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

BILL ANALYSIS

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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE*	FY 2016-17 INITIAL APPROPS.	CHANGES FROM FY 2015-16 YEAR-TO-DATE AMOUNT	PERCENT
FTE Positions	8,667.2	8,709.7	42.5	0.5
GROSS	**4,905,538,200**	**4,869,270,600**	**(36,267,600)**	**(0.7)**
Less:				
Interdepartmental Grants Received	742,192,600	760,158,300	17,965,700	2.4
ADJUSTED GROSS	**4,163,345,600**	**4,109,112,200**	**(54,233,400)**	**(1.3)**
Less:				
Federal Funds	825,506,900	826,723,500	1,216,600	0.1
Local and Private	23,304,200	18,085,500	(5,218,700)	(22.4)
TOTAL STATE SPENDING	**3,314,534,500**	**3,264,303,200**	**(50,231,300)**	**(1.5)**
Less:				
Other State Restricted Funds	2,103,511,900	2,126,990,600	23,478,700	1.1
GENERAL FUND/GENERAL PURPOSE	**1,211,022,600**	**1,137,312,700**	**(73,709,900)**	**(6.1)**
PAYMENTS TO LOCALS	**1,485,185,200**	**1,427,689,500**	**(57,495,700)**	**(3.9)**

*As of June 8, 2016.

See Individual Highlight Sheet for Department Detail

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

GENERAL SECTIONS

Items Included by the Senate and House

1. **Retention of Reports.** Directs departments and agencies to receive and retain copies of all reports funded from appropriations in Part 1, following State and Federal guidelines for short and long-term retention. Allows electronic retention of reports unless prohibited by State or Federal guidelines. **Governor:** Deleted. **Senate and House:** Retained. (Sec. 212)

2. **Casino Investment.** Prohibits use of funds appropriated in Part 1 from being used by a department or agency to purchase an ownership interest in a casino. **Governor:** Deleted. **Senate and House:** Retained. (Sec. 213)

3. **Communications with Legislators.** Prohibits disciplinary action against department employees for communicating with Legislators or their staff. **Governor:** Deleted. **Senate and House:** Retained. (Sec. 215)

4. **Policy Change Reporting Requirement.** Requires each department to report by April 1 on each specific policy change made to implement enacted legislation to the appropriations subcommittees, the chairperson of the joint committee on administrative rules, and the senate and house fiscal agencies and policy offices. **Governor:** Deleted. **Senate and House:** Retained. (Sec. 221)

5. **Auditor General Recommendations.** Requires departments or agencies to report within six months of the release of an audit report on efforts to implement any identified initiatives related to savings and efficiencies included in an audit prepared by the Office of Auditor General. **Governor:** Deleted. **Senate and House:** Retained. (Sec. 229)

Conference Agreement on Items of Difference

6. **Return on Taxpayer Investment.** Requires a report to the Legislature for each new program or program increase of at least $500,000. The report is due by November 1, 2015, shall list specific benchmarks intended to measure the performance or return on taxpayer investment of the program and its associated expenditures. Also added intent language that spending must comply with section 447 of the management and budget act. **Governor:** Deleted. **Senate:** Revised language to state that a report shall include all program enhancements over $500,000 for each department. The report also shall require any programs that meet the criteria for the report to be ranked in order of estimated return on taxpayer investment determined by the State budget director. Also changed reporting date to September 30, 2017. **House:** Did not include. **Conference:** Required a report for each new program or increase of at least $500,000 that lists program specific metrics. In September 30, 2018 a second report shall be issued that shows the progress made in meeting the program specific metrics for each program. (Sec. 240)

7. **Budget Stabilization Fund/Public Health Sub-Fund.** Appropriates $95.0 million from General Fund/General Purpose (GF/GP) revenue to the BSF in FY 2015-16 and $0 to the public health sub-account. **Governor:** Eliminates the deposit into the BSF but adds language that 25% of unassigned GF/GP fund balance at the end of FY 2015-16 shall be deposited into the BSF. **Senate:** No appropriation to the BSF. Did not include Governor's language on deposit of 25% of GF/GP closing balance to BSF. **House:** Concurred with Governor. **Conference:** Concurred with House. (Sec. 211)

8. **General Fund Restrictions.** Prohibits using General Fund appropriations where Federal funds and private grant funds are available for the same purpose. **Governor:** Not included. **Senate:** Not included. **House:** Added as new section. **Conference:** Concurred with House. (NEW Sec. 217)

Date Completed: 6-30-16 Fiscal Analyst: Joe Carrasco, Jr.

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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE*	FY 2016-17 INITIAL APPROPS.	CHANGES FROM FY 2015-16 YEAR-TO-DATE AMOUNT	PERCENT
FTE Positions	518.5	527.0	8.5	1.6
GROSS	**92,107,600**	**101,485,800**	**9,378,200**	**10.2**
Less:				
Interdepartmental Grants Received	28,533,900	28,989,700	455,800	1.6
ADJUSTED GROSS	**63,573,700**	**72,496,100**	**8,922,400**	**14.0**
Less:				
Federal Funds	9,278,600	9,476,700	198,100	2.1
Local and Private	0	0	0	0
TOTAL STATE SPENDING	**54,295,100**	**63,019,400**	**8,724,300**	**16.1**
Less:				
Other State Restricted Funds	17,281,700	20,178,900	2,897,200	16.8
GENERAL FUND/GENERAL PURPOSE	**37,013,400**	**42,840,500**	**5,827,100**	**15.7**
PAYMENTS TO LOCALS	**0**	**0**	**0**	**0**

*As of June 8, 2016.

FY 2015-16 Year-to-Date Gross Appropriation $92,107,600

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

Items Included by the Senate and House

1. **DTMB Rate Proposal. Governor:** Added new funding to allow the Department to collect fees from other State departments and agencies for services provided such as mailings, warehousing, and vehicle services. **Senate and House:** Concurred with Governor. 82,100

2. **Home Protection Unit. Governor:** Provided new GF/GP funding of $600,000 and added 4.0 FTE positions for continuing litigation costs related to the mortgage crisis settlement in 2012. **Senate and House:** Concurred with Governor. 600,000

3. **Human Trafficking Commission. Governor:** Provided new restricted funding of $390,000 for costs related to prosecutions and public awareness efforts to combat human trafficking in Michigan. **Senate and House:** Concurred with Governor. 390,000

4. **Five-Year Early-Out Deferred Sick Leave Payments. Governor:** Removed funding for early-out sick leave payments as Department obligations will be satisfied as of the end of FY 2015-16 for employees who opted into the 2010 Early Retirement Program, which deferred sick leave payments over five years. **Senate and House:** Concurred with Governor. (472,200)

5. **Prosecuting Attorneys Coordinating Council. Governor:** Replaced Michigan Justice Training Funds (MJTF) with GF/GP in the FY 2015-16 enacted budget due to lower than anticipated revenue collections in the MJTF. Due to the loss of the MJTF, restricted revenue funds were reduced by $162,400 for FY 2016-17 to reflect the loss of MJTF funds. **Senate and House:** Concurred with Governor. (162,400)

6. **Unclassified Salaries. Governor:** Increased funding by $18,400 for total funding of $754,000 for FY 2016-17. **Senate and House:** Concurred with Governor. 18,400

7. **Economic Adjustments.** Includes $421,800 Gross and $155,200 GF/GP for OPEB and $1,500,500 Gross and $576,400 GF/GP for other economic adjustments. **Senate and House:** Concurred with Governor.	1,922,300
Conference Agreement on Items of Difference	
8. **Juvenile Life without Parole. Senate:** Added GF/GP funding of $700,000 for the Attorney General for investigations, crime victim rights, prosecutions and appeals for retroactive juvenile life without parole cases. **House:** Did not include. **Conference:** Concurred with Senate.	700,000
9. **Lawsuit Settlement Proceeds. House:** Added $2.6 million in restricted funding for legal costs associated with the Flint water emergency. **Senate:** Did not include. **Conference:** Concurred with House.	2,600,000
10. **FY 2016-17 One-Time Appropriations.** Governor included one-time funding of $700,000 and 4.5 FTE positions to develop a statewide drug enforcement strategy to battle prescription drug abuse in Michigan. **Senate and House:** Concurred with Governor. **Conference:** Added $3.0 million for legal defense costs for the Department of Health and Human Services and DEQ.	3,700,000
Total Changes	$9,378,200
FY 2016-17 Initial Ongoing/One-Time Gross Appropriation	**$101,485,800**

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

Items Included by the Senate and House

1. **Boilerplate Structure. Governor:** Moved boilerplate from the FY 2015-16 general sections that applied to all General Government budgets to the Article for the Department of Technology, Management, and Budget. Changes to those items can be found in the highlight sheet for the **General Sections**. **Senate and House:** Maintained current law bill structure.

