



Telephone: (517) 373-2768  
Fax: (517) 373-1986

Senate Bill 793 (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.....	2,164.3	2,177.3	13.0	0.6
<b>GROSS</b> .....	<b>409,849,000</b>	<b>416,567,500</b>	<b>6,718,500</b>	<b>1.6</b>
Less:				
Interdepartmental Grants Received .....	46,068,700	46,923,800	855,100	1.9
<b>ADJUSTED GROSS</b> .....	<b>363,780,300</b>	<b>369,643,700</b>	<b>5,863,400</b>	<b>1.6</b>
Less:				
Federal Funds.....	63,674,900	63,818,100	143,200	0.2
Local and Private .....	1,020,300	565,700	(454,600)	(44.6)
<b>TOTAL STATE SPENDING</b> .....	<b>299,085,100</b>	<b>305,259,900</b>	<b>6,174,800</b>	<b>2.1</b>
Less:				
Other State Restricted Funds.....	258,603,600	262,446,700	3,843,100	1.5
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>40,481,500</b>	<b>42,813,200</b>	<b>2,331,700</b>	<b>5.8</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>28,225,700</b>	<b>28,225,700</b>	<b>0</b>	<b>0.0</b>

**FY 2015-16 Year-to-Date Gross Appropriation ..... \$409,849,000**

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

1. **Michigan Automated Prescription System (MAPS) Upgrades.** The Governor included additional GF/GP for upgrades to MAPS. Of the total, about \$2.0 million is ongoing spending for additional FTEs and vendor support costs, while \$2.5 million is one-time, and covers the IT upgrades themselves. 4,490,000
2. **Michigan Agency for Energy.** The Governor included additional Public Utility Assessment funds to support new staff to focus on the following areas: Energy mandates, emergency coordination and electric resiliency, demand response and waste reduction, reliability expenditures, and interagency cooperation. 984,300
3. **Michigan Liquor Control Commission IT Upgrades.** The Governor included additional one-time Liquor Purchase Revolving Fund appropriations to complete the ongoing upgrades to the three main MLCC IT systems. These systems cover product price quotations, online liquor ordering, and electronic file transfers. 1,560,000
4. **Higher Education Reciprocal Exchange.** As part of Supplemental Request 2016-4, the Governor included Distance Education Fund revenue to support the Department's efforts related to the Higher Education Authorization and Distance Education Reciprocal Exchange Act, (PA 45 of 2015). 300,000
5. **Detroit Demolition Permit Assistance.** The Governor removed appropriations for this program as the City of Detroit has resumed permitting responsibilities related to blight elimination. (800,000)

6. <b>Remove FY 2015-16 Supplemental Appropriations.</b> The Governor did not include funds appropriated in two FY 2015-16 supplementals, both of which were related to Flint water issues.	(2,200,000)
7. <b>Removal of Five-Year Early-Out Deferred Sick Leave Payments.</b> 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.	(934,700)
8. <b>Transfer of Deputy Director Positions from Unclassified to Classified.</b> The Governor included additional restricted funds to transfer deputy directors to classified positions rather than unclassified. A similar shift was made and reflected in the FY 2014-15 budget.	302,000
9. <b>Cost Adjustments.</b> The Governor included two cost adjustments; \$39,000 for rent charges for the Michigan Agency for Energy, and \$8,400 related to the transfer of the Bureau of Children and Adult Licensing to LARA from DHHS.	47,400
10. <b>Reduce Overstated Federal and Restricted Fund Appropriations.</b> The Governor reduced a number of line items to reflect revenues levels that are lower than appropriated. They include: \$455,300 from the Bureau of Fire Services; \$617,500 from the Corporations, Securities, and Commercial Licensing Bureau; \$591,000 from the Bureau of Services for Blind Persons; \$264,900 from the Radiation Safety Section; and \$1,651,500 from the Michigan Administrative Hearing System. It is expected that these appropriation reductions would not have an impact on the affected programs.	(3,580,200)
11. <b>Michigan Administrative Hearing System - Fund Shift.</b> The Governor included a fund shift that would reduce GF/GP to this program by \$370,000 and replace it with Corporation Fees.	0
12. <b>Bureau of Community and Health Services - Fund Shift.</b> The Governor included a fund shift that would reduce GF/GP to this program by \$347,400 and replace it with Health Systems Fees.	0
13. <b>Economic Adjustments.</b> Includes \$1,268,300 Gross and \$108,900 GF/GP for OPEB and \$5,281,400 Gross and \$459,300 GF/GP for other economic adjustments.	6,549,700
<hr/>	
Total Changes .....	\$6,718,500
<hr/>	
<b>FY 2016-17 Governor's Recommendation .....</b>	<b>\$416,567,500</b>
<hr/>	

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

1. **Metrics for New/Increased Programs.** The Governor removed a requirement that proposals for new programs or increases over \$500,000 be accompanied by proposed metrics. (Sec. 205)
2. **Communication with the Legislature.** The Governor removed a prohibition against taking disciplinary action against Department employees who communicate with the Legislature. (Sec. 215)
3. **Report Retention.** The Governor removed a requirement that reports be retained according to State and Federal laws. (Sec. 212)
4. **Office Space Inventory.** The Governor removed a report on the amount of office space owned or leased by the Department. (Sec. 219)
5. **TV or Radio Productions.** The Governor removed a prohibition against the Department producing radio or TV productions. (Sec. 232)
6. **Training/Informational Event Fees.** The Governor removed a requirement that the Department produce a report on the revenue and expenditures related to providing training and informational events. (Sec. 241[5])
7. **Reinventing Performance in Michigan- Cost Recovery.** The Governor removed a section requiring the Department to work with other departments to recover costs for this program. (Sec. 243)

8. **Regulatory Activities Report.** The Governor removed a report providing details on licensing/regulatory activities undertaken by each agency or bureau in the Department. (Sec. 248)
9. **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. 252)
10. **Health Professional Disciplinary Actions - Post on Web.** The Governor removed a section requiring the disciplinary actions taken against health professionals to be available through the Department's licensing verification website. (Sec. 512)
11. **Bureau of Children and Adult Licensing (BCAL) - Increase Staff and Report.** The Governor removed a requirement that additional funds for BCAL be used to hire staff, and that the Department report on improvements achieved using those funds. (Sec. 514)
12. **BCAL Fees.** The Governor included a new section requiring the Department to assess and collect fees for childcare and adult foster care organizations as defined by law. (Sec. 12-515 of Gov's Rec)
13. **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)
14. **Youth Low-Vision Program Report.** The Governor removed a report on this program. (Sec. 706)
15. **MLCC IT Upgrades.** The Governor included a new section identifying metrics for one-time funds for MLCC IT upgrades. (Sec. 12-905 of Gov's Rec)
16. **MAPS Upgrades.** The Governor included a new section identifying metrics for one-time funds included for an upgrade to the MAPS system. (Sec. 12-906 of Gov's Rec)
17. **Anticipated Appropriations for FY 2016-17.** The Governor removed this section. (Sec. 1201)
18. **Intent to Identify Legacy Costs for FY 2016-17.** The Governor removed this section. (Sec. 1202)

Date Completed: 2-18-16

Fiscal Analyst: Josh Sefton