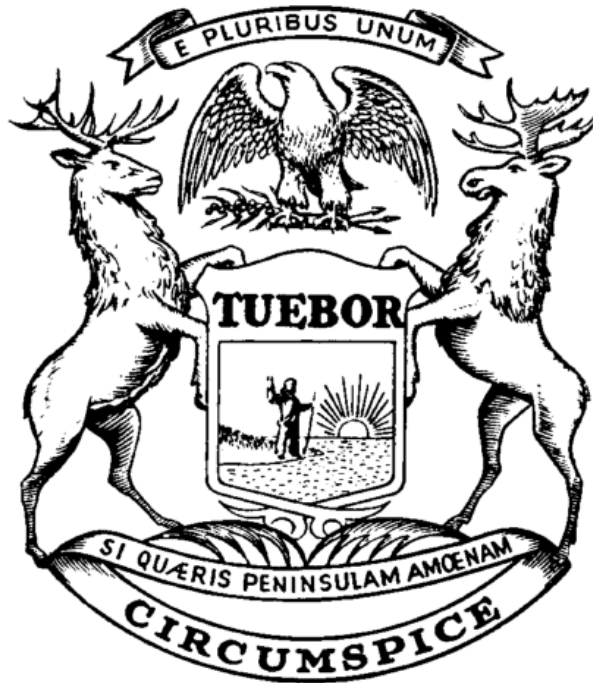


STATE OF MICHIGAN
FISCAL YEAR 2016-17

Appropriations Summary and Analysis



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Mary Ann Cleary, Director

JULY 2016

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July 2016

TO: Members of the Michigan House of Representatives

FROM: Mary Ann Cleary, Director

This ***FY 2016-17 Appropriations Summary and Analysis*** summarizes the enacted FY 2016-17 state budget. A *Glossary*, following the table of contents, explains terms used throughout this report to describe Michigan's budget. The *Budget Overview* provides information on resources used and major funding changes in the enacted FY 2016-17 budget; summary tables of appropriated funds and fund sources are also included. *Budget Detail* pages note major budget and boilerplate changes for each budget area.

When analyzing the budget, it is important to note the following:

Adjusted Gross is the amount to use when measuring the total amount of funding included in the state budget (including spending from federal sources).

State Spending from State Sources (State Restricted plus GF/GP) is the amount to use when measuring the amount of state resources collected from taxpayers to finance state spending.

General Fund/General Purpose (GF/GP) is the amount to use when measuring unrestricted state resources available for legislative allocation to various state programs.

Information in the *Budget Detail* section was provided by HFA Analysts; report production was coordinated by Kathryn Bateson, Administrative Assistant. House Fiscal Agency staff and their areas of responsibility are listed on the inside back cover of this publication. Please feel free to contact them, or me, if you have questions or need further information.

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GLOSSARY

Frequently Used State Budget Terms

APPROPRIATIONS AND FUND SOURCES

Appropriation

Authority to expend funds. An appropriation is not a mandate to spend. Constitutionally, state funds cannot be expended without an appropriation by the Legislature.

Gross Appropriations

Total spending authority from all revenue sources.

Interdepartmental Grant (IDG) Revenue

Funds received by one state department from another state department—usually for service(s) provided.

Adjusted Gross Appropriations

Gross appropriations excluding IDGs; avoids double counting when adding appropriation amounts across budget areas.

Federal Revenue

Federal grant or match revenue; generally dedicated to specific programs or purposes.

Local Revenue

Revenue received from local units of government for state services.

Private Revenue

Revenue from individuals and private entities, including payments for services, grants, and other contributions.

State Restricted Revenue

State revenue restricted by the State Constitution, state statute, or outside restriction that is available only for specified purposes; includes most fee revenue.

General Fund/General Purpose (GF/GP) Revenue

Unrestricted general fund revenue available to fund basic state programs and other purposes determined by the Legislature.

MAJOR STATE FUNDS

General Fund

The state's primary operating fund; receives state revenue not dedicated to another state fund.

School Aid Fund (SAF)

A restricted fund that serves as the primary state funding source for K-12 schools and Intermediate School Districts. Constitutionally, SAF revenue may also be used for postsecondary education.