2. **Prisoner Reimbursement Funds**. Provides that the Department may spend up to $611,900 of prisoner reimbursement funds on activities related to the State Correctional Facilities Reimbursement Act. **Governor:** Increased funding amount to $625,200 due to economic increases. **Senate and House:** Concurred with Governor. (Sec. 309)

3. **Mortgage Fraud Investigations. Governor:** Added new language stating that from the funds appropriated in Part 1 for Attorney General Operations, the Department must allocate $600,000 for the investigation and prosecution of mortgage fraud. **Senate and House:** Concurred with Governor. (**NEW** Sec. 313)

4. **Legacy Cost Estimates.** Total legacy costs are estimated at $17,778,100. Of the total, Pension-related legacy costs are estimated at $10,007,000 and retiree health care legacy costs are estimated at $7,771,100 for fiscal year ending September 30, 2016. **Governor:** Provided the following Legacy Costs estimates for FY 2017: Total legacy costs estimated at $18,361,000. Of that total, $10,096,700 are for pension-related legacy costs and $8,264,300 are for retiree health care legacy costs for the fiscal year ending September 30, 2017. **Senate and House:** Concurred with Governor. (Sec. 315)

5. **Sexual Assault Law Enforcement Efforts.** Language requires the Department to use the funds for testing of backlogged sexual assault kits across the State outside of Wayne County. The language also requires the Department to submit a spending plan to the Legislature prior to release of the funds. The order of priority for expenditure of the funds is: 1) to eliminate all county sexual assault kit backlogs by the end of the fiscal year, 2) to assist local prosecutors with investigations and prosecutions of viable cases, and 3) to provide victim services. It also requires a spending plan submitted to the Legislature prior to release of the funds. **Governor:** Eliminated section. **Senate and House:** Retained section and added a reporting requirement due by January 30th. (Current Law Sec. 316)

Conference Agreement on Items of Difference

6. **Litigation Expense Reimbursement.** Appropriates up to $500,000 from litigation expense reimbursements awarded to the State. Provides that funds may be used to pay litigation settlements or attorney fees assessed against the Office of the Governor, the Department of Attorney General or the Governor or Attorney General when they are acting in an official capacity as the named party in litigation against the State. **Governor:** Increased funding amount to $1,500,000. **Senate:** Concurred with Governor. **House:** Retained current law. **Conference:** Increased funding amount to $1.0 million. (Sec. 308)

7. **Lawsuit Proceeds for Drinking Water Contamination. Senate:** Added new language, but no line item in Part 1, allowing the Department to use up to $2.6 million of lawsuit settlement proceeds to pay for costs and associated expenses related to the declaration of emergency due to drinking water contamination. **House:** Concurred with Senate but added a line item in Part 1. **Conference:** Concurred with House. (**NEW** Sec. 314)

8. **Juvenile Life without Parole. Senate:** Added new language stating that the $700,000 appropriated in part 1 is to be used for investigations, crime victim rights, prosecutions and appeals for retroactive juvenile life without parole cases. Also requires a report to be submitted by September 30. **House:** Did not include. **Conference:** Concurred with Senate. (**NEW** Sec. 314a)

9. **Flint Expenditure Report. Senate:** Added new language requiring the Department to submit a semi-annual report to the Legislature providing a detailed accounting of all funds spent related to the Flint Water Crisis. The report also shall include a listing of any investigations and resulting prosecutions and requires all materials related to all of those investigations to be preserved at an academic institution or other facility. **House:** Did not include. **Conference:** Revised Senate language to state that report be included for publication in the Flint Water Emergency - Financial Activities Tracking and Reporting document that is posted on the State's website and must include the budget line item source for each expenditure. Language also revised to require all related documents and materials to be preserved according to the State's document retention policies. (**NEW** Sec. 317)

Date Completed: 6-30-16 Fiscal Analyst: Joe Carrasco, Jr.

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BILL ANALYSIS

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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE*	FY 2016-17 INITIAL APPROPS.	CHANGES FROM FY 2015-16 YEAR-TO-DATE AMOUNT	PERCENT
FTE Positions	129.0	129.0	0.0	0.0
GROSS	**16,128,700**	**16,248,500**	**119,800**	**0.7**
Less:				
Interdepartmental Grants Received	286,700	293,600	6,900	2.4
ADJUSTED GROSS	**15,842,000**	**15,954,900**	**112,900**	**0.7**
Less:				
Federal Funds	2,721,700	2,763,000	41,300	1.5
Local and Private	18,700	18,700	0	0.0
TOTAL STATE SPENDING	**13,101,600**	**13,173,200**	**71,600**	**0.5**
Less:				
Other State Restricted Funds	151,900	151,900	0	0.0
GENERAL FUND/GENERAL PURPOSE	**12,949,700**	**13,021,300**	**71,600**	**0.6**
PAYMENTS TO LOCALS	**0**	**0**	**0**	**0**

*As of June 8, 2016.

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

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

Items Included by the Senate and House

1. **DTMB Rate Proposal. Governor:** Added new funding to allow the Department to collect fees from other State departments and agencies for services provided such as mailings, warehousing, and vehicle services. **Senate and House:** Concurred with Governor. 20,100

2. **Five-Year Early-Out Deferred Sick Leave Payments. Governor:** Removed funding for early-out sick leave payments as Department obligations will be satisfied as of the end of FY 2015-16 for employees who opted into the 2010 Early Retirement Program, which deferred sick leave payments over five years. **Senate and House:** Concurred with Governor. (70,800)

3. **Unclassified Salaries. Governor:** Increased funding by $16,100 for total funding of $660,300 for FY 2016-17. **Senate and House:** Concurred with Governor. 16,100

4. **Economic Adjustments.** Includes $73,400 Gross and $61,900 GF/GP for OPEB and $204,400 Gross and $167,700 GF/GP for other economic adjustments. **Senate and House:** Concurred with Governor. 277,800

Conference Agreement on Items of Difference

5. **FY 2016-17 One-Time Appropriations. Governor:** Included the following one-time funding: $100,000 and 1.0 FTE position for funding to support the operations of the Commission on Middle Eastern Americans Affairs; and $250,000 and 2.0 FTE positions for the Advocates and Leaders for Police and Community Trust (ALPACT) to strengthen outreach and education efforts in the cities of Battle Creek, Muskegon Heights, and Traverse City. **Senate:** Concurred with Governor on Commission funding; however, reduced ALPACT funding by $125,000. **House:** Did not include any funding for ALPACT. **Conference:** Removed all funding for ALPACT and the funding for Middle Eastern American Affairs. Increased funding for the Deaf and Hard of Hearing by including $250,000 GF/GP and 2.0 FTEs to increase services to deaf and hard of hearing citizens across the State.	250,000
6. **Adjustment for Executive Revision 2017-3. Conference:** Removed funding of $373,400 for enactment of E.O. 2016-3 that transferred all funding and activities for the Asian-Pacific American Affairs Commission ($112,400), and the Hispanic/Latino Commission ($261,000) to DLARA.	(373,400)
Total Changes	$119,800
FY 2016-17 Initial Ongoing/One-Time Gross Appropriation	**$16,248,500**

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

Items Included by the Senate and House

1. **Boilerplate Structure. Governor:** Moved boilerplate from the FY 2015-16 general sections that applied to all General Government budgets to the Article for the Department of Technology, Management, and Budget. Changes to those items can be found in the highlight sheet for the **General Sections**. **Senate and House:** Maintained current law bill structure.

2. **Department Report.** Requires a detailed report submitted by November 30 that covers the Department's activities and operations. **Governor:** Eliminated section. **Senate and House:** Retained section. (Current Law Sec. 404)

3. **Notifications Required Regarding Federal Reports or Complaints.** Requires the Department to notify the Office of State Budget, Senate and House appropriations committees, and the Senate and House fiscal agencies prior to submitting a report or complaint to the United State Commission on Civil Rights or other Federal departments. **Governor:** Eliminated section. **Senate and House:** Retained section. (Current Law Sec. 405)

4. **Legacy Cost Estimates.** Total legacy costs are estimated at $2,997,500. Of the total, pension-related legacy costs are estimated at $1,701,400 and retiree health care legacy costs are estimated at $1,296,100 for fiscal year ending September 30, 2016. **Governor:** Provided the following Legacy Costs estimates for FY 2017: Total legacy costs estimated at $3,062,000. Of that total, $1,697,800 are for pension-related legacy costs and $1,364,200 are for retiree health care legacy costs for the fiscal year ending September 30, 2017. **Senate and House:** Concurred with Governor. (Sec. 410)

Date Completed: 6-30-16 Fiscal Analyst: Joe Carrasco, Jr.

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FTE Positions	0.0	0.0	0.0	0.0
GROSS	**159,304,800**	**165,555,500**	**6,250,700**	**3.9**
Less:				
Interdepartmental Grants Received	5,392,800	5,558,600	165,800	3.1
ADJUSTED GROSS	**153,912,000**	**159,996,900**	**6,084,900**	**4.0**
Less:				
Federal Funds	0	0	0	0
Local and Private	400,000	400,000	0	0
TOTAL STATE SPENDING	**153,512,000**	**159,596,900**	**6,084,900**	**4.0**
Less:				
Other State Restricted Funds	6,179,600	6,245,200	65,600	1.1
GENERAL FUND/GENERAL PURPOSE	**147,332,400**	**153,351,700**	**6,019,300**	**4.1**
PAYMENTS TO LOCALS	**0**	**0**	**0**	**0**

*As of June 8, 2016.

