



Senate Fiscal Agency
 P.O. Box 30036
 Lansing, Michigan 48909-7536



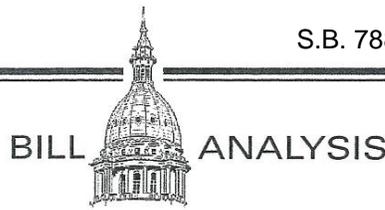
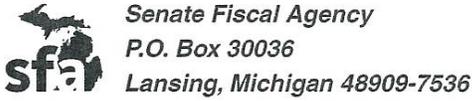
Telephone: (517) 373-2768
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[Vehicle for Governor's Recommendation line items is Senate Bill 823](#)

General Government Budgets
Total Gross and GF/GP Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 GOV.'S REC.	CHANGES FROM FY 2015-16 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	8,667.2	8,702.7	35.5	0.4
GROSS	4,832,876,900	4,913,603,000	80,726,100	1.7
Less:				
Interdepartmental Grants Received	742,192,600	762,996,600	20,804,000	2.8
ADJUSTED GROSS	4,090,684,300	4,150,606,400	59,922,100	1.5
Less:				
Federal Funds	825,221,900	832,556,900	7,335,000	0.9
Local and Private	23,304,200	23,150,200	(154,000)	(0.7)
TOTAL STATE SPENDING	3,242,158,200	3,294,899,300	52,741,100	1.6
Less:				
Other State Restricted Funds.....	2,061,135,600	2,147,558,700	86,423,100	4.2
GENERAL FUND/GENERAL PURPOSE	1,181,022,600	1,147,340,600	(33,682,000)	(2.9)
PAYMENTS TO LOCALS	1,442,808,900	1,454,415,700	11,606,800	0.8

See Individual Highlight Sheet for Department Detail



Telephone: (517) 373-2768
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Senate Bill 788 (as introduced)
Committee: Appropriations

[Vehicle for Governor's Recommendation line items is Senate Bill 823](#)

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 GOV.'S REC.	CHANGES FROM FY 2015-16 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	518.5	527.0	8.5	1.6
GROSS	92,107,600	95,185,800	3,078,200	3.3
Less:				
Interdepartmental Grants Received	28,533,900	28,989,700	455,800	1.6
ADJUSTED GROSS	63,573,700	66,196,100	2,622,400	4.1
Less:				
Federal Funds.....	9,278,600	9,476,700	198,100	2.1
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	54,295,100	56,719,400	2,424,300	4.5
Less:				
Other State Restricted Funds.....	17,281,700	17,578,900	297,200	1.7
GENERAL FUND/GENERAL PURPOSE	37,013,400	39,140,500	2,127,100	5.7
PAYMENTS TO LOCALS	0	0	0	0.0

FY 2015-16 Year-to-Date Gross Appropriation \$92,107,600

Changes from FY 2015-16 Year-to-Date:

1. **DTMB Rate Proposal. Governor:** Added new funding to allow the Department to collect fees from other State departments and agencies for services provided such as mailings, warehousing, and vehicle services. 82,100
2. **Home Protection Unit. Governor:** Provided new GF/GP funding of \$600,000 and added 4.0 FTE positions for continuing litigation costs related to the mortgage crisis settlement in 2012. 600,000
3. **Human Trafficking Commission. Governor:** Provided new Restricted funding of \$390,000 for costs related to prosecutions and public awareness efforts to combat human trafficking in Michigan. 390,000
4. **Removal of Five-Year Early-Out Deferred Sick Leave Payments. Governor:** Removed funding for early-out sick leave payments as Department obligations will be satisfied as of the end of FY 2015-16 for employees who opted into the 2010 Early Retirement Program, which deferred sick leave payments over five years. (472,200)
5. **Prosecuting Attorneys Coordinating Council. Governor:** Replaced Michigan Justice Training Funds (MJTF) with GF/GP in the FY 2015-16 enacted budget due to lower than anticipated revenue collections in the MJTF. Due to the loss of the MJTF, restricted revenue funds were reduced by \$162,400 for FY 2016-17 to reflect the loss of MJTF funds. (162,400)

6. FY 2016-17 One-Time Appropriations. Governor included one-time funding of \$700,000 and 4.5 FTE positions to develop a statewide drug enforcement strategy to battle prescription drug abuse in Michigan.	700,000
7. Unclassified Salaries. Governor: Increased funding by \$18,400 for total funding of \$754,000 for FY 2016-17.	18,400
8. Economic Adjustments. Includes \$421,800 Gross and \$155,200 GF/GP for OPEB and \$1,500,500 Gross and \$576,400 GF/GP for other economic adjustments.	1,922,300
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Total Changes	\$3,078,200
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FY 2016-17 Governor's Recommendation	\$95,185,800
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Boilerplate Changes from FY 2015-16 Year-to-Date:

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 Technology, Management, and Budget. Changes to those items can be found in the highlight sheet for the **General Sections**.
2. **Litigation Expense Reimbursement.** Appropriates up to \$500,000 from litigation expense reimbursements awarded to the State. Provides that funds may be used to pay litigation settlements or attorney fees assessed against the Office of the Governor, the Department of Attorney General or the Governor or Attorney General when they are acting in an official capacity as the named party in litigation against the State. **Governor:** Increased funding amount to \$1,500,000. (Sec. 308)
3. **Prisoner Reimbursement Funds.** Provides that the Department may spend up to \$611,900 of prisoner reimbursement funds on activities related to the State Correctional Facilities Reimbursement Act. **Governor:** Increased funding amount to \$625,200 due to economic increases. (Sec. 309)
4. **Mortgage Fraud Investigations. Governor:** Added new language stating 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. (**NEW** Sec. 313)
5. **Legacy Cost Estimates.** Total legacy costs are estimated at \$17,778,100. Of the total, Pension-related legacy costs are estimated at \$10,007,000 and retiree health care legacy costs are estimated at \$7,771,100 for fiscal year ending September 30, 2016. **Governor:** Provided the following Legacy Costs estimates for FY 2017: Total legacy costs estimated at \$18,361,000. Of that total, \$10,096,700 are for pension-related legacy costs and \$8,264,300 are for retiree health care legacy costs for the fiscal year ending September 30, 2017. (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)

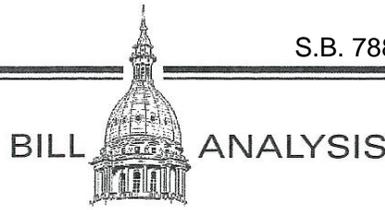
Date Completed: 2-17-16

Fiscal Analyst: Joe Carrasco, Jr.