Budget Stabilization Fund

The Countercyclical Economic and Budget Stabilization Fund (also known as the "rainy day fund"); the Management and Budget Act provides guidelines for making deposits into and withdrawals from the fund.

STATE BUDGET TERMS

Fiscal Year

The state's fiscal year (FY) runs from October to September. FY 2016-17 is October 1, 2016 through September 30, 2017.

Line Item

Specific appropriation amount in a budget bill which establishes spending authorization for a particular program or function.

Boilerplate

Specific language sections in an appropriation bill which direct, limit, or restrict line-item expenditures, express legislative intent, and/or require reports.

Lapse

Appropriated amounts that are unspent or unobligated at the end of a fiscal year. Appropriations are automatically terminated at the end of a fiscal year unless designated as a work project. Lapsed funds are available for expenditure in the subsequent fiscal year.

Work Project

Account authorized through statutory process which allows appropriated spending authorization from one fiscal year to be utilized for expenditures in a succeeding fiscal year or years for a specific project or purpose.

FY 2016-17 Budget Detail

OVERVIEW

**Budget Overview
Consensus Revenue Estimates
FY 2016-17 Balance Sheets
Summary Tables**

OVERVIEW

FY 2016-17 BUDGET OVERVIEW

Mary Ann Cleary, Director, and Kyle I. Jen, Deputy Director

The enacted state budget for Fiscal Year (FY) 2016-17 incorporates the May 2016 Consensus Revenue Estimating Conference (CREC) revenue estimates. In addition to those estimates, the recommendation assumes the following major funding sources for the General Fund/General Purpose (GF/GP) and School Aid Fund (SAF) budgets:

- Beginning balances of \$135.3 million GF/GP and \$104.2 million SAF.
- Collection of the Use Tax on Medicaid managed care providers for one quarter before discontinuation on January 1, 2017 (\$105.8 million GF/GP and \$52.9 million SAF).
- Increased revenue (\$80.0 million GF/GP) from enactment of legislation reducing the amount of tax credits that can be claimed by auto insurers starting in FY 2017-18 (enrolled House Bills 5457 and 5458).
- A decrease in revenue from Michigan Venture Fund tax vouchers (\$30.5 million GF/GP and \$9.5 million SAF).
- Tobacco settlement revenue of \$72.0 million from the new Community District Education Trust Fund (HB 5383).

The FY 2016-17 budget includes \$54,048.3 million in adjusted gross appropriations. This includes:

- \$22,661.4 million in federal funds.
- \$388.6 million in local and private funds.
- \$21,023.0 million in state restricted funds.
- \$9,975.3 million in GF/GP funds.

Of the \$30,998.3 million in state resources (restricted plus GF/GP) appropriated for FY 2016-17, \$17,245.5 million (55.6% of the total) is designated for payments to local units of government. Article IX, Section 30 of Michigan's Constitution requires that at least 48.97% of spending from state resources must be paid to local governments.

Prior to enactment of the FY 2016-17 budget, total year-to-date adjusted gross appropriations for FY 2015-16 were \$53,808.7 million, of which \$9,939.1 million were GF/GP appropriations. Compared to those amounts, the FY 2016-17 budget represents an increase of 0.4% in both adjusted gross appropriations and GF/GP appropriations.

The FY 2016-17 enacted budget bills also includes FY 2015-16 supplemental adjustments. These adjustments include:

- General appropriation adjustments (non-Flint) totaling a negative \$418.2 million Gross, which includes reductions of \$376.7 million in federal funds and \$173.5 million in SAF funds, with an increase of \$113.4 million in GF/GP appropriations. The bulk of these adjustments are for caseload and other related adjustments for the Medicaid program (including the Healthy Michigan Plan) and foundation allowance cost adjustments in the School Aid budget.
- Flint water emergency supplemental appropriations of \$123.5 million Gross (\$96.5 million GF/GP). Major appropriation items include:
 - \$25.0 million GF/GP for replacement of lead service lines for high risk, high hazard homes in Flint (DEQ).
 - \$12.8 million GF/GP to the City of Flint to provide water bill relief for residential customers (Treasury).
 - \$9.2 million GF/GP for Early On services (School Aid).
 - \$18.9 million GF/GP into a Flint Emergency Reserve Fund (DTMB).
- Capital Outlay supplemental appropriations of \$501,600 GF/GP for 16 planning authorizations and one construction authorization.

