

**FY 2017-18: TOTAL GENERAL GOVERNMENT  
Summary: As Passed by the Senate  
Senate Bill 142 (S-2) as Amended**



**Analysts: Ben Gielczyk  
Michael Crossen**

	FY 2016-17 YTD as of 2/8/17	FY 2017-18 Executive	FY 2017-18 House	FY 2017-18 Senate	FY 2017-18 Enacted	<i>Difference: Senate From FY 2016-17 YTD</i>	
						<i>Amount</i>	<i>%</i>
<b>IDG/IDT</b>	\$760,158,300	\$782,493,800	\$782,493,800	\$782,493,800		\$22,335,500	2.9
<b>Federal</b>	826,723,500	807,906,500	807,906,500	870,895,900		44,172,400	5.3
<b>Local</b>	12,021,000	17,332,700	17,332,700	17,332,700		5,311,700	44.2
<b>Private</b>	6,064,500	6,244,900	6,244,900	6,244,100		179,600	3.0
<b>Restricted</b>	2,127,740,600	2,131,575,000	2,156,587,300	2,157,256,600		29,516,000	1.4
<b>GF/GP</b>	1,233,516,700	1,221,654,200	1,125,616,000	1,146,654,200		(86,862,500)	(7.0)
<b>Gross</b>	<b>\$4,966,224,600</b>	<b>\$4,967,207,100</b>	<b>\$4,896,181,200</b>	<b>\$4,980,877,300</b>		<b>\$14,652,700</b>	<b>0.3</b>
<b>FTEs</b>	8,760.7	8,895.7	8,898.7	8,090.7		(670.0)	(7.6)

Notes: (1) FY 2016-17 year-to-date figures include mid-year budget adjustments through February 8, 2017. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

Currently, the following departmental and agency budgets are included in the General Government budget: Executive Office, Legislature, Legislative Auditor General, and the Departments of Attorney General, Civil Rights, State, Technology, Management, and Budget (including the former Departments of Civil Service and Information Technology, and State Building Authority rent costs), Treasury (including the Bureau of State Lottery, Michigan Gaming Control Board, State Building Authority, Revenue Sharing, and Debt Service), and Talent and Economic Development (including Michigan Strategic Fund, Michigan State Housing Development Authority, Talent Investment Agency, Unemployment Insurance Agency, and Workforce Development Agency). **Budget issues are listed by department on the following pages.**

**Summary pages for individual department/agency budgets contained within the current FY 2016-17 General Government appropriations bill follow this page.**

**Major Boilerplate Changes From FY 2016-17**

**Sec. 210. Budget Stabilization Fund Pay-In – REVISED**

The FY 2016-17 pay-in was \$75.0 million, which was appropriated in supplemental appropriations act 2016 PA 340. Executive includes a pay-in of \$175.0 million. In addition, 25% of the unassigned fund balance for FY 2016-17 is required to be deposited in the Budget Stabilization Fund, currently calculated at \$91.5 million. Executive pay-in totals \$266.5 million. House includes \$266.5 million pay-in to BSF. Senate does not include a pay-in.

**Sec. 212. Receipt and Retention of Required Reports – RETAINED**

Requires departments to receive and retain copies of all reports required in Article VIII; requires federal and state guidelines to be followed for short-term and long-term retention of records; authorizes departments to electronically retain copies of reports unless otherwise required by federal and state guidelines. Executive deletes section. House and Senate retain.

**Sec. 215. Disciplinary Action Against State Employees – RETAINED**

Prohibits departments from taking disciplinary action against employees for communicating with legislators or their staff. Executive deletes section. House and Senate retain.

**Sec. 217. Fund Sourcing Priorities – RETAINED**

Requires federal or private grant funding to be used prior to General Fund appropriations when available for the same expenditure. Executive deletes section. House and Senate retain.

**Sec. 221. Reporting Requirement on Policy Changes – RETAINED**

Requires departments to report on policy changes made in order to implement enacted legislation. Executive deletes section. House and Senate retain.

**Sec. 229. Initiatives and Recommendations Related to Savings Identified in Audit Reports – REVISED**

Requires departments to report on their efforts and progress made toward achieving savings and efficiencies identified by the auditor general in audit reports. Executive deletes section. House retains. Senate revises to include subsection authorizing the Auditor General to charge for a subsequent audit if the executive branch department or agency failed to report regarding initiatives related to savings and efficiencies within the 6-month time frame after the initial audit.

**Major Boilerplate Changes From FY 2016-17**

***Sec. 233. Federal and State Restricted Revenue for Special Maintenance For State Facilities – DELETED***

Appropriates additional federal and state restricted revenue for Special Maintenance, Remodeling, and Addition – State Facilities line item up to the amounts earned based on the initiatives undertaken with the General Fund appropriation. Executive and House retain. Senate deletes.

***Sec. 234. Federal and State Restricted Revenue for Enterprisewide IT Investments – DELETED***

Appropriates additional federal and state restricted revenue for Enterprisewide Information Technology Investments line item up to the amounts earned based on the initiatives undertaken with the General Fund appropriation. Executive and House retain. Senate deletes.

***Sec. 235. Federal Funding Contingency Plan – RETAINED***

Requires the State Budget Director, in consultation with the appropriate department, to recommend a contingency plan for the federal funding reduction. Requires report by April 1. Executive deletes section. House and Senate retain.

**FY 2017-18: DEPARTMENT OF ATTORNEY GENERAL**  
**Summary: As Passed by the Senate**  
**Senate Bill 142 (S-2) as Amended**



**Analyst: Michael Crossen**

IDG/IDT	FY 2016-17 YTD as of 2/8/17	FY 2017-18 Executive	FY 2017-18 House	FY 2017-18 Senate	FY 2017-18 Enacted	Difference: Senate From FY 2016-17 YTD	
						Amount	%
	\$28,989,700	\$29,915,300	\$29,915,300	\$29,915,300		\$925,600	3.2
<b>Federal</b>	9,476,700	9,518,000	9,518,000	72,507,400		63,030,700	665.1
<b>Local</b>	0	0	0	0		0	--
<b>Private</b>	0	0	0	0		0	--
<b>Restricted</b>	20,328,900	21,336,900	21,336,900	36,673,900		16,345,000	80.4
<b>GF/GP</b>	42,840,500	40,298,600	40,298,600	40,248,600		(2,591,900)	(6.1)
<b>Gross</b>	<b>\$101,635,800</b>	<b>\$101,068,800</b>	<b>\$101,068,800</b>	<b>\$179,345,200</b>		<b>\$77,709,400</b>	<b>76.5</b>
<b>FTEs</b>	534.0	539.0	542.0	513.0		21.0	(3.9)

Notes: (1) FY 2016-17 year-to-date figures include mid-year budget adjustments through February 8, 2017. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The Attorney General serves as legal counsel for state departments, agencies, boards, and commissions, and their officers, brings actions and intervenes in cases on the state's behalf, and represents legislators and judges who may be sued while acting in their official capacities. The Attorney General issues opinions on questions of law submitted by members of the Legislature and others, serves as chief law enforcement officer of the state, and has supervisory powers over all local prosecuting attorneys.

		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Senate Change
<b>Major Budget Changes From FY 2016-17 YTD Appropriations</b>			
<b>1. Lawsuit Settlements Proceeds Fund</b>			
<b>Gross</b>		<b>\$2,600,000</b>	<b>(\$600,000)</b>
<u>House</u> reduces \$2.6 million restricted fund authorization for expenses associated with the drinking water Declaration of Emergency by \$450,000.	Restricted	2,600,000	(600,000)
<u>Senate</u> reduces restricted fund authorization by \$2.0 million.	GF/GP	\$0	\$0
<b>2. PACC NextGen IT System Replacement</b>			
<b>Gross</b>		<b>\$0</b>	<b>\$600,000</b>
<u>House</u> provides \$450,000 of state restricted funds and 3.0 FTEs for support with costs associated with wrongful imprisonment convictions and duties prescribed to the department in 2016 PA 343. <u>Senate</u> adds \$600,000 in restricted funding one-time funding from the Lawsuit Settlement Proceeds Fund to be used by Prosecuting Attorneys Coordination Council to upgrade their legacy case management IT system.	Restricted	0	600,000
	GF/GP	\$0	\$0
<b>3. Prescription Drug Abuse Program</b>			
	FTE	4.5	(4.5)
<b>Gross</b>		<b>\$700,000</b>	<b>\$0</b>
<u>Executive</u> provides \$700,000 GF/GP to continue support of the statewide drug enforcement strategy targeting opioid abuse and addiction. This recommendation would shift to ongoing the one-time \$700,000 GF/GP appropriation included in FY 2016-17 for a net \$0 change and a reduction of 4.5 FTEs. <u>House</u> concurs. <u>Senate</u> concurs.	GF/GP	\$700,000	\$0
<b>4. Student Safety – OK2SAY</b>			
<b>Gross</b>		<b>\$0</b>	<b>\$470,000</b>
<u>Executive</u> includes \$470,000 state restricted to continue funding the student safety program call center operations. Funding will require a legislative repeal or extension of a sunset placed on the Student Safety Fund on October 1, 2017. <u>House</u> concurs. <u>Senate</u> concurs.	Restricted	0	470,000
	GF/GP	\$0	\$0
<b>5. Prosecuting Attorneys Coordinating Council Juvenile Life Without Parole Cases</b>			
<b>Gross</b>		<b>\$700,000</b>	<b>\$0</b>
<u>Executive</u> provides \$750,000 GF/GP one-time funding to local prosecutors for legal services related to the reconsideration of juvenile life without parole case sentences. Represents \$50,000 increase over current-year one-time funding. <u>House</u> concurs. <u>Senate</u> does not include the \$50,000 increase.	GF/GP	\$700,000	\$0

<b>Major Budget Changes From FY 2016-17 YTD Appropriations</b>		<b>FY 2016-17 Year-to-Date (as of 2/8/17)</b>	<b>FY 2017-18 Senate Change</b>
<b>6. Implementation of Energy Package PA 341 of 2016</b>	FTE	1.0	0.0
<u>Executive</u> includes increase of \$67,000 state restricted for additional utility consumer rate advocacy case services and representation. A total of \$150,000 in state restricted funding and 1.0 FTE were included in 2016 PA 341. <u>House</u> concurs. <u>Senate</u> concurs.	<b>Gross</b>	<b>\$150,000</b>	<b>\$67,000</b>
	Restricted	150,000	67,000
	GF/GP	\$0	\$0
<b>7. Implementation of Medical Marijuana Package PA 281-283 of 2016</b>	FTE	0.0	4.0
<u>Executive</u> provides \$375,000 state restricted and 4.0 FTEs for investigations and enforcement activities related to oversight of medical marijuana facilities. <u>House</u> concurs. <u>Senate</u> concurs.	<b>Gross</b>	<b>\$0</b>	<b>\$375,000</b>
	Restricted	0	375,000
	GF/GP	\$0	\$0
<b>8. Unlicensed Activity Law Enforcement</b>	FTE	0.0	5.5
<u>Executive</u> appropriates \$732,300 IDG from LARA for 5.5 FTEs and for the investigation and prosecution of unlicensed activities among realtors and accountants in addition to builders. <u>House</u> concurs. <u>Senate</u> concurs.	<b>Gross</b>	<b>\$334,700</b>	<b>\$732,300</b>
	IDG	334,700	732,300
	GF/GP	\$0	\$0
<b>9. State Defense Costs</b>	<b>Gross</b>	<b>\$3,000,000</b>	<b>(\$3,000,000)</b>
<u>Executive</u> removes \$3.0 million GF/GP and 4.5 FTEs for the elimination of one-time funding associated with state defense costs for the Flint Drinking Water Declaration of Emergency. <u>House</u> concurs. <u>Senate</u> concurs.	GF/GP	\$3,000,000	(\$3,000,000)
<b>10. Crime Victim's Rights Fund</b>	FTE	0.0	13.0
<u>Senate</u> transfers a total of \$78.3 million Gross (\$0.0 GF/GP) and 13.0 FTE positions from the Department of Health and Human Services to the Department of Attorney General. This funding provides services to victims of crime, including compensation, sexual assault forensic exams, and victim rights services through direct payments to victims or survivors as well as grants to service organizations and local governments to provide these services.	<b>Gross</b>	<b>\$0</b>	<b>\$78,326,400</b>
	Federal	0	62,989,400
	Restricted	\$0	15,337,000
	GF/GP		\$0
<b>11. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$745,800</b>
<u>Executive</u> includes \$738,700 Gross (\$408,100 GF/GP) for negotiated salary and wage increases (3.0% ongoing after removing the FY 2016-17 one-time 1.5% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>House</u> concurs. <u>Senate</u> concurs.	IDG	NA	193,300
	Federal	NA	41,300
	Restricted	NA	96,000
	GF/GP	NA	\$415,200
<b>12. Technical Baseline Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>(\$7,100)</b>
<u>Executive</u> Included one negative GF/GP adjustment of \$7,100 to the IT line item. <u>House</u> concurs. <u>Senate</u> concurs.	GF/GP	NA	(\$7,100)
<b>13. FTE Adjustment</b>	FTE	528.0	(39.0)
<u>Senate</u> Reduced total number of FTEs throughout the budget by 39.0 to better reflect the number of filled FTE positions based on FTE data from 12/31/16.	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
	GF/GP	\$0	\$0

### **Major Boilerplate Changes From FY 2016-17**

Note: In general, Senate includes additional reporting requirements where appropriate in an effort to support transparency and facilitate information sharing.

#### **Sec. 301. Drug Investigation and Prosecution Unit – NEW**

Executive requires the Attorney General to maintain a minimum of 24 drug investigations and to prosecute upon sufficient evidence. The purpose of this investment is to establish a drug investigation and prosecution unit. Executive adds. House concurs and renumbers as Sec. 301a. Senate concurs and renumbers as Sec. 301a.

