



Fax: (517) 373-1986

Senate Bill 912: FY 2018-19 General Omnibus Appropriation Bill

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Senate Bill 850 (as introduced) Committee: Appropriations

			CHANGES F FY 2017-18 YEAR	-
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	493.5	500.5	7.0	1.4
GROSS	114,698,600	102,888,100	(11,810,500)	(10.3)
Less:				
Interdepartmental Grants Received	310,300	313,900	3,600	1.2
ADJUSTED GROSS	114,388,300	102,574,200	(11,814,100)	(10.3)
Less:				
Federal Funds	11,373,900	11,695,200	321,300	2.8
Local and Private	101,600	101,800	200	0.2
TOTAL STATE SPENDING	102,912,800	90,777,200	(12,135,600)	(11.8)
Less:				
Other State Restricted Funds	36,661,000	37,072,000	411,000	1.1
GENERAL FUND/GENERAL PURPOSE	66,251,800	53,705,200	(12,546,600)	(18.9)
PAYMENTS TO LOCALS	7,450,000	6,350,000	(1,100,000)	(14.8)

^{*}As of February 7, 2018.

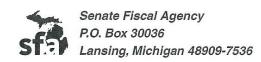
FY 2017-18 Year-to-Date Gross Appropriation	\$114,698,600
Changes from FY 2017-18 Year-to-Date:	
 Milk Safety and Quality Assurance. Governor recommended \$780,000 GF/GP and 5.0 FTEs for dairy inspections to address the growth in state dairy production. 	780,000
 Office of Organization Innovation. Governor recommended \$307,100 GF/GP to support reclassification of two data management staff from temporary to permanent to analyze data from department information technology systems and practices. 	307,100
 Laboratory Genome Sequencer. Governor recommended \$300,000 Federal to support use of Genome Sequencer in accordance with the International Organization for Standardization (ISO) standards. 	300,000
 Pesticide and Plant Pest Management. Governor recommended a reduction of \$200,000 GF/GP to be supplanted by an equal additional amount of Fertilizer Control Fund revenue. 	0
5. Agriculture Industry Research and Development Grant. Governor recommended the elimination of a one-time FY 2017-18 grant of \$8.4 million GF/GP, which consisted of \$2.5 million for an Animal Agriculture Initiative, \$3.2 million for Fruit and Vegetable Campus/Mobile Labs and \$1.5 million for the Tree Fruit Commission.	(8,400,000)
Food Bank Council. Governor recommended the elimination of a \$2.0 million GF/GP one-time grant to the Food Council of Michigan for a food-freezing project.	(2,000,000)
 Food and Agriculture Investment Program. Governor recommended the reduction of \$1,443,900 GF/GP to the grant program, leaving a proposed total FY 2018-19 appropriation of \$3.3 million GF/GP. 	(1,443,900)

8. Wildlife Risk Management. Governor recommended the elimination of one-time funding of \$1.0 million GF/GP for a cost share program with local conservation districts to assess cattle farms and implement practices to prevent the spread of bovine tuberculosis in cattle.	(1,000,000)
 Intercounty Drain Program. Governor recommended the elimination of a \$250,000 GF/GP one-time project to establish a state standard drainage infrastructure mapping tool. 	(250,000)
 Food Safety and Quality Assurance. Governor recommended a reduction of \$250,000 GF/GP to reflect the completion of one-time projects and a decrease in federal food safety grants. 	(250,000)
 County Fairs, Shows and Exposition Grants. Governor recommended a reduction of \$249,300 GF/GP to the grant program, leaving a proposed total FY 2018-19 appropriation of \$400,000 GF/GP. 	(249,300)
 Beer Delivery Systems. Governor recommended removal of \$150,000 GF/GP FY 2017-18 funding to support for training for management of draft beer delivery systems. 	(150,000)
13. Qualified Forest Program. Governor recommended a reduction of \$130,000 GF/GP from the program, to be offset by restricted revenue, sufficiently authorized by current appropriations.	(130,000)
14. Environmental Stewardship/Michigan Agriculture Environmental Assurance Program. Governor recommended a reduction of \$100,000 GF/GP due to completion of internal projects, leaving a recommended FY 2018-19 gross appropriation of \$10.2 million.	(100,000)
15. Campground Development Grant. Governor recommended the elimination of a one-time grant of \$100,000 GF/GP to provide for park enhancements associated with the Albion Equine Center.	(100,000)
16. Farmland and Open Space Program. Governor recommended a reduction of \$99,900 GF/GP due to a decrease in temporary staff previously funded to address backlogs in program application processing.	(99,900)
 Drinking Water Declaration of Emergency. Governor recommended elimination of a one-time restricted revenue place-holder appropriation related to the Flint drinking water emergency. 	(100)
 Technical Adjustment for Actual Funds Received. Governor recommended technical adjustment to reflect reductions in non-GF/GP funds received. 	(86,300)
19. Unclassified Salaries. Governor recommended economic increase.	11,200
20. Economic Adjustments. Includes \$1,050,700 Gross and \$728,200 GF/GP for total economic adjustments, of which an estimated \$28,400 Gross and \$1,500 GF/GP is for legacy retirement costs (pension and retiree health). (delete if not applicable)	1,050,700
Total Changes	(\$11,810,500)
FY 2018-19 Governor's Recommendation	\$102,888,100

- 1. **Disciplinary Action.** Governor eliminated language-prohibiting action against an employee for communicating with legislative staff. (Sec. 215)
- 2. Retain Reports. Governor eliminated a requirement that all reports be kept and retained by MDARD. (Sec. 234)
- 3. **Department Fee Collection**. Governor removed language referring to collection of lab fees related to horse racing industry, to reflect privatization of such services within the Department of Treasury's Gaming Commission. (Sec. 301)
- 4. **Food and Dairy Division Report**. Governor modified language to clarify that the report is to be based on fiscal years and that only significant enforcement actions be reported. (Sec. 401)

- 5. **Management of Draft Beer Delivery Systems.** Governor struck language providing guidelines for FY 2017-18 appropriation of \$150,000 GF/GP to provide education and training for managers of draft beer delivery systems. (Sec.402)
- 6. **Food Safety Modernization Act.** Governor eliminated a FY 2017-18 boilerplate section describing the intent that the MDARD work with the FDA and agriculture producers to help implement the federal Food Safety Modernization Act. (Sec.403)
- 7. Whole Herd TB Testing. Governor eliminated language prohibiting whole herds from being tested more often than every four years or not re-tested until all other county herds have been tested, except under certain circumstances. (Sec. 451)
- 8. **Animal Industry Division Report.** Governor modified this section to include a report on indemnification payments for livestock depredation made in the previous calendar year. (Sec.452)
- 9. **Animal Indemnification.** Governor recommended striking a section that required an indemnification agreement that exceeded \$100,000 be subject to appropriation by the legislature and that no payments could be made until the legislature was notified, and specified that payments shall be made for livestock killed by a wolf, coyote or cougar. A subsection requiring a report was shifted to become a part of Sec. 452 for FY 2018-19. (Sec. 453)
- 10. **Bovine TB Activity and Status Report.** Governor removed annual and quarterly report requirement of the MDARD activities and current status of bovine TB in the state. (Sec. 457)
- 11. **Aquaculture.** Governor struck a boilerplate section requiring inspection and testing of aquaculture facilities and aquaculture research. (Sec.458)
- 12. Whole Herd TB Testing. Governor eliminated language prohibiting whole herds from being tested more often than every four years or not re-tested until all other county herds have been tested, except under certain circumstances. (Sec. 459)
- 13. **Wildlife Risk Mitigation.** Governor struck language which provided guidelines for FY 2017-18 one-time grants of \$1.0 million for projects designed to identify and mitigate risks related to the transmission of bovine TB from wildlife to cattle. (Sec.461)
- 14. **Food and Agriculture Investment Program.** Governor modified language to strike the requirement for an annual report of the program, adding language requiring projects to be accomplished by utilizing state employees or contracts with service providers, or both, removes language requiring project guidelines to be approved by the Michigan Agriculture Commission prior to an award, and adds that the total cost of the project is \$3.3 million. (Sec.701)
- 15. **Rural Development Fund Grant Program.** Governor struck language requiring establishment of criteria and measurable outcomes for the program. (Sec. 702)
- 16. **Agriculture Development Division Report.** Governor modified language by adding requirement to produce a report of the Grape and Wine Industry Council, shifting that requirement from Sec. 709 of the FY 2017-18 budget bill. (Sec.706)
- 17. **Grape and Wine Industry Council.** Governor shifted council language which required an annual report from FY 2017-18 Sec. 709 to Sec. 708 of FY 2018-19. (Sec. 709)
- Agriculture Equine Industry Development Fund (AEID). Governor removed obsolete language referring to department costs for lab analysis for horse racing activities, now performed by contractual means under the Department of Treasury's Gaming Board. (Sec.802)
- 19. **Equine Regulatory Costs.** Governor eliminated a section which provided criteria to the Gaming Board for establishing equine regulatory costs. (Sec. 804)
- 20. **County Fairs, Shows and Exposition Grants.** Governor modified language to cite carryforward authority and stated the cost of the grants to be \$400,000. (Sec.805)
- 21. **Agriculture Industry Research and Development Grants.** Governor recommended elimination of language describing distribution of the FY 2017-18 one-time \$8.4 million grant program. The grant was to be spent as follows: Animal Agriculture Initiative, \$2.5 million; Fruit and Vegetable Campus/Mobile Labs, \$3.2 million; Fruit and Vegetable Campus/Mobile Labs Workforce and Development Initiative, \$1.2 Million; Tree Fruit Commission, \$1.5 million. (Sec. 901)

Date Completed: 2-13-18 Fiscal Analyst: Bruce R. Baker





ANALYSIS

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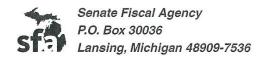
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Senate Bill 855 (as introduced) Committee: Appropriations

			CHANGES F FY 2017-18 YEAR	
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	530.0	530.0	0.0	0.0
GROSS	101,798,800	102,028,900	230,100	0.2
Less:				
Interdepartmental Grants Received	29,915,300	30,386,400	471,100	1.6
ADJUSTED GROSS	71,883,500	71,642,500	(241,000)	(0.3)
Less:				
Federal Funds	9,518,000	9,628,500	110,500	1.2
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	62,365,500	62,014,000	(351,500)	(0.6
Less:				
Other State Restricted Funds	22,116,900	21,907,200	(209,700)	(0.9)
GENERAL FUND/GENERAL PURPOSE	40,248,600	40,106,800	(141,800)	(0.4
PAYMENTS TO LOCALS	0	0	0	0.0
FY 2017-18 Year-to-Date Gross Appropriati	ion		\$10	01,798,800
Changes from FY 2017-18 Year-to-Date:				
 FY 2017-18 Supplemental Funding. The added in FY 2017-18 by Public Act 158 of from the Lawsuit Settlement Proceeds F investigations and prosecutions. 	2017 that provided \$6	00,000 in restricted fur	nding	(600,000)
 Removal of FY 2017-18 One-Time Items for FY 2017-18 totaling \$1.3 million; \$700 Council (PACC) for costs associated with for the PACC to replace their NextGen cast 	0,000 for the Prosecut juvenile life without p	ing Attorneys Coordin arole cases; and \$600	ating	(1,300,000)
3. Attorney General Special Counsel for by \$600,000 in restricted funds to mai expenditure of Lawsuit Settlement Procassociated with the special counsel and reduced in the FY 2017-18 budget and late	ntain the full \$2.6 m beeds Funds. These I the Flint investigatio	illion authorization for funds are used for one ns. The authorization	the costs was	600,000
Marihuana Regulatory Fund. Funding is to the regulation of medical marihuana an			lated	126,700
5. Economic Adjustments. Includes \$1,4 economic adjustments, of which an estimate legacy retirement costs (pension and retirement)	mated \$28,400 Gross			1,403,400
Total Changes	······	······		\$230,100
FY 2018-19 Governor's Recommendation			\$10	2,028,900

- 1. **Boilerplate Structure. Governor:** Moved boilerplate from the FY 2017-18 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**.
- 2. **Drug Investigation and Prosecution Unit.** Language 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. **Governor:** Deleted section. (Current Law Sec. 301a)
- 3. Lawsuit Proceeds for Drinking Water Contamination. Language allows the Department to use up to \$2.0 million of lawsuit settlement proceeds to pay for costs and associated expenses related to the declaration of emergency due to drinking water contamination. Governor: Increase allowable use amount to \$2.6 million. (Sec. 314)
- 4. **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: Deleted section.** (Current Law Sec. 314a)
- 5. Legacy Cost Estimates. Total legacy costs are estimated at \$17,281,300. Of the total, Pension-related legacy costs are estimated at \$8,893,100 and retiree health care legacy costs are estimated at \$8,388,200 for fiscal year ending September 30, 2018. Governor: Provided the following Legacy Costs estimates for FY 2019: Total legacy costs estimated at \$18,049,500. Of that total, \$8,321,100 are for pension-related legacy costs and \$9,728,400 are for retiree health care legacy costs for the fiscal year ending September 30, 2019. (Sec. 315)

Date Completed: 2-14-18 Fiscal Analyst: Joe Carrasco, Jr.





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Senate Bill 855 (as introduced) Committee: Appropriations

			CHANGES F FY 2017-18 YEAR	-
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	110.0	110.0	0.0	0.0
GROSS	16,249,600	16,201,100	(48,500)	(0.3)
Less:				
Interdepartmental Grants Received	296,600	299,100	2,500	0.8
ADJUSTED GROSS	15,953,000	15,902,000	(51,000)	(0.3)
Less:				
Federal Funds	2,775,800	2,802,700	26,900	1.0
Local and Private	18,700	18,700	0	0.0
TOTAL STATE SPENDING	13,158,500	13,080,600	(77,900)	(0.6)
Less:				
Other State Restricted Funds	151,900	58,500	(93,400)	(61.5)
GENERAL FUND/GENERAL PURPOSE	13,006,600	13,022,100	15,500	0.1
PAYMENTS TO LOCALS	0	0	0	0.0

^{*}As of February 7, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$16,249,600
Changes from FY 2017-18 Year-to-Date:	
 Removal of FY 2017-18 One-Time Items. The Governor did not include one-time funding for FY 2017-18 totaling \$150,000 for a needs assessment of the deaf, deaf/blind, and Hard of hearing community. 	(150,000)
 Transfer of Deafness Fund to Department of Licensing and Regulatory Affairs. Governor transfers funding to DLARA to account for the fees actually collected by DLARA for certifying deaf interpreters. 	(93,400)
3. Economic Adjustments. Includes \$194,900 Gross and \$165,500 GF/GP for total economic adjustments, of which an estimated negative \$137,600 Gross and a negative \$112,700 GF/GP is for legacy retirement costs (pension and retiree health).	194,900
Total Changes	(\$48,500)
FY 2018-19 Governor's Recommendation	\$16,201,100

Boilerplate Changes from FY 2017-18 Year-to-Date:

1. **Boilerplate Structure. Governor:** Moved boilerplate from the FY 2017-18 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**.

- 2. Deaf, Deaf/Blind, and Hard of Hearing Needs Assessment. The funds appropriated in Part 1 for deaf, deaf/blind, and hard of hearing needs assessment may be used by the Department of Civil Rights to survey the deaf, deaf/blind, 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. Governor: Deletes section. (Current Law Sec. 406)
- 3. **Legacy Cost Estimates.** Total legacy costs are estimated at \$2,695,600. Of the total, Pension-related legacy costs are estimated at \$1,387,200 and retiree health care legacy costs are estimated at \$1,308,400 for fiscal year ending September 30, 2018. **Governor:** Provided the following Legacy Costs estimates for FY 2019: Total legacy costs estimated at \$2,558,000. Of that total, \$1,179,300 are for pension-related legacy costs and \$1,378,700 are for retiree health care legacy costs for the fiscal year ending September 30, 2019.

