



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

BILL ANALYSIS

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

**Senate Bill 800 (S-1):
FY 2016-17 General Omnibus Appropriation Bill**

Bill Page Nos.

- Article I – Department of Agriculture and Rural Development (S.B. 782)..... 1 - 28
- Article V – Department of Corrections (S.B. 785)28 - 87
- Article VI – Department of Education (S.B. 786)87 - 116
- Article VII – Department of Environmental Quality (S.B. 787).....116 - 148
- Article VIII – General Government* (S.B. 788)149 - 325
- Article X – Department of Health and Human Services (S.B. 789)325 - 499
- Article XI – Department of Insurance and Financial Services (S.B. 791)499 - 514
- Article XII – Judiciary (S.B. 792).....514 - 537
- Article XIII – Department of Licensing and Regulatory Affairs (S.B. 793) 537 - 576
- Article XIV – Department of Military and Veterans Affairs (S.B. 794).....576 - 612
- Article XV – Department of Natural Resources (S.B. 795).....612 - 646
- Article XVI – Department of State Police (S.B. 797).....646 - 682
- Article XVII – Department of Transportation (S.B. 799)682 - 723

* General Government includes FY 2016-17 appropriations for the following budget areas: Attorney General; Civil Rights; Executive; Legislature; State; Talent and Economic Development; Technology, Management, and Budget; and Treasury.

Date Completed: 5-6-16

General Omnibus Appropriation Bill Senate Bill 800 (S-1)		
Department/Budget Area	FY 2016-17 Gross Appropriation	FY 2016-17 GF/GP Appropriation
Agriculture and Rural Development	\$93,091,300	\$49,536,900
Attorney General	97,085,800	41,040,500
Civil Rights	16,746,900	13,519,700
Corrections	2,020,807,400	1,969,457,900
Education	321,709,200	80,381,300
Environmental Quality	513,499,400	47,686,400
Executive	5,636,300	5,636,300
Health and Human Services	24,783,861,400	4,350,767,400
Insurance and Financial Services	66,307,200	150,000
Judiciary	297,411,400	188,334,800
Legislative Auditor General	23,451,900	15,923,900
Legislature	142,753,600	138,077,800
Licensing and Regulatory Affairs	419,583,200	45,813,200
Military and Veterans Affairs	176,710,200	57,643,600
Natural Resources	398,154,100	39,810,000
State	238,915,600	27,109,600
State Police	662,556,500	415,743,200
Talent and Economic Development	1,141,680,500	169,275,100
Technology, Management, and Budget	1,316,141,300	500,468,200
Transportation	4,025,203,600	10,400,000
Treasury-Debt Service	137,037,000	137,037,000
Treasury-Operations	519,001,600	98,408,900
Treasury-Revenue Sharing	1,255,955,300	246,400
Total General Omnibus Appropriations.....	\$38,673,300,700	\$8,402,468,100

Education Omnibus Appropriation Bill Senate Bill 801 (S-1)		
Department/Budget Area	FY 2016-17 Gross Appropriation	FY 2016-17 GF/GP Appropriation
Community Colleges	\$399,025,600	\$138,610,800
Higher Education.....	1,599,807,200	1,262,418,500
School Aid K-12	14,107,112,300	226,000,000
Total Education Omnibus Appropriations.....	\$16,105,945,100	\$1,627,029,300

	FY 2016-17 Gross Appropriation	FY 2016-17 GF/GP Appropriation
TOTAL GENERAL/EDUCATION APPROPRIATIONS	\$54,779,245,800	\$10,029,497,400



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



BILL ANALYSIS

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

Senate Bill 800 (S-1 as passed by the Senate)
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 SENATE-PASSED	CHANGES FROM FY 2015-16 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	454.0	473.0	19.0	4.2
GROSS	89,594,000	93,091,300	3,497,300	3.9
Less:				
Interdepartmental Grants Received	317,300	323,200	5,900	1.9
ADJUSTED GROSS.....	89,276,700	92,768,100	3,491,400	3.9
Less:				
Federal Funds.....	13,427,900	10,471,200	(2,956,700)	(22.0)
Local and Private	128,100	130,700	2,600	2.0
TOTAL STATE SPENDING.....	75,720,700	82,166,200	6,445,500	8.5
Less:				
Other State Restricted Funds.....	32,647,100	32,629,300	(17,800)	(0.1)
GENERAL FUND/GENERAL PURPOSE.....	43,073,600	49,536,900	6,463,300	15.0
PAYMENTS TO LOCALS	4,750,000	4,750,000	0	0.0

FY 2015-16 Year-to-Date Gross Appropriation	\$89,594,000
--	---------------------

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

- Laboratory Upgrades.** Governor recommended GF/GP funded upgrades to departmental lab services, including the Geagley Lab \$350,000 and 2.5 FTE for food and feed section, \$70,000 and 0.5 FTE for pesticide, \$280,000 and 2.0 FTE for dairy, and \$770,000 for lab equipment, with \$140,000 and 1.0 FTE for the Heffron Lab. Senate reduced the increase for lab equipment by \$200,000 GF/GP. 1,410,000
- Heffron Lab Funding Adjustment.** Governor added \$900,000 GF/GP for the Heffron Lab to counter declining receipt of restricted revenue. Senate reduced the added GF/GP for the Heffron Lab to \$80,000. 80,000
- Rural Development Fund Grant Program.** Governor and Senate recommended the establishment of a new grant program per Public Act 411 of 2012, funded by severance tax revenue from mining (\$2.0 million restricted), which would be used for a grant and/or loan program governed by an appointed board which would establish criteria for grants and/or loans to meet goal of addressing energy, transportation, communications, and water and wastewater infrastructure issues in rural communities. 2,000,000
- On-Farm Safety Requirements.** Governor and Senate recommended \$1,169,000 GF/GP and 2.0 FTEs to provide informational assistance to farmers to support the implementation of the on-farm requirements under the new Federal Food Safety Modernization Act, providing MDARD itself with \$339,000 and \$440,000 being provided to Michigan State University Extension, and \$390,000 to State Conservation Districts for this objective. 1,169,000

5. Geagley Lab Funding Adjustment. Governor and Senate recommended the shift of the responsibility of providing lab services for equine racing to contracted services under the Department of Treasury's Gaming Commission and supplanted \$600,200 in lost restricted revenue from this service with \$600,000 GF/GP.	(200)
6. Farmland Preservation Program. Governor and Senate recommended adding \$500,000 GF/GP due to declining restricted revenue support, for total funding of \$1,422,100 for FY 2016-17.	500,000
7. Diagnostic Center for Population and Animal Health. Senate provided \$1.0 million in operational support for center.	1,000,000
8. Eastern Market Food Innovation Zone. Senate provided a one-time grant for Eastern Market initiative.	200,000
9. Muskegon Farmers Market Food Incubator. Senate shifted \$100 from Agriculture Development to provide a placeholder for a one-time grant.	0
10. Refined Petroleum Fund (RPF). Governor and Senate recommended the replacement of \$1.5 million in RPF revenue support with GF/GP, leaving \$2,373,200 in RPF support for FY 2016-17.	0
11. Commercial Forestry Audit Program. Governor and Senate recommended the elimination of funding of \$300,000 GF/GP due to the completion of the audit project.	(300,000)
12. Economic Grants Development. Governor recommended the elimination of two competitive economic development GF/GP grant programs, including County Fairs Capital Improvement Grants (\$300,000) and grants for Shows and Expositions (\$20,000). Senate retained the grants.	0
13. Value-Added Grants. Governor recommended the reduction of the on-going grant program by \$150,000 GF/GP, leaving an appropriation of \$500,000 GF/GP for FY 2016-17. Senate provided an appropriation of \$1.5 million.	850,000
14. Administrative Reductions. Governor and Senate recommended a savings of \$99,100 GF/GP through unfilled vacant positions.	(99,100)
15. Qualified Forest Fund. Governor and Senate recommended a reduction in GF/GP support for program, which would be funded at \$2,582,700 in FY 2016-17.	(130,000)
16. Five-Year Early-Out Deferred Sick Leave Payments. Governor and Senate recommended an elimination of payments, as department obligations would 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 for a savings of (\$237,600) Gross, (\$101,100) GF/GP.	(237,600)
17. Removal of One-Time Funding. Governor and Senate recommended the elimination of FY 2015-16 one-time GF/GP funding for Value-Added Grants (\$550,000), Fruit Tree Research Grants (\$500,000), and the Geagley Lab (\$150,000), as well as a one-time Federal biofuel cost-share grant (\$3.0 million).	(4,200,000)
18. Technical Revenue Adjustments. Governor and Senate recommended adjustments to reflect anticipated revenues, expenditure levels, and GF/GP increases needed for IT maintenance and support charges for mobile worker system, (\$57,900) Gross, \$257,000 GF/GP.	(57,900)
19. Economic Adjustments. Includes \$277,900 Gross and \$151,300 GF/GP for OPEB and \$1,035,200 Gross and \$576,200 GF/GP for other economic adjustments.	1,313,100
20. Comparison to Governor's Recommendation. Senate is \$1.5 million Gross and \$1.5 million GF/GP over the Governor.	

Total Changes	\$3,497,300
---------------------	-------------

FY 2016-17 Senate-Passed Gross Appropriation.....	\$93,091,300
--	---------------------

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

1. **Receipt and Expenditure of Fees.** Governor and Senate eliminated a report requirement to the Legislature and instead required an Internet posting of related activities along with notification of the posting. Senate added language allowing receipt and expenditure of fees and labeling them as carryforward funds that shall not lapse to the General Fund. (Sec. 301)
2. **On-Farm Food Safety Program.** Governor and Senate added a new boilerplate section outlining goals and procedures for a new program to assist farmers to comply with the new Federal Food Safety Modernization Act requirements. (Sec. 403)
3. **MDARD, USDA TB Monitoring.** Governor and Senate removed section requiring cooperation to monitor TB by referencing a May 2014 memorandum of understanding between MDARD and the USDA and combined it into a new section. (Sec. 457)
4. **Animal ID.** Governor and Senate removed a prohibition of using electronic tags on anything other than cattle. (Sec. 456)
5. **MDARD TB Collaboration with USDA.** Governor and Senate amended current language, which required cooperation to monitor TB by referencing a May 2014 memorandum of understanding between the two. (Sec. 457)
6. **Aquaculture Inspection and Testing.** Governor and Senate removed intent language that stated that the Department is required to work with the industry to identify, contain, and eradicate viral hemorrhagic septicemia in the State. (Sec. 458)
7. **Commercial Forestry Audit Program.** Governor and Senate eliminated section providing guidelines and procedures for the audit due to the completion of the program. (Sec. 609)
8. **Freshwater Protection Fund.** Governor and Senate eliminated language requiring the Department not to use more than \$500,000 for replacement of the data system for the Michigan Agriculture Environmental Assurance Program. (Sec. 610)
9. **Laboratory Program.** Governor and Senate added a new boilerplate section requiring the turn-around times at Geagley Lab to increase from 30-50% to 75-80% and the implementation of a risk based inspection program on devices and package content in the consumer protection program in FY 2016-17, and to track program outcomes. (Sec. 701)
10. **Value-Added Grant Program.** Governor and Senate amended language with a requirement to post on line program data, including information on grants and program outcomes. (Sec. 701)
11. **Rural Development Fund Board.** Governor and Senate added a new boilerplate section requiring the Department to work with the board to establish processes and criteria for funding projects under a new Rural Development Grant Program and to establish metrics and outcomes for the program. (Sec. 702)
12. **Equine Regulatory Costs.** Governor and Senate eliminated a section, which provided criteria for establishing equine regulatory costs. (Sec. 804)
13. **County Fairs Capital Improvement Grant Program.** Governor removed a section that provided guidelines and procedures for a grant program he recommended for elimination for FY 2016-17. Senate retained the language. (Sec. 805)
14. **Shows and Exhibition Grants.** Governor eliminated section providing guidelines for a grant program he recommends not be funded for FY 2016-17. Senate retained the language. (Sec. 806)

Date Completed: 5-4-16

Fiscal Analyst: Bruce Baker



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



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

Senate Bill 800 (S-1 as passed by the Senate)
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 SENATE-PASSED	CHANGES FROM FY 2015-16 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	14,174.3	13,792.9	(381.4)	(2.7)
GROSS	1,962,226,000	2,020,807,400	58,581,400	3.0
Less:				
Interdepartmental Grants Received	225,000	0	(225,000)	(100.0)
ADJUSTED GROSS.....	1,962,001,000	2,020,807,400	58,806,400	3.0
Less:				
Federal Funds.....	5,568,700	5,523,700	(45,000)	(0.8)
Local and Private	8,533,200	8,692,800	159,600	1.9
TOTAL STATE SPENDING.....	1,947,899,100	2,006,590,900	58,691,800	3.0
Less:				
Other State Restricted Funds.....	43,950,700	37,133,000	(6,817,700)	(15.5)
GENERAL FUND/GENERAL PURPOSE.....	1,903,948,400	1,969,457,900	65,509,500	3.4
PAYMENTS TO LOCALS	114,323,600	115,670,600	1,347,000	1.2

FY 2015-16 Year-to-Date Gross Appropriation	\$1,962,226,000
--	------------------------

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

- | | |
|--|--------------|
| 1. Facilities Closure. Senate recognized savings from the closure of two correctional facilities. | (46,972,200) |
| 2. Corrections Officer Academy. Governor proposed one-time funding of \$8,506,100 for an officer academy with expected graduating class of 350. Senate reduced funding to 310 officers to reflect reduced need due to facility closures. | 7,506,100 |
| 3. Managing Prison Populations. Governor recommended defunding currently offline housing units that are not planned to be used in FY 2016-17 for a savings of \$4,991,000. Senate does not include savings as housing units will need to remain online after prison closures. | 0 |
| 4. Leased Beds and Alternatives to Leased Beds. Governor recommended moving prisoners into MDOC facilities from beds currently leased from counties for a net savings of \$1,609,000. Senate did not include savings as it recommends that the program continue. | 0 |
| 5. Correctional Facilities. Senate recommended rolling up all line items for individual correctional facilities into a single line item called Correctional facilities. | 0 |
| 6. Building Lease. Senate added funding to allow the Department to lease the North Lake Correctional Facility building in Baldwin, MI for the Department's use. | 5,000,000 |
| 7. New Correctional Facility Operations. Senate increased correctional facilities funding for Department employees needed to run the leased North Lake Correctional Facility building. | 26,600,000 |
| 8. Capital Outlay. Senate added funding for correctional facilities to make infrastructure improvements and repairs. | 14,000,000 |

9. Unrealized Savings from Health Care Contract. Governor and Senate restored \$11,200,000 funding to account for unrealized savings from the new consolidated health care services contract.	11,200,000
10. Clinical and Mental Health Services and Support. Senate recommended unrolling this line item into four separate lines: health care administration, mental health services and support, clinical complexes, and hepatitis c treatment.	0
11. Prisoner Health Care Services. Senate recognized further health care contract savings due to prisoner population declines.	(3,000,000)
12. Hepatitis C Pharmaceuticals. Governor increased funding for Hepatitis C medication by \$17,335,000. Senate did not include increase due to reduced costs for Hepatitis C medication and reduced backlog due to increased funding in FY 2015-16.	0
13. Pharmaceutical Costs. Senate recognized savings due to a negotiated 340B drug purchase program by the unified health care services contract vendor.	(5,077,000)
14. Transportation. Senate recognized savings for transportation and custody of prisoners due to moving certain medical procedures in-house. The following procedures are planned to be moved in-house in FY 2015-16: chemotherapy, ultrasound, liver biopsy, PICC line placement, midline catheter placement, nerve block, punch biopsy, central venous catheter, paracentesis, thoracentesis, and penile ring block.	(2,375,000)
15. Mental Health Programming. Governor provided funding of \$1,954,500 for 17.0 additional FTEs along with operating costs increase to address increased caseload and waiting list, as well as transition to a new sex offender treatment program. Senate provided funding for 9.0 FTEs.	1,035,000
16. Criminal Justice Reinvestment. Senate added funding to expand evidence-based programs that can reduce recidivism and incarceration rates among probationers and parolees.	15,000,000
17. Supervising Region Incentive Program. Senate added funding to create an incentive to field operations administration regions that implement supervision practices, procedures, and sanctions directed at parole and probation revocation reduction within the region.	3,000,000
18. Vocational Village. Senate added funding to expand the vocational village initiative.	3,000,000
19. Parole Sanction Certainty Program. Governor eliminated funding of \$500,000 for the program. Senate restored funding and increased funding to expand the program.	940,000
20. Goodwill Flip-the-Script. Governor eliminated funding of \$2,000,000 for the program. Senate restored funding and increased funding to expand the program.	500,000
21. Public Safety Initiative. Senate recognized savings from housing in the Saginaw County Jail individuals that are currently held in the Flint lockup.	(1,500,000)
22. Reentry Service Contracts Rebids. Governor provided \$6,790,000 of increased funding for new reentry services, substance abuse, and sex offender contracts that will be rebid in FY 2016-17. Senate did not include the increase, and instead required the Department to conduct a request for information and have a commission review the results before allowing a funding increase.	0
23. Living in Recovery. Governor recommended funding of \$750,000 for a new program targeting probation violators with a history of relapse to help prevent recidivism. Senate did not include the program.	0
24. Information Technology Services. Governor provided funding to support the transition to a new billing model for DTMB's provision of services, expand broadband capabilities across 27 correctional facilities and 113 field offices, and recognized increased DTMB charges for mobile device access. Senate reduced expansion to 25 correctional facilities and shifted \$440,000 funding for device access fees to the Special Equipment Fund.	3,042,600

25. Ballistic Vests. Governor proposed one-time funding for life cycle replacement of 1,570 vests for probation and parole agents. Senate proposed the vests to be paid for from the Program and Special Equipment Fund.	981,300
26. Trinity Food Service Contract. Governor and Senate recognized increased costs due to higher per meal rates, menu changes, and a contractual annual Consumer Price Index adjustment.	1,535,000
27. Facility Costs. Governor and Senate recognized increased water and sewage rates in Muskegon, St. Louis, and Kinross Charter Township.	287,800
28. Special Equipment Fund. Governor and Senate reduced funding for prisoner reentry MDOC programs and equipment and special maintenance because of reduced funding as a result of FCC mandated prison rate caps. Increased GF/GP funding to hold education programs harmless.	(4,800,000)
29. Prison Relocation Savings. Governor and Senate recognized additional savings from the relocation of the Kinross facility.	(3,400,000)
30. Prison Store Operations. Governor and Senate recognized a reduced need for storekeeper positions.	(2,400,000)
31. 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.	(1,346,800)
32. Federal Education Revenue. Governor recommended rolling up five Federal deductions that support the Education Program (DED, vocational education equipment; DED-OESE, title I; DED-OVAE, adult education; DED-OSERS; and DED, youthful offender/Specter grant) into a single line item called Federal education funding, which would have total funding of \$1,722,100. Senate retained current deductions.	0
33. Economic Adjustments. Governor and Senate included \$7,819,200 Gross and \$7,639,000 GF/GP for OPEB and \$28,106,500 Gross and \$27,459,700 GF/GP for other economic adjustments.	35,925,700
34. Other Changes. Governor and Senate reflected net reduction in restricted revenue amounts.	(101,100)
35. Comparison to Governor's Recommendation. The Senate is \$8,578,700 Gross and \$10,000,000 GF/GP under the Governor.	
Total Changes	\$58,581,400
FY 2016-17 Senate-Passed Gross Appropriation	\$2,020,807,400

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

1. **Deletions.** Governor proposed to eliminate the following sections from current-year boilerplate: 206, 212, 214, 239, 247, 402, 403, 409, 412, 413, 417, 421, 434, 437, 505, 508, 509, 511, 601, 611, 612, 802, 803, 805, 812, 814, 816, 904, 911, 912, 937, 940, 942, 945, 1009, 1011, 1012, and 1201. These deletions include a variety of reporting requirements, statements of legislative intent, and language pertaining to health services, Goodwill Flip-the-Script, the Parole Sanction Certainty pilot, and faith-based initiatives. Senate retained all sections except for Sec. 434, regarding agricultural employment for parolees.
2. **Definitions.** Governor eliminated sixteen definitions from the bill, ranging from simple acronyms such as IDG means "interdepartmental grant", to broader definitions for concepts such as recidivism and cost per prisoner. Eighteen definitions will remain in the bill with such terms as full-time equated, offender target populations, and serious mental illness. Senate retained all definitions.
3. **Section Numbering.** Governor renumbered several sections to maintain consistency across all budget areas. Senate retained current numbering.