FY 2015-16 Year-to-Date Gross Appropriation $159,304,800

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

Items Included by the Senate and House

1. **Legislative Adjustment.** The Governor increased overall funding for the Legislature by a total of 3.5%. The Senate received an increase of $1.2 million overall while the House received an overall increase of $2.1 million. The House and Senate Fiscal Agencies received an increase of $74,100 each. The Legislative Council received an increase of $639,100 while the Retirement System received an increase of $97,300. The Farnum Building and the Cora Anderson House Building received increases totaling $482,800. Finally, the Governor included additional funding of $205,600 for the State Capitol Historic Site line item ($144,400 for general operations and $61,200 for restoration, renewal and maintenance). **Senate and House:** Concurred with Governor. — 4,789,300

Conference Agreement on Items of Difference

2. **Auditor General Adjustment.** Governor recommended a 2.7% overall increase for Auditor General operations. **Senate:** Concurred with Governor. **House:** Added additional $463,800. **Conference:** Added additional $200,000 for operations. — 811,400

3. **Criminal Justice Data Collection and Management Program. Senate:** Added $1.5 million in GF/GP funds for the Legislative Council and the Criminal Justice Policy Commission to create a Criminal Justice Data Collection and Management Program that will submit quarterly reports measuring recidivism rates across the state for released and paroled former incarcerated persons as well as those on probation. **House:** Did not include. **Conference:** Concurred with House — 0

4. **Criminal Justice Policy Commission. House:** Added $500,000 to support a study by the Commission on the cost savings of redirecting 17-year-olds from the adult court to family and juvenile justice systems. **Senate:** Did not include. **Conference:** Concurred with House. — 500,000

5. **Michigan Veterans Facility Ombudsman. House:** Added $150,000 to support the creation of a Veterans Facility Ombudsman to address complaints made at the veteran's homes around the State. **Senate:** Did not include. **Conference:** Concurred with House.	150,000
Total Changes	$6,250,700
FY 2016-17 Initial Ongoing/One-Time Gross Appropriation	**$165,555,500**

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

Items Included by the Senate and House

1. **Boilerplate Structure. Governor:** Moved boilerplate from the FY 2015-16 general sections that applied to all General Government budgets to the Article for the Department of Technology, Management, and Budget. Changes to those items can be found in the highlight sheet for the **General Sections**. **Senate and House:** Maintained current law bill structure.

2. **Property Management.** Designates property management appropriation for the Legislature as work project. Specifies that the funds will be used to purchase equipment and services for building maintenance. Includes an estimated total cost of $500,000 and completion date of September 30, 2020. **Governor:** Increased cost estimate to $2.0 million. **Senate and House:** Concurred with Governor. (Sec. 606)

3. **Legislative Automated Processing.** Designates appropriations in Part 1 for automated data processing as work project appropriations. Includes estimated costs of $500,000 and tentative completion date of September 30, 2020. **Governor:** Increased cost estimate to $2.0 million. **Senate and House:** Concurred with Governor. (Sec. 607)

4. **Legacy Cost Estimates.** Total legacy costs are estimated at $28,034,00. Of the total, pension-related legacy costs are estimated at $15,465,300 and retiree health care legacy costs are estimated at $12,568,700 for fiscal year ending September 30, 2016. **Governor:** Provided the following Legacy Costs estimates for FY 2017: Total legacy costs estimated at $21,279,600. Of that total, $11,998,700 are for pension-related legacy costs and $9,280,900 are for retiree health care legacy costs for the fiscal year ending September 30, 2017. **Senate and House:** Concurred with Governor. (Sec. 615)

5. **Legislative Retirement System.** Intent language states that all administrative functions and associated funding for the Michigan Legislative Retirement System shall be transferred to DTMB by the end of FY 2015-16. **Governor:** Eliminated section. **Senate and House:** Retained section. (Current Law Sec. 618)

Conference Agreement on Items of Difference

6. **Criminal Justice Data Collection and Management Program. Senate:** Added new language stating that the funds appropriated in part 1 for the Legislative Council and the Criminal Justice Policy Commission shall be used to create a Criminal Justice Data Collection and Management Program that will submit quarterly reports measuring recidivism rates across the state for released and paroled former incarcerated persons as well as those on probation. The report also shall include a listing of programs in operation designed to reduce recidivism. **House:** Did not include. **Conference:** Concurred with House. (**NEW** Sec. 619)

7. **Criminal Justice Policy Commission. House:** Added new language requiring funds in Part 1 be used to study the cost savings of moving 17-year-olds from adult to juvenile court systems. **Senate:** Did not include. **Conference:** Concurred with House. (**NEW** Sec. 610)

8. **Michigan Veterans Facility Ombudsman. House:** Added new language requiring funds in Part 1 to be used to create the Ombudsman. **Senate:** Did not include. **Conference:** Concurred with House.

Date Completed: 6-30-16 Fiscal Analyst: Joe Carrasco, Jr.

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FTE Positions	1,587.0	1,587.0	0.0	0.0
GROSS	**230,541,700**	**248,015,600**	**17,473,900**	**7.6**
Less:				
Interdepartmental Grants Received	20,000,000	20,000,000	0	0.0
ADJUSTED GROSS	**210,541,700**	**228,015,600**	**17,473,900**	**8.3**
Less:				
Federal Funds	1,745,000	1,460,000	(285,000)	(16.3)
Local and Private	100	100	0	0.0
TOTAL STATE SPENDING	**208,796,600**	**226,555,500**	**17,758,900**	**8.5**
Less:				
Other State Restricted Funds	186,635,100	204,445,900	17,810,800	9.5
GENERAL FUND/GENERAL PURPOSE	**22,161,500**	**22,109,600**	**(51,900)**	**(0.2)**
PAYMENTS TO LOCALS	**1,272,100**	**1,211,300**	**(60,800)**	**(4.8)**

*As of June 8, 2016.

FY 2015-16 Year-to-Date Gross Appropriation $230,541,700

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

Items Included by the Senate and House

1. **Removal of FY 2015-16 Supplemental Funding for Voting Machines. Governor:** Removed funding of $5.0 million provided for voting machine replacements via PA 268 of 2015. **Senate and House:** Concurred with Governor. (5,000,000)

2. **DTMB Rate Proposal. Governor:** Added new funding to allow the Department to collect fees from other State departments and agencies for services provided such as mailings, warehousing, and vehicle services. **Senate and House:** Concurred with Governor. 188,300

3. **MI-Time Line Maintenance. Governor:** Increased funding to allow the Department to service and maintain the 18 self-service kiosks located in certain branch offices that allow customers to sign in to get into the que for branch services. **Senate and House:** Concurred with Governor. 470,000

4. **Five-Year Early-Out Deferred Sick Leave Payments. Governor:** Removed funding for early-out sick leave payments as Department obligations will be satisfied as of the end of FY 2015-16 for employees who opted into the 2010 Early Retirement Program, which deferred sick leave payments over five years. **Senate and House:** Concurred with Governor. (598,800)

5. **Replacement of GF/GP with Transportation Administration Collection Fund (TACF) Revenue. Governor:** Replaced GF/GP funding with TACF revenue due to higher collections in revenue that are deposited into the TACF. The result is a net zero gross change but a decrease in GF/GP funding of $500,000. **Senate and House:** Concurred with Governor. 0

6. **Unclassified Salaries. Governor:** Increased funding by $15,300 for total funding of $628,800 for FY 2016-17. **Senate and House:** Concurred with Governor. 15,300

7. **Economic Adjustments.** Includes $752,000 Gross and $136,800 GF/GP for OPEB and $2,832,100 Gross and $313,300 GF/GP for other economic adjustments. **Senate and House:** Concurred with Governor.	3,584,100
Conference Agreement on Items of Difference	
8. **FY 2015-16 Year-to-Date Adjustment. Senate:** Included a negative adjustment of $285,000 in Federal funding for PRISM grants due to contingency fund transfer received in FY 2015-16. **House:** Did not include. **Conference:** Concurred with Senate.	(285,000)
9. **Look-Up Fee Increase. Governor:** Increased the fee for copies of motor vehicle records from $8 per record requested to $11 per record. The additional $14.1 million in revenue is added to the TACF. **Senate:** Did not include. **House:** Concurred with Governor. **Conference:** Concurred with House.	14,100,000
10. **FY 2016-17 One-Time Appropriations.** Governor included one-time funding of $15.0 million for voting equipment replacement across local jurisdictions. Funding is split between GF/GP and local funding…$10.0 million GF/GP and $5.0 million in local funding. **Senate:** Included the $10.0 million GF/GP funding for voting machine replacements but moved the local funding portion to the Revenue Sharing payments in the Department of Treasury. **House:** Concurred with Governor. **Conference:** Included a total of $5.0 million in GF/GP funding with no local funding included.	5,000,000
Total Changes	$17,473,900
FY 2016-17 Initial Ongoing/One-Time Gross Appropriation	**$248,015,600**

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

Items Included by the Senate and House

1. **Boilerplate Structure. Governor:** Moved boilerplate from the FY 2015-16 general sections that applied to all General Government budgets to the Article for the Department of Technology, Management, and Budget. Changes to those items can be found in the highlight sheet for the **General Sections**. **Senate and House:** Maintained current law bill structure.