#### **Sec. 313. Mortgage Fraud Prosecutions – DELETED**

Specifies that \$600,000 be allocated for the investigation and prosecution of mortgage fraud. Executive deletes. House concurs. Senate concurs.

## **Major Boilerplate Changes From FY 2016-17**

### ***Sec. 314. Lawsuit Settlement Proceeds Fund – REVISED***

Allows the department to use lawsuit settlement proceeds for associated expenses with the Declaration of Emergency due to drinking water contamination up to a maximum authorization of \$2.6 million. Executive maintains. House reduces the maximum authorization by \$450,000 and requires a quarterly report of how funds authorized in this section and all other currently and previously budgeted funds associated with legal costs pertaining to the flint water declaration of emergency were expended. Senate reduces the authorization for costs and expenses related to the Flint water emergency by \$600,000 and added new language allowing up to \$600,000 to be used for the Prosecuting Attorneys Coordinating Council to upgrade their NextGen IT case management system.

### ***Sec. 314a. Prosecuting Attorneys Coordinating Council Juvenile Life Without Parole Cases – REVISED***

Specifies funding to be set aside for investigations, crime victim rights, prosecutions, and appeals for retroactive juvenile life without parole cases. Executive increases funding from \$700,000 GF/GP to \$750,000 GF/GP. House concurs. Senate maintains funding at \$700,000.

### ***Sec. 316. Sexual Assault Kit Testing – RETAINED***

Specifies that the department test the backlog of sexual assault kits outside of Wayne County, assist local prosecutions and investigations and provide victim services. Executive deletes. House retains. Senate deletes subsections (2) and (3) eliminating requirements for a spending plan to be submitted in order to receive funds and adds new language to require a report on the number of untested kits and a work plan for eliminating remaining untested kits.

**FY 2017-18: DEPARTMENT OF CIVIL RIGHTS**  
**Summary: As Passed by the Senate**  
**Senate Bill 142 (S-2) as Amended**



**Analyst: Michael Crossen**

	FY 2016-17 YTD as of 2/8/17	FY 2017-18 Executive	FY 2017-18 House	FY 2017-18 Senate	FY 2017-18 Enacted	Difference: Senate From FY 2016-17 YTD	
						Amount	%
<b>IDG/IDT</b>	\$293,600	\$296,600	\$296,600	\$296,600		\$3,000	1.0
<b>Federal</b>	2,763,000	2,775,800	2,775,800	2,775,800		12,800	0.5
<b>Local</b>	0	0	0	0		0	--
<b>Private</b>	18,700	18,700	18,700	18,700		0	0
<b>Restricted</b>	151,900	151,900	151,900	151,900		0	0
<b>GF/GP</b>	13,021,300	12,856,600	12,856,600	13,006,600		(14,700)	(0.1)
<b>Gross</b>	<b>\$16,248,500</b>	<b>\$16,099,600</b>	<b>\$16,099,600</b>	<b>\$16,249,600</b>		<b>\$1,100</b>	<b>0.0</b>
<b>FTEs</b>	135.0	133.0	133.0	95.0		(40.0)	(29.6)

Notes: (1) FY 2016-17 year-to-date figures include mid-year budget adjustments through February 8, 2017. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The Michigan Civil Rights Commission is charged with investigating alleged discrimination against any person because of religion, race, color, national origin, sex, age, marital status, height, weight, arrest record, or physical and mental disabilities. The Commission is directed to "secure the equal protection of such civil rights without such discrimination." The Department of Civil Rights serves as the administrative arm charged with implementing policies of the Commission. The department works to prevent discrimination through educational programs that promote voluntary compliance with civil rights laws, investigates and resolves discrimination complaints, disseminates information on the rights and responsibilities of Michigan citizens as provided by law, and provides information and services to businesses on diversity initiatives, equal employment law, procurement opportunities, feasibility studies, and joint venture/strategic alliance matchmaking.

		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Senate Change
<b>Major Budget Changes From FY 2016-17 YTD Appropriations</b>			
<b>1. Removal of Current Year One-Time Funding</b>	FTE	2.0	(2.0)
<u>Executive</u> removes \$250,000 GF/GP one-time funding and 2.0 FTEs for the Division on Deaf, Deaf/Blind, and Hard of Hearing. <u>House</u> concurs. <u>Senate</u> concurs.	<b>Gross</b>	<b>\$250,000</b>	<b>(\$250,000)</b>
	GF/GP	\$250,000	(\$250,000)
<b>2. Deaf, Deafblind, and Hard of Hearing Needs Assessment</b>	<b>Gross</b>	<b>\$0</b>	<b>\$150,000</b>
<u>Senate</u> adds \$150,000 GF/GP in one-time funding to allow the Department to perform an assessment of the needs of the deaf, deafblind, and hard-of-hearing community across the state.	GF/GP	\$0	\$150,000
<b>3. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$101,100</b>
<u>Executive</u> includes \$101,100 Gross (\$85,300 GF/GP) for negotiated salary and wage increases (3.0% ongoing after removing the FY 2016-17 one-time 1.5% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>House</u> concurs. <u>Senate</u> concurs.	IDG	NA	3,000
	Federal	NA	12,800
	GF/GP	NA	\$85,300
<b>4. FTE Adjustment</b>	FTE	129.0	(38.0)
<u>Senate</u> reduced total number of FTEs throughout the budget by 38.0 to better reflect the number of filled FTE positions based on FTE data from 12/31/16.	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
	GF/GP	\$0	\$0

**Major Boilerplate Changes From FY 2016-17**

**Sec. 404. Operations Report – RETAINED**

Requires the department to report on various details of department operations. Executive deletes. House retains and revises reporting requirements. Senate retains.

**Major Boilerplate Changes From FY 2016-17**

***Sec. 405. Federal Complaint Report – RETAINED***

Requires the department to notify the Legislature and State Budget Office prior to submitting a report or complaint to the U.S. Commission on Civil Rights or other federal departments. Executive deletes. House retains. Senate retains.

***Sec. 406. Deaf, Deafblind, and Hard of Hearing Needs Assessment – NEW***

States that funds appropriated in part 1 for deaf needs assessment may be used by the Department to survey the deaf, deafblind, and hard-of-hearing community in the state to determine its size in order to provide adequate education, employment, and healthcare services to the community. Senate adds.

**FY 2017-18: EXECUTIVE OFFICE**  
**Summary: As Passed by the Senate**  
**Senate Bill 142 (S-2) as Amended**



**Analyst: Ben Gielczyk**

IDG/IDT	FY 2016-17 YTD as of 2/8/17	FY 2017-18 Executive	FY 2017-18 House	FY 2017-18 Senate	FY 2017-18 Enacted	Difference: Senate From FY 2016-17 YTD	
						Amount	%
	\$0	\$0	\$0	\$0		\$0	--
Federal	0	0	0	0		0	--
Local	0	0	0	0		0	--
Private	0	0	0	0		0	--
Restricted	0	0	0	0		0	--
<b>GF/GP</b>	5,636,300	6,848,500	6,848,500	6,848,500		1,212,200	21.5
<b>Gross</b>	<b>\$5,636,300</b>	<b>\$6,848,500</b>	<b>\$6,848,500</b>	<b>\$6,848,500</b>		<b>\$1,212,200</b>	<b>21.5</b>
<b>FTEs</b>	84.2	89.2	89.2	89.2		5.0	5.9

Notes: (1) FY 2016-17 year-to-date figures include mid-year budget adjustments through February 8, 2017. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The Executive Office budget provides funding for the Governor, the Lieutenant Governor, and their staffs. Major constitutionally-specified responsibilities include organization and supervision of the Executive branch and annual preparation and submission of the Executive budget.

		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Senate Change
<b>Major Budget Changes From FY 2016-17 YTD Appropriations</b>			
<b>1. Executive Office Operations</b>			
<u>Executive</u> includes funding to support increased costs of \$200,000 GF/GP related to Executive Office staff and other operations. <u>House</u> and <u>Senate</u> concur.	<b>Gross</b>	<b>\$5,636,300</b>	<b>\$200,000</b>
	GF/GP	\$5,636,300	\$200,000
<b>2. Office of Urban Initiatives</b>			
<u>Executive</u> includes \$1.0 million GF/GP and 5.0 FTEs to reflect move of Office of Urban Initiatives from the Department of Technology, Management, and Budget to the Executive Office. <u>House</u> and <u>Senate</u> concur.	FTE	0.0	5.0
	<b>Gross</b>	<b>\$0</b>	<b>\$1,012,200</b>
	GF/GP	\$0	\$1,012,200

**Major Boilerplate Changes From FY 2016-17**

**Sec. 501. Office of Urban Initiatives – NEW**

Requires Executive Office to submit a report on expenditures for the office and on the economic impact and job growth initiatives for each urban and metropolitan area receiving funds; specifies any unencumbered and unexpended funds lapse to the general fund. House includes as new section. Executive and Senate do not include.



**FY 2017-18: LEGISLATURE**  
**Summary: As Passed by the Senate**  
**Senate Bill 142 (S-2) as Amended**



**Analyst: Ben Gielczyk**

IDG/IDT	FY 2016-17 YTD as of 2/8/17	FY 2017-18 Executive	FY 2017-18 House	FY 2017-18 Senate	FY 2017-18 Enacted	Difference: Senate From FY 2016-17 YTD	
						Amount	%
	\$0	\$0	\$0	\$0		\$0	--
<b>Federal</b>	0	0	0	0		0	--
<b>Local</b>	0	0	0	0		0	--
<b>Private</b>	400,000	400,000	400,000	400,000		0	0.0
<b>Restricted</b>	4,275,800	4,277,700	4,277,700	4,277,700		1,900	0.0
<b>GF/GP</b>	143,227,800	150,297,100	148,897,100	150,597,100		7,369,300	5.1
<b>Gross</b>	<b>\$147,903,600</b>	<b>\$154,974,800</b>	<b>\$153,574,800</b>	<b>\$155,274,800</b>		<b>\$7,371,200</b>	<b>5.0</b>

Notes: (1) FY 2016-17 year-to-date figures include mid-year budget adjustments through February 8, 2017. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

This budget provides funding for the Legislative branch of state government, including the Legislative Council and agencies it governs, the Legislative Retirement System, and Property Management. The Legislature enacts the laws of Michigan, levies taxes, and appropriates funding from revenue collected for the support of public institutions and the administration of the affairs of state government. The Legislative Council provides a wide variety of essential services to members and staff of the Legislature. The Michigan Legislative Retirement System provides retirement allowances, survivors' allowances, and other benefits for members of the Legislature and their spouses, dependents, survivors, and beneficiaries. Property Management employees maintain, operate, and repair the House of Representatives Office Building, and Senate Office Building. The Michigan State Capitol Historic Site includes the Capitol Building, its grounds and parking lot, and the Michigan State Capitol Commission.

**Major Budget Changes From FY 2016-17 YTD Appropriations**

**1. Legislature Operations**

Executive includes \$10.6 million Gross (\$10.6 million GF/GP) to reflect increased costs related to legislative staff and other operations. House and Senate concur.

	FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Senate Change
<b>Gross</b>	<b>\$147,903,600</b>	<b>\$10,571,200</b>
Private	400,000	0
Restricted	4,275,800	1,900
GF/GP	\$143,227,800	\$10,569,300

**2. Legislative Information Technology Systems Design Project**

Executive includes \$3.0 million GF/GP in one-time funding to support the design, development, and implementation of a legislative-wide integrated computer system. This represents a decrease of \$3.0 million GF/GP from current year funding. The funds would supplement a total of \$9.0 million GF/GP appropriated in FYs 2015-16 and 2016-17. House includes \$1.5 million GF/GP in one-time funding. This represents a decrease of \$4.5 million from current year funding. Senate concurs with Executive.

<b>Gross</b>	<b>\$6,000,000</b>	<b>(\$3,000,000)</b>
GF/GP	\$6,000,000	(\$3,000,000)

**3. Criminal Justice Policy Commission Study**

Executive removes \$500,000 GF/GP in FY 2016-17 one-time appropriations associated with the Criminal Justice Policy Commission study on the costs and savings of redirecting 17-year-olds from the adult court to the family court and juvenile justice systems. House and Senate concur.

<b>Gross</b>	<b>\$500,000</b>	<b>(\$500,000)</b>
GF/GP	\$500,000	(\$500,000)

**4. Legislative Corrections Ombudsman**

House includes \$100,000 GF/GP in one-time funds to support increase in Legislative Corrections Ombudsman operations. Senate includes \$200,000 GF/GP in ongoing funding to support Ombudsman operations.

<b>Gross</b>	<b>\$729,200</b>	<b>\$200,000</b>
GF/GP	\$729,200	\$200,000

**5. Michigan Veterans Facility Ombudsman**

Senate includes \$100,000 GF/GP to augment Michigan Veterans Facility Ombudsman operations.

<b>Gross</b>	<b>\$150,000</b>	<b>\$100,000</b>
GF/GP	\$150,000	\$100,000

## **Major Boilerplate Changes From FY 2016-17**

### ***Sec. 603. National Association Dues – REVISED***

Requires Legislative Council to distribute funds appropriated for payment of national association dues. Requires first \$34,800 to be paid to the National Conference of Commissioners on Uniform State Laws with the remaining funds distributed accordingly by the Legislative Council. Senate revises to include new subsection state that if funds remain after all required dues payments have been made, the Legislative Council may approve the use of up to \$10,000 to pay for the registration fees of any state employees who serve as board members to any of the national associations receiving state funds for annual dues to attend that national association's annual conference. If any of the \$10,000 remains after board member's dues are paid, funds may be used for other state employees to attend annual conferences.