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



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Senate Bill 788 (as introduced)
 Committee: Appropriations

[Vehicle for Governor's Recommendation line items is Senate Bill 823](#)

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 GOV.'S REC.	CHANGES FROM FY 2015-16 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	129.0	132.0	3.0	2.3
GROSS	16,128,700	16,721,900	593,200	3.7
Less:				
Interdepartmental Grants Received	286,700	293,600	6,900	2.4
ADJUSTED GROSS.....	15,842,000	16,428,300	586,300	3.7
Less:				
Federal Funds.....	2,721,700	2,763,000	41,300	1.5
Local and Private	18,700	18,700	0	0.0
TOTAL STATE SPENDING.....	13,101,600	13,646,600	545,000	4.2
Less:				
Other State Restricted Funds.....	151,900	151,900	0	0.0
GENERAL FUND/GENERAL PURPOSE.....	12,949,700	13,494,700	545,000	4.2
PAYMENTS TO LOCALS	0	0	0	0.0

FY 2015-16 Year-to-Date Gross Appropriation	\$16,128,700
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Changes from FY 2015-16 Year-to-Date:

1. DTMB Rate Proposal. Governor: Added new funding to allow the Department to collect fees from other State departments and agencies for services provided such as mailings, warehousing, and vehicle services.	20,100
2. Removal of Five-Year Early-Out Deferred Sick Leave Payments. Governor: Removed funding for early-out sick leave payments as Department obligations will be satisfied as of the end of FY 2015-16 for employees who opted into the 2010 Early Retirement Program, which deferred sick leave payments over five years.	(70,800)
3. FY 2016-17 One-Time Appropriations. Governor included the following one-time funding: \$100,000 and 1.0 FTE position for funding to support the operations of the Commission on Middle Eastern Americans Affairs; and \$250,000 and 2.0 FTE positions for the Advocates and Leaders for Police and Community Trust (ALPACT) to strengthen outreach and education efforts in the cities of Battle Creek, Muskegon Heights, and Traverse City.	350,000
4. Unclassified Salaries. Governor: Increased funding by \$16,100 for total funding of \$660,300 for FY 2016-17.	16,100
5. Economic Adjustments. Includes \$73,400 Gross and \$61,900 GF/GP for OPEB and \$204,400 Gross and \$167,700 GF/GP for other economic adjustments.	277,800
Total Changes	\$593,200
FY 2016-17 Governor's Recommendation	\$16,721,900

Boilerplate Changes from FY 2015-16 Year-to-Date:

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 Technology, Management, and Budget. 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 \$2,997,500. Of the total, pension-related legacy costs are estimated at \$1,701,400 and retiree health care legacy costs are estimated at \$1,296,100 for fiscal year ending September 30, 2016. **Governor:** Provided the following Legacy Costs estimates for FY 2017: Total legacy costs estimated at \$3,062,000. Of that total, \$1,697,800 are for pension-related legacy costs and \$1,364,200 are for retiree health care legacy costs for the fiscal year ending September 30, 2017. (Sec. 410)

Date Completed: 2-17-16

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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 GOV.'S REC.	CHANGES FROM FY 2015-16 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	74.2	74.2	0.0	0.0
GROSS	5,531,100	5,636,300	105,200	1.9
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	5,531,100	5,636,300	105,200	1.9
Less:				
Federal Funds.....	0	0	0	0.0
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	5,531,100	5,636,300	105,200	1.9
Less:				
Other State Restricted Funds.....	0	0	0	0.0
GENERAL FUND/GENERAL PURPOSE	5,531,100	5,636,300	105,200	1.9
PAYMENTS TO LOCALS	0	0	0	0.0

FY 2015-16 Year-to-Date Gross Appropriation	\$5,531,100
Changes from FY 2015-16 Year-to-Date:	
1. Executive Office Operations. Governor recommended a 1.9% overall increase for Executive Office operations.	105,200
Total Changes	\$105,200
FY 2016-17 Governor's Recommendation	\$5,636,300

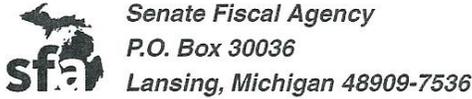
Boilerplate Changes from FY 2015-16 Year-to-Date:

1. There is no boilerplate for the Executive Office.

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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 GOV.'S REC.	CHANGES FROM FY 2015-16 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	0.0	0.0	0.0	0.0
GROSS	159,304,800	164,705,500	5,400,700	3.4
Less:				
Interdepartmental Grants Received	5,392,800	5,558,600	165,800	3.1
ADJUSTED GROSS	153,912,000	159,146,900	5,234,900	3.4
Less:				
Federal Funds.....	0	0	0	0.0
Local and Private	400,000	400,000	0	0.0
TOTAL STATE SPENDING	153,512,000	158,746,900	5,234,900	3.4
Less:				
Other State Restricted Funds.....	6,179,600	6,245,200	65,600	1.1
GENERAL FUND/GENERAL PURPOSE	147,332,400	152,501,700	5,169,300	3.5
PAYMENTS TO LOCALS	0	0	0	0.0