2. **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 and House:** Retained section. (Sec. 716b)

3. **Buena Vista Branch Office.** Requires the Department to maintain a full service branch office in Buena Vista Township. **Governor:** Eliminated section. **Senate and House:** Retained Section. (Sec. 718)

4. **Bridge Card Work Group.** Requires the Department to form a work group with the DHHS and the Michigan State Police to investigate methods to deter Bridge Card fraud. **Governor:** Eliminated section. **Senate and House:** Concurred with Governor. (Current Law Sec. 722)

5. **Legacy System Replacements. Governor:** Added new language requiring the Department to modernize and expand the entire system and remove existing programs from the legacy mainframes. **Senate and House:** Concurred with Governor and added a spending plan report due January 1st. (**NEW** Sec. 722)

6. **Voting Machine Replacements. Governor:** Added new language directing the Department to use the additional funding added in Part 1 for replacement of voting equipment across local jurisdictions. **Senate and House:** Concurred with Governor. (**NEW** Sec. 723)

7. **Legacy Cost Estimates.** Total legacy costs are estimated at $31,253,000. Of the total, pension-related legacy costs are estimated at $17,739,100 and retiree health care legacy costs are estimated at $13,513,900 for fiscal year ending September 30, 2016. **Governor:** Provided the following Legacy Costs estimates for FY 2017: Total legacy costs estimated at $31,874,100. Of that total, $17,673,400 are for pension-related legacy costs and $14,200,700 are for retiree health care legacy costs for the fiscal year ending September 30, 2017. **Senate and House:** Concurred with Governor. (Sec. 725)

Conference Agreement on Items of Difference

8. **Look-Up Fees.** Provides for the Department to charge $8.00 for each copy of a vehicle record that is requested. **Governor:** Increased fee to $11 per record requested. Additional revenue of $14.1 million is added in Part 1. **Senate:** Did not include fee increase and maintains fee at $8.00**. House:** Concurred with Governor. **Conference:** Concurred with House. (Sec. 703)

Date Completed: 6-30-16 Fiscal Analyst: Joe Carrasco, Jr.

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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE*	FY 2016-17 INITIAL APPROPS.	CHANGES FROM FY 2015-16 YEAR-TO-DATE AMOUNT	PERCENT
FTE Positions	1,613.0	1,609.0	(4.0)	(0.2)
GROSS	**1,153,023,500**	**1,145,994,300**	**(7,029,200)**	**(0.6)**
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	**1,153,023,500**	**1,145,994,300**	**(7,029,200)**	**(0.6)**
Less:				
Federal Funds	764,102,800	768,144,800	4,042,000	0.5
Local and Private	10,052,500	6,119,000	(3,933,500)	(39.1)
TOTAL STATE SPENDING	**378,868,200**	**371,730,500**	**(7,137,700)**	**(1.9)**
Less:				
Other State Restricted Funds	180,411,200	192,341,600	11,930,400	6.6
GENERAL FUND/GENERAL PURPOSE	**198,457,000**	**179,388,900**	**(19,068,100)**	**(9.6)**
PAYMENTS TO LOCALS	**11,224,800**	**11,224,800**	**0**	**0.0**

*As of June 8, 2016.

FY 2015-16 Year-to-Date Gross Appropriation $1,153,023,500

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

Items Included by the Senate and House

1. **Statewide Data System Integration**. **Governor**: Included one-time Federal and Restricted funds to create and support the Workforce Longitudinal Data Systems to meet new workforce data reporting requirements and establish an integrated service delivery plan. **Senate/House**: Concurred with Governor. — 8,778,500

2. **Economic Adjustments.** Includes $2,199,400 Gross and $263,400 in standard economic adjustment, $804,800 Gross and $77,700 GF/GP for OPEB and $413,500 Gross and $0 GF/GP for other economic adjustments. — 3,417,700

3. **Removal of FY 2015-16 One-Time Appropriations**. **Governor**: Eliminated FY 2015-16 one-time appropriations including $25.0 million for Film Incentives and $5.15 million for Special Grants. **Senate/House:** Concurred with the eliminations. — (30,150,000)

4. **Workforce Development Technical Adjustments**. **Governor:** Reduced various Federal ($1,881,400), Private ($8,000), Local ($3,933,500), and State Restricted ($2,764,800) fund sources in the Talent Investment Agency to reflect declining revenue due to decreased caseloads. **Senate/House**: Concurred with Governor. — (8,587,700)

5. **Entrepreneurship Eco-System**. Governor: Moved $2.0 million in 21st Century Jobs Trust Fund dollars to Business Attraction and Community Revitalization. **Senate/House**: Concurred with Governor. — (2,000,000)

6. **Human Resource Transfer**. **Governor**: Transferred the human resource functions and 4.0 FTEs from the Talent Investment Agency and Michigan State Housing Development Authority to the Civic Service Commission. **Senate/House**: Concurred with Governor. — (710,000)

7. **Five-Year Early-Out Deferred Sick Leave Payments**. Department obligations will be satisfied as of FY 2015-16 for employees who opted into the 2010 early retirement program, which deferred sick leave payments over five years. **Senate/House**: Concurred with Governor.	(577,700)
8. **Michigan Film Office**. The Governor moved the funding and 6.0 FTEs in the Michigan Film Office to the Job Creation line-item. **Senate/House**: Concurred with Governor.	0
Conference Agreement on Items of Difference	
9. **Business Attraction and Community Revitalization**. **Governor**: Increased appropriations to a total of $115.5 million for FY 2016-17. Of the total increase, $5.8 million is increased in ongoing and $4.3 million is decreased in one-time appropriations. The increase in ongoing also includes $2.0 million in 21st Century Jobs Trust Fund dollars, which was moved from Entrepreneurship Eco-System. **Senate**: Concurred with gross changes, however, increased GF/GP by $1.0 million and decreased 21st Century Jobs Trust Fund dollars by $1.0 million. **House**: Removed one-time funding. **Conference**: Concurred with the Senate.	1,499,900
10. **Skilled Trades Training Program**. **Governor**: Increased this program using additional funds from the Contingent Fund, Penalty and Interest restricted fund. This increase brings total appropriations to $35.6 million for FY 2016-17. **Senate**: Agreed to gross increase, however used $5.8 million in TANF dollars instead of $2.1 million in restricted fund and $3.7 million in GF/GP. House: Included $5.0 million gross increase and replace $5.0 in GF/GP with additional restricted funds. **Conference**: Reduced the increase by $4.7 million GF/GP.	5,300,000
11. **Special Grants. Senate**: Included special grants, sec. 846 outlines the various grants. Of the total, $2.1 million is funded with State Restricted and $3.4 million is funded with GF/GP. **Conference**: Included $12.0 million in special grants, outlined in Sec. 1046.	12,000,000
12. **Financial Literacy Pilot**. **Governor**: Included one-time TANF funds for competitive grants to operate a financial literacy pilot program for FIP clients in up to three prosperity regions. **Senate**: Did not include. **House**: Concurred with the Governor. **Conference**: Did not include.	0
13. **Community Ventures - Challenge Match**. **Governor**: Included $2.0 million in one-time GF/GP appropriations to be used only for matching private dollars. **Senate**: Only included $1.0 million. **House**: Did not include funding. **Conference**: Did not include.	0
14. **Pure Michigan. Senate**: Increased Gross and 21st Century Jobs Trust Fund, by $1.0 million. **Conference**: Concurred with the Senate.	1,000,000
15. **Work Opportunity Program. Senate**: Included this new program to allow businesses to be reimbursed for hiring qualified individuals. Sec. 869 outlines the program and reporting requirement. **Conference**: Did not include.	0
16. **Smart Zone Grant. Senate**: included a $100 placeholder for a grant to a local smart zone. **Conference**: Did not include.	0
17. **Healthy Living Campus. Senate**: included a $100 placeholder to Kalamazoo Valley Community College. **Conference**: Did not include.	0
18. **Protect and Grow. Conference**: Included $3.0 million in one-time appropriations to this program.	3,000,000
19. **Sustainable Employment Pilot Program. Conference:** Included a $100 placeholder for a pilot program to provide contracts to providers with the focus on moving individuals off of government assistance programs. Sec. 1083 was included to outline the program and contract.	100
20. **FY 2016-17 One-Time Gross Appropriations.** Included $34,328,500 in One-Time Appropriations. Of the total, 14.0 million is for Business Attraction, $8,778,500 is for Statewide data systems integration, $8.55 million is for Special Grants, and $3.0 million for Protect and Grow.	
Total Changes	($7,029,200)
FY 2016-17 Initial Ongoing/One-Time Gross Appropriation	**$1,145,994,300**

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

Items Included by the Senate and House

1. **Business Attractions and Community Development Increase**. **Governor**: Included benchmark requirements on the increase to Business Attraction. **Senate/House/Conference**: Did not include. (Sec. 1042a)

2. **Statewide System of Integration**. **Governor/Senate/House**: Included program and reporting requirements on the implementation of the Statewide Systems of Integration. (Sec. 1081)

3. **Technical Changes**. **Governor/Senate/House** made technical adjustments to section 981 (Legacy Costs adjustments and moved to Sec. 210), 1050 (moved out of budget), 1064 (moved to Sec. 1068(l))), 1079 (moved to Sec. 1065(h)), and removing references to Film Incentives in sections 1032 (Film Office Report) and 1036 (appropriations transfer restriction).