4. **Reporting Frequency.** Governor reduced the frequency of reporting for prisoner populations (Sec. 419) and core programming (Sec. 913). Senate retained current reporting frequency.
5. **Program Additions.** Governor and Senate added sections for IT bandwidth increases (Sec. 1000), expanded mental health and sex offender treatment (Sec. 806), and new custody staff training (Sec. 1100). Governor added a section to implement the Living in Recovery program (Sec. 4-805). Senate removed the Living in Recovery program (Sec. 4-805), added sections to require reporting on parole denials (Sec. 422), vendor contracts (Sec. 503), and hepatitis c treatment (Sec. 807), established the Supervising Region Incentive Program (Sec. 602), outlined criminal justice reinvestment (Sec. 604) and the lease agreement for the North Lake Correctional Facility building (Sec. 901), added three counties - Genesee, Kent, and Saginaw - to the parole sanction certainty pilot program (Sec. 421), and required the Department to explore the feasibility of establishing an online career high school education program pilot (Sec. 908).
6. **Reentry Services.** Senate added a section requiring the Department to complete a request for information before increasing spending on reentry services. (Sec. 404)
7. **Capital Outlay.** Senate added language to require the Department to report annually on the unspent balance of all capital outlay projects. (Sec. 508)
8. **Section Names.** Governor removed "Miscellaneous" section and added "Information Technology" and "One-Time Appropriations". Senate retained "Miscellaneous" section.
9. **Updated Amounts for Total Legacy Costs.** Governor and Senate updated total legacy costs section. The pension-related costs are \$187,327,100 and the retiree health care costs are \$150,531,100. (Sec. 214)

Date Completed: 5-4-16

Fiscal Analyst: Ryan M. Bergan



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



BILL ANALYSIS

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

Senate Bill 800 (Substitute S-1 as passed by the Senate)
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 SENATE-PASSED	CHANGES FROM FY 2015-16 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	588.5	597.5	9.0	1.5
GROSS	308,561,200	321,709,200	13,148,000	4.3
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS.....	308,561,200	321,709,200	13,148,000	4.3
Less:				
Federal Funds.....	215,640,900	225,355,800	9,714,900	4.5
Local and Private	7,667,000	7,591,400	(75,600)	(1.0)
TOTAL STATE SPENDING.....	85,253,300	88,762,000	3,508,700	4.1
Less:				
Other State Restricted Funds.....	7,669,600	8,380,700	711,100	9.3
GENERAL FUND/GENERAL PURPOSE.....	77,583,700	80,381,300	2,797,600	3.6
PAYMENTS TO LOCALS	17,861,000	18,575,000	714,000	4.0

FY 2015-16 Year-to-Date Gross Appropriation	\$308,561,200
--	----------------------

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

- | | |
|--|-----------|
| 1. Flint Declaration of Emergency. The Governor and Senate included one-time appropriations for Flint. This funding would extend the pilot expansion of the Child Development and Care Program for children age birth to three that is first being recommended in the FY 2015-16 supplemental, to full-year funding. This also includes a \$100 place holder in order to allow Flint to receive additional appropriations from the Flint Emergency Reserve Fund if needed. The expansion of the Child Development and Care Program is fully supported by Federal funds, while the \$100 place holder is State Restricted. | 8,050,100 |
| 2. Voluntary Water Testing. The Senate included funding to reimburse local schools for the cost to test water for lead. There is a cap of \$1,000 per school building. | 4,000,000 |
| 3. Multi-Tiered Systems of Support Implementation (MTSS). The Governor and Senate included this new program, which establishes a team of 3.0 FTEs to provide on-site monitoring and support of intermediate school districts (ISDs), districts, and school buildings that implement multi-tiered systems of support. Districts receiving at-risk funding are required to implement MTSS. This program is funded by GF/GP. | 500,000 |
| 4. Certification Fees Support. The Governor and Senate included one-time appropriations to offset deficiencies due to declining certification fee revenue. This increase is supported by GF/GP. | 500,000 |
| 5. Early/Middle College Support. The Governor and Senate included this new program, which will hire 2.0 FTEs to provide technical support and assistance specifically towards Early/Middle Colleges, which are expected to increase to number 119 by 2017. This program is funded by GF/GP. | 395,000 |

6. Special Education Taskforce. The Governor and Senate included funding for a new Special Education Taskforce. This taskforce will provide resources to the Office of Special Education to design and distribute "parent-friendly" information and train mediators on State and Federal mandates. This taskforce is supported by GF/GP.	300,000
7. School Safety Consultant. The Governor and Senate included funding to support a new FTE position who will coordinate with the Attorney General and State Police to provide statewide support and guidance on school safety issues. This position is funded by GF/GP.	180,000
8. Home Visit Program. The Governor and Senate included funding to support a new FTE position to provide coordination and management of the home visit program described in Section 32p of the State School Aid Act. This FTE position is funded by GF/GP.	175,000
9. E-Rate Technical Assistance. The Governor and Senate included funding to support a new FTE position to coordinate and provide guidance to ISDs, districts, and schools to align projects with ongoing work on the State Education Network. This FTE position is funded by GF/GP.	162,500
10. Education Commission of the States Membership Dues. The Governor and Senate included an increase that would allow the Department to fully pay for the Education Commission of the States Membership. This increase is support by GF/GP.	90,800
11. Chief Information Officer. The Senate included a \$100 placeholder and 1.0 FTE position for a chief information officer.	100
12. Removal of FY 2015-16 Supplemental. The Governor and Senate removed Public Act 3 of 2016 supplemental funding, which provided funding to the City of Flint and Genesee ISD to address the declaration of emergency.	(2,685,000)
13. Educator Evaluations. The Governor and Senate reduced funding for Educator Evaluations and rolled the funding into Educational Improvement and Innovation Operations. The reduction is GF/GP and would leave Educator Evaluations with \$1.5 million for FY 2016-17.	(1,000,000)
14. Financial Independence Team. The Governor and Senate included a 50% reduction to this unit, leaving \$249,500 Gross and GF/GP remaining for FY 2016-17.	(250,000)
15. 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. Of the Gross reduction, \$164,100 is Federal funds, \$15,400 is State Restricted funds, and \$21,900 is GF/GP.	(201,400)
16. Removal of Local Cost Sharing. The Governor and Senate removed local cost sharing revenue to Information Technology due to unrealized revenue from this source.	(76,500)
17. Creation of the Office of Talent and Policy Coordination. The Governor and Senate used existing FTEs and funding within the Department to create the Office of Talent and Policy Coordination. The Office will have 17.0 FTEs and \$2,574,200 Gross and \$1,707,200 GF/GP.	0
18. Boilerplate Appropriations. The Senate moved \$600,000 in boilerplate appropriations to part 1. Of the total, \$300,000 is for the low incidence outreach program and \$300,000 is for Library fees.	600,000
19. Economic Adjustments. Includes \$1,429,100 Gross and \$332,400 for standard economic adjustments, \$388,600 Gross and \$90,400 GF/GP for OPEB, and \$589,700 Gross and \$28,300 GF/GP for other economic adjustments.	2,407,400
20. Comparison to Governor's Recommendation. The Senate is \$4,600,100 Gross and \$4,000,100 GF/GP over the Governor.	
Total Changes	\$13,148,000
FY 2016-17 Senate-Passed Gross Appropriation.....	\$321,709,200

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

1. **Deleted Sections.** The Governor and Senate deleted a number of sections, which include: 220 (30-day requirement on request and reports), 233 (Request for Information consideration), 236 (nonpublic schools mandate report), 237 (school fund raiser nutrition requirement), 601 (Financial Independence Team requirements), 806 (State aid to libraries increase intent), 901 (notification of grant requirement), 1001 (child care provider report), and 1004 (Child Development and Care increase intent).
2. **Report Requirement on MTSS.** The Governor and Senate included a new section, which requires a report on the implementation of MTSS. (Sec. 701)
3. **Special Education Taskforce.** The Governor and Senate included a new section, which places requirements on the implementation of the Special Education Taskforce. (Sec. 901)
4. **Flint Declaration of Emergency Funds.** The Governor and Senate included a new section, which places requirements on the one-time appropriations for the drinking water declaration of emergency funds. (Sec. 1101)
5. **Requirements for Reporting Contracts.** The Governor removed the notification requirements for contracts over \$1.0 million. The Senate maintained current law. (Sec. 235)
6. **Sections Deleted by the Governor but Retained by the Senate.** The Senate included a number of sections that were deleted by the Governor, which include: 208 (sexual misconduct), 216 (protection for employees who testify, 218 (retention of all reports), 234 (benchmark report), 502 (use of substitute time for teaching time requirement), 507 (teacher certification requirements), 803 (maintain Library unit intent), 1003 (Early Childhood Investment Corporation report), and 1201 (legislative intent for second year spending).
7. **Boilerplate Appropriations.** The Senate moved \$600,000 in boilerplate appropriations to part 1. Of the total, \$300,000 is for the low incidence outreach program (Sec. 408) and \$300,000 is for Library fees (Sec. 801).
8. **Interdepartment Cooperation.** The Senate included two new sections, which require the Department to cooperate with other departments to reduce duplication, streamline services and resources, and increase efficiency. One section is for the home visit program with the Department of Health and Human Services, the other section is for the school reform office, financial independence team, and child development and care program. (Secs. 226 and 1008)
9. **WorkKeys Test/Certificate.** The Senate included language that requires that the Department renegotiate the contract with ACT to include the cost of registering and certifying students that pass the WorkKeys test and are eligible to receive the national career readiness certification. (Sec. 1021)
10. **Voluntary Water Testing.** The Senate included language on how schools shall conduct and be reimbursed for lead water testing. This section includes a cap of \$1,000 per school building, the Department setting statewide guidelines/protocols on testing, and reporting requirements. (Sec. 1102)
11. **Technical Modifications and Movement.** The Governor and Senate made a number of technical modifications that include date changes, definition changes, spending changes to reflect part 1 adjustments, and standardized general section language, and renumbered sections to standardize boilerplate across departments, which includes sections: 201, 202, 203, 204 (now 206), 205 (now 215), 207 (now 211), 211 (now 216), 212 (now 205), 214 (now 207), 219 (now 210), 221 (now 208), 222 (now 213), 226 (now 209), 227 (now 212), 230 (now 217), 231 (now 214), 1005 (now 219), 1006 (now 220), and 1007.

Date Completed: 5-4-16

Fiscal Analyst: Cory Savino

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



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



BILL ANALYSIS

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

Senate Bill 800 (S-1 as passed by the Senate)
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 SENATE-PASSED	CHANGES FROM FY 2015-16 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	1,220.0	1,232.0	12.0	1.0
GROSS	499,995,800	513,499,400	13,503,600	2.7
Less:				
Interdepartmental Grants Received	9,115,300	9,225,700	110,400	1.2
ADJUSTED GROSS.....	490,880,500	504,273,700	13,393,200	2.7
Less:				
Federal Funds.....	138,079,100	138,687,200	608,100	0.4
Local and Private	546,000	555,300	9,300	1.7
TOTAL STATE SPENDING.....	352,255,400	365,031,200	12,775,800	3.6
Less:				
Other State Restricted Funds.....	305,341,200	317,344,800	12,003,600	3.9
GENERAL FUND/GENERAL PURPOSE.....	46,914,200	47,686,400	772,200	1.6
PAYMENTS TO LOCALS	14,685,000	3,750,000	(10,935,000)	(74.5)

FY 2015-16 Year-to-Date Gross Appropriation	\$499,995,800
--	----------------------

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

- Leaking Underground Storage Tank Cleanups.** The Governor and Senate included additional Refined Petroleum Fund revenue in the DEQ budget to address leaking underground storage tanks. This item also appears in the budget for the Department of Agriculture and Rural Development (DARD), where the money is currently used to support the Weights and Measures program. GF/GP would be used in DARD to replace this revenue. 1,500,000
- Clean Michigan Initiative (CMI) - High Priority Cleanups.** The Governor and Senate included additional CMI bond proceeds which would use most of the remaining statutory allocation for response activities at sites deemed a high priority by the Department. 14,900,000
- Water Withdrawal Assessment Program.** The Governor and Senate included \$800,000 in Clean Michigan Initiative - Clean Water Fund appropriations to increase the scope of this program. The program models the effects on large-scale water withdrawals on local water tables and water availability for residential wells. The Governor's total for FY 2016-17 for this program, including this increase, is about \$2.2 million. 800,000
- Drinking Water Revolving Loan Fund - State Match.** The Governor and Senate included additional one-time GF/GP appropriations to draw down all available Federal funds for the Drinking Water Revolving Fund program. The program provides low-interest loans to municipalities for improvements to drinking water infrastructure. The exact amount of funds available for this program is contingent on the Federal budget for FY 2016-17, but the average for this program is about \$30.0 to \$35.0 million. 2,950,000

5. Flint Declaration of Emergency. The Governor and Senate included a one-time appropriation including 10.0 FTEs for efforts related to Flint water issues. The proposal is comprised of three parts: \$1.5 million and 10.0 FTEs for corrosion control specialists, sampling staff, lab staff, and service line verification staff; \$3.9 million for three months of water payments to the Great Lakes Water Authority for Flint's water; and a \$100 placeholder for the Flint Emergency Reserve Fund. That fund was proposed as part of Supplemental Request 2016-6, which would appropriate \$50.0 million from the State General Fund to a new Flint Emergency Reserve Fund in the Department of Technology, Management and Budget. Part or all of that funding could then be authorized for expenditure in the DEQ budget through a contingency fund transfer by the Legislature.	5,400,100
6. Oil and Gas Regulatory Fund Replacement. The Governor and Senate included additional one-time GF/GP appropriations to replace appropriations from this fund for the Office of Oil, Gas, and Minerals. The Fund normally provides much of the revenue necessary to operate the Office, which oversees regulation of mineral extraction in the State. However, low oil prices have reduced Fund revenue, which is based directly on the market value of extracted minerals.	4,000,000
7. Contaminated Lake and River Sediment Cleanup. The Governor and Senate included additional one-time CMI-Contaminated Sediments appropriations to fund cleanups of toxic sediment from rivers, lakes, and streams. Typically about \$1.5 million is appropriated each year for these purposes. This increase would increase that by about half for FY 2016-17.	700,000
8. Environmental Bond Site Reclamation Program. The Governor and Senate removed appropriations for this program, as the underlying fund source, part of the 1998 Clean Michigan Initiative bond program, has been depleted.	(126,800)
9. Brownfield Grants. The Governor and Senate removed appropriations for this program. Funding currently comes from the CMI allocation for response activities; the Governor proposed repurposing the remainder of these funds toward high priority cleanups.	(1,500,000)
10. 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.	(243,300)
11. Office of Oil, Gas, and Minerals. \$5.4 million in Oil and Gas Regulatory Fund appropriation authority was removed from the Office of Oil, Gas, and Minerals as low oil prices have reduced revenue to this fund. The Governor and Senate included a total of \$10.8 million for this program.	(5,385,600)
12. Remove FY 2015-16 Supplemental Appropriation. The Governor and Senate removed \$13.1 million in FY 2015-16 appropriations for Flint water issues. These appropriations were related to one-time expenditures for the following: Reconnection of Flint's water to the Detroit Water and Sewerage Department (\$6.3 million); increased water testing of homes in Flint (\$1.0 million); aid to the City of Flint for unpaid water bills (\$3.0 million); Flint water system needs (\$2.0 million); Flint water infrastructure study (\$500,000); DEQ lab testing costs (\$250,000); and Flint water corrosion control (\$36,500).	(13,086,500)
13. Economic Adjustments. Includes \$788,800 Gross and \$122,800 GF/GP for OPEB and \$2,806,900 Gross and \$429,700 GF/GP for other economic adjustments.	3,595,700
14. Comparison to Governor's Recommendation. The Senate is \$0 Gross and \$0 GF/GP over the Governor.	
Total Changes	\$13,503,600
FY 2016-17 Senate-Passed Gross Appropriation.....	\$513,499,400

