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

BILL ANALYSIS

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General Government Budgets
Total Gross and GF/GP Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2016-17 YEAR-TO-DATE	FY 2017-18 SENATE SUBCOMM.	CHANGES FROM FY 2016-17 YEAR-TO-DATE AMOUNT	PERCENT
FTE Positions	8,709.7	8,027.7	(682.0)	(7.8)
GROSS	**4,963,000,000**	**4,902,550,900**	**(60,449,100)**	**(1.2)**
Less:				
Interdepartmental Grants Received	760,158,300	782,493,800	22,335,500	2.9
ADJUSTED GROSS	**4,202,841,700**	**4,120,057,100**	**(82,784,600)**	**(2.0)**
Less:				
Federal Funds	826,723,500	807,906,500	(18,817,000)	(2.3)
Local and Private	18,085,500	23,576,800	5,491,300	30.4
TOTAL STATE SPENDING	**3,358,032,700**	**3,288,573,800**	**(69,458,900)**	**(2.1)**
Less:				
Other State Restricted Funds	2,126,016,000	2,141,919,600	15,903,600	0.7
GENERAL FUND/GENERAL PURPOSE	**1,232,016,700**	**1,146,654,200**	**(85,362,500)**	**(6.9)**
PAYMENTS TO LOCALS	**1,426,164,900**	**1,448,606,300**	**22,441,400**	**1.6**

See Individual Highlight Sheet for Department Detail

General Section Boilerplate Changes from FY 2016-17 Year-to-Date:

1. **Transparency Report.** The **Governor** removed the requirement that each department update their webpages quarterly. The **Senate** retained the quarterly update requirement.
2. **Budget Stabilization Fund.** The **Governor** deposits $175.0 million to the budget stabilization fund and also recommends the deposit of 25% of the FY 2016-17 GF/GP unassigned ending balance, which is estimated to increase the closing balance to $1,001.1 million for FY 2017-18. The **Senate** deposits zero dollars into the fund and deletes the language requiring 25% deposit of unassigned ending balance. (Sec. 211)
3. **Retention of Reports.** The **Governor** deleted and **Senate** retained the requirement that all departments and agencies retain all reports funded from appropriations in Part 1. (Sec. 212)
4. **Communications with Legislators.** The **Governor** deleted and **Senate** retained the prohibition of departments taking disciplinary action against employees communicating with Legislators or their staff. (Sec. 215)
5. **General Fund Restrictions.** The **Governor** deleted and **Senate** retained prohibition on the departments from using General Fund appropriations where Federal and Private Funds are available for the same purpose. (Sec. 217)
6. **Policy Change Reporting Requirement.** The **Governor** deleted and **Senate** retained a report due April 1 that requires each department to specify policy changes made in order to implement enacted legislation. (Sec. 221)
7. **Auditor General Recommendation.** The **Governor** deleted the requirement that departments report within six months after an audit with implementation of any identified initiatives related to savings and efficiencies found by the Auditor General. The **Senate** retained current law and required the auditor general to conduct another audit on any noncompliant departments and charge the corresponding department for the cost of performing another audit. (Sec. 229)
8. **Federal and State Restricted Funds for Special Maintenance and Enterprisewide IT.** The **Senate** deleted two sections that allow departments to appropriate Federal and Restricted funds that become available for Special Maintenance and Enterprise-wide IT investments that are undertaken with funds in Part 1 without requiring a Legislative Contingency Fund Transfer. (Secs. 233 & 234)
9. **Contingency Plan for Federal Reductions.** The **Governor** deleted and **Senate** retained requirements that the budget director report contingency plan recommendations in the event Federal funding sources that are more than $10.0 million are reduced by 10% or greater. (Sec. 235)
10. **Technical Modification.** The **Governor** and **Senate** made a number of technical adjustments such as revised dates, spending totals, and definitions. (Secs. 201, 202, 203, 219, 227, and 240)

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Senate Bill 142 (S-1, Draft 2 as reported)
Committee: Appropriations

Throughout this document Senate means Subcommittee.

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2016-17 YEAR-TO-DATE	FY 2017-18 SENATE SUBCOMM.	CHANGES FROM FY 2016-17 YEAR-TO-DATE AMOUNT	PERCENT
FTE Positions	527.0	494.0	(33.0)	(6.4)
GROSS	**101,485,800**	**101,018,800**	**(467,000)**	**(0.6)**
Less:				
Interdepartmental Grants Received	28,989,700	29,915,300	925,600	1.9
ADJUSTED GROSS	**72,496,100**	**71,103,500**	**(1,392,600)**	**(1.6)**
Less:				
Federal Funds	9,476,700	9,518,000	41,300	0.4
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	**63,019,400**	**61,585,500**	**(1,433,900)**	**(1.9)**
Less:				
Other State Restricted Funds	20,178,900	21,336,900	1,158,000	6.9
GENERAL FUND/GENERAL PURPOSE	**42,840,500**	**40,248,600**	**(2,591,900)**	**(6.1)**
PAYMENTS TO LOCALS	**0**	**0**	**0**	**0.0**

FY 2016-17 Year-to-Date Gross Appropriation $101,485,800

Changes from FY 2016-17 Year-to-Date:

1. **Removal of FY 2016-17 One-Time Appropriation. Governor:** Removed GF/GP funding of $4.4 million provided as follows: $3.0 million for legal defense costs; $700,000 for Prescription Drug Abuse program; and $700,000 for the Juvenile Life Without Parole litigation costs. **Senate:** Concurred with Governor. (4,400,000)

2. **Removal of FY 2016-17 Lump Sum Payments. Governor:** Removed funding totaling $618,000 ($245,700 GF/GP) for the 1.5% lump sum payments received by all State classified employees as part of negotiated contracts for FY 2016-17. **Senate:** Concurred with Governor. (618,000)

3. **Technical Baseline Adjustments. Governor:** Included one negative GF/GP adjustment of $7,100 to the IT line item. **Senate:** Concurred with Governor. (7,100)

4. **Unlicensed Activity Law Enforcement. Governor:** Funding of $732,300 GF/GP and 5.5 FTEs were added to enhance services provided by the Attorney General to the Department of Licensing and Regulatory Affairs to investigate unlicensed builders, accountants, and realtors across the State. **Senate:** Concurred with Governor. 732,300

5. **Prescription Drug Abuse Unit. Governor:** Funding of $700,000 GF/GP was provided to continue the development of a statewide drug enforcement strategy to battle prescription drug abuse in Michigan. **Senate:** Concurred with Governor. 700,000

6. **Student Safety. Governor:** Restricted funding was provided to extend a work project for the OK2SAY Program that works to prevent bullying and allow students to feel safe in reporting safety issues. The current work project is set to expire on 9/30/17. **Senate:** Concurred with Governor. 470,000

7. **Medical Marihuana. Governor:** Restricted funding was increased and 4.0 FTEs added for services required to comply with Public Acts 281-283 of 2016. **Senate:** Concurred with Governor.	375,000
8. **Energy Package. Governor:** Restricted funding was increased and one FTE added for services required to comply with Public Act 341 of 2016. **Senate:** Concurred with Governor.	217,000
9. **Operations Line Item. Senate:** Reduced restricted funding by $600,000 to allow the use of those funds for the PACC IT System upgrade (described below).	(600,000)
10. **One-Time - PACC Juvenile Life Without Parole Cases. Governor:** One-time GF/GP funding totaling $750,000 was provided for the Prosecuting Attorneys Coordination Council to provide assistance to local prosecutors for costs associated with investigations, crime victim rights, prosecutions and appeals for retroactive juvenile life without parole cases. **Senate:** Reduced funding by $50,000.	700,000
11. **One-Time – PACC NextGen IT System Replacement. Senate:** Added $600,000 in restricted funding from Lawsuit Settlement Proceeds to be used by the PACC to upgrade their IT legacy system.	600,000
12. **FTE Adjustment. Senate:** Reduced total number of FTEs throughout the budget by 39.0 to better reflect the actual number of filled FTE positions based on FTE data from 12/31/16.	0
13. **Unclassified Salaries. Governor:** Increased GF/GP funding by $22,600 for total funding of $776,600 for FY 2017-18. **Senate:** Concurred with Governor.	22,600
14. **Economic Adjustments.** Includes $1,341,200 Gross and $638,300 GF/GP.	1,341,200
15. **Comparison to Governor's Recommendation.** The Senate is $50,000 Gross and $50,000 GF/GP under the Governor.	
Total Changes	($467,000)
FY 2017-18 Senate Appropriations Subcommittee Gross Appropriation.....	**$101,018,800**

Boilerplate Changes from FY 2016-17 Year-to-Date:

1. **Boilerplate Structure. Governor:** Moved boilerplate from the FY 2016-17 general sections that applied to all General Government budgets to the Article for the Department of Attorney General. Changes to those items can be found in the highlight sheet for the **General Sections**. **Senate:** Retained current law format.