### ***Sec. 610. Criminal Justice Policy Commission Study – DELETED***

States that \$500,000 included in part 1 shall be used for a study to determine what the additional estimated annual costs to counties would be if 17-year-olds were redirected from the adult court and correctional systems into the family court and juvenile justice systems. The study shall also determine the estimated savings to the state corrections system, as well as any other financial or policy costs and benefits, from such a redirection. Provides that funds are work project appropriations with an anticipated completion date of April 1, 2018. Executive, House, and Senate delete section.

### ***Sec. 616. Legislative Information Technology Systems Design Project – NEW***

Prohibits the funds appropriated in part 1 for the Legislative IT Systems Design Project from being expended without written approval of the Senate Majority Leader, Speaker of the House, and the Legislative Council Administrator. Designates funds as work project appropriations. Total cost is estimated at \$12.0 million. The tentative completion date is September 30, 2020. Executive, House, and Senate include as new section.

### ***Sec. 618. Legislative Retirement Administration – DELETED***

States legislative intent that all administrative functions and associated funding for the Michigan legislative retirement system shall be transferred from the legislative council to the DTMB before the end of FY 2016-17. Executive and Senate delete. House retains.

### ***Sec. 619. Michigan Veterans Facility Ombudsman – DELETED***

Requires funds appropriated in part 1 for the Michigan Veterans Facility Ombudsman to be used to create a Veterans Facility Ombudsman to address complaints made at the veterans homes of this state. Executive and Senate delete. House revises to say funds appropriated in part 1 shall be used to maintain the office.

**FY 2017-18: LEGISLATIVE AUDITOR GENERAL**  
**Summary: As Passed by the Senate**  
**Senate Bill 142 (S-2) as Amended**



**Analyst: Ben Gielczyk**

IDG/IDT	FY 2016-17 YTD as of 2/8/17	FY 2017-18 Executive	FY 2017-18 House	FY 2017-18 Senate	FY 2017-18 Enacted	Difference: Senate From FY 2016-17 YTD	
						Amount	%
<b>IDG/IDT</b>	\$5,558,600	\$5,709,200	\$5,709,200	\$5,709,200		\$150,600	2.7
<b>Federal</b>	0	0	0	0		0	--
<b>Local</b>	0	0	0	0		0	--
<b>Private</b>	0	0	0	0		0	--
<b>Restricted</b>	1,969,400	1,969,400	1,969,400	1,969,400		0	0.0
<b>GF/GP</b>	16,123,900	16,607,600	16,607,600	16,607,600		483,700	3.0
<b>Gross</b>	<b>\$23,651,900</b>	<b>\$24,286,200</b>	<b>\$24,286,200</b>	<b>\$24,286,200</b>		<b>\$634,300</b>	<b>2.7</b>

Notes: (1) FY 2016-17 year-to-date figures include mid-year budget adjustments through February 8, 2017. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The Legislative Auditor General is responsible for conducting post financial and performance audits of state government operations. Audit reports provide a continuing flow of information to assist the Legislature in its oversight of approximately 100 individual state funds. Audit reports provide citizens with a measure of accountability and assist state departments and agencies in improving financial management of their operations. The goal of the Legislative Auditor General is to improve accounting and financial reporting practices and promote effectiveness, efficiency, and economy in state government. The mission is to improve the accountability of public funds and to improve the operations of state government for the benefit of the citizens of the state.

	FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Senate Change
<b>Major Budget Changes From FY 2016-17 YTD Appropriations</b>		
<b>1. Auditor General Operations</b>	<b>Gross</b>	<b>\$23,651,900</b>
Reflects increased costs of \$634,300 Gross (\$483,700 GF/GP) related to Auditor General staff and other operations. <u>Executive</u> , <u>House</u> , and <u>Senate</u> include.	IDG	150,600
	Restricted	0
	GF/GP	\$483,700
	<b>\$16,123,900</b>	

**Major Boilerplate Changes From FY 2016-17**

There are no major boilerplate changes in FY 2017-18.

**FY 2017-18: DEPARTMENT OF STATE**  
**Summary: As Passed by the Senate**  
**Senate Bill 142 (S-2) as Amended**



**Analyst: Michael Crossen**

	FY 2016-17 YTD as of 2/8/17	FY 2017-18 Executive	FY 2017-18 House	FY 2017-18 Senate	FY 2017-18 Enacted	Difference: Senate From FY 2016-17 YTD	
IDG/IDT						Amount	%
<b>Federal</b>	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000		\$0	0.0
<b>Local</b>	1,460,000	1,460,000	1,460,000	1,460,000		0	0.0
<b>Private</b>	0	0	0	0		0	--
<b>Restricted</b>	100	50,100	50,100	50,100		50,000	50,000.0
<b>GF/GP</b>	204,745,900	205,709,400	205,915,000	205,709,400		963,500	0.5
<b>Gross</b>	22,109,600	22,139,000	21,229,000	21,082,900		(1,026,700)	(4.6)
<b>FTEs</b>	<b>\$248,315,600</b>	<b>\$249,358,500</b>	<b>\$248,654,100</b>	<b>\$248,302,400</b>		<b>\$(13,200)</b>	<b>(0.0)</b>
	1,593.0	1,614.0	1,614.0	1,464.0		(129.0)	(8.1)

Notes: (1) FY 2016-17 year-to-date figures include mid-year budget adjustments through February 8, 2017. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The Department of State (DOS) is the oldest department in Michigan state government. It is administered by the Secretary of State, an elected official who serves a four-year term of office and has constitutional and statutory duties. Services provided by the department include: registering and titling automobiles, watercraft, and recreational vehicles; regulating automobile dealers and repair facilities; registering voters and administering elections; and streamlining the collection of revenue. The department operates programs designed to enhance driver safety, protect automotive consumers, and ensure the integrity of both the motor vehicle administration system and the statewide elections process.

**Major Budget Changes From FY 2016-17 YTD Appropriations**

**1. Office of Investigative Services Expansion**

Executive provides \$1.4 million GF/GP and 11.0 FTEs to increase investigations and regulatory enforcement of vehicle repair facilities and mechanics. This increase also includes funding for the Breath Alcohol Ignition Interlock Device (BAIID) program to comply with 2016 PA 33. House includes \$710,400 GF/GP and 11.0 FTEs. Senate concurs with Executive.

FTE	NA	11.0
<b>Gross</b>	<b>NA</b>	<b>\$1,420,400</b>
GF/GP	NA	\$1,420,400

**2. GF/GP Replacement of Driver Fees**

Executive authorizes \$3.0 million GF/GP to replace anticipated restricted driver fee revenue lost due to the reduction of licensing fees for limousines and taxi cabs as required in 2016 PA 348. House replaces \$2.8 million restricted with corresponding GF/GP amount. Senate reduces GF/GP replacement by \$1,056,100.

<b>Gross</b>	<b>NA</b>	<b>(\$1,056,100)</b>
Restricted	NA	(3,000,000)
GF/GP	NA	\$1,943,900

**3. Lottery Assistance in Northern Michigan**

Executive increases by \$715,800 state restricted and 10.0 FTEs to cover administration costs associated with the redemption of winning lottery tickets in the Upper Peninsula and northern lower peninsula for tickets valued between \$600 and \$50,000. The Department of State would be authorized to retain one percent of the redeemed winnings (up to \$1.0 million) for costs incurred administering the service. \$300,000 in restricted funds was included in 2016 PA 340. House concurs. Senate concurs.

FTE	0.0	10.0
<b>Gross</b>	<b>\$300,000</b>	<b>\$715,800</b>
Restricted	300,000	715,800
GF/GP	\$0	\$0

**4. Mi-Time Line Expansion**

Executive provides \$400,000 GF/GP for the expansion of the cell phone texting notification service which allows branch office customers to leave a branch office while they wait and know when to return. The appropriation would allow the service to expand to 20 additional offices from the current 30. House concurs. Senate concurs.

<b>Gross</b>	<b>\$470,000</b>	<b>\$400,000</b>
Restricted	470,000	0
GF/GP	\$0	\$400,000

<b>Major Budget Changes From FY 2016-17 YTD Appropriations</b>		<b>FY 2016-17 Year-to-Date (as of 2/8/17)</b>	<b>FY 2017-18 Senate Change</b>
<b>5. Increase in Credit Card Service Fees</b>	<b>Gross</b>	<b>\$6,000,000</b>	<b>\$2,000,000</b>
<u>Executive</u> increases credit and debit assessment services fees restricted fund authorization by \$2.0 million to provide for the increase in credit card activity and associated fees in branch offices and self-service terminals. <u>House</u> concurs. <u>Senate</u> concurs.	Restricted	6,000,000	2,000,000
	GF/GP	\$0	\$0
<b>6. IT Budget Increase to Support Current Operations</b>	<b>Gross</b>	<b>\$36,376,200</b>	<b>\$1,000,000</b>
<u>Executive</u> appropriates \$1.0 million state restricted to the department's IT service line to adjust for costs related to online support. Current level of services will be maintained. <u>House</u> concurs. <u>Senate</u> concurs.	Restricted	34,625,200	1,000,000
	GF/GP	\$1,588,100	\$0
<b>7. Position Transfer Fund Sourcing Adjustment</b>	<b>Gross</b>	<b>\$124,600</b>	<b>\$0</b>
<u>Executive</u> transfers 1.0 FTE from Department Services to Central Operations. Transfer of position results in fund sourcing realignment that replaces \$2,700 GF/GP with restricted revenues. <u>House</u> concurs. <u>Senate</u> concurs.	Restricted	121,900	2,700
	GF/GP	\$2,700	(\$2,700)
<b>8. Removal of Current Year One-Time Funding</b>	<b>Gross</b>	<b>\$5,000,000</b>	<b>(\$5,000,000)</b>
<u>Executive</u> removes \$5.0 million GF/GP in FY 2016-17 one-time funding for voting machine replacement. <u>Senate</u> concurs.	GF/GP	\$5,000,000	(\$5,000,000)
<b>9. Align Fund Sourcing with Revenues</b>	<b>Gross</b>	<b>NA</b>	<b>(\$1,000,000)</b>
<u>Executive</u> reduces \$1.0 million restricted fund sourcing to align fund sources with actual revenues. <u>House</u> concurs. <u>Senate</u> concurs.	Restricted	NA	(1,000,000)
	GF/GP	NA	\$0
<b>10. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$1,506,700</b>
<u>Executive</u> recognizes increased costs of \$1.5 million Gross (\$211,700 GF/GP) for negotiated salary and wage increases (3.0% ongoing after removing the FY 2016-17 one-time 1.5% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>House</u> concurs. <u>Senate</u> concurs.	IDG	NA	0
	Private	NA	50,000
	Restricted	NA	1,245,000
	GF/GP	NA	\$211,700
<b>11. FTE Adjustment</b>	FTE	1,487.0	(129.0)
<u>Senate</u> reduced total number of FTEs throughout the budget by 129.0 to better reflect the number of filled FTE positions based on FTE data from 12/31/16.	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
	GF/GP	\$0	\$0

### **Major Boilerplate Changes From FY 2016-17**

*Note: In general, Senate includes additional reporting requirements where appropriate in an effort to support transparency and facilitate information sharing.*

#### **Sec. 710. Commemorative and Specialty License Plate Programs – RETAINED**

Provides for expenditure and carry-forward of revenue deriving from commemorative and specialty license plates; limits administrative expenditures to revenue or amount appropriated, whichever is less. Executive deletes. House retains. Senate retains.

#### **Sec. 716b. Business Application Modernization (BAM) Project Report – RETAINED**

Requires the department to report on funding expended for the BAM project since its inception. Executive deletes. House retains. Senate retains.

#### **Sec. 718. Buena Vista Township Branch Office – RETAINED**

Requires Department of State to maintain a full-service branch office in Buena Vista Township. Executive deletes. House retains. Senate retains.

#### **Sec. 719. Election Oversight – NEW**

States that of the funds appropriated in part 1, the Office of Investigative may use available funds to conduct investigations of any reported irregularities in a local, state, or national election. Senate adds.

#### **Sec. 721. ATM Commission Fees – DELETED**

Allows the Department of State to collect ATM commission fees from companies that have ATMs located in Secretary of State branch offices; requires the revenue to be deposited in the Transportation Administration Collection Fund. Executive deletes. House concurs. Senate concurs.

#### **Sec. 723. Voting Machines Replacement Program – DELETED**

Explains the purpose of the voting machines replacement program. Executive deletes. House concurs. Senate concurs.



**FY 2017-18: DEPARTMENT OF TECHNOLOGY,  
MANAGEMENT, AND BUDGET**  
Summary: As Passed by the Senate  
Senate Bill 142 (S-2) as Amended



Analyst: Michael Cnossen

	FY 2016-17 YTD as of 2/8/17	FY 2017-18 Executive	FY 2017-18 House	FY 2017-18 Senate	FY 2017-18 Enacted	Difference: Senate From FY 2016-17 YTD	
						Amount	%
<b>IDG/IDT</b>	\$694,054,100	\$713,959,000	\$713,959,000	\$713,959,000		\$19,904,900	2.9
<b>Federal</b>	4,958,200	4,985,300	4,985,300	4,985,300		27,100	0.5
<b>Local</b>	2,320,000	2,316,700	2,316,700	2,316,700		(3,300)	(0.1)
<b>Private</b>	0	127,700	127,700	127,700		127,700	--
<b>Restricted</b>	114,340,800	111,399,300	111,399,300	111,399,300		(2,941,500)	(2.6)
<b>GF/GP</b>	569,552,600	572,755,900	536,522,000	495,217,200		(74,335,400)	(13.1)
<b>Gross</b>	<b>\$1,385,225,700</b>	<b>\$1,405,543,900</b>	<b>\$1,369,310,000</b>	<b>\$1,328,005,200</b>		<b>(\$55,720,500)</b>	<b>(4.0)</b>
<b>FTEs</b>	2,883.0	2,943.0	2,943.0	2,906.0		23.0	0.8

Notes: (1) FY 2016-17 year-to-date figures include mid-year budget adjustments through February 8, 2017. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The Department of Technology, Management, and Budget (DTMB) has legal authority under the Management and Budget Act, 1984 PA 431, and is the central management element of the Executive branch of state government. DTMB is an interdepartmental service and management agency responsible for all of the following: ensuring proper financial record keeping for state agencies; overseeing capital outlay projects; managing state facilities, property, and leases; implementing state procurement; operating the state's retirement systems; supervising the state motor vehicle fleet; administering travel policies; providing office support services to state agencies; executing information technology projects; centralizing information technology policy-making; and unifying strategic information technology planning. Autonomous units within DTMB include: the State Budget Office, Office of the State Employer, Civil Service Commission, Office of Retirement Services, State Building Authority, State Administrative Board, and the Office of Children's Ombudsman.