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

1. **Metrics for New/Increased Programs.** The Governor removed and Senate retained a requirement that proposals for new programs or increases over \$500,000 be accompanied by proposed metrics. (Sec. 215)

2. **Communication with the Legislature.** The Governor removed and Senate retained a prohibition against taking disciplinary action against Department employees who communicate with the Legislature. (Sec. 220)
3. **Report Retention.** The Governor removed and Senate retained a requirement that reports be retained according to State and Federal laws. (Sec. 218)
4. **Rule Promulgation - Small Business Impact.** The Governor removed and Senate retained a prohibition against the promulgation of rules that would have a disproportionate impact on small businesses. (Sec. 221)
5. **FTE Report.** The Governor removed and Senate retained an annual report on the number of funded full-time equated (FTE) positions in the Department. (Sec. 223)
6. **Refined Petroleum Fund Repayment.** The Governor removed and Senate retained a statement of legislative intent that the \$70.0 million transferred to the Environmental Protection Fund from the Refined Petroleum Fund in FY 2006-07 be repaid. (Sec. 305)
7. **Refined Petroleum Fund Site List.** The Governor removed and Senate retained a section detailing the RPF sites that would be funded in the budget. (Sec. 306)
8. **Brownfield Grant Work Project.** The Governor and Senate removed a section allowing for Brownfield grant appropriations to be carried forward as a work project. (Sec. 309)
9. **Kalamazoo River Oil Spill Settlement Funds.** The Governor removed and Senate retained a report on the use of settlement funds from the 2010 oil spill on the Kalamazoo River. (Sec. 311)
10. **PFC Cleanup Criteria.** The Senate included a new section requiring a study on the long-term effects of per fluorinated compounds (PFCs), and for the Department to develop cleanup criteria for PFCs.
11. **Water Quality and Use Initiative - Spending Plan.** The Governor and Senate removed a requirement that a spending plan be established for this program. (Sec. 402)
12. **Groundwater Discharge Permit Fee Structure.** The Governor and Senate removed a requirement that the Department work with stakeholders to revise the fee structure for this program. (Sec. 406)
13. **CMI - Contaminated Sediment Cleanup Work Project.** The Governor included a new section containing work project carryforward language for this appropriation. The Senate included this section. (Sec. 407)
14. **Lake Erie Basin Collaborative Agreement.** The Senate included a new report on the implementation plan for the Lake Erie Collaborative Agreement (Sec. 410)
15. **Air Quality Fee Increase - Hire Program Supervisor for Upper Peninsula.** The Governor and Senate removed a requirement that part of the air quality fee increase revenue be used to hire a program supervisor for the Upper Peninsula. (Sec. 501)
16. **Air Permits - Penalties for Previous Owners.** The Governor and Senate removed a prohibition against assessing additional penalties for air permit violations that occurred under a previous owner. (Sec. 502)
17. **Stormwater Asset Management Plan Report.** The Governor and Senate removed a requirement that completed grants have a summary of their asset management plans posted on the Department website, and that municipalities receiving grants agree to make the plan available to the Department as well as the public. (Sec. 603)
18. **Flint Declaration of Emergency.** The Governor included a new section requiring that funds appropriated for this purpose be used to keep Flint on the Detroit water system and for staffing, lab, testing, and contract costs. The Senate included this section, but revised it slightly. (Sec. 801)
19. **FY 2016-17 Anticipated Appropriations.** The Governor and Senate removed this section. (Sec. 2001)

Date Completed: 5-4-16

Fiscal Analyst: Josh Sefton

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



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

BILL ANALYSIS

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

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 SENATE-PASSED	CHANGES FROM FY 2015-16 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	8,667.2	8,697.7	30.5	0.4
GROSS	4,911,861,900	4,894,405,800	(16,456,400)	(0.3)
Less:				
Interdepartmental Grants Received	742,192,600	760,158,300	17,965,700	2.4
ADJUSTED GROSS.....	4,169,669,300	4,134,247,500	(34,422,100)	(0.8)
Less:				
Federal Funds	825,506,900	832,523,500	7,016,600	0.8
Local and Private	23,304,200	18,085,500	(5,218,700)	(22.4)
TOTAL STATE SPENDING.....	3,320,858,200	3,283,638,500	(36,220,000)	(1.1)
Less:				
Other State Restricted Funds.....	2,109,835,600	2,136,895,100	27,059,500	1.3
GENERAL FUND/GENERAL PURPOSE.....	1,211,022,600	1,146,743,400	(63,279,500)	(5.2)
PAYMENTS TO LOCALS	1,491,508,900	1,454,662,100	(36,846,800)	(2.5)

See Individual Highlight Sheet for Department Detail

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

1. **Return on Taxpayer Investment.** Requires a report to the Legislature for each new program or program increase of at least \$500,000. The report is due by November 1, 2015, shall list specific benchmarks intended to measure the performance or return on taxpayer investment of the program and its associated expenditures. Also added intent language that spending must comply with section 447 of the management and budget act. **Governor:** Deleted. **Senate:** Revised language to state that a report shall include all program enhancements over \$500,000 for each department. The report also shall require any programs that meet the criteria for the report to be ranked in order of estimated return on taxpayer investment determined by the State budget director. Also changed reporting date to September 30, 2017. (Sec. 207)
2. **Budget Stabilization Fund/Public Health Sub-Fund.** Appropriates \$95.0 million from General Fund/General Purpose (GF/GP) revenue to the BSF in FY 2015-16 and \$0 to the public health sub-account. **Governor:** Eliminates the deposit into the BSF but adds language that 25% of unassigned GF/GP fund balance at the end of FY 2015-16 shall be deposited into the BSF. **Senate:** No appropriation to the BSF. Did not include Governor's language on deposit of 25% of GF/GP closing balance to BSF. (Sec. 211)
3. **Retention of Reports.** Directs departments and agencies to receive and retain copies of all reports funded from appropriations in Part 1, following State and Federal guidelines for short and long-term record retention. Allows electronic retention of reports unless prohibited by State or Federal guidelines. **Governor:** Deleted. **Senate:** Retained. (Sec. 212)

4. **Casino Investment.** Prohibits use of funds appropriated in Part 1 from being used by a department or agency to purchase an ownership interest in a casino. **Governor:** Deleted. **Senate:** Retained. (Sec. 213)
5. **Communications with Legislators.** Prohibits disciplinary action against department employees for communicating with Legislators or their staff. **Governor:** Deleted. **Senate:** Retained. (Sec. 215)
6. **Policy Change Reporting Requirement.** Requires each department to report by April 1 on each specific policy change made to implement enacted legislation to the appropriations subcommittees, the chairperson of the joint committee on administrative rules, and the senate and house fiscal agencies and policy offices. **Governor:** Deleted. **Senate:** Retained. (Sec. 221)
7. **Auditor General Recommendations.** Requires departments or agencies to report within six months of the release of an audit report on efforts to implement any identified initiatives related to savings and efficiencies included in an audit prepared by the Office of Auditor General. **Governor:** Deleted. **Senate:** Retained. (Sec. 229)



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



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

Senate Bill 800 (S-1 as passed by the Senate)
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 SENATE-PASSED	CHANGES FROM FY 2015-16 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	518.5	527.0	8.5	1.6
GROSS	92,107,600	97,085,800	4,978,200	5.4
Less:				
Interdepartmental Grants Received	28,533,900	28,989,700	455,800	1.6
ADJUSTED GROSS.....	63,573,700	68,096,100	4,522,400	7.1
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	58,619,400	4,324,300	8.0
Less:				
Other State Restricted Funds.....	17,281,700	17,578,900	297,200	1.7
GENERAL FUND/GENERAL PURPOSE.....	37,013,400	41,040,500	4,027,100	10.9
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. Senate: Concurred with Governor. | 82,100 |
| 2. Juvenile Life without Parole. Senate: Added GF/GP funding of \$700,000 for the Attorney General for investigations, crime victim rights, prosecutions and appeals for retroactive juvenile life without parole cases. | 700,000 |
| 3. Prosecuting Attorneys Coordinating Council (PACC) NextGen IT System. Senate: Added GF/GP funding of \$1.2 million for the PACC to upgrade their legacy case management system to NextGen. | 1,200,000 |
| 4. 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. Senate: Concurred with Governor. | 600,000 |
| 5. 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. Senate: Concurred with Governor. | 390,000 |
| 6. 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. Senate: Concurred with Governor. | (472,200) |

7. 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. Senate: Concurred with Governor.	(162,400)
8. 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. Senate: Concurred with Governor.	700,000
9. Unclassified Salaries. Governor: Increased funding by \$18,400 for total funding of \$754,000 for FY 2016-17. Senate: Concurred with Governor.	18,400
10. 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. Senate: Concurred with Governor.	1,922,300
11. Comparison to Governor's Recommendation. \$1,900,000 Gross and \$1,900,000 GF/GP over the Governor.	
Total Changes	\$4,978,200
FY 2016-17 Senate-Passed Gross Appropriation.....	\$97,085,800

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

- 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**. **Senate:** Maintained current law bill structure.
- 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. **Senate:** Concurred with Governor. (Sec. 308)
- 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. **Senate:** Concurred with Governor. (Sec. 309)
- 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. **Senate:** Concurred with Governor. (**NEW** Sec. 313)
- Lawsuit Proceeds for Drinking Water Contamination. Senate:** Added new language allowing the Department to use up to \$2.6 million of lawsuit settlement proceeds to pay for costs and associated expenses related to the declaration of emergency due to drinking water contamination. (**NEW** Sec. 314)
- Juvenile Life without Parole. Senate:** Added new language stating that the \$700,000 appropriated in part 1 is to be used for investigations, crime victim rights, prosecutions and appeals for retroactive juvenile life without parole cases. Also requires a report to be submitted by September 30. (**NEW** Sec. 314a)
- 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. **Senate:** Concurred with Governor. (Sec. 315)
- 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

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

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. Senate: Retained section and added a reporting requirement due by January 30th. (Current Law Sec. 316)

9. **Flint Expenditure Report. Senate:** Added new language requiring the Department to submit a semi-annual report to the Legislature providing a detailed accounting of all funds spent related to the Flint Water Crisis. The report also shall include a listing of any investigations and resulting prosecutions and requires all materials related to all of those investigations to be preserved at an academic institution or other facility. (**NEW** Sec. 317)

Date Completed: 5-5-16

Fiscal Analyst: Joe Carrasco, Jr.



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



Telephone: (517) 373-2768

Fax: (517) 373-1986

Senate Bill 800 (S-1 as passed by the Senate)
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 SENATE-PASSED	CHANGES FROM FY 2015-16 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	129.0	132.0	3.0	2.3
GROSS	16,128,700	16,746,900	618,200	3.8
Less:				
Interdepartmental Grants Received	286,700	293,600	6,900	2.4
ADJUSTED GROSS.....	15,842,000	16,453,300	611,300	3.9
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	13,671,600	570,000	4.4
Less:				
Other State Restricted Funds.....	151,900	151,900	0	0.0
GENERAL FUND/GENERAL PURPOSE.....	12,949,700	13,519,700	570,000	4.4
PAYMENTS TO LOCALS	0	0	0	0.0

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

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

- 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. **Senate:** Concurred with Governor. 20,100
- 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. **Senate:** Concurred with Governor. (70,800)
- Deaf and Hard of Hearing. Senate:** Added GF/GP funding of \$150,000 and 1.0 FTE to increase services to deaf and hard of hearing citizens across the state. 150,000
- 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. **Senate:** Concurred with Governor on Commission funding; however, reduced ALPACT funding by \$125,000. 225,000
- Unclassified Salaries. Governor:** Increased funding by \$16,100 for total funding of \$660,300 for FY 2016-17. **Senate:** Concurred with Governor. 16,100
- 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. **Senate:** Concurred with Governor. 277,800

7. **Comparison to Governor's Recommendation.** The Senate is \$25,000 Gross and \$25,000 GF/GP over the Governor.

Total Changes	\$618,200
FY 2016-17 Senate-Passed Gross Appropriation.....	\$16,746,900

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. Senate:** Maintained current law bill structure.
2. **Department Report.** Requires a detailed report submitted by November 30 that covers the Department's activities and operations. **Governor:** Eliminated section. **Senate:** Retained 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. **Senate:** Retained 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. **Senate:** Concurred with Governor. (Sec. 410)

Date Completed: 5-5-16

Fiscal Analyst: Joe Carrasco, Jr.



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



BILL ANALYSIS

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

Senate Bill 800 (S-1 as passed by the Senate)
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 SENATE-PASSED	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. Senate: Concurred with Governor.	105,200
2. Comparison to Governor's Recommendation. Senate is \$0 Gross and \$0 GF/GP over the Governor.	
Total Changes	\$105,200
FY 2016-17 Senate-Passed Gross Appropriation.....	\$5,636,300

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

1. There is no boilerplate for the Executive Office.

Date Completed: 5-5-16

Fiscal Analyst: Joe Carrasco, Jr.

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



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



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

Senate Bill 800 (S-1 as passed by the Senate)
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 SENATE-PASSED	CHANGES FROM FY 2015-16 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	0.0	0.0	0.0	0.0
GROSS	159,304,800	166,205,500	6,900,700	4.3
Less:				
Interdepartmental Grants Received	5,392,800	5,558,600	165,800	3.1
ADJUSTED GROSS.....	153,912,000	160,646,900	6,734,900	4.4
Less:				
Federal Funds.....	0	0	0	0.0
Local and Private	400,000	400,000	0	0.0
TOTAL STATE SPENDING.....	153,512,000	160,246,900	6,734,900	4.4
Less:				
Other State Restricted Funds.....	6,179,600	6,245,200	65,600	1.1
GENERAL FUND/GENERAL PURPOSE.....	147,332,400	154,001,700	6,669,300	4.5
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. **Senate:** Concurred with Governor. 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). **Senate:** Concurred with Governor. 4,789,300
- 3. Criminal Justice Data Collection and Management Program. Senate:** Added \$1.5 million in GF/GP funds for the Legislative Council and the Criminal Justice Policy Commission to create a Criminal Justice Data Collection and Management Program that will submit quarterly reports measuring recidivism rates across the state for released and paroled former incarcerated persons as well as those on probation. 1,500,000
- 4. Comparison to Governor's Recommendation.** The Senate is \$1,500,000 Gross and \$1,500,000 GF/GP over the Governor.

Total Changes	\$6,900,700
----------------------------	--------------------

FY 2016-17 Senate-Passed Gross Appropriation.....	\$166,205,500
--	----------------------

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. Senate:** Maintained current law bill structure.
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. **Senate:** Concurred with Governor. (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. **Senate:** Concurred with Governor. (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. **Senate:** Concurred with Governor. (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. **Senate:** Retained section. (Current Law Sec. 618)
6. **Criminal Justice Data Collection and Management Program. Senate:** Added new language stating that the funds appropriated in part 1 for the Legislative Council and the Criminal Justice Policy Commission shall be used to create a Criminal Justice Data Collection and Management Program that will submit quarterly reports measuring recidivism rates across the state for released and paroled former incarcerated persons as well as those on probation. The report also shall include a listing of programs in operation designed to reduce recidivism. (**NEW** Sec. 619)

Date Completed: 5-5-16

Fiscal Analyst: Joe Carrasco, Jr.



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

BILL ANALYSIS



Telephone: (517) 373-2768

Fax: (517) 373-1986

Senate Bill 800 (S-1 as passed by the Senate)
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 SENATE-PASSED	CHANGES FROM FY 2015-16 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	1,587.0	1,587.0	0.0	0.0
GROSS	230,541,700	238,915,600	8,373,900	3.6
Less:				
Interdepartmental Grants Received	20,000,000	20,000,000	0	0.0
ADJUSTED GROSS.....	210,541,700	218,915,600	8,373,900	4.0
Less:				
Federal Funds.....	1,745,000	1,460,000	(285,000)	(16.3)
Local and Private	100	100	0	0.0
TOTAL STATE SPENDING.....	208,796,600	217,455,500	8,658,900	4.1
Less:				
Other State Restricted Funds.....	186,635,100	190,345,900	3,710,800	2.0
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	\$230,541,700
--	----------------------

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. **Senate:** Concurred with Governor.
- 2. FY 2015-16 Year-to-Date Adjustment. Senate:** (285,000)
Included a negative adjustment of \$285,000 in Federal funding for PRISM grants due to contingency fund transfer received in FY 2015-16.
- 3. 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. **Senate:** Concurred with Governor. 188,300
- 4. 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 que for branch services. **Senate:** Concurred with Governor. 470,000
- 5. Five-Year Early-Out Deferred Sick Leave Payments. Governor:** (598,800)
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.
- 6. Replacement of GF/GP with Transportation Administration Collection Fund (TACF) Revenue. Governor:** 0
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. **Senate:** Concurred with Governor.