2. ***NEW*. Drug Investigation and Prosecution Unit. Governor:** Added new language that requires the attorney general to use funds appropriated in Part 1 to maintain a minimum of 24 drug investigations and to prosecute when sufficient evidence is obtained. **Senate:** Concurred with Governor. (**NEW** Sec. 301a)

3. **Mortgage Fraud Investigations.** Language states 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**. Governor:** Deleted. **Senate:** Concurred with Governor. (Current Law Sec. 313)

4. **Lawsuit Proceeds for Drinking Water Contamination.** Language allows 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. **Senate:** Capped the amount to be used to pay for costs and associated expenses related to the declaration of emergency due to drinking water contamination at $2.0 million and added new language allowing up to $600,000 to be used for the Prosecuting Attorney's Coordinating Council to upgrade their NextGen IT case management system. (Sec. 314)

5. **Juvenile Life without Parole.** Language states 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. **Governor:** Increased amount to $750,000. **Senate:** Retained amount at $700,000. (Sec. 314a)

6. **Legacy Cost Estimates.** Total legacy costs are estimated at $18,361,000. Of the total, Pension-related legacy costs are estimated at $10,096,700 and retiree health care legacy costs are estimated at $8,264,300 for fiscal year ending September 30, 2017. **Governor:** Provided the following Legacy Costs estimates for FY 2018: Total legacy costs estimated at $17,281,300. Of that total, $8,893,100 are for pension-related legacy costs and $8,388,200 are for retiree health care legacy costs for the fiscal year ending September 30, 2018. **Senate:** Concurred with Governor. (Sec. 315)

7. **Sexual Assault Law Enforcement Efforts.** Language requires the Department to use the funds for testing of backlogged sexual assault kits across the State outside of Wayne County. The language also requires the Department to submit a spending plan to the Legislature prior to release of the funds. The order of priority for expenditure of the funds is: 1) to eliminate all county sexual assault kit backlogs by the end of the fiscal year, 2) to assist local prosecutors with investigations and prosecutions of viable cases, and 3) to provide victim services. It also requires a spending plan submitted to the Legislature prior to release of the funds. **Governor:** Eliminated section. **Senate:** Eliminated current subsections (2) and (3) and added new language requiring the department to report by November 1, 2017, the number of untested kits remaining across the state and a detailed work plan describing how the department will eliminate the backlog of untested kits. (Sec. 316)

Date Completed: 4-28-17 Fiscal Analyst: Joe Carrasco, Jr.

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

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Senate Bill 142 (S-1, Draft 2 as reported)
Committee: Appropriations

Throughout this document Senate means Subcommittee.

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2016-17 YEAR-TO-DATE	FY 2017-18 SENATE SUBCOMM.	CHANGES FROM FY 2016-17 YEAR-TO-DATE AMOUNT	PERCENT
FTE Positions	129.0	89.0	(40.0)	(31.0)
GROSS	**16,248,500**	**16,249,600**	**1,100**	**0.0**
Less:				
Interdepartmental Grants Received	293,600	296,600	3,000	1.0
ADJUSTED GROSS	**15,954,900**	**15,953,000**	**(1,900)**	**(0.0)**
Less:				
Federal Funds	2,763,000	2,775,800	12,800	0.5
Local and Private	18,700	18,700	0	0.0
TOTAL STATE SPENDING	**13,173,200**	**13,158,500**	**(14,700)**	**(0.1)**
Less:				
Other State Restricted Funds	151,900	151,900	0	0.0
GENERAL FUND/GENERAL PURPOSE	**13,021,300**	**13,006,600**	**(14,700)**	**(0.1)**
PAYMENTS TO LOCALS	**0**	**0**	**0**	**0.0**

FY 2016-17 Year-to-Date Gross Appropriation $16,248,500

Changes from FY 2016-17 Year-to-Date:

1. **Removal of FY 2016-17 One-Time Appropriation. Governor:** Removed GF/GP funding of $250,000 provided for additional funding for the Division of Deaf and Hard of Hearing. **Senate:** Concurred with Governor. (250,000)

2. **Removal of FY 2016-17 Lump Sum Payments. Governor:** Removed funding totaling $92,100 ($72,800 GF/GP) for the 1.5% lump sum payments received by all State classified employees as part of negotiated contracts for FY 2016-17. **Senate:** Concurred with Governor. (92,100)

3. **Technical Baseline Adjustments. Governor:** Included two technical GF/GP adjustments: a negative adjustment of $600 for the Operations line item and a negative adjustment of $4,500 to the IT line item. **Senate:** Concurred with Governor. (5,100)

4. **Deaf, Deafblind, and Hard of Hearing Needs Assessment. Senate:** Added one-time GF/GP funding totaling $150,000 to allow the Department to perform a needs assessment of the deaf, deafblind, and hard of hearing community across the State to assess the services needed in this community. 150,000

5. **FTE Adjustment. Senate:** Reduced total number of FTEs throughout the budget by 40.0 to better reflect the actual number of filled FTE positions based on FTE data from 12/31/16. 0

6. **Unclassified Salaries. Governor:** Increased GF/GP funding by $19,800 for total funding of $680,100 for FY 2017-18. **Senate:** Concurred with Governor. 19,800

7. **Economic Adjustments.** Includes $178,500 Gross and $143,400 GF/GP. 178,500

8. **Comparison to Governor's Recommendation.** The Senate is $150,000 Gross and $150,000 GF/GP over the Governor.

Total Changes	$1,100
FY 2017-18 Senate Appropriations Subcommittee Gross Appropriation.....	**$16,249,600**

Boilerplate Changes from FY 2016-17 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 Civil Rights. Changes to those items can be found in the highlight sheet for the **General Sections**. **Senate:** Retained current law format.

2. **Department Report.** Requires a detailed report submitted by November 30 that covers the Department's activities and operations. **Governor:** Eliminated section. **Senate:** Retained 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 current law. (Sec. 405)

4. ***NEW.* Deaf, Deafblind, and Hard of Hearing Needs Assessment. Senate:** Added new language stating that the funds appropriated in Part 1 for deaf needs assessment may be used by the Department of Civil Rights to survey the deaf, deafblind, and hard of hearing community in the state to identify the size of this population so as to provide services to this population of citizens including education, employment, and healthcare. (**NEW** Sec. 406)

5. **Legacy Cost Estimates.** Total legacy costs are estimated at $3,062,000. Of the total, Pension-related legacy costs are estimated at $1,697,800 and retiree health care legacy costs are estimated at $1,364,200 for fiscal year ending September 30, 2017. **Governor:** Provided the following Legacy Costs estimates for FY 2018: Total legacy costs estimated at $2,695,600. Of that total, $1,387,200 are for pension-related legacy costs and $1,308,400 are for retiree health care legacy costs for the fiscal year ending September 30, 2018. **Senate:** Concurred with Governor. (Sec. 410)

Date Completed: 4-17-17 Fiscal Analyst: Joe Carrasco, Jr.

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Senate Bill 142 (S-1, Draft 2 as reported)
Committee: Appropriations

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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2016-17 YEAR-TO-DATE	FY 2017-18 SENATE SUBCOMM.	CHANGES FROM FY 2016-17 YEAR-TO-DATE AMOUNT	PERCENT
FTE Positions	74.2	79.2	5.0	6.7
GROSS	**5,636,300**	**6,848,500**	**1,212,200**	**21.5**
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	**5,636,300**	**6,848,500**	**1,212,200**	**21.5**
Less:				
Federal Funds	0	0	0	0.0
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	**5,636,300**	**6,848,500**	**1,212,200**	**21.5**
Less:				
Other State Restricted Funds	0	0	0	0.0
GENERAL FUND/GENERAL PURPOSE	**5,636,300**	**6,848,500**	**1,212,200**	**21.5**
PAYMENTS TO LOCALS	**0**	**0**	**0**	**0.0**

FY 2016-17 Year-to-Date Gross Appropriation	**$5,636,300**
Changes from FY 2016-17 Year-to-Date:	
1. **Executive Office Operations.** Governor recommended a 3.0% overall increase for Executive Office operations. **Senate:** Concurred with Governor.	200,000
2. **Office of Urban Initiatives** – Transferred all funding and 5.0 FTEs to Executive Office from DTMB. **Senate:** Concurred with Governor.	1,012,200
3. **Comparison to Governor's Recommendation.** The Senate is $0 Gross and $0 GF/GP over/under the Governor.	
Total Changes	$1,212,200
FY 2017-18 Senate Appropriations Subcommittee Gross Appropriation	**$6,848,500**

Boilerplate Changes from FY 2016-17 Year-to-Date:

1. There is no boilerplate for the Executive Office.

Date Completed: 4-17-17

Fiscal Analyst: Joe Carrasco, Jr.