Date Completed: 2-14-18 Fiscal Analyst: Joe Carrasco, Jr.





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Senate Bill 852 (as introduced) Committee: Appropriations

			CHANGES F FY 2017-18 YEAR	_
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	13,803.9	13,951.2	147.3	1.1
GROSS	2,001,919,200	2,035,125,100	33,205,900	1.7
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	2,001,919,200	2,035,125,100	33,205,900	1.7
Less:				
Federal Funds	5,293,800	5,315,200	21,400	0.4
Local and Private	8,842,400	8,960,100	117,700	1.3
TOTAL STATE SPENDING	1,987,783,000	2,020,849,800	33,066,800	1.7
Less:				
Other State Restricted Funds	41,149,400	40,939,600	(209,800)	(0.5)
GENERAL FUND/GENERAL PURPOSE	1,946,633,600	1,979,910,200	33,276,600	1.7
PAYMENTS TO LOCALS	113,888,800	115,868,600	1,979,800	1.7

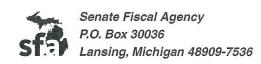
^{*}As of February 7, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$2,001,919,200
Changes from FY 2017-18 Year-to-Date:	
 Prison Food Service. Governor proposed to not renew the private contract for prisoner food service and transition to State employees. 	13,667,100
New Custody Staff Training. Governor funded a one-time officer academy with an expected graduated class of 359 to address higher than anticipated attrition.	9,227,700
 Higher Custody Level Programming. Governor included one-time (\$2.4 million) and ongoing (\$1.6 million) funding for technology and infrastructure updates to support educational and core programming for higher custody level prisoners (Level IV and V). 	4,000,000
 Health Care Recruitment and Retention. Governor included funding to increase incentives and compensation for positions with high vacancy rates; primarily dentists, registered nurses, and qualified mental health professionals. 	3,762,400
5. Corizon Health Care Contract. Governor funded a contractual inflationary adjustment.	2,458,900
 Offender with Special Needs Contract Adjustments. Governor increased funding for reentry costs for offenders with special needs due to increased caseloads. 	1,648,700
 Offender Success Community Partners Contract Adjustments. Governor included increased funding for Prisoner Reentry Service contracts that were re-bid in 2017. 	1,291,400
 Probation Residential Services. Governor increased funding due to increased demand for probation residential services. 	850,000
 Facility Closure. Governor included net savings from the closure of the West Shoreline Correctional Facility. 	(18,924,700)

10. Goodwill Flip-the-Script. Governor eliminated the program.	(1,500,000)
11. Substance Abuse Parole Certain Sanction Program. Governor eliminated the program.	(1,440,000)
12. Supervising Region Incentive Program. Governor eliminated the program.	(1,000,000)
13. Future Facility and Staff Transition Costs. Governor eliminated funding.	(1,000,000)
14. High School Online Equivalency Pilot. Governor eliminated the pilot program.	(1,000,000)
15. Federally Qualified Health Centers Pilot. Governor eliminated the pilot program.	(75,000)
 One-Time Funding Removal. Governor eliminated one-time funding for an officer academy in FY 2017-18. 	(4,359,000)
 Other Changes. Sewer treatment rate increase at Gus Harrison Correctional Facility. Aligned restricted funding with expected revenue. 	(93,700)
 Unclassified Salaries. Includes \$37,000 Gross and \$37,000 GF/GP for unclassified salaries. 	37,000
19. Economic Adjustments. Includes \$25,655,100 Gross and \$25,355,800 GF/GP for total economic adjustments, which includes an estimated \$35,841,100 Gross and \$34,868,700 GF/GP is for legacy retirement costs (pension and retiree health).	25,655,100
Total Changes	\$33,205,900
FY 2018-19 Governor's Recommendation	\$2,035,125,100

- 1. **Deletions.** Governor proposed to eliminate the following sections from current-year boilerplate: 206, 216, 217, 239, 248, 308, 309, 310, 405, 406, 411, 412, 413, 417, 421, 437, 601, 602, 604(2), 611, 612, 802, 803, 812, 816, 902, 904, 905, 908, 913(2), 937, 940, 942, 943, 944, 945, 1011, 1013, and 1201. These deletions include a variety of reporting requirements, record retention requirements, statements of legislative intent, and language pertaining to health services, the Consensus Revenue Estimating Conference, Goodwill Flip-the-Script, the Supervising Region Incentive Program, a federally qualified health centers pilot, the Substance Abuse Parole Certain Sanction program, parole board policies, future facility and staff transition costs, per prisoner/per day costs, the leased beds program, an online high school pilot program, religious programming and faith-based initiatives, one-time reports, contracting requirements, and anticipated appropriations.
- 2. **Definitions.** Eight definitions were eliminated from the bill. These included acronyms that are no longer referenced in the bill, as well as the definitions of "cost per prisoner" and "offender who would likely be sentenced to imprisonment".
- 3. **Reporting requirements.** Governor reduced the frequency of reporting for prisoner populations (Sec. 419), parole review (Sec. 422), correctional officer to prisoner ratios (Sec. 912), and Holmes Youthful Trainee status. (Sec. 930)
- 4. Recidivism rates. Governor changed measurement of recidivism rates. (Sec. 408)
- 5. **Updated amounts for Total Legacy Costs.** Governor updated total legacy costs section. The pension-related costs are \$147,129,800 and the retiree health care costs are \$172,012,000. (Sec. 214)

Date Completed: 2-13-18 Fiscal Analyst: Ryan M. Bergan





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Senate Bill 853 (as introduced) Committee: Appropriations

			CHANGES F FY 2017-18 YEAR	-
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	603.5	614.5	11.0	1.8
GROSS	352,181,200	357,107,300	4,926,100	1.4
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	352,181,200	357,107,300	4,926,100	1.4
Less:				
Federal Funds	254,084,700	255,366,800	1,282,100	0.5
Local and Private	7,851,500	7,888,600	37,100	0.5
TOTAL STATE SPENDING	90,245,000	93,851,900	3,606,900	4.0
Less:				
Other State Restricted Funds	8,567,600	8,668,200	100,600	1.2
GENERAL FUND/GENERAL PURPOSE	81,677,400	85,183,700	3,506,300	4.3
PAYMENTS TO LOCALS	14,367,700	13,567,700	(800,000)	(5.6)

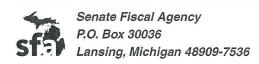
^{*}As of February 7, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$352,181,200
Changes from FY 2017-18 Year-to-Date:	
 School Reform Office. The Governor transferred FTEs and funding for the School Reform Office from the DTMB to finalize Executive Order 2017-5. Of the total FTEs and funding, 9.0 FTEs and \$2,853,400 GF/GP were transferred to Partnership District Support while 2.0 FTEs and \$497,600 GF/GP were transferred to State Board/Superintendent Operations. 	3,351,000
 Early Literacy Implementation. The Governor transferred the early literacy program implementation funding from the School Aid Budget to the Department of Education. The GF/GP was transferred from Section 35 of the School Aid Act to School Support Services. 	1,000,000
 Project UNIFY Transfer. The Governor transferred funding for Project UNIFY from the Department of Health and Human Services to the Department of Education. The funding provides grants to the Special Olympics programs. The funding is all supported by GF/GP. 	500,000
4. Child Development and Care External Support. The Governor made a technical adjustment increase to account for economic adjustments made in the Department of Licensing and Regulatory Affairs and the Department of Health and Human Services. The increase was supported by Federal funds.	380,700
 Braille Textbook Production Expansion. The Governor increased the Low-Incidence Outreach Program to expand production of Braille textbooks. The increase was paid for with funds from the Low-Incidence Outreach Fund. 	300,000
Supplemental Removal. The Governor removed FY 2017-18 supplemental funding for school drinking water education.	(1,000,000)

FY	2018-19 Governor's Recommendation	\$357,107,300
Tot	al Changes	\$4,926,100
10.	Economic Adjustments. Includes \$1,506,300 Gross and \$455,300 GF/GP for total economic adjustments, of which an estimated \$166,200 Gross and \$39,600 GF/GP is for legacy retirement costs (pension and retiree health).	1,506,300
9.	Local Revenue Removal. The Governor removed Local District Service Fee revenue from the Department, because the fund has not generated revenue in 10 budget cycles. The reduction was not replaced with another fund source resulting in a gross appropriation reduction.	(11,700)
8.	State Restricted Fund Adjustment. The Governor reduced appropriations to various State Restricted funds to align with current revenue projections. The reductions were not replaced with other fund sources resulting in a gross appropriation reduction.	(300,200)
	Renaissance Zone Reimbursement. The Governor decreased appropriations to account for declines in projected reimbursements. The decline is from Personal Property Tax reimbursement changes and the expiration of Renaissance Zones.	(800,000)

- Deleted Reports. The Governor deleted a number of sections related to reporting/notification requirements, which
 include: 223 (retention of all reports), 227 (responding to requests from the Legislature and report due dates within
 30 days), 229 (notification when entering in contracts above \$1.0 million or amendments to Federal accountability
 plans), 230 (nonpublic school mandate report), 325 (notification of grants received), and 1001 (child care provider
 report).
- 2. Other Deleted Sections. The Governor deleted a number of other sections, which include: 222 (protects employees who testify to the Legislature), 302 (State Board travel expenditure cap), 803 (legislative intent to keep the Library of Michigan whole), 1002 (increase the Child Development and Care hourly reimbursement rate), 1004 (\$1.0 million for the TEACH scholarship program), 1005 ((LARA funding requirements), 1009 (increased the Child Development and Care threshold to 130% of the Federal Poverty Level), 1021 (ACT contract renegotiations), and 1101 (Drinking Water Declaration of Emergency, CDC pilot program).
- 3. **Special Education Funding Modification.** The Governor modified the special education requirements to include a cap of \$100,000 for distributing informational materials to parents or guardians of students with disabilities and removed the requirement for annual training of mediators with information of Federal and State mandated protections of students with disabilities, the Federal Individuals with Disabilities Education Act, and Michigan Administrative Rules and Codes for special education program. (Sec. 350)
- 4. **New Early Literacy Implementation Section.** The Governor included a new section that was transferred from the School Aid Act that corresponds to the \$1.0 million transferred from the School Aid Act to School Support Services. The section requires that up to \$1.0 million in School Support Services be used to implement early literacy programs funded in School Aid Section 35a. (Sec. 601)
- 5. **Technical Modifications.** The Governor made a number of modifications that include date changes, spending changes to reflect Part 1 appropriations, legacy cost estimations, and standardized section language. (Sec. 201, 203, 212, 214, 225, 226, 407, 701, 804, 1007)

Date Completed: 2-14-18 Fiscal Analyst: Cory Savino





ANALYSIS

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Senate Bill 854 (as introduced) Committee: Appropriations

			CHANGES F FY 2017-18 YEAR	_
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	1,246.0	1,257.0	11.0	0.9
GROSS	551,505,200	494,588,000	(56,917,200)	(10.3)
Less:				
Interdepartmental Grants Received	3,100,500	3,143,700	43,200	1.4
ADJUSTED GROSS	548,404,700	491,444,300	(56,960,400)	(10.4)
Less:				
Federal Funds	170,042,600	160,225,400	(9,817,200)	(5.8)
Local and Private	555,300	1,061,700	506,400	91.2
TOTAL STATE SPENDING	377,806,800	330,157,200	(47,649,600)	(12.6)
Less:				
Other State Restricted Funds	314,725,300	283,210,700	(31,514,600)	(10.0)
GENERAL FUND/GENERAL PURPOSE	63,081,500	46,946,500	(16,135,000)	(25.6)
PAYMENTS TO LOCALS	4,531,000	24,581,000	20,050,000	442.5

^{*}As of February 7, 2018.

Changes from FY 2017-18 Year-to-Date:

- 1. Clean Environment Initiative. The Governor proposed an increase in solid waste disposal fees, commonly referred to as 'tipping fees' from 12 cents per cubic yard (approximately 36 cents per ton, on average) to \$4.75 per ton. This increased fee would generate about \$79.0 million in total, an increase of about \$73.9 million over the \$5.1 million that the tipping fees currently generate for the existing solid waste management program. In total, fee revenue would be used for the following: \$45.0 million for environmental cleanup and brownfield redevelopment (20.0 new FTEs), \$15.0 million for recycling grants, \$5.0 million for water quality monitoring (3.0 new FTEs), \$5.0 million for State park infrastructure improvements, \$1.5 million for asbestos disposal oversight and landfill gas monitoring (7.0 new FTEs), \$1.5 million for materials management planning with local governments (8.0 new FTEs), and \$6.0 million would be used to continue the current solid waste management program.
- 2. Oil, Gas, and Mineral Services. The Governor included GF/GP funds for the operation of the Office of Oil, Gas, and Mineral Services. In the past the Office had been funded primarily through the Oil and Gas Regulatory Fund, which receives revenue based on the gross cash value of oil and gas produced in Michigan. Due to low prices in the last few years, the Fund has not had sufficient revenue to support the operations of the Office. In FY 2017-18 \$4.0 million GF/GP was included as a one-time measure to fund the Office. Since prices have remained low the Governor proposed retaining this GF/GP on an ongoing basis.

73.885.400

0

3. Aquifer Dispute Resolution. The Governor included a reappropriation of lapsed funds from the Aquifer Protection Revolving Fund that was created through Public Act 305 of 2012. These funds have been used to support dispute resolutions between small and large well owners when it is believed the larger well's withdrawals are affecting the smaller well's ability to access water. Unused funds had been carried forward as a work project through FY 2016-17, but that authority has since expired.	524,000
4. Stormwater, Asset Management, and Wastewater (SAW) Grants and Loans. The Governor removed appropriations for these grants. The grants were capitalized with \$450.0 million in bond proceeds from the Great Lakes Protection Bond (Proposal 2 of 2002), and all available funds have been awarded.	(62,000,000)
 Clean Michigan Initiative (CMI) - Contaminated Sediments. The Governor removed the remaining CMI - Contaminated Sediment appropriations as these funds have all been either spent or encumbered for existing projects. 	(1,565,000)
6. Wetland Mitigation Banking. Statute allows for up to \$10.0 million from the Great Lakes Protection Bond to be allocated to the establishment of wetland mitigation banks. So far, \$9.0 million has been appropriated for that purpose so the Governor reduced this item to appropriate the remaining \$1.0 million.	(2,000,000)
7. Volkswagen Diesel Emissions Mitigation Trust. The Governor included an appropriation to reflect private funds the DEQ has received to administer benefits to customers affected by the Volkswagen diesel emissions settlement. The settlement funds themselves will not pass through the DEQ; DEQ will act only as an administrator for the Trust.	506,600
8. Office of the Great Lakes. The Governor's Recommendation reflects Executive Order 2017-9, which transferred the Office of the Great Lakes from the Department of Environmental Quality to the DNR. 23.0 FTEs and related funding was included in the transfer.	(11,743,600)
 Rent Adjustment. The Governor included additional funds to reflect increased private rent costs at certain DEQ facilities. 	17,600
10. Remove FY 2017-18 Supplementals and Contingency Fund Transfers.	(42,737,500)
11. Remove FY 2017-18 One-Time Appropriations.	(14,900,000)
12. Economic Adjustments. Includes \$3,095,300 Gross and \$615,900 GF/GP for total economic adjustments, of which an estimated \$1,348,400 Gross and \$128,800 GF/GP is for legacy retirement costs (pension and retiree health).	3,095,300
Total Changes	(\$56,917,200)
FY 2018-19 Governor's Recommendation	\$494,588,000

- 1. **Communication with the Legislature.** The Governor removed a prohibition against taking disciplinary action against Department employees who communicate with the Legislature. (Sec. 220)
- 2. Rule Promulgation Small Business Impact. The Governor removed a prohibition against the promulgation of rules that would have a disproportionate impact on small businesses. (Sec. 221)
- 3. **Refined Petroleum Fund (RPF) Repayment.** The Governor removed 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)
- 4. **Refined Petroleum Fund Corrective Action Reimbursement.** The Governor removed a section that allows up to \$36.0 million from the RPF to be used to reimburse owners and operators of underground storage tanks who have taken corrective actions, but who are not eligible for reimbursement under the Underground Storage Tank Authority. (Sec. 314)

- 5. **CMI Contaminated Sediments.** The Governor removed work project language for this program as it has no funding remaining. (Sec. 407)
- 6. **CMI Earmark Allied Paper Superfund Site.** The Governor removed a boilerplate earmark for \$150,000 from CMI Contaminated Sediments funds for an engineering study at the Allied Paper Superfund site. (Sec. 411)
- 7. Aquifer Protection Work Project. The Governor included a new section that would allow unexpended funds for aquifer protection to be carried forward into subsequent fiscal years as a work project. (Sec. 6-412)
- 8. Stormwater, Asset Management, and Wastewater (SAW) Grant Report. The Governor removed a report containing a summary of all completed asset management plans that received a SAW grant. The section also requires a local unit of government receiving a SAW grant to make its asset management plan available to the Department upon request.