7. 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 \$14.1 million in revenue is added to the TACF. Senate: Did not include.	0
8. 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. Senate: Included the \$10.0 million GF/GP funding for voting machine replacements but moved the local funding portion to the Revenue Sharing payments in the Department of Treasury.	10,000,000
9. Unclassified Salaries. Governor: Increased funding by \$15,300 for total funding of \$628,800 for FY 2016-17. Senate: Concurred with Governor.	15,300
10. 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. Senate: Concurred with Governor.	3,584,100
11. Comparison to Governor's Recommendation. The Senate is \$19,100,000 Gross and \$0 GF/GP under the Governor.	
Total Changes	\$8,373,900
FY 2016-17 Senate-Passed Gross Appropriation.....	\$238,915,600

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. Senate:** Maintained current law bill structure.
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. **Senate:** Did not include fee increase and maintains fee at \$8.00. (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. **Senate:** Retained section. (Sec. 716b)
4. **Buena Vista Branch Office.** Requires the Department to maintain a full service branch office in Buena Vista Township. **Governor:** Eliminated section. **Senate:** Retained Section. (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. **Senate:** Concurred with Governor. (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. **Senate:** Concurred with Governor and added a spending plan report due January 1st. (**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. **Senate:** Concurred with Governor. (**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. **Senate:** Concurred with Governor. (Sec. 725)

Date Completed: 5-5-16

Fiscal Analyst: Joe Carrasco, Jr.

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



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



BILL ANALYSIS

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

Senate Bill 800 (S-1 as passed by the Senate)
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 SENATE-PASSED	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	1,141,680,500	(11,343,000)	(1.0)
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS.....	1,153,023,500	1,141,680,500	(11,343,000)	(1.0)
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	361,616,700	(17,251,500)	(4.6)
Less:				
Other State Restricted Funds.....	180,411,200	192,341,600	11,930,400	6.6
GENERAL FUND/GENERAL PURPOSE.....	198,457,000	169,275,100	(29,181,900)	(14.7)
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. 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. **Senate:** Concurred with gross changes, however, increased GF/GP by \$1.0 million and decreased 21st Century Jobs Trust Fund dollars by \$1.0 million. 1,500,000
2. **Skilled Trades Training Program. 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. **Senate:** Agreed to gross increase, however used \$5.8 million in TANF dollars instead of \$2.1 million in restricted fund and \$3.7 million in GF/GP. 10,000,000
3. **Statewide Data System Integration. 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. **Senate:** Concurred with Governor. 8,778,500
4. **Special Grants. Senate:** Included special grants, sec. 846 outlines the various grants. Of the total, \$2.1 million is funded with State Restricted and \$3.4 million is funded with GF/GP 4,486,000
5. **Financial Literacy Pilot. 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. **Senate:** Did not include. 0

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

6. Community Ventures - Challenge Match. Governor: Included \$2.0 million in one-time GF/GP appropriations to be used only for matching private dollars as stated in Sec. 1069. Senate: Only included \$1.0 million.	1,000,000
7. Pure Michigan. Senate: Increased Gross and 21 st Century Jobs Trust Fund, by \$1.0 million.	1,000,000
8. Work Opportunity Program. Senate: Included this new program to allow businesses to be reimbursed for hiring qualified individuals. Sec. 869 outlines the program and reporting requirement.	500,000
9. Smart Zone Grant. The Senate included a \$100 placeholder for a grant to a local smart zone.	100
10. Healthy Living Campus. The Senate included a \$100 placeholder to Kalamazoo Valley Community College.	100
11. Removal of FY 2015-16 One-Time Appropriations. Governor: Eliminated FY 2015-16 one-time appropriations including \$25.0 million for Film Incentives and \$5.15 million for Special Grants. Senate: Concurred with the eliminations.	(30,150,000)
12. Workforce Development Technical Adjustments. 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. Senate: Concurred with Governor.	(8,587,700)
13. Entrepreneurship Eco-System. Governor: Moved \$2.0 million in 21st Century Jobs Trust Fund dollars to Business Attraction and Community Revitalization. Senate: Transferred \$1.0 million to Business Attraction and Community Revitalization and \$1.0 to Pure Michigan.	(2,000,000)
14. Human Resource Transfer. 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)
15. 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. Senate: Concurred with Governor.	(577,700)
16. Michigan Film Office. The Governor moved the funding and 6.0 FTEs in the Michigan Film Office to the Job Creation line-item. Senate: Concurred with Governor.	0
17. 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
18. Comparison to Governor's Recommendation. The Senate is \$813,800 Gross and GF/GP under the Governor.	
Total Changes	(\$11,343,000)
FY 2016-17 Senate-Passed Gross Appropriation.....	\$1,141,680,500

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

1. **General Orders Sections. 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. **Senate:** Did not concur with the Governor and moved boilerplate sections to the 800's.
2. **Deleted Sections.** The **Governor and Senate** removed a number of sections, which includes sections: 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), 1053 (awards report), 1055 (Business Attraction and Community Revitalization benchmark requirement), 1056 (Film Incentive pension system payment), 1069 (GED-to-school program), and 1070 (Workforce Development Workgroup).

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

3. **Deleted by Governor, Retained by Senate:** The Senate retained a number of sections that were deleted by the Governor, which includes sections: 990 (MSHDA report), 991 (MSHDA broadband report), 1007 (MSF & MEDC activity report), 1040 (State accounting system requirement), 1041 (appropriations transfer limit), 1061 (Youth Entrepreneurship grant), 1076 (UIA integration implementation report), 1077 (UIA quarterly report), and 1078 (UIA customer service standards).
4. **Modified by Senate:** The Senate modified a number of sections, which includes section 1007 (MEDC activity report), 1020 (Federal pass-through funds), 1064 (Workforce development Programs Report), 1065 (Skilled Trades Training Report), 1066 (Skilled Trades Training program), and 1068 (Workforce Training Program report).
5. **Facility for Rare Isotope Beams (FRIB) progress report. Senate:** Included a status report on the construction of the FRIB program. (Sec. 838)
6. **Unmanned Aerial Drone Development Grant. Senate:** Included a \$500,000 business attraction grant for unmanned aerial drone development. (Sec. 844)
7. **Van Andel. Senate:** Included a \$1.0 million Entrepreneurship grant to Van Andel. (Sec. 845)
8. **Special Grants. Senate:** Included an outline of the Special Grants, which includes, \$250,000 for capital improvements to a water tower, \$960,000 for high priority capital improvement, \$800,000 for state park redevelopment, \$2.1 million to expand the JAG program in Michigan, \$76,000 as matching to purchase a plasma cutter, and \$300,000 for the Urban Search and Rescue Taskforce. (Sec. 846)
9. **Tax Credit Report. Senate:** Included a new report on the Michigan Economic Growth Tax Credits, Brownfield Redevelopment Credit, Film Credit, Photovoltaic Technology Credit, Polycrystalline Silicone Manufacturing Credit, Vehicle Battery Credit, and any other certified credits. (Sec. 847)
10. **Work Opportunity Program. Senate:** Included new language that outlines the Work Opportunity Program including a progress report. (Sec. 869)
11. **Interagency Agreement. Senate:** Included new language that requires an interagency agreement with DHHS for the use of TANF dollars. (Sec. 880)
12. **Place Holders. Senate:** Included three new Sections that involve \$100 place holders. Sec. 848 outlines the \$100 placeholder in Part 1 for the Smart Zone grant Sec. 849 is for aerospace supplier expansion from entrepreneurship eco-system, and Sec. 850 from entrepreneurship eco-system for a grant to a technology accelerator.
13. **Business Attractions and Community Development Increase. Governor:** Included benchmark requirements on the increases to Business Attraction and Community Development. **Senate:** Did not include. (Sec. 1042a)
14. **Community Venture - Matching Funds. Governor:** Included matching requirement language on the one-time Community Venture - Matching Funds appropriations. **Senate:** modified to allow \$1.0 in one-time and \$1.0 in ongoing to be used in matching. (Sec. 1069)
15. **Statewide System of Integration. Governor:** Included program and reporting requirements on the implementation of the Statewide Systems of Integration. **Senate:** Concurred with Governor. (Sec. 1081)
16. **Financial Literacy Pilot Program. Governor:** Included program and reporting requirements on the one-time Financial Literacy Pilot Program. **Senate:** Did not include. (Sec. 1082)
17. **Technical Changes.** The **Governor** and **Senate** made technical adjustments to section 981 (Legacy Costs adjustments and moved to Sec. 210), 1050 (moved out of budget), 1064 (moved to Sec. 1068(I)) and removing references to Film Incentives in sections 1032 (Film Office Report) and 1036 (appropriations transfer restriction).

Date Completed: 5-10-16

Fiscal Analyst: Cory Savino



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



Telephone: (517) 373-2768

Fax: (517) 373-1986

Senate Bill 800 (S-1 as passed by the Senate)
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 SENATE-PASSED	CHANGES FROM FY 2015-16 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	2,844.0	2,862.0	18.0	0.6
GROSS	1,263,223,700	1,316,141,300	52,917,600	4.2
Less:				
Interdepartmental Grants Received	678,478,500	694,054,100	15,575,600	2.3
ADJUSTED GROSS.....	584,745,200	622,087,200	37,342,000	6.4
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	614,809,000	41,838,900	7.3
Less:				
Other State Restricted Funds.....	95,771,900	114,340,800	18,568,900	19.4
GENERAL FUND/GENERAL PURPOSE.....	477,198,200	500,468,200	23,270,000	4.9
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). **Senate:** Concurred with Governor. (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. **Senate:** Concurred with Governor. 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. **Senate:** Concurred with Governor. 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. **Senate:** Concurred with Governor. 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. **Senate:** Concurred with Governor. 35,000

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

- | | |
|--|-------------|
| 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. Senate: Concurred with Governor. | 132,000 |
| 7. Information Technology (IT) - Alignment of IDG Funding. Governor: Aligned its IDG funding with enacted FY 2015-16 appropriations for all departments. Senate: Concurred with Governor. | 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. Senate: Concurred with Governor. | 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. Senate: Concurred with Governor. | 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. Senate: Concurred with Governor. | (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. Senate: Retained as \$100 placeholder. | (2,499,900) |
| 12. Regional Prosperity Grants. Senate: Retained as \$100 placeholder. | (2,499,900) |
| 13. Public Safety Officers Survivor Benefits Program. Senate: Added \$58,000 in GF/GP funding to provide enhanced benefits for survivors of public safety officers killed in the line of duty. | 58,000 |
| 14. 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. Senate: Concurred with Governor. | (1,595,500) |
| 15. 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. Senate: Concurred with Governor. | (8,000,000) |
| 16. 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. Senate: Concurred with Governor. | 710,000 |
| 17. 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. Senate: Concurred with Governor but did not include \$900 in planning authorizations. | 32,350,000 |
| 18. Unclassified Salaries. Governor: Increased funding by \$24,400 for total funding of just over \$1.0 million for FY 2016-17. Senate: Concurred with Governor. | 24,400 |
| 19. 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. Senate: Removed the economics totaling \$12,200 for the Office of Urban initiatives due to elimination of the program. | 8,867,400 |

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

20. **Other Changes.** The Governor included two miscellaneous changes including: a net zero (152,600) 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. **Senate:** Concurred with Governor.
21. **Comparison to Governor's Recommendation.** The Senate is \$3,954,900 Gross and \$3,954,900 GF/GP below the Governor.

Total Changes	\$52,917,600
FY 2016-17 Senate-Passed Gross Appropriation.....	\$1,316,141,300

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

- 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**. **Senate:** Maintained current law bill structure.
- 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. **Senate:** Concurred with Governor. (Sec. 922e)
- 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. **Senate:** Eliminated Section. (Current Law Sec. 922f)
- Legal Services 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. **Senate:** Retained current law. (Current Law Sec. 922g)
- 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. **Senate:** Concurred with Governor. (NEW Sec. 922j)
- Public Safety Officers Benefits Program.** **Senate:** Added new language stating that from the funds appropriated in Part 1 for the Public Safety Officers Benefits Program up to \$58,000 may be used to cover the costs of enhanced survivor benefits for local public safety officers as prescribed in Enrolled Senate Bill 218 of the 98th Legislature. (NEW Sec. 922k)
- Tracking Performance of Vendors.** **Senate:** Added new language stating that the Department shall establish a system that collaborates with other departments to track the performance of vendors who are awarded contracts through the procurement process. (NEW Sec. 922l)
- Placement of all Contract Proposals on Department Website.** **Senate:** Added new language requiring the Department to establish a publically accessible portal on the Department's website that displays all contract proposals for all State departments and agencies. (NEW Sec. 922m)
- School Reform Office Coordination with Department of Education.** **Senate:** Added new language requiring the School Reform Office to coordinate with the Department of Education to streamline State services and resources, reduce duplication, and increase efficiency. (NEW Sec. 922n)
- School Reform Office Public Hearings.** **Senate:** Added new language requiring the School Reform Office to hold at least one public hearing in the school district that the Office is considering for placement of a CEO or dissolution of the school district. (NEW Sec. 922o)
- 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. **Senate:** Concurred with Governor. (Sec. 927)

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

12. **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. **Senate:** Concurred with Governor. (**NEW** Sec. 936)
13. **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. **Senate:** Concurred with Governor. (**NEW** Sec. 937)
14. **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. **Senate:** Concurred with Governor. (**NEW** Sec. 938)
15. **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. **Senate:** Concurred with Governor. (**NEW** Sec. 939)
16. **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: 910, 916, 919, 922, 922d, 922e, 927(4) (the current law report), 928, 929, 930, 931, 932, 960(e), (f), and (g) and 962. The majority of these sections required the Department to provide either reports or notifications to the Legislature. **Senate:** Retained all sections except 919.

Date Completed: 5-5-16

Fiscal Analyst: Joe Carrasco, Jr.



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



Telephone: (517) 373-2768

Fax: (517) 373-1986

Senate Bill 800 (S-1 as passed by the Senate)
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 SENATE-PASSED	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. 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. **Senate:** Concurred with Governor. 25,516,000
- Great Lakes Water Quality Bonds. 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. **Senate:** Concurred with Governor. 2,344,000
- Quality of Life Bonds. 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. **Senate:** Concurred with Governor. (47,272,000)
- Comparison to Governor's Recommendation.** The Senate is \$0 over or under the Governor.

Total Changes	(\$19,412,000)
----------------------------	-----------------------

FY 2016-17 Senate-Passed Gross Appropriation.....	\$137,037,000
--	----------------------

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

- No Change

Date Completed: 5-5-16

Fiscal Analyst: Cory Savino

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



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



Telephone: (517) 373-2768

Fax: (517) 373-1986

Senate Bill 800 (S-1 as passed by the Senate)

Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 SENATE-PASSED	CHANGES FROM FY 2015-16 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	1,901.5	1,906.5	5.0	0.3
GROSS	614,897,100	519,001,600	(95,895,500)	(15.6)
Less:				
Interdepartmental Grants Received	9,500,700	11,262,300	1,761,600	18.5
ADJUSTED GROSS.....	605,396,400	507,739,300	(97,657,100)	(16.1)
Less:				
Federal Funds.....	39,661,500	39,920,800	259,300	0.7
Local and Private	9,055,100	9,227,700	172,600	1.9
TOTAL STATE SPENDING.....	556,679,800	458,590,800	(98,089,000)	(17.6)
Less:				
Other State Restricted Funds.....	402,749,500	360,181,900	(42,567,600)	(10.6)
GENERAL FUND/GENERAL PURPOSE.....	153,930,300	98,408,900	(55,521,400)	(36.1)
PAYMENTS TO LOCALS	258,357,300	186,270,700	(72,086,600)	(27.9)

FY 2015-16 Year-to-Date Gross Appropriation	\$614,897,100
--	----------------------

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

- | | |
|--|-----------|
| 1. Free Individual e-File. Governor: Included one-time appropriations to allow development of free individual tax return e-file. This is supported by GF/GP. Senate: Concurred with Governor. | 2,842,500 |
| 2. DTMB-Rated Service Model. 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. Senate: Concurred with Governor. | 1,563,000 |
| 3. Payments in Lieu of Taxes (PILT).-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. Senate: Concurred with Governor. | 1,304,700 |
| 4. Student Loan Delinquency Pilot. Senate: Added a pilot program to provide 1-on-1 student loan counseling assistance. | 1,000,000 |
| 5. Testing and Analytics Unit. 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. Senate: Concurred with Governor. | 750,000 |
| 6. Casino Gaming Information Technology (IT). Governor: Increased Casino Gaming IT to provide ongoing support and upgrades. This increase is supported by State Restricted revenue. Senate: Concurred with Governor. | 500,000 |

7. Horse Sample Testing. The Governor transferred a portion of Horse Sample Testing from the Department of Agriculture and Rural Development. The funds supporting this transfer are from the Equine Development Fund. Senate: Concurred with Governor.	250,000
8. Indian Casino Auditor. Governor: Increased Casino Gaming Operations to allow for the hire of one auditor for Indian Casinos to perform audits of local revenue sharing and financial files only. The increase is supported by State Restricted funds. Senate: Concurred with Governor.	118,300
9. Financial Data Analytical Tool Reimbursement. Senate: Included \$100 placeholder for reimbursing local units of government for the purchase of financial analytical tools, Sec. 1049h outlines the program	100
10. Removal of FY 2015-15 Supplemental. Senate: Removed P.A. 24 (\$30.0 million) and 54 (\$48.7 million).	(78,700,000)
11. Removal of FY 2015-16 One-Time Appropriations. 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). Senate: Concurred with Governor.	(29,900,000)
12. Five-Year Early-Out 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. Of the total reduction, \$58,900 is from Federal funds, \$568,600 is from State Restricted funds, and \$73,800 is from GF/GP. Senate: Concurred with Governor.	(701,300)
13. Urban Search and Research Task Force. Governor: Eliminated the line item that supported this program. Senate: Concurred with Governor.	(300,000)
14. Chaldean Community Foundation. Governor: Eliminated the line item that supported this program. Senate: Concurred with Governor.	(250,000)
15. State Restricted Fund Shift. 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. Senate: Made a technical adjustment that resulted in \$500,000 less in GF/GF.	0
16. 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
17. Comparison to Governor's Recommendation. The Senate is \$1,000,100 Gross and \$500,100 GF/GP over the Governor.	
Total Changes	(\$95,895,500)
FY 2016-17 Senate-Passed Gross Appropriation.....	\$519,001,600

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

1. **Deleted Sections.** The **Governor** and **Senate** deleted a number of sections, which includes sections: 918 (Tax Orientation Workshop), 949a (Personal Property Tax Payments), 949c (Online Business Portal), and 949g (Urban Search and Rescue Task Force).
2. **Deleted by Governor, Retained by Senate:** The **Senate** retained a number of sections that were deleted by the **Governor**, which includes sections: 902a (notification of bond refinancing), 927 (Personal Property Tax Audits), 944 (Pension Plan Consultant Report Retention), 949d (Financial Review Commission), and 963 (Ban on bridge cards being used to buy lottery tickets).
3. **General Order Sections. Governor:** Included a number of standard boilerplate sections for the Department, which are included in the 200 sections. **Senate:** Didn't not include the changes to the general section, however, reorder section numbers to 1000's.