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

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FTE Positions	0.0	0.0	0.0	0.0
GROSS	**171,555,500**	**179,561,000**	**8,005,500**	**4.7**
Less:				
Interdepartmental Grants Received	5,558,600	5,709,200	150,600	2.7
ADJUSTED GROSS	**165,996,900**	**173,851,800**	**7,854,900**	**4.7**
Less:				
Federal Funds	0	0	0	0.0
Local and Private	400,000	400,000	0	0.0
TOTAL STATE SPENDING	**165,596,900**	**173,451,800**	**7,854,900**	**4.7**
Less:				
Other State Restricted Funds	6,245,200	6,247,100	1,900	0.0
GENERAL FUND/GENERAL PURPOSE	**159,351,700**	**167,204,700**	**7,853,000**	**4.9**
PAYMENTS TO LOCALS	**0**	**0**	**0**	**0.0**

FY 2016-17 Year-to-Date Gross Appropriation $171,555,500

Changes from FY 2016-17 Year-to-Date:

1. **Removal of FY 2016-17 Supplemental Funding. Governor:** Public Act 340 of 2016 provided additional GF/GP funding of $6.0 million for the upgrade and integration of the legislative computer system (Chamber Automation System). **Senate:** Concurred with Governor. (6,000,000)

2. **Removal of FY 2016-17 One-Time Appropriations. Governor:** Removed $500,000 in GF/GP that was appropriated to the Criminal Justice Policy Commission to support a study of the cost savings of redirecting 17-year-olds from the adult court to family and juvenile justice systems. **Senate:** Concurred with Governor. (500,000)

3. **Auditor General Adjustment. Governor:** Recommended a 2.7% overall increase for Auditor General operations. The increase totaled $634,300 of which $483,700 is general fund. Funding for the Auditor General totals $24.3 million ($16.6 million GF/GP) for FY 2017-18. **Senate:** Concurred with Governor. 634,300

4. **Legislative Adjustment. Governor:** Increased overall funding for the Legislature by a total of 7.5% (excluding one-time funds). The Senate received an increase of $1.4 million overall while the House received an overall increase of $2.4 million. The House and Senate Fiscal Agencies received an increase of $94,500 each. The Legislative Council received an increase of $782,700 while the Retirement System received an increase of $99,300. The Binsfeld Office Building received an increase of $5.2 million while the Cora Anderson House Building received increases totaling $342,800. Finally, the Governor included additional funding of $149,700 for the State Capitol Historic Site line item ($170,900 for general operations and a reduction totaling $21,200 for restoration, renewal and maintenance). Funding for the Legislature totals $152.0 ($147.3 million GF/GP) for FY 2017-18. **Senate:** Concurred with Governor. 10,571,200

5. **One-Time Funding.** The budget included one item totaling $3.0 million GF/GP for the upgrade and integration of the legislative computer system (Chamber Automation System). **Senate:** Concurred with Governor.	3,000,000
6. **Legislative Corrections Ombudsman. Senate:** Increased GF/GP funding for the Legislative Corrections Ombudsman by $200,000.	200,000
7. **Michigan Veterans Facility Ombudsman. Senate:** Increased GF/GP funding for the Michigan Veterans Facility Ombudsman by $100,000.	100,000
8. **Comparison to Governor's Recommendation.** The Senate is $300,000 Gross and $300,000 GF/GP over the Governor.	
Total Changes	$8,005,500
FY 2017-18 Senate Appropriations Subcommittee Gross Appropriation.....	**$179,561,000**

Boilerplate Changes from FY 2016-17 Year-to-Date:

1. **Boilerplate Structure. Governor:** Moved boilerplate from the FY 2016-17 general sections that applied to all General Government budgets to the Article for the Legislature. Changes to those items can be found in the highlight sheet for the **General Sections**. **Senate:** Retained current law format.

2. **Farnum Building.** Provides that the Senate may charge rent and assess utility costs and appropriates funds for renovation, operation, and maintenance of Farnum Building and other Senate properties. **Governor:** Changed reference from Farnum Building to the Senate Office Building. **Senate:** Concurred with Governor. (Sec. 602)

3. **National Association Dues. Senate:** Added new language stating that if any funds remain after all required dues payments have been made, the Legislative Council may approve the use of up to $10,000 to pay for the registration fees of any state employees who serve as board members to any of the national associations receiving state funds for annual dues to attend that national association's annual conference. If any of the $10,000 remains after national board member's registration fees are paid, the remaining funds may be used to pay for the registration fees for any other state employees to attend the annual conference of any of the national associations receiving state funds for annual dues. (Sec. 603)

4. **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 $2.0 million and completion date of September 30, 2020. **Governor:** Changed completion date to September 30, 2021. **Senate:** Concurred with Governor. (Sec. 606)

5. **Legislative Automated Processing.** Designates appropriations in Part 1 for automated data processing as work project appropriations. Includes estimated costs of $2.0 million and tentative completion date of September 30, 2020. **Governor:** Changed completion date to September 30, 2021. **Senate:** Concurred with Governor. (Sec. 607)

6. **Legislative Corrections Ombudsman Fund.** Language states that the funds appropriated in Part 1 includes an additional $125,000 to be used to fund an additional legislative corrections ombudsman analyst. **Governor:** Deleted. **Senate:** Concurred with Governor. (Current Law Sec. 609)

7. **Criminal Justice Policy Commission Study.** Language states that $500,000 included in Part 1 shall be used for a study to determine what the additional estimated annual costs to counties would be if 17-year-olds were redirected from the adult court and correctional systems into the family court and juvenile justice systems. The study shall also determine the estimated savings to the state corrections system, as well as any other financial or policy costs and benefits, from such a redirection. Provides that funds are work project appropriations with an anticipated completion date of April 1, 2018. **Governor:** Deleted. **Senate:** Concurred with Governor. (Current Law Sec. 610)

8. **Legacy Cost Estimates.** Total legacy costs are estimated at $21,279,600. Of the total, Pension-related legacy costs are estimated at $11,998,700 and retiree health care legacy costs are estimated at $9,280,900 for fiscal year ending September 30, 2017. **Governor:** Provided the following Legacy Costs estimates for FY 2018: Total legacy costs estimated at $21,252,700. Of that total, $10,936,800 are for pension-related legacy costs and $10,315,900 are for retiree health care legacy costs for the fiscal year ending September 30, 2018. **Senate:** Concurred with Governor. (Sec. 615)

9. ***NEW*. Legislative System IT Upgrade. Governor:** New language added stating that the funds appropriated shall be used for the design, development, and implementation of a legislative computer system. Funds cannot be used without written approval from the Speaker of the House, the Senate Majority Leader, and the Legislative Council Administrator. **Senate:** Concurred with Governor. (**NEW** Sec. 616)

10. **Sec. 618. 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:** Deleted. **Senate:** Concurred with Governor. (Current Law Sec. 618)

11. **Sec. 619. Michigan Veterans Facility Ombudsman.** Language requires funds appropriated in Part 1 for the Michigan Veterans Facility Ombudsman to be used to create a Veterans Facility Ombudsman to address complaints made at the veterans homes of this state. **Governor:** Deleted. **Senate:** Concurred with Governor. (Current Law Sec. 619)

Date Completed: 4-17-17 Fiscal Analyst: Joe Carrasco, Jr.

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FTE Positions	1,587.0	1,458.0	(129.0)	(8.1)
GROSS	**248,315,600**	**248,302,400**	**(13,200)**	**(0.0)**
Less:				
Interdepartmental Grants Received	20,000,000	20,000,000	0	0.0
ADJUSTED GROSS	**228,315,600**	**228,302,400**	**(13,200)**	**(0.0)**
Less:				
Federal Funds	1,460,000	1,460,000	0	0.0
Local and Private	100	50,100	50,000	50,000.0
TOTAL STATE SPENDING	**226,855,500**	**226,792,300**	**(63,200)**	**(0.0)**
Less:				
Other State Restricted Funds	204,745,900	205,709,400	963,500	0.5
GENERAL FUND/GENERAL PURPOSE	**22,109,600**	**21,082,900**	**(1,026,700)**	**(4.6)**
PAYMENTS TO LOCALS	**1,211,300**	**1,215,900**	**4,600**	**0.4**

FY 2016-17 Year-to-Date Gross Appropriation $248,315,600

Changes from FY 2016-17 Year-to-Date:

1. **Removal of FY 2016-17 Supplemental Funding. Governor:** Public Act 340 of 2016 provided additional funding to allow certain Sect. of State branch offices to assist with redeeming winning lottery tickets in the UP by serving as Lottery Claim Centers to process winning tickets valued between $600 and $50,000. **Senate:** Concurred with Governor. (300,000)

2. **Removal of FY 2016-17 One-Time Appropriation. Governor:** Removed GF/GP funding of $5.0 million provided for voting machine replacements. **Senate:** Concurred with Governor. (5,000,000)

3. **Lottery Assistance in the Upper Peninsula. Governor:** Added new restricted funding and 10.0 FTEs to allow certain SOS branch offices to assist with redeeming winning lottery tickets in the UP by serving as Lottery Claim Centers to process winning tickets valued between $600 and $50,000. Funding was provided in the Branch Operations line item which totals $87.9 million for FY 2017-18. **Senate:** Concurred with Governor. 1,015,800

4. **Branch Operations. Senate:** Reduced GF/GP funding by $1.1 million to adjust for the loss in revenue due to statute changes resulting in the loss in fee revenue from chauffer licenses. (1,056,100)

5. **Credit Card Service Fees. Governor:** Increased restricted fund authorization level to provide for the anticipated increase in credit card activity at branch offices and self-service terminals that will result in the collection of additional fees for use of credit cards. Total funding for FY 2017-18 for the Credit Card Assessments line item was increased to $8.0 million. **Senate:** Concurred with Governor. 2,000,000