<b>Major Budget Changes From FY 2016-17 YTD Appropriations</b>		<b>FY 2016-17 Year-to-Date (as of 2/8/17)</b>	<b>FY 2017-18 Senate Change</b>
<b>1. Drinking Water Declaration of Emergency Reserve Fund</b>	<b>Gross</b>	<b>\$10,000,000</b>	<b>\$(10,000,000)</b>
<u>Executive</u> provides \$25.0 million GF/GP in one-time funding to support services and programs for Flint residents related to the Flint Water Declaration of Emergency. Use of these funds are subject to subsequent appropriations. These funds would be used as additional needs are identified in addition to augmenting existing appropriations. \$10.0 million GF/GP was included in 2016 PA 340. <u>House</u> concurs. <u>Senate</u> does not include.	GF/GP	\$10,000,000	(\$10,000,000)
<b>2. Michigan Infrastructure Fund</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
<u>Executive</u> provides \$20.0 million GF/GP in one-time funding for deposit into the Michigan Infrastructure Fund, created in 2016, PA 223 in support of anticipated infrastructure projects. Use of these funds would be subject to appropriation. <u>House</u> includes \$5.0 million GF/GP for deposit. <u>Senate</u> does not include.	GF/GP	\$0	\$0

<b>Major Budget Changes From FY 2016-17 YTD Appropriations</b>		<b>FY 2016-17 Year-to-Date (as of 2/8/17)</b>	<b>FY 2017-18 Senate Change</b>
<b>3. SIGMA – Permanent Organizational Structure Appropriations</b>	FTE	0.0	15.0
<u>Executive</u> provides a total of \$21.7 million (\$13.1 million GF/GP) and 36.0 FTEs to transition the state's new enterprise resource planning tool (SIGMA) into permanent and ongoing administration of the system. \$4.5 million and 10.0 limited term FTEs are included in this total as a one-time appropriation. Represents a net increase of \$13.1 million GF/GP. A total of \$8.6 million Gross ongoing (\$3.8 million GF/GP) is transferred from other line items. <u>House</u> includes \$10.0 million GF/GP for deposit. <u>Senate</u> reduces the \$8.6 million ongoing transfer authorization amount by \$40,400 GF/GP, does not include new funding of \$13.1 GF/GP (\$4.5 million GF/GP one-time), and 21.0 FTEs.	<b>Gross</b>	<b>\$0</b>	<b>(\$40,400)</b>
	GF/GP	\$0	(\$40,400)
<b>4. Michigan.gov Content Management System Rewrite</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>Executive</u> provides \$9.1 million GF/GP in one-time funding to support the establishment and modernization of a new content management system to support 130 State of Michigan websites. Funding will be used for the procurement and set-up of the system and migration of the websites. <u>House</u> includes \$4.0 million GF/GP. <u>Senate</u> does not include.	GF/GP	NA	\$0
<b>5. Cyber Security Appropriations</b>	FTE	13.0	6.0
<u>Executive</u> provides \$7.0 million GF/GP (\$4.0 million one-time) and 12.0 FTEs to support the Cybersecurity Continuous Improvement Program. Supports centralized coordination for enterprisewide cybersecurity activities. <u>House</u> concurs. <u>Senate</u> reduces one-time funding by \$2.0 million and ongoing by \$1.5 million and removes 6.0 FTEs.	<b>Gross</b>	<b>\$13,118,200</b>	<b>\$3,544,600</b>
	GF/GP	\$13,118,200	\$3,544,600
<b>6. Citizen Centric IT Initiatives</b>	<b>Gross</b>	<b>NA</b>	<b>\$1,000,000</b>
<u>Executive</u> provides \$6.5 million GF/GP (\$5.5 million in one-time funding) for projects designed for mobile phone use by Michigan citizens interacting with State government. Project services include mobile applications, individualized log-in portals, and system integrations. Integrations are planned across at least 10 systems. <u>House</u> includes \$1.0 million GF/GP in ongoing appropriations for Citizen Centric IT Initiatives. <u>Senate</u> includes \$1.0 million GF/GP in ongoing appropriations for Citizen Centric IT Initiatives.	GF/GP	NA	\$1,000,000
<b>7. Information Technology Investment Fund (ITIF)</b>	<b>Gross</b>	<b>\$69,500,000</b>	<b>\$3,000,000</b>
<u>Executive</u> provides a net increase of \$3.0 million GF/GP in one-time funding to ITIF for enterprise-wide IT upgrade projects. This one-time funding augments \$65.0 million in ongoing ITIF appropriations. <u>House</u> maintains FY 2016-17 appropriation level with \$65.0 million GF/GP ongoing and \$4.5 million GF/GP in one-time appropriations. <u>Senate</u> concurs with Executive.	GF/GP	\$69,500,000	\$3,000,000
<b>8. Technology Services IT IDG Alignment Adjustments</b>	<b>Gross</b>	<b>\$501,961,500</b>	<b>\$23,296,300</b>
<u>Executive</u> adjusts the DTMB IT Inter-departmental Grant line by \$23.3 million IDG to reflect projects and service adjustments in other agency budgets. Technology Service appropriation lines are prorated by department based on their total IT budget. <u>House</u> concurs. <u>Senate</u> concurs.	IDG	501,961,500	23,296,300
	GF/GP	\$0	\$0
<b>9. Office of Performance and Transformation Enhancements</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
<u>Executive</u> provides \$500,000 GF/GP to support Socrata transparency website to increase government data accessibility, dashboards, and enhance the Operational Excellence Program focused on continuous improvement. <u>House</u> concurs. <u>Senate</u> does not include.	GF/GP	\$0	\$0



<b>Major Budget Changes From FY 2016-17 YTD Appropriations</b>		<b>FY 2016-17 Year-to-Date (as of 2/8/17)</b>	<b>FY 2017-18 Senate Change</b>
<b>10. School Reform Office Investments</b>	FTE	11.0	2.0
<u>Executive</u> includes a total of \$782,000 GF/GP and 2.0 FTEs for new School Reform Office initiatives. Includes \$280,000 to assist families' transition to new schools through a partnership with a third-party vendor; \$252,000 and 2.0 FTEs to support a pilot program for measuring deferred maintenance costs to replacement value of priority schools by utilizing a Facility Condition Index (FCI) Process for chronically failing schools; and \$250,000 for student and parent satisfaction surveys for accountability measurement to comply with 2016 PA 192. <u>House</u> includes 2.0 FTEs and reduces funding by \$1.9 million. <u>Senate</u> includes 2.0 FTEs, \$250,000 for the accountability survey, \$2,000 for FCI process pilot program, and \$30,000 for new school transition support.	<b>Gross</b>	<b>\$2,318,300</b>	<b>\$282,000</b>
	GF/GP	\$2,318,300	\$282,000
<b>11. School Reform Office Performance Information System (PERIS) Upgrade</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
<u>Executive</u> adds \$353,000 GF/GP for the automation of Priority School District student data for real-time performance review and analysis. <u>House</u> does not include. <u>Senate</u> does not include.	GF/GP	\$0	\$0
<b>12. MiPage-Mobile Center of Excellence Permanent Operating Support</b>	<b>Gross</b>	<b>NA</b>	<b>\$1,587,000</b>
<u>Executive</u> provides \$1.6 million GF/GP to support continued operations of the MiPage, Mobile Center of Excellence (MCOLE) and the State's mobility efforts. Staff costs currently paid out of ITIF. <u>House</u> does not include. <u>Senate</u> concurs.	GF/GP	NA	\$1,587,000
<b>13. Michigan Public Safety Communications Lifecycle Replacement Funding</b>	<b>Gross</b>	<b>\$0</b>	<b>\$5,000,000</b>
<u>Executive</u> appropriates \$5.0 million GF/GP in one-time funding to help replace the mobile radios among users of the Michigan Public Safety Communication System (MPSCS). <u>House</u> includes \$4.0 million GF/GP for replacement of mobile radios. <u>Senate</u> concurs with Executive.	GF/GP	\$0	\$5,000,000
<b>14. Labor Market Information Population and Labor Force Projections</b>	FTE	42.0	2.0
<u>Executive</u> provides \$268,300 GF/GP and 2.0 FTEs to produce population projections for the state and all counties for use by other State offices. It will provide a more detailed projection than currently available. <u>House</u> concurs. <u>Senate</u> concurs.	<b>Gross</b>	<b>\$5,475,100</b>	<b>\$268,300</b>
	Federal	4,840,100	0
	Local	35,000	0
	GF/GP	\$600,000	\$268,300
<b>15. Michigan Master Computing Contract (MMCC)</b>	FTE	NA	3.0
<u>Executive</u> provides \$373,500 in state restricted funds and 3.0 FTEs to support the MMCC to improve IT procurement processes for the State of Michigan. <u>House</u> concurs. <u>Senate</u> concurs.	<b>Gross</b>	<b>NA</b>	<b>\$373,500</b>
	Restricted	NA	373,500
	GF/GP	NA	\$0
<b>16. Additional Accounting Service Center Staffing, DMVA Grand Rapids Home</b>	FTE	NA	8.0
<u>Executive</u> authorizes \$1.2 million IDG increase and 8.0 FTEs to reflect DTMB Accounting Service Center services to the Grand Rapids Veterans Home. <u>House</u> concurs. <u>Senate</u> concurs.	<b>Gross</b>	<b>NA</b>	<b>\$1,206,300</b>
	IDG	NA	1,206,300
	GF/GP	NA	\$0
<b>17. Michigan Military Retirement System (MMRS) Administration</b>	<b>Gross</b>	<b>NA</b>	<b>\$380,000</b>
<u>Executive</u> provides \$380,000 in state restricted funds for administrative support for the Office of Retirement Services management of Military Retirement Services. <u>House</u> concurs. <u>Senate</u> concurs.	Restricted	NA	380,000
	GF/GP	NA	\$0
<b>18. MSP Cyber Crimes Unit</b>	FTE	NA	1.0
<u>Executive</u> adds \$137,900 IDG and 1.0 FTE for IT support for the Michigan Intelligence Operations Center, specifically the Computer Crimes Unit. <u>House</u> concurs. <u>Senate</u> concurs.	<b>Gross</b>	<b>NA</b>	<b>\$137,900</b>
	IDG	NA	137,900
	GF/GP	NA	\$0
<b>19. Office of Financial Management MEDC Payroll Position</b>	FTE	0.0	1.0
<u>Executive</u> authorizes \$127,700 in private funds and 1.0 FTE to administer MEDC corporate payroll in the Human Resources Management Network (HRMN) per a Memorandum of Understanding between the agencies. <u>House</u> concurs. <u>Senate</u> concurs.	<b>Gross</b>	<b>\$0</b>	<b>\$127,700</b>
	Private	0	127,700
	GF/GP	\$0	\$0

<b>Major Budget Changes From FY 2016-17 YTD Appropriations</b>		<b>FY 2016-17 Year-to-Date (as of 2/8/17)</b>	<b>FY 2017-18 Senate Change</b>
<b>20. Michigan State Police Retirement Supplemental Funding</b>	<b>Gross</b>	<b>\$0</b>	<b>\$27,000</b>
<u>Executive</u> adds \$27,000 GF/GP for supplemental payments for two individuals that were inadvertently excluded in FY 2015-16 and FY 2016-17 payouts. <u>House</u> concurs. <u>Senate</u> concurs.	GF/GP	\$0	\$27,000
<b>21. Civil Service Financing Source Adjustment</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>Executive</u> authorizes the replacement of \$1.8 million restricted with GF/GP as a fund source realignment related to the Civil Service 1% charge on aggregate payroll to cover administration costs. <u>House</u> concurs. <u>Senate</u> concurs.	Restricted	NA	(1,800,000)
	GF/GP	NA	\$1,800,000
<b>22. Office of Urban Initiatives Transfer</b>	FTE	5.0	(5.0)
<u>Executive</u> removes \$1.0 million GF/GP (entire appropriation) and 5.0 FTEs to reflect the transfer of the Office of Urban Initiatives to the Executive Office. <u>House</u> concurs. <u>Senate</u> concurs.	<b>Gross</b>	<b>\$1,012,200</b>	<b>(\$1,012,200)</b>
	GF/GP	\$1,012,200	(\$1,012,200)
<b>23. State Vendor Data Tracking Pilot Program</b>	<b>Gross</b>	<b>\$0</b>	<b>\$100</b>
<u>House</u> includes \$300,000 GF/GP to be used to contract with a company to provide and track various data and metrics on state vendors and for the state to review this information throughout the contracting process. <u>Senate</u> includes a \$100 GF/GP placeholder for a contract with a company to provide and track various data and metrics on state vendors and for the state to review this information throughout the contracting process.	GF/GP	\$0	\$100
<b>24. Removal of Current Year One-Time Funding</b>	<b>Gross</b>	<b>\$82,534,000</b>	<b>(\$82,234,900)</b>
<u>Executive</u> removes \$83.7 million Gross (\$80.9 million GF/GP) of one-time funding from five items. These items include \$1.6 million GF/GP for special state facilities maintenance, \$2.9 million restricted for the Office of Retirement Services, \$5.0 GF/GP million for the Legal Services Fund, \$250,000 for special projects, \$500,000 GF/GP for Public Safety Officer Survivor Benefits, \$72.0 million GF/GP for Venture Michigan I pay-off, and \$1.5 million GF/GP for Venture Michigan I contingency payments. <u>House</u> concurs and includes \$1.5 million GF/GP in FY17 YTD total and removal. <u>Senate</u> concurs with <u>Executive</u> .	Restricted	2,850,000	(2,850,000)
	GF/GP	\$79,384,900	(\$79,085,800)
<b>25. Capital Outlay Planning Authorizations</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>Executive</u> includes \$700 GF/GP for three university, two community college, and two state agency capital outlay planning authorizations: Michigan Technological University – H-STEM engineering and health technologies complex, phase 1; Saginaw Valley State University – College of Business and Management expansion; Wayne State University – STEM Innovation Learning Center; St. Clair County Community College – AJ Theisen building renovation; Henry Ford College – entrepreneur and Innovation institute/technology building renovation and addition; Caro Center Replacement – new state psychiatric hospital; DTMB – Secondary Complex for Secretary of State building addition. <u>House</u> does not include. <u>Senate</u> does not include.	GF/GP	NA	\$0
<b>26. CSB Technical Fund Source Realignment</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>Executive</u> replaces \$203,200 IDG with \$155,400 restricted and \$47,800 GF/GP to properly account for fund sourcing associated with DTMB indirect charges and the Statewide Cost Allocation Plan. <u>House</u> concurs. <u>Senate</u> concurs.	IDG	NA	(203,200)
	Restricted	NA	155,400
	GF/GP	NA	\$47,800
<b>27. SIGMA Technical Reduction</b>	<b>Gross</b>	<b>NA</b>	<b>(\$6,321,000)</b>
<u>Executive</u> includes a \$6.3 million IDG reduction in an IT line item to reallocate to the Budget and Financial Management line item to offset increased costs of the SIGMA Permanent Organizational Structure program. <u>House</u> concurs. <u>Senate</u> concurs.	IDG	NA	(6,321,000)
	GF/GP	NA	\$0

