



ANALYSIS

Telephone: (517) 373-2768

Fax: (517) 373-1986

			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 CONFERENCE	AMOUNT	PERCENT
FTE Positions	8,541.7	8,734.7	193.0	2.3
GROSS	5,080,319,800	5,003,361,400	(76,958,400)	(1.5)
Less:				
Interdepartmental Grants Received	783,048,800	821,066,200	38,017,400	4.9
ADJUSTED GROSS	4,297,271,000	4,182,295,200	(114,975,800)	(2.7)
Less:				
Federal Funds	811,906,500	808,698,700	(3,207,800)	(0.4)
Local and Private	23,577,600	22,224,700	(1,352,900)	(5.7)
TOTAL STATE SPENDING	3,461,786,900	3,351,371,800	(110,415,100)	(3.2)
Less:				
Other State Restricted Funds	2,210,057,300	2,276,925,900	66,868,600	3.0
GENERAL FUND/GENERAL PURPOSE	1,251,729,600	1,074,445,900	(177,283,700)	(14.2)
PAYMENTS TO LOCALS	1,492,528,000	1,566,674,800	74,146,800	5.0
*As of May 3, 2018.				

See Individual Highlight Sheet for Department Detail

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

Items Included by the Senate and House

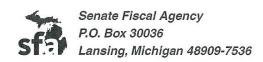
- 1. **Travel Reporting.** The **Governor** removed chairperson of the relevant appropriations subcommittees from recipients of the travel report. The **Senate/House/Conference** maintained the current language. (Sec. 207)
- 2. **Transparency Report.** The **Governor** removed the requirement that each department update web pages quarterly. The **Senate/House/Conference** maintained the current language. (Sec. 211)
- 3. Retention of Reports. The Governor deleted and Senate/House/Conference retained the requirement that all departments and agencies retain all reports funded from appropriations in Part 1. (Sec. 216)
- 4. Communications with Legislators. The Governor deleted and Senate/House/Conference retained the prohibition of departments taking disciplinary action against employees communicating with Legislators or their staff. (Sec. 218)
- Policy Change Reporting Requirement. The Governor deleted and Senate/House/Conference retained a report due April 1 that requires each department to specify policy changes made in order to implement enacted legislation. (Sec. 221)
- 6. **Auditor General.** The **Governor** deleted and **Senate/House/Conference** retained the requirement that departments report within six months after an audit with the implementation of any identified initiatives related to savings and efficiencies found by the Auditor General and required the auditor general to conduct another audit on any noncompliant departments and charge the corresponding department for the cost of performing another audit. (Sec. 229)
- 7. Contingency Plan for Federal Reductions. The Governor deleted and Senate/House/Conference retained the requirement that the budget director report contingency plan recommendations in the event Federal funding sources that are more than \$10.0 million are reduced by 10% or greater. (Sec. 235)
- 8. **Return on Taxpayer Investment.** The **Governor** deleted and **Senate/House/Conference** retained the requirement that the budget director identify new programs and enhancements with program-specific metrics and a follow-up report on the progress made on meeting those metrics for the identified programs and enhancements. (Sec. 240)
- 9. **Technical Modification.** The **Senate/House/Conference** made a number of technical adjustments such as revised dates, spending totals, and definitions. (Secs. 201, 203, 212, and 240)

Conference Agreement on Items of Difference

- 10. Budget Stabilization Fund. The Governor removed the \$150.0 million deposit into the BSF, recommended the deposit of 25% of the FY 2017-18 GF/GP book-closing unassigned ending balance, did not provide an estimate of that amount. The Senate concurred with the Governor's modification and added an additional subsection that requires that an additional 25% of the 2017-18 booking-closing unassigned ending balance be distributed in the following manner: 7.5% to county road repair, 7.5% to city and village road repair, 3.33% to airport improvement, 3.33% to railroad infrastructure improvement, and 3.33% to the waterway economic vitality fund for dredging around harbors. The House/Conference included no deposit to the BSF or that any percentage of the GF/GP book-closing unassigned ending balance be deposited to the BSF. (Sec. 210)
- 11. General Fund Restrictions. The Governor/Senate deleted the prohibition on departments using General Fund appropriations where Federal and Private Funds are available for the same purpose. The House/Conference retained the section. (Sec. 217)

Date Completed: 6-7-18 Fiscal Analyst: Cory Savino

Joe Carrasco Ryan Bergan





Fax: (517) 373-1986

			CHANGES F FY 2017-18 YEAR	-
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 CONFERENCE	AMOUNT	PERCENT
FTE Positions	530.0	531.0	1.0	0.2
GROSS	102,798,800	103,648,900	850,100	0.8
Less:				
Interdepartmental Grants Received	30,470,300	30,386,400	(83,900)	(0.3)
ADJUSTED GROSS	72,328,500	73,262,500	934,000	1.3
Less:				
Federal Funds	9,518,000	9,628,500	110,500	1.2
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	62,810,500	63,634,000	823,500	1.3
Less:				
Other State Restricted Funds	21,561,900	22,427,200	865,300	4.0
GENERAL FUND/GENERAL PURPOSE	41,248,600	41,206,800	(41,800)	(0.1)
PAYMENTS TO LOCALS	0	0	0	0.0
FY 2017-18 Year-to-Date Gross Appropriation	nn		\$10	2,798,800
Changes from FY 2017-18 Year-to-Date: Items Included by the Senate and House				
 FY 2017-18 Supplemental Funding. The total of \$1.6 million in supplemental funding provided \$600,000 in restricted funding from associated with Flint Water Crisis investig 2018 provided \$1.0 million for the Attorn sexual misconduct at Michigan State University 	g added in FY 2017- In the Lawsuit Settlementations and prosecutions Bey General to invest	18. Public Act 158 of ent Proceeds Fund for ons while Public Act	2017 costs 82 of	(1,600,000)
total of \$1.6 million in supplemental funding provided \$600,000 in restricted funding from associated with Flint Water Crisis investig 2018 provided \$1.0 million for the Attorn	ng added in FY 2017- n the Lawsuit Settlementations and prosecution the General to investive the settlementation of the Governor, Setaling \$1.3 million; \$7 costs associated with	18. Public Act 158 of ent Proceeds Fund for ons while Public Act igate systemic issues enate, and House di 700,000 for the Prosect juvenile life without p	2017 costs 82 of s with d not cuting parole	(1,600,000)
total of \$1.6 million in supplemental funding provided \$600,000 in restricted funding from associated with Flint Water Crisis investig 2018 provided \$1.0 million for the Attorn sexual misconduct at Michigan State University 2. Removal of FY 2017-18 One-Time Item include one-time funding for FY 2017-18 to Attorneys Coordinating Council (PACC) for	ng added in FY 2017- n the Lawsuit Settlement attions and prosecution and prosecution and prosecution and prosecution are greatly. In the Governor, Solution and the settlement Proceeding Settlement Proceeding and the settlement and the settlement proceeding and the settlement procedure.	18. Public Act 158 of ent Proceeds Fund for ons while Public Act igate systemic issues enate, and House di 700,000 for the Prosect iguvenile life without particle management system in the Governor, Senate aintain the full \$2.6 rds Funds. These funds Flint investigations	2017 costs 82 of s with d not cuting parole m. e, and nillion ls are . The	

 Economic Adjustments. Includes \$1,403,400 Gross and \$558,200 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). 	1,403,400
Conference Agreement on Items of Difference	
6. OK2SAY Program. Senate: Added an additional \$500,000 in GF/GP funding to enhance this program to combat bullying and promote public awareness of the program, including the availability of the OK2SAY hotline and website. House: Added \$2.3 million in additional funding. Conference: Increased funding by \$1.0 million. Total funding for this program for FY 2018-19 is \$1,470,000.	1,000,000
7. One-Time Funding. Senate: Added one-time funding for two items totaling \$800,000 Gross; \$100,000 GF/GP. A total of \$700,000 in restricted funding is included for the Prosecuting Attorneys Coordinating Council (PACC) for costs associated with juvenile life without parole cases and a total of \$100,000 GF/GP is included for the PACC to provide additional forensic interviewing trainings. House: Did not include this funding. Conference: Concurred with Senate.	800,000
8. Bad-Faith Patent Infringement. House: Removed restricted funding totaling \$180,000 for bad-faith patent infringement due to sufficient funding in a work project. Conference: Concurred with House.	(180,000)
 FY 2018-19 One-Time Gross Appropriations. The Conference Report includes two one- time items totaling \$800,000 (\$100,000 GF/GP). A total of \$700,000 in restricted funding is provided for Juvenile Life without Parole cases and a total of \$100,000 is provided to PACC for forensic trainings. 	
Total Changes	\$850,100
FY 2018-19 Conference Report Ongoing/One-Time Gross Appropriation	\$103,648,900
Amount Over/(Under) GF/GP Target:	\$0