6. **Office of Investigative Services Expansion. Governor:** Added GF/GP funding and 11.0 FTEs to enhance consumer protection aimed at fraud prevention and detection by increasing regulatory enforcement of vehicle repair facilities and mechanics. Funding is provided in the Legal Services Operations line item totaling $14.9 million for FY 2017-18. **Senate:** Concurred with Governor.	1,420,400
7. **Information Technology Increase. Governor:** Increased restricted (TACF) funding necessary to maintain current level of online support. Total funding for IT for FY 2017-18 is $37.5 million. **Senate:** Concurred with Governor.	1,000,000
8. **Mi-Time Line Expansion. Governor:** Increased GF/GP funding will allow for the expansion of this program to allow customers to virtually wait in line by use of a mobile application. Currently this service is available in 30 branch offices across the State. This additional funding will allow 20 more branches to make this technology available to customers. Funding was provided in the Branch Operations line item which totals $87.9 million for FY 2017-18. **Senate:** Concurred with Governor.	400,000
9. **Removal of FY 2016-17 Lump Sum Payments. Governor:** Removed funding for the 1.5% lump sum payments received by all State classified employees as part of negotiated contracts for FY 2016-17. **Senate:** Concurred with Governor.	(982,000)
10. **Technical Reduction. Governor:** Various lines are adjusted to align funding sources with actual expenditures. **Senate:** Concurred with Governor.	(1,078,700)
11. **FTE Adjustment. Senate:** Reduced total number of FTEs throughout the budget by 129.0 to better reflect the actual number of filled FTE positions based on FTE data from 12/31/16.	0
12. **Funding Shift. Governor:** Included a shift from restricted funds to GF/GP funds totaling $3.0 million due to decreased fee collections. The result is a net zero on the budget, however, GF/GP funding is increased by $3.0 million while restricted funding is reduced accordingly. **Senate:** Concurred with Governor.	0
13. **Unclassified Salaries. Governor:** Increased funding by $18,900 for total funding of $647,700 for FY 2017-18. **Senate:** Concurred with Governor.	18,900
14. **Economic Adjustments.** Includes $2,548,500 Gross and $244,200 GF/GP.	2,548,500
15. **Comparison to Governor's Recommendation.** The Senate is $1,056,100 Gross and $1,056,100 GF/GP under the Governor.	
Total Changes	($13,200)
FY 2017-18 Senate Appropriations Subcommittee Gross Appropriation.....	**$248,302,400**

Boilerplate Changes from FY 2016-17 Year-to-Date:

1. **Boilerplate Structure. Governor:** Moved boilerplate from the FY 2016-17 general sections that applied to all General Government budgets to the Article for the Department of State. Changes to those items can be found in the highlight sheet for the **General Sections**. **Senate:** Retained current law format.

2. **Commemorative/Specialty Plates.** Provides for and limits expenditures from commemorative and specialty license plate fee revenue to administration of the program. Revenues in excess of appropriations shall remain in the Transportation Administration Collection Fund for future appropriations**. Governor:** Deleted. **Senate:** Concurred with Governor. (Current Law Sec. 710)

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 current law. (Sec. 716b)

4. **Buena Vista Branch Office.** Requires the Department to maintain a full service branch office in Buena Vista Township. **Governor:** Eliminated section. **Senate:** Concurred with Governor. (Current Law Sec. 718)

5. ***NEW*. Election Oversight. Senate:** Added new language stating that of the funds appropriated in Part 1, the Office of Investigative Services may use available funds to conduct investigations of any reported irregularities in a local, state, or national election. (**NEW** Sec. 719)

6. **ATM Commission Fees.** Allows the Department to collect a commission fee from companies providing ATM machines in branch offices. The fees received shall be deposited in the TACF. **Governor:** Deleted**. Senate:** Concurred with Governor. (Current Law Sec. 721)

7. **Legacy Cost Estimates.** Total legacy costs are estimated at $31,874,100. Of the total, pension-related legacy costs are estimated at $17,673,400 and retiree health care legacy costs are estimated at $14,200,700 for fiscal year ending September 30, 2017. **Governor:** Provided the following Legacy Costs estimates for FY 2018: Total legacy costs estimated at $31,170,200. Of that total, $16,040,400 are for pension-related legacy costs and $15,129,800 are for retiree health care legacy costs for the fiscal year ending September 30, 2018. **Senate:** Concurred with Governor. (Sec. 725)

Date Completed: 4-17-17 Fiscal Analyst: Joe Carrasco, Jr.

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Senate Bill 142 (S-1, Draft 2 as reported)
Committee: Appropriations

Throughout this document Senate means Subcommittee.

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2016-17 YEAR-TO-DATE	FY 2017-18 SENATE SUBCOMM.	CHANGES FROM FY 2016-17 YEAR-TO-DATE AMOUNT	PERCENT
FTE Positions	1,609.0	1,267.0	(342.0)	(21.3)
GROSS	**1,149,114,300**	**1,152,448,500**	**3,334,200**	**0.3**
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	**1,149,114,300**	**1,152,448,500**	**3,334,200**	**0.3**
Less:				
Federal Funds	768,144,800	762,144,800	(6,000,000)	(0.8)
Local and Private	6,119,000	6,120,900	1,900	0.0
TOTAL STATE SPENDING	**374,850,500**	**384,182,800**	**9,332,300**	**2.5**
Less:				
Other State Restricted Funds	192,341,600	187,056,700	(5,284,900)	(2.7)
GENERAL FUND/GENERAL PURPOSE	**182,508,900**	**197,126,100**	**14,617,200**	**8.0**
PAYMENTS TO LOCALS	**11,224,800**	**11,300,000**	**75,200**	**0.7**

FY 2016-17 Year-to-Date Gross Appropriation $1,149,114,300

Changes from FY 2016-17 Year-to-Date:

1. **Business Attraction and Community Revitalization.** The **Governor** and **Senate** increased Business Attraction and Community Revitalization by $10.0 million. Of the total increase, there was a $14.0 million increase in ongoing appropriations and a $4.0 million decrease in one-time appropriations. This brings total appropriations to $125.5 million Gross, $103.9 million GF/GP and $21.6 million in 21st Century Jobs Trust Fund dollars. The **Senate** reduced one-time funding by $2,667,500 under the Governor's recommendation. — 7,332,500

2. **Going Pro.** The **Governor** and **Senate** increased the Going Pro program, which is renamed from the Skilled Trades Training Program. The increase was all included as one-time appropriations. Total Going Pro appropriations is $40.9 million, $25.6 million in penalties and interest revenue from the Michigan employment security contingent fund, and $15.3 million GF/GP. The **Senate** replaced $5.0 million GF/GP with Penalties and Interest revenue. — 10,000,000

3. **Talent Marketing.** The **Governor** included this new program which is focused on attracting out-of-state talent to Michigan. The appropriation is all supported by GF/GP. The **Senate** moved the program to the ongoing Pure Michigan line-item as a subsection. — 5,000,000

4. **Project Rising Tide.** The **Governor** expanded this program that began in the MEDC corporate budget to provide technical assistance to rural communities that work through the process of the Redevelopment Ready Certification program. The $2.0 million in GF/GP would allow the program to expand beyond the 10 initial communities that are currently in the program. The **Senate** did not include. — 0

5. **Arts and Cultural Grants.** The **Governor** and **Senate** increased Arts and Culture Grants by $1.0 million GF/GP in one-time appropriations due to a growing number of applications for arts and culture grants that far exceed current appropriations. This brings total appropriation to $11,150,000 Gross, $10.0 million GF/GP.	1,000,000
6. **UIA $100 Placeholder.** The **Senate** included a $100 placeholder in UIA Information Technology for creating an electronic ID system outlined in Sec. 1075.	100
7. **Pure Michigan.** The **Senate** moved $1.0 million from Entrepreneurship Eco-System to Pure Michigan.	0
8. **Michigan Enhancement Grants.** The **Senate** included a new grant program to provide enhancement grants to programs and projects throughout the state outline in Sec. 1047. Of the total, $2.0 million in is Federal, $500,000 is Restricted, and $13,291,000 is GF/GP.	15,791,100
9. **Removal of FY 2016-17 One-Time Appropriations and Supplemental.** The **Governor** and **Senate** removed FY 2016-17 one time and supplemental appropriations. Of the total, $14,120,000 in GF/GP was the year-end total for special grants, $8,778,500 in Federal and restricted funds was for the Statewide Data Systems Integration, and $1.0 million GF/GP was the year-end total for Sustainability Employment Pilot Program.	(23,898,500)
10. **Technical Adjustments.** The **Governor** and **Senate** included a $7.1 million reduction in MSHDA Fees and Charges with the remaining technical adjustments being the lump sum payment removal and adjustments to the fund sources of the economic adjustments.	(9,091,900)
11. **Protect and Grow.** The **Governor** and **Senate** reduced the one-time protect and grow funding by $2.0 million with $1.0 million remaining for FY 2017-18. This funding is focused on retaining and growing the defense industry in Michigan.	(2,000,000)
12. **TANF.** The **Governor** and **Senate** included a $1.2 million reduction in TANF dollars, bringing total TANF dollars in TED to $63.7 million. The **Senate** moved $2.0 million from workforce development for a grant in the Michigan Enhancement Grant.	(3,200,000)
13. **FTE Changes.** The **Governor** and **Senate** moved 7.0 FTEs and their corresponding funding from the UIA and 5.0 from Workforce Program Administration, to TIA executive direction (7.0), MSF Administrative Services (3.0), and TED executive direction and operations (2.0). The **Senate** removed 342.0 FTE positions throughout the department.	0
14. **Economic Adjustments.** Economic increase of $2,400,900 Gross and $217,800 GF/GP.	2,400,900
15. **Comparison to Governor's Recommendation.** The Senate is $9,123,700 Gross and $4,623,700 GF/GP over the Governor.	
Total Changes	$3,334,200
FY 2017-18 Senate Appropriations Subcommittee Gross Appropriation.....	**$1,152,448,500**

Boilerplate Changes from FY 2016-17 Year-to-Date:

1. **Deleted Sections.** The **Governor** and **Senate** deleted a number of sections, which include: 1046 (Special Grants), 1076 (Unemployment Insurance Agency quarterly report on implementing the integrated systems project), 1077 (Unemployment Insurance agency quarterly report on the usage of the Internal Web portal), 1081 (Statewide System for data Integration one-time appropriations), and 1083 (Sustainable Employment Pilot one-time appropriations).