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

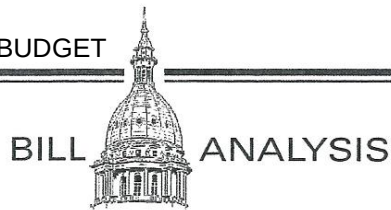
4. **Financial Services Modification. Governor:** Included language allowing Financial Services to utilize miscellaneous revenue in the event that there is a shortfall in the Common Cash Earnings fund. **Senate:** Concurred with Governor. (Sec. 904a)
5. **Write-Offs and Advances. Governor:** Removed the reporting requirement for write-offs and advances. **Senate:** Did not include the modification. (Sec. 917)
6. **Unclaimed Property Audit Modification. Governor:** Removed requirements that the Department recommend improvements to unclaimed property audits. **Senate:** Concurred with Governor. (Sec. 919)
7. **Michigan Financial Authority Modification. Governor:** Removed reporting requirements for the Michigan Financial Authority. **Senate:** Did not include the modification. (Sec. 934)
8. **Student Loan Delinquency Pilot. Senate:** Included new language that outlines the RFP process for the student loan delinquency pilot program, the program requirement, and the reporting requirements. **(Sec. 1036)**
9. **Michigan Accounts Receivable Collection System Report. Senate:** Included a new report on the account receivable collections system for short and long term delinquent accounts. (Sec. 1037)
10. **State Capital Historic Fund. Senate:** Included new language that gives the Treasurer the authority to expend the full amount that is appropriated to the State Capital Historic Fund in part 1, and prevent reductions during negative CPI changes. (Sec. 1040)
11. **Financial Analytical Tool Reimbursement. Senate:** Included language that outlines reimbursement to locals for financial analytical tools, which includes dates to submit and receive reimbursement, vendor requirements, proration, and using any unexpended funds remaining.
12. **Technical Adjustments. Governor and Senate:** 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: 5-5-16

Fiscal Analyst: Cory Savino



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



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

Senate Bill 800 (S-1 as passed by the Senate)
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 SENATE-PASSED	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	1,255,955,300	35,300,600	2.9
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS.....	1,220,654,700	1,255,955,300	35,300,600	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	1,255,955,300	35,300,600	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	246,400	246,400	0.0
PAYMENTS TO LOCALS	1,220,654,700	1,255,955,300	35,300,600	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. The Senate concurred. 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. The Senate provided funding of \$244,983,000 in FY 2016-17, a reduction of 1.5%. The Senate maintained eligibility in FY 2016-17 for all local units that were eligible in FY 2015-16. The program is funded with \$244,536,600 in ongoing funding and \$446,400 in one-time appropriations. (3,857,000)
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. The Senate provided funding for the newly eligible counties and increased payments to all eligible counties by 2%. County Revenue Sharing would increase to \$175,576,700 and County Incentive Program would increase to \$43,894,200. 4,770,900

- | | |
|---|-----------|
| 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. The Senate did not include. | 0 |
| 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. The Senate concurred. | 0 |
| 6. Voting Machine Replacement Reimbursement. The Senate added \$5,000,000 in one-time funding for payments to all cities, villages, townships, and counties that purchase voting machines approved by the Department of State. Reimbursement would be calculated by the Department of Treasury in cooperation with the Department of State to provide an equal payment for each voting machine projected to be replaced in the next 3 years. The appropriation would be funded from \$4,753,600 in restricted sales tax revenue and \$246,400 GF/GP. | 5,000,000 |
| 7. Comparison to Governor's Recommendation. The Senate is \$246,400 Gross and \$246,400 GF/GP over the Governor's recommendation. | 0 |

Total Changes	\$35,300,600
FY 2016-17 Senate-Passed Gross Appropriation.....	\$1,255,955,300

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

- 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. The Senate reduced funding by 1.5%. CVTs that were eligible for revenue sharing in FY 2015-16 would be eligible in FY 2016-17 for 98.45% of the amount for which they were eligible in FY 2015-16. (Sec. 1052(1))
- Revenue Sharing for Counties.** The Governor fully funded revenue sharing payments to counties as provided by statute. Funding would be paid through the line items for county revenue sharing and county incentive program. The Senate provided that eligible counties would receive 102% of the statutory calculation, a 2% increase for each eligible county. (Sec. 1052(2) and 1055)
- Extended Due Dates for Accountability and Transparency Reports.** The Governor recommended an extension in the due date 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. Under the Governor's proposal, a local government that did not file certifications by the first day of the December or February payment months, 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. The Senate would allow deferral of the December payment if all required documents and certifications were submitted by February 1. (Sec. 1052(4)(e))

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

4. **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. The Senate did not include. (Sec. 20-951)
5. **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. The Senate did not include. (Sec. 20-957)
6. **Revenue Sharing Workgroup.** The Governor and Senate deleted legislative intent language regarding a legislative workgroup on city, village, and township nonconstitutional revenue sharing. (Sec. 957)
7. **Voting Machine Replacement Reimbursement.** The Senate added language that specified the distribution of funds appropriated for voting machine replacement to cities, villages, townships, and counties that have purchased voting machines in a purchase that is approved by and meets the specifications established by the Department of State. The reimbursement amount would be calculated by the Department of Treasury by dividing the \$5,000,000 appropriated by the number of voting machines that the Department of State projects to need replacement over the next three years. The appropriation would be established as a work project. The Department of Treasury would be required to report on the recipients for funding by May 1, 2017. (Sec. 1058)

Date Completed: 5-5-16

Fiscal Analyst: Elizabeth Pratt



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



BILL ANALYSIS

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

Senate Bill 800 (S-1 as passed by the Senate)
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 SENATE-PASSED	CHANGES FROM FY 2015-16 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	15,437.0	15,499.5	62.5	0.4
GROSS	25,137,449,000	24,783,861,400	(353,587,600)	(1.4)
Less:				
Interdepartmental Grants Received	13,551,600	13,513,700	(37,900)	(0.3)
ADJUSTED GROSS.....	25,123,897,400	24,770,347,700	(353,549,700)	(1.4)
Less:				
Federal Funds.....	18,470,968,600	17,796,663,100	(674,305,500)	(3.7)
Local and Private	280,745,300	280,171,600	(573,700)	(0.2)
TOTAL STATE SPENDING.....	6,372,183,500	6,693,513,000	321,329,500	5.0
Less:				
Other State Restricted Funds.....	2,218,475,300	2,342,745,600	124,270,300	5.6
GENERAL FUND/GENERAL PURPOSE.....	4,153,708,200	4,350,767,400	197,059,200	4.7
PAYMENTS TO LOCALS	1,224,137,400	1,231,794,000	7,656,600	0.6

FY 2015-16 Year-to-Date Gross Appropriation	\$25,137,449,000
--	-------------------------

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

- Medicaid and State Children's Health Insurance Program (SCHIP) Match Rates.** The traditional Medicaid match rate declines from 65.60% to 65.15%, increasing costs by \$48.5 million GF/GP. The SCHIP match rate will drop slightly, increasing costs by \$0.2 million GF/GP. On January 1, 2017, the match rate for the Medicaid expansion, the Healthy Michigan Plan, will drop from 100% to 95%, increasing costs by \$127.8 million GF/GP. 0
- Other Fund Source Adjustments.** Due to Federal statements that the managed care Use Tax must expire at the end of 2016, Governor and Senate reflected a statutory reversion of the Health Insurance Claims Assessment (HICA) rate from 0.75% to 1.0%, resulting in \$58.2 million more revenue and an identical GF/GP savings. The hospital provider tax retainer would be changed, resulting in a \$12.1 million GF/GP savings. Additional Medicaid Benefits Trust Fund revenue would result in a \$17.5 million GF/GP savings. Diversion of tobacco settlement dollars would increase costs by \$23.7 million GF/GP. Recoupment of SCHIP dollars for children on Medicaid would save \$30.0 million GF/GP. 0
- Changes in Federal Grants.** Budget assumed a \$44.3 million increase in the Federal Victims of Crime Act grant and minor adjustments in other Federal grants. Senate reduced State Innovation Model (SIM) grant from \$25.0 million to \$100. (5,015,800)
- Medicaid Actuarial Soundness Adjustments.** Budget included 1.5% increase for regular Medicaid behavioral health and physical health and a 2.0% increase for the Healthy Michigan Plan, at a total cost of \$32.1 million GF/GP. 118,263,800

5. **Reversal of FY 2015-16 Supplementals.** Governor and Senate removed funding associated with the two FY 2015-16 supplementals related to Flint, a reduction of \$11.9 million GF/GP. There is new funding for water crisis related services in Flint in the FY 2016-17 budget. (17,307,100)
6. **Healthy Michigan Plan Base and Caseload Adjustments.** Due to lower expenditure projections tied to flattening caseloads and provider tax adjustments, total HMP authorization is reduced by Governor and Senate, savings of \$19.2 million GF/GP. (513,250,200)
7. **Medicaid and Related Program Base Adjustments.** Budget includes adjustments to reflect projected Medicaid base and caseload costs, for an increase of \$85.6 million GF/GP. 206,169,500
8. **Children's Services Base, Caseload, and Fund Source Adjustments.** Governor and Senate included caseload increases for Foster Care (\$1.0 million Gross, savings of \$8.7 million GF/GP), Child Care Fund (\$6.3 million Gross and GF/GP), and Guardianship Assistance (\$2.7 million Gross, \$3.5 million GF/GP). Governor reflected caseload decreases for Adoption Subsidies (\$6.0 million Gross, \$0.7 million GF/GP) and Family Support subsidy (\$0.7 million Gross). 3,389,200
9. **Public Assistance Base and Caseload Adjustments.** Governor and Senate recognized caseload declines in Family Independence Program (FIP) (\$3.9 million Gross and \$1.0 million GF/GP), State Disability Assistance (SDA) (\$1.7 million Gross and GF/GP), and Food Assistance Program (FAP) (\$71.0 million Gross and \$0 GF/GP). Governor recognized caseload growth in State Supplementation Income (SSI) (\$0.2 million Gross and GF/GP). (76,297,700)
10. **Information Technology Enhancements.** Governor incorporated several IT investments including encryption improvement, fraud detection, DTMB service transition, MiSACWIS integration, and Integrated Service Delivery. Senate reduced funding to \$100 placeholders except for ongoing MiSACWIS funding. 10,521,900
11. **Program Enhancements.** Senate included a \$1.4 million Gross and GF/GP increase for multicultural services, \$3.4 million (no GF/GP) to expand the number covered by the FIP clothing allowance, a new 30-patient unit at the Center for Forensic Psychiatry effective April 1, 2017 (\$3.8 million Gross and GF/GP), and adjustments tied to the implementation of an ambulance provider assessment (\$48.1 million Gross, \$3.9 million GF/GP savings). Senate concurred with expanding Healthy Kids Dental to all Medicaid eligible children in the State (\$25.6 million Gross, \$8.9 million GF/GP), increased private agency foster care rates to \$45 per day (\$7.5 million Gross and GF/GP), restored hospice payments (\$2.5 million Gross and GF/GP), supported a new Medicaid adult dental initiative (\$23.0 million Gross, \$8.0 million GF/GP), increased senior nutrition funding (\$5.0 million Gross and GF/GP), increased Medicaid primary care rates by 6% (\$21.3 million Gross, \$7.4 million GF/GP), increased private duty nursing rates by 20% (\$6.6 million Gross, \$2.3 million GF/GP), and increased the Hospital Rate Adjustor by \$105.0 million Gross (\$0 GF/GP). 253,271,200
12. **Program Reductions.** Senate reduced administration and management expenditures by \$100,000 Gross and GF/GP. Senate rejected Governor's cuts to Adoption family support parent-to-parent program, in-home rural community care grants, and county hold harmless payments. Senate reduced Mental Health and Wellness Commission funding by 20% and reduced the U-D Dental Clinic to a \$100 placeholder. (6,613,400)
13. **Technical Adjustments Tied to Federal and State Policy Changes.** Due to the projected expiration of the Medicaid managed care Use Tax, the State would no longer have to make payments to reimburse providers for the tax, resulting in an assumed savings of \$612.9 million Gross, \$140.4 million GF/GP. Governor removed a one-time hospital payment (\$92.9 million Gross, \$0 GF/GP). Governor reflected suspension of the Federal health insurer fee, reducing reimbursements to HMOs by \$137.2 million Gross, \$36.7 million GF/GP. (842,935,100)
14. **Costs of New Pharmaceuticals.** Governor included funding for two specialty pharmaceuticals: Harvoni (Hepatitis C curative treatment) at cost of \$327.8 million Gross and \$91.5 million GF/GP and Orkambi (Cystic Fibrosis treatment) at a cost of \$66.3 million Gross and \$44.7 million GF/GP. 394,081,300

15. One-Time Programs. Senate included Flint emergency declaration funds \$15.1 million Gross, \$9.1 million GF/GP, Family Preservation funding (\$3.1 million Gross), a specialty pharmaceutical reserve fund (\$57.4 million Gross, \$20.0 million GF/GP), and one-time funding of the MiSACWIS/ISD IT enhancements (\$42.9 million Gross and \$0 GF/GP). Senate removed FY 2015-16 one-time appropriated and boilerplate funding for a savings of \$28.9 million Gross and \$7.4 million GF/GP.	89,458,400
16. Five-Year Early-Out Deferred Sick Leave Payments. Governor and Senate recognized that the obligations associated with employees who opted into the 2010 early retirement program with deferred sick leave payments over five years have been satisfied for a savings of \$2.5 million GF/GP.	(6,363,600)
17. Economic Adjustments. Includes \$8,747,200 Gross and \$3,460,600 GF/GP for OPEB and \$34,094,800 Gross and \$13,628,000 GF/GP for other economic adjustments.	42,842,000
18. Other Changes. Other changes result in a slight decrease in funding.	(3,802,000)
19. Comparison to Governor's Recommendation. The Senate is \$75,893,600 Gross and \$0 GF/GP over the Governor.	
Total Changes	(\$353,587,600)
FY 2016-17 Senate-Passed Gross Appropriation.....	\$24,783,861,400

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

1. **Performance Metrics.** Senate modified existing language concerning benchmarks to measure performance of all new programs and program enhancements, and to establish rankings for new budget investments of greater than \$500,000. (Sec. 204)
2. **Healthy Michigan Plan Advertising.** Senate included new language appropriating \$1.0 million to the Medicaid Health Plans to inform residents about HMP incentives shown to improve health outcomes. Language also prohibits the use of funds to advertise enrollment in the HMP. (Sec. 228)
3. **TANF Interagency Agreement.** Senate combined two current year sections that direct DHHS and TIA to continue an interagency agreement to develop processes for TANF funding. (Sec. 229)
4. **Multicultural Contracts.** Senate modified and moved language requiring the Department to competitively award grants to agencies providing services to multicultural populations consistent with a series of requirements included in the language. (Sec. 295)
5. **Medicaid Behavioral Health Report.** Senate included new language requiring a report from the detailing a proposal to enhance behavioral health services and reform the payment process. (Sec. 296)
6. **RFP Notifications.** Senate added subsections that require more details concerning RFP processes where the lowest cost or highest scoring bidding vendor does not receive the contract. Senate also required reporting on instances of these divergences. (Sec. 299)
7. **State Licensing Review.** Senate modified the requirement that licensing reviews for child placing agencies and institutions should occur every 3 years from 2 years currently. (Sec. 532)
8. **Payment Processing Time.** Senate revised existing language to add reporting requirements for payments to child placing agencies that were greater than 30 days in arrears. (Sec. 533)
9. **MiSACWIS Report.** Senate modified existing reporting requirements for the MiSACWIS system by increasing the detail that must be produced in the annual report. (Sec. 534)
10. **Administrative Daily Rate Increase.** Senate increased the incremental administrative rate for private child welfare agencies from \$3.00 per day to \$8.00 per day. (Sec. 546)
11. **Child Welfare Training Process.** Senate allowed for private foster care agencies to conduct their own staff training provided by that the training is certified by the Department. (Sec. 558)