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

Items Included by the Senate and House

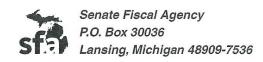
- 1. **Boilerplate Structure. Governor:** Moved boilerplate from the FY 2017-18 general sections that applied to all General Government budgets to the Article for the Department of Attorney General. Changes to those items can be found in the highlight sheet for the **General Sections. Senate, House, and Conference:** Retained current law structure for the general sections.
- 2. 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. Senate, House, and Conference: Concurred with Governor. (Sec. 315)

Conference Agreement on Items of Difference

- 3. **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. **Senate:** Concurred with Governor. **House:** Retained current law. **Conference:** Concurred with Governor. (Current Law Sec. 301a)
- 4. 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: Increased allowable use amount to \$2.6 million. Senate: Concurred with Governor but retains report. House: Concurs with Senate and deleted the allowance of funding for the Bad-Faith Patent Infringement Claims Act and capped the hourly rate for any attorneys retained at \$250. Conference: Concurs with House. (Sec. 314)

- 5. Juvenile Life without Parole. Language states that the \$700,000 appropriated in Part 1 is to be used for investigations, crime victim rights, prosecutions and appeals for retroactive juvenile life without parole cases. Also requires a report to be submitted by September 30. Governor: Deleted section. Senate: Retained section and added language stating that the funding will come from the Lawsuit Settlement Proceeds Fund. House: Revised language to limit the amount of authorized funds to be spent as work projects to \$700,000. Conference: Concurs with Senate. (Sec. 314a)
- 6. **NEW. Address Confidentiality Program. Senate:** Added new language requiring the Attorney General to develop the address confidentiality program that allows individuals to participate if he or she is a victim of domestic violence, stalking, human trafficking, or sexual assault, or is at risk of physical harm if his or her address is disclosed. **Conference:** Concurs with Senate and adds language stating that section becomes effective upon enactment of Senate Bill 655 of the 99th Legislature. (**NEW** Sec. 316a)
- 7. **NEW. Forensic Interviewing. Senate:** Added new language requiring the one-time funding provided in part 1 to be used to provide additional forensic interviewing training sessions in order to meet demand. **Conference:** Concurs with Senate and adds language stating that funding is intended to fund trainings for Child Advocacy Centers and local prosecutors. (**NEW** Sec. 318)
- 8. **NEW. Wrongful Imprisonment Compensation Fund. Senate:** Added new language requiring a quarterly report listing all payments made from the fund, the known pending cases requiring a payment in the next quarter, and the fund balance at the end of each reported quarter. **Conference:** Concurs with Senate and adds language requiring that the Department include the number of claims filed and the corresponding amount of the settlement. (**NEW** Sec. 319)

Date Completed: 6-7-18 Fiscal Analyst: Joe Carrasco, Jr.





Fax: (517) 373-1986

			CHANGES FI FY 2017-18 YEAR-	-	
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 CONFERENCE	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	
FY 2017-18 Year-to-Date Gross Appropriation	on		\$1	6,249,600	
FY 2017-18 Year-to-Date Gross Appropriation	on		\$1	6,249,600	
FY 2017-18 Year-to-Date Gross Appropriation	ns. The Governor, S totaling \$150,000 for a	enate, and House di	d not	6,249,600 (150,000)	
Changes from FY 2017-18 Year-to-Date: Items Included by the Senate and House 1. Removal of FY 2017-18 One-Time Item include one-time funding for FY 2017-18 to	ns. The Governor, S totaling \$150,000 for a nunity. ent of Licensing an nding to DLARA to ad	enate, and House did a needs assessment o	d not of the . The	· ·	
FY 2017-18 Year-to-Date Gross Appropriation Changes from FY 2017-18 Year-to-Date: Items Included by the Senate and House 1. Removal of FY 2017-18 One-Time Item include one-time funding for FY 2017-18 to deaf, deaf/blind, and hard of hearing commod consideration. 2. Transfer of Deafness Fund to Departm Governor, Senate, and House transfer funding for Funding for Funding Covernor, Senate, and House transfer funding for Funding Covernor.	ns. The Governor, Stotaling \$150,000 for sometime. The content of Licensing and an	enate, and House did a needs assessment of d Regulatory Affairs account for the fees account for the fees account for total econ	d not of the The tually	(150,000)	
FY 2017-18 Year-to-Date Gross Appropriation Changes from FY 2017-18 Year-to-Date: Items Included by the Senate and House 1. Removal of FY 2017-18 One-Time Item include one-time funding for FY 2017-18 to deaf, deaf/blind, and hard of hearing commoderation of the properties of the collected by DLARA for certifying deaf interest of the col	ns. The Governor, Stotaling \$150,000 for sinunity. ent of Licensing and an and the properties. Of Gross and \$165,50 er \$137,600 Gross and retiree health).	enate, and House did a needs assessment of d Regulatory Affairs, ecount for the fees act to GF/GP for total econt a negative \$112,700 G	d not of the The tually omic F/GP	(150,000)	
Changes from FY 2017-18 Year-to-Date: Items Included by the Senate and House 1. Removal of FY 2017-18 One-Time Item include one-time funding for FY 2017-18 deaf, deaf/blind, and hard of hearing commoderate of Deafness Fund to Departm Governor, Senate, and House transfer funcilected by DLARA for certifying deaf intems. 3. Economic Adjustments. Includes \$194,9 adjustments, of which an estimated negative is for legacy retirement costs (pension and	ns. The Governor, Stotaling \$150,000 for sometiment of Licensing and an ending to DLARA to accept the second state of the seco	enate, and House did a needs assessment of d Regulatory Affairs, ecount for the fees act to GF/GP for total econ a negative \$112,700 G	d not of the The tually omic F/GP	(150,000) (93,400) 194,900	

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

Items Included by the Senate and House

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**. **Senate, House, and Conference:** Retained current law structure 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. **Senate, House, and Conference:** Concurred with Governor. (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. **Senate, House, and Conference:** Concurred with Governor. (Sec. 410)

Date Completed: 6-7-18 Fiscal Analyst: Joe Carrasco, Jr.





Fax: (517) 373-1986

			CHANGES F FY 2017-18 YEAR	-	
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 CONFERENCE	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 May 3, 2018. FY 2017-18 Year-to-Date Gross Appropriation	on			\$6,848,500	
Changes from FY 2017-18 Year-to-Date:					
Items Included by the Senate and House					
 Executive Office Operations. The Governoverall increase for Executive Operations. 	2.0%	105,400			
 Unclassified Salaries. The Governor, Se \$26,200 for total funding of \$1,333,500 for 	g by	26,200			
Total Changes				\$131,600	
FY 2018-19 Conference Report Ongoing/On	e-Time Gross Appro	priation		\$6,980,100	
Amount Over/(Under) GF/GP Target:				\$0	

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

1. There is no boilerplate for the Executive Office.

Date Completed: 6-7-18 Fiscal Analyst: Joe Carrasco, Jr.