2. **Retained Sections.** The **Governor** deleted and **Senate** retained a number of sections, which include:990 (Michigan State Housing Development Authority production goal report),1007 (Michigan Strategic Fund and Michigan Economic Development Corporation report), 1010 (Jobs for Michigan Investment Fund report), 1033 (Michigan Film and Media Office activity report), and 1041 (limits the amount that can be transferred to Business Attraction and Community Development to no more than 60% before April 1),

3. **Modified Sections.** The **Governor** and **Senate** modified a number of sections including 1042 (simplifies Business Attraction quarterly report to 'all previous appropriations' from listing all the various previous work project appropriations), 1061 (Includes 'apprenticeship awareness' as one of the focuses of the Youth Entrepreneurship grants), 1065 (name change from 'Skilled Trades Training Program' to 'Going Pro'), and 1066 (name change to 'Going Pro' and focus on addressing 'in-demand talent needs in Michigan' from 'employees of Michigan Businesses'). The **Governor** modified and **Senate** maintained current language on a number of sections including 1005 (removing private revenue from the Pure Michigan report) and 1035 (Allowing Arts and Culture grant funding to be used for administration of the program).

4. **New One-Time Appropriations Metric Sections.** The **Governor** included a number new sections that include benchmark metric specifications for new appropriations, which include: 1050 (Business attraction and community Development one-time appropriations), 1051 (Talent Marketing one-time appropriations), 1052 (Rising Tide one-time appropriations), 1053 (Arts and Culture Grant one-time appropriations), 1054 (Protect and Grow one-time appropriations), and 1084 (Going Pro one-time appropriations). The **Senate** concurred with all of the new sections except 1052 (rising tide) due to removal of that funding and modified 1051 (Talent Marketing) to reflect moving that funding into ongoing Pure Michigan.

5. **MSF/MEDC Report.** The **Senate** included budget reporting requirements in the annual MSF and MEDC activity report. (Sec. 1007)

6. **Michigan Enhancement Grants.** The **Senate** included a new section that outlines the individual grants within the Michigan Enhancement Grants line item. (Sec. 1047)

7. **UIA $100 Placeholder.** The **Senate** included a new section that outlines the requirements for an electronic ID system in the UIA. (Sec. 1075)

8. **UIA Quarterly Report.** The **Senate** included a quarterly activity report regarding fraudulent cases, penalties and interest revenue, and appeals to fraudulent cases. (Sec. 1076)

9. **Technical Modifications.** The **Governor** and **Senate** made a number of technical adjustments to reflect date changes, Part 1 appropriations totals, legacy costs estimates, and standardizing language. (Secs. 980 & 981)

Date Completed: 4-17-17 Fiscal Analyst: Cory Savino

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Senate Bill 142 (S-1, Draft 2 as reported)
Committee: Appropriations

Throughout this document Senate means Subcommittee.

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2016-17 YEAR-TO-DATE	FY 2017-18 SENATE SUBCOMM.	CHANGES FROM FY 2016-17 YEAR-TO-DATE AMOUNT	PERCENT
FTE Positions	2,877.0	2,900.0	23.0	0.8
GROSS	**1,383,725,700**	**1,328,005,200**	**(55,720,500)**	**(4.0)**
Less:				
Interdepartmental Grants Received	694,054,100	713,959,000	19,904,900	2.9
ADJUSTED GROSS	**689,671,600**	**614,046,200**	**(75,625,400)**	**(11.0)**
Less:				
Federal Funds	4,958,200	4,985,300	27,100	0.5
Local and Private	2,320,000	2,444,400	124,400	5.4
TOTAL STATE SPENDING	**682,393,400**	**606,616,500**	**(75,776,900)**	**(11.1)**
Less:				
Other State Restricted Funds	114,340,800	111,399,300	(2,941,500)	(2.6)
GENERAL FUND/GENERAL PURPOSE	**568,052,600**	**495,217,200**	**(72,835,400)**	**(12.8)**
PAYMENTS TO LOCALS	**0**	**0**	**0**	**0.0**

FY 2016-17 Year-to-Date Gross Appropriation $1,383,725,700

Changes from FY 2016-17 Year-to-Date:

1. **Removal of FY 2016-17 Supplemental Funding. Governor:** Public Act 340 of 2016 provided additional funding for three programs: $500,000 to pay survivor benefits of public safety officers killed in the line of duty; $10.0 million for deposit into the Drinking Water Declaration of Emergency Reserve Fund; and $72.0 million to for final debt payment for the Venture Michigan I. **Senate:** Concurred with Governor. (82,534,000)

2. **Removal of FY 2016-17 One-Time Appropriations. Governor:** Removed a total of $14.2 million ($11.4 million GF/GP) of the following one-time funding provided in the FY 2016-17 budget: Legal Services ($5.0 million); IT Investment Fund ($4.5 million); Office of Retirement Services ($2.85 million); Enterprisewide Special Maintenance ($1.6 million); and Special Projects ($250,000). **Senate:** Concurred with Governor. (14,200,900)

3. **Citizen Centric Government Project. Governor:** Provided new ongoing GF/GP funding to allow citizens to interact with the State of Michigan programs and services through the use of individualized online portals, key high-value system integrations, and new mobile applications allowing access to resources on a 24/7 basis. **Senate:** Concurred with Governor. 1,000,000

4. **Labor Market Information Population and Labor Force Projections. Governor:** Provided new GF/GP funding and 2.0 FTEs to produce population projections for the State in total and all individual counties. **Senate:** Concurred with Governor. 268,300

5. **Michigan Master Computing Contract. Governor:** Provided restricted funding and 3.0 FTEs for this new program that redefines the IT procurement process. **Senate:** Concurred with Governor. 373,500