12. **Juvenile Justice Vision 20/20.** Senate added \$1,000,000 in funding to Grand Valley State University to act as the fiduciary for an expansion of the juvenile justice data sharing model. (Sec. 586)
13. **FIP Clothing Allowance.** Senate modified existing section to allow for the expansion of the clothing allowance to all FIP cases that have children with a \$140 annual allowance. (Sec. 669)
14. **Spend-Down Workgroup.** Senate included new language requiring the Department to conduct a workgroup to address issues relating to Medicaid spend-downs and make policy recommendations. (Sec. 1012)
15. **Center for Forensic Psychiatry Expansion.** Senate included new language directing the Department to open an eighth wing at the Center, effective April 1, 2017, in order to alleviate time spent on wait lists. The language includes required program outcomes and performance metrics. (Sec. 1059)
16. **Opioid Fraud.** Senate included new language dedicating 1 FTE to coordinating with LARA, the Department of the Attorney General, and the Medicaid Health Plans to reduce fraud related to opioid prescribing within Medicaid. (Sec. 1150)
17. **Opioid Addiction Treatment.** Senate included new language dedicating 1 FTE to coordinating with LARA, the Department of the Attorney General, and the Medicaid Health Plans to help inform Medicaid enrollees of medically appropriate treatment options for opioid addiction. (Sec. 1151)
18. **National Brand Peanut Butter.** Senate modified language requiring national brand peanut butter to be included in the basket of approved WIC items. (Sec. 1340)
19. **Food Bank Council Collaboration with AAA.** Senate included new language encouraging the collaboration between the Area Agencies on Aging and the Food Bank Council of Michigan to provide food for vulnerable seniors. (Sec. 1402)
20. **Integrated Services Delivery Call Center.** Senate included new language directing the Department to establish new IT tools and enhance existing systems to improve the eligibility and enrollment process. Language also includes outcomes and performance metrics. (Sec. 1506)
21. **Electronic Service Verification.** Senate included new language appropriating \$500,000 to develop an electronic service verification solution to reduce errors and minimize fraud in the Adult Home Help Program. (Sec. 1872)
22. **Protected Class Prescriptions.** Senate included new language prohibiting the Department from subjecting certain prescription drugs to prior authorization procedures. (Sec. 1875)
23. **Hepatitis C Tracking.** Senate included new language requiring a report on Hepatitis C tracking data by March 1 of the current fiscal year. (Sec. 1878)
24. **Direct Primary Care Pilot.** Senate included new language appropriating funds to implement a Direct Primary Care Pilot in Wayne, Oakland, and Livingston counties. Language specifies the make-up of the pilot, required contract provisions, a quarterly reporting requirement, and legislative intent that the pilot continue for three years. (Sec. 1880)
25. **Healthy Kids Dental.** Senate altered language directing the expansion of Healthy Kids Dental to all kids in Kent, Oakland, and Wayne counties. Outlines performance measures for the program. (Sec. 1894)
26. **Adult Dental Services.** Senate included new language requiring a contract with a managed care organization to administer the Medicaid adult dental benefit beginning July 1, 2017. Also includes outcomes and performance measures. (Sec. 1896)
27. **Parent Partner and Family Reunification Programs.** Senate included new language directing the Department to expand the Parent Partner Program and Family Reunification Program. Outlines performance measures for the program and states that unexpended funds be designated as a work project. (Sec. 1909)
28. **Flint Declaration of Emergency.** Senate included new language requiring the Department to allocate funds to address needs related to the Flint water crisis. Language includes examples of activities for which the funds may be used. (Sec. 1910)
29. **Pharmacy Reserve.** Senate included new language prohibiting the expenditure of funds in the pharmacy reserve until the funds have been transferred to other line items, and 30 days have passed since the submission of a report to the legislature. (Sec. 1911)

Date Completed: 5-4-16

Fiscal Analyst: Ellyn Ackerman, Steve Angelotti, and John Maxwell

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



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



BILL ANALYSIS

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

Senate Bill 800 (S-1 as passed by the Senate)
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 SENATE-PASSED	CHANGES FROM FY 2015-16 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	337.0	337.0	0.0	0.0
GROSS	65,057,700	66,307,200	1,249,500	1.9
Less:				
Interdepartmental Grants Received	707,600	707,600	0	0.0
ADJUSTED GROSS.....	64,350,100	65,599,600	1,249,500	1.9
Less:				
Federal Funds.....	2,000,000	2,000,000	0	0.0
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING.....	62,350,100	63,599,600	1,249,500	2.0
Less:				
Other State Restricted Funds.....	62,200,100	63,449,600	1,249,500	2.0
GENERAL FUND/GENERAL PURPOSE.....	150,000	150,000	0	0.0
PAYMENTS TO LOCALS	0	0	0	0.0

FY 2015-16 Year-to-Date Gross Appropriation	\$65,057,700
Changes from FY 2015-16 Year-to-Date:	
1. Five-Year Early-Out Deferred Sick Leave Payments. Departmental payment 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.	(138,500)
2. Economic Adjustments. Includes \$234,700 Gross and \$0 GF/GP for OPEB and \$1,153,300 Gross and \$0 GF/GP for other economic adjustments.	1,388,000
3. Comparison to Governor's Recommendation. The Senate is \$0 Gross and \$0 GF/GP over/under the Governor.	
Total Changes	\$1,249,500
FY 2016-17 Senate-Passed Gross Recommendation	\$66,307,200

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

1. **Health Insurer Annual Rate Filing Report.** The Senate retained current reporting requirements and the Governor amended reporting requirements to include the number of applicable filings, the average number of days to process filings, an estimated percentage of residents without health coverage, the number of denied filings, and the percentage of rate filings processed for more than six months in a calendar year. The report previously required the number of filing approvals and denials, the percentage of rate filings processed, the average number of days to process filings, and an estimated percentage of residents without insurance for more than six months in a calendar year (FY 15-16: Sec. 229; FY 16-17: Sec. 213).

2. **Reporting Requirements.** The Senate retained and the Governor removed reporting requirements regarding the following: (1) Benchmark identification for program expansions or new programs over \$500,000 (Sec. 205); (2) Office space ownership/lease/use data (Sec. 219); (3) Healthy Michigan Plan accounting structure (Sec. 245) and associated restrictions on General Fund use within the budget (Sec. 246); Economic development planning and costs (Sec. 310); the Autism Reimbursement Coverage Fund (Sec. 802). The Governor also removed and the Senate retained requirements for the Department to retain copies of reports under Federal and State guidelines (Sec. 212).
3. **Disciplinary Restrictions for Legislative Communication.** The Senate retained and the Governor removed a requirement that prohibited the Department from disciplining employees for communicating with legislators or legislative staff (Sec. 215).
4. **Department Charges for Non-Confidential Information Requests.** The Senate and the Governor included language authorizing the Department to establish and collect fees for supplying information requests. Any fees not spent would lapse to the appropriate restricted fund (Sec. 392).

Date Completed: 5-5-16

Fiscal Analyst: Josh Sefton



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



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

Senate Bill 800 (S-1 as passed by the Senate)
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 SENATE-PASSED	CHANGES FROM FY 2015-16 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	489.0	510.0	21.0	4.3
GROSS	284,851,400	297,411,400	12,560,000	4.4
Less:				
Interdepartmental Grants Received	2,362,900	1,550,000	(812,900)	(34.4)
ADJUSTED GROSS.....	282,488,500	295,861,400	13,372,900	4.7
Less:				
Federal Funds.....	6,428,600	6,433,500	4,900	0.1
Local and Private	8,171,900	8,307,100	135,200	1.7
TOTAL STATE SPENDING.....	267,888,000	281,120,800	13,232,800	4.9
Less:				
Other State Restricted Funds.....	84,245,800	92,786,000	8,540,200	10.1
GENERAL FUND/GENERAL PURPOSE.....	183,642,200	188,334,800	4,692,600	2.6
PAYMENTS TO LOCALS	137,073,400	138,768,300	1,694,900	1.2

FY 2015-16 Year-to-Date Gross Appropriation	\$284,851,400
--	----------------------

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

- | | |
|--|-----------|
| 1. Statewide Electronic Filing System. Governor and Senate increased spending authority from the electronic filing fund. | 8,500,000 |
| 2. Criminal Justice Reform Initiative. Senate increased funding for the Swift-and-Sure Sanctions Program to allow the Supreme Court to appoint a judge to oversee a specialty court for the Swift-and-Sure Sanctions program in any county that had at least 325 individuals sentenced to prison in the previous calendar year. | 800,000 |
| 3. Michigan Indigent Defense Commission. Governor increased funding by \$1,300,000 to implement minimum standards, rules, and procedures to guarantee the right of indigent defendants to the assistance of proficient counsel, collect data from indigent defense systems and attorneys, and monitor and audit county compliance plans. Senate reduced Governor's recommendation by \$500,000. | 800,000 |
| 4. State Appellate Defender Office Staff. Governor added one-time funding of \$1,100,000 to help ensure compliance with the U.S. Supreme Court ruling in <i>Montgomery v. Louisiana</i> regarding juvenile life sentences. Senate reduced Governor's recommendation by \$400,000. | 700,000 |
| 5. Veteran's Courts. Governor added one-time funding of \$500,000 for more veteran's courts. Senate reduced Governor's recommendation by \$250,000. | 250,000 |
| 6. Medication-Assisted Treatment Pilot. Governor and Senate appropriated one-time funds for a medication-assisted treatment pilot program within existing drug treatment courts. | 500,000 |
| 7. Drug Treatment Courts. Governor added one-time funding of \$500,000 to increase the number of drug treatment court participants. Senate did not recommend the increase. | 0 |

8. Michigan Legal Self-Help Website and Centers. Governor and Senate increased funding to the Michigan Legal Self-Help program.	300,000
9. Court of Claims. Governor and Senate recommended an ongoing appropriation to cover additional caseloads due to P.A. 79 of 2015.	200,000
10. Michigan Judicial Institute. Governor and Senate recognized the loss of a \$56,500 Federal Department of Justice, victim's assistance grant, and the loss of a \$339,200 interdepartmental grant from the Michigan State Police, Michigan Commission on Law Enforcement Standards.	(395,700)
11. Replace Michigan Commission on Law Enforcement Standards Revenue. Governor and Senate added \$167,000 General Fund to the State Appellate Indigent Defense Office to recognize discontinuance of interdepartmental grants in the same amount from the Michigan State Police and also removed excess spending authorization of \$306,700.	(306,700)
12. Judgeship Net Savings by Attrition. Governor and Senate recognized elimination of judgeships through attrition and retirements, and increases due to restoration and new elections.	(259,700)
13. Removal of One-Time Funding. Governor and Senate removed the one-time funding to the Court of Claims for P.A. 79 of 2015 and recommended it be replaced with an ongoing appropriation.	(200,000)
14. 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.	(58,800)
15. Economic Adjustments. Includes \$324,000 Gross and \$272,100 GF/GP for OPEB and \$1,407,000 Gross and \$1,214,700 GF/GP for other economic adjustments.	1,731,000
16. Other Changes. Governor and Senate removed the revenue placeholder for the e-file system.	(100)
17. Comparison to Governor's Recommendation. The Senate is \$850,000 Gross and \$850,000 GF/GP under the Governor.	
Total Changes	\$12,560,000
FY 2016-17 Senate-Passed Gross Appropriation.....	\$297,411,400

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

1. **Definitions.** One definition was added to the bill: SADO means "State Appellate Defender Office".
2. **New Sections.** Senate added new Sections related to the Michigan Indigent Defense Commission (Sec. 10-324) and the State Appellate Defender Office (Sec. 10-402).
3. **Criminal Justice Reform Initiative.** Senate added language to Sec. 10-320 to set up and to set restrictions on the expansion of the Swift-and-Sure Sanctions program described above.
4. **Court of Claims.** Senate increased the allocation from \$511,900 to \$711,900 for Circuit Court reimbursement under P.A. 16 of 1978, for costs associated with the Court of Claims. (Sec. 10-303)
5. **Section Names.** Senate added "One-Time Appropriations" Section. (Sec. 10-110)
6. **Updated Amounts for Total Legacy Costs.** Senate updated total legacy costs Section. The pension-related costs are \$7,820,600 and the retiree health care costs are \$6,284,000. (Sec. 10-224)

Date Completed: 5-4-16

Fiscal Analyst: Ryan M. Bergan

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



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

BILL ANALYSIS



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

Senate Bill 800 (S-1, as passed by the Senate)
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 SENATE-PASSED	CHANGES FROM FY 2015-16 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	2,164.3	2,172.2	7.9	0.4
GROSS	409,849,000	419,583,200	9,734,200	2.4
Less:				
Interdepartmental Grants Received	46,068,700	46,923,800	855,100	1.9
ADJUSTED GROSS.....	363,780,300	372,659,400	8,879,100	2.4
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)
TOTAL STATE SPENDING.....	299,085,100	308,275,600	9,190,500	3.1
Less:				
Other State Restricted Funds.....	258,603,600	262,462,400	3,858,800	1.5
GENERAL FUND/GENERAL PURPOSE.....	40,481,500	45,813,200	5,331,700	13.2
PAYMENTS TO LOCALS	28,225,700	29,225,700	1,000,000	3.5

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

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

- Michigan Automated Prescription System (MAPS) Upgrades.** The Governor 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. 4,490,000
- 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 Senate did not include this item. 0
- Michigan Liquor Control Commission IT Upgrades.** The Governor 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
- 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. 3,000,000
- Firefighter Training Grants.** The Senate included additional Fireworks Safety Fund revenue to increase the total amount available for grants to \$2.0 million. 1,000,000

6. Higher Education Reciprocal Exchange. As part of Supplemental Request 2016-4, the Governor 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
7. Detroit Demolition Permit Assistance. The Governor and Senate removed appropriations for this program as the City of Detroit has resumed permitting responsibilities related to blight elimination.	(800,000)
8. Remove FY 2015-16 Supplemental Appropriations. The Governor 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)
9. 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)
10. 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.	302,000
11. Cost Adjustments. The Governor 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
12. Reduce Overstated Federal and Restricted Fund Appropriations. The Governor 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)
13. Michigan Administrative Hearing System - Fund Shift. The Governor and Senate included a fund shift that would reduce GF/GP to this program by \$370,000 and replace it with Corporation Fees.	0
14. Bureau of Community and Health Services - Fund Shift. The Governor 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
15. 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
16. Comparison to Governor's Recommendation. The Senate is \$3,015,700 Gross and \$3,000,000 GF/GP over the Governor.	

Total Changes	\$9,734,200
FY 2016-17 Senate-Passed Gross Appropriation	\$419,583,200

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

1. **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. (Sec. 207)
2. **Metrics for New/Increased Programs.** The Governor removed and Senate retained a requirement that proposals for new programs or increases over \$500,000 be accompanied by proposed metrics. (Sec. 215)
3. **Communication with the Legislature.** The Governor removed and Senate retained a prohibition against taking disciplinary action against Department employees who communicate with the Legislature. (Sec. 217)

4. **Report Retention.** The Governor removed and Senate retained a requirement that reports be retained according to State and Federal laws. (Sec. 216)
5. **Office Space Inventory.** The Governor removed and Senate retained a report on the amount of office space owned or leased by the Department. (Sec. 219)
6. **TV or Radio Productions.** The Governor removed and Senate retained a prohibition against the Department producing radio or TV productions. (Sec. 232)
7. **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. (Sec. 241[5])
8. **Reinventing Performance in Michigan- Cost Recovery.** The Governor and Senate removed a section requiring the Department to work with other departments to recover costs for this program. (Sec. 243)
9. **Regulatory Activities Report.** The Governor removed and Senate retained a report providing details on licensing/regulatory activities undertaken by each agency or bureau in the Department. (Sec. 248)
10. **Employee Performance Monitoring.** The Governor 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. (Sec. 252)
11. **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. (Sec. 401)
12. **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. (Sec. 402)
13. **Health Professional Disciplinary Actions - Post on Web.** The Governor removed and Senate retained a section requiring the disciplinary actions taken against health professionals to be available through the Department's licensing verification website. (Sec. 512)
14. **Bureau of Children and Adult Licensing (BCAL) - Increase Staff and Report.** The Governor 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. (Sec. 514)
15. **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. (Sec. 515)
16. **Sawmill Inspections.** The Senate included a new section requiring the department to inspect sawmills and report to the Legislature. (Sec. 516)
17. **Opioid Overprescription Report.** The Senate included a new section requiring a report on overprescribers of opioids. (Sec. 517)
18. **Bureau of Services for Blind Persons (BSBP) - Identify Federal Match.** The Governor removed and Senate retained a requirement that BSBP work with service organizations to identify qualified Federal match dollars. (Sec. 705)
19. **Youth Low-Vision Program Report.** The Governor removed and Senate retained a report on this program. (Sec. 706)
20. **MLCC IT Upgrades.** The Governor and Senate included a new section identifying metrics for one-time funds for MLCC IT upgrades. (Sec. 905)
21. **MAPS Upgrades.** The Governor and Senate included a new section identifying metrics for one-time funds included for an upgrade to the MAPS system. (Sec. 906)
22. **Anticipated Appropriations for FY 2016-17.** The Governor removed and Senate retained this section. (Sec. 1201)
23. **Intent to Identify Legacy Costs for FY 2016-17.** The Governor removed and Senate retained this section. (Sec. 1202)

Date Completed: 5-4-16

Fiscal Analyst: Josh Sefton

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



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

BILL ANALYSIS

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

Senate Bill 800 (S-1 as passed by the Senate)
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 SENATE-PASSED	CHANGES FROM FY 2015-16 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	888.5	898.5	10.0	1.1
GROSS	168,953,700	176,710,200	7,756,500	4.6
Less:				
Interdepartmental Grants Received	99,300	101,800	2,500	2.5
ADJUSTED GROSS.....	168,854,400	176,608,400	7,754,000	4.6
Less:				
Federal Funds.....	90,208,600	91,793,600	1,585,000	1.8
Local and Private	2,237,000	2,475,200	238,200	10.6
TOTAL STATE SPENDING.....	76,408,800	82,339,600	5,930,800	7.8
Less:				
Other State Restricted Funds.....	23,221,500	24,696,000	1,474,500	6.3
GENERAL FUND/GENERAL PURPOSE.....	53,187,300	57,643,600	4,456,300	8.4
PAYMENTS TO LOCALS	102,400	102,400	0	0.0

FY 2015-16 Year-to-Date Gross Appropriation	\$168,953,700
--	----------------------