Fax: (517) 373-1986

			CHANGES FROM FY 2017-18 YEAR-TO-D	
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 CONFERENCE	AMOUNT	PERCENT
FTE Positions	0.0	0.0	N/A	N/A
GROSS	179,561,000	183,050,500	3,489,500	1.9
Less:				
Interdepartmental Grants Received	5,709,200	5,823,400	114,200	2.0
ADJUSTED GROSS	173,851,800	177,227,100	3,375,300	1.9
Less:				
Federal Funds	0	0	0	0.0
Local and Private	400,000	400,000	0	0.0
TOTAL STATE SPENDING	173,451,800	176,827,100	3,375,300	1.9
Less:	0.047.400	0.400.400	450,000	0.5
Other State Restricted Funds GENERAL FUND/GENERAL PURPOSE	6,247,100	6,403,100	156,000	2.5
PAYMENTS TO LOCALS	167,204,700	170,424,000	3,219,300	1.9
As of May 3, 2018.	0	<u> </u>	U	0.0
FY 2017-18 Year-to-Date Gross Appropriati Changes from FY 2017-18 Year-to-Date:	011		Ψ1	79,561,000
_				
Items Included by the Senate and House				
 Removal of FY 2017-18 One-Time Iter include one-time funding for FY 2017-18 upgrade and integration of the legislative of 	totaling \$3.0 million (all GF/GP) that funder	d the	(3,000,000)
 Auditor General Adjustment. Governor, increase for Auditor General operations. T is general fund. Funding for the Auditor G for FY 2018-19. 	he increase totaled \$	651,800 of which \$498	3,200	651,800
Conference Agreement on Items of Difference	<u>!</u>			
3. Legislative Adjustment. The Governor, the Legislature by a total of 3.0% (excluincrease of \$1.2 million overall while the Hamiltonian The House and Senate Fiscal Agencie Legislative Council received an increase of an increase of \$140,100. The Binsfeld Council the Cora Anderson House Building Governor included additional funding of \$2 (\$133,200 for general operations and \$93 Funding for the Legislature totals \$157.3 Conference: Concurred with Governor ar Senate and House operations line items.	uding one-time funds) louse received an ove s received an increa f \$449,100 while the F office Building receive received increases tot 126,200 for the State C 13,000 for restoration, million (\$152.5 millio). The Senate receive rall increase of \$1.7 m are of \$96,900 each. Retirement System received an increase of \$240 aling \$353,100. Finally capitol Historic Site line renewal and maintenant GF/GP) for FY 201	d an illion. The eived 0,900 /, the item nce).	5,087,700

Amount Over/(Under) GF/GP Target:	\$0
FY 2018-19 Conference Report Ongoing/One-Time Gross Appropriation	\$183,050,500
Total Changes	\$3,489,500
 FY 2018-19 One-Time Gross Appropriations. The Conference Report included one item for \$750,000 for the upgrade and integration of the legislative computer system. 	
 University Title IX Operations Audit. House: Included \$750,000 to support new auditors necessary to complete university Title IX operations audits as required under the bill. Conference: Not included. 	0
 Forensic Science Commission. House: Included a \$100 placeholder for the creation of the Commission pending legislation. Conference: Not included. 	0
5. One-Time Funding. Governor: Included a total of \$750,000 in one-time funding for the upgrade and integration of the legislative computer system (Chamber Automation System). Senate: Concurred with Governor and added a \$100 placeholder for the Criminal Justice Policy Commission. House and Conference: Concurred with Governor and did not include the \$100 placeholder for the Criminal Justice Policy Commission.	750,000
4. National Association Dues. Governor and House: 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. Senate: Maintained current-year funding of \$454,700. Conference: Concurred with Senate.	0

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

Items Included by the Senate and House

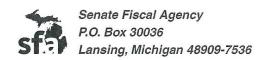
- 1. **Boilerplate Structure. Governor:** Moved boilerplate from the FY 2016-17 general sections that applied to all General Government budgets to the Article for the Legislature. Changes to those items can be found in the highlight sheet for the **General Sections**. **Senate, House, and Conference:** Retained current-law structure 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. **Senate, House, and Conference:** Concurred with Governor. (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 **Senate, House, and Conference:** Concurred with Governor. (Sec. 606)
- 4. Legislative Automated Data 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. Senate, House, and Conference: Concurred with Governor. (Sec. 607)
- 5. 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. Senate, House, and Conference: Concurred with Governor. (Sec. 616)

Conference Agreement on Items of Difference

- 6. **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. **Senate:** Retained language and updated the figures as follows: Total legacy costs are estimated at \$29,587,600. Of the total, Pension-related legacy costs are estimated at \$13,640,400 and retiree health care legacy costs are estimated at \$15,947,200 for fiscal year ending September 30, 2019. **House:** Concurred with Governor. **Conference:** Concurred with Senate. (Sec. 615)
- 7. **NEW.** Legislative Auditor General Title IX Audits. House: Adds new language requiring the Auditor General to conduct an audit of the title IX operations of each public university at least once every three years. **Conference:** Did not include. (NEW Sec. 625)

Date Completed: 6-7-18 Fiscal Analyst: Joe Carrasco, Jr.

AMOUNT



FULL-TIME EQUATED (FTE) CLASSIFIED

POSITIONS/FUNDING SOURCE



FY 2018-19

CONFERENCE

FY 2017-18

YEAR-TO-DATE*

Telephone: (517) 373-2768

CHANGES FROM FY 2017-18 YEAR-TO-DATE

Fax: (517) 373-1986

PERCENT

0

FTE Positions	1,586.0	1,586.0	0.0	0.0
GROSS	258,358,500	246,662,800	(11,695,700)	(4.5)
Less:				
Interdepartmental Grants Received	20,000,000	20,000,000	0	0.0
ADJUSTED GROSS	238,358,500	226,662,800	(11,695,700)	(4.9)
Less:				
Federal Funds	5,460,000	1,460,000	(4,000,000)	(73.3)
Local and Private	50,100	50,100	0	0.0
TOTAL STATE SPENDING	232,848,400	225,152,700	(7,695,700)	(3.3)
Less:				
Other State Restricted Funds	208,709,400	206,686,400	(2,023,000)	(1.0)
GENERAL FUND/GENERAL PURPOSE	24,139,000	18,466,300	(5,672,700)	(23.5)
PAYMENTS TO LOCALS	1,215,900	1,215,900	0	0.0
As of May 3, 2018.				
FY 2017-18 Year-to-Date Gross Appropriation			\$258.3	358,500
 Removal of FY 2017-18 One-Time Appropr a total of \$9.0 million Gross, \$5.0 million GF/G GF/GP for voting machine replacements. P Federal funding for HAVA grants. 	P. Public Act 158 of 2	017 provided \$5.0 mil	lion	000,000)
 Driver License Contracting Costs. Governor, Senate, and House 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. 				
	ling the current contra	ct with the State's ven		925,000
	ling the current contrading the current contrading personal identification. The contrading the current contradiction is a contradiction of the current contradiction. The current cur	ct with the State's ven n cards. use included additioned IT costs. Funding ged to the Departmentund a project to creat	onal 8 of by e a	925,000

5. Replacement of GF/GP with Restricted Funds. Governor: General Fund/General

the State by \$1.1 million in FY 2018-19. Senate: Concurred with Governor.

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

2 070 200

Amount Over/(Under) GF/GP Target:	\$0
FY 2018-19 Conference Report Ongoing/One-Time Gross Appropriation	\$246,662,800
Total Changes	(\$11,695,700)
8. Debit and Credit Card Fee Assessments. House: Removed the line item and the \$8.0 million authorization in restricted funds but retained the boilerplate language that allows the Department to collect and expend the fee revenue necessary to pay the fees charged by the debit and credit card companies. Conference: Concurred with House.	(8,000,000)
7. Branch Operations. Senate: Added additional funding of \$1.0 million in restricted funding and 100.0 FTE positions for costs associated with driver license reinstatement due to elimination of driver responsibility fees which are repealed effective October 1, 2018. House: Included the \$1.0 million in funding but funded with GF/GP and did not include the 100 FTES. Conference: Did not include funding or FTEs.	0
Conference Agreement on Items of Difference	
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

6 Feanamia Adjustments Includes \$2,070,200 Cross and \$475,600 CE/CD for total

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

Items Included by the Senate and House

- 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. Senate, House, and Conference:** Retained current-law structure for the general sections.
- 2. **Buena Vista Branch Office.** Requires the Department to maintain a full service branch office in Buena Vista Township. **Governor:** Eliminated section. **Senate, House, and Conference:** Retained current law. (Sec. 718)
- 3. 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. Senate, House, and Conference: Concurred with Governor. (Sec. 725)