FY 2015-16 Year-to-Date Gross Appropriation	\$159,304,800
Changes from FY 2015-16 Year-to-Date:	
1. Auditor General Adjustment – Governor recommended a 2.7% overall increase for Auditor General operations.	611,400
2. Legislative Adjustment. The Governor increased overall funding for the Legislature by a total of 3.5%. The Senate received an increase of \$1.2 million overall while the House received an overall increase of \$2.1 million. The House and Senate Fiscal Agencies received an increase of \$74,100 each. The Legislative Council received an increase of \$639,100 while the Retirement System received an increase of \$97,300. The Farnum Building and the Cora Anderson House building received increases totaling \$482,800. Finally, the Governor included additional funding of \$205,600 for the State Capitol Historic Site line item (\$144,400 for general operations and \$61,200 for restoration, renewal and maintenance).	4,789,300
Total Changes	\$5,400,700
FY 2016-17 Governor's Recommendation	\$164,705,500

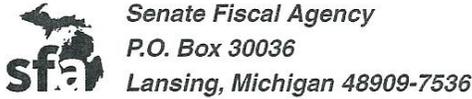
Boilerplate Changes from FY 2015-16 Year-to-Date:

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 Technology, Management, and Budget. Changes to those items can be found in the highlight sheet for the **General Sections**.

2. **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 \$500,000 and completion date of September 30, 2020. **Governor:** Increased cost estimate to \$2.0 million. (Sec. 606)
3. **Legislative Automated Processing.** Designates appropriations in Part 1 for automated data processing as work project appropriations. Includes estimated costs of \$500,000 and tentative completion date of September 30, 2020. **Governor:** Increased cost estimate to \$2.0 million. (Sec. 607)
4. **Legacy Cost Estimates.** Total legacy costs are estimated at \$28,034,00. Of the total, Pension-related legacy costs are estimated at \$15,465,300 and retiree health care legacy costs are estimated at \$12,568,700 for fiscal year ending September 30, 2016. **Governor:** Provided the following Legacy Costs estimates for FY 2017: Total legacy costs estimated at \$21,279,600. Of that total, \$11,998,700 are for pension-related legacy costs and \$9,280,900 are for retiree health care legacy costs for the fiscal year ending September 30, 2017. (Sec. 615)
5. **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:** Eliminated section. (Current Law Sec. 618)

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			AMOUNT	PERCENT
FTE Positions.....	1,587.0	1,587.0	0.0	0.0
GROSS	230,256,700	258,015,600	27,758,900	12.1
Less:				
Interdepartmental Grants Received	20,000,000	20,000,000	0	0.0
ADJUSTED GROSS	210,256,700	238,015,600	27,758,900	13.2
Less:				
Federal Funds.....	1,460,000	1,460,000	0	0.0
Local and Private	100	5,000,100	5,000,000	5,000,000.0
TOTAL STATE SPENDING	208,796,600	231,555,500	22,758,900	10.9
Less:				
Other State Restricted Funds.....	186,635,100	204,445,900	17,810,800	9.5
GENERAL FUND/GENERAL PURPOSE	22,161,500	27,109,600	4,948,100	22.3
PAYMENTS TO LOCALS	1,272,100	1,211,300	(60,800)	(4.8)

FY 2015-16 Year-to-Date Gross Appropriation **\$230,256,700**

Changes from FY 2015-16 Year-to-Date:

- 1. Removal of FY 2015-16 Supplemental Funding for Voting Machines. Governor:** (5,000,000)
Removed funding of \$5.0 million provided for voting machine replacements via PA 268 of 2015.
- 2. DTMB Rate Proposal. Governor:** Added new funding to allow the Department to collect fees from other State departments and agencies for services provided such as mailings, warehousing, and vehicle services. 188,300
- 3. MI-Time Line Maintenance. Governor:** Increased funding to allow the Department to service and maintain the 18 self-service kiosks located in certain branch offices that allow customers to sign-in to get into the queue for branch services. 470,000
- 4. Removal of Five-Year Early-Out Deferred Sick Leave Payments. Governor:** Removed funding for early-out sick leave payments as Department obligations will be satisfied as of the end of FY 2015-16 for employees who opted into the 2010 Early Retirement Program, which deferred sick leave payments over five years. (598,800)
- 5. Replacement of GF/GP with Transportation Administration Collection Fund (TACF) Revenue. Governor:** Replaced GF/GP funding with TACF revenue due to higher collections in revenue that are deposited into the TACF. The result is a net zero gross change but a decrease in GF/GP funding of \$500,000. 0
- 6. Look-Up Fee Increase. Governor:** Increased the fee for copies of motor vehicle records from \$8 per record requested to \$11 per record. The additional revenue is added to the TACF. 14,100,000

7. FY 2016-17 One-Time Appropriations. Governor included one-time funding of \$15.0 million for voting equipment replacement across local jurisdictions. Funding is split between GF/GP and local funding...\$10.0 million GF/GP and \$5.0 million in local funding.	15,000,000
8. Unclassified Salaries. Governor: Increased funding by \$15,300 for total funding of \$628,800 for FY 2016-17.	15,300
9. Economic Adjustments. Includes \$752,000 Gross and \$136,800 GF/GP for OPEB and \$2,832,100 Gross and \$313,300 GF/GP for other economic adjustments.	3,584,100
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Total Changes	\$27,758,900
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FY 2016-17 Governor's Recommendation	\$258,015,600
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Boilerplate Changes from FY 2015-16 Year-to-Date:

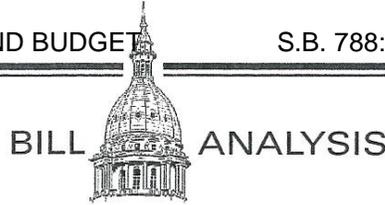
1. **Boilerplate Structure. Governor:** Moved boilerplate from the FY 2015-16 general sections that applied to all General Government budgets to the Article for the Department of Technology, Management, and Budget. Changes to those items can be found in the highlight sheet for the **General Sections**.
2. **Look-up Fees.** Provides for the Department to charge \$8.00 for each copy of a vehicle record that is requested. **Governor:** Increased fee to \$11 per record requested. Additional revenue of \$14.1 million is added in Part 1. (Sec. 703)
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. **Bridge Card Work Group.** Requires the Department to form a work group with the DHHS and the Michigan State Police to investigate methods to deter Bridge Card fraud. **Governor:** Eliminated section. (Current Law Sec. 722)
6. **Legacy System Replacements. Governor:** Added new language requiring the Department to modernize and expand the entire system and remove existing programs from the legacy mainframes. (**NEW** Sec. 722)
7. **Voting Machine Replacements. Governor:** Added new language directing the Department to use the additional funding added in Part 1 for replacement of voting equipment across local jurisdictions. (**NEW** Sec. 723)
8. **Legacy Cost Estimates.** Total legacy costs are estimated at \$31,253,000. Of the total, Pension-related legacy costs are estimated at \$17,739,100 and retiree health care legacy costs are estimated at \$13,513,900 for fiscal year ending September 30, 2016. **Governor:** Provided the following Legacy Costs estimates for FY 2017: Total legacy costs estimated at \$31,874,100. Of that total, \$17,673,400 are for pension-related legacy costs and \$14,200,700 are for retiree health care legacy costs for the fiscal year ending September 30, 2017. (Sec. 725)

Date Completed: 2-17-16

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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 GOV.'S REC.	CHANGES FROM FY 2015-16 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	2,844.0	2,867.0	23.0	0.8
GROSS	1,263,223,700	1,320,096,200	56,872,500	4.5
Less:				
Interdepartmental Grants Received	678,478,500	696,904,100	18,425,600	2.7
ADJUSTED GROSS.....	584,745,200	623,192,100	38,446,900	6.6
Less:				
Federal Funds.....	7,997,300	4,958,200	(3,039,100)	(38.0)
Local and Private	3,777,800	2,320,000	(1,457,800)	(38.6)
TOTAL STATE SPENDING.....	572,970,100	615,913,900	42,943,800	7.5
Less:				
Other State Restricted Funds.....	95,771,900	111,490,800	15,718,900	16.4
GENERAL FUND/GENERAL PURPOSE.....	477,198,200	504,423,100	27,224,900	5.7
PAYMENTS TO LOCALS	0	0	0	0.0

FY 2015-16 Year-to-Date Gross Appropriation \$1,263,223,700

Changes from FY 2015-16 Year-to-Date:

- 1. Removal of FY 2015-16 One-Time Appropriations. Governor:** Removed a total of \$5.2 million of the following one-time funding provided in the FY 2015-16 budget: Legal Services (\$1.0 million); Technology Services Funding - Treasury (\$3.0 million); Technology Services Funding - DTMB (\$600,000); Cost Study of PA 555 of 2014 (\$500,000); and Special Projects (\$105,000). (5,205,000)
- 2. DTMB Rate Proposal. Governor:** Added new funding to allow the Department to collect fees from other State departments and agencies for services provided such as mailings, warehousing, and vehicle services. 10,632,400
- 3. Enterprise Identity Management (MiLogin). Governor:** Added new GF/GP funding and 6.0 FTE positions for the MiLogin program that will allow a single sign-on and identity management tool to enable the State to establish, manage, and authenticate user identities for State IT systems. 6,700,000
- 4. Office of Good Government. Governor:** Added new funding of \$2.7 million (\$1.5 million GF/GP) and 6.0 FTE positions for costs related to employee engagement and citizen surveys that support various transformational initiatives. 2,678,700
- 5. Bureau of Labor Market Information and Strategic Initiatives (LMISI). Governor:** Increased local revenue funding by \$35,000 for a total of \$5.4 million to increase the authorization for LMISI to begin collecting revenue from local customers for customized data requests. 35,000

6. Michigan State Police Retirement Payout Adjustment. Governor:	Increased GF/GP funding to meet the payment obligations required of PA 168 of 2015 which provided increased pension payment adjustments for certain retired MSP personnel.	132,000
7. Information Technology (IT) - Alignment of IDG Funding. Governor:	Aligned its IDG funding with enacted FY 2015-16 appropriations for all departments.	5,551,500
8. Cyber Security. Governor:	Increased funding and added 2.0 FTE positions for second year of a multi-year program to enhance cyber security protection across all State IT systems.	5,000,000
9. Office of Retirement Services. Governor:	Increased restricted funding by \$3.6 million for total funding of \$30.8 million in FY 2016-17 and added 5.0 FTE positions to cover additional administrative costs to administer the various retirement system changes due to enacted legislation affecting both Defined Contribution and Deferred Compensation.	3,631,100
10. Enterprisewide Special Maintenance. Governor:	Decreased GF/GP funding for the ongoing appropriations for this item by \$3.5 million to provide maintenance services to State-owned buildings across the State. Total ongoing funding in FY 2016-17 decreases from \$29.5 million to \$26.0 million. Additional funding of \$10.0 million provides a total of \$36.0 million in funding for this item in FY 2016-17.	(3,500,000)
11. Office of Urban Initiatives. Governor:	Reduced funding for this line item by 40% for total funding of \$1.5 million for FY 2016-17.	(1,000,000)
12. Removal of Five-Year Early-Out Deferred Sick Leave Payments. Governor:	Removed funding for early-out sick leave payments as Department obligations will be satisfied as of the end of FY 2015-16 for employees who opted into the 2010 Early Retirement Program, which deferred sick leave payments over five years.	(1,595,500)
13. SBA Rent Adjustments. Governor:	Reduced funding by \$8.0 million for total funding of \$246.6 million for FY 2016-17 to realize lowered costs due to refinancing and the realization of cancellation of leases in July 2015 renegotiations.	(8,000,000)
14. Human Resources for TED. Governor:	Shifted funding and 4.0 FTE positions from the Department of Talent and Economic Development (TED) to the Civil Service Commission (CSC) for costs related to human resources which will be provided by the CSC.	710,000
15. FY 2016-17 One-Time Appropriations. Governor	included the following one-time funding: \$10.0 million for Enterprisewide Special Maintenance; \$5.0 million for legal services; \$7.5 million for finalizing relocation of State employees in Lansing office space; \$7.0 million for IT Investment Funds (ITIF) to provide \$5.0 million to Treasury for legacy system replacement and \$2.0 million for the SIGMA Project to leverage MiLogin capabilities; \$2.85 million for the Office of Retirement Systems for enterprise mandates and increased support costs; and \$900 for planning authorizations for SBA-authorized community college and university construction projects.	32,350,900
16. Unclassified Salaries. Governor:	Increased funding by \$24,400 for total funding of just over \$1.0 million for FY 2016-17.	24,400
17. Economic Adjustments.	Includes \$1,957,600 Gross and \$448,400 GF/GP for OPEB and \$6,922,000 Gross and \$1,597,800 GF/GP for other economic adjustments.	8,879,600
18. Other Changes.	The Governor included two miscellaneous changes including: a net zero Gross change for SWCAP, however change results in a negative adjustment to GF/GP funding of (\$296,600); and a negative adjustment of \$152,600 for Professional Development to comply with contracts.	(152,600)
Total Changes		\$56,872,500
FY 2016-17 Governor's Recommendation		\$1,320,096,200