<u>Major Budget Changes From FY 2016-17 YTD Appropriations</u>		<u>FY 2016-17 Year-to-Date (as of 2/8/17)</u>	<u>FY 2017-18 Senate Change</u>
<b>28. Economic Adjustments</b>	<b>Gross</b>	<b>\$8,891,800</b>	<b>\$3,657,300</b>
<u>Executive</u> recognizes increased costs of \$3.7 million Gross (\$1.0 million GF/GP) for negotiated salary and wage increases (3.0% ongoing after removing the FY 2016-17 one-time 1.5% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>House</u> concurs. <u>Senate</u> concurs.	IDG	5,388,000	1,788,600
	Federal	43,100	27,100
	Local	16,000	(3,300)
	Restricted	1,398,000	799,600
	GF/GP	\$2,046,700	\$1,045,300

### Major Boilerplate Changes From FY 2016-17

*NOTE: In general, Senate includes additional reporting requirements where appropriate in an effort to support transparency and facilitate information sharing.*

#### **Sec. 810. Notices of Invitations to Bid (ITBs) and Requests for Proposals (RFPs) – RETAINED**

Requires DTMB to maintain website with notice of all ITBs and RFPs over \$50,000; generally required ITBs and RFPs to be posted for at least 14 days prior to bid deadline. Executive deletes. House retains. Senate retains and revises by adding a requirement that all invitations to bid and requests for proposals must appear on the first page of each state department and agency dashboard.

#### **Sec. 810a. Pilot Project to Provide Comprehensive Vendor Information – NEW**

Adds new language to require a pilot project with a third-party vendor that will provide comprehensive information on all vendor with whom the State conducts business transactions. Senate adds.

#### **Sec. 816. Privatization RFPs – RETAINED**

Requires RFP issued for purpose of privatization to include all factors to be used in evaluating and determining price. Executive deletes. House retains. Senate retains.

#### **Sec. 821. Space Consolidation Plan – DELETED**

Requires the DTMB to annually update the office space consolidation plan and provide a report on space consolidation by February 15. Executive deletes. House retains. Senate concurs.

#### **Sec. 822. Report on Unclassified Salaries – RETAINED**

Requires a report on individual appointee and unclassified salaries by January 1<sup>st</sup>. Executive deletes. House retains. Senate retains.

#### **Sec. 822d. Report on Fees and Rates Charged to State Agencies – RETAINED**

Requires a report on fees and rates charged to state agencies, along with justification for any increases from prior year. Executive deletes. House retains. Senate retains.

#### **Sec. 822g. Legal Services Fund – RETAINED**

Requires annual itemized report on Legal Services Fund expenditures from the prior fiscal year. Executive deletes. House retains and revises to require the report to be released quarterly and specifies all current and previous appropriated funds to be reported. Senate retains.

#### **Sec. 822h. Office of Urban Initiatives – DELETED**

Requires the DTMB to submit a report on the expenditures for the office and on the economic impact and job growth initiatives for each urban and metropolitan area receiving funds; specifies any unencumbered and unexpended funds lapse to the general fund. Executive deletes. House concurs. Senate concurs.

#### **Sec. 822j. Office of Good Government – DELETED**

Explains the purpose of the Office of Good Government. Executive deletes. House concurs. Senate concurs.

#### **Sec. 822k. Hawthorn Center Appraisal – DELETED**

Requires DTMB to work with the Department of Health and Human Services in an evaluation of state-owned lands and buildings at the Hawthorn Center Psychiatric Hospital Facility for Children and Adolescents and to develop a recommendation on the future use of the facility. Executive deletes. House concurs. Senate concurs.

#### **Sec. 822m. Vendor Performance Tracking – RETAINED**

Requires the DTMB to establish a vendor performance tracking system that collaborates with other departments that will be used as a factor in determining future contracts in the procurement process. Executive deletes. House retains. Senate retains.

#### **Sec. 822n. Request for Proposals Website – RETAINED**

Requires the DTMB to establish a request for proposals website that is searchable by department and agency. Executive deletes. House retains. Senate retains.

## **Major Boilerplate Changes From FY 2016-17**

### **Sec. 827. Michigan Public Safety Communications System (MPSCS) – REVISED**

Provides for the assessment of fees and expenditures of revenues pertaining to the MPSCS; requires a report on revenue collected and expenditures made in support of the system; specifies unencumbered funds are to be carried forward. Executive eliminates the reporting requirement. House retains reporting requirement. Senate concurs.

### **Sec. 828. Information Technology Related Appropriations and Expenditures – RETAINED**

Requires detailed report on funding and expenditures for IT services and projects. Executive deletes. House retains. Senate retains.

### **Sec. 829. Life-Cycle of Hardware and Software – RETAINED**

Requires report that analyzes and makes recommendations on life-cycle of IT hardware and software. Executive deletes. House retains. House retains. Senate retains.

### **Sec. 830. IT Contract Change Orders – RETAINED**

Requires report of IT change orders and contract extensions for contracts greater than \$50,000 entered to by DTMB. Executive deletes. House retains. Senate retains.

### **Sec. 831. Information, Communications and Technology (ICT Innovation Fund) – DELETED**

Provides for administration and expenditure of ICT Innovation Fund created under prior-year budget acts. Executive deletes. House retains. Senate concurs.

### **Sec. 832. Child Support Enforcement System – RETAINED**

Requires DTMB to notify legislature of potential or actual penalties for failure of Michigan Child Support Enforcement System to achieve federal certification; required additional reporting in the event of penalties being imposed. Executive deletes. House retains. Senate retains.

### **Sec. 836. Information Technology Investment Fund – RETAINS**

Explains that the purpose of the increased funds for the IT Investment Fund is to modernize state IT systems and improve system interfaces for greater customer service. The revision eliminates the explanation of the one-time funding and adds guidance for the cyber security staff increase. Executive deletes. Senate retains.

### **Sec. 836a. Cybersecurity Use of Funding – NEW**

Adds language specifying metrics to be developed and used for cybersecurity activities. Executive adds. House retains and adds a reporting requirement. Senate concurs.

### **Sec. 837. Cyber Security Investment Projects – REVISED**

Explains the purpose of cyber security investment projects. Executive deletes. House retains and adds a reporting requirement. Senate concurs.

### **Sec. 837. Citizen Centric Government – NEW**

Requires the development and use of metrics for activities related to MiLogin and MiPage. Executive adds. House renumbers the section as Sec. 839 and adds a reporting requirement. Senate concurs.

### **Sec. 838. Enterprise Identity Management Program – DELETED**

Explains the purpose of the Enterprise Identity Management Program. Executive deletes. House concurs. Senate concurs.

### **Sec. 838. MiPage Mobile Center for Excellence Performance Metrics – NEW**

Requires the department to identify specific performance measures for funds related to MiPage Mobile Center for Excellence. Executive adds. House does not include. Senate concurs.

### **Sec. 839. Office of Retirement Services (ORS) Information Technology Upgrade – RETAINS**

Explains the purpose of the Office of Retirement Services' upgrades in information technology. Executive deletes. House concurs. Senate retains.

### **Sec. 862. Required Reports – RETAINED**

Requires the DTMB to provide various detailed reports to Joint Capital Outlay Subcommittee (JCOS) and fiscal agencies with status of each planning or construction project financed by the SBA. Executive deletes. House retains. Senate retains.

### **Sec. 868. Revised Planning Scope Authorization of Caro Center – NOT INCLUDED**

Authorizes the scope of planning for facility modernization of the Caro Center to facility replacement with a total estimated cost of \$115,000,000. Executive adds. House does not include. Senate does not include.

### **Sec. 900. Drinking Water Declaration of Emergency Reserve Fund – NOT INCLUDED**

Provides information on the Drinking water declaration of emergency reserve fund. Requires funds to only be expended upon appropriation and authorizes the end of year balance to be carried forward. Executive adds. House revises \$20.0 million deposit to \$25.0 million which matches the Executive recommended appropriation. Senate does not include.

**FY 2017-18: DEPARTMENT OF TREASURY**  
**Summary: As Passed by the Senate**  
**Senate Bill 142 (S-2) as Amended**



**Analyst: Ben Gielczyk**

IDG/IDT	FY 2016-17 YTD as of 2/8/17	FY 2017-18 Executive	FY 2017-18 House	FY 2017-18 Senate	FY 2017-18 Enacted	Difference: Senate From FY 2016-17 YTD	
						Amount	%
	\$11,262,300	\$12,613,700	\$12,613,700	\$12,613,700		\$1,351,400	12.0
<b>Federal</b>	39,920,800	27,022,600	27,022,600	27,022,600		(12,898,200)	(32.3)
<b>Local</b>	9,201,000	14,516,000	14,516,000	14,516,000		5,315,000	57.8
<b>Private</b>	26,700	27,500	27,500	26,700		0	0.0
<b>Restricted</b>	1,589,586,300	1,605,173,700	1,605,173,700	1,610,018,300		20,432,000	1.3
<b>GF/GP</b>	238,495,800	206,348,500	214,748,500	205,919,600		(32,576,200)	(13.7)
<b>Gross</b>	<b>\$1,888,492,900</b>	<b>\$1,865,702,000</b>	<b>\$1,874,102,000</b>	<b>\$1,870,116,900</b>		<b>(\$18,376,000)</b>	<b>(1.0)</b>
<b>FTEs</b>	1,916.5	1,962.5	1,962.5	1,750.5		(166.0)	(8.7)

Notes: (1) FY 2016-17 year-to-date figures include mid-year budget adjustments through February 8, 2017. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The Department of Treasury is the chief fiscal agency of the state and the primary source of advice to the Governor on tax and fiscal policy issues. The Department's mission is to collect state taxes; to invest, control, and disburse state monies; and to protect the state's credit rating and that of its cities. The Department manages one of the nation's largest pension funds, administers revenue sharing, and administers the student financial aid programs. It also investigates fraudulent financial activity, provides assistance on all property tax-related issues and advises issuers of municipal obligations. The Bureau of State Lottery, the Michigan Gaming Control Board (MGCB), and State Building Authority (SBA) are autonomous agencies housed within the Department of Treasury.