Conference Agreement on Items of Difference

- 4. Business Application Modernization Project Report. Requires a report of the total funds expended for the business application modernization project, start dates, costs, and penalties paid to the state by the contract provider. Governor: Eliminated section. Senate: Revised language to refer to the new customer and automotive records systems project (CARS) program. House and Conference: Concurred with Governor. (Sec. 716b)
- 5. **Election Oversight.** Language states that of the funds appropriated in part 1, the Office of Investigative Services may use available funds to conduct investigations of any reported irregularities in a local, state, or national election. **Senate:** Deleted language. **House:** Retained current law. **Conference:** Concurred with Senate. (Current Law Sec. 719)
- 6. **NEW. Voting Machines for High Schools. Senate:** Added new language requiring the Department of State to make at least one voting machine available to at least one high school in each regional prosperity region for the purpose of allowing pupils to become familiar with the voting process in a simulated voting simulation. **House:** Did not include. **Conference:** Concurred with Senate. (**NEW** Sec. 719)

- 7. **NEW. Sec. 720. Post-Election Audits. House:** Added new language requiring the Department of State to develop a plan to enhance post-election audit procedures to ensure machine-tabulated vote accounts are counted and reported accurately. **Senate:** Did not include. **Conference:** Concurs with House. (**NEW** Sec. 720)
- 8. **NEW. Expiration of Authorization for Additional FTEs. Senate:** Added new language stating that the addition of 100.0 FTE positions in the Branch Operations line item are temporary positions whose authority shall expire on March 1, 2019. **House and Conference:** Did not include. (**NEW** Sec. 720a)
- 9. **NEW. Plug-In Electric Vehicles. Senate:** Added new language requiring the Department of State to provide certain information regarding plug-in electric vehicles. This information shall include the number of total registrations of these vehicles in the state, the classifications as to whether fully electric or hybrid, and the zip codes of where those vehicles are located. The purpose of this data collection is in an effort to best provide DC fast charging stations across the state. **House and Conference:** Did not include. (**NEW** Sec. 723)

Date Completed: 6-7-18 Fiscal Analyst: Joe Carrasco, Jr.



FULL-TIME EQUATED (FTE) CLASSIFIED



FY 2018-19

FY 2017-18

Telephone: (517) 373-2768

CHANGES FROM FY 2017-18 YEAR-TO-DATE

Fax: (517) 373-1986

POSITIONS/FUNDING SOURCE	YEAR-TO-DATE*	CONFERENCE	AMOUNT	PERCENT
FTE Positions	1,447.0	1,450.0	3.0	0.2
GROSS	1,179,421,800	1,115,295,600	(64,126,200)	(5.4)
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	1,179,421,800	1,115,295,600	(64,126,200)	(5.4)
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	346,528,100	(64,628,000)	(15.7)
Less: Other State Restricted Funds	206 056 700	205 422 200	(624 400)	(0.2)
Other State Restricted Funds GENERAL FUND/GENERAL PURPOSE	206,056,700 205,099,400	205,432,300 141,095,800	(624,400) (64,003,600)	(0.3)
PAYMENTS TO LOCALS	11,300,000	31,400,000	20,100,000	(31.2) 177.9
	11,300,000	31,400,000	20,100,000	177.9
*As of May 3, 2018.				
FY 2017-18 Year-to-Date Gross Appropriati	on		\$1,17	' 9,421,800
Changes from FY 2017-18 Year-to-Date:				
Items Included by the Senate and House				
·				
 Workforce Development Program. The of the Workforce Development Program (Warmount for the Employment and Training funds. 	DP) due to an incre	ase in the Federal av	vard	501,000
 Drinking Water Declaration of Emerge included a \$100 placeholder in one-time a the Drinking Water Declaration of Emerger 	appropriations to allow	for potential transfers		100
 Community College Skilled Trades Equi Conference changed the fund source for the Penalties and Interest revenue. 	. •			0
 Technical Adjustments. The Governor calculations and made a number of adjustr Federal funds and the 21st Century Jobs increases. 	nents to line items that	t were supported by var	ious	(1,653,900)
 Internal FTE and Appropriation Transf made a number of internal transfers throu 12.0 FTEs and \$2.5 million in Federal fur Executive Direction; transferring \$2.3 million Investment Agency Executive Direction; and Bank Fast Track Authority. 	ghout the Department nds from the UIA and on in Federal funds fro	t. This included transfer WDA to the Departme m WDP to WDA and Ta	rring ent's alent	0
 Economic Adjustments. Includes \$2,6 economic adjustments, of which an estim legacy retirement costs (pension and retire) 	ated \$136,000 Gross			2,693,700

Conference Agreement on Items of Difference

7. **Michigan Enhancement Grant**. The **Senate** continued or included new Michigan enhancement grants, which are outlined in boilerplate section 1047 and is all supported by GF/GP. The **Conference** included two grants outline in section 1047 and is all support by GF/GP.

1,350,000

8. **Pure Michigan**. The **Senate/Conference** included a \$1.0 million Gross and GF/GP increase to Pure Michigan.

1,000,000

9. **UIA Placeholder.** The **Senate** included a \$100 placeholder in the UIA to pay off the UIA debt owed from the dissolved Inkster School district. The **Conference** did not include.

100

10. 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. The Senate concurred with the Governor's removal of FY 2017-18 one-time appropriations except Arts and Culture Grants (\$1.0 million) and included the removal of Project Rising Tide (\$2.0 million). The House included Arts and Culture Grant (\$1.0 million) and Project Rising Tide (\$1.0 million). The Conference included \$1.0 million for Arts and Culture Grants and \$1.0 million for Project Rising Tide.

(45,597,000)

11. **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. The **Senate** concurred with the \$5.5 million Gross and GF/GP reduction but maintained \$25.0 million as Penalties and Interest revenue. The **House** concurred with the \$5.5 million Gross and GF/GP, rolled out the At-Risk Youth Grants (\$3.0 million) and maintained \$28.4 million as Penalties and Interest Revenue. The **Conference** concurred with the \$5.5 million Gross and GF/GP, rolled out the At-Risk Youth Grants (\$3.0 million) and fund shifted \$22.0 million throughout the Talent Investment Agency.

(5,500,000)

12. **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. The **Senate** reduced the program by an additional \$10,237,000 Gross and GF/GP under the Governor. Total appropriations is \$100.1 million Gross for FY 2018-19. The **House** reduced the line item \$10,379,900 below the Gov, appropriating \$100.0 million Gross for FY 2018-19. The **Conference** reduced the line item \$5.0 million Gross and GF/GP below the Governor.

(10,120,100)

13. **Community Venture Reduction.** The **Governor/Senate** 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 and Senate transferred 7.0 FTEs and \$1.5 million Penalties and Interest revenue to Workforce Development Administration (WDA). The **House** reduced the line item \$1.5 million below the Governor. The **Conference** reduced the line item \$1.0 million below the governor, appropriating \$4.0 million Gross and Penalties and Interest Revenue for FY 2018-19.

(4,300,000)

14. **Entrepreneurship Eco-System.** The **Governor/Senate/Conference** reduced the program by \$1.5 million Gross and 21st Century Jobs Trust Fund dollars. Also, the Governor changed the fund source for \$500,000 of 21st Century Job Trust Fund revenue to GF/GP. The \$2.0 million in total 21st 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. The **House** included an additional \$1.0 million above the Governor.

(1,500,000)

15. Land Bank Fast Track Authority. The Governor/Senate/Conference removed \$1.0 million in ongoing appropriations to the Authority while adding 3.0 FTEs. The **House** reduced the line item \$500,000 Gross and GF/GP below the Governor.

(1,000,000)

16. FY 2018-19 One-Time Gross Appropriations. The Conference include a number of one-time appropriations, which include: Arts and Culture Grants (\$1.0 million), Going Pro (10.0 million), Special Grants (\$1.35 million), Project Rising Tide (\$1.0 million), Entrepreneurship Ecosystem (\$2.5 million), and the Drinking Water Declaration of Emergency placeholder (\$100).

