conference removed LEAN programming process language and added reporting requirement on EPIC program. (Sec. 5-403)
9. **County Jail Reporting.** Conference added subsection for county jail capacity report. (Sec. 5-414)
10. **Parole Sanction Certainty Pilot Program.** Conference added language to detail guidance on expenditures for this pilot program. (Sec. 5-421)
11. **MSI/Prosperity Region Nexus.** Senate modified Michigan State Industries reporting language to include labor force demand data as well as an identification of skills shortages in the Michigan Prosperity regions to achieve connection between program and geographic labor needs. Conference concurred. (Sec. 5-509)
12. **Parole Guideline Review.** Conference added language for parole board to review offenders with life sentences who are eligible to be paroled. (Sec. 5-616)
13. **Changes to Offsite Inpatient Medical Care Reports.** Governor deleted reporting requirement concerning off-site inpatient medical care and average length of stay in an off-site facilities. Senate restored language. House modified reporting language. Conference concurred with House. (Sec. 5-804(2))
14. **Cost Per Prisoner Report.** Senate added language to add marginal cost per prisoner by age cohort as another data point in the existing report. Conference did not include. (Sec. 5-904)
15. **Community Colleges Programming Eligibility.** Senate added language to allow for undergraduates and community colleges to find opportunities to collaborate with the Department on providing programming. Conference did not include. (Sec. 5-915)
16. **Visitation Center Access.** Conference added section to investigate opportunities to expand the access of the visitation space at the Central Michigan Correctional Facility. (Sec. 5-945)
17. **Religious Programming Prioritization.** Senate added language to give religious reentry service providers priority. Conference changed language to "may". (Sec. 5-1012)

Date Completed: 5-27-15

Fiscal Analyst: John P. Maxwell

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