



Senate Fiscal Agency
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 BILL ANALYSIS

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Senate Bill 798 (as introduced)

[Vehicle for Governor's Recommendation line items is Senate Bill 800](#)

Committee: 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.....	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:

- 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
- 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
- Statewide Data System Integration.** The Governor included one-time Federal 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
- 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
- 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
- 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. 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

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