Conference Agreement on Items of Difference

4. **General Orders Sections**. **Governor**: Included a number of standard boilerplate sections for the Department, which are included in the 200 sections. The numbering and language is changed to be consistent across departments. **Senate**: Did not concur with the Governor and moved boilerplate sections to the 800's. **House**: Maintained current law. **Conference**: Did not concur with the Governor and kept sections in the 1000's.
5. **Deleted Sections**. **Conference**: removed a number of sections that were retained by either the House or Senate, which includes sections: 991 (Broadband Report), 1014 (Core Community Fund), 1031 (spending plan report), 1033b (Film Inventive intent language), 1034 (Business Incubator report), 1037 (Facility for Rare Isotope Beam Bond language), 1053 (awards report), 1055 (Business Attraction and Community Revitalization benchmark requirement), 1056 (Film Incentive pension payment), 1069 (GED-to-school), and 1070 (Workforce Development Workgroup).
6. **Retained Section**. **Conference**: retained a number of sections that were deleted by either the Governor, House, or Senate, which includes sections: 990 (MSHDA report), 1007 (MSF & MEDC activity report), 1010 (Jobs for Michigan Investment Report), 1040 (State accounting system requirement), 1041 (appropriations transfer limit), 1061 (Youth Entrepreneurship grant), 1076 (UIA integration implementation report), 1077 (UIA quarterly report), and 1078 (UIA customer service standards).

7. **Modified. Conference**: modified a number of sections, which includes section 1007 (MEDC activity report), 1020 (Federal pass-through funds), 1033 (Film Incentive report), 1064 (Workforce development Programs Report), 1065 (Skilled Trades Training Report), 1066 (Skilled Trades Training program), and 1068 (Workforce Training Program report).

8. **Facility for Rare Isotope Beams (FRIB) progress report**. **Senate**: Included a status report on the construction of the FRIB program. **Conference**: concurred with the new Senate language. (Sec. 1038)

9. **Unmanned Aerial Drone Development Grant**. **Senate**: Included a $500,000 business attraction grant for unmanned aerial drone development. **Conference**: Did not include.

10. **Van Andel**. **Senate**: Included a $1.0 million Entrepreneurship grant to Van Andel. **Conference**: Did not include.

11. **Special Grants. Senate**: Included an outline of the Special Grants, which includes, $250,000 for capital improvements to a water tower, $960,000 for high priority capital improvement, $800,000 for state park redevelopment, $2.1 million to expand the JAG program in Michigan, $76,000 as matching to purchase a plasma cutter, and $300,000 for the Urban Search and Rescue Taskforce. **Conference**: Outlined 21 individual grants within the Special Grants line item. (Sec. 1046)

12. **Tax Credit Report. Senate**: Included a new report on the Michigan Economic Growth Tax Credits, Brownfield Redevelopment Credit, Film Credit, Photovoltaic Technology Credit, Polycrystalline Silicone Manufacturing Credit, Vehicle Battery Credit, and any other certified credits. **Conference**: Concurred with the Senate. (Sec. 1047)

13. **Work Opportunity Program. Senate**: Included new language that outlines the Work Opportunity Program including a progress report. **Conference**: Did not include.

14. **Interagency Agreement. Senate**: Included new language that requires an interagency agreement with DHHS for the use of TANF dollars. **Conference**: Concurred with the Senate. (Sec. 880)

15. **Place Holders. Senate**: Included three new Sections that involve $100 place holders. Sec. 848 outlines the $100 placeholder in Part 1 for the Smart Zone grant Sec. 849 is for aerospace supplier expansion from entrepreneurship eco-system, and Sec. 850 from entrepreneurship eco-system for a grant to a technology accelerator. **Conference**: Did not include funding for the various placeholders.

16. **Community Venture - Matching Funds**. **Governor**: Included matching requirement language on the one-time Community Venture - Matching Funds appropriations. **Senate**: modified to allow $1.0 in one-time and $1.0 in ongoing to be used in matching. **Conference**: Included language but modify to allow $2.0 million in current appropriations to be used for matching. (Sec. 1069)

17. **Financial Literacy Pilot Program**. **Governor**: Included program and reporting requirements on the one-time Financial Literacy Pilot Program. **Senate**: Did not include. **House**: Concurred with the Governor. **Conference**: did not include.

18. **Sustainable Employment Pilot Program. House**: Included language for a pilot program to develop contracts with other providers to focus on moving individuals off of government assistance programs and measuring the savings to the state of Michigan. **Conference**: Concurred with House language. (Sec. 1083)

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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE*	FY 2016-17 INITIAL APPROPS.	CHANGES FROM FY 2015-16 YEAR-TO-DATE AMOUNT	PERCENT
FTE Positions	2,844.0	2,877.0	33.0	1.2
GROSS	**1,263,223,700**	**1,301,191,700**	**37,968,000**	**3.0**
Less:				
Interdepartmental Grants Received	678,478,500	694,054,100	15,575,600	2.3
ADJUSTED GROSS	**584,745,200**	**607,137,600**	**22,392,400**	**3.8**
Less:				
Federal Funds	7,997,300	4,958,200	(3,039,100)	(38.0)
Local and Private	3,777,800	2,320,000	(1,457,800)	(38.6)
TOTAL STATE SPENDING	**572,970,100**	**599,859,400**	**26,889,300**	**4.7**
Less:				
Other State Restricted Funds	95,771,900	114,340,800	18,568,900	19.4
GENERAL FUND/GENERAL PURPOSE	**477,198,200**	**485,518,600**	**8,320,400**	**1.7**
PAYMENTS TO LOCALS	**0**	**0**	**0**	**0**

*As of June 8, 2016.

FY 2015-16 Year-to-Date Gross Appropriation $1,263,223,700

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

Items Included by the Senate and House

1. **Removal of FY 2015-16 One-Time Appropriations. Governor:** Removed a total of $5.2 million of the following one-time funding provided in the FY 2015-16 budget: Legal Services ($1.0 million); Technology Services Funding - Treasury ($3.0 million); Technology Services Funding - DTMB ($600,000); Cost Study of PA 555 of 2014 ($500,000); and Special Projects ($105,000). **Senate and House:** Concurred with Governor. (5,205,000)

2. **DTMB Rate Proposal. Governor:** Added new funding to allow the Department to collect fees from other State departments and agencies for services provided such as mailings, warehousing, and vehicle services. **Senate and House:** Concurred with Governor. 10,632,400

3. **Bureau of Labor Market Information and Strategic Initiatives (LMISI). Governor:** Increased local revenue funding by $35,000 for a total of $5.4 million to increase the authorization for LMISI to begin collecting revenue from local customers for customized data requests. **Senate and House:** Concurred with Governor. 35,000

4. **Michigan State Police Retirement Payout Adjustment. Governor:** Increased GF/GP funding to meet the payment obligations required of PA 168 of 2015 which provided increased pension payment adjustments for certain retired MSP personnel. **Senate and House:** Concurred with Governor. 132,000

5. **Information Technology (IT) - Alignment of IDG Funding. Governor:** Aligned its IDG funding with enacted FY 2015-16 appropriations for all departments. **Senate and House:** Concurred with Governor. 5,551,500

6. **Office of Retirement Services. Governor:** Increased restricted funding by $3.6 million for total funding of $30.8 million in FY 2016-17 and added 5.0 FTE positions to cover additional administrative costs to administer the various retirement system changes due to enacted legislation affecting both Defined Contribution and Deferred Compensation. **Senate and House:** Concurred with Governor. 3,631,100

7. **Enterprisewide Special Maintenance. Governor:** Decreased GF/GP funding for the ongoing appropriations for this item by $3.5 million to provide maintenance services to State-owned buildings across the State. Total ongoing funding in FY 2016-17 decreases from $29.5 million to $26.0 million. **Senate and House:** Concurred with Governor. (3,500,000)

8. **Five-Year Early-Out Deferred Sick Leave Payments. Governor:** Removed funding for early-out sick leave payments as Department obligations will be satisfied as of the end of FY 2015-16 for employees who opted into the 2010 Early Retirement Program, which deferred sick leave payments over five years. **Senate and House:** Concurred with Governor. (1,595,500)

9. **SBA Rent Adjustments. Governor:** Reduced funding by $8.0 million for total funding of $246.6 million for FY 2016-17 to realize lowered costs due to refinancing and the realization of cancellation of leases in July 2015 renegotiations. **Senate and House:** Concurred with Governor. (8,000,000)

10. **Human Resources for TED. Governor:** Shifted funding and 4.0 FTE positions from the Department of Talent and Economic Development (TED) to the Civil Service Commission (CSC) for costs related to human resources which will be provided by the CSC. **Senate and House:** Concurred with Governor. 710,000

11. **Other Changes.** The Governor included two miscellaneous changes including: a net zero Gross change for SWCAP, however change results in a negative adjustment to GF/GP funding of ($296,600); and a negative adjustment of $152,600 for Professional Development to comply with contracts. **Senate and House:** Concurred with Governor. (152,600)

12. **Unclassified Salaries. Governor:** Increased funding by $24,400 for total funding of just over $1.0 million for FY 2016-17. **Senate and House:** Concurred with Governor. 24,400

Conference Agreement on Items of Difference

13. **Economic Adjustments.** Includes $1,957,600 Gross and $448,400 GF/GP for OPEB and $6,922,000 Gross and $1,597,800 GF/GP for other economic adjustments. **Senate and House:** Removed the economics totaling $12,200 for the Office of Urban initiatives due to elimination of the program. **Conference:** Concurred with Governor. 8,879,600

14. **Enterprise Identity Management (MiLogin). Governor:** Added new GF/GP funding and 6.0 FTE positions for the MiLogin program that will allow a single sign-on and identity management tool to enable the State to establish, manage, and authenticate user identities for State IT systems. **Senate:** Concurred with Governor. **House:** Did not include. **Conference:** Concurred with Senate. 6,700,000