		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Senate Change
<b>Major Budget Changes From FY 2016-17 YTD Appropriations</b>			
<b>1. Constitutional Revenue Sharing</b>			
<u>Executive</u> increases Constitutional revenue sharing by \$15.7 million in restricted sales tax revenue relative to the FY 2016-17 budget act appropriated amount (2.3% increase from the January CREC estimate for FY 2016-17). <u>House</u> and <u>Senate</u> concur.	<b>Gross</b>	<b>\$757,875,200</b>	<b>\$15,668,900</b>
	Restricted	757,875,200	15,668,900
	GF/GP	\$0	\$0
<b>2. City, Village, and Township Revenue Sharing</b>			
<u>Executive</u> maintains City, Village, and Township Revenue Sharing at \$248.8 million in restricted sales tax revenue which reflects no change from FY 2016-17. \$5.8 million is considered one-time appropriations. <u>House</u> concurs. <u>Senate</u> includes 1% increase, or \$2.5 million GF/GP.	<b>Gross</b>	<b>\$248,850,000</b>	<b>\$2,488,400</b>
	Restricted	248,850,000	0
	GF/GP	\$0	\$2,488,400
<b>3. Supplemental City, Village, and Township Revenue Sharing</b>			
<u>House</u> includes \$12.4 million GF/GP in one-time appropriations to support supplemental revenue sharing payments. Payments would be distributed to all cities, villages, and townships eligible to receive a City, Village, and Township Revenue Sharing payment under Section 952. Payments would be distributed on a per capita basis equal \$1.62396 per person. <u>Senate</u> does not include.	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
	GF/GP	\$0	\$0

<b>Major Budget Changes From FY 2016-17 YTD Appropriations</b>		<b>FY 2016-17 Year-to-Date (as of 2/8/17)</b>	<b>FY 2017-18 Senate Change</b>
<b>4. County Revenue Sharing/County Incentive Program</b>	<b>Gross</b>	<b>\$217,267,500</b>	<b>\$2,819,700</b>
<u>Executive</u> increases county revenue sharing by \$640,600 in restricted sales tax revenue to accommodate full payments for the two counties (Alcona and Charlevoix) that came online mid-year FY 2016-17. Maintains 1.0% increase above full-funding. A total of \$513,700 is included in County Revenue Sharing and \$126,900 is included in the County Incentive Program. Of the total for FY 2017-18, 80.2% would be distributed through County Revenue Sharing and 19.8% would be distributed through the County Incentive Program. <u>House</u> concurs. <u>Senate</u> concurs with Executive and House; includes additional 1% increase for all counties, or an additional \$2.2 million GF/GP. Entire amount is placed in County Revenue Sharing and is not subject to incentive requirements.	Restricted	217,267,500	640,600
	GF/GP	\$0	\$2,179,100
<b>5. Debt Service</b>	<b>Gross</b>	<b>\$137,037,000</b>	<b>(\$29,457,000)</b>
<u>Executive</u> reduces debt service by \$29.5 million GF/GP to reflect lower debt service costs due to refundings and refinancing. <u>House</u> and <u>Senate</u> concur.	GF/GP	\$137,037,000	(\$29,457,000)
<b>6. Dual Enrollment Payments</b>	<b>Gross</b>	<b>\$1,507,600</b>	<b>\$500,000</b>
<u>Executive</u> increases by \$500,000 GF/GP to accommodate increased participation in the dual enrollment program. Grants cover tuition costs of eligible nonpublic school students enrolled in postsecondary institutions. <u>House</u> and <u>Senate</u> concur.	GF/GP	\$1,507,600	\$500,000
<b>7. Payments in Lieu of Taxes (PILT)</b>	<b>Gross</b>	<b>\$27,398,800</b>	<b>\$0</b>
<u>Executive</u> increases by \$252,800 Gross (\$96,600 GF/GP) to accommodate new statutorily required PILT payments. <u>House</u> concurs. <u>Senate</u> did not include increases.	Private	26,700	0
	Restricted	5,177,500	0
	GF/GP	\$22,194,600	\$0
<b>8. Senior Citizen Cooperative Housing Tax Exemption</b>	<b>Gross</b>	<b>\$10,520,000</b>	<b>\$200,000</b>
<u>Executive</u> increases by \$200,000 GF/GP to accommodate 2016 PA 78. The act authorized an exemption, effective December 31, 2011, for property that would have qualified for the exemption if an application had been timely filed in 2011. <u>House</u> and <u>Senate</u> concur.	GF/GP	\$10,520,000	\$200,000
<b>9. Align Appropriation Authorizations with Actual Revenues</b>	<b>Gross</b>	<b>NA</b>	<b>(\$20,455,700)</b>
<u>Executive</u> provides the following adjustments to align appropriation authorizations with actual revenues:	Federal	NA	(12,955,700)
• Decreases Federal Department of Education Resources that support administration of outstanding federal and state postsecondary education loans by \$13.0 million in federal funds to align with receipt of revenues.	Restricted	NA	(7,500,000)
• Decreases Health and Safety Fund grants line item by \$7.5 million Gross (\$0 GF/GP) to align with actual expenditures.	GF/GP	NA	\$0
<u>House</u> and <u>Senate</u> concur.			
<b>10. Medical Marihuana Regulatory and Licensing Framework</b>	FTE	0.0	4.0
<u>Executive</u> includes \$4.6 million (\$0 GF/GP) and 4.0 FTEs for medical marihuana regulatory activities. Of this amount, \$4.0 million supports grants to municipalities, counties, and county sheriffs. The remainder, \$675,000 and 4.0 FTEs, would support staff funding for administration of payments to local by the department. <u>House</u> and <u>Senate</u> concur.	<b>Gross</b>	<b>\$0</b>	<b>\$4,635,000</b>
	Restricted	0	4,635,000
	GF/GP	\$0	\$0
<b>11. Grant Removal</b>	<b>Gross</b>	<b>\$521,600</b>	<b>(\$521,600)</b>
<u>Executive</u> removes \$521,600 GF/GP that supported the following FY 2016-17 grants:	GF/GP	\$521,600	(\$521,600)
• Lenawee Intermediate School District Plasma Cutting Machine Matching Grant (\$76,000 GF/GP)			
• Gianna House Grant (\$100,000 GF/GP)			
• Student Loan Delinquency Pilot Program (\$345,600 GF/GP)			
<u>House</u> and <u>Senate</u> concur.			
<b>12. Tax Processing Bureau</b>	FTE	331.0	9.0
<u>Executive</u> includes \$992,200 GF/GP and 9.0 FTEs to decrease telephone wait times and reduce processing time of individual income tax returns. <u>House</u> and <u>Senate</u> concur.	<b>Gross</b>	<b>\$37,376,900</b>	<b>\$992,200</b>
	IDG	2,356,300	0
	Restricted	25,072,200	0
	GF/GP	\$9,948,400	\$992,200

		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Senate Change
<b>Major Budget Changes From FY 2016-17 YTD Appropriations</b>			
<b>13. Office of Collections Lien Fee Increase</b>	FTE	202.0	0.0
<u>Executive</u> includes \$1.3 million IDG to accommodate recently enacted increases in lien filing fees from \$10 to \$30. The department files liens against taxpayers for delinquent taxes owed to the state and is reimbursed for costs associated with filing the liens. <u>House</u> and <u>Senate</u> concur.	<b>Gross</b>	<b>\$26,255,100</b>	<b>\$1,300,000</b>
	IDG	5,890,400	1,300,000
	Restricted	19,851,200	0
	GF/GP	\$513,500	\$0
<b>14. City Income Tax Administration</b>	FTE	49.0	23.0
<u>Executive</u> provides \$5.3 million local funds to support expansion of Treasury city income tax collection program for Detroit (corporate and flow-through withholding) and the potential expansion into an additional city. \$1.5 million is considered one-time appropriations. <u>House</u> and <u>Senate</u> concur.	<b>Gross</b>	<b>\$5,879,100</b>	<b>\$5,282,100</b>
	Local	5,879,100	5,282,100
	GF/GP	\$0	\$0
<b>15. Information Technology for Systems, Applications, and Products (SAP)</b>	<b>Gross</b>	<b>\$0</b>	<b>\$2,000,000</b>
<u>Executive</u> provides \$2.0 million GF/GP to support implementation of SAP, an enterprise resource planning software. Funds would allow contract staff to continue through FY 2017-18 to support operations and allow permanent state staff to obtain self-sufficiency in the software. <u>House</u> and <u>Senate</u> concur.	GF/GP	\$0	\$2,000,000
<b>16. Supervision of General Property Tax Law</b>	<b>Gross</b>	<b>\$17,590,200</b>	<b>\$0</b>
<u>House</u> removes \$4.5 million GF/GP which equals the amount of funding included to support the Office of Fiscal Responsibility. <u>Senate</u> did not include funding reduction.	Local	140,000	0
	Restricted	3,558,700	0
	GF/GP	\$13,891,500	\$0
<b>17. Removal of One-Time Appropriations</b>	<b>Gross</b>	<b>\$6,692,600</b>	<b>(\$6,692,600)</b>
<u>Executive</u> removes \$6.4 million Gross (\$6.4 million GF/GP) in one-time funds appropriated for Free individual E-File (\$2.8 million GF/GP), Supervision of the General Property Tax Law (\$3.0 million GF/GP), School District Millage Renewal Election Reimbursements (\$50,000 GF/GP), Drinking Water Declaration of Emergency (\$300,100 Restricted), and Urban Search and Rescue (\$500,000 GF/GP). <u>House</u> concurs with the removal of all but Urban Search and Rescue. <u>House</u> retains \$500,000 GF/GP in one-time funding to support Urban Search and Rescue. <u>Senate</u> concurs with <u>Executive</u> .	Restricted	300,100	(300,100)
	GF/GP	\$6,392,500	(\$6,392,500)
<b>18. Grant Placeholders</b>	<b>Gross</b>	<b>\$0</b>	<b>\$200</b>
<u>Senate</u> includes two \$100 GF/GP placeholders. One placeholder is for reimbursements to local units of government for the costs of financial data analytical tools. The other placeholder is for NextGen 911 improvements.	GF/GP	\$0	\$200
<b>19. GF/GP Fund Shift Offset with Delinquent Tax Collection Revenue</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>Senate</u> replaces \$5.0 million GF/GP with corresponding amount of delinquent tax collection revenue for a net \$0 Gross change to realize GF/GP savings.	Restricted	NA	5,000,000
	GF/GP	NA	(\$5,000,000)
<b>20. FTE Removal</b>	FTE	1,916.5	(212.0)
<u>Senate</u> removes a total of 212.0 authorized FTEs from various line items.	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
	GF/GP	NA	\$0
<b>21. Casino Gaming Information Technology System Review Enhancement</b>	FTE	132.0	1.0
<u>Executive</u> includes \$149,900 in State Services Fee Fund and 1.0 FTE to support IT system review enhancement to help ensure security and accuracy of revenue reporting through increased internal controls. <u>House</u> and <u>Senate</u> concur.	<b>Gross</b>	<b>\$26,196,700</b>	<b>\$149,900</b>
	Restricted	26,196,700	149,900
	GF/GP	\$0	\$0
<b>22. Bureau of State Lottery iLottery Staffing</b>	FTE	183.0	8.0
<u>Executive</u> includes \$716,300 State Lottery Fund and 8.0 FTEs to support iLottery oversight and continued expansion. <u>House</u> and <u>Senate</u> concur.	<b>Gross</b>	<b>\$24,760,300</b>	<b>\$716,300</b>
	Restricted	24,760,300	716,300
	GF/GP	\$0	\$0
<b>23. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$1,998,200</b>
Reflects increased costs of \$2.0 million Gross (\$435,000 GF/GP) for negotiated salary and wage increases (3.0% ongoing after removing the FY 2016-17 one-time 1.5% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>Executive</u> , <u>House</u> , and <u>Senate</u> concur.	IDG	NA	51,400
	Federal	NA	57,500
	Local	NA	32,900
	Restricted	NA	1,421,400
	GF/GP	NA	\$435,000

## **Major Boilerplate Changes From FY 2016-17**

### **Sec. 902a. Notification of Bond Refinancing and Restructuring – RETAINED**

Requires Department of Treasury to report, within 30 days after a new refinancing or restructuring bond sale, on the annual debt service changes, change in principal and interest over the duration of the debt, and the projected change in present value of the debt service due to the refinancing. Executive deletes. House and Senate retain.

### **Sec. 903. Tax Collection Contracts – RETAINED**

Authorizes Treasury to contract with private collection agencies and law firms to collect taxes, accounts due the state, defaulted student loans, and accounts due to Michigan guaranty agencies; provides funds for collection costs and fees; requires report of agencies used, amounts collected, cost of collection, and other information. Requires amounts appropriated for defaulted student loan collections from exceeding 24.34% of the collection or a lesser amount prescribed in the contract. Executive and Senate retain. House includes new subsection requiring the department to issue an RFP for a secondary placement collections program.

### **Sec. 920. Personal Property Tax Reimbursement Reporting – NEW**

Requires the Department of Treasury to produce a listing of all personal property tax reimbursement payments to be distributed by the Local Community Stabilization Authority related to property taxes levied in the current calendar year. Requires listing to be posted on the department website by September 30. Requires notice describing adjustments in personal property tax reimbursements that will affect the subsequent payment. Provides that the notice shall be distributed to all municipalities. Senate includes as new section.

### **Sec. 927. Personal Property Tax Audits – DELETED**

Requires the Department of Treasury to submit annual progress reports regarding personal property tax audits. Executive and Senate delete. House retains.

### **Sec. 934. Expenditure of Authority Revenues – RETAINED**

Authorizes Treasury to expend revenues under various authorities for operation expense and grants to Civil Service Commission and State Employee's Retirement Fund; requires maintaining records to facilitate reimbursement. Executive revises by striking reporting requirement. House and Senate retain.

### **Sec. 936. Student Loan Delinquency Counseling Pilot Program – DELETED**

Specifies requirements of competitive proposal for the student loan delinquency counseling pilot program. Includes requirements for RFP and provides direction on how the Department of Treasury shall review proposals. Requires status report. Executive, House, and Senate delete.

### **Sec. 938. State Capitol Historic Site Payments – DELETED**

Requires the Department of Treasury to ensure that the State Capitol Historic Site receives any amounts remaining in the Restoration, Renewal, and Maintenance line item. States that in the event that the Detroit CPI results in decreased statutory payments to the State Capitol Historic Fund, the Department of Treasury shall not take punitive measures or decrease payments to the fund and shall ensure full payment from the amounts available in the Restoration, Renewal, and Maintenance line item. Executive, House, and Senate delete.

### **Sec. 944. Pension Plan Consultant Report – RETAINED**

Requires Treasury to retain a copy of any report received from a pension plan consultant and make available upon request. Executive deletes. House revises to include a notification when a pension plan consultant was used and a rationale for the retention of a pension plan consultant. Senate retains current law.

### **Sec. 945. Audit of Minimal Assessing Requirements – REVISED**

Requires the appraisal quality assurance project manager to conduct an Audit of Minimal Assessing Requirements in at least one assessment jurisdiction per county. Executive revises to require a review of local unit assessment administration practices, procedures, and records in each assessment district a minimum of once every five years. House and Senate concur.