6. **Cyber Security Improvements. Governor:** Additional GF/GP funding and 12.0 FTEs was provided for third year of a multi-year program to enhance cyber security program. Total FY 2017-18 funding for Homeland and Cyber Security is $16.2 million. **Senate:** Reduced funding by $1.5 million and 6.0 FTEs.	1,544,600
7. **SIGMA-Permanent Organizational Structure. Governor:** Increased funding by a total of $14.9 million ($12.3 million GF/GP) and added 26.0 FTEs in the Budget and Financial Management line item to provide ongoing SIGMA operations, contractual services, and continued improvements related to SIGMA. Funding for Budget and Financial Management totals $38.8 million for FY 2017-18. **Senate:** Reduced GF/GP funding by $8.6 million and 21.0 FTEs.	6,280,600
8. **MiPage-Mobile Center of Excellence Permanent Operating Support. Governor:** Provided additional GF/GP funding for continued support of the State's mobility efforts. Total funding in FY 2017-18 for the Enterprise Identity Management line item is $9.3 million. **Senate:** Concurred with Governor.	1,587,000
9. **Office of Performance and Transformation – Governor:** Provided additional GF/GP funding for the *Socrata* transparency website. This office was transferred to DTMB via Executive Order 2016-4 and is responsible for the systematic review and coordination of the State's regulatory, business, and customer service environments. This item also is funded in the Budget and Financial Services unit, funded at $38.8 million for FY 2017-18. **Senate:** Did not include any funding for this item.	0
10. **School Reform Office. Governor:** Additional GF/GP funding provided for three programs: $280,000 for the Partnership with Enroll Detroit to assist families transforming to new schools; $252,000 and 2.0 FTEs to support a pilot program that measures deferred maintenance costs to replacement value of priority schools; and $250,000 to support student and parent surveys for accountability measurement. Funding for the School Reform Office totals $3.1 million for FY 2017-18. **Senate:** Reduced funding for Index Processing and Partnership with Enroll Detroit by $250,000 each.	282,000
11. **Accounting Services for Grand Rapids Veterans Home. Governor:** Increased IDG funding and added 8.0 FTEs for costs associated with providing accounting services to the GR Veterans Home. **Senate:** Concurred with Governor.	1,206,300
12. **Information Technology (IT) - Alignment of IDG Funding. Governor:** Aligned its IDG funding with enacted FY 2016-17 appropriations for all departments. **Senate:** Concurred with Governor.	23,296,300
13. **Removal of FY 2016-17 Lump Sum Payments. Governor:** Removed funding for the 1.5% lump sum payments received by all State classified employees as part of negotiated contracts for FY 2016-17. **Senate:** Concurred with Governor.	(2,848,200)
14. **SIGMA Reduction. Governor:** The budget included reductions in two IT line items to offset the costs of the program increase for the SIGMA Permanent Organizational Structure program in the Budget and Financial Management line item (described above). The reductions included $6,321,000 (all IDG funding) in the Technology Services line item and another $6,321,000 ($3.8 million GF/GP) in the Information Technology line item. **Senate:** Concurred with Governor.	(12,642,000)
15. **Transfer of Office of Urban Initiatives. Governor:** All GF/GP funding and 5.0 FTEs were transferred to the Executive Office. **Senate:** Concurred with Governor.	(1,012,200)
16. **One-Time Items. Governor:** Included ten one-time items totaling $80.9 million in GF/GP appropriations. Items included: $25.0 million for deposit into the Drinking Water Declaration of Emergency Reserve Fund; $20.0 million for deposit into the Michigan Infrastructure Fund; $9.1 million for the migration of 131 Michigan.gov items to new portal; $7.5 for IT Investment Fund projects; $5.5 million for the Citizen Centric Government IT project (described above); $5.0 million for the continued replacement of the Michigan Public Safety Communications System; $4.5 million for the SIGMA Permanent Organizational Structure; $4.0 million for Cyber Security; $353,000 for the School Reform Office for the PERIS program to allow priority schools to automate the submission of data; and $700 for seven $100 placeholders for planning grants for three university projects, two community college projects, and two State agency projects. **Senate:** Reduced total one-time funding by $66.4 million from the Governor. One-time funding items eliminated include: $25.0 million for deposit into the Drinking Water Declaration of Emergency Reserve Fund; $20.0 million for deposit into the Michigan Infrastructure Fund; $9.1 million for the migration of 131 Michigan.gov items to new	14,500,100

portal; $5.5 million for the Citizen Centric Government IT project (described above); $4.5 million for the SIGMA Permanent Organizational Structure; $353,000 for the School Reform Office for the PERIS program to allow priority schools to automate the submission of data; and $700 for seven $100 placeholders for planning grants for three university projects, two community college projects, and two State agency projects. Cyber Security was reduced by $2.0 million and a $100 placeholder was added for a Procurement Review Pilot Project.	
17. **Other Changes. Governor:** Included 2.0 FTEs and adjustments to several items in the budget totaling $478,800. Changes include: $380,000 for administrative costs for the Michigan Military Retirement System; $137,900 and 1.0 FTE for the State Police Cyber Crimes Unit; $127,700 and 1.0 FTE for the Office of Financial Management to administer MEDC's payroll; $27,000 for the MSP Retirement System; and a negative $193,800 for SWCAP adjustments. **Senate:** Concurred with Governor.	478,800
18. **Unclassified Salaries. Governor:** Increased funding by $30,100 for total funding of $1,031,750 for FY 2017-18. **Senate:** Concurred with Governor.	30,100
19. **Economic Adjustments.** Includes $6,669,200 Gross and $1,633,100 GF/GP.	6,669,200
20. **Comparison to Governor's Recommendation.** The Senate is $77,538,700 Gross and $77,538,700 GF/GP under the Governor.	
Total Changes	($55,720,500)
FY 2017-18 Senate Appropriations Subcommittee Gross Appropriation.....	**$1,328,005,200**

Boilerplate Changes from FY 2016-17 Year-to-Date:

1. **Boilerplate Structure.** The Governor moved boilerplate from the FY 2016-17 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:** Retained current law.

2. **MAIN Charges.** Language states that MAIN shall be funded by charges against State funds that benefit from the use of MAIN. **Governor:** Modified language to include SIGMA as additional recipient of the funds as the State transitions from MAIN to SIGMA. **Senate:** Concurred with Governor. (Sec. 807)

3. **Request for Proposals Website.** Requires DTMB to maintain an Internet website that contains notice of all invitations to bid and requests for proposals over $50,000. Prohibits the Department from accepting a bid or proposal less than 14 days after the request was made available on the website. **Governor:** Deleted. **Senate:** Retained current law. (Sec. 810)

4. ***NEW.* Pilot Project to Provide Comprehensive Vendor Information. Senate:** Added new language to provide a pilot project to allow the State to contract with a vendor that will provide comprehensive information on all vendors with whom the State conducts business transactions. (**NEW** Sec. 810a)

5. **Privatization RFP Factors.** Language stipulates that DTMB shall include factors that will be used to evaluate and determine price related to requests for proposals issued for the purpose of privatization. **Governor:** Deleted. **Senate:** Retained current law. (Sec. 816)

6. **Space Consolidation.** Requires the Department to develop a plan regarding the use of space consolidation funds and report annually to the Legislature. **Governor:** Deleted as project has been completed. **Senate:** Concurred with Governor. (Current Law Sec. 821)

7. **Legacy Cost Estimates.** Total legacy costs are estimated at $78,962,000. Of the total, pension-related legacy costs are estimated at $43,795,600 and retiree health care legacy costs are estimated at $35,166,400 for fiscal year ending September 30, 2017. **Governor:** Provided the following Legacy Costs estimates for FY 2018: Total legacy costs estimated at $84,145,300. Of that total, $43,301,700 are for pension-related legacy costs and $40,843,600 are for retiree health care legacy costs for the fiscal year ending September 30, 2018. **Senate:** Concurred with Governor. (Sec. 822e)

8. **Report for Office of Urban Initiatives.** Requires a report by April 15 to the Legislature, the State Budget Director, and the fiscal agencies on the expenditures for the office of urban initiatives. The report shall provide information detailing the economic impact and job growth initiatives for each urban and metropolitan area receiving funds under Part 1. **Governor:** Deleted as Office is transferred to the Executive Office. **Senate:** Concurred with Governor. (Current Law Sec. 822h)

9. **Office of Good Government.** Language states 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. **Governor:** Deleted. **Senate:** Concurred with Governor. (Current Law Sec. 822j)

10. **Hawthorn Center Appraisal.** Language requires DTMB to work with the Department of Health and Human Services on an appraisal of state-owned lands and buildings at the Hawthorn Center Psychiatric Hospital Facility for Children and Adolescents. The Department also must create a proposal for possible replacement of the facility and submit the appraisal and proposal to the legislature by March 1, 2017. **Governor:** Deleted. **Senate:** Concurred with Governor. (Current Law Sec. 822k)

11. **Tracking Performance of Vendors.** Language states 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. **Governor:** Deleted. **Senate:** Retained current law. (Sec. 822m)

12. **Placement of all Contract Proposals on Department Website.** Language requires the Department to establish a publically accessible portal on the Department's website that displays all contract proposals for all State departments and agencies. **Governor:** Deleted. **Senate:** Retained current law. (Sec. 822n)

13. **Spatial Information/Technical Services.** Allows Department to enter into agreements to supply spatial information and technical services to other departments, local units of government, and organizations. Includes annual reporting requirement regarding receipt and expenditure of funds under this section. **Governor:** Deleted reporting requirement. **Senate:** Concurred with Governor. (Sec. 824)

14. **MAIN Access.** Provides for access to all historical and current data contained within MAIN for the Legislature and State departments. **Governor:** Adds "or its successor" due to MAIN being replaced by SIGMA. **Senate:** Concurred with Governor. (Sec. 825)

15. **Modernization of State IT Systems.** Language states that the increased funding shall be used to modernize the State's IT systems and integrate State system interfaces to improve customer service. **Governor:** Deleted. **Senate:** Retained current law. (Sec. 836)

16. ***NEW.* Cyber Security Use of Funding. Governor:** Added new language specifying metrics to be measured regarding cyber security. **Senate:** Concurred with Governor. (**NEW** Sec. 836a)

17. **Cyber Security System Improvements.** Language states that the increased funding for cyber security shall be used to increase cyber security by developing a comprehensive security framework. **Governor:** Deleted. **Senate:** Concurred with Governor. (Current Law Sec. 837)

18. **NEW. Citizen Centric Government. Governor:** Added new language specifying metrics to be measured regarding MiLogin and MiPage. **Senate:** Concurred with Governor. (**NEW** Sec. 837)

19. **Enterprise Identity Management (MiLogin).** Language states 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. **Governor:** Deleted. **Senate:** Concurred with Governor. (Current Law Sec. 838)

20. **NEW. MiPage Mobile Center of Excellence. Governor:** Added new language specifying metrics to be measured regarding the MiPage Mobile Center of Excellence. **Senate:** Concurred with Governor. (**NEW** Sec. 838)

21. **Office of Retirement Services.** Language requires the increased funding to be used for expanding the Office's IT capability so as to provide a 90% customer contact satisfaction level. **Governor:** Deleted. **Senate:** Retained current law. (Sec. 839)

22. **NEW. Caro Center Replacement. Governor:** Added new language stating that the planning authorization for the Caro Center's scope is changed from the initial plan to modernize the Center to now building a new psychiatric hospital in its place. **Senate:** Not included. (**NEW** Sec. 868)

23. **NEW Sec. 900. Drinking Water Declaration of Emergency Reserve Fund. Governor:** Added new language creating the Reserve Fund. Language also requires the deposit of $25.0 million into the fund in FY 2017-18, states that funds cannot be spent until appropriated by the Legislature, requires all interest earnings by the Reserve Fund to be deposited in the general fund, and states that any funds remaining in the Reserve Fund at the end of the fiscal year shall remain in the Reserve Fund and not lapse to the general fund. **Senate:** Not included. (**NEW** Sec. 900)

24. **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: 822, 822d, 827(4) (the current law report), 828, 829, 830, 831, 832, 860(e), (f), and (g) and 862. The majority of these sections required the Department to provide either reports or notifications to the Legislature. **Senate:** Retained Sections 822, 822d, 828, 829, 830, 832, 860(e), (f), and (g) and 862.