Boilerplate Changes from FY 2015-16 Year-to-Date:

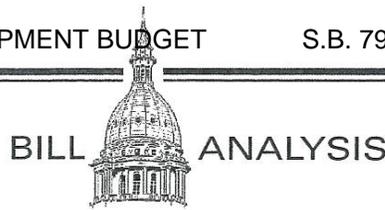
1. **Boilerplate Structure.** The Governor moved boilerplate from the FY 2015-16 general sections that applied to all General Government budgets to the Article for the Department of Technology, Management, and Budget. Changes to those items can be found in the highlight sheet for the **General Sections**.
2. **Legacy Cost Estimates.** Total legacy costs are estimated at \$76,745,400. Of the total, Pension-related legacy costs are estimated at \$43,527,000 and retiree health care legacy costs are estimated at \$33,218,400 for fiscal year ending September 30, 2016. **Governor:** Provided the following Legacy Costs estimates for FY 2017: Total legacy costs estimated at \$78,962,000. Of that total, \$43,795,600 are for pension-related legacy costs and \$35,166,400 are for retiree health care legacy costs for the fiscal year ending September 30, 2017. (Sec. 822e)
3. **Regional Prosperity Grants.** Provides boilerplate language describing the qualification process for the Regional Prosperity Grant Program. **Governor:** revised and updated the language, updated dates in subsection (9), and added new subparts within the section. (Sec. 822f)
4. **Legal Service Fund Report.** Requires a report by April 1 to the Legislature on the Legal Services Fund expenditures by case, purpose, and department involved. **Governor:** Moves section to one-time section of the bill but retains current section number. (Current Law Sec. 822g)
5. **Office of Good Government.** **Governor:** Added new language stating 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. (**NEW** Sec. 822J)
6. **Michigan Public Safety Communications System.** Provides that money appropriated in Part 1 for the Michigan Public Safety Communications System (MPSCS) shall be expended upon approval of an expenditure plan by the State Budget Director. **Governor:** Added new language requiring all fees charged to be deposited into the Michigan Public Safety Communications Systems Fees Fund. Also added carry-forward language. (Sec. 827)
7. **Modernization of State IT Systems.** **Governor:** Added new language stating that the increased funding shall be used to modernize the State's IT systems and integrate State system interfaces to improve customer service. (**NEW** Sec. 836)
8. **Cyber Security System Improvements.** **Governor:** Added new language stating that the increased funding for cyber security shall be used to increase cyber security by developing a comprehensive security framework. (**NEW** Sec. 837)
9. **Enterprise Identity Management (MiLogin).** **Governor:** Added new language stating 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. (**NEW** Sec. 838)
10. **Office of Retirement Services.** **Governor:** Added new language requiring the increased funding to be used for expanding the Office's IT capability so as to provide a 90% customer contact satisfaction level. (**NEW** Sec., 839)
11. **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: 810, 816, 819, 822, 822d, 822e, 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: 2-17-16

Fiscal Analyst: Joe Carrasco, Jr.



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Senate Bill 798 (as introduced)
 Committee: Appropriations

[Vehicle for Governor's Recommendation line items is Senate Bill 823](#)

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 GOV.'S REC.	CHANGES FROM FY 2015-16 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	1,613.0	1,609.0	(4.0)	(0.2)
GROSS	1,153,023,500	1,142,494,300	(10,529,200)	(0.9)
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS.....	1,153,023,500	1,142,494,300	(10,529,200)	(0.9)
Less:				
Federal Funds.....	764,102,800	773,944,800	9,842,000	1.3
Local and Private	10,052,500	6,119,000	(3,933,500)	(39.1)
TOTAL STATE SPENDING.....	378,868,200	362,430,500	(16,437,700)	(4.3)
Less:				
Other State Restricted Funds.....	180,411,200	192,341,600	11,930,400	6.6
GENERAL FUND/GENERAL PURPOSE.....	198,457,000	170,088,900	(28,368,100)	(14.3)
PAYMENTS TO LOCALS	11,224,800	11,224,800	0	0.0

FY 2015-16 Year-to-Date Gross Appropriation \$1,153,023,500

Changes from FY 2015-16 Year-to-Date:

- 1. Business Attraction and Community Revitalization.** The Governor increased appropriations to a total of \$115.5 million for FY 2016-17. Of the total increase, \$5.8 million is increased in ongoing and \$4.3 million is decreased in one-time appropriations. The increase in ongoing also includes \$2.0 million in 21st Century Jobs Trust Fund dollars, which was moved from Entrepreneurship Eco-System. 1,500,000
- 2. Skilled Trades Training Program.** The Governor increased this program using additional funds from the Contingent Fund, Penalty and Interest restricted fund. This increase brings total appropriations to \$35.6 million for FY 2016-17. 10,000,000
- 3. Statewide Data System Integration.** The Governor included one-time Federal and Restricted funds to create and support the Workforce Longitudinal Data Systems to meet new workforce data reporting requirements and establish an integrated service delivery plan. 8,778,500
- 4. Financial Literacy Pilot.** The Governor included one-time TANF funds for competitive grants to operate a financial literacy pilot program for FIP clients in up to three prosperity regions. 5,800,000
- 5. Community Ventures - Challenge Match.** The Governor included one-time GF/GP appropriations by using GF/GP to be used as a contingent only for matching private dollars as stated in Sec. 1069. 2,000,000
- 6. Removal FY 2015-16 one-time appropriations.** The Governor eliminated FY 2015-16 one-time appropriations including \$25.0 million for Film Incentives and \$5.15 million for Special Grants. (30,150,000)

7. Workforce Development Technical Adjustments. The Governor reduced various Federal (\$1,881,400), Private (\$8,000), Local (\$3,933,500), and State Restricted (\$2,764,800) fund sources in the Talent Investment Agency to reflect declining revenue due to decreased caseloads.	(8,587,700)
8. Entrepreneurship Eco-system. The Governor moved \$2.0 million in 21st Century Jobs Trust Fund dollars to Business Attraction and Community Revitalization.	(2,000,000)
9. Human Resource Transfer. The Governor transferred the human resource functions and 4.0 FTEs from the Talent Investment Agency and Michigan State Housing Development Authority to the Civic Service Commission.	(710,000)
10. Early Out 5-year Payout. Department obligations will be satisfied as of FY 2015-16 for employees who opted into the 2010 early retirement program, which deferred sick leave payments over five years.	(577,700)
11. Michigan Film Office. The Governor moved the funding and 6.0 FTEs in the Michigan Film Office to the Job Creation line-item.	0
12. Economic Adjustments. Includes \$2,199,400 Gross and \$263,400 in standard economic adjustment \$804,800 Gross and \$77,700 GF/GP for OPEB and \$413,500 Gross and \$0 GF/GP for other economic adjustments.	3,417,700
Total Changes	(\$10,529,200)
FY 2016-17 Governor's Recommendation	\$1,142,494,300

Boilerplate Changes from FY 2015-16 Year-to-Date:

1. **General Orders Sections.** The Governor included a number of standard boilerplate sections for the Department, which are included in the 200 sections. The numbering and language is changed to be consistent across departments.
2. **Deleted Sections.** The Governor removed a number of sections, which includes sections: 990 (MSHDA report), 991 (MSHDA broadband report), 1007 (MSF & MEDC activity report), 1010 (Jobs for Michigan report), 1014 (Core Community Fund), 1031 (spending plan report), 1033 (Film Incentive report), 1033b (Film Incentive intent language), 1034 (Business Incubator report), 1037 (Facility for Rare Isotope Beam Bond language), 1040 (State accounting system requirement), 1041 (appropriations transfer limit), 1053 (awards report), 1055 (Business Attraction and Community Revitalization benchmark requirement), 1056 (Film Incentive pension system payment), 1061 (Youth Entrepreneurship grant), 1069 (GED-to-school program), 1070 (Workforce Development Workshop), 1076 (UIA integration implementation report), 1077 (UIA quarterly report), and 1078 (UIA customer service standards).
3. **Modified Sections.** The Governor modified a number of sections, which includes sections: 1005 (Pure Michigan report), 1035 (Art & Culture grants restrictions), 1065 (Skilled Trades report date), 1066 (Skill Trades Federal matching restrictions), 1068 (Workforce Development report), and 1079 (Skilled trades metrics moved to 1065(h)).
4. **Business Attractions and Community Development Increase.** The Governor included benchmark requirements on the increases to Business Attraction and Community Development. (Sec. 1042a)
5. **Community Venture - Matching Funds.** The Governor included matching requirement language on the one-time Community Venture - Matching Funds appropriations. (Sec. 1069)
6. **Statewide System of Integration.** The Governor included program and reporting requirements on the implementation of the Statewide Systems of Integration. (Sec. 1081)
7. **Financial Literacy Pilot Program.** The Governor included program and reporting requirements on the one-time Financial Literacy Pilot Program. (Sec. 1082)
8. **Technical Changes.** The Governor made technical adjustments to section 981 (Legacy Costs adjustments and moved to Sec. 210), 1050 (moved to Sec. 1080), 1064 (moved to Sec. 1068(l)) and removing references to Film Incentives in sections 1032 (Film Office Report) and 1036 (appropriations transfer restriction).

Date Completed: 2-17-16

Fiscal Analyst: Cory Savino

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



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Senate Bill 788 (as introduced)
 Committee: Appropriations

[Vehicle for Governor's Recommendation line items is Senate Bill 823](#)

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 GOV.'S REC.	CHANGES FROM FY 2015-16 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	N/A	N/A	0.0	0.0
GROSS	156,449,000	137,037,000	(19,412,000)	(12.4)
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS.....	156,449,000	137,037,000	(19,412,000)	(12.4)
Less:				
Federal Funds.....	0	0	0	0.0
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING.....	156,449,000	137,037,000	(19,412,000)	(12.4)
Less:				
Other State Restricted Funds.....	0	0	0	0.0
GENERAL FUND/GENERAL PURPOSE.....	156,449,000	137,037,000	(19,412,000)	(12.4)
PAYMENTS TO LOCALS	0	0	0	0.0

FY 2015-16 Year-to-Date Gross Appropriation **\$156,449,000**

Changes from FY 2015-16 Year-to-Date:

- Clean Michigan Initiative.** The Governor increased debt service payments for this bond due to scheduled increases in bond payments with no new projected bonds being issued for FY 2016-17. This increased total debt service payments to \$89,477,000. 25,516,000
 - Great Lakes Water Quality Bonds.** The Governor increased debt service payments to this bond. Of the total, there was an \$8,005,000 reduction in scheduled payments and \$10,349,000 in projected new bond payments for \$200.0 million in new bond issuances for FY 2016-17. This increased total debt service payments to \$18,873,000. 2,344,000
 - Quality of Life Bonds.** The Governor reduced debt service payments to this bond due to projected decreases in scheduled bond payments with no new projected bonds being issued for FY 2016-17. This reduced total debt service payments to \$28,687,000. (47,272,000)
- Total Changes (\$19,412,000)