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

Items Included by the Senate and House

- Senate Deleted Sections. The Governor/Conference deleted a number of sections, which include: 1038 (FRIB report), 1040 (Department's use of an accounting system), 1048 (Entrepreneurship Eco-System grant, 1051 (Talent Marketing metric requirement), 1054 (Protect and Grow metric requirement), 1055 (DTED-Grant), 1067 (Helmets to Hardhats), 1069 (Focus Hope),
- 2. Section Deleted by the Governor and retained by the Senate/House/Conference. The Governor deleted and Senate/House/Conference retained a number of sections, which include: 1010 (Jobs for Michigan Investment Fund report), 1033 (Michigan Film and Media Office activity report), 1041 (limits the amount that can be transferred to Business Attraction and Community Development to no more than 60% before April 1), 1053 (Arts and Culture Grants), 1071 (Jobs for Michigan's Graduates Program), and 1084 (Going Pro metric requirement).
- 3. **Date Modification.** The **Governor** changed the reporting data for a number of sections from March 15th to April 10th. The **Senate/House/Conference** maintained the current March 15th due date. (Secs. 1005, 1009, 1034, 1038, 1050, 1068, and 1079)
- 4. **Going Pro Administration.** The **Governor/Senate/House/Conference** expanded the language for "skilled trades training program" and "jobs created, jobs retained" for Going Pro administration. (Sec. 1065)
- 5. **Technical Modifications.** The **Governor/Senate/House/Conference** 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, 1040, 1043, 1044, 1050, 1053, 1076, 1084)

Conference Agreement on Items of Difference

- 6. Section Deleted by the Governor and retained/modified by the Conference. The Governor deleted and Conference retained or modified a number of sections, which include: 990 (the Conference maintained the current MSHDA report), 1047 (the Conference included two Special Grants), 1052 (Rising Tide metric requirement), 1070 (Graduation for Life grant), 1080 (Community Venture matching allowance), 1081 (Statewide System for Data Integration status report), and 1082 (Sustainable Employment Pilot status report).
- 7. **Michigan Strategic Fund.** The **House/Conference** rolled out the Michigan Strategic Fund reporting requirements section into three different section for statutorily required reports (Sec. 1004), boilerplate required reports (Sec. 1006), and an Michigan Economic Development Corporation budget and activity report (Sec. 1007).
- 8. **Broadband Bond Restriction**. The **Senate/Conference** included a new section that restricts the Department, MSF, and MSHDA from issuing or refinancing any bonds relating to broadband. (Sec. 983)
- Waterway Economic Vitality Fund. The Senate created a new fund and program that provides grants towards the
 dredging of waterways around harbors for the purpose of maintaining the economic vitality of those harbors and allows
 remaining funds to be carried forward into a work project. The Conference did not include. (Sec. 1004)
- 10. **UIA Placeholder.** The **Senate** included a \$100 placeholder in the UIA to pay off the UIA debt owed from the dissolved Inkster School district. The **Conference** did not include(Sec. 1072)
- 11. **UIA Fraudulent Claim RFP**. The **Senate** included a new section that requires that the UIA issue a \$300,000 RFP for a pilot project that assists in analyzing, reviewing, and dispositioning the high-volume of fraudulent claims using cloud-based solutions. The **Conference** did not include(Sec. 1077)

12. **Going Pro Line Item Report**. The **House/Conference** included a new report that includes the expenditure of the Going Pro line items by program/grant type for the prior fiscal year and projected expenditures for the current fiscal year. (Sec. 1064)

Date Completed: 6-7-18 Fiscal Analyst: Cory Savino

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



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



ANALYSIS

Telephone: (517) 373-2768

CHANGES FROM

Fax: (517) 373-1986

			FY 2017-18 YEAR	EAR-TO-DATE	
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 CONFERENCE	AMOUNT	PERCENT	
FTE Positions	2,937.0	3,116.0	179.0	6.1	
GROSS	1,412,643,200	1,347,108,600	(65,534,600)	(4.6)	
Less:					
Interdepartmental Grants Received	713,959,000	751,777,000	37,818,000	5.3	
ADJUSTED GROSS	698,684,200	595,331,600	(103,352,600)	(14.8)	
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	587,826,900	(103,427,600)	(15.0)	
Less:	444 000 000	444.007.400	0.000.400	0.4	
Other State Restricted Funds	111,399,300	114,037,400	2,638,100	2.4	
GENERAL FUND/GENERAL PURPOSE	579,855,200	473,789,500	(106,065,700)	(18.3)	
PAYMENTS TO LOCALS	0	0	0	0.0	
As of May 3, 2018.					
FY 2017-18 Year-to-Date Gross Appropria	tion		\$1,41	12,643,200	
Changes from FY 2017-18 Year-to-Date:			-		
Items Included by the Senate and House					
 FY 2017-18 Supplemental Funding. Go added in FY 2017-18 by Public Act implementation of House Bill 4644 (a bi motor vehicles), contingent on the bill's e 	201 of 2017 that all that establishes size	llocates \$100,000 for	r the	(100,000)	
 Removal of FY 2017-18 One-Time Items. 0 2017-18 totaling \$82.0 million (all GF/GP) an 		•	•	32,025,100)	
 Procurement Improvement Plan Confunding and 6.0 FTEs to improve prorelationship management, contract madevelopment certification program for processing the processing of the proce	ocurement services su anagement, and an e	ch as permanent sup nterprisewide profess	oplier	891,900	
 Financial Services Support. Gov and Sena increased workload related to procurement of 				559,400	
 DTMB BOC Special Maintenance. Of Department's IDG allowance for building of and other building service contracts such a 	perating costs to accomn	nodate increased utility	costs	1,800,000	
 Technical Adjustments for IT. Gov and with department and agency actual cur funding by \$31.0 million and 10.0 FTEs. 				31,023,400	
 Professional Development Funds authorization for professional development based on approved civil service contracts 	ent funds for non-repres			(50,000)	
8. State Police Employees Retirement S decrease funding to adjust for a decline in payments have been made for these retire	the number retirement	beneficiaries. Supplem	nental	(87,000)	

FY 2018-19 TECHNOLOGY, MA	NAGEMENT, AND BUDGET	H.B. 5567 (CR-1):	CONFERENCE REPORT
 School Reform Office Tra the transfer of the School Re Order 2017-5 which transfe 	nsferred to Department of Education where the Office partment of Education where the Office	n. Gov and Senate include ation pursuant to Executive TEs for the School Reform	(3,353,800)
to better align with the appropriated FTEs that a exceed their appropriated F	Senate adjusted FTE allocations by add opriated funds and the associated povices funding unit. The Department has allocated as needed by the agency. FTE count related to increases in federator conversions and IT talent reternent.	sitions across several lines has both appropriated and The Department expects to erally mandated programs,	0
	Includes \$8,086,400 Gross and \$1 hich an estimated \$1,054,600 Gross his and retiree health).		8,086,400
Conference Agreement on Item	s of Difference		
	onference: Added a total of \$12.4 mil sed pension and OPEB annual requir		12,400,000
Regional Prosperity Initiative	s. Gov increased funding by \$1.5 million Funding will be used to encourage lo ant regional economies. Senate and H urred with Gov.	cal private, public, and non-	1,500,000
FTEs to support expenses Office services across the p	anagement Services. Gov and Senat associated with expanding the Enterportfolio of the information technology of tinclude funding. Conference: Concu	orise Portfolio Management projects across all of State	2,010,000
comply with the DTMB Act projects authorized for cons 2018-19, however, \$18.4 mi expense thus only an addition million increase for commur increase for state agencies; 2019-1 added an additional with Gov and added an a	idjusted SBA rent payments by a total which requires that SBA rent payment struction. The increase in rental payment lion is available in existing authorization all \$19.2 million is needed. The adjustrity colleges; a \$2.7 million decrease for and a \$10.5 million increase for university of the adjustriant and a \$10.5 million increase for university of the adjustriant and a \$10.5 million increase for university of the adjustriant and a \$10.5 million increase for university of the adjustriant and a \$10.5 million for debt service for Veterans additional \$5,250,000 GF/GP pursuant million from Gov. Conference: Maintain 9.	s be made associated with this total \$37.6 million for FY in to cover nearly half of that ments are as follows: a \$5.5 or corrections; a \$5.9 million ersities. Revised Gov. Rec. homes. Senate: Concurred to senate target. House:	0
of Senate Bill 747 of the 99 services up to \$1,600,000 seligible members as presonant	Senate: Added new language stating the Legislature, from the funds appropriated the costs of retical because in Senate Bill 747 of the 99th the funding for an ORS actuarial study.	ated in Part 1 for retirement rement benefits for certain Legislature. Conference:	6,000
contingent on passage of H in Part 1 for retirement serv analysis to determine the o	irement Benefits. House: Added rouse Bill 5411 of the 99th Legislature, for actuarial analysis shall be us costs incurred by the State Employee be Bill 5411 of the 99th Legislature. Con ORS actuarial study.	rom the funds appropriated sed to conduct an actuarial s Retirement System as a	4,000
provide continued support for talented information technology	ustment. Gov includes additional funding ray per-performance incentives in an allogy personnel. Senate: Reduced Government include this funding. Conference: Fation of \$1.0 million.	effort to retain important and bov's additional funding by	