Date Completed: 2-12-18 Fiscal Analyst: Josh Sefton





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Senate Bill 855 (as introduced) Committee: Appropriations

			CHANGES F FY 2017-18 YEAR	-
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	79.2	79.2	0.0	0.0
GROSS	6,848,500	6,980,100	131,600	1.9
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	6,848,500	6,980,100	131,600	1.9
Less:				
Federal Funds	0	0	0	0.0
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	6,848,500	6,980,100	131,600	1.9
Less:				
Other State Restricted Funds	0	0	0	0.0
GENERAL FUND/GENERAL PURPOSE	6,848,500	6,980,100	131,600	1.9
PAYMENTS TO LOCALS	0	0	0	0.0

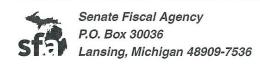
^{*}As of February 7, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$6,848,500
Changes from FY 2017-18 Year-to-Date:	
 Executive Office Operations. Governor recommended a 2.0% overall increase for Executive Operations. 	105,400
 Unclassified Salaries. Increased GF/GP funding by \$26,200 for total funding of \$1,333,500 for FY 2018-19. 	26,200
Total Changes	\$131,600
FY 2018-19 Governor's Recommendation	\$6,980,100

Boilerplate Changes from FY 2017-18 Year-to-Date:

1. There is no boilerplate for the Executive Office.

Date Completed: 2-14-18 Fiscal Analyst: Joe Carrasco, Jr.





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Senate Bill 856 (as introduced) Committee: Appropriations

			CHANGES F FY 2017-18 YEAR	_
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	15,620.5	15,612.7	(7.8)	(0.0)
GROSS	25,509,303,800	25,240,354,300	(268,949,500)	(1.1)
Less:				
Interdepartmental Grants Received	13,640,900	13,813,700	172,800	1.3
ADJUSTED GROSS	25,495,662,900	25,226,540,600	(269,122,300)	(1.1)
Less:				
Federal Funds	18,406,770,700	17,955,593,700	(451,177,000)	(2.5)
Local and Private	266,421,000	271,522,800	5,101,800	1.9
TOTAL STATE SPENDING	6,822,471,200	6,999,424,100	176,952,900	2.6
Less:				
Other State Restricted Funds	2,441,939,800	2,456,898,500	14,958,700	0.6
GENERAL FUND/GENERAL PURPOSE	4,380,531,400	4,542,525,600	161,994,200	3.7
PAYMENTS TO LOCALS	1,360,064,000	1,466,684,500	106,620,500	7.8

^{*}As of February 7, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$25,509,303,800
Changes from FY 2017-18 Year-to-Date:	
 Medicaid and Related Match Rates. Governor reflected drops in traditional Medicaid match rate to 64.45%, Title XXI match rate to 98.12%, and expansion Medicaid match rate to 93.0% effective January 1, 2019. Total cost increase \$71.5 million GF/GP. 	0
2. Other Fund Source Adjustments. Governor reflected many fund source shifts, including \$60.0 million reduction in available Health Insurance Claims Assessment revenue, \$2.0 million more tobacco settlement revenue, \$14.3 million less Healthy Michigan Fund revenue, \$38.3 million more Medicaid Benefits Trust Fund revenue, and a shift in cost allocation saving \$14.0 million in Medicaid. Total impact is a \$22.5 million GF/GP increase.	0
 Changes in Federal Grants. Budget reflected changes in Federal grants including a \$48.2 million reduction due to expiration of Federal electronic health records funding. 	(43,194,400)
 Medicaid Actuarial Soundness Adjustments. Budget reflected a 1.5% increase for physical health Medicaid and a 2.0% increase for behavioral health. Net cost \$38.7 million GF/GP. 	140,080,000
 Adjustments to Special Medicaid Payments. Budget included adjustments to special Medicaid payments made to hospitals and physicians to reflect maximum allowable expenditures in FY 2018-19. 	(12,556,800)

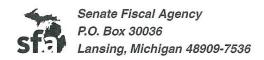
6. Hospital Rate Adjustor (HRA) Payment Changes. New Federal regulations forced a shift in allowable HRA payments. Governor's budget reflects an increase in the hospital provider assessment used to provide a net increase in reconfigured HRA payments, with resulting State gainsharing. The rural and sole community hospital pool and the obstetrics hospital pool would no longer be eligible for Federal match. The lost match on the obstetrics pool would be replaced with \$7.0 million in GF/GP. Net GF/GP savings due to the gainshare would be \$16.4 million.	101,395,700
 Healthy Michigan Plan (HMP) Base and Caseload. Governor adjusted HMP lines to reflect estimated expenditures in FY 2018-19. Savings of \$9.9 million GF/GP. 	(192,756,100)
 Traditional Medicaid Base and Caseload. Governor adjusted Medicaid physical and behavioral health lines to reflect slight increase in costs. Net cost of \$15.8 million GF/GP. 	43,577,200
 Autism Services Base and Caseload. Governor included a near doubling of funding over the original FY 2017-18 level for these services due to significant growth in demand for services. Net cost of \$33.7 million GF/GP. 	94,744,100
 Food Assistance Base and Caseload. Budget reflected a rebasing of this 100% Federal line to expected expenditure levels. 	(415,110,400)
 Children's Services Base and Caseload. Governor included a net increase in funding, largely tied to a projected \$36.5 million Gross increase in the foster care line. Net increase of \$30.2 million GF/GP. 	40,341,900
12. Public Assistance Programs Base and Caseload. Governor included minor caseload adjustments for cash welfare programs, including fund source adjustments. Net savings of \$6.9 million GF/GP.	(2,957,000)
13. Program Enhancements and Expenditure Increases. Budget included funding for increased GME payments, migration of cases from HMP to the health exchanges, funding to combat new public health threats, and a \$2 per person per month increase in the cash welfare grant. Total cost \$9.2 million GF/GP.	33,030,300
14. Program Reductions and Savings Initiatives. Governor proposed eliminating numerous legislative items including county hold harmless funding, dental clinics funding, and increased kidney foundation funding. Governor also included a Medicaid pharmacy savings proposal and a reduction in mental health and wellness commission programming. Net savings of \$38.4 million GF/GP	(51,067,400)
 One-Time Funding Adjustments. Budget reflected a reduction in one-time Flint funding and an increase in multicultural and autism navigator funding. Net reduction of \$1.3 million GF/GP. 	(25,137,500)
 Other Changes. Other changes, in particularly adjustments to reflect actual available non- GF revenue, resulted in a reduction in spending of \$5.9 million GF/GP. 	(12,116,600)
17. Economic Adjustments. Includes \$32,777,500 Gross and \$16,728,600 GF/GP for total economic adjustments, of which an estimated \$4,261,800 Gross and \$2,185,400 GF/GP is for legacy retirement costs (pension and retiree health).	32,777,500
Total Changes	(\$268,949,500)
FY 2018-19 Governor's Recommendation	\$25,240,354,300

1. **Deletions.** Governor eliminated the following sections from current year boilerplate: 222, 264, 289, 291, 299, 526, 531, 532, 537, 558, 559, 590, 603, 625, 650, 651, 721, 805, 908, 912, 916, 943, 950, 994, 1101, 1012, 1057, 1060, 1146, 1147, 1228, 1229, 1350, 1502, 1503, 1508, 1645, 1706, 1790, 1812, 1851, 1856, 1875, 1876, 1882, 1908, 1910, 1911, 1913, 1914, 1915, and 2001.

- 2. **Legacy Costs.** Governor modified language to specify legacy costs for FY 2018-2019 to include \$168.4 million for pension-related costs and \$196.9 million for retiree health care costs. (Sec. 214)
- 3. **Policy Notifications.** Governor did not include language which requires report that lists the changes that are made annually to the policy and procedures manual. (Sec. 222)
- 4. **Interest Charges on Late Payments.** Governor included new language to allow the Department to charge interest up to 1% per month on any unpaid payment balance until the payment plus any accrued interest is received. (Sec. 228)
- 5. **Communication with Department Staff.** Governor did not include language which prohibits the Department from punishing an employee for communicating with a member of the Legislature or their staff. (Sec. 264)
- 6. **Department Employee Legal Fees.** Governor included new language requiring the Department be responsible for any necessary and reasonable attorney fees incurred by private and independent legal counsel for current and former employees in defense of the Department in relation to the Flint municipal water system. (Sec. 296)
- 7. Behavioral Health Integration Pilots. Governor modified language directing the implementation of pilots that integrate Medicaid behavioral and physical health to reflect the completion of some objectives. Governor removed the subsections that require the Department to contract with a project facilitator to develop performance metrics and provide oversight and implementation functions, work to fully implement all pilots by March 1, 2018, states legislative intent about the purpose of the pilots, appropriates funding to support the implementation of the pilot and requires the Department to provide the spending plans by December 1, and requires a report by November 1 on the time frame for implementation and any barriers to implementation. (Sec. 298)
- 8. Requests for Proposal, Information, and Qualification. Governor removed language requiring the Department to consider issuing a request for information or qualification before issuing a request for proposal in excess of \$5.0 million. (Sec. 299)
- 9. **Private Agency Per Diem Rates and County Hold Harmless.** Governor modified and removed sections that support the Department covering the county's share of a \$46.20 per diem rate paid to child placing agencies. (Sec. 546 and 589)
- 10. Foster Care Licensure and Services. Governor modified language which provides incentive payments to child placing agencies to obtain licensure for unlicensed foster care providers. The funds available to support this effort were reduced from \$3,500,000.00 to \$2,500,000.00 and the rates paid to the agencies were reduced in concert. (Sec. 574)
- 11. **Partial Child Care Fund Reimbursements.** Governor includes new section that allows for the Department to pay partial reimbursements to counties for their undisputed billings. (Sec. 595)
- 12. **Heat and Eat Program.** Governor retains language supporting a \$20.01 annual standard utility allowance, but removed language that allocated \$6,766,800.00 in Federal funding to support the Heat and Eat program. (Sec. 688)
- 13. **CMHSP and Substance Use Disorder Data Reporting.** Governor combined reporting requirements on substance use disorder, prevention, education and treatment programs with other reporting requirements by CMHSPs. Deleted previous year section pertaining to substance use disorder programs. (Sec. 904 and 908)
- 14. **Deemed Status for CMHSPs, PIHPs, and Subcontractors.** Governor removed language directing the Department to seek federal approval to deem CMHSPs, PIHPs, and subcontractors that have been accredited by a national agency to be in compliance with program review and audit requirements. (Sec. 994)
- 15. **Spenddown Report.** Governor removed language requiring a report addressing the challenges of meeting spenddown requirements. (Sec. 1012)
- 16. Caro Regional Mental Health Center. Governor modified language to allow funds to be spent to support a psychiatric hospital in a different location if the funds are transferred, and removed a statement of legislative intent that any future capital outlay funding be used for planning and construction at the current location. (Sec. 1061)
- 17. **Guardian and Conservator Charges.** Governor modified language to reduce the amount the Department is allowed to deduct for guardian and conservator charges from \$95 to \$83. (Sec. 1606)
- Ambulance QAAP. Governor removed language stating legislative intent that any restricted funds provided for ambulance provider reimbursements must come from an ambulance QAAP with a narrowly tailored base that excludes other municipal services. (Sec. 1790)

- 19. **Obstetrical and Newborn Care Lump Sum Payment.** Governor modified language to specify that \$11.0 million shall be used to provide a lump-sum payment to rural hospitals access payment qualifying hospitals providing obstetrical care. The payments shall be based on the volume of obstetrical and newborn care cases billed by qualified hospitals using the most recent available data. (Sec. 1802)
- 20. **Rural Hospital Funding.** Governor modified language to reference the Healthy Michigan Plan line item rather than the Health Plan Services line item in order to reflect new managed care rule distributions. (Sec. 1866)
- 21. **Protected Class Prescriptions.** Governor removed language prohibiting the Department from subjecting certain prescription drugs to prior authorization procedures. (Sec. 1875)

Date Completed: 2-14-18 Fiscal Analyst: Ellyn Ackerman, Steve Angelotti, and John Maxwell





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Senate Bill 858 (as introduced) Committee: Appropriations

			CHANGES F FY 2017-18 YEAR	
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	336.5	336.5	0.0	0.0
GROSS	66,741,400	67,571,900	830,500	1.2
Less:				
Interdepartmental Grants Received	707,600	713,800	6,200	0.9
ADJUSTED GROSS	66,033,800	66,858,100	824,300	1.2
Less:				
Federal Funds	2,014,700	2,017,300	2,600	0.1
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	64,019,100	64,840,800	821,700	1.3
Less:				
Other State Restricted Funds	63,869,100	64,690,800	821,700	1.3
GENERAL FUND/GENERAL PURPOSE	150,000	150,000	0	0.0
PAYMENTS TO LOCALS	0	0	0	0.0
*As of February 7, 2018.				
FY 2017-18 Year-to-Date Gross Appropriati	on		\$	66,741,400

Changes from FY 2017-18 Year-to-Date:	
1. Economic Adjustments. Includes \$830,500 Gross and \$0.0 GF/GP for total economic adjustments, of which an estimated negative \$38,200 Gross and negative \$100 GF/GP is for legacy retirement costs (pension and retiree health).	830,500
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 Total Changes
 \$830,500

 FY 2018-19 Governor's Recommendation
 \$67,571,900

Boilerplate Changes from FY 2017-18 Year-to-Date:

- 1. **Definitions.** The Governor modified this section to remove the definitions for "LARA", "MBLSLA fund", and "Subcommittees".
- 2. **Out-of-State Travel Report.** The Governor replaced this report with a less detailed version consistent with the report found in most other Department budget bills. The replacement version removed certain travel limitations. (Sec. 207)
- 3. **Contingency Funds.** The Governor added a limitation for the use of contingency funds, requiring that they be transferred pursuant to section 393(2) of the Management and Budget Act, 1984 PA 431, MCL 18.1393, prior to use. (Sec. 210).
- 4. **Communication with the Legislature.** The Governor removed a section prohibiting the Department from taking disciplinary action against employees who communicate with the Legislature. (Sec. 218)
- TV or Radio Productions. The Governor removed a section prohibiting the Department from producing radio or TV productions. (Sec. 219)

- 6. **Healthy Michigan Plan Accounting.** The Governor removed a section requiring the Department to notify the State Budget Office and fiscal agencies of any changes to the existing accounting structure for costs associated with Healthy Michigan. (Sec. 220)
- 7. **Healthy Michigan Reporting.** The Governor removed a section that limited GF/GP expenditures regarding the Healthy Michigan Plan to meeting reporting requirements. The section was not applicable as the budget recommendation included no GF/GP funds. (Sec. 221)
- 8. **Health Insurance Rate Filings Report.** The Governor removed a section requiring the Department to report annual rate filings to the Legislature. (Sec. 301)