FY 2016-17 Governor's Recommendation **\$137,037,000**

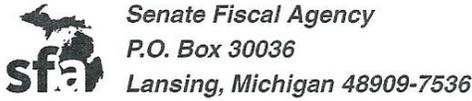
Boilerplate Changes from FY 2015-16 Year-to-Date:

- No Change

Date Completed: 2-17-16

Fiscal Analyst: Cory Savino

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Senate Bill 788 (as introduced)
Committee: Appropriations

[Vehicle for Governor's Recommendation line items is Senate Bill 823](#)

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 GOV.'S REC.	CHANGES FROM FY 2015-16 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	1,901.5	1,906.5	5.0	0.3
GROSS	536,197,100	518,001,500	(18,195,600)	(3.4)
Less:				
Interdepartmental Grants Received	9,500,700	11,250,600	1,749,900	18.4
ADJUSTED GROSS	526,696,400	506,750,900	(19,945,500)	(3.8)
Less:				
Federal Funds.....	39,661,500	39,954,200	292,700	0.7
Local and Private	9,055,100	9,292,400	237,300	2.6
TOTAL STATE SPENDING	477,979,800	457,504,300	(20,475,500)	(4.3)
Less:				
Other State Restricted Funds.....	354,049,500	359,595,500	5,546,000	1.6
GENERAL FUND/GENERAL PURPOSE	123,930,300	97,908,800	(26,021,500)	(21.0)
PAYMENTS TO LOCALS	209,657,300	186,270,700	(23,386,600)	(11.2)

FY 2015-16 Year-to-Date Gross Appropriation	\$536,197,100
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- Changes from FY 2015-16 Year-to-Date:**
- Free Individual e-file.** The Governor included one-time appropriations to allow development of free individual tax return e-file. This is supported by GF/GP. 2,842,500
 - DTMB rated service model.** The Governor included a new program that would allow the Department of Technology, Management, and Budget to bill the Department of Treasury by a standard rate plan instead of hourly billing for services. Of the Gross increase, \$511,100 is GF/GP. 1,563,000
 - Payments in Lieu of Taxes (PILT).** The Governor increased total PILT due to scheduled and statutory increases. Of the total, \$246,600 is State Restricted, \$1,300 is private funds, and \$1,056,800 is GF/GP. 1,304,700
 - Testing and Analytics Unit.** The Governor increased the Executive Direction line item to establish an ongoing unit providing analytics and testing for new systems and operations. This increase in general funds and an additional 4.0 FTEs is combined with \$2.0 million in existing funds and 14.0 FTEs. 750,000
 - Casino Gaming Information Technology (IT).** The Governor increased Casino Gaming IT to provide ongoing support and upgrades. This increase is supported by State Restricted revenue. 500,000
 - Horse Sample Testing.** The Governor transferred a portion of Horse Sample Testing from the Department of Agriculture. The funds supporting this transfer are from the Equine Development Fund. 250,000

7. Indian Casino Auditor. The Governor increased Casino Gaming Operations to allow for the hire of one auditor for Indian Casinos for to perform audits of local revenue sharing and financial files only. The increase is supported by State Restricted funds.	118,300
8. Removal of FY 2015-16 One-time Appropriations. The Governor removed One-Time appropriations from FY 2015-16 including Personal Property Tax payments (\$19.3 million), On-line Business Portal (\$600,000), and the Presidential Primary reimbursement (\$10.0).	(29,900,000)
9. Early Out 5-year Payment. Department obligations will be satisfied as of FY 2015-16 for employees who opted into the 2010 early retirement program, which deferred sick leave payments over five years. Of the total reduction, \$58,900 is from Federal funds, \$568,600 is from State Restricted funds, and \$73,800 is from GF/GP.	(701,300)
10. Urban Search and Research Task Force. The Governor eliminated the line item that supported this program.	(300,000)
11. Chaldean Community Foundation. The Governor eliminated the line item that supported this program.	(250,000)
12. State Restricted Fund Shift. The Governor shifted increased or available restricted fund revenue from Garnishment Fees (\$105,600), State Agency Collection fees (\$1,344,400), and Levy/Warrant Cost Assessment fees (300,000) to save a total of \$1.75 million general fund dollars.	0
13. Economic Adjustments. Includes \$4,083,400 Gross and 745,100 in standard economics, \$1,141,500 Gross and \$190,400 GF/GP for OPEB and \$402,300 Gross and \$116,400 GF/GP for other economic adjustments.	5,627,200
Total Changes	(\$18,195,600)
FY 2016-17 Governor's Recommendation	\$518,001,500

Boilerplate Changes from FY 2015-16 Year-to-Date:

1. **Deleted Section.** The Governor deleted a number of sections, which includes sections: 902a (notification of bond refinancing), 918 (Tax Orientation Workshop), 927 (Personal Property Tax Audits), 944 (Pension Plan Consultant Report Retention), 949a (Personal Property Tax Payments), 949c (Online Business Portal), 949d (Financial Review Commission), 949g (Urban Search and Rescue Task Force), and 963 (Ban on bridge cards being used to buy lottery tickets).
2. **General Order Sections.** The Governor included a number of standard boilerplate sections for the Department, which are included in the 200 sections.
3. **Financial Services Modification.** The Governor included language allowing Financial Services to utilize miscellaneous revenue in the event that there is a short fall in the Common Cash Earnings fund. (Sec. 904a)
4. **Write-Offs and Advances.** The Governor removed the reporting requirement for write-offs and advances. (Sec. 917)
5. **Unclaimed Property Audit Modification.** The Governor removed requirements that the Department recommend improvements to unclaimed property audits. (Sec. 919)
6. **Michigan Financial Authority Modification.** The Governor removed reporting requirements for the Michigan Financial Authority. (Sec. 934)
7. **Technical Adjustments.** The Governor made a number of technical adjustments, which includes date changes, office/division name changes, legacy cost adjustments, and removing references to new programs for programs entering the second year. This includes sections: 915, 926, 945, 947, 948 (now 214), 949b, and 949e.