Page 20 of 30 HItre rs_cr.docx

19. One-Time Funding. Gov included a total of \$420,100 in one-time Restricted 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 Govdeclared 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. Senate: Included two additional \$100 placeholders; one for Census related services and one for the Broadband initiative. House: Concurred with Gov. Conference: Did not include the \$420,000 in funding for the Michigan Civilian Cyber Corps but did retain Gov's \$100 for the Drinking Water Declaration of Emergency Reserve Fund and Senate's \$100 placeholder for the Broadband initiative.	200
20. IT Investment Fund (ITIF) Reduction. Gov and Senate 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. Gov also removed \$7.5 million of one-time funding for total funding of \$40.0 million for FY 2018-19. House: Reduced funding by a total of \$43.7 million. Conference: Reduced the ITIF line item by \$30.0 million and concurred with the removal of \$7.5 million in one-time funding. Total funding for FY 20108-19 is \$35.0 million.	(37,500,000)
21. Homeland/Cyber Security Reduction. Gov and Senate 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. House: Reduced funding by a total of \$2.0 million. Conference: Reduced funding by a total of \$1.5 million.	(1,500,000)
22. IT Services and Projects. House: Reduced funding by \$200,000 per House target. Conference: Concurred with House.	(200,000)
23. FY 2018-19 One-Time Gross Appropriations. The Conference Report includes \$6,000 for an actuarial study for National Guard Retirees; \$4,000 for an actuarial study for Corrections Officers Retirement Benefits; and two \$100 placeholders (one for the Drinking Water Declaration of Emergency Reserve Fund and the other for the Broadband Initiative).	
Total Changes	(\$65,534,600)
FY 2018-19 Conference Report Ongoing/One-Time Gross Appropriation	\$1,347,108,600
Amount Over/(Under) GF/GP Target:	\$0

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

Items Included by the Senate and House

- 1. **Unclassified Salaries.** Requires the Department to compile a report by January 1 pertaining to the salaries of unclassified employees and gubernatorial appointees. **Gov:** Eliminated section. **Senate, House and Conference:** Retained language. (Sec. 822)
- 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. Gov: Eliminated section. Senate,
 House and Conference: Retains language. (Sec. 822d)
- 3. **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. **Gov:** 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. **Senate, House and Conference:** Concurred with Gov. (Sec. 822e)
- 4. **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. **Gov:** Eliminated section. **Senate, House and Conference:** Concurred with Gov. (Current Law Sec. 822i)
- 5. 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. Gov: Eliminated section. Senate, House and Conference: Concurred with Gov. (Current Law Sec. 8221)

Page 21 of 30 HItre rs_cr.docx

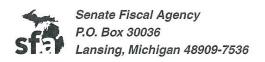
6. **Placement of all Contract Proposals on Department Website.** Language requires the Department to establish a publically accessible portal on the Department's website that displays all contract proposals for all State departments and agencies. **Gov:** Eliminated section. **Senate, House and Conference:** Retained language. (Sec. 822n)

Conference Agreement on Items of Difference

- 7. **NEW. National Guard Retirees. Senate:** Added new language stating that contingent on passage of Senate Bill 747 of the 99th Legislature, from the funds appropriated in Part 1 for retirement services up to \$1,600,000 shall be used to cover the costs of retirement benefits for certain eligible members as prescribed in Senate Bill 747 of the 99th Legislature. **Conference:** Does not include. (**NEW** Sec. 817)
- 8. **Regional Prosperity Grants.** Describes the qualification process for the Regional Prosperity Grant Program. **Gov:** Modified language to update amounts of grants and change completion and application dates to coincide with overall appropriation consistent with FY 2018-19. **Senate:** Retains current law language. **House:** Retains current law amounts authorized for grants; concurs with the inclusion of infrastructure asset management; and revises language for the provision of funding for a 0.3 FTE from "shall" to "may'. **Conference:** Concurs with Gov and adds House 0.3 FTE provision. (Sec. 822f)
- 9. **NEW. Northern Satellite Psychiatric Facility. Conference:** Adds new language requiring the DTMB to work with the Department of Health and Human Services to identify a location for the new Northern Satellite Psychiatric Facility capital outlay project approved for planning authorization in Article II of PA 107 of 2017. (**NEW** Sec. 822o)
- 10. NEW. MPSCS and Local Payments. Senate: Added new language stating that of the funds appropriated in part 1 for the Michigan Public Safety Communications System, \$2.0 million of the funds must be used to pay off any outstanding invoices for local agencies that are dated at least three years prior to the current fiscal year. Any unpaid invoices that are less than three years old must be paid in full by the local agency before becoming eligible for payments under this section. Conference: Added additional language stating that any unpaid invoices dated after 9/30/2015 are not eligible for this payment and must be paid in full by the local entity before becoming eligible for payments under this section. (NEW Sec. 827a)
- 11. **NEW. Sec. 830. Enterprisewide IT Project Reporting. House:** Added language requiring a quarterly report on active and closed IT projects throughout all executive branch departments with information on the schedule, budget, cost, project changes, and project success scores for each project: revises the method for reporting. **Conference:** Concurred with House and added additional reporting requirements. (**NEW** Sec. 830)
- 12. **NEW. Sec. 831. ORS Actuarial Analyses. House:** Added new language stating that contingent on passage of House Bill 5411 of the 99th Legislature, funds appropriated in Part 1 for retirement services for actuarial analysis shall be used to conduct an actuarial analysis to determine the costs incurred by the state employees retirement system as a result of implementing the provisions of HB 5411 of the 99th Legislature. **Conference:** Concurs with House and adds the requirement for an additional actuarial analysis of SB 747. (**NEW** Sec. 831)
- 13. **NEW. Census-Related One-Time Funding. Senate:** Added new language requiring the funds provided as one-time funding for census-related services shall be provided to the Michigan Nonprofit Association to mobilize nonprofits across the state to achieve a fair and accurate count in the 2020 census. Any funds remaining at the end of the fiscal year shall be placed in a work project account to be used at such time that the actual census takes place in 2020. (**NEW** Sec. 835a)
- 14. **NEW. Enterprise Portfolio Management. Gov:** Added 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. **Senate:** Concurred with Gov. **House:** Did not include. **Conference:** Concurred with Gov. (**NEW** Sec. 840)
- 15. **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. **Gov:** Eliminated section. **Senate:** Retained language and updates for \$100 placeholder. **House:** Did not include. **Conference:** Retains language and revises to state that any unexpended funds in the drinking water declaration of emergency reserve fund created in section 880 of Article VIII of 2017 PA 107, shall be carried forward and available for expenditure under this section pursuant to section 880(5) of Article VIII of 2017 PA 107. (Sec. 880)

Date Completed: 6-7-18 Fiscal Analyst: Joe Carrasco, Jr.