Date Completed: 4-17-17 Fiscal Analyst: Joe Carrasco, Jr.

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Senate Bill 142 (S-1, Draft 2 as reported)
Committee: Appropriations

Throughout this document Senate means Subcommittee.

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2016-17 YEAR-TO-DATE	FY 2017-18 SENATE SUBCOMM.	CHANGES FROM FY 2016-17 YEAR-TO-DATE AMOUNT	PERCENT
FTE Positions	N/A	N/A	0.0	0.0
GROSS	**137,037,000**	**107,580,000**	**(29,457,000)**	**(21.5)**
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	**137,037,000**	**107,580,000**	**(29,457,000)**	**(21.5)**
Less:				
Federal Funds	0	0	0	0.0
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	**137,037,000**	**107,580,000**	**(29,457,000)**	**(21.5)**
Less:				
Other State Restricted Funds	0	0	0	0.0
GENERAL FUND/GENERAL PURPOSE	**137,037,000**	**107,580,000**	**(29,457,000)**	**(21.5)**
PAYMENTS TO LOCALS	**0**	**0**	**0**	**0.0**

FY 2016-17 Year-to-Date Gross Appropriation	**$137,037,000**
Changes from FY 2016-17 Year-to-Date:	
1. **Great Lakes Water Quality Bond.** The **Governor** and **Senate** increased debt service payments for this bond. Of the total, $1,411,000 is a reduction in scheduled payments and $5,403,000 is projected in new bond issuances for FY 2017-18. This increased total debt service payments to $22,865,000.	3,992,000
2. **Clean Michigan Initiative.** The **Governor** and **Senate** reduced debt service payments for this bond due to projected decreases in scheduled bond payments with no new bonds projected to be issued for FY 2017-18. This decreased total debt service payments to $62,751,000.	(26,726,000)
3. **Quality of Life Bond.** The **Governor** and **Senate** reduced debt service payments for this bond due to projected decreases in scheduled bond payments with no new bonds projected to be issued for FY 2017-18. This decreased total debt service payments to $21,964,000.	(6,723,000)
4. **Comparison to Governor's Recommendation.** The Senate is $0 Gross and $0 GF/GP over/under the Governor.	
Total Changes	($29,457,000)
FY 2017-18 Senate Appropriations Subcommittee Gross Appropriation	**$107,580,000**

Boilerplate Changes from FY 2016-17 Year-to-Date: None

Date Completed: 4-17-17

Fiscal Analyst: Cory Savino

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

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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2016-17 YEAR-TO-DATE	FY 2017-18 SENATE SUBCOMM.	CHANGES FROM FY 2016-17 YEAR-TO-DATE AMOUNT	PERCENT
FTE Positions	1,906.5	1,740.5	(166.0)	(8.7)
GROSS	**522,473,200**	**512,577,200**	**(9,896,000)**	**(1.9)**
Less:				
Interdepartmental Grants Received	11,262,300	12,613,700	1,351,400	12.0
ADJUSTED GROSS	**511,210,900**	**499,963,500**	**(11,247,400)**	**(2.2)**
Less:				
Federal Funds	39,920,800	27,022,600	(12,898,200)	(32.3)
Local and Private	9,227,700	14,542,700	5,315,000	57.6
TOTAL STATE SPENDING	**462,062,400**	**458,398,200**	**(3,664,200)**	**(0.8)**
Less:				
Other State Restricted Funds	360,603,600	364,726,100	4,122,500	1.1
GENERAL FUND/GENERAL PURPOSE	**101,458,800**	**93,672,100**	**(7,786,700)**	**(7.7)**
PAYMENTS TO LOCALS	**186,320,700**	**186,130,700**	**(190,000)**	**(0.1)**

FY 2016-17 Year-to-Date Gross Appropriation $522,473,200

Changes from FY 2016-17 Year-to-Date:

1. **City Income Tax Administration.** The **Governor** and **Senate** increased this program, which includes $3,782,100 for ongoing operation and $1.5 million for one-time appropriations. The ongoing funding increase is to allow the hire of 20.0 FTEs to support a new city joining the program. The $1.5 million in one-time appropriations is to implement IT changes in order to include another city. The increase is all supported by the City Income Tax Fund. This brings total appropriations to $11,185,300 City Income Tax Fund dollars. 5,282,100

2. **Medical Marihuana Grants and Regulation.** The **Governor** and **Senate** created this funding to implement Public Act 281 of 2016. Of the total, $3,960,000 is for the Medical Marihuana Excise Fund grants and the remaining $675,000 is for regulation and administration of the act. The Excise fund distributes revenue to Municipalities, Counties, and County Sheriffs in accordance to statute. This funding is all supported by the Medical Marihuana Excise Fund. 4,635,000

3. **Information Technology for S.A.P.S.** The **Governor** and **Senate** included one-time appropriations to support Information Technology improvements to the Systems, Application, and Process Support. This appropriations is all supported by GF/GP. 2,000,000

4. **Lien Fee Increase.** The **Governor** and **Senate** Increased the Office of Collections due to changes from Public Act 224 and 230 of 2016, which increases the recording fee on Liens from $10 to $30. The department increased IDGs to pay for the additional costs. 1,300,000

5. **Tax Processing Bureau.** The **Governor** and **Senate** increased the Tax Processing Bureau to hire 9.0 FTEs and support for tax processing operations in order to further reduce the telephone wait time and processing time of individual tax returns. This increase is all supported by GF/GP. Total appropriation would be $38.8 million, $11.0 million GF/GP.	992,200
6. **State Lottery.** The **Governor** and **Senate** increased the State Lottery in order to hire 8.0 FTEs to support iLottery games. All supported by State Lottery Revenue.	716,300
7. **Dual Enrollment.** The **Governor** and **Senate** increased Dual Enrollment to reflect pupil increases from the January Consensus Revenue Estimating Conference. All supported by GF/GP. This brings total appropriations to $2.0 million Gross and GF/GP.	500,000
8. **Payments in Lieu of Taxes.** The **Governor** increased Purchased Lands by 3%, $96,600 of which was GF/GP. The **Senate** did not include this increase	0
9. **Senior Citizens Cooperative Housing.** The **Governor** and **Senate** increased Senior Citizen Cooperative Housing due to Public Act 78 of 2016, which increased the number of facilities in the program. The increase was supported by GF/GP. This brings total appropriations to $10.7 million Gross and GF/GP.	200,000
10. **Casino Information Technology.** The **Governor** and **Senate** increased Casino Gaming Administration to hire an additional FTE to increase internal control to ensure the security and accuracy of the revenue reported.	149,900
11. **Federal Department of Education Funding.** The **Governor** and **Senate** decreased the Michigan Finance Authority, due to decreases in various Federal Department of Education grants.	(12,955,700)
12. **Health and Safety Fund Grant.** The **Governor** and **Senate** decreased the Health and Safety Fund to reflect actual restricted fund revenue and expenditures from this line item.	(7,500,000)
13. **Removal of Grants, One-Time, and Supplemental Funding.** The **Governor** and **Senate** removed $521,600 in ongoing grants ($76,000 Plasma Cutting Machine, $100,000 Gianna House, $345,600 Student Loan Delinquency Pilot), $2,842,500 for free individual income tax E-file, $500,000 for Urban Search and Rescue, the $100 Drinking Water Declaration of Emergency placeholder, $3,050,000 from Public Act 340 of 2016, and $300,000 from Legislative Transfer 2017-1. Of the total decrease, $6,914,200 was GF/GP and $300,000 was funded from the Drinking Water Declaration of Emergency Fund.	(7,214,200)
14. **Technical Changes.** The **Governor** and **Senate** included a lump sum removal throughout the department. Of the total decrease, $280,400 was GF/GP.	(1,663,100)
15. **FTE Transfers and Adjustments.** The **Governor** and **Senate** moved the Financial Review Commission to the Financial Independence Team, FTEs from Tax Policy to City Income Tax, and rolled out the Office of Revenue and Tax Analysis line item from Tax and Economic Policy. The **Senate** removed 212.0 FTEs throughout the department.	0
16. **Fund Shift.** The **Senate** fund shifted $5.0 million in GF/GP to Delinquent Tax Collection Revenue, keeping gross the same, but reducing GF/GP by $5.0 million.	0
17. **Placeholders.** The **Senate** included two $100 placeholders, the first placeholder is for reimbursement to local units of government for the costs of financial data analytical tools and the second placeholder is for NextGen 911 improvements.	200
18. **Economic Adjustments.** Economic increase of $3,661,300 Gross and $715,400 GF/GP.	3,661,300
19. **Comparison to Governor's Recommendation.** The Senate is $252,600 Gross and $5,096,400 GF/GP under the Governor.	
Total Changes	($9,896,000)
FY 2017-18 Senate Appropriations Subcommittee Gross Appropriation.....	**$512,577,200**

Boilerplate Changes from FY 2016-17 Year-to-Date:

1. **Reports and Notifications.** The **Governor** deleted and **Senate** retained a number of reports, which include: 902a (notification of bond refinancing), 934(2) (Michigan Financial Authority report), and 944 (retention of reports received by pension plan consultants).