15. **Office of Good Government. Governor:** Added new funding of $2.7 million ($1.5 million GF/GP) and 6.0 FTE positions for costs related to employee engagement and citizen surveys that support various transformational initiatives. **Senate:** Concurred with Governor. **House:** Reduced GF/GP funding of $1.5 million. **Conference:** Concurred with Senate. 2,678,700

16. **Cyber Security. Governor:** Increased funding and added 2.0 FTE positions for second year of a multi-year program to enhance cyber security protection across all State IT systems. **Senate:** Concurred with Governor**. House:** Reduced Governor's funding by $3.0 million. **Conference:** Reduced Governor's funding by $1.0 million for total funding in FY 2016-17 of $4.0 million. 4,000,000

17. **Office of Urban Initiatives. Governor:** Reduced funding for this line item by 40% for total funding of $1.5 million for FY 2016-17. **Senate:** Retained as $100 placeholder. **House:** Removed all funding. **Conference:** Reduced funding by $1.5 million for total funding in FY 2016-17 of $1.0 million. (1,500,000)

18. **Regional Prosperity Grants. Governor:** No change to current year funding. **Senate:** Retained as $100 placeholder. **House:** Concurred with Governor. **Conference:** Maintained current year funding of $2.5 million for FY 2016-17.	0
19. **Public Safety Officers Survivor Benefits Program. Senate:** Added $58,000 in GF/GP funding to provide enhanced benefits for survivors of public safety officers killed in the line of duty. **House:** Not included. **Conference:** Concurred with House.	0
20. **Adjustment for Executive Revision 2017-3. Conference:** Included additional funding due to enactment of E.O 2016-4 that created the Office of Performance and Transformation.	495,500
21. **Budget and Financial Management. Conference:** Included additional funding of $250,000 GF/GP. Expenditures to be determined by the State Budget Director at some point during the fiscal year.	250,000
22. **FY 2016-17 One-Time Appropriations.** Governor included the following one-time funding: $10.0 million for Enterprisewide Special Maintenance; $5.0 million for legal services; $7.5 million for finalizing relocation of State employees in Lansing office space; $7.0 million for IT Investment Funds (ITIF) to provide $5.0 million to Treasury for legacy system replacement and $2.0 million for the SIGMA Project to leverage MiLogin capabilities; $2.85 million for the Office of Retirement Systems for enterprise mandates and increased support costs; and $900 for planning authorizations for SBA-authorized community college and university construction projects. **Senate:** Concurred with Governor but did not include $900 in planning authorizations. **House:** Reduced Governor's funding amounts by the following: Special Maintenance ($3.0 million): removed all of legal services ($5.0 million) and all of Lansing office space moves ($7.5 million). **Conference:** Reduced Governor's funding by the following amounts: Special Maintenance ($8.4 million); removed all of Lansing Space moves ($7.5 million); and ITIF funding ($2.5 million). Also, Conference added $250,000 for special projects.	14,200,900
Total Changes	$37,968,000
FY 2016-17 Initial Ongoing/One-Time Gross Appropriation	**$1,301,191,700**

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

Items Included by the Senate and House

1. **Boilerplate Structure.** The Governor moved boilerplate from the FY 2015-16 general sections that applied to all General Government budgets to the Article for the Department of Technology, Management, and Budget. Changes to those items can be found in the highlight sheet for the **General Sections**. **Senate and House:** Maintained current law bill structure.

2. **Legacy Cost Estimates.** Total legacy costs are estimated at $76,745,400. Of the total, pension-related legacy costs are estimated at $43,527,000 and retiree health care legacy costs are estimated at $33,218,400 for fiscal year ending September 30, 2016. **Governor:** Provided the following Legacy Costs estimates for FY 2017: Total legacy costs estimated at $78,962,000. Of that total, $43,795,600 are for pension-related legacy costs and $35,166,400 are for retiree health care legacy costs for the fiscal year ending September 30, 2017. **Senate and House:** Concurred with Governor. (Sec. 822e)

3. **Legal Services Fund Report.** Requires a report by April 1 to the Legislature on the Legal Services Fund expenditures by case, purpose, and department involved. **Governor:** Moves section to one-time section of the bill but retains current section number. **Senate and House:** Retained current law. (Current Law Sec. 822g)

4. **Office of Good Government. Governor:** Added new language stating that the funds appropriated in Part 1 shall be used to expand the Office and to broaden the office's support of transformative good government initiatives. **Senate and House:** Concurred with Governor. (**NEW** Sec. 822j)

5. **School Reform Office Public Hearings. Senate:** Added new language requiring the School Reform Office to hold at least one public hearing in the school district that the Office is considering for placement of a CEO or dissolution of a school. **House:** Concurred with Senate. **Conference:** Concurred with the Senate (**NEW** Sec. 822l)

6. **Michigan Public Safety Communications System.** Provides that money appropriated in Part 1 for the Michigan Public Safety Communications System (MPSCS) shall be expended upon approval of an expenditure plan by the State Budget Director. **Governor:** Added new language requiring all fees charged to be deposited into the Michigan Public Safety Communications Systems Fees Fund. Also added carry-forward language. **Senate and House:** Concurred with Governor. (Sec. 827)

7. **Modernization of State IT Systems. Governor**: Added new language stating that the increased funding shall be used to modernize the State's IT systems and integrate State system interfaces to improve customer service. **Senate and House:** Concurred with Governor. (**NEW** Sec. 836)

8. **Cyber Security System Improvements. Governor:** Added new language stating that the increased funding for cyber security shall be used to increase cyber security by developing a comprehensive security framework. **Senate and House:** Concurred with Governor. (**NEW** Sec. 837)

9. **Office of Retirement Services. Governor:** Added new language requiring the increased funding to be used for expanding the Office's IT capability so as to provide a 90% customer contact satisfaction level. **Senate and House:** Concurred with Governor. (**NEW** Sec. 839)

Conference Agreement on Items of Difference

10. **Regional Prosperity Grants.** Provides boilerplate language describing the qualification process for the Regional Prosperity Grant Program. **Governor:** revised and updated the language, updated dates in subsection (9), and added new subparts within the section. **Senate:** Eliminated Section. **House:** Concurred with Governor. **Conference:** Concurred with House. (Current Law Sec. 822f)

11. **Tracking Performance of Vendors. Senate:** Added new language stating that the Department shall establish a system that collaborates with other departments to track the performance of vendors who are awarded contracts through the procurement process. **House:** Did not include. **Conference:** Concurred with the Senate.(**NEW** Sec. 822m)

12. **Placement of all Contract Proposals on Department Website. Senate:** Added new language requiring the Department to establish a publically accessible portal on the Department's website that displays all contract proposals for all State departments and agencies. **House:** Did not include. **Conference**: Added new language that requires that the department include the corresponding department or agency for all new RFPs to allow RFPs to be search by department or agency. (**NEW** Sec. 822n)

13. **School Reform Office Coordination with Department of Education. Senate:** Added new language requiring the School Reform Office to coordinate with the Department of Education to streamline State services and resources, reduce duplication, and increase efficiency. **House:** Did not include. **Conference:** Concurred with the Senate. (**NEW** Sec. 822o)

14. **Enterprise Identity Management (MiLogin). Governor:** Added new language stating that the funds for the enterprise identity management program shall be used to expand the enterprise identity management program to provide an enterprisewide single sign-on and identity management tool. **Senate:** Concurred with Governor. **House:** Did not include. **Conference:** Concurred with Senate. (**NEW** Sec. 838)

Date Completed: 6-30-16 Fiscal Analyst: Joe Carrasco, Jr.

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BILL ANALYSIS

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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE*	FY 2016-17 INITIAL APPROPS.	CHANGES FROM FY 2015-16 YEAR-TO-DATE AMOUNT	PERCENT
FTE Positions	N/A	N/A	0.0	0.0
GROSS	**156,449,000**	**137,037,000**	**(19,412,000)**	**(12.4)**
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	**156,449,000**	**137,037,000**	**(19,412,000)**	**(12.4)**
Less:				
Federal Funds	0	0	0	0.0
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	**156,449,000**	**137,037,000**	**(19,412,000)**	**(12.4)**
Less:				
Other State Restricted Funds	0	0	0	0.0
GENERAL FUND/GENERAL PURPOSE	**156,449,000**	**137,037,000**	**(19,412,000)**	**(12.4)**
PAYMENTS TO LOCALS	**0**	**0**	**0**	**0.0**

*As of June 8, 2016.