Date Completed: 2-14-18 Fiscal Analyst: Michael Siracuse





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Senate Bill 859 (as introduced) Committee: Appropriations

			CHANGES F FY 2017-18 YEAR	-
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	501.0	490.0	(11.0)	(2.2)
GROSS	300,043,000	301,783,300	1,740,300	0.6
Less:				
Interdepartmental Grants Received	1,550,600	1,551,300	700	0.0
ADJUSTED GROSS	298,492,400	300,232,000	1,739,600	0.6
Less:				
Federal Funds	6,464,100	5,987,400	(476,700)	(7.4)
Local and Private	6,924,900	7,581,400	656,500	9.5
TOTAL STATE SPENDING	285,103,400	286,663,200	1,559,800	0.5
Less:				
Other State Restricted Funds	92,529,000	92,879,500	350,500	0.4
GENERAL FUND/GENERAL PURPOSE	192,574,400	193,783,700	1,209,300	0.6
PAYMENTS TO LOCALS	147,230,400	147,443,700	213,300	0.1

^{*}As of February 7, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$300,043,000
Changes from FY 2017-18 Year-to-Date:	
 New Circuit Court Judge Positions. The Governor's recommendation included funding for two new circuit court judge positions as per PAs 56 & 57 of 2014; one in Oakland County and one in Macomb County. 	255,300
 GF Replacement with Court Fee Fund. The recommendation includes the replacement of \$500,000 of General Fund dollars with increased revenue from the Court Fee Fund in the Justices' and Judges' Compensation section. 	0
 Court of Claims Funding Shift. The recommendation includes moving administration of the Court of Claims from the State Court Administrative Office line item in Section 102 to the Court of Appeals Operations line item in Section 103. 	0
 One-Time Funding removals. The recommendation included the removal of one-time funding for compliance with <i>Montgomery v Louisiana</i> (\$700,000) (11 FTEs), the FY 2017-18 expansion of problem solving courts (\$219,300), and pretrial risk assessment (\$300,000). 	(1,219,300)
 Swift and Sure Reduction. The recommendation includes nearly a 4% reduction to the Swift and Sure Sanctions Program. FY 19 funding recommended at \$3,654,200. 	(154,000)
 Other Changes. The recommendation includes other service baseline adjustments to align spending authorization with expected revenues (\$190,900) and increased rent for the Court of Appeals Troy office (\$23,000). 	(167,300)
 Economic Adjustments. Includes \$3,025,600 Gross and \$2,816,800 GF/GP for total economic adjustments, of which an estimated \$164,400 Gross and \$106,100 GF/GP is for legacy retirement costs (pension and retiree health). 	3,025,600

Total Changes	\$1,740,300
FY 2018-19 Governor's Recommendation	\$301,783,300

- 1. **Management and Budget Act.** The Governor removed subsection 2, which required expenditures or transfers be approved by an authorized judicial agent. (Sec. 202)
- 2. **Definitions.** The Governor's recommendation removed boilerplate definitions for the following terms: "DOJ", "DOT", "HHS", "SADO", "Title IV-D", and "Title IV-E". (Sec. 203)
- 3. Legacy Costs. The Governor amended a section to update the anticipated legacy costs for FY 2018-19. (Sec. 214)
- 4. **Communications with the Legislature.** The Governor removed a section prohibiting disciplinary action against judicial employees who communicate with the legislature. (Sec. 215)
- 5. **Foster Care.** The Governor removed sections that required a judge to get input from foster parents during a foster care case and explain on the record any changes to a foster care family service plan. (Secs. 216 & 217)
- 6. Evaluation of DHHS and TED Programs for Swift and Sure participants. The Governor removed a section requiring the state court administrative office to evaluate DHHS and TED programs available for Swift and Sure participants and to provide guidance to courts participating in Swift and Sure. (Sec. 218)
- 7. **Retention of Reports.** The Governor removed a section requiring the Judicial Branch to retain copies of all reports funded from appropriations in part 1. (Sec. 219)
- 8. **Judicial Data Warehouse.** The Governor amended a section regarding the public availability of data in the Judicial Data Warehouse. (Sec. 304)
- 9. **Reporting on Restitution and Court Fees.** The Governor removed a section requiring the state court administrative office to report on collected and uncollected restitution and court fees for counties. (Sec. 306)
- 10. Reporting on the Parental Rights Restoration Act. The Governor removed a section requiring the State court administrative office to report on the implementation of the Parental Rights Restoration Act, 1990 PA 211. (Sec. 312)
- 11. **Pretrial Risk Assessment Tool.** The Recommendation removed a subsection requiring the State Court Administrative Office to report on plans to pilot the Pretrial Risk Assessment Tool and its implementation timeline. (Sec. 316)
- 12. **Assignment of State-owned Vehicles.** The Governor amended a section to allow for the permanent assignment of state-owned vehicles to Justices of the Supreme Court. (Sec. 317)
- 13. **One-Time Appropriations Removals.** The Governor removed one-time appropriation sections for Veterans courts and compliance with Montgomery v Louisiana. (Secs. 401 & 402)
- 14. **Legislative Intent.** The Governor removed a section that expressed legislative intent to provide the same appropriations for FY 2018-19 as in FY 2017-18. (Sec. 1201)

Date Completed: 2-26-18 Fiscal Analyst: Michael Siracuse





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Senate Bill 855 (as introduced) Committee: Appropriations

			CHANGES F FY 2017-18 YEAR	-
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	0.0	0.0	N/A	N/A
GROSS	179,561,000	182,219,800	2,658,800	1.5
Less:				
Interdepartmental Grants Received	5,709,200	5,823,400	114,200	2.0
ADJUSTED GROSS	173,851,800	176,396,400	2,544,600	1.5
Less:				
Federal Funds	0	0	0	0.0
Local and Private	400,000	400,000	0	0.0
TOTAL STATE SPENDING	173,451,800	175,996,400	2,544,600	1.5
Less:				
Other State Restricted Funds	6,247,100	6,403,100	156,000	2.5
GENERAL FUND/GENERAL PURPOSE	167,204,700	169,593,300	2,388,600	1.4
PAYMENTS TO LOCALS	0	0	0	0.0

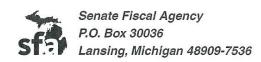
^{*}As of February 7, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$179,561,000
Changes from FY 2017-18 Year-to-Date:	
 Removal of FY 2017-18 One-Time Items. The Governor did not include one-time funding for FY 2017-18 totaling \$3.0 million (all GF/GP) that funded the upgrade and integration of the legislative computer system (Chamber Automation System). 	(3,000,000)
2. Legislative Adjustment. The Governor increased overall funding for the Legislature by a total of 3.0% (excluding one-time funds). The Senate received an increase of \$1.2 million overall while the House received an overall increase of \$1.7 million. The House and Senate Fiscal Agencies received an increase of \$96,900 each. The Legislative Council received an increase of \$449,100 while the Retirement System received an increase of \$140,100. The Binsfeld Office Building received an increase of \$240,900 while the Cora Anderson House Building received increases totaling \$353,100. Finally, the Governor included additional funding of \$226,200 for the State Capitol Historic Site line item (\$133,200 for general operations and \$93,000 for restoration, renewal and maintenance). Funding for the Legislature totals \$157.3 million (\$152.5 million GF/GP) for FY 2018-19.	4,487,700
 National Association Dues. Governor decreased the appropriation for the dues paid to national associations of which the State is a member by nearly 50% for total funding in FY 2018-19 of \$224,000. 	(230,700)
4. Auditor General Adjustment. Governor recommended a 3.0% overall increase for Auditor General operations. The increase totaled \$651,800 of which \$498,200 is general fund. Funding for the Auditor General totals \$24.9 million (\$17.1 million GF/GP) for FY 2018-19.	651,800

FY 2018-19 Governor's Recommendation	\$182,219,800
Total Changes	\$2,658,800
 One-Time Funding. The Governor included a total of \$750,000 in one-time funding for the upgrade and integration of the legislative computer system (Chamber Automation System). 	750,000

- 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**.
- 2. **Michigan Manual.** Designates as work project appropriation for the Michigan Manual. **Governor:** Rewrites language to comply with the Management and Budget Act. Also states that the purpose of the work project will be the publication of the Michigan Manual and lists the total estimated cost at \$3.0 million and a completion date of September 30, 2023. (Sec. 605)
- 3. 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, 2021. Governor: Rewrites language to comply with the Management and Budget Act. Also states that the purpose of the work project will be to purchase equipment and services for building maintenance and lists the total estimated cost at \$2.0 million and a completion date of September 30, 2022. (Sec. 606)
- 4. 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, 2021 Governor: Rewrites language to comply with the Management and Budget Act. Also states that the purpose of the work project will be to purchase equipment, software, and services in order to support and implement data processing requirements and technology improvements and lists the total estimated cost at \$3.0 million and a completion date of September 30, 2023. (Sec. 607)
- 5. **Legacy Cost Estimates.** Total legacy costs are estimated at \$21,252,700. Of the total, Pension-related legacy costs are estimated at \$10,936,800 and retiree health care legacy costs are estimated at \$10,315,900 for fiscal year ending September 30, 2018. **Governor:** Deletes section. (Current Law Sec. 615)
- 6. Legislative System IT Upgrade. Language states 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. Governor: Rewrites language to comply with the Management and Budget Act. Also states that the purpose of the work project will be for the continued design, development, and implementation of the legislative computer system and lists the total estimated cost at \$12.75 million and a completion date of September 30, 2023. (Sec. 616)

Date Completed: 2-14-18 Fiscal Analyst: Joe Carrasco, Jr.





Fax: (517) 373-1986

Senate Bill 860 (as introduced) Committee: Appropriations

			CHANGES F FY 2017-18 YEAR	_
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	2,322.3	2,322.3	0.0	0.0
GROSS	434,672,000	500,462,100	65,790,100	15.1
Less:				
Interdepartmental Grants Received	47,835,100	48,414,300	579,200	1.2
ADJUSTED GROSS	386,836,900	452,047,800	65,210,900	16.9
Less:				
Federal Funds	65,020,900	65,744,400	723,500	1.1
Local and Private	361,800	211,800	(150,000)	(41.5)
TOTAL STATE SPENDING	321,454,200	386,091,600	64,637,400	20.1
Less:				
Other State Restricted Funds	277,037,600	297,271,300	20,233,700	7.3
GENERAL FUND/GENERAL PURPOSE	44,416,600	88,820,300	44,403,700	100.0
PAYMENTS TO LOCALS	30,625,700	87,951,800	57,326,100	187.2

^{*}As of February 7, 2018.

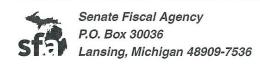
FY 2017-18 Year-to-Date Gross Appropriation	\$434,672,000
Changes from FY 2017-18 Year-to-Date:	
 Michigan Indigent Defense Commission Grants. The Governor included additional funds for grants to the 134 local indigent defense systems to implement the four initial minimum standards established by the Commission. Of the funds, \$15.3 million would come from cost recovery for partially indigent defendants, with the remaining \$46.0 million coming from GF/GP. 	61,300,000
2. Annualize First Responder Presumed Coverage Fund. The Governor included an increase to this program to reflect a full year of revenue and expenditures to and from this program, totaling about \$5.5 million. The program provides worker's compensation benefits to first responders with certain diseases that are presumed to have been caused by hazards experienced in the line of duty. The Fund is capitalized with excise tax revenue from retail medical marihuana sales.	3,465,000
3. Law Enforcement Grants - Liquor Licenses. The Governor included an increase in grants to local law enforcement from liquor license revenue as required in the Liquor Control Code. The Code requires that 55% of liquor license revenue go to law enforcement. Increased license revenue has rendered the current appropriation for these grants insufficient to allow for the statutorily-required payments to go out.	1,200,000
4. Nurse Aide Training Program. The Governor included a supplemental request for \$600,000 from the Nurse Aide Training Fund, which was created under Public Act 172 of 2017. Funds would be used to administer a new nurse aide training and registration program as directed by Public Act 172 of 2017.	600,000

5. Substance Use Disorder Programs. The Governor included additional Medical Marihuana Regulatory Fund revenue to fund substance use disorder programs as required under Public Act 281 of 2016 (Medical Marihuana Facilities Licensing Act). The Act requires \$500,000 from the Fund to be allocated for this purpose. The Fund receives license fee revenue from medical marihuana facilities.	500,000
6. Fire Protection Grants. The Governor proposed removing GF/GP support for these grants, which would leave \$8.5 million for the grants from Driver Responsibility Fees. However, the Governor also recommended a statutory change that would allocate the first \$6.5 million from excess personal property tax reimbursements be distributed through the Fire Protection Grants formula, which would effectively increase Fire Protection Grants to a total of \$15.0 million, but that increase would not be reflected in the LARA budget and would be done off-budget through the LCSA.	(773,900)
7. Medical Marihuana Operation and Oversight Grants. The Governor proposed the elimination of these grants to county law enforcement for operation and oversight of the Michigan Medical Marihuana Act. The grants are funded from registry fees paid by medical marihuana cardholders.	(3,000,000)
8. Administrative Support for the Local Community Stabilization Authority (LCSA). The Governor removed funding for administrative support for the LCSA. The legislation that created the LCSA made it optional for LARA to provide these services, and responsibility for those services was transferred to the Michigan Municipal Services Authority effective October 1, 2017.	(150,000)
 Division on Deafness Fund - Transfer from Department of Civil Rights (DCR) to LARA. The Governor's budget reflects Executive Order 2017-8, which transferred all of the DCR's responsibilities under the Deaf Persons' Interpreters Act, including the Division on Deafness Fund, from DCR to LARA. 	93,400
 Reduce Overstated Restricted Funds. The Governor included reductions to a number of line items and restricted fund sources to reflect available revenue. 	(639,300)
11. Remove FY 2017-18 One-time Appropriations. The Governor removed a \$100 placeholder from the Drinking Water Declaration of Emergency Reserve Fund, and \$1.4 million GF/GP for Fire Protection Grants.	(1,400,100)
12. Economic Adjustments. Includes \$4,595,000 Gross and \$577,600 GF/GP for total economic adjustments, of which an estimated \$802,600 Gross and \$157,700 GF/GP is for legacy retirement costs (pension and retiree health).	4,595,000
Total Changes	\$65,790,100
FY 2018-19 Governor's Recommendation	\$500,462,100

- 1. **Out-of-State Travel Report.** The Governor replaced this report with a less detailed version that is consistent with the report found in most other Department budget bills. The new section also removes restrictions on out-of-state travel. (Sec. 207)
- 2. **Communication with the Legislature.** The Governor removed a prohibition against taking disciplinary action against Department employees who communicate with the Legislature. (Sec. 218)
- 3. **TV or Radio Productions.** The Governor removed a prohibition against the Department producing radio or TV productions. (Sec. 219)
- 4. **Healthy Michigan Plan Accounting Structure.** The Governor removed a section requiring the Department to notify the State Budget Office and fiscal agencies if any changes to the existing accounting structure for costs associated with Healthy Michigan. (Sec. 220)

- 5. **Regulatory Activities Report.** The Governor removed a report providing details on licensing/regulatory activities undertaken by each agency or bureau in the Department. (Sec. 226)
- 6. **Employee Performance Monitoring.** The Governor removed a section stating the intent of the Legislature that the Department establish an employee performance monitoring process in addition to what is required by the Civil Service Commission. (Sec. 227)
- 7. Liquor License Delay Mitigation. The Governor removed a section requiring the Michigan Liquor Control Commission to utilize funds to invest in technology to mitigate delays in license issuance related to section 503 of the Michigan Liquor Control Code. (Sec. 401)
- 8. **Medical Marihuana Report.** The Governor retained a report for this program, but removed the specifications for the report. (Sec. 507)
- Child Care Facilities License Fees. The Governor retained language allowing the Department to assess and collect fees for the licensing and regulation of child care facilities, but removed the reporting requirement of this section. (Sec. 515)
- 10. **Bureau of Services for Blind Persons (BSBP) Identify Federal Match.** The Governor removed a requirement that BSBP work with service organizations to identify qualified Federal match dollars. (Sec. 705)
- 11. **Medical Marihuana Operation and Oversight Grants.** The Governor removed boilerplate pertaining to medical marihuana operation and oversight grants to county law enforcement. This is consistent with the Governor's elimination of the funding for these grants. (Sec. 902)
- 12. **Indigent Defense Metrics.** The Governor included a new section requiring the Michigan Indigent Defense Commission to establish metrics to assess the provision of indigent defense services, and to produce a report on these metrics. (Sec. 12-905 of Governor's Rec.)