Accounting for those supplemental adjustments in the FY 2015-16 totals, the FY 2016-17 budget represents an increase of 1.0% in adjusted gross appropriations and a reduction of 1.7% in GF/GP appropriations. Specific FY 2015-16 supplemental adjustments are described at the end of the section for each applicable individual budget area beginning on page 22.

The FY 2016-17 budget includes both program reductions and increases compared to the FY 2015-16 budget, as well as funding allocations designated as one-time in nature.

Major FY 2016-17 GF/GP program reductions include:

- A reduction of \$391.5 million (ongoing and one-time) in the Transportation budget, replaced by new restricted fund revenue under the Transportation package enacted in 2015.
- A \$27.0 million net savings in the Corrections budget for the closure of the Pugsley Correctional Facility.
- A \$10.2 million savings in DHHS budget for a Medicaid Health Plan capitated rate reduction.

Major fund shifts utilized to reduce GF/GP appropriations for FY 2016-17 include:

- The use of \$105.0 million in ongoing state retainer revenue under the Qualified Assurance Assessment Program for hospitals, increased from a one-time amount of \$92.9 million in FY 2015-16, to offset GF/GP funds for Medicaid (pursuant to enrolled Senate Bill 957).
- The redirection of \$19.8 million in Transportation Economic Development Fund (TEDF) revenue for transportation projects.
- The transfer of \$10.0 million in Contingent Fund penalty and interest revenue to GF/GP.

Major FY 2016-17 GF/GP program increases include:

- \$44.7 million (\$105.0 million Gross) increase for specialty drug costs for Hepatitis C and Cystic Fibrosis.
- \$39.8 million (\$31.2 million SAF and \$8.6 million GF/GP) for a 2.9% increase in public university operations.
- \$31.3 million (\$118.0 million Gross) for 14 statewide IT projects representing seven departments, includes a mix of ongoing and one-time costs.
- \$10.5 million increase for drug treatment for prisoners with Hepatitis C.
- \$8.9 million to expand the Healthy Kids Dental program to all children in the final three counties.
- \$7.6 million to open an additional wing at the Center for Forensic Psychiatry.
- \$7.0 million (including \$3.2 million in one-time costs) for a State Police trooper school.

Major one-time allocations of GF/GP funding for FY 2016-17 include:

- \$8.5 million for a corrections officer academy.
- \$8.5 million for three road improvement projects.
- \$5.0 million for voting machine system replacements.
- \$5.0 million for legal services (DTMB).
- \$4.5 million for voluntary water testing at public and non-public schools.
- \$3.4 million for fire protection grants.

Flint water emergency funding for FY 2016-17 includes only a half year of appropriations:

- \$15.1 million Gross (\$9.1 million GF/GP) for assistance for Flint children and families (DHHS).
- \$10.1 million GF/GP in School Aid for Early On Services, preschool for 4-year-olds, school nurses, and school social workers.
- \$5.4 million for three-month connection service costs and water assistance (DEQ).
- \$8.1 million federal for continued costs associated with expansion of child care needs (MDE).

Funds for the second half of the year and other potential needs could be transferred from the \$18.9 million GF/GP reserve established through an FY 2015-16 supplemental appropriation.

The FY 2016-17 budget includes the following major funding changes for local revenue sharing programs:

- An estimated increase of \$12.1 million from the adjusted FY 2015-16 level in constitutional revenue sharing payments to cities, villages, and townships based on sales tax collections.
- Continued one-time \$5.8 million discretionary revenue sharing payments to cities, villages, and townships for the expanded pool of 101 local units.
- A \$467,000 increase for revenue sharing payments to counties to provide full funding to two additional counties who will have exhausted their reserves funds in FY 2016-17.
- \$2.1 million for county revenue sharing to provide a 1% increase to all counties eligible to receive a state payment.