Date Completed: 2-17-16

Fiscal Analyst: Cory Savino

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



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Senate Bill 788 (as introduced)
 Committee: Appropriations

[Vehicle for Governor's Recommendation line items is Senate Bill 823](#)

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 GOV.'S REC.	CHANGES FROM FY 2015-16 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	N/A	N/A	0.0	0.0
GROSS	1,220,654,700	1,255,708,900	35,054,200	2.9
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	1,220,654,700	1,255,708,900	35,054,200	2.9
Less:				
Federal Funds.....	0	0	0	0.0
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	1,220,654,700	1,255,708,900	35,054,200	2.9
Less:				
Other State Restricted Funds.....	1,220,654,700	1,255,708,900	35,054,200	2.9
GENERAL FUND/GENERAL PURPOSE	0	0	0	0.0
PAYMENTS TO LOCALS	1,220,654,700	1,255,708,900	35,054,200	2.9

FY 2015-16 Year-to-Date Gross Appropriation **\$1,220,654,700**

- Changes from FY 2015-16 Year-to-Date:**
- 1. Constitutional Revenue Sharing.** The Governor recommended an increase in constitutional revenue sharing of 3.9% to \$781,501,400. This is consistent with the January 2016 consensus revenue estimates. Constitutional revenue sharing distributes 15% of the sales tax levied at a 4% rate to cities, villages, and townships (CVTs) on a per capita basis. 29,386,700
 - 2. CVT Revenue Sharing.** The Governor reduced nonconstitutional (statutory) revenue sharing for CVTs by \$5.8 million to \$243,040,000, a 2.3% reduction. The proposal would eliminate 101 local units from eligibility for the per capita distribution of about \$2.65 which started in FY 2014-15. Another 15 local units that received a payment increase under the per capita distribution would have their payments reduced. All other CVTs would receive the same payment in FY 2016-17 as in FY 2015-16. (5,800,000)
 - 3. County Revenue Sharing and County Incentive Program.** The Governor increased funding by \$467,500 to cover the cost of counties that return to State-paid revenue sharing in FY 2016-17, for either the first full or part-year. County Revenue Sharing would increase by \$374,000 to \$172,134,000. The County Incentive Program would increase by \$93,500 to \$43,033,500. 467,500

<p>4. Competitive Grant Assistance Program (CGAP). The Governor proposed \$11.0 million for this program to provide grants to local units for costs associated with mergers, interlocal agreements, and cooperative efforts. The funding would consist of \$5.8 million in ongoing appropriations and \$5.2 million in one-time funding. The CGAP received State appropriations of \$15.0 million in FY 2011-12, FY 2012-13, and FY 2013-14, but has not received funding since then.</p>	11,000,000
<p>5. Financially Distressed Cities, Villages, or Townships. The Governor maintained funding for this grant program at \$5.0 million in FY 2016-17, the same level as in FY 2015-16. The program provides grants of up to \$2.0 million for CVTs with signs of fiscal distress for projects that move the city, village, or township toward financial stability.</p>	0
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Total Changes	\$35,054,200
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FY 2016-17 Governor's Recommendation	\$1,255,708,900
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Boilerplate Changes from FY 2015-16 Year-to-Date:

1. **City, Village, and Township Revenue Sharing Payment Calculation.** The Governor limited eligibility to those local units that received more than \$4,500 in FY 2009-10 in statutory revenue sharing. This would reduce eligibility from 587 CVTs in FY 2015-16 to 486 CVTs in FY 2016-17. Current year language allows each eligible CVT to receive the same payment in FY 2015-16 as in FY 2014-15, assuming that all accountability and transparency requirements are met. In FY 2015-16, each local unit with a population of more than 7,500 is eligible to receive either 78.51044% of its FY 2009-10 payment or a payment of \$2.64659 per capita, whichever is greater. The elimination of the per capita payments would exclude 101 local units from eligibility for the program and reduce payments to another 15 local units that received an increase under the per capita payment. Payments to other CVTs would not change. (Sec. 20-952(1))
2. **Extended Due Dates for Accountability and Transparency Reports.** The Governor recommended an extension in the time for cities, villages, townships, and counties to submit certifications needed to qualify for the full amount of revenue sharing for which they are eligible. Currently all eligible local governments receive the October payment of 1/6th of the amount for which they are eligible. Receipt of the remaining five payments requires that a local government has completed required certifications by the first day of the payment month. For a local government that did not file certifications by the first day of the December or February payment months, the local government would be able to defer (instead of forfeit) those payments, provided that certifications were completed by April 1. Deferred payments would be paid on the last business day of August. (Sec. 20-952(4)(e))
3. **Competitive Grant Assistance Program (CGAP).** The Governor recommended re-establishing CGAP, a grant program that provides assistance for projects associated with mergers, interlocal agreements, and cooperative efforts. The Department of Treasury would award the grants. Cities, villages, townships, and counties would be eligible for grants. In addition, authorities, school districts, intermediate school districts, public community colleges, and public universities would be eligible for grant funding for a project to combine operations with a city, village, township, or county. A work project would be established for any funds remaining at year-end. (Sec. 20-951)
4. **Performance Metrics for CGAP.** The Governor required the Department of Treasury to identify outcomes and performance metrics for CGAP, including grants awarded and mergers, consolidation of operations, and cooperative efforts of two or more governmental units. (Sec. 20-957)
5. **Revenue Sharing Workgroup.** The Governor deleted legislative intent language regarding a legislative workgroup on city, village, and township nonconstitutional revenue sharing. (Sec. 957)

Date Completed: 2-17-16

Fiscal Analyst: Elizabeth Pratt

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