Date Completed: 2-12-18 Fiscal Analyst: Josh Sefton





Fax: (517) 373-1986

Senate Bill 861 (as introduced) Committee: Appropriations

			CHANGES F FY 2017-18 YEAR	_
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	904.5	904.5	0.0	0.0
GROSS	179,504,400	189,089,300	9,584,900	5.3
Less:				
Interdepartmental Grants Received	101,800	101,800	0	0.0
ADJUSTED GROSS	179,402,600	188,987,500	9,584,900	5.3
Less:				
Federal Funds	92,334,100	98,170,200	5,836,100	6.3
Local and Private	2,168,400	2,175,400	7,000	0.3
TOTAL STATE SPENDING	84,900,100	88,641,900	3,741,800	4.4
Less:				
Other State Restricted Funds	22,332,600	23,279,500	946,900	4.2
GENERAL FUND/GENERAL PURPOSE	62,567,500	65,362,400	2,794,900	4.5
PAYMENTS TO LOCALS	142,400	142,400	0	0.0

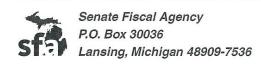
^{*}As of February 7, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$179,504,400
Changes from FY 2017-18 Year-to-Date:	
 Special Maintenance - Federal. Governor recommended an increase of \$5.0 million federal for maintenance projects at various state military training facilities. 	5,000,000
 National Guard Tuition Assistance Program. Governor recommended a \$2.5 million GF/GP increase for the program to reflect higher growth in member participation for a FY 2018-19 recommended appropriation of \$6,506,700. 	2,500,000
 D.J. Jacobetti Home for Veterans. Governor recommended.\$1.1 million GF/GP to support ongoing efforts to establish facility as being Medicaid certified. 	1,111,700
 Land Acquisitions and Appraisals. Governor recommended an increase of \$900,000 restricted for land and facility acquisition for a FY 2018-19 recommended appropriation of \$2.9 million restricted. 	900,000
 Camp Grayling. Governor recommended \$750,000 GF/GP to assist with ongoing costs of annual Northern Strike military training exercise. 	750,000
 Veterans Facility Authority. Governor recommended an increase of \$500,000 GF/GP for the Veterans Facility Authority, per PA 561 of 2016, et al, which would bring FY 2018-19 appropriations to \$1.5 million GF/GP. 	500,000
 Armory Special Maintenance. Governor recommended removal of one-time appropriation of \$2.5 million GF/GP for armory maintenance. 	(2,500,000)
 Technical Adjustment for Actual Funds Received. Governor recommended technical adjustments to reflect reductions of \$145,000 Federal. 	(145,000)
9. Unclassified Salaries. Governor recommended economic increase of \$29,400 GF/GP.	29,400

FY 2018-19 Governor's Recommendation	\$189,089,300
Total Changes	\$9,584,900
economic adjustments, of which includes an estimated \$433,700 Gross and \$150,000 GF/GP is for legacy retirement costs.	
10. Economic Adjustments. Includes \$1,438,800 Gross and \$403,800 GF/GP for total	1,438,800

- 1. **Contingency Funds.** Governor recommended increasing the total federal funds available for contingency fund legislative transfers from \$10.0 million to \$12.0 million. (Sec.210)
- 2. **Disciplinary Action.** Governor eliminated language prohibiting action against employee who communicates with Legislature. (Sec. 215)
- 3. **Sale of Property.** Governor struck language requiring the department to notify the subcommittees prior to the public announcement of the intention to sell real property. (Sec.219)
- 4. **Unclassified Positions.** Governor struck language listing the titles of unclassified employees and requires notice if additional unclassified positions are created. (Sec. 301)
- 5. Youth Challenge Academy. Governor revised language, striking language requiring resources sufficient to train 144 cadets simultaneously to train and graduate at least 114 students per cohort (228 annually) and stuck a requirement that the average grade level increase for graduates is 2 years and added language requiring that the department shall "ensure individual success through improvement of Tests of Adult Basic Education score and/or results in general equivalency diploma, alternative high school diploma, or high school credit recovery." (Sec.303)
- 6. **National Guard Tuition Assistance Program.** Governor revised metric requiring efforts to increase program participation to 1,100 members by the fourth year of the program to the fifth year. (Sec. 307)
- 7. Medicaid and Medicare Certification Standards for D.J. Jacobetti Home for Veterans. Governor amended language by modifying schedule for the completion of certification from June 1, 2018 to October 1, 2018. (Sec. 403)
- 8. **Michigan Veterans Affairs Agency.** Governor struck language requiring a report to include a summary of activities and strategies under a community assessment and regional service delivery model. (Sec. 405)
- 9. **Veterans Service Organization Grants.** Governor deleted language specifying a fixed hourly payment of \$34.00 per hour. (Sec.407)
- 10. **Armory Maintenance.** Governor deleted a section relating to the expenditure of a one-time FY 2017-18 appropriation for armory maintenance. (Sec 601)
- 11. Budget Year Two Funding. Governor struck language providing guidelines for year two appropriations. (Sec. 701)
- 12. **Budget Year Two-Outreach Metric.** Governor struck language requiring the reporting of the percentage of veterans contacted, with a goal of 100% reached. (Sec. 702)
- 13. **Budget Year Two-Developed Claims Metric.** Governor struck language requiring the MVAA to maintain a minimum of 50% fully developed claims as determined by the USDVA. (Sec. 703)

Date Completed: 2-13-18 Fiscal Analyst: Bruce R. Baker





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Senate Bill 862 (as introduced) Committee: Appropriations

			CHANGES F FY 2017-18 YEAR	_
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	2,261.8	2,327.3	65.5	2.9
GROSS	409,993,500	436,705,300	26,711,800	6.5
Less:				
Interdepartmental Grants Received	232,200	232,200	0	0.0
ADJUSTED GROSS	409,761,300	436,473,100	26,711,800	6.5
Less:				
Federal Funds	70,095,700	81,731,600	11,635,900	16.6
Local and Private	7,446,000	7,431,400	(14,600)	(0.2)
TOTAL STATE SPENDING	332,219,600	347,310,100	15,090,500	4.5
Less:				
Other State Restricted Funds	274,248,500	299,965,800	25,717,300	9.4
GENERAL FUND/GENERAL PURPOSE	57,971,100	47,344,300	(10,626,800)	(18.3)
PAYMENTS TO LOCALS	7,154,300	7,712,700	558,400	7.8

^{*}As of February 7, 2018.

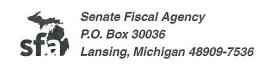
FY 2017-18 Year-to-Date Gross Appropriation	\$409,993,500
Changes from FY 2017-18 Year-to-Date:	
 State Parks Repair and Maintenance. The Governor included an additional \$10.0 million from the Park Improvement Fund and \$4.0 million from Recreation Passport Fees to support various capital outlay projects in State parks. This adjustment brings the total ongoing amount available for State park repair and maintenance to \$23.5 million. 	14,000,000
2. Recreational Program Revenues. The Governor included additional appropriations to reflect increased revenue in several areas: \$1.75 million in additional Recreation Passport funds allocated according to statute, \$400,000 State Waterways fund for the Recreational Boating program, and \$1,925,000 Park Improvement Fund to support the operation of State parks. This increase would also support an additional 26.5 FTEs across the affected programs.	4,075,000
 Wildlife Division. The Governor included additional GF/GP and 3.0 FTEs to fund lab technicians, testing and disposal costs, supplies, and other costs related to the DNR response to chronic wasting disease in Michigan. 	2,600,000
 Conservation Officers. The Governor included additional GF/GP and 10.0 FTEs to train and hire ten new conservation officers. 	1,500,000
5. Off-Road Vehicle Trail Improvement Fund. The Governor included additional appropriations from this fund to reflect increased sales of ORV permits. Funds are allocated according to statute, including an additional \$950,600 for ORV trail improvement grants, and \$308,800 and 2.0 FTEs for law enforcement. The remaining \$40,600 would cover administrative costs in various parts of the department.	1,300,000

 Forest Development Infrastructure. The Governor included additional Forest Development Fund for various infrastructure projects to maintain and improve access to State forest lands. Mackinac Island State Park Historic Facilities. The Governor included additional GF/GP for ongoing maintenance on the historic facilities on Mackinac Island bringing the total for operations and maintenance at the park to \$1.8M. 	3,500,000 200,000 200,000
for ongoing maintenance on the historic facilities on Mackinac Island bringing the total for	,
operations and maintenance at the paint to whom.	200,000
 Snowmobile Trail Groomer Development. The Governor included one-time funding from the Snowmobile Trail Improvement Fund for a contract to develop a state-of-the-art snowmobile trail groomer. 	
10. Tribal Consent Decree Negotiation. The Governor included \$240,000 ongoing and \$37,500 one-time to hire a biologist and cover Attorney General costs associated with the renegotiation of the 2000 tribal consent decree for the allocation, management, and regulation of State and Tribal fisheries. The consent decree is renegotiated every 20 years.	277,500
11. Office of the Great Lakes. The Governor's Recommendation reflects Executive Order 2017-9, which transferred the Office of the Great Lakes from the Department of Environmental Quality to the DNR. This transfer affected 23.0 FTEs and related funding.	11,801,800
12. Great Lakes Protection Fund. The Governor included an increase in the Great Lakes Protection Fund appropriation for the Office of the Great Lakes to reflect available revenue in that fund.	128,900
13. State Parks Technical Adjustments. The Governor included additional Park Improvement Fund appropriations to reflect increases in the costs to operate State parks. These costs primarily stem from vendor costs due to increased camping reservations (\$750,000). State park improvement bond debt service increases comprise the rest of this item.	754,700
14. Historical Marker Program. The Governor included additional restricted funds to reflect receipt of this program from the Michigan History Foundation.	60,000
15. Hunter Education Program - Federal Funds. The Governor included additional Federal appropriations to reflect actual revenues for the Hunter Education Program.	84,400
16. FY 2017-18 Waterways Projects. The Governor removed funding for capital outlay projects funded from the Michigan State Waterways Fund in FY 2017-18. This includes \$750,000 for the East Tawas State Harbor, and \$770,500 for local boating infrastructure and maintenance. The total amount included for the latter item is about \$1.7 million.	(1,520,500)
17. Wetlands Restoration, Enhancement, and Acquisition. This item is funded using waterfowl hunt stamp revenue, and provides authority to purchase and enhance wetlands to provide habitat for various waterfowl species. The Governor reduced this item to \$1,000,000 to reflect available revenue.	(500,000)
18. Remove Obsolete Fund Sources. The Governor removed two fund sources (Clean Michigan Initiative and Mann House Trust Fund) to reflect that these two funds are no longer anticipated to receive revenue.	(15,100)
19. Remove FY 2017-18 Supplemental and One-Time Appropriations.	(17,676,200)
20. Economic Adjustments. Includes \$3,777,800 Gross and \$542,300 GF/GP for total economic adjustments, of which an estimated \$3,406,400 Gross and \$369,500 GF/GP is for legacy retirement costs (pension and retiree health).	3,777,800
Total Changes	\$26,711,800

Boilerplate Changes from FY 2017-18 Year-to-Date:

- 1. **Report Retention.** The Governor removed a requirement that reports be retained according to State and Federal laws. (Sec. 218)
- 2. **Communication with the Legislature.** The Governor removed a prohibition against taking disciplinary action against Department employees who communicate with the Legislature. (Sec. 220)
- 3. **Invasive Species Grant Earmark.** The Governor removed a requirement that not less than \$3.6 million appropriated for invasive species prevention and control be allocated toward grants. (Sec. 251)
- 4. **Michigan Historical Center Museum Store.** The Governor removed a section that exempts the museum store from certain requirements of the Management and Budget Act. (Sec. 404)
- 5. **Michigan Historical Center Collections.** The Governor removed a section that allows proceeds from the sale or transfer or artifacts to be used to purchase other exhibit items for the museum. (Sec. 405)
- 6. **Michigan Historical Center Fees.** The Governor removed a section that allows the museum to charge fees for various services rendered, including admissions. (Sec. 406)
- 7. Land Transaction Report. The Governor removed a report on all land transactions approved by the Natural Resources Commission during the prior fiscal year. (Sec. 408)
- 8. **Invasive Species Order Swine.** The Governor removed 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 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 a requirement that the Department not impede the certification process for water control structures on Michigan waterways. (Sec. 602)
- 11. **Forest Management Investment.** The Governor removed language related to performance metrics for an increase in funding in the Forest Management Division that was included in the FY 2016-17 budget. (Sec. 808)
- 12. **Snowmobile Law Enforcement Grants.** The Governor removed a section directing the Department to provide snowmobile law enforcement grants to counties from appropriations for that purpose. (Sec. 901)
- 13. **Marine Safety Grant Report.** The Governor removed a report on marine safety grants to county law enforcement. (Sec. 902)
- 14. **Conservation Officer Increase.** The Governor removed a section directing how increased funds for law enforcement should be spent. (Sec. 903)
- 15. **Swimmer's Itch Pilot.** The Governor removed a section directing the expenditure of one-time funds for a swimmer's itch pilot program.

Date Completed: 2-12-18 Fiscal Analyst: Josh Sefton





Fax: (517) 373-1986

Senate Bill 855 (as introduced) Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 GOV.'S REC.	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	1,586.0	1,586.0	0.0	0.0
GROSS	254,358,500	254,662,800	304,300	0.1
Less:				
Interdepartmental Grants Received	20,000,000	20,000,000	0	0.0
ADJUSTED GROSS	234,358,500	234,662,800	304,300	0.1
Less:				
Federal Funds	1,460,000	1,460,000	0	0.0
Local and Private	50,100	50,100	0	0.0
TOTAL STATE SPENDING	232,848,400	233,152,700	304,300	0.1
Less:				
Other State Restricted Funds	208,709,400	214,686,400	5,977,000	2.9
GENERAL FUND/GENERAL PURPOSE	24,139,000	18,466,300	(5,672,700)	(23.5)
PAYMENTS TO LOCALS	1,215,900	1,129,000	(86,900)	(7.1)

^{*}As of February 7, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$254,358,500
Changes from FY 2017-18 Year-to-Date:	
 Removal of FY 2017-18 One-Time Appropriation. Governor removed GF/GP funding of \$5.0 million provided for voting machine replacements. 	(5,000,000)
 Driver License Contracting Costs. Governor included additional restricted funding to cover the costs of extending the current contract with the State's vendor that produces State- issued driver license and personal identification cards. The Department is currently in the process of creating its own system to produce the licenses starting in FY 2021-22. 	925,000
3. Information Technology Costs. Governor included additional restricted funding totaling \$800,000 for two items that increased IT costs. Funding of \$500,000 is provided to cover the increased IT rate increases charged to the Department by DTMB for providing IT assistance. The remaining \$300,000 will fund a project to create a disaster recovery plan for the Qualified Voter File in the event that the security of the QVF is ever breached.	800,000
4. Commercial Driver License Testing Kiosks. Governor included additional restricted funding for maintenance costs of the testing kiosks for commercial driver licenses located at various branch offices across the state. The kiosks were provided by the Federal government to comply with new Federal regulations, however, maintenance costs are the responsibility of the state.	500,000
5. Replacement of GF/GP with Restricted Funds. General Fund/General Purpose dollars that are currently used to fund the Department are replaced with restricted funds from the Transportation Administration Collection Fund (TACF). While this has a net zero effect on	0

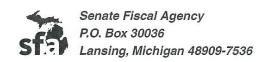
the gross for the Department, this reduces overall GF/GP expenditures for the State by

\$1.1 million in FY 2018-19.