OVERVIEW

Major FY 2016-17 School Aid funding changes include:

- \$150.0 million for increases to district foundation allowances ranging from \$60 to \$120 per pupil based on the 2x formula (percent increases range from 0.7% to 1.6%).
- \$72.0 million in tobacco settlement funds for foundation allowance costs, to replace funds from the 18-mill levy diverted to pay off debt for Detroit Public Schools.
- An \$89.3 million increase for state-level MPERS unfunded accrued liability costs (with an additional \$4.4 million increase for corresponding costs for community colleges and universities).
- \$5.0 million for the state school reform/redesign office.
- \$2.5 million for nonpublic school reimbursements.

The FY 2016-17 enacted budget does not include a deposit to the Budget Stabilization Fund (BSF). The projected BSF balance at the FY 2015-16 is \$611.1 million. The recommended deposit for FY 2016-17 based on statutory guidelines, as estimated at the May 2016 CREC, was \$155.7 million.

A more detailed summary of major budget changes by individual budget area begins on page 22.

CONSENSUS REVENUE ESTIMATES

Jim Stansell, Senior Economist

This section describes the May 2016 Consensus Revenue Estimating Conference revenue estimates, adjusted for changes enacted, for GF/GP and SAF revenue for FY 2015-16 and FY 2016-17.

For Michigan:

- Personal income is expected to increase 3.7% in CY 2016 and 3.9% in CY 2017.
- Wage and salary employment is expected to increase 1.8% in CY 2016 and 1.0% in CY 2017.
- The unemployment rate is expected to be 5.0% in CY 2016 and 4.9% in CY 2017.

General Fund/General Purpose Revenue by Source

Personal Income Tax

- Michigan individual income tax revenue is forecast to increase 4.7% in FY 2015-16 and 3.7% in FY 2016-17.
- GF/GP individual income tax revenue is expected to increase 4.3% in FY 2015-16 and 3.8%, to \$6,994.9 million, in FY 2016-17.

Sales and Use Taxes

- GF/GP sales and use tax revenue is estimated to decrease from \$2,077.0 million in FY 2014-15 to \$2,017.5 million in FY 2015-16. In FY 2016-17, sales and use tax revenue is estimated to further decline to \$1,824.9 million. These declines are primarily due to use tax revenue diverted for personal property tax reimbursement to locals.

Net Business Taxes

- Net business taxes are comprised of the Single Business Tax (SBT), the Michigan Business Tax (MBT), the corporate income tax (CIT), and insurance taxes, all of which accrue to the General Fund.
- Net business taxes were \$764.6 million in FY 2014-15, and are estimated to be \$207.0 million in FY 2015-16. In FY 2016-17, net business taxes are expected to increase to \$536.6 million.

GF/GP Tax Revenue

- Final GF/GP tax revenue totaled \$9,636.4 million in FY 2014-15.
- GF/GP tax revenue is expected to decrease to \$9,343.3 million in FY 2015-16, and then increase 4.5%, to \$9,761.4 million, in FY 2016-17.

Net GF/GP Revenue

- Total net GF/GP revenue includes tax revenue and non-tax revenue.
- Non-tax revenue includes revenue from the liquor purchase revolving fund, federal aid, licenses and permits, and investment income and borrowing costs.
- Total GF/GP revenue was \$10,034.4 million in FY 2014-15.
- Net GF/GP revenue is expected to decrease to \$9,734.1 million in FY 2015-16, and then increase 4.2%, to \$10,138.5 million, in FY 2016-17.

OVERVIEW

**GF/GP REVENUE ESTIMATES
(Millions of Dollars)**

	Final			FY 2016-17 Over FY 2015-16	
	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>Change</u>	
Individual Income Tax	\$6,460.2	\$6,739.6	\$6,994.9	\$255.3	3.8%
Sales and Use Taxes	2,077.0	2,017.5	1,824.9	(192.6)	(9.5%)
Net Business Taxes	764.6	107.0	536.6	429.6	401.5%
Other Taxes	334.6	479.2	405.0	(74.2)	(15.5%)
GF/GP Tax Revenue	\$9,636.4	\$9,343.3	\$9,761.4	\$418.1	4.5%
Non-Tax Revenue	398.0	390.8	377.1	(13.7)	(3.5%)
Net GF/GP Revenue	\$10,034.4	\$9,734.1	\$10,138.5	\$404.4	4.2%