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

- | | |
|---|-----------|
| 1. Grand Rapids Veterans Home. Governor and Senate recommended one-time capital outlay funds of \$5.0 million GF/GP to renovate fourth floor of home to Medicaid specifications. | 5,000,000 |
| 2. Armory Infrastructure Upgrades. Governor and Senate recommended \$2.5 million in one-time GF/GP funding to support installation of upgraded Army National Guard network connections. | 2,500,000 |
| 3. D.J. Jacobetti Veterans Home. Governor and Senate recommended \$1,120,000 GF/GP to adjust nurse staffing level and renovate home to Medicaid specifications. | 1,120,000 |
| 4. Youth Challenge Program. Senate added 10 FTEs and \$710,000 Gross (\$210,000 Local and \$500,000 GF/GP) to address audit findings. | 710,000 |
| 5. Camp Grayling Housing. Senate added \$300,000 GF/GP to Capital Outlay/National Guard to assist with housing construction at Camp Grayling. | 300,000 |
| 6. Adjustment of Federal Funds Based on Anticipated Revenue. Governor and Senate recommended adjustments to reflect actual funds received, including increases of \$1.5 million for armory operations, \$214,000 for the D.J. Jacobetti Home, decreases of \$1.1 million in Medicare funds for the Grand Rapids Veterans Home, and \$100,000 for the D.J. Jacobetti Veterans Home. | 518,900 |

7. National Guard Tuition Assistance Funding Adjustment. Governor recommended the adjustment of funding from a GF/GP appropriation of \$3,741,600 for FY 2015-16 to a restricted revenue amount of \$3.5 million -- which necessitates a GF/GP appropriation to the Fund for FY 2016-17, to align with expected expenditures. The Senate reduced the Governor's recommended GF/GP appropriation to the National Guard Tuition Assistance Fund by \$337,300 GF/GP.	521,100
8. Veterans Service Grants. Senate provided a 1% economic increase for veterans service grants.	37,300
9. Veterans Homes' Restricted Fund Shortfall. Governor and Senate recommended \$2.3 million GF/GP be used to supplant an equal amount of expected income and assessment restricted revenue shortfall due to a declining census at the homes.	0
10. Elimination of FY 2015-16 One-Time Funding. Governor and Senate recommended the elimination of one-time funding of \$3.0 million GF/GP for Special Maintenance -- National Guard.	(3,000,000)
11. Internal Funding Transfers. Governor and Senate recommended available Head Quarters and Armories funding to be shifted to Homeland Security (\$5,300 GF/GP) and to Michigan Emergency Volunteers (\$10,000 GF/GP) to align with expenditures.	0
12. Five-Year Early-Out Deferred Sick Leave Payments. Governor and Senate recommended the elimination of payments, as 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 for a savings of \$125,800 Gross, \$5,600 GF/GP.	(125,800)
13. Adjustment for FY 2015-16 Supplemental. An adjustment to reflect FY 2015-16 supplemental (Public Act 3 of 2016) which provided \$2.0 million in GF/GP support for National Guard efforts related to the Flint emergency.	(2,000,000)
14. Economic Adjustments. Includes \$28,200 Gross and \$9,300 GF/GP for OPEB and \$2,146,800 Gross and \$714,200 GF/GP for other economic adjustments.	2,175,000
15. Comparison to Governor's Recommendation. The Senate is \$710,000 Gross and \$500,000 GF/GP over the Governor.	
Total Changes	\$7,756,500
FY 2016-17 Senate-Passed Gross Appropriation.....	\$176,710,200

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

1. **Core Services List.** Governor and Senate amended list of core services by combining the veterans homes' Board of Managers into a single core service. (Sec. 217)
2. **Special Maintenance Carry Forward.** Governor and Senate struck a Section requiring appropriations for Special Maintenance to be carried forward at the end of the fiscal year, as it is redundant to language found in Sec. 601. (Sec. 234)
3. **Unclassified Positions.** Governor and Senate amended list of unclassified employees by removing "Director, Public Safety Group" and added the position of "Chief Executive Officer for Veteran Health System." (Sec. 300)
4. **Starbase Grant.** Governor and Senate amended language to designate the educational program to be targeted toward fifth graders as opposed to both fourth and fifth graders. (Sec. 309)
5. **National Guard Tuition Assistance Program.** Governor and Senate added a new subsection stating the intent that the program shall be funded with revenue from the Michigan National Guard Tuition Assistance Fund and that unexpended funds shall not lapse to the General Fund at the end of the fiscal year. (Sec. 310)
6. **Information Technology.** Governor and Senate removed boilerplate, which provides for IDG-pass through billing for technology services supplied by DTMB. (Sec. 311)

7. **Michigan Veterans Trust Fund Administration.** Governor and Senate removed a section, which required that up to \$550,000 shall be spent on administration, up to \$400,000 on an Internet application site, and up to \$450,000 on a regional office model. (Sec. 407)
8. **Grand Rapids and D.J. Jacobetti Homes for Veterans.** Governor and Senate amended language by combining separate (but duplicate) boilerplate sections for each home into a single controlling section and added language which states the results of the annual USVDA survey and certification as proof of compliance with Federal standards for the homes; removed requirements that evaluated nursing assistants, have one year of nursing home experience; and added a new subsection requiring a quarterly report regarding the status of Medicaid certification efforts and progress. Senate added language to include when referring to "director of nursing" additionally, "his or her designee". (Sec. 501)
9. **D.J. Jacobetti Home for Veterans Medicaid/Medicare Initiative.** Governor and Senate added a new section concerning the Department using appropriations for the pursuit of Medicaid/Medicare certification standards for the D.J. Jacobetti Home for Veterans. A new section requires the Department to report quarterly on a number of quality-of-care metrics, complaints, budget updates, member demographics, revenue collection, home renovations, and improvements, information technology, and updates related to corrective actions required by any audit or survey finding. (Sec. 501)
10. **Medicare and Medicaid.** Governor and Senate added language providing guidelines for seeking Medicare and Medicaid certification including performance metrics. (Sec. 502)
11. **Medicaid/Quality of Care.** Senate added language requiring the Department to provide quarterly reports which include evidence that the quality of care at the veterans homes is improved due to Medicaid required upgrades. (Sec. 502a)
12. **FY 2015-16 One-Time Appropriations.** Governor and Senate struck section, which provided guidelines for one-time appropriation for Special Maintenance -- National Guard. (Sec. 701)
13. **FY 2016-17 One-Time Appropriations.** Governor and Senate added a new section, which provides guidelines for proposed one-time appropriation for armory upgrades for National Guard network connections. (Sec. 701)

Date Completed: 5-4-16

Fiscal Analyst: Bruce R. Baker



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



BILL ANALYSIS

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

Senate Bill 800 (S-1 as passed by the Senate)
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 SENATE-PASSED	CHANGES FROM FY 2015-16 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	2,229.8	2,236.8	7.0	0.3
GROSS	404,001,200	398,154,100	(5,847,100)	(1.4)
Less:				
Interdepartmental Grants Received	1,352,700	1,375,900	23,200	1.7
ADJUSTED GROSS.....	402,648,500	396,778,200	(5,870,300)	(1.5)
Less:				
Federal Funds.....	77,128,000	72,365,400	(4,762,600)	(6.2)
Local and Private	8,157,700	7,446,400	(711,300)	(8.7)
TOTAL STATE SPENDING.....	317,362,800	316,966,400	(396,400)	(0.1)
Less:				
Other State Restricted Funds.....	277,765,000	277,156,400	(608,600)	(0.2)
GENERAL FUND/GENERAL PURPOSE.....	39,597,800	39,810,000	212,200	0.5
PAYMENTS TO LOCALS	5,548,300	6,100,000	551,700	9.9

FY 2015-16 Year-to-Date Gross Appropriation	\$404,001,200
--	----------------------

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

- 1. Forest Management Division.** The Governor and Senate included Forest Development Fund and 7.0 FTEs to support sustainable timber supply, study of spruce budworm, to help establish property corners in certain areas, and other efforts. 2,125,000
- 2. Forest Fire Equipment.** The Governor and Senate included additional Forest Development Fund revenue for the purchase of new forest fire equipment to replace old equipment. \$150,000 would be ongoing, and \$1.0 million would be one-time. 1,150,000
- 3. Asian Carp Barrier Development.** The Governor and Senate included one-time GF/GP appropriations to support research and development of a mobile barrier to keep Asian Carp out of the Great Lakes, should the threat arise. 1,000,000
- 4. Land Ownership Tracking System Replacement.** The Governor and Senate included one-time Forest Development Fund appropriations for the replacement of the IT system that tracks the State's land holdings. The system is outdated and provides the base layer data for many geographically-oriented applications such as MiHunt and DNR's timber marking and sales platform. 4,000,000
- 5. Commercial and Tribal Fisher Reporting.** The Governor and Senate included Game and Fish Protection Fund and GF/GP to develop a computer-based system for commercial and tribal fisher reporting. Currently these fishers use a paper system; a new system would allow for web-based reporting. 600,000
- 6. Vegetative Management System.** The Governor and Senate included Forest Development Fund appropriations for further work on the switch in the Forest Management Division from its current timber tracking system to the new Vegetative Management System. 2,100,000

7. Recreation Passport Local Grants. The Governor and Senate included additional one-time appropriations for this program which provides grants to local units of government for recreation-related projects. These grants are funded from a statutory carve-out in Recreation Passport revenue.	500,000
8. Swimmer's Itch Pilot Program. The Senate included additional GF/GP for a new program to address swimmer's itch at inland lakes in Michigan.	250,000
9. Remove FY 2015-16 One-Time Appropriations.	(20,537,000)
10. FY 2016-17 Capital Outlay - Waterways Projects. The Governor and Senate included an additional \$3.3 million for projects at State and local harbors, docks, and boating access areas. These projects are funded from the Michigan State Waterways Fund.	3,258,500
11. FY 2016-17 Capital Outlay - Recreational Lands and Infrastructure. The Governor and Senate included an additional \$3.3 million from a number of restricted and Federal fund sources for capital outlay projects in State parks and other State recreational areas.	3,300,000
12. Additional Federal Funds. The Governor and Senate included additional Federal funds that will be received: \$181,000 for shooting ranges, and \$424,000 for wildlife management.	605,000
13. State Parks - Increased Costs. The Governor and Senate included additional Park Improvement Fund appropriations to cover increased costs in State parks as follows: \$210,000 for increased vendor cost for reservation system; \$420,000 to cover the cost of minimum wage increase from \$8.15 to \$8.90; \$870,000 for increased utility and garbage costs; and \$10,000 for State park revenue bond service.	1,510,000
14. Reflect Restricted Fund Revenue Increases. The Governor and Senate included additional restricted fund authorization to replace reductions made in previous years, as revenues have increased. \$200,000 in Marine Safety Fund revenue was included to support marine safety grants to county sheriffs, and \$150,000 in Forest Recreation Fund revenue was included to support State forest campgrounds and nonmotorized trails.	350,000
15. 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.	(816,800)
16. Remove FY 2015-16 Capital Outlay Waterways Projects. This is a technical item to reflect the removal of projects that were funded in FY 2015-16.	(3,903,900)
17. Reduce Restricted and Federal Fund Appropriations to Reflect Available Revenue. The Governor and Senate reduced appropriations from a number of funds and line items, including \$5.5 million from the Game and Fish Protection Fund, reflecting lower-than-anticipated hunting and fishing license sales.	(6,705,800)
18. Wildfire Protection. The Governor and Senate reduced GF/GP appropriations by \$1.2 million in this line item and replaced them with Forest Development Fund.	0
19. Economic Adjustments. Includes \$1,119,900 Gross and \$114,800 GF/GP for OPEB and \$4,248,000 Gross and \$595,300 GF/GP for other economic adjustments.	5,367,900
20. Comparison to Governor's Recommendation. The Senate is \$250,000 Gross and \$250,000 GF/GP over the Governor.	
Total Changes	(\$5,847,100)
FY 2016-17 Senate-Passed Gross Appropriation.....	\$398,154,100

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

1. **Metrics for New/Increased Programs.** The Governor removed and Senate retained a requirement that proposals for new programs or increases over \$500,000 be accompanied by proposed metrics. (Sec. 217)
2. **Communication with the Legislature.** The Governor removed and Senate retained a prohibition against taking disciplinary action against Department employees who communicate with the Legislature. (Sec. 220)

3. **Report Retention.** The Governor removed and Senate retained a requirement that reports be retained according to State and Federal laws. (Sec. 218)
4. **Waterways Projects Report.** The Governor removed and Senate retained a report on Michigan State Waterways projects completed in the previous fiscal year. (Sec. 219)
5. **Invasive Species Grant Earmark.** The Governor removed and Senate retained a requirement that not less than \$3.6 million appropriated for invasive species prevention and control be allocated toward grants. (Sec. 251)
6. **Land Transaction Report.** The Governor removed and Senate retained a report detailing all land transactions in the previous fiscal year. (Sec. 408)
7. **Wildlife Management - Federal Funds.** The Governor and Senate removed a requirement that Federal funds from increased firearm and ammunition sales be used to support restoration, conservation, management, and enhancement of wildlife habitats. (Sec. 501)
8. **Invasive Species Order - Swine.** The Governor removed and Senate retained a report on efforts and expenditures related to the enforcement of the invasive species order against swine. (Sec. 503)
9. **Cervid Operation Licensing Fees.** The Governor removed and Senate retained a report on the use of cervidae licensing and inspection fees as well as a requirement that those fees be used only for regulation of private cervid operations. (Sec. 504)
10. **Water Control Structure Certification.** The Governor removed and Senate retained a requirement that the Department not impede the certification process for water control structures on Michigan waterways. (Sec. 602)
11. **State Parks Capital Outlay Needs.** The Governor removed a report detailing a plan to address capital outlay and maintenance needs in State parks. The Senate retained the section and expanded it to require a list of projects. (Sec. 705)
12. **Forestry Funding Increase.** The Governor and Senate removed a requirement that the Department use increased funds for forest management and timber market development for investments in technology and equipment. (Sec. 801) The Governor replaced this section with a similar one pertaining to one-time appropriations for a similar purpose. The Senate included this new section. (Sec. 1201)
13. **Timber Quotas.** The Governor removed and Senate retained a section establishing quotas for timber treatment and marking. (Sec. 802)
14. **Contract Foresters.** The Governor removed and Senate retained a requirement that the Department employ a sufficient number of foresters to meet the quotas established in section 802. (Sec. 805)
15. **Forest Fire Equipment.** The Governor included a new section directing increased funds appropriated for forest fire equipment and forestry investment be used to replace aging forest fire equipment that is in disrepair, and that metrics be established for the appropriation. The Senate included this new section. (Sec. 809)
16. **Snowmobile Law Enforcement Grants.** The Governor removed and Senate retained a section directing the Department to provide snowmobile law enforcement grants to counties from appropriations for that purpose. (Sec. 901)
17. **Marine Safety Grant Report.** The Governor removed and Senate retained a report on marine safety grants to county law enforcement. (Sec. 902)
18. **Land Ownership Tracking System (LOTS) Replacement.** The Governor included a new section requiring the Department to establish metrics for the replacement of the LOTS system. The Senate included this new section. (Sec. 1202)
19. **Invasive Species Program - Increase Interdepartmental Funding.** The Governor included a new section directing the Department to increase programs funds available to other State departments. The Senate included this new section. (Sec. 1203)
20. **FY 2016-17 Anticipated Appropriations.** The Governor and Senate removed this section. (Sec. 2001)

Date Completed: 5-4-16

Fiscal Analyst: Josh Sefton

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



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



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

Senate Bill 800 (S-1 as passed by the Senate)
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 SENATE-PASSED	CHANGES FROM FY 2015-16 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	3,131.0	3,269.0	138.0	4.4
GROSS	620,937,400	662,556,500	41,619,100	6.7
Less:				
Interdepartmental Grants Received	26,224,300	26,580,400	356,100	1.4
ADJUSTED GROSS.....	594,713,100	635,976,100	41,263,000	6.9
Less:				
Federal Funds.....	87,945,900	87,967,800	21,900	0.0
Local and Private	5,533,400	5,906,600	373,200	6.7
TOTAL STATE SPENDING.....	501,233,800	542,101,700	40,867,900	8.2
Less:				
Other State Restricted Funds.....	124,828,200	126,358,500	1,530,300	1.2
GENERAL FUND/GENERAL PURPOSE.....	376,405,600	415,743,200	39,337,600	10.5
PAYMENTS TO LOCALS	15,464,100	19,198,900	3,734,800	24.2

FY 2015-16 Year-to-Date Gross Appropriation	\$620,937,400
--	----------------------

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

- | | |
|---|-----------|
| 1. Trooper School. Governor recommended funding of \$9.5 million GF/GP (\$4.5 million one-time) for a new trooper school to begin in April 2017 to graduate 85 candidates. Senate added \$300,000 to increase trooper number to 100 and move school start to June. | 9,800,000 |
| 2. Recruit School Second-Year Costs. Governor and Senate recommended \$8,750,300 GF/GP in additional funds to reflect FY 2016-17 full second-year costs in salary, benefits, CSS&M, and fleet costs for the FY 2015-16 trooper school projected to graduate 100. | 8,750,300 |
| 3. School Safety Initiative. Governor and Senate recommended \$4.0 million GF/GP for the return of a FY 2014-15 (Public Act 252 of 2014) one-time competitive grant program to provide grants to local K-12 schools for projects to enhance school safety. | 4,000,000 |
| 4. Cyber Crimes Enforcement. Governor and Senate recommended \$2,203,200 GF/GP and 9.0 FTEs to provide additional support to increase capacity to prevent, detect, and investigate cybercrimes. | 2,203,200 |
| 5. Secure Cities Expansion. Governor and Senate recommended \$1,463,500 GF/GP and 9.0 FTEs for the expansion in coverage of the current program to include Muskegon Heights, Inkster, Hamtramck, Harper Woods, Highland Park, and Benton Harbor. | 1,463,500 |
| 6. Drug Enforcement Initiative. Governor and Senate recommended \$1,256,300 GF/GP and 9.0 FTEs to deploy a statewide drug enforcement strategy focusing on prescription drug and opioid diversion and training of local police in its detection and enforcement. | 1,256,300 |
| 7. Homeland Security/Energy Disaster. Governor and Senate recommended \$750,000 GF/GP in one-time funding to support the development of a statewide strategy and implementation plan for preparedness in the event of long-term power outages. | 750,000 |