2. **Deleted Sections.** The **Governor** and **Senate** deleted a number of other sections, which include: 927 (personality property tax report), 936 (student loan delinquency pilot program), 940 (state capital historic fund), 949g (urban search and rescue), and 963 (ban DHS bridge cards from being used to purchase lottery tickets).

3. **Minimum Assessing of Requirement Review.** The **Governor** and **Senate** modified the section involving minimum assessment of requirements review of localities from one locality in every country reviewed annually to requiring that every locality be reviewed at least once every five years. (Sec. 945)

4. **Equine Development Fund.** The **Governor** made modifications to two sections that involve the Equine Development Fund and proration. The first change removed laboratory analysis from the exception of being prorated in the event revenue in the fund is less than expenditures. The second change was to remove language that allows the racing commission to reduce the number of race dates in the event that revenue in the fund is less than the regulatory costs. The **Senate** concurred with the modification in sec. 977, but maintained current law in sec. 978. (Secs. 977 and 978)

5. **Medical Marihuana.** The **Governor** and **Senate** included a new section that specifics that revenue from the Medical Marihuana Excise Fund must be administered and distributed in accordance to statute. (Sec. 949h)

6. **City Income Tax Administration.** The **Governor** and **Senate** included a new section that references the increased ongoing appropriations to the City Income Tax Administration and specifies that the appropriations be used to include another city in the program. (Sec. 949i)

7. **Wrongful Imprisonment Fund.** The **Governor** and **Senate** included a new section that creates the Wrongful Imprisonment Fund and specifies that the funds must be used in accordance to PA 343 of 2016. (Sec. 949j)

8. **Notification of Personal Property Tax Reimbursement.** The **Senate** included a new section that requires the department to notify recipients about the Personal Property Tax reimbursement, including that future payments may be adjusted in the event that errors are discovered from the current year payments. (Sec. 920)

9. **Financial Data Analytical Tool Reimbursement.** The **Senate** included a new section that outlines reimbursement of financial data analytical tools for local units of government. (Sec. 936)

10. **NextGen 911.** The **Senate** included a new sections that outlines that funding for NextGen 911 be used to support modernization projects approved by the public service commission. (Sec. 938)

11. **Lottery Promotion.** The **Senate** modified language to remove the $25.0 million cap on lottery promotion, and retains language allowing the bureau to use up to 1% of gross lottery sales towards lottery promotion. (Sec. 964)

12. **Technical Modifications.** The **Governor** and **Senate** made a number of technical adjustments such as revised dates, legacy estimates, and standardizing language. (Secs. 915 and 948)

Date Completed: 4-17-17 Fiscal Analyst: Cory Savino

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FTE Positions	N/A	N/A	0.0	0.0
GROSS	**1,227,408,100**	**1,249,959,700**	**22,551,600**	**1.8**
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	**1,227,408,100**	**1,249,959,700**	**22,551,600**	**1.8**
Less:				
Federal Funds	0	0	0	0.0
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	**1,227,408,100**	**1,249,959,700**	**22,551,600**	**1.8**
Less:				
Other State Restricted Funds	1,227,408,100	1,245,292,200	17,884,100	1.5
GENERAL FUND/GENERAL PURPOSE	**0**	**4,667,500**	**4,667,500**	0.0
PAYMENTS TO LOCALS	**1,227,408,100**	**1,249,959,700**	**22,551,600**	**1.8**

FY 2016-17 Year-to-Date Gross Appropriation $1,227,408,100

Changes from FY 2016-17 Year-to-Date:

1. **Constitutional Revenue Sharing.** The Governor and Senate recommended $773,544,100 for constitutional revenue sharing in FY 2017-18, an increase of 2.3% from the current estimate for FY 2016-17. This increase is consistent with the January 2017 consensus estimate of sales tax revenue. Constitutional revenue sharing distributes 15% of sales tax revenue collected at a 4.0% rate to cities, villages, and townships on a per capita basis. 17,243,500

2. **Revenue Sharing Payments to Counties.** The Governor recommended a total of $217,908,100 for revenue sharing payments to counties. This amount would be paid through two line items, $174,747,700 for County Revenue Sharing and $43,160,400 for the County Incentive Program. The Governor recommended increases of $513,700 for County Revenue Sharing and $126,900 for the County Incentive Program to cover the cost of two counties (Alcona and Charlevoix) that received part-year funding in FY 2016-17 and will be eligible for full-year funding in FY 2017-18. All other counties will receive the same payments in FY 2017-18 as in FY 2016-17, assuming continued compliance with the accountability and transparency requirements of the County Incentive Program. The Senate included the Governor's recommended increases for new counties. The Senate also increased total payments for eligible counties by 1% and placed the entire increase in the appropriation for County Revenue Sharing. The recommendation included a total of $220,087,200 for counties, consisting of $43,160,400 for the County Incentive Program and $176,926,800 for County Revenue Sharing. 2,819,700

3. **City, Village, and Township Revenue Sharing.** The Governor recommended $248,840,000 in FY 2017-18 for nonconstitutional or "statutory" payments to cities, villages, and townships, the same amount as in FY 2016-17. The appropriation consists of $243,040,000 in ongoing funding and $5.8 million in one-time money. Eligibility, payments, and transparency and accountability requirements would be the same in FY 2017-18 as in the current year. The Senate increased funding by 1% to a total of ongoing and one-time funding of $251,328,400.	2,488,400
4. **Financially Distressed Cities, Villages, or Townships.** The Governor and Senate recommended $5.0 million in FY 2017-18 for this grant program, the same amount as in FY 2016-17.	0
5. **Comparison to Governor's Recommendation.** The Senate is $4,667,500 Gross and $4,667,500 GF/GP over the Governor.	
Total Changes	$22,551,600
FY 2017-18 Senate Appropriations Subcommittee Gross Appropriation.....	**$1,249,959,700**

Boilerplate Changes from FY 2016-17 Year-to-Date:

1. **City, Village, and Township Revenue Sharing.** The Governor set the amount that an eligible local government can receive at 100% of the eligible payment under Public Act 84 of 2015. The Senate established the eligible payment amount at 101% of the eligible payment under Public Act 268 of 2016. (Sec. 952(1))

2. **County Incentive Program.** The Governor recommended the same payment calculation for FY 2017-18 as in FY 2016-17. The Senate concurred. (The Senate 1% increase in total revenue sharing payments to county was built into the line item for County Revenue Sharing.) (Sec. 952(2))

3. **County Revenue Sharing.** The Governor recommended the same payments in FY 2017-18 as in FY 2016-17. The Senate proposed that payments in FY 2017-18 be 101.986% of the payments for which counties are eligible under the Glen Steil State Revenue Sharing Act. This results in a total revenue sharing payment (from both the County Incentive Program and County Revenue Sharing) for which a county is eligible in FY 2017-18 that is 1% greater than the total of those payments in FY 2016-17. (Sec. 955)

4. **Online Option for Citizen's Guide to Finances.** The Governor added an option for a city, village, township, or county to certify that it is using the Department of Treasury online system for the citizen's guide to its finances instead of submitting a paper copy. The Senate concurred. (Sec. 952(3))

5. **Extend Due Date for Accountability and Transparency Reports and Certification.** The Governor extended from December 1 to April 1 the date by which an eligible city, village, township, or county is required to complete its accountability and transparency requirements without forfeiting any payments for which it is eligible. Currently revenue sharing payments are made on the last business day of October, December, February, April, June, and August. A local government must satisfy the accountability and transparency requirements by December 1 or the first day of a subsequent payment month. All eligible local governments receive the first payment which is made prior to the due date for the accountability reports. If the accountability and transparency certifications are not made by December 1 or the first day of any subsequent payment month, the payment for that month (1/6th of the total) is forfeited. Under the Governor's proposal, a local government that did not complete accountability requirements by December 1 but satisfied the requirements by April 1, would be able to receive ("defer" instead of forfeit) its second and third revenue sharing payments in August. The Senate maintained current law. (Sec. 952(4)(e))

Date Completed: 4-17-17 Fiscal Analyst: Elizabeth Pratt

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