**SCHOOL AID FUND REVENUE ESTIMATES
(Millions of Dollars)**

<u>Revenue</u>	Final			FY 2016-17 Over FY 2015-16	
	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>Change</u>	
Sales and Use Taxes	\$5,742.0	\$5,796.7	\$5,988.3	\$191.6	3.3%
Individual Income Tax Earmark	2,519.3	2,660.8	2,756.0	95.2	3.6%
Lottery and Casinos	894.9	962.0	956.1	(5.9)	(0.6%)
Cigarette Tax	363.9	361.4	356.6	(4.8)	(1.3%)
State Education Tax	1,857.6	1,894.1	1,938.9	44.8	2.4%
Real Estate Transfer Tax	258.4	276.0	287.7	11.7	4.2%
Liquor Excise and Specific Taxes	111.0	116.4	118.8	2.4	2.1%
Net SAF Revenue	\$11,747.1	\$12,067.4	\$12,402.4	\$335.0	2.8%

School Aid Fund Revenue by Source

Sales and Use Taxes

- Combined sales and use tax revenue dedicated to the SAF totaled \$5,742.0 million in FY 2014-15; it is forecast to increase to \$5,796.7 million in FY 2015-16 and to increase 3.3%, to \$5,988.3 million, in FY 2016-17.

Income Tax

- Approximately 23.8% of gross income tax collections are dedicated to the SAF.
- SAF dedicated income tax revenue is forecast to be \$2,660.8 million in FY 2015-16, and then increase 3.6%, to \$2,756.0 million, in FY 2016-17.

Lottery/Casinos

- Lottery and casino revenue contributed \$894.9 million to the SAF in FY 2014-15.
- Lottery and casino revenue to the SAF is projected to increase to \$962.0 million in FY 2015-16, and decrease by 0.6%, to \$956.1 million, in FY 2016-17.

Cigarette Tax

- Approximately 41.3% of cigarette tax revenue is dedicated to the SAF.
- The SAF received \$363.9 million from tobacco taxes in FY 2014-15.
- The demand for tobacco products is expected to decline over the duration of the forecast, leading to an expected decrease in total SAF tobacco tax revenue of \$361.4 million in FY 2015-16 and \$356.6 million in FY 2016-17.

State Education Tax/Real Estate Transfer Tax

- All of the 6-mill state education tax (SET) and the real estate transfer tax (RET) is dedicated to the SAF.
- Revenue from the SET was \$1,857.6 million in FY 2014-15.
- SET revenue is expected to increase to \$1,894.1 million in FY 2015-16, and increase 2.4%, to \$1,938.9 million, in FY 2016-17.
- RET contributed \$258.4 million to the SAF in FY 2014-15, and is forecast to contribute \$276.0 million in FY 2015-16 and \$287.7 million in FY 2016-17.

Net SAF Revenue

- Net SAF revenue represents revenue available for expenditure each year; it includes tax changes but does not include any GF/GP transfers, federal funds, or year-end balances.
- Net SAF revenue was \$11,747.1 million in FY 2014-15; it is expected to increase 2.7%, to \$12,067.4 million, in FY 2015-16 and increase 2.8% to \$12,402.4 million in FY 2016-17.

OVERVIEW

Budget Stabilization Fund Year-End Balances

The following table notes BSF deposits, withdrawals, and interest earnings from FY 1999-2000 to FY 2014-15, and HFA estimates of deposits, expected interest earnings, and year-end balances for FY 2015-16 and FY 2016-17.

The final BSF balance was \$498.1 million for FY 2014-15, which included a deposit of \$111.5 million. For FY 2015-16, \$95.0 million in GF/GP revenue has been appropriated to the BSF. In addition, 2014 PA 186 amended the Michigan Trust Fund Act to require annual \$17.5 million deposits of tobacco settlement revenue to the BSF from FY 2015-16 through FY 2034-35.

For FY 2016-17, only the required \$17.5 million of tobacco settlement revenue is expected to be deposited into the BSF. The final fund balance is forecast to be \$611.1 million for FY 2015-16 and \$629.5 million for FY 2016-17.