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





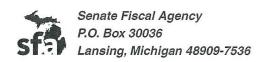
Fax: (517) 373-1986

				CHANGES FROM 2017-18 YEAR-TO-DATE	
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 CONFERENCE	AMOUNT	PERCENT	
FTE Positions	N/A	N/A	N/A	N/A	
GROSS	107,580,000	107,080,000	(500,000)	(0.5	
Less:					
Interdepartmental Grants Received	0	0	0	0.0	
ADJUSTED GROSS	107,580,000	107,080,000	(500,000)	(0.5	
Less:					
Federal Funds	0	0	0	0.0	
Local and Private	0	0	0	0.0	
TOTAL STATE SPENDING	107,580,000	107,080,000	(500,000)	(0.5	
Less: Other State Restricted Funds	0	0	0	0.0	
GENERAL FUND/GENERAL PURPOSE	107,580,000	0 107,080,000	(500,000)	0.0 (0.5	
PAYMENTS TO LOCALS	0	0	(300,000)	0.0	
As of May 3, 2018.	•	•			
FY 2017-18 Year-to-Date Gross Appropriation	on		\$10	7,580,000	
Changes from FY 2017-18 Year-to-Date:					
Conference Agreement on Items of Difference					
1. Clean Michigan Initiative. The Senate/Co	onference reduced th	e line item by \$500,000).	(500,000)	
Total Changes				(\$500,000)	
FY 2018-19 Conference Report Ongoing/On	e-Time Gross Appro	priation	\$10	07,080,000	
Amount Over/(Under) GF/GP Target:				\$0	

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

Date Completed: 6-7-18 Fiscal Analyst: Cory Savino

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





Fax: (517) 373-1986

			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 CONFERENCE	AMOUNT	PERCENT	
FTE Positions	1,852.5	1,862.5	10.0	0.5	
GROSS	522,929,800	562,928,500	39,998,700	7.6	
Less:					
Interdepartmental Grants Received	12,613,700	12,780,300	166,600	1.3	
ADJUSTED GROSS	510,316,100	550,148,200	39,832,100	7.8	
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	468,750,000	509,857,000	41,107,000	8.8	
Less:					
Other State Restricted Funds	370,381,600	407,475,700	37,094,100	10.0	
GENERAL FUND/GENERAL PURPOSE	98,368,400	102,381,300	4,012,900	4.1	
PAYMENTS TO LOCALS	186,083,500	219,653,600	33,570,100	18.0	
*As of May 3, 2018.					

FY 2017-18 Year-to-Date Gross Appropriation	\$522,929,800
Changes from FY 2017-18 Year-to-Date:	
Items Included by the Senate and House	
1. Medical Marihuana Excise Fund. The Governor/House/Senate/Conference 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. Total appropriation from the Medical Marihuana Excise Fund to the Department is \$11.8 million for FY 2018-19.	7,157,100
 State Lottery Staff and Administration. The Governor/House/Senate/Conference 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
3. MI Thrive Program Administration. The Governor/House/Senate/Conference 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 all supported by the Brownfield Development Fund.	214,300
4. Technical Adjustment. The Governor/House/Senate/Conference increased accounting services \$30,000 to account for a user charge increase. The increase is supported by the IDG Accounting Service Center User Charges Fund. The Conference increase Investments \$200,000 from define contributions to align with the current workload of investing the pensions.	230,000

5.	One-Time, Supplemental, & Transfer Removal. The Governor/House/Senate/Conference removed FY 2017-18 one-time appropriations, which include Treasury Operation IT Services (\$2.0 million), City Income Tax Administration (\$1.5 million), and an FY 2017-18 supplemental and transfer for the Infrastructure Council (\$1.5 million) and the Drinking Water Declaration of Emergency (\$8,999,900). 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 \$11.0 million is GF/GP.	(13,999,900)
6.	Administration Efficiency Reduction. The Governor/House/Senate/Conference 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)
7.	Restricted Fund Removal. The Governor/House/Senate/Conference 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 in the line item.	(158,700)
8.	Internal FTE and Fund Transfers. The Governor/House/Senate/Conference made some 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
9.	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
Co	nference Agreement on Items of Difference	
10.	Emergency 9-1-1 Payments . The Senate/Conference increased Emergency 9-1-1 payments to align with projections from PA 51 of 2018, which increased the 9-1-1 rates and grant distributions. Total payments were increased to \$48.8 million for FY 2018-19.	21,800,000
11.	Information Technology Rate Increase. The Governor/Senate increased the Information Technology line item \$5.45 million GF/GP 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. This increased total appropriation for Information Technology to \$36.7 million for FY 2018-19. The House/Conference reduced the line item \$450,000 Gross and GF/GP below the Gov.	5,000,000
12.	Convention Facility Development Fund Distribution. The Senate increased the total Convention Facility Development Fund distribution to align with current projections and split the distribution between the three distribution types, which includes: the statutory payments to Cobo Hall, the payments to counties, and the excess payments to Cobo Hall. The increase is all supported by restricted funds. Total appropriation from the Convention Facility Development Fund is \$95.6 million for FY 2018-19. The Conference increase the total line item to \$105,356,300 to align with current projections, did not roll out the distribution type.	14,406,300
13.	OPEB/TIF Oversight. The Governor/House/Senate/Conference included 4.0 FTEs and additional ongoing funding to implement the requirements of Public Act 202 of 2017 and PA 57 of 2018, which require monitoring, evaluating, and reporting on pension and retirement health benefit plans offered by 1,400 local units of government and oversight of tax increment financing in the state. The increase is all supported by GF/GP. The Senate/Conference included boilerplate language (Sec. 949I) requiring that the department issue an RFP for data analytics of PA 202 of 2017 and PA 57 of 2018.	731,000
14.	Supervision of the General Property Tax Law . The Senate reduced the line item by \$230,900 Gross and GF/GP. The Conference reduced the line item by \$100 for a placeholder for the Forensic Science Commission.	(100)

Amount Over/(Under) GF/GP Target:	\$0
FY 2018-19 Conference Report Ongoing/One-Time Gross Appropriation	\$562,928,500
Total Changes	\$39,998,700
18. FY 2018-19 One-Time Gross Appropriations. The Conference includes Beat the Streets (\$100,000), Courageous Cadets (\$50,000), Financial data analytic tool reimbursement (\$500,000), Urban Search and Rescue (\$900,000), and the Drinking Water Declaration of Emergency (\$100) as one-time appropriations.	
 Senior Citizen Cooperative Housing. The Conference reduced the line item \$199,000 GF/GP to align with current projection for FY 2018-19. 	(199,000)
16. Grants. The Governor/Senate removed Urban Search and Rescue (\$900,000) and Beat the Streets (\$100,000). The House/Conference Included Urban Search and Rescue (\$900,000), Beat the Streets (\$100,000), Courageous Cadets (\$50,000), and the Forensic Science Commission (\$100). The grants were all supported by GF/GP.	50,100
15. Financial Data Analytical Tool Reimbursement. The Governor removed this ongoing grant program, which was all supported by GF/GP. The Senate/House/Conference maintained current funding.	0

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

Items Included by the Senate and House

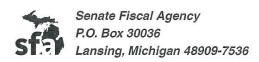
- 1. **Bond Notification.** The **Governor** deleted, and **Senate/House/Conference** retained a section that requires the department to notify the legislature when a bond is refinanced. (Sec. 902a)
- 2. Transformation Brownfield Plans. The Governor/Senate House/Conference added new language that requires the payment of captured tax revenue due under approved transformation Brownfield plans, in accordance with the statute. (Sec. 949k)
- 3. **Horse Racing**. The **Governor** modified a section that removes the ability of the Michigan gaming control board to increase or reduce the number of race dates depending on changes to the funds received from certified horsemen's organizations and the regulatory costs. The **Senate/House/Conference** maintained current language. (Sec. 978)
- 4. **Technical Adjustments.** The **Governor/Senate House/Conference** made technical adjustments to reflect date changes, Part 1 appropriations total, legacy cost estimates, and standardized language. (Secs. 201, 926, and 948)

Conference Agreement on Items of Difference

- 5. **Deleted.** The **Governor/Senate** deleted and **House/Conference** retained a section that allows for a closed-loop payment system and reporting requirements for Urban Search and Rescue. (Secs. 943 and 949g)
- 6. **Secondary Placement Collection Services.** The **Governor/House** deleted a section that required that the department issue an RFP for the secondary placement collections program. The **Senate/Conference** modified the section to require that the department issue an RFP for secondary placement collection services only when an RFP is issued for primary collection services. (Sec. 903(4))
- 7. **Personal Property Tax Audit Report**. The **Senate** modified the report to include audits of Essential Service Assessment Audits. The **Conference** modified the report to include both Personality Property Tax and Essential Service Assessment Audits in the report. (Sec. 927)
- 8. Financial Data Analytic Tool Reimbursement. The Governor deleted a section that outlines the reimbursement of financial data analytic tool. The House maintained current language. The Senate/Conference modified the section to allow a council of government to receive reimbursement, removed the RFP requirement, allow vendors to issue reimbursement requests, and places any remaining funds into a work project. (Sec. 936)
- 9. **Pension Plan Consultant.** The **Governor/Senate** 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. The **House/Conference** maintained current language. (Sec. 944)