### **Sec. 949. Fraud Prevention Appropriation – RETAINED**

Specifies that the Department of Treasury may contract with private agencies from the funds appropriated in part 1 to prevent the disbursement of fraudulent tax returns. Appropriates a total amount not to exceed \$1.6 million from the fund or account to which the revenues being collected are recorded or dedicated to pay contract costs or fund operations designed to reduce fraudulent income tax refund payments. Requires report. House revises fraud prevention appropriation down to \$1.2 million to align with actual reported expenditures. Executive and Senate retains current law.

### **Sec. 949g. Urban Search and Rescue Task Force – DELETED**

Allocates \$500,000 to the urban search and rescue task force. Requires the task force to provide reports on FY 2015-16 revenues and expenditures, proposed FY 2016-17 grant expenditures, and a final report on FY 2016-17 grant expenditures. Executive and Senate delete due to removal of funds. House retains.

### **Sec. 949h. Medical Marijuana Facilities Licensing Act – NEW**

Provides that revenue from the Medical Marijuana Facilities Licensing Act is appropriated and shall be distributed in accordance with the provisions of the act. Executive, House, and Senate include as new section.



## **Major Boilerplate Changes From FY 2016-17**

### **Sec. 949i. City Income Tax Expansion – NEW**

Requires funds appropriated for the city income tax administration to be used for expansion of individual income tax returns to one additional city. Executive and Senate include as new Section 949i. House includes as new Section 949a.

### **Sec. 949j. Wrongful Imprisonment Compensation Fund – NEW**

Provides that all funds in the Wrongful Imprisonment Compensation Fund are appropriated and available for expenditure for support of wrongful imprisonment compensation payments pursuant to provisions of the act. Executive, House, and Senate include as new section.

## **REVENUE SHARING**

### **Sec. 952. City, Village, and Township (CVT) Revenue Sharing and County Incentive Program – REVISED**

Specifies distribution of \$248.8 million to all CVTs with a population of 7,500 or more by providing an eligible payment equal to 100% of the FY 2015-16 payment to all CVTs that were eligible for a payment in FY 2015-16. In order to qualify for its eligible payment, a CVT is required to comply with the items listed under accountability and transparency. To qualify for county incentive payment, counties are required to comply with the items listed under accountability and transparency. Any unexpended funds are directed to be deposited in the Financial Distressed CVTs program in Sec. 956. Executive revises to allow include new language allowing an entity that does not comply with the accountability and transparency by December 1 to comply by April 1 and still receive full payments. Payments that were ultimately qualified for after December 1 would be deferred and paid in the August revenue sharing payment. Executive also allows CVTs to use Treasury's online Citizen's Guide to satisfy reporting requirement. House retains current law, including due dates, but revises to allow use of Treasury's online Citizen's Guide to fulfill Citizen's Guide reporting requirement. Senate revises to authorize a 1% increase in funding for FY 2017-18. Distribution language is retained. Revises to allow use of Treasury's online Citizen's Guide to fulfill Citizen's Guide reporting requirement

### **Sec. 955. County Revenue Sharing – REVISED**

Requires the county revenue sharing appropriation to be distributed so that each eligible county receives a payment (when coupled with the County Incentive Program payment) equal to 100.976% of the amount determined pursuant to the Glen Steil State Revenue Sharing Act of 1971. Senate revises payment to 101.986% to reflect 1% increase.

### **Sec. 956. Financially Distressed Cities, Villages, and Townships – RETAINED**

Specifies distribution of \$5.0 million as grants to CVTs that have one or more conditions of probably financial distress. CVTs must work with Treasury to develop plan for grant funding. Grants are capped at \$2.0 million. Funds are designated as work project. Requires report. House revises to require funds to be used exclusively to reduce unfunded liabilities, repair/replace critical infrastructure/equipment, reduce debt obligations, or for costs associated with a transition to shared services with another jurisdiction. Executive and Senate retain current law.

### **Sec. 957. Supplemental City, Village, and Township Revenue Sharing – NOT INCLUDED**

Specifies distribution of \$12.4 million GF/GP appropriated in part 1 to support supplemental revenue sharing payments. Payments would be provided to CVTs on a per capita basis equal to \$1.62396 per person. House includes as new section. Senate does not include.

## **LOTTERY**

### **Sec. 963. Department of Health and Human Services Bridge Cards – DELETED**

Requires Lottery to notify lottery retailers that DHHS bridge cards are not to be used to purchase lottery tickets. Executive and Senate delete. House retains.

### **Sec. 964. Promotion and Advertising Appropriation - REVISED**

Appropriates 1% of the Bureau of State Lottery's prior fiscal year's gross sales or \$25.0 million, whichever is less, for promotion and advertising. Executive and House retain current law. Senate revises to authorize 1% of the prior fiscal year's gross sales and eliminates cap at \$25.0 million.

## **CASINO GAMING**

### **Sec. 978. Racing Commission Regulatory Changes – RETAINED**

Requires the Michigan Gaming Control Board to determine the actual regulatory costs of conducting race dates; it would limit reimbursement to actual expenses; and the language specifies that in the case of reduced revenues, race dates can be reduced, after consultation with certified horsemen's organizations. Executive revises to eliminate language stating that if a certified horsemen's organization funds more than the actual regulatory cost, the balance shall remain in the agriculture equine industry development fund to fund subsequent race dates. Also strikes language stating that if a horsemen's organization funds less than the actual regulatory costs of the additional horse racing dates, the MGCB shall reduce the number of future race dates conducted by race meeting licensees with which the certified horsemen's organization has contracts. House and Senate retain current-year language.

### **Sec. 979. Millionaire Party Regulation – RETAINED**

Appropriates amount not to exceed \$4.0 million to the Michigan Gaming Control Board from the State Lottery Fund to support regulation and licensing of millionaire parties pursuant to Executive Order 2012-4; requires report. House revises amount available for expenditure to \$3.0 million to align with actual reported expenditures. Executive and Senate retain.

# FY 2017-18: DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT



## Summary: As Passed by the Senate Senate Bill 142 (S-2) as Amended

Analyst: Ben Gielczyk

IDG/IDT	FY 2016-17 YTD as of 2/8/17	FY 2017-18 Executive	FY 2017-18 House	FY 2017-18 Senate	FY 2017-18 Enacted	Difference: Senate From FY 2016-17 YTD	
						Amount	%
	\$0	\$0	\$0	\$0		\$0	--
<b>Federal</b>	768,144,800	762,144,800	762,144,800	762,144,800		(6,000,000)	(0.8)
<b>Local</b>	500,000	500,000	500,000	500,000		0	0.0
<b>Private</b>	5,619,000	5,620,900	5,620,900	5,620,900		1,900	0.0
<b>Restricted</b>	192,341,600	181,556,700	206,363,400	187,056,700		(5,284,900)	(2.7)
<b>GF/GP</b>	182,508,900	193,502,400	127,608,100	197,126,100		14,617,200	8.0
<b>Gross</b>	<b>\$1,149,114,300</b>	<b>\$1,143,324,800</b>	<b>\$1,102,237,200</b>	<b>\$1,152,448,500</b>		<b>\$3,334,200</b>	<b>0.3</b>
<b>FTEs</b>	1,615.0	1,615.0	1,615.0	1,273.0		(342.0)	(21.2)

Notes: (1) FY 2016-17 year-to-date figures include mid-year budget adjustments through February 8, 2017. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

### Overview

The Department of Talent and Economic Development (DTED) includes the Michigan Strategic Fund, Talent investment Agency, Workforce Development Agency, Unemployment Insurance Agency, Land Bank Fast Track Authority, and Michigan State Housing Development Authority. Collectively, DTED includes programs and resources designed to increase job creation, job preparedness, job training, economic development, and create and preserve safe and affordable housing in the State of Michigan.

### Major Budget Changes From FY 2016-17 YTD Appropriations

#### 1. Business Attraction and Community Revitalization

Executive includes \$10.0 million GF/GP in one-time appropriations for Michigan Business Development Program grants and loans and Community Revitalization Program grants and loans. Shifts \$14.0 million GF/GP that was considered one-time in FY 2016-17 to ongoing appropriations. House reduces by \$15.5 million for a total of \$100.0 million Gross (\$67.2 million GF/GP). Of that amount, \$10.8 million GF/GP is considered one-time appropriations. Senate includes \$7.3 million GF/GP in one-time appropriations. Concurs with Executive in shift of \$14.0 million GF/GP that was considered one-time in FY 2016-17 to ongoing appropriations.

	FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Senate Change
<b>Gross</b>	<b>\$115,499,900</b>	<b>\$7,332,600</b>
Restricted	21,600,000	0
GF/GP	\$93,899,900	\$7,332,600

#### 2. Going Pro (Formerly Skilled Trades Training Program)

Executive provides \$10.0 million GF/GP in one-time appropriations to expand Going Pro program. Program funding supports grants to employers to assist in training, developing, and retaining current employees and individuals to be hired. House concurs with Executive appropriation of \$40.9 million. However, House funds entire appropriation with Contingent Fund, Penalty and Interest to realize GF/GP savings. Senate concurs with Executive Gross appropriation of \$40.9 million. However, Senate replaces \$5.0 million GF/GP with Contingent Fund, Penalty and Interest to realize GF/GP savings.

<b>Gross</b>	<b>\$30,900,000</b>	<b>\$10,000,000</b>
Restricted	25,900,000	5,000,000
GF/GP	\$5,000,000	\$5,000,000

#### 3. Talent Marketing

Executive includes \$5.0 million GF/GP in one-time appropriations for a marketing program to attract individuals to live and work in Michigan. House does not include. Senate does not include separate line item; includes \$5.0 million in Pure Michigan and designates up to \$5.0 million to support Talent Marketing in boilerplate. (See Item #8 below)

<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
GF/GP	\$0	\$0

<b>Major Budget Changes From FY 2016-17 YTD Appropriations</b>		<b>FY 2016-17 Year-to-Date (as of 2/8/17)</b>	<b>FY 2017-18 Senate Change</b>
<b>4. Project Rising Tide</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
<u>Executive</u> includes \$2.0 million GF/GP in one-time appropriations for Project Rising Tide. The funds would support program expansion beyond the initial 10 communities. Project Rising Tide provides technical assistance to communities regarding planning, zoning, and economic development to attract new business and help existing businesses. Current year funding comes from MSHDA and MEDC Corporate revenues. <u>House</u> and <u>Senate</u> do not include.	GF/GP	\$0	\$0
<b>5. Arts and Cultural Grants</b>	<b>Gross</b>	<b>\$10,150,000</b>	<b>\$1,000,000</b>
<u>Executive</u> increases Arts and Cultural Grants by \$1.0 million GF/GP in one-time appropriations. Funding would provide additional grant opportunities to local arts and cultural organizations. Removes boilerplate prohibiting administration as an authorized use of funds. <u>House</u> does not include. <u>House</u> maintains current-year funding, but includes boilerplate prohibition on use of funds for administration. <u>Senate</u> concurs with <u>Executive</u> inclusion of additional \$1.0 million GF/GP; retains boilerplate prohibiting administration as an authorized use of funds.	Federal	1,050,000	0
	Private	100,000	0
	GF/GP	\$9,000,000	\$1,000,000
<b>6. Protect and Grow</b>	<b>Gross</b>	<b>\$3,000,000</b>	<b>(\$2,000,000)</b>
<u>Executive</u> includes \$1.0 million GF/GP in one-time appropriations for Protect and Grow. The program focuses on retaining and growing the defense industry strategic investments in Michigan. The FY 2016-17 budget act included \$3.0 million GF/GP in one-time appropriations to support this program. <u>House</u> and <u>Senate</u> concur.	GF/GP	\$3,000,000	(\$2,000,000)
<b>7. Entrepreneurship Eco-System</b>	<b>Gross</b>	<b>\$19,400,000</b>	<b>(\$1,000,000)</b>
<u>House</u> reduces funding by \$2.7 million in 21 <sup>st</sup> Century Jobs Trust Fund. Shifts funding to Business Attraction and Community Revitalization to realize GF/GP savings. <u>Senate</u> reduces funding by \$1.0 million and shifts funding to Pure Michigan.	Restricted	19,400,000	(1,000,000)
	GF/GP	\$0	\$0
<b>8. Pure Michigan</b>	<b>Gross</b>	<b>\$34,000,000</b>	<b>\$6,000,000</b>
<u>Executive</u> and <u>House</u> maintain FY 2016-17 funding levels for Pure Michigan. <u>Senate</u> increases by \$6.0 million Gross (\$5.0 million GF/GP). Shifted \$1.0 million restricted from Entrepreneurship Eco-System and includes additional \$5.0 million GF/GP dedicated to talent marketing.	Restricted	34,000,000	1,000,000
	GF/GP	\$0	\$5,000,000
<b>9. Job Creation Services</b>	<b>Gross</b>	<b>\$22,198,400</b>	<b>\$0</b>
<u>House</u> reduces line item by \$4.9 million GF/GP for a reduction in administration appropriations. <u>Executive</u> and <u>Senate</u> include economic adjustments (included in #16 below).	Federal	2,773,300	0
	Private	250,000	0
	Restricted	4,961,300	0
	GF/GP	\$14,213,800	\$0
<b>10. Community Ventures</b>	<b>Gross</b>	<b>\$9,800,000</b>	<b>\$0</b>
<u>House</u> replaces entire \$9.8 million in GF/GP appropriation for Community Ventures with Contingent Fund, Penalty and Interest to realize GF/GP savings. <u>Executive</u> and <u>Senate</u> retains funding level with GF/GP.	Restricted	0	0
	GF/GP	\$9,800,000	\$0
<b>11. TANF Funding</b>	<b>Gross</b>	<b>\$64,898,800</b>	<b>(\$3,200,000)</b>
<u>Executive</u> and <u>House</u> remove \$1.2 million TANF authorization for workforce development programs. <u>Senate</u> concurs with Governor and includes additional transfer for \$2.0 million to MSF to support Michigan Enhancement Grants. Reduces by a total of \$3.2 million Federal.	Federal	64,898,800	(3,200,000)
	GF/GP	\$0	\$0
<b>12. Michigan State Housing Development Authority Revenue Adjustments</b>	FTE	316.0	0.0
<u>Executive</u> reduces MSHDA restricted funds by \$7.1 million to align fund source with actual revenues. Downward adjustment does not affect programming. <u>House</u> and <u>Senate</u> concur.	<b>Gross</b>	<b>\$54,833,700</b>	<b>(\$7,111,500)</b>
	Restricted	54,833,700	(7,111,500)
	GF/GP	\$0	\$0