FY 2018-19 Governor's Recommendation	\$254,662,800
Total Changes	\$304,300
6. Economic Adjustments. Includes \$3,079,300 Gross and \$475,600 GF/GP for total economic adjustments, of which an estimated negative \$514,300 Gross and negative \$40,500 GF/GP is for legacy retirement costs (pension and retiree health).	3,079,300

- 1. **Boilerplate Structure. Governor:** Moved boilerplate from the FY 2017-18 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**.
- 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. (Current Law Sec. 716b)
- 3. **Buena Vista Branch Office.** Requires the Department to maintain a full service branch office in Buena Vista Township. **Governor:** Eliminated section. (Current Law Sec. 718)
- 4. **Legacy Cost Estimates.** Total legacy costs are estimated at \$31,170,200. Of the total, Pension-related legacy costs are estimated at \$16,040,400 and retiree health care legacy costs are estimated at \$15,129,800 for fiscal year ending September 30, 2018. **Governor:** Provided the following Legacy Costs estimates for FY 2019: Total legacy costs estimated at \$30,655,900. Of that total, \$14,132,900 are for pension-related legacy costs and \$16,523,000 are for retiree health care legacy costs for the fiscal year ending September 30, 2019.

Date Completed: 2-14-18 Fiscal Analyst: Joe Carrasco, Jr.





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			CHANGES FROM FY 2017-18 YEAR-TO-DATE	
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	3,438.0	3,490.0	52.0	1.5
GROSS	698,946,800	711,814,700	12,867,900	1.8
Less:				
Interdepartmental Grants Received	26,221,600	24,728,300	(1,493,300)	(5.7)
ADJUSTED GROSS	672,725,200	687,086,400	14,361,200	2.1
Less:				
Federal Funds	83,686,500	78,223,600	(5,462,900)	(6.5)
Local and Private	6,013,300	5,261,800	(751,500)	(12.5)
TOTAL STATE SPENDING	583,025,400	603,601,000	20,575,600	3.5
Less:				
Other State Restricted Funds	143,423,700	148,698,200	5,274,500	3.7
GENERAL FUND/GENERAL PURPOSE	439,601,700	454,902,800	15,301,100	3.5
PAYMENTS TO LOCALS	14,113,200	14,231,300	118,100	0.8

^{*}As of February 7, 2018.

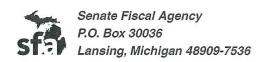
FY 2017-18 Year-to-Date Gross Appropriation	\$698,946,800
Changes from FY 2017-18 Year-to-Date:	
 FY 2017-18 Trooper Schools. Governor recommended annualized costs for 150 expected new trooper graduates from FY 2017-18, including \$16.8 million GF/GP for salaries and benefits and \$3.5 million GF/GP for various other expenses such as fleet leasing and equipment. 	20,267,100
2. FY 2018-19 Trooper Schools. Governor recommended one-time costs for FY 2018-19 trooper schools, including a new 50 trooper school (\$3.1 million GF/GP) and an attrition replacement school of 80 troopers (\$3.0 million GF/GP). Department enlisted strength is projected to be 1,940 at the close of FY 2017-18 and at 2172 at the close of FY 2018-19.	6,070,000
3. FY 2018-19 New Trooper School. Governor recommended on-going costs of \$3.8 GF/GP for new January, 2019, trooper school to graduate 50 troopers, which would include \$3.1 million GF/FP for salaries and benefits and \$0.7 million for other costs, including fleet leasing and equipment.	3,800,000
 Michigan Commission on Law Enforcement Standards (MCOLES). Governor Recommended an increase of \$2.5 million restricted (per PA 281 of 2016) to provide administrative support for the commission's regulatory and grant issuing responsibilities. 	2,500,000
 Medical Marihuana Regulation. Governor recommended \$2.9 million GF/GP to annualize FY 2017-18 costs of medical marihuana regulation structure created in FY 2017-18. 	2,924,200
 In-Car Cameras. Governor recommended \$1.3 million GF/GP to provide lifecycle replacement of vehicle mounted in-car cameras. 	1,252,500

7.	Lieutenants and Lab Manager Pay. Governor recommended \$0.9 million GF/GP for pay increases for State Police Lieutenants and lab managers as recommended by the State Employer and approved by the Civil Service Commission.	935,600
8.	Medical Marihuana Field Sobriety Testing. Governor recommended \$900,000 restricted to support the implementation of standardized field sobriety test for THC intoxication, per PA 281 of 2016.	900,000
9.	Cyber Crimes Unit. Governor recommended \$618,400 GF/GP and 5.0 FTEs to provide for administrative support for the Michigan Cyber Command Center.	618,400
10.	Sexual Assault. Governor recommended \$158,900 GF/GP and 1.0 FTE to support the implementation of the Sexual Assault Evidence Kit Tracking System as included in PA 158 of 2017.	158,900
11.	Public Safety Officer Benefit Program. Governor recommended \$150,000 GF/GP to increase funding for FY 2018-19 to \$301,600 GF/GP to better ensure sufficient funds are available for the \$25,000 benefit provided to survivors of public safety officers killed in action.	150,000
12.	Sexual Assault Prevention and Education Initiative. Governor recommended the continuation of a FY 2017-18 one-time \$600,000 GF/GP grant program aimed at institutions of higher educations.	0
13.	FY 2017-18 Trooper Schools. Governor recommended removal of \$9.3 million GF/GP one-time appropriations for FY 2017-18 trooper schools.	(9,286,200)
14.	Disaster and Emergency Contingency Fund. Governor recommended removal of one-time FY 2017-18 appropriation of \$5.0 million GF/GP for the Disaster and Emergency Contingency Fund, which had a December, 2017, balance of \$4.6 million.	(5,000,000)
15.	Advanced 9-1-1. Governor recommended elimination of \$2.2 million GF/GP for a one-time grant to encourage statewide use of Advanced 9-1-1 systems.	(2,200,000)
16.	Secure Cities Initiative. Governor recommended removal of one-time funding of \$1.0 million GF/GP for lifecycle replacement of equipment for the Secure Cities initiative.	(1,000,000)
17.	Fair and Impartial Police Training Grants. Governor recommended elimination of a one-time appropriation of \$980,000 GF/GP for police training program grants.	(980,000)
18.	Forensic Science One-Time Enhancement. Governor recommended removal of a one-time appropriation of \$730,000 GF/GP for forensic science enhancements.	(730,000)
19.	Michigan International Speedway. Governor recommended elimination of a one-time appropriation of \$725,000 GF/GP to provide State Police traffic control services for certain racing events at Michigan International Speedway.	(725,000)
20.	Emergency Management/Homeland Security. Governor recommended an efficiency reduction of \$392,400 GF/GP and 3.0 unfilled FTEs.	(392,400)
21.	Forensic Science Overtime. Governor recommended a reduction of \$274,400 GF/GP in needed overtime costs due to additional fully trained workers coming on line.	(274,400)
22.	Impaired Driving Safety Commission. Governor recommended elimination of appropriation of \$250,000 GF/GP due to completion of commission's work.	(250,000)
23.	Law Enforcement Job Analysis Project. Governor recommended elimination of \$200,000 GF/GP due to completion of project.	(200,000)
24.	Civil Air Patrol. Governor recommended removal of one-time \$20,000 GF/GP grant to Michigan Civil Air Patrol.	(20,000)
25.	Technical Adjustment for Actual Funds Received. Governor recommended technical adjustment to reflect reductions in \$1.0 million in IDGs, \$5,750,000 federal, \$716,000 local, \$63,100 private, and \$1,274,400 restricted.	(6,254,700)
26.	FY 2017-18 Supplemental Appropriations. Technical adjustment for FY 2017-18 supplemental appropriations of \$158,900 GF/GP.	(158,900)

27. FY 2017-18 Boilerplate Appropriations. Technical adjustment for FY 2017-18 receive and expend appropriations from boilerplate authorization, including \$4.0 million restricted and \$24,000 Federal.	(4,024,000)
28. Unclassified Salaries. Governor recommended economic increase.	11,900
29. Economic Adjustments. Includes \$4,774,900 Gross and \$3,366,900 GF/GP for total economic adjustments, which includes an estimated \$24,065,100 Gross and \$15,932,900 GF/GP is for legacy retirement costs.	4,774,900
Total Changes	\$12,867,900
FY 2018-19 Governor's Recommendation	\$711,814,700

- 1. **Disciplinary Action.** Governor eliminated language prohibiting action against employee who communicates with Legislature. (Sec. 216)
- 2. **Privatization Notice.** Governor struck boilerplate section requiring prior legislative notice of MSP privatization plans. (Sec. 220)
- 3. **Training and Publication.** Governor recommended new boilerplate language that would allow the department to create and collect fees for printing and mailing costs for distributing publications, videos and other materials, and costs of workshops and conferences, not to exceed actual department costs. (Sec.223)
- 4. **Criminal Justice Information Systems.** Governor deleted requirement to provide detailed report on concealed pistol licensing. (Sec. 402)
- 5. **Special Operations.** Governor recommended adjustment to a performance metric which would require the Michigan Cyber Commander Center casework to increase by 25% over the FY 207-18 level. (Sec.701)
- 6. **Emergency Management and Homeland Security.** Governor recommended removing a requirement of a quarterly report on the status of infrastructure vulnerabilities in the State. (Sec.704)
- 7. **Advanced 9-1-1.** Governor recommended deletion of language related to one-time FY 2017-18 grant for Advanced 9-1-1. (Sec.902)
- 8. Budget Year Two Funding. Governor struck language providing guidelines for year two appropriations. (Sec. 1001)

Date Completed: 2-12-18 Fiscal Analyst: Bruce R. Baker





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			CHANGES FROM FY 2017-18 YEAR-TO-DATE	
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	1,447.0	1,450.0	3.0	0.2
GROSS	1,179,421,800	1,118,945,600	(60,476,200)	(5.1)
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	1,179,421,800	1,118,945,600	(60,476,200)	(5.1)
Less:				
Federal Funds	762,144,800	762,645,800	501,000	0.1
Local and Private	6,120,900	6,121,700	800	0.0
TOTAL STATE SPENDING	411,156,100	350,178,100	(60,978,000)	(14.8)
Less:				
Other State Restricted Funds	206,056,700	183,432,300	(22,624,400)	(11.0)
GENERAL FUND/GENERAL PURPOSE	205,099,400	166,745,800	(38,353,600)	(18.7)
PAYMENTS TO LOCALS	11,300,000	32,400,000	21,100,000	186.7

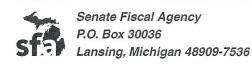
^{*}As of February 7, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$1,179,421,800
Changes from FY 2017-18 Year-to-Date:	
 Workforce Development Program. The Governor Increased the Workforce Development Program (WDP) due to an increase in the Federal award amount for the Employment and Training Program. The increase is supported by Federal funds. 	501,000
 Drinking Water Declaration of Emergency. The Governor included a \$100 placeholder in one-time appropriations to allow for potential transfers from the Drinking Water Declaration of Emergency Fund if necessary. 	100
 Community College Skilled Trades Equipment Program. The Governor changed the fund source for this \$4.6 million debt service payment from GF/GP to Penalties and Interest revenue. 	0
4. One-Time Appropriations Removal. The Governor removed a number of FY 2017-18 one-time appropriations, which include: Arts and Culture Grants (\$1.0 million), Michigan Enhancement Grants (\$35,897,000), Protect and Grow (\$1.0 million), Special Grants (\$2.7 million), and Talent Marketing (\$5.0 million). All of these appropriations were supported by GF/GP.	(45,597,000)
 Going Pro Reduction and Fund Shift. The Governor reduced the one-time appropriation portion of this program by \$5.5 million Gross and GF/GP. Also, the Governor changed the fund source for \$25.0 million of Penalties and Interest revenue to GF/GP. 	(5,500,000)
 Business Attraction and Community Revitalization. The Governor reduced the program by \$5,120,100 Gross and GF/GP. Also, the Governor changed the fund source for \$2.0 million from GF/GP to the 21st Century Jobs Trust Fund. 	(5,120,100)

7. Community Venture Reduction. The Governor reduced Gross appropriations by \$3.3 million. Of that total, \$2,993,300 was Penalties and Interest revenue and \$306,700 was GF/GP. Also, the Governor transferred 7.0 FTEs and \$1.5 million Penalties and Interest revenue to Workforce Development Administration (WDA).	(3,300,000)
 Technical Adjustments. The Governor reversed the defined calculations made to a number of lines supported by various Federal funds and the 21st Century Jobs Trust Fund, which do not allow for economic increases. 	(1,653,900)
9. Entrepreneurship Eco-System. The Governor reduced the program by \$1.5 million Gross and 21 st Century Jobs Trust Fund dollars. Also, the Governor changed the fund source for \$500,000 of 21 st Century Job Trust Fund revenue to GF/GP. The \$2.0 million in total 21 st Century Jobs Trust Fund reductions were moved to the Business Attraction and Community Revitalization. Finally, the Governor moved \$2.5 million from ongoing to one-time appropriations.	(1,500,000)
 Land Bank Fast Track Authority. The Governor removed \$1.0 million in ongoing appropriations to the Authority, while adding 3.0 FTEs. 	(1,000,000)
11. Internal FTE and Appropriation Transfers. The Governor made a number of internal transfers throughout the Department. This included transferring 12.0 FTEs and \$2.5 million in Federal funds from the UIA and WDA to the Department's Executive Direction; transferring \$2.3 million in Federal funds from WDP to WDA and Talent Investment Agency Executive Direction; and transferring \$150,000 from the MSF to the Land Bank Fast Track Authority.	0
12. Economic Adjustments. Includes \$2,693,700 Gross and \$270,200 GF/GP for total economic adjustments, of which an estimated \$136,000 Gross and \$20,300 GF/GP is for legacy retirement costs (pension and retiree health).	2,693,700
Total Changes	(\$60,476,200)
FY 2018-19 Governor's Recommendation	\$1,118,945,600

- 1. **Deleted One-Time Appropriations.** The Governor deleted a number of sections related to one-time appropriations that were removed in part 1, which include: 1051 (Talent Marketing), 1053 (Arts and Culture Grants), 1054 (Protect and Grow), and 1084 (Going Pro).
- 2. **Deleted Grants.** The Governor deleted a number of sections related to special grants, which include: 1047 (Michigan Enhancement Grants), 1048 (Entrepreneurship Eco-System grant), 1055 (DTED-Grant), 1067 (Helmets to Hardhats), 1069 (Focus Hope), 1070 (Graduation for Life grant), and 1071 (Jobs for Michigan's Graduates Program).
- 3. Deleted Other. The Governor deleted a number of other sections, which include: 990 (MSHDA goals 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), 1040 (Department's use of MAIN or other accounting system), 1041 (limits the amount that can be transferred to Business Attraction and Community Development to no more than 60% before April 1), 1080 (Community Venture matching amount), 1081 (Statewide System for Data Integration status report), and 1082 (Sustainable Employment Pilot status report).
- 4. **Date Modification.** The Governor changed the reporting data for a number of sections from March 15th to April 10th. (Secs. 1005, 1009, 1034, 1038, 1050, 1068, and 1079)
- 5. **Going Pro Administration.** The Governor expanded the language for "skilled trades training program" and "jobs created, jobs retained". (Sec. 1065)
- 6. **Technical Modifications.** The Governor made a number of technical adjustments to reflect date changes, Part 1 appropriations total, legacy cost estimates, and standardized language. (Secs. 201, 981, 1011, 1032, 1043, 1044, 1050, 1063, 1066, 1076)

Date Completed: 2-14-18 Fiscal Analyst: Cory Savino





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			CHANGES F FY 2017-18 YEAR	-
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	2,937.0	3,116.0	179.0	6.1
GROSS	1,412,643,200	1,360,504,900	(52,138,300)	(3.7)
Less:				
Interdepartmental Grants Received	713,959,000	751,777,000	37,818,000	5.3
ADJUSTED GROSS	698,684,200	608,727,900	(89,956,300)	(12.9)
Less:				
Federal Funds	4,985,300	5,033,700	48,400	1.0
Local and Private	2,444,400	2,471,000	26,600	1.1
TOTAL STATE SPENDING	691,254,500	601,223,200	(90,031,300)	(13.0)
Less:				
Other State Restricted Funds	111,399,300	114,457,400	3,058,100	2.7
GENERAL FUND/GENERAL PURPOSE	579,855,200	486,765,800	(93,089,400)	(16.1)
PAYMENTS TO LOCALS	0	4,000,000	4,000,000	

^{*}As of February 7, 2018.