- 10. Lottery Promotion and Advertisement. The Governor/Senate/Conference 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. The **House** maintained current language. (Sec. 964)
- 11. **Restricted Fund Report**. The **Senate/Conference** included a new section that requires that the department report on all of the funds administered or controlled by the department that are not appropriated in part 1. (Sec. 902b)
- 12. **Feasibility Study**. The **House/Conference** included a new section that requires that the department conduct a feasibility study on requiring homeowners to file principal residence exemption documents directly with the Department of Treasury instead of through local units. (Sec. 940)
- 13. **OPEB and TIF Oversight**. The **Senate** included a new section that requires that the department use the \$464,000 appropriated in part 1 for OPEB oversight to issue a RFP for oversight of OPEB and TIFs to implement PA 202 of 2017 and PA 57 of 2018. The **Conference** modified the section to only include an RFP for data analytics. (Sec. 949L)
- 14. **Millionaire Party Oversight Report**. The **Senate/Conference** modified the due date for the Millionaire Party oversight report from April 15 to March 1. (Sec. 979)

Date Completed: 6-7-18 Fiscal Analyst: Cory Savino





Fax: (517) 373-1986

			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 CONFERENCE	AMOUNT	PERCENT
FTE Positions	N/A	N/A	N/A	N/A
GROSS	1,293,928,600	1,314,405,300	20,476,700	1.6
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	1,293,928,600	1,314,405,300	20,476,700	1.6
Less:				
Federal Funds	0	0	0	0.0
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	1,293,928,600	1,314,405,300	20,476,700	1.6
Less:				
Other State Restricted Funds	1,285,549,400	1,314,405,300	28,855,900	2.2
GENERAL FUND/GENERAL PURPOSE	8,379,200	0	(8,379,200)	(100.0)
PAYMENTS TO LOCALS	1,293,928,600	1,314,405,300	20,476,700	1.6

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

Items Included by the Senate and House

1. **Constitutional Revenue Sharing Year-to-Date Adjustment.** The May 2018 consensus revenue estimating conference increased the estimate for constitutional revenue sharing to \$813,801,300 for FY 2017-18, a 2.6% increase over FY 2016-17.

21,532,500

0

2. Constitutional Revenue Sharing. Governor/Senate/House: Recommended \$832,343,800 for constitutional revenue sharing for FY 2018-19, an increase of 3.1% from the January 2018 consensus estimate for FY 2017-18. Conference: Based on the May 2018 consensus revenue estimates, appropriated \$835,333,800 for constitutional revenue sharing, a projected 2.6% increase over the revised estimate for FY 2017-18. This would pay an estimated \$84.78 per capita in FY 2018-19. Constitutional revenue sharing distributes 15% of sales tax revenue collected at a 4.0% rate to cities, villages, and townships on a per capita basis.

Conference Agreement on Items of Difference

3. City, Village, and Township (CVT) Revenue Sharing. Governor: Recommended \$243,040,000 in FY 2018-19 for nonconstitutional or "statutory" payments to cities, villages, and townships, the same ongoing amount as in FY 2017-18. Governor removed \$5.8 million in one-time funding that was used for alternative per-capita payments to cities, villages, and townships. Senate: Retained \$5.8 million funding that was used for alternative per-capita payments to cities, villages, and townships, and moved it to ongoing funding. Also reduced minimum payment threshold to receive a payment from \$4,500 to \$1,000. House: Maintained \$5.8 million funding that was used for alternative per-capita payments to cities, villages, and townships, and kept it designated as one-time funding. Conference: Maintained \$5.8 million funding that was used for alternative per-capita payments to cities, villages, and townships, and kept it designated as one-time funding. Also reduced minimum payment threshold to receive a payment from \$4,500 to \$1,000 as one-time funding.

116,000

4. Supplemental City, Village, and Township Revenue Sharing. Governor/Senate: Removed one-time funding (\$6,200,100) for per-capita payments for cities, villages, and townships. House: Reduced funding by \$3,100,100 million. Conference: Included \$6,200,000 one-time funding and added a requirement that funds be used to pay down debt, pension, or other post-employment benefit obligations.

(100)

5. Revenue Sharing Payments to Counties. Governor/House: Recommended a total of \$218,225,500 for revenue sharing payments to counties. This amount would be paid through two line items: \$175,006,700 for County Revenue Sharing and \$43,218,800 for the County Incentive Program. Removed \$2,179,100 for a 1% increase that was added in FY 2017-18 and recommended increases of \$259,000 for County Revenue Sharing and \$58,400 for the County Incentive Program to cover the partial-year cost of three counties (Antrim, Keweenaw, and Mackinac) that re-enter State-paid revenue sharing in 2019. Senate: Retained increase from FY 2017-18 and increased payments to counties another 1% (for a total increase of \$4,364,600). Also concurred with Governor to cover the partial-year cost of three counties that re-enter State-paid revenue sharing in 2019. Conference: Maintained FY 2017-18 funding level and increased County Revenue Sharing by \$269,900 and the County Incentive Program by \$58,400 to cover the partial-year cost of three counties that re-enter State-paid revenue sharing in 2019. Also included \$1.0 million one-time supplemental funding for counties to pay down debt, pension, or other post-employment benefit obligations.

1,328,300

6. Financially Distressed Cities, Villages, and Townships. Governor/Senate: Recommended \$5.0 million in FY 2018-19 for this grant program, the same amount as in FY 2017-18. House: Reduced funding by \$500,000. Conference: Reduced funding (\$2,500,000).

(2,500,000)

7. **FY 2018-19 One-Time Gross Appropriations. Conference:** Designated \$13,116,000 as one-time appropriations, including \$5,916,000 from cities, villages and townships, revenue sharing (item #3 above), \$6.2 million supplemental city, village, and township revenue sharing (item #4 above), and \$1.0 million supplemental county revenue sharing (item #5 above).

FY 2018-19 Conference Report Ongoing/One-Time Gross Appropriation \$1,314,405,300

Amount Over/(Under) GF/GP Target: \$0

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

Conference Agreement on Items of Difference

- 1. **CVT Revenue Sharing. Governor/Senate** 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. **Governor** removed the option for CVTs over 7,500 in population to receive payment of \$2.64659 per capita instead of the standard payment. **Senate** retained the option for CVTs over 7,500 in population to receive payment of \$2.64659 per capita instead of the standard payment and also lowered the minimum payment threshold from \$4,500 to \$1,000. (Sec. 952(1)). **House** retained the option for CVTs over 7,500 in population to receive payment of \$2.64659 per capita instead of the standard payment. **Conference** concurred with Senate. But adjusted per capita payment to accommodate new smaller local units (\$2.648299).
- County Revenue Sharing. Governor and House 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. Senate recommended that payments in FY 2018-19 be 102.986% of the payments for which counties
 are eligible under the Glen Steil State Revenue Sharing Act. (Sec. 955). Conference increased payments to 102.0%.
- 3. **Financial Distressed CVTs. Governor and House** added language allowing funds to be used "to administer other projects that move the city, village, or township toward financial stability". **Senate** maintained existing language. (Sec. 956). **Conference** concurred with Governor.

- 4. Supplemental CVT Revenue Sharing. Governor/Senate removed supplemental CVT revenue sharing program. (Sec. 957). House maintained supplemental CVT revenue sharing program, but at a reduced per-capita rate. Conference maintained the program at a slightly reduced rate to accommodate 49 local units added to statutory revenue sharing and added a requirement that funds be used to pay down debt, pension, or other post-employment benefit obligations.
- 5. **Supplemental County Revenue Sharing.** Added language to implement a supplemental county revenue sharing program to pay down debt, pension, or other post-employment benefit obligations. Funds will be distributed in the same proportion as other county revenue sharing payments.

Date Completed: 6-7-18 Fiscal Analyst: Ryan Bergan