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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 CONFERENCE	CHANGES FROM FY 2015-16 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	2,164.3	2,170.3	6.0	0.3
GROSS	409,849,000	421,062,400	11,213,400	2.7
Less:				
Interdepartmental Grants Received	46,068,700	46,923,800	855,100	1.9
ADJUSTED GROSS	363,780,300	374,138,600	10,358,300	2.8
Less:				
Federal Funds	63,674,900	63,818,100	143,200	0.2
Local and Private	1,020,300	363,400	(656,900)	(64.4)
TOTAL STATE SPENDING	299,085,100	309,957,100	10,872,000	3.6
Less:				
Other State Restricted Funds	258,603,600	266,236,000	7,632,400	3.0
GENERAL FUND/GENERAL PURPOSE	40,481,500	43,721,100	3,239,600	8.0
PAYMENTS TO LOCALS	28,225,700	32,625,700	4,400,000	15.6

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

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

Items Included by the Senate and House

- Michigan Liquor Control Commission IT Upgrades.** The Governor, House, and Senate 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
- Higher Education Reciprocal Exchange.** As part of Supplemental Request 2016-4, the Governor, House, and Senate 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
- Detroit Demolition Permit Assistance.** The Governor, House, and Senate removed appropriations for this program as the City of Detroit has resumed permitting responsibilities related to blight elimination. (800,000)
- Remove FY 2015-16 Supplemental Appropriations.** The Governor, House, and Senate did not include funds appropriated in two FY 2015-16 supplementals, both of which were related to Flint water issues. (2,200,000)
- Removal of Five-Year Early-Out Deferred Sick Leave Payments.** 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)

- 6. **Cost Adjustments.** The Governor, House, and Senate 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
 - 7. **Reduce Overstated Federal and Restricted Fund Appropriations.** The Governor, House, and Senate 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)
 - 8. **Michigan Administrative Hearing System - Fund Shift.** The Governor, House, and Senate included a fund shift that would reduce GF/GP to this program by \$370,000 and replace it with Corporation Fees.

0
 - 9. **Bureau of Community and Health Services - Fund Shift.** The Governor, House, and Senate included a fund shift that would reduce GF/GP to this program by \$347,400 and replace it with Health Systems Fees.

0
 - 10. **Economic Adjustments.** 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
- Conference Agreement on Items of Difference
- 11. **First Responder Presumed Coverage Fund.** The Senate included GF/GP revenue to support qualified claims from this fund, which pays worker's compensation claims for firefighters with certain illnesses. The House included \$3.0 million from the Forest Development Fund; the Conference funded the program using unspecified state restricted funds.

3,000,000
 - 12. **Firefighter Training Grants.** The Senate included additional Fireworks Safety Fund revenue to increase the total amount available for grants to \$2.0 million. The House increased the program by \$500,000; the Conference concurred with the Senate increase.

1,000,000
 - 13. **Transfer of Deputy Director Positions from Unclassified to Classified.** The Governor and Senate 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. The House did not include this item; the Conference included it.

302,000
 - 14. **Michigan Automated Prescription System (MAPS) Upgrades.** The Governor, House, and Senate 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. The Conference included only the \$2.0 million in ongoing funds.

2,020,000
 - 15. **Michigan Agency for Energy.** The Governor included \$984,300 in 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. The House and Senate did not include this item. The Conference included funding for four of the five requested positions.

601,300
 - 16. **Oil Overcharge Elimination.** The Governor and Senate replaced \$30,000 in appropriation authority from the defunct oil overcharge fund source with public utility assessments. The House and Conference removed the defunct fund source, but did not replace it.

(30,000)

17. Bureau of Fire Services (BFS) Fund Shift and Reduction. The House moved the Plan Review Division of BFS to the Bureau of Construction Codes, and reduced its funding by \$500,000 and 4.0 FTEs. The Conference did not shift funds or reduce funding, but did remove 2.0 FTEs.	0
18. Fire Protection Grant Enhancement. The House provided a \$3.4 million increase for fire protection grants using Liquor Purchase Revolving Fund revenue. The Conference provided this increase as a one-time payment using GF/GP.	3,400,000
19. Executive Budget Revision 2017-3. The Conference reflected this revision to the Governor's Recommendation which moved the Hispanic/Latino Commission, Asian Pacific American Affairs Commission, and Commission on Middle Eastern American Affairs to LARA, and moved the Office of Regulatory Reinvention to DTMB.	(22,100)
20. FY 2016-17 One-Time Gross Appropriations. \$1.6 million for Liquor Control Commission IT upgrades and \$3.4 million for enhancement to fire protection grants.	
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Total Changes	\$11,213,400
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FY 2016-17 Conference Report Ongoing/One-Time Gross Appropriation	\$421,062,400
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Amount Over/(Under) GF/GP Target: \$0	
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Boilerplate Changes from FY 2015-16 Year-to-Date:

Items Included by the Senate and House

1. **Metrics for New/Increased Programs.** The Governor removed, and House and Senate retained a requirement that proposals for new programs or increases over \$500,000 be accompanied by proposed metrics. (Sec. 216)
2. **Communication with the Legislature.** The Governor removed, and House and Senate retained a prohibition against taking disciplinary action against Department employees who communicate with the Legislature. (Sec. 218)
3. **Report Retention.** The Governor removed, and House and Senate retained a requirement that reports be retained according to State and Federal laws. (Sec. 217)
4. **TV or Radio Productions.** The Governor removed, and House and Senate retained a prohibition against the Department producing radio or TV productions. (Sec. 219)
5. **Reinventing Performance in Michigan- Cost Recovery.** The Governor, House, and Senate removed a section requiring the Department to work with other departments to recover costs for this program. (Sec. 243 of current-year budget)
6. **Bureau of Services for Blind Persons (BSBP) - Identify Federal Match.** The Governor removed, and House and Senate retained a requirement that BSBP work with service organizations to identify qualified Federal match dollars. (Sec. 705)
7. **Youth Low-Vision Program Report.** The Governor removed, and House and Senate retained a report on this program. (Sec. 706)

8. **MLCC IT Upgrades.** The Governor, House, and Senate included a new section identifying metrics for one-time funds for MLCC IT upgrades. (Sec. 905)

Conference Agreement on Items of Difference

9. **Out-of-State Travel Limitation.** The Senate modified an existing out-of-state travel reporting requirement section to also prohibit out-of-state travel except in certain circumstances. The House included the current-year version of the language. The Conference concurred with the Senate changes. (Sec. 207)
10. **Office Space Inventory.** The Governor and House removed, and Senate retained a report on the amount of office space owned or leased by the Department. The Conference did not include this section. (Sec. 219 of Senate bill)
11. **Training/Informational Event Fees.** The Governor and Senate removed a requirement that the Department produce a report on the revenue and expenditures related to providing training and informational events. The House retained the report; the Conference removed it. (Sec. 223[5] of House bill)
12. **Regulatory Activities Report.** The Governor removed, and House and Senate retained a report providing details on licensing/regulatory activities undertaken by each agency or bureau in the Department. The House made some changes to the section, with which the Conference concurred. (Sec. 226)
13. **Carbon Dioxide Capture - Explore Policies.** The House included language requiring the Michigan Agency for Energy to explore policies related to carbon dioxide capture. The Conference included the language and expanded it to require a report. (Sec. 301)
14. **Employee Performance Monitoring.** The Governor and House removed, and Senate retained a section stating the intent of the Legislature that the Department establish an employee performance monitoring process in addition to what is required by the Civil Service Commission. The Conference retained the section. (Sec. 227)
15. **Liquor Control Commission Permit Delays.** The Senate included a new section requiring the Commission to utilize funds to invest in free or paid software upgrades to reduce delays in issuing certain liquor licenses. The Conference included this section. (Sec. 401)
16. **Direct Shipper Enforcement Investigations.** The Senate included a new section requiring the Liquor Control Commission to investigate and audit unlawful direct shipments of alcoholic beverages using the funds dedicated to that purpose in statute. The Conference included this section. (Sec. 402)
17. **Health Professional Disciplinary Actions - Post on Web.** The Governor and House removed, and Senate retained a section requiring the disciplinary actions taken against health professionals to be available through the Department's licensing verification website. The Conference removed this section. (Sec. 512 of Senate bill)
18. **Bureau of Children and Adult Licensing (BCAL) - Increase Staff and Report.** The Governor and House removed, and Senate retained a requirement that additional funds for BCAL be used to hire staff, and that the Department report on improvements achieved using those funds. The Conference removed this section. (Sec. 514 of Senate bill)
19. **BCAL Fees.** The Governor and Senate included a new section requiring the Department to assess and collect fees for childcare and adult foster care organizations as defined by law. The House included the section along with a report on the fees; the Conference concurred with the House language. (Sec. 515)
20. **Sawmill Inspections.** The Senate included a new section requiring the department to inspect sawmills and report to the Legislature. The Conference included a modified version of this section. (Sec. 516)

21. **Opioid Overprescription Report.** The Senate included a new section requiring a report on overprescribers of opioids. The Conference included a modified version of this section. (Sec. 517)
22. **Nursing Home Closure Notification.** The Conference included a new section requiring the Department to notify the legislators who represent a district where a nursing facility is to be closed, upon receipt of an order of suspension. (Sec. 518)
23. **First Responder Presumed Coverage Fund Payments.** The House and Senate included language allowing these funds to be spent on qualified claims. The Conference included a modified version of this section. (Sec. 701)
24. **MAPS Upgrades.** The Governor, House, and Senate included a new section identifying metrics for one-time funds included for an upgrade to the MAPS system. The Conference included a modified version of this section that allows for certain data from the system to be shared for research purposes, provided patient identities are not disclosed. (Sec. 519)
25. **Anticipated Appropriations for FY 2016-17.** The Governor removed and Senate retained this section. (Sec. 1201)

Date Completed: 6-1-16

Fiscal Analyst: Josh Sefton

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