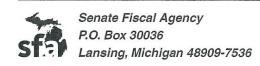
FY 2017-18 Year-to-Date Gross Appropriation	\$1,412,643,200
Changes from FY 2017-18 Year-to-Date:	
 FY 2017-18 Supplemental Funding. The Governor did not include supplemental funding added in FY 2017-18 by Public Act 201 of 2017 that allocates \$100,000 for the implementation of House Bill 4644 (a bill that establishes size and weight permit fees for motor vehicles), contingent on the bill's enactment. 	(100,000)
 Removal of FY 2017-18 One-Time Items. The Governor did not include one-time funding for FY 2017-18 totaling \$82.0 million (all GF/GP) and 10.0 FTEs that funded a variety of one- time items. 	(82,025,100)
 Enterprisewide Portfolio Management Services. Governor provided funding and 11.0 FTEs to support expenses associated with expanding the Enterprise Portfolio Management Office services across the portfolio of the information technology projects across all of State government. 	2,010,000
 Regional Prosperity Grants. Governor increased funding for continued support of the Regional Prosperity Initiative. Funding will be used to encourage local private, public, and non-profit partners to create vibrant regional economies. 	1,500,000
 Procurement Improvement Plan Completion. Governor provided funding and 6.0 FTEs to improve procurement services such as permanent supplier relationship management, contract management, and an enterprisewide professional development certification program for procurement professionals. 	891,900
 Financial Services Support. Governor increased funding and added 6.0 FTEs to alleviate the increased workload related to procurement of IT services and commodities and to reduce billing errors. 	559,400

7. SBA Rent Increase. Governor adjust SBA rent payments by a total of \$19.2 million to comply with the DTMB Act which requires that SBA rent payments be made associated with projects authorized for construction. The increase in rental payments total \$37.6 million for FY 2018-19, however, \$18.4 million is available in existing authorization to cover nearly half of that expense thus only an additional \$19.2 million is needed. The adjustments are as follows: a \$5.5 million increase for community colleges; a \$2.7 million decrease for corrections; a \$5.9 million increase for state agencies; and a \$10.5 million increase for universities.	
8. Agency Services Rate Adjustment. Governor includes additional funding to provide continued support for pay per-performance incentives in an effort to retain important and talented information technology personnel.	1,500,000
 DTMB BOC Special Maintenance. Governor increased authorization in the Department's IDG allowance for building operating costs to accommodate increased utility costs and other building service contracts such as elevators, security guards, and janitorial services. 	1,800,000
 Technical Adjustments for IT. Alignment of funding of the IDGs with department and agency actual current year appropriations increased restricted funding by \$31.0 million and 10.0 FTEs. 	31,023,400
11. One-Time Funding. The Governor included a total of \$420,100 in one-time funding for two items. A total of \$420,000 was included to continue support for the Michigan Civilian Cyber Corps (MiC3) to provide expert assistance to resolve cyber incidents when the State is under a Governor-declared State of Emergency and a \$100 placeholder was included for deposit into the fund for future use for costs associated with the Flint Water Crisis.	
 Professional Development Funds Adjustment. Governor reduced the authorization for professional development funds for non-represented employees (NEREs) based on approved civil service contracts for FY 2018-19. 	(50,000)
13. State Police Employees Retirement System Supplemental Payment. Funding is decreased to adjust for a decline in the number retirement beneficiaries. Supplemental payments have been made for these retirees and beneficiaries pursuant to PA 168 of 2015.	(87,000)
14. IT Investment Fund (ITIF) Reduction. Governor included a General Fund reduction of \$25.0 million to the ITIF line item to adjust its funding level to account for the near completion of the SIGMA project. Due to the near completion of this project, ongoing costs will be reduced going forward. Governor also removed \$7.5 million of one-time funding.	(32,500,000)
15. Homeland/Cyber Security Reduction. Governor included a General Fund reduction of \$1.0 million to enterprise data network and backend network equipment updates. These updates can be put on hold without impacting the state's security posture.	(1,000,000)
16. School Reform Office Transferred to Department of Education. The School Reform Office was transferred to the Department of Education per Executive Order 2017-5 and the Governor includes the transfer of the funds and accompanying 11.0 FTEs for the School Reform Office from DTMB to the Department of Education where the Office now resides.	
17. FTE Adjustment. The Governor adjusted FTE allocations by adding an additional 167 FTEs to better align with the appropriated funds and the associated positions across several lines within the Technology Services funding unit. The Department has both appropriated and unappropriated FTEs that are allocated as needed by the agency. The Department expects to exceed their appropriated FTE count related to increases in federally mandated programs, new systems, and contractor conversions and IT talent retention. There are no costs associated with this realignment.	0
18. Economic Adjustments. Includes \$8,086,400 Gross and \$1,812,300 GF/GP for total economic adjustments, of which an estimated \$1,054,600 Gross and \$843,300 GF/GP is for legacy retirement costs (pension and retiree health).	8,086,400
Total Changes	(\$52,138,300)
FY 2018-19 Governor's Recommendation	\$1,360,504,900

- 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**.
- 2. **Special Revenue and Internal Service Funds.** Provides for appropriations financed from special revenue, internal service, pension trust funds or MAIN user charges not to exceed aggregate amounts appropriated in Part 1. **Governor:** Changes reference from MAIN to SIGMA. (Sec. 805)
- 3. MAIN (SIGMA) Charges. Provides that the Michigan Administrative Information Network (MAIN) and the Statewide Integrated Governmental Management Applications (SIGMA) shall be funded by charges against State funds benefiting from MAIN and SIGMA. Governor: Deletes reference to MAIN referring only to SIGMA as MAIN is no longer in use. (Sec. 807)
- 4. Pilot Project to Provide Comprehensive Vendor Information. Language provides 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. Governor: Eliminates section as pilot project has been completed. (Current Law Sec. 810a)
- 5. **Unclassified Salaries.** Requires the Department to compile a report by January 1 pertaining to the salaries of unclassified employees and gubernatorial appointees. **Governor:** Eliminates section. (Current Law Sec. 822)
- 6. **DTMB Fees and Rates.** Language requires the Department to provide a report to the Legislature that identifies fee and rate schedules to be used by State departments and agencies for services. **Governor:** Eliminates section. (Current Law Sec. 822d)
- 7. **Legacy Cost Estimates.** Total legacy costs are estimated at \$84,145,300. Pension-related legacy costs are estimated at \$43,301,700 and retiree health care legacy costs are estimated at \$40,843,600 for fiscal year ending September 30, 2018. **Governor:** Provided the following Legacy Costs estimates for FY 2019: Total legacy costs estimated at \$85,199,900. Of that total, \$39,278,600 are for pension-related legacy costs and \$45,921,300 are for retiree health care legacy costs for the fiscal year ending September 30, 2019. (Sec. 822e)
- 8. **School Reform Office.** Language per E.O. 2015-9 provides stipulations for schools placed in a School Reform/Redesign school district as well as protecting students with individualized education programs. **Governor:** Eliminates section. (Current Law Sec. 822i)
- 9. **School Reform Office Public Hearings.** Language requires the School Reform Office to hold at least one public hearing, prior to the school reform expending funds or proceeding with the dissolution of a school, in the school district that the Office is considering for placement of a CEO or dissolution of the school district. **Governor:** Eliminates section. (Current Law Sec. 822l)
- 10. **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:** Eliminates section. (Current Law Sec. 822m)
- 11. 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: Eliminates section. (Current Law Sec. 822n)
- 12. **School Reform Office Coordination with Department of Education.** Language requires the School Reform Office to coordinate with the Department of Education to streamline State services and resources, reduce duplication, and increase efficiency. **Governor:** Eliminates section. (Current Law Sec. 8220)
- 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. Provides for receipt and expenditure of funds relating to providing services, publications, and maps, and other products in addition to amounts appropriated in Part 1. Includes annual reporting requirement regarding receipt and expenditure of funds under this section. **Governor:** Deletes reporting requirement. (Sec. 824)

- 14. **SIGMA Access.** Provides for access to all historical and current data contained within MAIN or its successor for the Legislature and State departments. **Governor:** Changes language to refer to SIGMA, or its predecessor, as MAIN has been replaced with SIGMA. (Sec. 825)
- 15. **NEW. Enterprise Portfolio Management. Governor:** Adds new language requiring the Department to identify specific outcomes and performance measures including: Implementing an enhanced IT project management service delivery through statewide application of best practice models; collaboration with state agencies to bring all project management/project control office contracts under the enterprise portfolio management office; and to initiate steps to improve the state unified IT environment (SUITE) compliance rating. (**NEW** Sec. 840)
- 16. **Capital Outlay Definitions.** Provides various definitions contained in the appropriation act. **Governor:** Deletes definitions for Department; Director; Fiscal Agencies; State Agency; and State Building Authority. (Sec. 860)
- 17. **Drinking Water Declaration of Emergency Reserve Fund.** Language creates the Drinking Water Declaration of Emergency Reserve Fund within the Department of Treasury. 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. **Governor:** Eliminates section. (Current Law Sec. 880)
- 18. **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: 828, 829, 830, 832, 836a, and 837. The majority of these sections required the Department to provide either reports or notifications to the Legislature.

Date Completed: 3-23-18 Fiscal Analyst: Joe Carrasco, Jr.





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			CHANGES F FY 2017-18 YEAR	-
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	2,820.3	2,820.3	0.0	0.0
GROSS	4,349,443,000	4,705,089,900	355,646,900	8.2
Less:				
Interdepartmental Grants Received	4,039,300	4,092,500	53,200	1.3
ADJUSTED GROSS	4,345,403,700	4,700,997,400	355,593,700	8.2
Less:				
Federal Funds	1,340,301,200	1,318,271,700	(22,029,500)	(1.6)
Local and Private	50,632,000	51,432,000	800,000	1.6
TOTAL STATE SPENDING	2,954,470,500	3,331,293,700	376,823,200	12.8
Less:				
Other State Restricted Funds	2,954,470,500	3,156,293,700	201,823,200	6.8
GENERAL FUND/GENERAL PURPOSE	0	175,000,000	175,000,000	
PAYMENTS TO LOCALS	1,717,843,100	1,960,123,900	242,280,800	14.1

^{*}As of February 7, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$4,349,443,000
Changes from FY 2017-18 Year-to-Date:	
 Michigan Transportation Fund Revenue Adjustments. The Governor's budget included increases to the STF & Bluewater Bridge Fund (\$56.0 million), County Road Commissions (\$77.9 million), Cities and Villages (\$43.4 million), the Transportation Economic Development Fund (\$1.2 million), and the Local Bridge Program (\$117,900). 	178,969,000
2. One-Time General Fund for Roads. The Governor included a one-time distribution of General Fund dollars for roads to be divided among the Department (\$68.4 million), Counties (\$68.4 million), and Cities & Villages (\$38.2 million). \$20.0 million from the Department's share is intended to fund 3 Next Generation Technologies projects, including the installation of dedicated short range communications units on roads in four counties, the construction of hydrogen fuel cell charging stations in three locations and a mobility pilot program for seniors and persons with disabilities.	175,000,000
 Priority Maintenance. The Governor included STF increases for the maintenance of bridges (\$8.0 million), culverts (\$8.0 million), and Program development, delivery, and system operations (\$2.0 million). 	18,000,000
4. Transit and Rail Program Adjustments. The Governor included funding increases from the Comprehensive Transportation Fund (CTF) to the following programs: Rail Ops & Infrastructure (\$6.3 million), Transit Capital (\$7.2 million), Local Bus Operating (\$1.0 million), Detroit/Wayne County Port Authority (\$268,200).	14,985,300
 Highway Maintenance Adjustments. The Governor's recommendation included adjustments for increased materials costs (\$4.0 million) and maintenance of 49 new STF lane miles (\$337,600). 	4,337,600

IT Systems Upgrades. The Governor included \$2.0 million to support work station replacement and application modernization.	2,000,000
7. CTF Program Adjustments. The Governor included increases to two CTF funded programs: \$1.2 million to support increased requests from local transit agencies for the Service Initiatives line item and \$175,000 for the Transportation to Work line to support the Blue Water Transportation Commission's Job Access/Reverse Commute (JARC) program.	1,375,000
 Technical Adjustments. The recommendation included adjustments to IDGs (\$893,900) and the Moveable Bridge statutory increase requirement (\$112,400). 	1,006,300
 Federal Funding Adjustments. Increases in federal funding are anticipated for federal highway funds (\$24.0 million), transportation planning (\$2.8 million), and local transit agencies (\$2.0 million); however, a large reduction is anticipated for passenger and freight rail (\$50.1 million). 	(21,045,600)
 Transportation Economic Development Fund Reduction. The Governor's recommendation includes a permanent redirection of Category A funding (targeted industries) to the general fund. 	(13,000,000)
11. Debt Service Adjustments.	(9,502,300)
 Aviation Program Adjustments. Reduced revenue from aviation fuel taxes will result in an overall decrease of funding for Airport Improvement Programs. 	(404,800)
 Other Changes. The Governor's recommendation did not include one-time supplemental funding for the current year: PA 201 of 2017. 	(2,000,000)
14. Economic Adjustments. Includes \$5,926,400 Gross and \$0 GF/GP for total economic adjustments, of which an estimated \$3,772,900 Gross and \$0 GF/GP is for legacy retirement costs (pension and retiree health).	5,926,400
Total Changes	\$355,646,900
FY 2018-19 Governor's Recommendation	\$4,705,089,900

- 1. **Communication with the Legislature.** The Governor removed a section prohibiting the Department from taking disciplinary action against employees who communicate with the Legislature. (Sec. 215)
- 2. **Federal Rule Change Notification.** The Governor removed a requirement that the Department inform the legislature of proposed federal rule changes that would require amendments to Michigan law. (Sec. 217)
- 3. **Remanufactured Parts.** The Governor removed a requirement that the Department prioritize the use of remanufactured parts for the maintenance of its auto fleet. (Sec. 270)
- 4. **Commercial Space at Public Terminals.** The Governor removed a section that required space leased by the Department be rented on a competitive market rate basis and that placed restrictions on uses for lease revenue. (Sec. 305)
- 5. **State Infrastructure Bank Program.** The Governor deleted a subsection that required an annual report on the program to the legislature and the State Budget Office. (Sec. 313)
- 6. **Rest Area Signage.** The Governor removed a section that required signage with contact information be posted for the contractor responsible for rest area maintenance. (Sec. 319)
- 7. **Contractor Payment Process.** The Governor removed a section requiring prompt payment of contractors and Departmental review of the payment process. (Sec. 353)
- 8. **Local Federal Aid Project Review.** The Governor removed a section requiring review of local Federal aid projects within 120 days of receipt. (Sec. 357)
- 9. **Groundbreaking Ceremony Reimbursement Prohibition.** The Governor removed a section prohibiting reimbursement to contractors or consultants for costs associated with groundbreaking ceremonies. (Sec. 375)