8. Disaster and Emergency Contingency Fund. Governor recommended the appropriation of \$6.0 million GF/GP to the State's Disaster and Emergency Contingency Fund for use in assisting State and local governments with State disaster-related costs. Senate reduced the amount to \$5.5 million.	5,500,000
9. Sexual Assault Prevention and Education Initiative. Governor and Senate recommended the continuation of \$500,000 in one-time GF/GP funding to support sexual assault prevention and education initiatives on higher education campuses.	0
10. Drone Restrictions Enforcement Study. Senate added a one-time grant to study issues related to drone regulation and enforcement.	500,000
11. Michigan International Speedway (MIS) Traffic Control. Governor and Senate recommended the elimination of GF/GP funding (\$831,900) dedicated to provide traffic control support for MIS. The Senate included the grant for FY 2016-17 at a level of \$800,000.	(31,900)
12. Forensic Science Savings. Governor recommended the elimination of GF/GP funding (\$530,400) for four vacant forensic science positions. Senate did not concur.	0
13. State Capitol Complex Security. Governor and Senate recommended the elimination of GF/GP funding (\$89,300) for one vacant State property security officer position.	(89,300)
14. Five-Year Early Out Deferred Sick Leave Payments. Governor and Senate recommended the elimination of payments, as 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 for a savings of \$347,000 Gross, \$174,700 GF/GP.	(347,000)
15. FY 2015-16 One-Time Funding. Governor and Senate recommended the elimination of one-time funding for one-time costs of FY 2015-16 trooper school.	(3,200,000)
16. Technical Adjustments. Governor and Senate recommended technical adjustments which included aligning Federal (reducing by \$485,600) and Local (increasing by \$300,000) authorization to reflect actual revenue.	(185,600)
17. Roadside Saliva Testing Pilot Project. Senate took \$100 from Criminal Investigations to create a \$100 placeholder for the project.	0
18. Smart 911. Senate added GF/GP funds for the State to implement a statewide Smart 911 System.	2,200,000
19. Adjustment for FY 2015-16 Supplemental. An adjustment to reflect FY 2015-16 supplemental (Public Act 3 of 2016) which provided \$100,000 in GF/GP support for the operations of the Flint Water Interagency Coordinating Committee.	(100,000)
20. Economic Adjustments. Includes \$2,096,600 Gross and \$1,125,400 GF/GP for OPEB and \$7,053,000 Gross and \$5,384,800 GF/GP for other economic adjustments.	9,149,600
21. Comparison to Governor's Recommendation. The Senate is \$3,830,400 Gross and \$3,830,400 GF/GP over the Governor.	
Total Changes	\$41,619,100
FY 2016-17 Senate-Passed Gross Appropriation.....	\$662,556,500

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

1. **Schedule of Programs/Fund Sources.** Governor and Senate eliminated a section that lists schedule of programs and total amounts of funding from each specific fund source used in Part 1. (Sec. 216)
2. **Wayland Post.** Governor and Senate eliminated the requirement that MSP initiate discussion with city of Wayland regarding a shared facility. (Sec. 235)
3. **MI Bridges Fraud Enforcement.** Governor and Senate removed a section requiring participation in a workgroup to investigate means of minimizing fraud in the MI Bridges benefit program. (Sec. 250)

4. **Schedule of Programs Guidelines.** Governor and Senate added new language (first found in FY 2014-15 appropriations) to clarify and interpret Part 1 schedule of program titles. (Sec. 216)
5. **Capital Complex Security.** Governor and Senate amended language by removing requirement to pursue Federal funding, and changed a metric from requiring a minimum of 27,000 patrol hours to a goal of annually conducting 35,000 property inspections of State owned and leased facilities. (Sec. 301)
6. **Criminal Justice Information System.** Governor amended section by striking a requirement to provide a report on department Concealed Pistol License licensure revenue and expenditures. Senate limited the scope of the report to reflect current law. (Sec. 402)
7. **Forensic Testing Services.** Governor and Senate amended language by changing the goal of eliminating the backlog of firearms processing to a 30-day turnaround, changed the goal of decreasing toxicity case backlogs by 15% per year until backlog is eliminated to a 30-day turnaround, and changed language which required DNA analysis services to have a goal of decreasing backlogs by 15% until eliminated, to a goal of maintaining a 30-day turnaround. (Sec. 403)
8. **Sexual Assault Kit Analysis.** Governor and Senate added a new section, using sexual assault kit reporting requirements on sexual assault kit collection, analysis and backlog from current year Sec. 403(12). (Sec. 405)
9. **Smart 911.** Senate added a new section outlining a plan for the State Police to establish a statewide Smart 911 System. (Sec. 406)
10. **Commission on Law Enforcement Standards.** Governor and Senate amended section by changing the requirement that the commission must update law enforcement by 120 days, instead of the current 30 days, following the effective date of any new legislation affecting law enforcement. (Sec. 501)
11. **Field Services.** Governor and Senate amended metrics by changing the requirement that 315,000 hours be dedicated to statewide patrol and 30,000 be dedicated to patrol of stressed cities, to 396,700 hours and 40,000 hours respectively. Governor also added language requiring the Department to work to improve public safety within stressed cities by enhancing data analysis capabilities and identifying crime trends and areas with high occurrences of crime. (Sec. 601)
12. **Criminal Investigations.** Governor and Senate amended language to change metrics of achieving a case clearance rate from 60% to 62%, added a new section requiring an increase in the number of opioid-related investigations by 25% above those conducted in FY 2014-15 by multi-jurisdictional task forces and hometown security teams, and to work to enhance data analysis capabilities and linking of various investigative efforts. (Sec. 602)
13. **Specialized Services.** Governor and Senate amended language regarding the Cyber language to add a metric, which would require the increase of cases completed by the Computer Crime Unit by 25% above the number completed in FY 2014-15, and to improve investigative assistance and evidentiary assistance statewide. (Sec. 701)
14. **Commercial Vehicle Law Enforcement.** Governor and Senate amended section by striking language requiring an annual inspection of at least 50,000 commercial vehicles, and a section requiring training at least 10 new Motor Carrier Officers. Senate added a subsection stating that motor carrier funding shall carryforward and not lapse to the General Fund. (Sec. 702)
15. **Secondary Road Patrol Grant Program.** Governor and Senate amended section to require that the number of FTE-equivalent County sheriff secondary road patrol deputies be reported annually, rather than on a quarterly or on a semiannual basis, and also removed a requirement that the Department request from each county receiving a grant, their total budget for all patrol functions, by fund source. (Sec. 801)
16. **FY 2016-17 One-Time Appropriations.** Governor and Senate added new section, which provides guidelines and procedures for a School Safety Initiative grant program, which closely mirror the guidelines for a similar program from FY 2014-15, with the exception that the FY 2016-17 grant program would only allow schools to apply. (Sec. 901)
17. **Sexual Assault Prevention Initiative.** Senate added a section providing guidelines for a FY 2016-17 grant program designed for institutions of higher education. (Sec. 902)

Date Completed: 5-4-16

Fiscal Analyst: Bruce R. Baker

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



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



BILL ANALYSIS

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

Senate Bill 800 (S-1 as passed by the Senate)
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 SENATE-PASSED	CHANGES FROM FY 2015-16 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	2,912.3	2,912.3	0.0	0.0
GROSS	3,898,451,400	4,025,203,600	126,752,200	3.3
Less:				
Interdepartmental Grants Received	3,928,500	4,013,400	84,900	2.2
ADJUSTED GROSS.....	3,894,522,900	4,021,190,200	126,667,300	3.3
Less:				
Federal Funds.....	1,259,488,000	1,314,744,000	55,256,000	4.4
Local and Private	50,643,500	50,518,500	(125,000)	(0.2)
TOTAL STATE SPENDING.....	2,584,391,400	2,655,927,700	71,536,300	2.8
Less:				
Other State Restricted Funds.....	2,184,391,400	2,645,527,700	461,136,300	21.1
GENERAL FUND/GENERAL PURPOSE.....	400,000,000	10,400,000	(389,600,000)	(97.4)
PAYMENTS TO LOCALS	1,438,206,000	1,518,651,200	80,445,200	5.6

FY 2015-16 Year-to-Date Gross Appropriation	\$3,898,451,400
--	------------------------

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

NOTE: This appropriation bill does not assume the Roads Innovation Fund, also known as the "Lockbox", will be opened via concurrent resolution. The Roads Innovation Fund was established under the road funding package enacted in 2015. Opening the Lockbox would result in \$100.0 million in funding to be divided among CTF (\$10.0 million), MDOT (\$35.2 million), and local road agencies (\$54.8 million) in FY 2016-17. As long as it is in operation, the Lockbox will receive the first \$100.0 million in fuel tax revenue collected each fiscal year.

- 1. State Trunkline Fund for Road and Bridge Construction Decrease.** The net decrease for State trunkline construction funded from STF. This includes increased Federal revenue (FAST Act) (\$15.4 million Gross, \$0 GF/GP), STF adjustments and new revenue under the road funding package (\$149.1 million Gross, \$0 GF/GP), one-time GF/GP funding (\$10.4 million GF/GP), and shifting GF/GP one-time and ongoing funding to MTF (\$214.8 million GF/GP to State restricted). (39,941,450)
- 2. Local Road Agencies and Local Bridge Program Increases.** The net gain to appropriations for county road commissions, cities and villages, and the local bridge program resulted from MTF adjustments and revenue under the road funding package, shifting GF/GP one-time and ongoing funding to MTF (\$69.6 million), and increased Federal revenue (FAST Act) (\$32.1 million). 102,329,150
- 3. Public Transit Funding Increases.** New public transit funding under the road plan resulted in an increase for most programs, most notably local bus operating (\$2.6 million), rail operations and infrastructure (\$15.8 million Gross, \$0 GF/GP), and transit capital (\$19.0 million Gross, \$0 GF/GP). Federal revenue increases resulted in an increase to transit capital (\$10.0 million Gross, \$0 GF/GP). 46,195,400
- 4. Blue Water Bridge Fund Increase.** Revenue adjustments to the Blue Water Bridge Fund for a customs plaza project (\$18.4 million Gross, \$0 GF/GP). 18,417,700

- | | |
|---|--------------|
| 5. Aeronautics Program Increases. Additional revenue was due to adjustments and recent changes to the aviation fuel sales tax, including a shift of GF/GP ongoing funding (\$1,521,100 GF/GP to SAF). The air service program was also reinstated at \$250,000 Gross, \$0 GF/GP (this program was deleted in FY 2015-16). | 2,024,300 |
| 6. Detroit Metropolitan Wayne County Airport Debt Repayment/Capital Improvements. Funds from the recently established Qualified Airport Fund were directed toward debt repayment and capital improvements at Detroit Metro. | 8,775,000 |
| 7. Transportation Economic Development Fund Increases. TEDF revenue that was directed in FY 2015-16 to airport safety and Federal match (\$4.0 million gross, \$0 GF/GP) was restored, and there was an increase in TEDF revenue estimates. | 4,877,000 |
| 8. Rail Grade Crossing Surface Improvements. The road funding package included allowance of appropriations up to \$3.0 million Gross, \$0 GF/GP to subsidize 60% of maintenance costs of selected privately owned rail grade crossings. | 3,000,000 |
| 9. Removal of One-Time Federal Match for Transit and Rail. The FY 2015-16 budget included \$25.0 million GF/GP for this program. | (25,000,000) |
| 10. Economic Adjustments. Includes \$1,615,900 Gross and \$0 GF/GP for OPEB and \$5,381,500 Gross and \$0 GF/GP for other economic adjustments. | 6,979,000 |
| 11. Other Changes. Reductions: Removal of five-year early-out deferred sick leave payments (\$1,441,100 Gross, \$0 GF/GP); debt service payments (\$935,500 Gross, \$0 GF/GP); and Blue Water Bridge operations of (\$1,400 Gross, \$0 GF/GP). Increases: Information technology services and projects (\$660,300 Gross, \$0 GF/GP), and IDG adjustments (\$813,800 Gross, \$0 GF/GP). | (903,900) |
| 12. Comparison to Governor's Recommendation. The Senate is \$0 Gross and \$0 GF/GP over/under the Governor. | |

Total Changes	\$126,752,200
---------------------	---------------

FY 2016-17 Senate-Passed Gross Appropriation.....	\$4,025,203,600
--	------------------------

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

- Report Requirements.** The Senate retained and the Governor deleted reporting requirements regarding the following: Performance metrics for program increases or new programs over \$0.5 million (Sec. 204); Notice regarding Federal regulation changes that would require statutory amendment (Sec. 205); Local fund administration and distribution costs (Sec. 233); Biennial audit charge report (Sec. 306(3)); Status of the State Infrastructure Bank (Sec. 313(3)); Contract incentives (Sec. 612); Road surface materials including crumb rubber from scrap tires (Sec. 660); Notification of abandonment of private rail (Sec. 703); Amtrak rail passenger data and expenses (Sec. 711). The Senate and the Governor deleted the following requirements: Prequalification of contractors (Sec. 308); Status of commuter rail demonstration projects including leased rail cars (Sec. 713); Status of new rail tunnel between Detroit and Windsor (Sec. 1006).
- Disciplinary Action.** The Senate retained and the Governor deleted a prohibition against taking disciplinary action against an employee for communications with legislators or legislative staff. (Sec. 215)
- Remanufactured Parts Preference.** The Senate retained and the Governor deleted a provision stating legislative intent to prioritize remanufactured parts for maintenance and repair of State vehicles (excludes State police). (Sec. 270)
- Rest Area Signs.** The Senate retained and the Governor deleted a requirement for MDOT to post signs identifying the agency or contractor responsible for the rest area. (Sec. 319)
- Contractor Payment Process.** The Senate retained and the Governor deleted a requirement for the department to review contractor payment processes. (Sec. 353)
- Inspection Deadline for Local Federal Aid Projects.** The Senate retained and the Governor deleted a requirement for the department to complete all reviews and inspections of local Federal aid projects within 120 days of receipt. (Sec. 357)
- Ban on Contractor Reimbursements for Groundbreaking Ceremonies.** The Senate retained and the Governor deleted a prohibition against reimbursing contractors or consultants for costs related to groundbreaking ceremonies. (Sec. 375)

8. **Ban on Outdoor Advertising Studies.** The Senate retained and the Governor deleted a prohibition against MDOT spending funds on examining the potential association between outdoor advertising and motorist behavior. (Sec. 376)
9. **E-Verify Requirements for Contractors.** The Senate retained and the Governor deleted requirements for the Department to require contractors to use the E-Verify system to ensure employees are legally present in the United States. (Sec. 381)
10. **Cost-Sharing Bills for Local Agencies.** The Senate retained and the Governor deleted a requirement for MDOT to provide a cost-sharing bill to a local road agency within two years of the final contract payment to the contractor. (Sec. 382)
11. **Aircraft Agreement for MDOT and MSP.** The Senate amended and the Governor deleted language stating that it is the intent of the Legislature for MDOT to establish an agreement with the State Police on fitting certain aircraft with equipment for law enforcement operations. (Sec. 383(5))
12. **Best Practices Promotion and Reporting.** The Senate retained and the Governor deleted a provision requiring MDOT to promote best practices for public transportation services and report on efforts. (Sec. 393)
13. **Priority for Preservation of Existing Roads.** The Senate retained and the Governor deleted language stating that MDOT and local road agencies must make preservation of existing roads a priority. (Sec. 394)
14. **MDOT Trunkline: Option to Transfer Construction Funds to Maintenance.** The Senate and the Governor added a provision that would allow MDOT to use up to \$10.0 million of trunkline construction funds for trunkline maintenance. (Sec. 395)
15. **Pavement Sealant Pilot Program.** The Senate added a requirement to conduct a pilot program testing a cement hydration catalyst and sealant, and to report the results to the Legislature. (Sec. 502)
16. **Roads Innovation Fund Report.** The Senate and the Governor included a requirement for MDOT to report on the fiscal impact to State trunkline and local road agency distributions if the Roads Innovation Fund, known as the "Lockbox", remains closed on October 1, 2016. The Fund can only be opened through concurrent resolution of the Legislature, and receives the first \$100.0 million in fuel tax revenues in each fiscal year until the concurrent resolution is adopted. (Sec. 505)
17. **Road Warranty Program Considerations and Report.** The Senate retained and the Governor deleted provisions requiring MDOT to develop a warranty program and employ specific considerations, and to report on warranty programs and activities. (Sec. 601)
18. **Traffic Congestion as Criteria in 5-Year Plan.** The Senate retained and the Governor deleted a provision requiring MDOT to use traffic congestion as one of the criteria in its 5-year plan. (Sec. 603)
19. **Dead Animal Removal as a Priority.** The Senate retained and the Governor deleted a provision stating that MDOT must have as a priority the removal of dead deer and other large animals from the traveled portion of State highways. (Sec. 610)
20. **Rail Operations and Infrastructure Program Report.** The Senate included a provision requiring MDOT to provide detailed reports on expenditures and anticipated costs, categorized by program and project, under the rail operations and infrastructure line item. This item includes programs for Michigan rail line/bridge maintenance and upgrades, freight capital and economic development, and Amtrak operating costs. (Sec. 704).
21. **Woodhaven Rail Bridge.** The Senate included a section stating that it is the intent of the Legislature that the department will provide assistance, whether administrative or otherwise, to the city of Woodhaven so the city may meet funding needs for a rail and street separation project. (Sec. 705).
22. **Preference for Private Airport Ownership.** The Senate retained and the Governor deleted a provision encouraging MDOT to find private entities to own or lease publicly owned airports. (Sec. 802)
23. **Third Party Management of Aircraft.** The Senate included a requirement for MDOT to work with DTMB on releasing an RFP for third-party management of State-owned aircraft. (Sec. 803)
24. **Elimination of One-Time and Ongoing General Fund/General Purpose Appropriations.** The Senate and the Governor deleted provisions regarding one-time and ongoing GF/GP funding for State trunkline Federal match (Sec. 1001), distribution of additional road agency funding (Sec. 1002), and reports on use of one-time funds for public transit (Sec. 1003).

Date Completed: 5-5-16

Fiscal Analyst: David Zin

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