FY 2015-16 Year-to-Date Gross Appropriation	**$156,449,000**

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

Items Included by the Senate and House

1. **Clean Michigan Initiative**. **Governor**: Increased debt service payments for this bond due to scheduled increases in bond payments with no new projected bonds being issued for FY 2016-17. This increased total debt service payments to $89,477,000. **Senate** and **House**: Concurred with Governor.	25,516,000
2. **Great Lakes Water Quality Bonds. Governor**: Increased debt service payments to this bond. Of the total, there was an $8,005,000 reduction in scheduled payments and $10,349,000 in projected new bond payments for $200.0 million in new bond issuances for FY 2016-17. This increased total debt service payments to $18,873,000. **Senate** and **House**: Concurred with Governor.	2,344,000
3. **Quality of Life Bonds. Governor:** Reduced debt service payments to this bond due to projected decreases in scheduled bond payments with no new projected bonds being issued for FY 2016-17. This reduced total debt service payments to $28,687,000. **Senate** and **House**: Concurred with Governor.	(47,272,000)
Total Changes	($19,412,000)
FY 2016-17 Initial Ongoing/One-Time Gross Appropriation	**$137,037,000**

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

1. No Change.

Date Completed: 6-30-16

Fiscal Analyst: Cory Savino

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BILL ANALYSIS

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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE*	FY 2016-17 INITIAL APPROPS.	CHANGES FROM FY 2015-16 YEAR-TO-DATE AMOUNT	PERCENT
FTE Positions	1,901.5	1,902.5	1.0	0.1
GROSS	**614,897,100**	**519,123,200**	**(95,773,900)**	**(15.6)**
Less:				
Interdepartmental Grants Received	9,500,700	11,262,300	1,761,600	18.5
ADJUSTED GROSS	**605,396,400**	**507,860,900**	**(97,535,500)**	**(16.1)**
Less:				
Federal Funds	39,661,500	39,920,800	259,300	0.7
Local and Private	9,055,100	9,227,700	172,600	1.9
TOTAL STATE SPENDING	**556,679,800**	**458,712,300**	**(97,967,500)**	**(17.6)**
Less:				
Other State Restricted Funds	402,749,500	360,303,600	(42,445,900)	(10.5)
GENERAL FUND/GENERAL PURPOSE	**153,930,300**	**98,408,800**	**(55,521,500)**	**(36.1)**
PAYMENTS TO LOCALS	**258,357,300**	**186,270,700**	**(72,086,600)**	**(27.9)**

*As of June 8, 2016.

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

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

Items Included by the Senate and House

1. **Free Individual e-File**. **Governor: I**ncluded one-time appropriations to allow development of free individual tax return e-file. This is supported by GF/GP. **Senate**: Concurred with Governor. — 2,842,500

2. **Economic Adjustments.** Includes $4,083,400 Gross and 745,100 in standard economics, $1,141,500 Gross and $190,400 GF/GP for OPEB and $402,300 Gross and $116,400 GF/GP for other economic adjustments. — 5,627,200

3. **Other Changes.** (delete if not applicable)

4. **DTMB-Rated Service Model**. **Governor: I**ncluded a new program that would allow the Department of Technology, Management, and Budget to bill the Department of Treasury by a standard rate plan instead of hourly billing for services. Of the Gross increase, $511,100 is GF/GP. **Senate**: Concurred with Governor. — 1,563,000

5. **Payments in Lieu of Taxes (PILT)**.-**Governor: I**ncreased total PILT due to scheduled and statutory increases. Of the total, $246,600 is State Restricted, $1,300 is private funds, and $1,056,800 is GF/GP. **Senate**: Concurred with Governor. — 1,304,700

6. **Casino Gaming Information Technology (IT)**. **Governor: I**ncreased Casino Gaming IT to provide ongoing support and upgrades. This increase is supported by State Restricted revenue. **Senate**: Concurred with Governor. — 500,000

7. **Horse Sample Testing**. The Governor transferred a portion of Horse Sample Testing from the Department of Agriculture and Rural Development. The funds supporting this transfer are from the Equine Development Fund. **Senate**: Concurred with Governor. — 250,000

8. **Indian Casino Auditor**. **Governor:** Increased Casino Gaming Operations to allow for the hire of one auditor for Indian Casinos to perform audits of local revenue sharing and financial files only. The increase is supported by State Restricted funds. **Senate**: Concurred with Governor.	118,300
9. **Removal of FY 2015**-15 **Supplemental. Senate:** Removed P.A. 24 ($30.0 million) and 54 ($48.7 million).	(78,700,000)
10. **Removal of FY 2015-16 One-Time Appropriations**. **Governor:** Removed One-Time appropriations from FY 2015-16 including Personal Property Tax payments ($19.3 million), On-line Business Portal ($600,000), and the Presidential Primary reimbursement ($10.0). **Senate**: Concurred with Governor.	(29,900,000)
11. **Five-Year Early-Out Sick Leave Payments.** Department obligations will be satisfied as of FY 2015-16 for employees who opted into the 2010 early retirement program, which deferred sick leave payments over five years. Of the total reduction, $58,900 is from Federal funds, $568,600 is from State Restricted funds, and $73,800 is from GF/GP. **Senate**: Concurred with Governor.	(701,300)
12. **Chaldean Community Foundation**. **Governor:** Eliminated the line item that supported this program. **Senate**: Concurred with Governor.	(250,000)
Conference Agreement on Items of Difference	
13. **Student Loan Delinquency Pilot. Senate**: Added a 3-year pilot program to provide 1-on-1 student loan counseling assistance. **Conference**: Included funding for a 1-year pilot.	345,600
14. **Testing and Analytics Unit**. **Governor: I**ncreased the Executive Direction line item to establish an ongoing unit providing analytics and testing for new systems and operations. This increase in general funds and an additional 4.0 FTEs is combined with $2.0 million in existing funds and 14.0 FTEs. **Senate**: Concurred with Governor.	750,000
15. **Financial Data Analytical Tool Reimbursement**. **Senate:** Included $100 placeholder for reimbursing local units of government for the purchase of financial analytical tools, Sec. 1049h outlines the program. **Conference**: Conference did not include.	0
16. **Grants**. **Governor:** Eliminated all grants. **Senate**: Concurred with Governor. **House**: Included the grant for Urban Search and Rescue Taskforce (from $300,000 to $500,000). **Conference**: Included a grant for Urban Search and Rescue Taskforce ($200,000), Beat the Street ($100,000), house ($100,000), and a Plasma Cutter ($76,000)	476,000
17. **State Restricted Fund Shift**. **Governor:** Shifted increased or available restricted fund revenue from Garnishment fees ($105,600), State Agency Collection fees ($1,344,400), and Levy/Warrant Cost Assessment fees (300,000) to save a total of $1.75 million general fund dollars. **Senate**: Made a technical adjustment that resulted in $500,000 less in GF/GF. **Conference**: Made a technical fund shift that resulted in $621,600 less in GF/GP.	0
18. **Drinking Water Emergency Contingency Fund. Conference:** Included a $100 placeholder to allow for transfers from the Drinking Water Declaration of Emergency Reserve Fund.	100
19. **FY 2016-17 One-Time Gross Appropriations. Conference**: Includes $2,842,500 in one-time funding for implementing free individual e-file.	
Total Changes	($95,773,900)
FY 2016-17 Initial Ongoing/One-Time Gross Appropriation	**$519,123,200**

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

Items Included by the Senate and House

1. **Deleted Sections**. **Governor/Senate/House**: deleted a number of sections, which includes sections: 918 (Tax Orientation Workshop), 949a (Personal Property Tax Payments), 949c (Online Business Portal).
2. **Write-Offs and Advances**. **Governor:** Removed the reporting requirement for write-offs and advances. **Senate/House**: Did not include the modification. (Sec. 917)
3. **Unclaimed Property Audit Modification**. **Governor:** Removed requirements that the Department recommend improvements to unclaimed property audits. **Senate/House**: Concurred with Governor. (Sec. 919)
4. **Michigan Financial Authority Modification**. **Governor:** Removed reporting requirements for the Michigan Financial Authority. **Senate/House**: Did not include the modification. (Sec. 934)
5. **Technical Adjustments**. **Governor and Senate:** Made a number of technical adjustments, which includes date changes, office/division name changes, legacy cost adjustments, and removing references to new programs for programs entering the second year. This includes sections: 915, 926, 945, 947, 948, and 979.

Conference Agreement on Items of Difference

6. **General Order Sections**. **Governor:** Included a number of standard boilerplate sections for the Department, which are included in the 200 sections. **Senate**: Didn't not include the changes to the general section, however, reorder section numbers to 1000's. **House**: Did not include any reordering of section. **Conference**: Did not include any reordering of sections.
7. **Retained Section**: **Conference**: Retained sections deleted by either the Governor, House, or Senate, which includes: 902a (notification of bond refinancing), 927 (Personal Property Tax Audits), 944 (Pension Plan Consultant Report Retention), 949d (Financial Review Commission), 949g (Urban Search and Rescue), and 963 (Ban on bridge cards being used to buy lottery tickets).
8. **Deleted Section: Conference**: Deleted sections retained by either the House, or Senate, which includes: 949b (City income tax administration)
9. **Financial Services Modification**. **Governor:** Included language allowing Financial Services to utilize miscellaneous revenue in the event that there is a shortfall in the Common Cash Earnings fund. **Senate**: Concurred with Governor. **House**: Maintained current law. **Conference**: Concurred with the Governor. (Sec. 904a)
10. **Student Loan Delinquency Pilot. Senate**: Included new language that outlines the RFP process for the student loan delinquency pilot program, the program requirement, and the reporting requirements. **Conference**: Included the Senate language with modification for a 1-year pilot program. (Sec. 936)
11. **Michigan Accounts Receivable Collection System Report. Senate**: Included a new report on the account receivable collections system for short and long term delinquent accounts. **House**: Included a reduced reporting requirement. **Conference**: Concurred with the Senate. (Sec. 937)
12. **State Capital Historic Fund. Senate:** Included new language that gives the Treasurer the authority to expend the full amount that is appropriated to the State Capital Historic Fund in part 1, and prevent reductions during negative CPI changes. **Conference**: Concurred with the Senate. **Governor's signing letter states this section is unenforceable.** (Sec. 938)
13. **Tax Credit Report. Conference:** Included a new report on the Michigan Economic Growth Tax Credits, Brownfield Redevelopment Credit, Film Credit, Photovoltaic Technology Credit, Polycrystalline Silicone Manufacturing Credit, Vehicle Battery Credit, and other certified credits. (Sec. 941)
14. **Financial Analytical Tool Reimbursement. Senate:** Included language that outlines reimbursement to locals for financial analytical tools, which includes dates to submit and receive reimbursement, vendor requirements, proration, and using any unexpended funds remaining. **Conference**: Did not include.
15. **Lottery Promotion**: **Senate**: Increase the caps to $25 million or 1%, whichever is less. **House**: Maintained current law. **Conference**: Concurred with the Senate. (Sec. 964)

Date Completed: 6-30-16 Fiscal Analyst: Cory Savino

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FTE Positions	N/A	N/A	0.0	0.0
GROSS	**1,214,331,000**	**1,228,982,700**	**14,651,700**	**1.2**
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	**1,214,331,000**	**1,228,982,700**	**14,651,700**	**1.2**
Less:				
Federal Funds	0	0	0	0.0
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	**1,214,331,000**	**1,228,982,700**	**14,651,700**	**1.2**
Less:				
Other State Restricted Funds	1,214,331,000	1,228,982,700	14,651,700	1.2
GENERAL FUND/GENERAL PURPOSE	**0**	**0**	**0**	**0.0**
PAYMENTS TO LOCALS	**1,214,331,000**	**1,228,982,700**	**14,651,700**	**1.2**

*As of June 8, 2016.