<b>Major Budget Changes From FY 2016-17 YTD Appropriations</b>		<b>FY 2016-17 Year-to-Date (as of 2/8/17)</b>	<b>FY 2017-18 Senate Change</b>
<b>13. Removal of Other One-Time Appropriations</b>	<b>Gross</b>	<b>\$23,898,600</b>	<b>(\$23,898,600)</b>
<u>Executive</u> removes \$21.8 million Gross (\$12.0 million GF/GP) in FY 2016-17 one-time appropriations. Appropriations include Special Grants (\$12.0 million), Statewide Data System Integration (\$8.8 million Gross), Kalamazoo Valley Community College – Healthy Living Campus (\$2.0 million GF/GP), Grant to St. Louis Center (\$120,000 GF/GP), and Sustainable Employment Pilot Program (\$1.0 million GF/GP). <u>House</u> and <u>Senate</u> concur.	Federal	4,800,000	(4,800,000)
	Restricted	3,978,500	(3,978,500)
	GF/GP	\$15,120,100	(\$15,120,100)
<b>14. UIA Information Technology</b>	<b>Gross</b>	<b>\$0</b>	<b>\$100</b>
<u>Senate</u> includes \$100 placeholder to support an electronic ID system in the UIA. Includes boilerplate that outlines requirements for an electronic ID system in the UIA (Sec. 1047).	GF/GP	\$0	\$100
<b>15. Michigan Enhancement Grants</b>	<b>Gross</b>	<b>\$0</b>	<b>\$15,791,100</b>
<u>Senate</u> includes \$15.7 million Gross (\$13.3 million GF/GP) to support 20 enhancement grants to programs and projects throughout the state of Michigan.	Federal	0	2,000,000
	Restricted	0	500,000
	GF/GP	\$0	\$13,291,100
<b>16. Economics Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$420,500</b>
<u>Executive</u> includes funding to support increased costs of \$420,500 Gross (\$113,500 GF/GP) for negotiated salary and wage increases (3.0% ongoing after removing the FY 2016-17 one-time 1.5% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>House</u> concurs with Gross amount, but replaces \$6,700 GF/GP associated with Community Ventures and Going Pro economics with restricted Contingent Fund, Penalty and Interest to realize GF/GP savings in that line item. <u>Senate</u> concurs with <u>Executive</u> .	Federal	NA	0
	Private	NA	1,900
	Restricted	NA	305,100
	GF/GP	NA	\$113,500

### **Major Boilerplate Changes From FY 2016-17**

*NOTE: In general, House includes additional reporting requirements where appropriate in an effort to support transparency and facilitate information sharing.*

#### **Sec. 990. Michigan State Housing Development Authority Annual Report – RETAINED**

Requires Michigan State Housing Development Authority (MSHDA) to annually present a report on the status of the authority's housing production goals under all financing programs. Executive deletes. House and Senate retain.

#### **Sec. 1007. Program Reporting Requirements – REVISED**

Requires report on grants, investments, and activities of each program administered by MSF or MEDC, including spending and FTEs; requires report on tourism promotion and business marketing expenditures and revenues by source. Requires performance metrics report on the Michigan Business Development Program and the Community Revitalization program. Authorizes requirements to be met if the report under Section 9 of the MSF Act is provided by March 15. Executive deletes. House revises to strike language saying reporting requirements are met if report under Section 9 of the MSF Act is provided by March 15. Senate revises to require the activities report to include the budget of the MSF and MEDC for the previous fiscal year, including a list of all corporate revenue received by source, all expenditures by core focus for the year, number of FTE positions at the MEDC, the corporate fund balance remaining at the end of the fiscal year, total amount of work project funding spent during the previous fiscal year, all work projected funding that is being carried forward, and the different between the enacted budget and final expenditures for the previous fiscal year.

#### **Sec. 1009. Land Purchase Provisions - RETAINED**

Prohibits MEDC from purchasing land or land options unless the land is in an economically distressed area or purchase is at invitation of local unit of government and economic development agency; authorizes consideration of purchases where proposed use is consistent with a regional land use plan, will result in redeveloping an economically distressed area, can be supported with existing infrastructure, and will not cause population to shift from population centers. House includes new subsection requiring report on land purchased, all options on land purchased, the location of the purchase, and the purchase price. Executive and Senate retain current law.

#### **Sec. 1010. Jobs for Michigan Investment Fund Report – RETAINED**

Requires report on revenues and expenditures, including year-end balance of the Jobs for Michigan Investment Fund. Executive deletes. House and Senate retain.

## **Major Boilerplate Changes From FY 2016-17**

### **Sec. 1033. Film and Digital Media Office Status Report – RETAINED**

Requires annual activities report from the Michigan Film and Digital Media Office. The report shall include a listing of all projects that received assistance from the office, a listing of the services provided for each project, and an estimate of the investment leveraged. Executive deletes. House and Senate retain.

### **Sec. 1035. Michigan Council for Arts and Cultural Affairs (MCACA) Grants – RETAINED**

Requires MCACA to administer an arts and cultural grant program that maintains an equitable geographic distribution of funding and utilizes past arts and cultural grant programs as a guideline; requires MCACA to publish application criteria; authorizes MCACA to charge a non-refundable application fee to be used for expenses necessary to administer the programs; requires a report to the legislature. Executive revises by striking subsection prohibiting funds appropriated for expenses necessary to administer the program. House retains subsection prohibiting funds appropriated for expenses necessary to administer the program. Includes new reporting required regarding number of applications and total dollar amount of grants requested. Senate retains current law.

### **Sec. 1041. Business Attraction and Community Revitalization Transfer of Funds – RETAINED**

Requires MSF to request not more than 60% of the funds appropriated for Business Attraction and Community Revitalization prior to April 1. Executive deletes. House revises to prohibit more than 50% of the funds appropriated from being requested. Senate retains current law.

### **Sec. 1044. Prohibition on Awarding or Transferring Tax Credits – NOT INCLUDED**

Prohibits the MSF and MEDC from awarding or transferring existing tax credits to the owner of an existing facility in Dearborn prior to legislative approval. House includes as new section. Senate does not include.

### **Sec. 1046. Special Grants Award Listing – DELETED**

Specifies distribution of funds appropriated in part 1 for 21 Special Grants: Covenant Care (\$275,000); Grandmont Rosedale Development Corporation (\$50,000); Kennedy High School (Taylor) - Greenhouse Renovation (\$30,000); Heritage Park (Taylor) Repairs (\$95,000); Redford Union Chrome Books (\$100,000); City of Westland Recreation Complex (\$100,000); City of Wayne Recreation Complex (\$100,000); Southwest Detroit Community Justice Center (\$100,000); Mom's Place Women's Shelter (\$75,000); Maggie Lee's Community Center (\$25,000); Detroit Collaborative Design Center (\$100,000); Charles H. Wright African American Museum (\$500,000); Kent County Youth Fair (\$2,500,000); Lowell Township Park (\$2,500,000); Van Andel Institute (\$1,000,000); Unmanned Aerial Drone Development (\$250,000); Muskegon Farmer's Market Incubator (\$200,000); Kalamazoo Valley Community College – Healthy Living Campus (\$2,000,000); City of Athens Water Tower (\$250,000); City of Albion High Priority Capital Project (\$950,000); Grand Haven State Park Access Redevelopment (\$800,000). Executive, House, and Senate delete.

### **Sec. 1047. Michigan Enhancement Grants – NEW**

Specifies individual grants included in the Michigan Enhancement Grant line item. Includes 20 projects. Senate includes as new section.

### **Sec. 1050. Business Attraction and Community Revitalization Performance Measures – NEW**

Requires department to identify specific performance measures for the Business Attraction and Community Revitalization appropriations; provides two performance measures. Executive includes as new section. House concurs with Executive and adds reporting requirement. Senate concurs with Executive.

### **Sec. 1051. Talent Marketing Performance Measures – NEW**

Requires department to identify specific performance measures for the Talent Marketing appropriations; provides two performance measures. Executive includes as new section. House does not include. Senate concurs with Executive, but references Pure Michigan line item since funds were rolled into existing Pure Michigan line item.

### **Sec. 1052. Project Rising Performance Measures – NOT INCLUDED**

Requires department to identify specific performance measures for the Project Rising appropriations; provides two performance measures. Executive includes as new section. House and Senate do not include.

### **Sec. 1053. Arts and Cultural Grants Performance Measures – NEW**

Requires department to identify specific performance measures for the Arts and Cultural Grants appropriations; provides three performance measures. Executive includes as new section. House does not include. Senate concurs with Executive.

### **Sec. 1054. Protect and Grow Performance Measures – NEW**

Requires department to identify specific performance measures for the Protect and Grow appropriations; provides two performance measures. Executive includes as new section. House concurs with Executive and adds reporting requirement. Senate concurs with Executive.

### **Sec. 1061. Workforce Investment Act (WIA) Youth Grant Program – REVISED**

Allows Talent Investment Agency (TIA) to provide grants to non-profit organizations that offer programs to WIA-eligible youth focusing on entrepreneurship, work-readiness skills, job shadowing, and financial literacy. Executive revises to include apprenticeship readiness programs. House and Senate concur.

## **Major Boilerplate Changes From FY 2016-17**

### ***Sec. 1066. Skilled Trades Training Program Administration – REVISED***

Requires the Skilled Trades Training Program to be administered according to specific guidelines outline in boilerplate. Allows up to \$5.0 million of funds appropriated for Skilled Trades Training Program to be used for matching funds when federal funds requiring a match become available. The intent of the funds is increasing the skill level of employees in skilled trades in the automotive industry and the manufacturing processes within the changing manufacturing environment. Revises to reference new program name Going Pro. Executive revises to broaden the use of grants to addressing in-demand needs in Michigan rather than for employees of Michigan businesses. Strikes language prohibiting funds from being distributed to program and process-centered training organization employers. House and Senate concur.

### ***Sec. 1069. Career and Professional Development in Culinary Arts – NOT INCLUDED***

Requires \$79,000 of the funds appropriated for Going Pro to be awarded to a Michigan 501(c)(3) organization for the purposes of teaching or training restaurant management and culinary arts for career and professional development. House includes as new section. Senate does not include.

### ***Sec. 1070. Dropout Support and Career Training Grant – NOT INCLUDED***

Requires \$1.0 million of the funds appropriated for Going Pro to support a pilot program to assist adults over the age of 23 in obtaining high school diplomas and placement in career training programs. Provides requirements to qualify as an eligible program provider. Provides detailed reimbursement rates for certain performance measures. House includes as new section. Senate does not include.

### ***Sec. 1071. Dropout Prevention and Recovery Program for Michigan Youth – NOT INCLUDED***

Requires \$2.5 million from the funds appropriated for Going Pro to be awarded to an existing dropout prevention and recover program for Michigan youth. House includes as new section. Senate does not include.

### ***Sec. 1075. UIA Electronic ID System – NEW***

Requires TIA and UIA to issue RFP to provide an electronic identification system for the UIA's internet Michigan Web Account System. Requires system to allow mobile authentication, login, and navigation of the web account system; credential and authentication for transactions connected to the online system; and that the provider must be a member in full compliance with the identity ecosystem framework registry. Senate includes as new section.

### ***Sec. 1076. UIA Computer System Report – DELETED***

Requires quarterly reports on the status of the implementation of and improvements to the Unemployment Insurance Agency's (UIA) integrated IT system project. Executive and Senate delete. House retains.

### ***Sec. 1076. UIA Fraudulent Cases Report – NEW***

Requires DTED to provide a quarterly report that provides the following: number of new fraudulent cases; total amount of penalties and interest issued on fraudulent cases; total amount of penalties and interest dollars received during quarter; total penalties and interest still owed to the state; and number of fraudulent cases that have been appealed by an employer of claimant. Senate includes as new section.

### ***Sec. 1077. UIA Internet Claims Report – DELETED***

Requires the Department of Talent and Economic Development to report quarterly on the percentage of unemployment claimants that meet the certification requirements for receiving benefits by using the Internet Michigan web account manager system or any application developed for that purpose. Requires the department to implement improvements to the web account system that promote greater ease of access and security with a goal of reaching 75% of users certifying by using the system. Executive and Senate delete. House retains.

### ***Sec. 1081. Statewide Data System Integration Performance Metrics – DELETED***

Requires the Department to identify specific outcomes and performance metrics for the increased funds in part 1 associated with the Statewide Data System Integration line item. Provides nonexclusive list of performance metrics to be used. Executive and Senate delete. House revises to require status report update.

### ***Sec. 1083. Sustainable Employment Pilot Program – DELETED***

Requires the Department to develop or contract with another entity to provide a pilot program that focuses on moving individuals off of government assistance programs and measuring the corresponding savings to the state of Michigan. Requires the pilot program to work with local community and workforce development agencies and focus on long-term results. Executive and Senate delete. House revises language to require a status update on the usage of the funds appropriated for the Sustainable Employment Pilot Program. Provides requested reporting metrics; House includes as Sec. 1082.

### ***Sec. 1084. Going Pro Performance Measures – NEW***

Requires department to identify specific performance measures for the Going Pro appropriations; provides three performance measures. Executive includes as new section. House concurs and requires report. Senate concurs with Executive.