- 10. **Billboard Safety Studies.** The Governor removed a section prohibiting safety studies on the impacts of billboards on motorist safety. (Sec. 376)
- 11. E-Verify System Application for all Construction Contracts. The Governor removed a section requiring the use of the E-Verify system to verify that all persons hired by a contractor are legally present and authorized to work in the United States. Removal of this section also relieves the Department of an annual reporting requirement to the legislature on the use of the E-Verify system. (Sec. 381)
- 12. **Final Cost-Sharing.** The Governor removed a section that requires the Department to submit a final cost-sharing bill to local agencies, when applicable, within 2 years after the date of the final contract payment. (Sec. 382)
- 13. **Best Practices.** The Governor removed a section that required the Department to employ and report on best practices for transportation services in the state. (Sec. 393)
- 14. **Funding Prioritization.** The Governor removed a section that required the Department and local agencies to prioritize funding for existing road networks. (Sec. 394)
- 15. **Contractual Eligibility.** The Governor removed a section that required applicants for contractual services, other than construction contracts, meet eligibility requirements. (Sec. 396)
- 16. **Work Project Balances and Federal Earmarks.** The Governor removed a section that required the Department to report annually all work project balances and all federal earmarks not expended for the preceding fiscal year. (Sec. 397)
- 17. **Replacement Buses for Rural Transit Agencies.** The Governor removed a section that required the department to include rural transit buses in its 5310 federal grant application. (Sec. 403)
- 18. **Flooding Mitigation.** The Governor amended this section to require the Department to report on flooding mitigation activities in Wayne, Oakland, and Macomb Counties. (Sec. 605)
- 19. **I-94 Reconstruction in Jackson County.** The Governor removed a section that required the department to fund a rebuilding and modernization project in Jackson County and to prepare the project for the receipt of federal funds. (Sec. 606)
- 20. **Contract Incentives & Disincentives.** The Governor removed a section that required the Department to establish and report annually on contract incentives and disincentives for the prior fiscal year. (Sec. 612)
- 21. Capital Federal Aid Construction Project Reporting. The Governor removed a section that required the department to report on all capital federal aid participating construction projects completed in the prior fiscal year. The Governor removed the report, claiming it was underutilized and required excessive staff time to produce it. (Sec. 613)
- 22. **Alternative Road Surface Materials.** The Governor removed a section that encouraged the Department to examine the use of alternative or recycled materials for road construction. Removal of this section included removal of the annual reporting requirement on the use of such materials. (Sec. 660)
- 23. **Winter Maintenance Truck Refurbishment.** The Governor removed a section requiring the department to investigate and report on any cost savings for the refurbishment of maintenance trucks as opposed to replacement. (Sec. 670)
- 24. Railroad Abandonment Notification. The Governor removed a section that required the Department to notify the Legislature if and when the Department receives notification of a railroad company's intent to abandon a rail line. (Sec. 703)
- 25. Rail Operations and Infrastructure Reporting. The Governor removed a section to require reporting on rail and infrastructure programs. (Sec. 704)
- 26. **Rail Freight Economic Development Spending.** The Governor removed a section that required the department to spend \$2.5 million of Comprehensive Transportation Fund on freight economic development. (Sec. 750)
- 27. Department Ownership and Operation of Airports. The Governor removed a section that encouraged the Department to find private entities or local public agencies to assume ownership and operating responsibility of Department owned airports. (Sec. 802)
- 28. **Aging Aircraft.** The Governor removed a section that required the Department to issue an RFP for competitive bids to manage and sell the Department's aging aircraft fleet. (Sec. 803)
- 29. **Airport Improvement Programs.** The Governor modified a section to require local units of government to provide 50% of any non-federal share of an airport construction or improvement project, up from a 5% minimum. (Sec. 901)

30. One-Time General Fund Distribution for Roads. The Governor included a new section to divide the \$175.0 million of General Fund One-Time dollars appropriated in Part 1. The Section divides the money as follows: \$68,425,000 to the state trunkline for roads and projects for connected vehicles, hydrogen fueling stations, and transportation services for the elderly and persons with disabilities; \$68,425,000 for county road commissions; \$38,150,000 for cities and villages.

Date Completed: 2-14-18 Fiscal Analyst: Michael Siracuse





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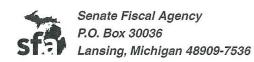
Senate Bill 855 (as introduced) Committee: Appropriations

			CHANGES FROM FY 2017-18 YEAR-TO-DATE	
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	N/A	N/A	N/A	N/A
GROSS	107,580,000	107,580,000	0	0.0
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	107,580,000	107,580,000	0	0.0
Less:				
Federal Funds	0	0	0	0.0
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	107,580,000	107,580,000	0	0.0
Less:				
Other State Restricted Funds	0	0	0	0.0
GENERAL FUND/GENERAL PURPOSE	107,580,000	107,580,000	0	0.0
PAYMENTS TO LOCALS	0	0	0	0.0

FY 2017-18 Year-to-Date Gross Appropriation	\$107,580,000
Changes from FY 2017-18 Year-to-Date: None	0
Total Changes	
FY 2018-19 Governor's Recommendation	\$107,580,000

Boilerplate Changes from FY 2017-18 Year-to-Date: None

Date Completed: 2-14-18 Fiscal Analyst: Cory Savino





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			CHANGES FROM FY 2017-18 YEAR-TO-DATE	
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	1,852.5	1,860.5	8.0	0.4
GROSS	513,929,900	525,354,200	11,424,300	2.2
Less:				
Interdepartmental Grants Received	12,613,700	12,780,300	166,600	1.3
ADJUSTED GROSS	501,316,200	512,573,900	11,257,700	2.2
Less:				
Federal Funds	27,022,600	27,128,000	105,400	0.4
Local and Private	14,543,500	13,163,200	(1,380,300)	(9.5)
TOTAL STATE SPENDING	459,750,100	472,282,700	12,532,600	2.7
Less:				
Other State Restricted Funds	361,381,600	371,069,400	9,687,800	2.7
GENERAL FUND/GENERAL PURPOSE	98,368,500	101,213,300	2,844,800	2.9
PAYMENTS TO LOCALS	186,083,500	161,949,700	(24,133,800)	(13.0)

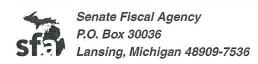
^{*}As of February 7, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$513,929,900
Changes from FY 2017-18 Year-to-Date:	
 Medical Marihuana Excise Fund. The Governor increased administration and grants appropriated from the Medical Marihuana Excise Fund to align with current revenue projections. Of the total increase, \$6,930,000 accounts for increased grants and \$227,100 accounts for increased administration. The increase is all supported by the Medical Marihuana Excise Fund. 	7,157,100
2. Information Technology Rate Increase. The Governor increased the Information Technology line item to account for a rate increase from the DTMB. The increase accounts for 10.0 FTEs and \$2.7 million for continuing mainframe legacy upgrades and \$2.8 million for cloud hosting and security upgrades. The increase is supported by GF/GP.	5,450,000
 State Lottery Staff and Administration. The Governor added 5.0 FTEs and funding in the Bureau of State Lottery due to increased workloads in the Bureau from continued growth in the Michigan Lottery. The increase is all supported by State lottery revenue. 	637,200
4. OPEB Oversight. The Governor included 2.0 FTEs and additional ongoing funding in order to implement the requirements of Public Act 202 of 2017, which require monitoring, evaluating, and reporting on pension and retirement health benefit plans offered by 1,400 local units of government. The increase is all supported by GF/GP.	464,000
5. MI Thrive Program Administration. The Governor included 1.0 FTE and additional ongoing revenue to allow the Department to calculate income tax revenue generated from approved MI Thrive projects that clean up contaminated environmental sites. The funding is supported by the Brownfield Development Fund.	214,300
Technical Adjustment. The Governor increased accounting services to account for a user charge increase. The increase is supported from the IDG Accounting Service Center User Charges Fund.	30,000

7. One-Time and Supplemental Removal. The Governor removed FY 2017-18 one-time appropriations, which include Treasury Operation IT Services (\$2.0 million), City Income Tax Administration (\$1.5 million), Urban Search and Rescue (\$900,000), and a FY 2017-18 supplemental for the Infrastructure Council (\$1.5 million). Of the total removal, \$1.5 million is from the City Income Tax Local Fund, \$1.5 million is from the Michigan Infrastructure Fund, and \$2.9 million is GF/GP.	(5,900,000)
 Administration Efficiency Reduction. The Governor reduced Gross and GF/GP appropriations to the Department Services, Supervision of the General Property Tax Law and Tax Compliance line items due to administrative efficiencies. 	(750,000)
Financial Data Analytical Tool Reimbursement. The Governor removed this ongoing grant program, which was all supported by GF/GP.	(500,000)
10. Restricted Fund Removal. The Governor removed the Emergency 911 Restricted fund from the Tax and Economic Policy line item due to the sunset of authorization for the Department. The decrease was not replaced with another revenue source resulting in a gross reduction to the line item.	(158,700)
 Beat the Streets Removal. The Governor removed this ongoing grant program, which was all supported by GF/GP. 	(100,000)
12. Internal FTE and Fund Transfers. The Governor made a number of internal transfers of FTEs and funds throughout the Department. This included transferring 6.0 FTEs and \$689,000 from Tax Processing, 2.0 FTEs and \$260,600 from Tax Compliance, 3.0 FTEs and \$529,700 from Accounting, and 1.0 FTE and \$223,600 from Collections to Executive Direction; transferring 11.0 FTEs and \$2,073,400 (the Revenue Sharing and Grant Division) from the Office of Revenue and Tax Analysis to the Office of Accounting Services; and Rolling the Financial Independence Team line item (9.0 FTEs and \$4,259,700) into the Supervision of the General Property Tax line item.	0
13. Economic Adjustments. Includes \$4,880,400 Gross and \$1,180,800 GF/GP for total economic adjustments, of which an estimated \$1,013,200 Gross and \$200,100 GF/GP is for legacy retirement costs (pension and retiree health).	4,880,400
Total Changes	\$11,424,300
FY 2018-19 Governor's Recommendation	\$525,354,200

- 1. **Deleted.** The Governor deleted a number of sections, which include: 902a (notification of bond refinancing), 903(4) (RFP for secondary placement collections program), 936 (financial data analytic tool reimbursement), 943 (establishment of a close-loop payment system), 949g (Urban Search and Rescue).
- 2. **Pension Plan Consultant.** The Governor modified language for pension plan consultants that removes language requiring notification that a consultant has been used and provide a rationale for why a consultant was needed, and retained language that the Department must retain any reports provided by consultants and made available upon request. (Sec. 944)
- 3. Lottery Promotion and Advertisement. The Governor modified language for Lottery promotion and advertisement that removed the \$30.0 million cap, but retained language that promotion and advertisement cannot exceed 1% of the prior year's gross sales. (Sec. 964)
- 4. **Transformation Brownfield Plans.** The Governor added new language that requires the payment of captured tax revenue due under approved transformation Brownfield plans, in accordance to statute. (Sec. 949k)
- 5. **Technical Adjustments.** The Governor made a number of technical adjustments to reflect date changes, Part 1 appropriations total, legacy cost estimates, and standardized language. (Secs. 201, 926, and 948)

Date Completed: 2-14-18 Fiscal Analyst: Cory Savino





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CHANGES FROM

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		F	Y 2017-18 YEAR	-TO-DATE
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	N/A	N/A	N/A	N/A
GROSS	1,287,738,100	1,298,609,300	10,871,200	8.0
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	1,287,738,100	1,298,609,300	10,871,200	8.0
Less:				
Federal Funds	0	0	0	0.0
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	1,287,738,100	1,298,609,300	10,871,200	0.8
Less:				
Other State Restricted Funds	1,279,359,000	1,298,609,300	19,250,300	1.5
GENERAL FUND/GENERAL PURPOSE	8,379,100	0	(8,379,100)	(100.0)
PAYMENTS TO LOCALS	1,287,738,100	1,298,609,300	10,871,200	0.8
As of February 7, 2018.				
FY 2017-18 Year-to-Date Gross Appropriati	on		\$1,28	37,738,100
Changes from FY 2017-18 Year-to-Date: 1. Constitutional Revenue Sharing. Govern	nor recommended \$83	2 343 800 for constitution:	al 2	24,732,900
revenue sharing for FY 2018-19, an increestimate for FY 2017-18.				-4,702,000
 City, Village, and Township (CVT) Revenue in FY 2018-19 for nonconstitutional or "statut same ongoing amount as in FY 2017-18. Of that was used for alternative per-capita payr 	tory" payments to cities, Governor removed \$5,8	villages, and townships, th	е	(5,800,000)
	nents to cities, villages,		9	
3. Supplemental City, Village, and Towns time funding for per-capita payments for ci	ship Revenue Sharing	and townships. 3. Governor removed one	-	(6,200,000)
	chip Revenue Sharing ities, villages, and town ities, villages, and town ities, villages, and town ities, villages, and town ities amount would be pring and \$43,218,800 for Common to cover the partial-ye-enter State-paid reversity.	and townships. g. Governor removed one aships. ded a total of \$218,225,50 paid through two line items for the County Incentivunty Revenue Sharing an year cost of three countie	0 s: e d s	(6,200,000) (1,861,700)
time funding for per-capita payments for ci 4. Revenue Sharing Payments to Counties for revenue sharing payments to counties. \$175,006,700 for County Revenue Shar Program. Governor recommended increas \$58,400 for the County Incentive Program (Antrim, Keweenaw, and Mackinac) that re	chip Revenue Sharing ities, villages, and town ities, villages, and town ities. Governor recommend this amount would be pring and \$43,218,800 ses of \$259,000 for Conto cover the partially e-enter State-paid rever 2017-18.	and townships. g. Governor removed one aships. ded a total of \$218,225,50 paid through two line items for the County Incentive unty Revenue Sharing and year cost of three counties enue sharing in 2019. Als Governor recommende	0 5: e d s	,
time funding for per-capita payments for cit. 4. Revenue Sharing Payments to Counties for revenue sharing payments to counties. \$175,006,700 for County Revenue Shar Program. Governor recommended increas \$58,400 for the County Incentive Program (Antrim, Keweenaw, and Mackinac) that removed \$2,179,100 that was added in FY. 5. Financially Distressed Cities, Village.	chip Revenue Sharing ities, villages, and town ities, villages, and town ities. Governor recommend this amount would be pring and \$43,218,800 ses of \$259,000 for Conto cover the partially e-enter State-paid rever 2017-18.	and townships. g. Governor removed one aships. ded a total of \$218,225,50 paid through two line items for the County Incentive unty Revenue Sharing and year cost of three counties enue sharing in 2019. Also Governor recommende ount as in FY 2017-18.	0 s: e d s o d	(1,861,700)

- 1. **CVT Revenue Sharing.** Governor set the amount that an eligible local government can receive at 78.51044% of FY 2009-10 statutory payments, the same as the standard payment in FY 2017-18. Removed the option for CVTs over 7,500 in population to receive payment of \$2.64659 per capita instead of the standard payment. (Sec. 952(1))
- 2. **County Revenue Sharing.** Governor recommended that payments in FY 2018-19 be 100.986% of the payments for which counties are eligible under the Glen Steil State Revenue Sharing Act; reduced from 101.986% in FY 2017-18. (Sec. 955)
- 3. **Financial Distressed CVTs.** Governor added language allowing funds to be used "to administer other projects that move the city, village, or township toward financial stability". (Sec. 956)
- 4. Supplemental CVT Revenue Sharing. Governor removed supplemental CVT revenue sharing program. (Sec. 957)

Date Completed: 2-14-18 Fiscal Analyst: Ryan M. Bergan