FY 2015-16 Year-to-Date Gross Appropriation $1,214,331,000

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

Items Included by the Senate and House

1. **Financially Distressed Cities, Villages, or Townships.** The Governor maintained funding for this grant program at $5.0 million in FY 2016-17, the same level as in FY 2015-16. The program provides grants of up to $2.0 million for CVTs with signs of fiscal distress for projects that move the city, village, or township toward financial stability. The Senate and House concurred. 0

Conference Agreement on Items of Difference

2. **Constitutional Revenue Sharing.** The Governor recommended an increase in constitutional revenue sharing of 3.9% to $781,501,400, consistent with the January 2016 consensus revenue estimates. Constitutional revenue sharing distributes 15% of the sales tax levied at a 4% rate to cities, villages, and townships (CVTs) on a per capita basis. The Senate and House concurred. Conference included $757,875,200 for constitutional revenue sharing based on May 2016 consensus revenue estimates which included a lower forecast for sales tax revenue. This would be an increase of 1.6% or $12,084,200 from the revised estimate for FY 2015-16. 12,084,200

3. **CVT Revenue Sharing.** The Governor reduced nonconstitutional (statutory) revenue sharing for CVTs by $5.8 million to $243,040,000, a 2.3% reduction. The proposal would eliminate 101 local units from eligibility for the per capita distribution of about $2.65 which started in FY 2014-15. Another 15 local units that received a payment increase under the per capita distribution would have their payments reduced. All other CVTs would receive the same payment in FY 2016-17 as in FY 2015-16. The Senate provided funding of $244,983,000 in FY 2016-17, a reduction of 1.5%. The Senate maintained eligibility in FY 2016-17 for all local units that were eligible in FY 2015-16. The House maintained the current year funding level of $248,840,000 and distribution to 587 local units. Conference concurred with the House in total funding of $248,840,000, which consists of $243,040,000 in ongoing appropriations and $5.8 million in one-time funding, the same as in FY 2015-16.	0
4. **County Revenue Sharing and County Incentive Program.** The Governor and House increased funding by $467,500 to cover the cost of counties that return to State-paid revenue sharing in FY 2016-17, for either the first full or part-year. The Senate provided funding for the newly eligible counties and increased payments to all eligible counties by 2.0%. Conference funded newly eligible counties and provided a 1.0% or $2.1 million increase to all eligible counties which would be paid through the line item for county revenue sharing. County revenue sharing increased to $174,234,000 and the county incentive program increased to $43,033,500.	2,567,500
5. **Competitive Grant Assistance Program (CGAP).** The Governor proposed $11.0 million for this program to provide grants to local units for costs associated with mergers, interlocal agreements, and cooperative efforts. The funding would consist of $5.8 million in ongoing appropriations and $5.2 million in one-time funding. The CGAP received State appropriations of $15.0 million in FY 2011-12, FY 2012-13, and FY 2013-14, but has not received funding since then. The Senate did not include. The House provided $5.2 million in one-time funding for CGAP. Conference did not include.	0
6. **Voting Machine Replacement Reimbursement.** The Senate added $5,000,000 in one-time funding for payments to all cities, villages, townships, and counties that purchase voting machines approved by the Department of State. Reimbursement would be calculated by the Department of Treasury in cooperation with the Department of State to provide an equal payment for each voting machine projected to be replaced in the next 3 years. The appropriation would be funded from $4,753,600 in restricted sales tax revenue and $246,400 GF/GP. The House did not include the program. Conference did not include.	0
7. **FY 2016-17 One-Time Gross Appropriations.** Conference included $5.8 million in one-time appropriations for CVT revenue sharing as described above.	0
Total Changes	$14,651,700
FY 2016-17 Initial Ongoing/One-Time Gross Appropriation	**$1,228,982,700**

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

Items Included by the Senate and House

1. **Revenue Sharing Workgroup.** The Governor, Senate, and House deleted legislative intent language regarding a legislative workgroup on city, village, and township nonconstitutional revenue sharing. (Sec. 957)

Conference Agreement on Items of Difference

2. **City, Village, and Township Revenue Sharing Payment Calculation.** The Governor limited eligibility to those local units that received more than $4,500 in FY 2009-10 in statutory revenue sharing. This would reduce eligibility from 587 CVTs in FY 2015-16 to 486 CVTs in FY 2016-17. Current year language allows each eligible CVT to receive the same payment in FY 2015-16 as in FY 2014-15, assuming that all accountability and transparency requirements are met. In FY 2015-16, each local unit with a population of more than 7,500 is eligible to receive either 78.51044% of its FY 2009-10 payment or a payment of $2.64659 per capita, whichever is greater. The elimination of the per capita payments would exclude 101 local units from eligibility for the program and reduce payments to another 15 local units that received an increase under the per capita payment. Payments to other CVTs would not change. The Senate reduced funding by 1.5%. CVTs that were eligible for revenue sharing in FY 2015-16 would be eligible in FY 2016-17 for 98.45% of the amount for which they were eligible in FY 2015-16. The House maintained eligibility and payment amounts in FY 2016-17 at the same amount as in FY 2015-16. Conference concurred with the House. (Sec. 952)

3. **Revenue Sharing for Counties.** The Governor and House fully funded revenue sharing payments to counties as provided by statute. Funding would be paid through the line items for county revenue sharing and county incentive program. The Senate provided that eligible counties would receive 102% of the statutory calculation, a 2% increase for each eligible county. Conference provided that the county incentive program payment is calculated as 20.0% of the full-funding amount. The county revenue sharing line item is paid at 100.976% of the full-funding amount, less the amount for which a county is eligible under the county incentive program. This provides about a 1.0% increase to counties eligible for State-paid revenue sharing. (Sec. 952(2) and 955)

4. **Extended Due Dates for Accountability and Transparency Reports.** The Governor recommended an extension in the due date for cities, villages, townships, and counties to submit certifications needed to qualify for the full amount of revenue sharing for which they are eligible. Currently all eligible local governments receive the October payment of 1/6th of the amount for which they are eligible. Receipt of the remaining five payments requires that a local government has completed required certifications by the first day of the payment month. Under the Governor's proposal, a local government that did not file certifications by the first day of the December or February payment months, would be able to defer (instead of forfeit) those payments, provided that certifications were completed by April 1. Deferred payments would be paid on the last business day of August. The Senate would allow deferral of the December payment if all required documents and certifications were submitted by February 1. The House retained the current payment schedule. Conference concurred with the House. (Sec. 952(4)(e))

5. **Competitive Grant Assistance Program (CGAP).** The Governor recommended re-establishing CGAP, a grant program that provides assistance for projects associated with mergers, interlocal agreements, and cooperative efforts. The Department of Treasury would award the grants. Cities, villages, townships, and counties would be eligible for grants. In addition, authorities, school districts, intermediate school districts, public community colleges, and public universities would be eligible for grant funding for a project to combine operations with a city, village, township, or county. A work project would be established for any funds remaining at year-end. The Senate did not include. The House included the program but limited eligibility to cities, villages, townships, and counties. Conference concurred with the Senate.

6. **Performance Metrics for CGAP.** The Governor required the Department of Treasury to identify outcomes and performance metrics for CGAP, including grants awarded and mergers, consolidation of operations, and cooperative efforts of two or more governmental units. The Senate did not include. The House included performance metrics and revised the language to reflect that CVTs and counties would be eligible under the House proposal. Conference concurred with the Senate.

7. **Voting Machine Replacement Reimbursement.** The Senate added language that specified the distribution of funds appropriated for voting machine replacement to cities, villages, townships, and counties that have purchased voting machines in a purchase that is approved by and meets the specifications established by the Department of State. The reimbursement amount would be calculated by the Department of Treasury by dividing the $5,000,000 appropriated by the number of voting machines that the Department of State projects to need replacement over the next three years. The appropriation would be established as a work project. The Department of Treasury would be required to report on the recipients for funding by May 1, 2017. The House did not include. Conference concurred with the House.

Date Completed: 6-30-16 Fiscal Analyst: Elizabeth Pratt