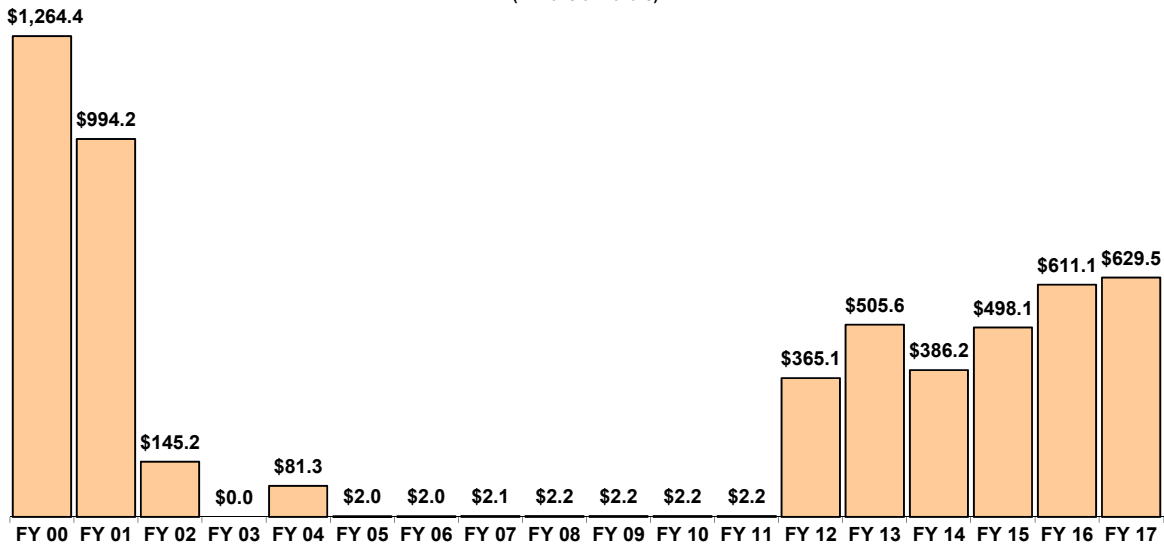
The FY 2016-17 budget act also includes language depositing one-quarter of any unassigned GF/GP balance at the close of FY 2016-17 into the BSF, which could increase the BSF balance from this estimate.

**BUDGET STABILIZATION FUND HISTORY
(Millions of Dollars)**

Fiscal Year	Deposits	Withdrawals	Interest Earned	Balance
1999-2000	\$100.0	\$132.0	\$73.9	\$1,264.4
2000-01	0.0	337.0	66.7	994.2
2001-02	0.0	869.8	20.8	145.2
2002-03	0.0	156.1	10.9	0.0
2003-04	81.3	0.0	0.0	81.3
2004-05	0.0	81.3	2.0	2.0
2005-06	0.0	0.0	0.0	2.0
2006-07	0.0	0.0	0.1	2.1
2007-08	0.0	0.0	0.1	2.2
2008-09	0.0	0.0	0.0	2.2
2009-10	0.0	0.0	0.0	2.2
2010-11	0.0	0.0	0.0	2.2
2011-12	362.7	0.0	0.2	365.1
2012-13	140.0	0.0	0.5	505.6
2013-14	75.0	194.8	0.4	386.2
2014-15	111.5	0.0	0.3	498.1
2015-16*	112.5	0.0	0.5	611.1
2016-17*	17.5	0.0	0.9	629.5

*Note: Numbers may not add due to rounding.
HFA estimates.

**Budget Stabilization Fund (BSF) Balance
(Millions of Dollars)**



Compliance with the State Revenue Limit

HFA estimates of the state revenue limit provided for in Article IX, Section 26, *Constitution of the State of Michigan*, and estimates of total state revenue collections subject to the state revenue limit are shown in the following table. As provided for in the Constitution, the revenue limit is calculated as 9.49% of total state personal income in the previous full calendar year (CY) prior to the fiscal year in which the revenue is measured, as estimated by the Bureau of Economic Analysis, United States Department of Commerce.

**COMPLIANCE WITH THE STATE REVENUE LIMIT
(Millions of Dollars)**

<u>Revenue Limit Calculations</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
Personal Income	CY 2013	CY 2014	CY 2015
Amount	\$386,471	\$403,726	\$421,044
X Limit Ratio	9.49%	9.49%	9.49%
State Revenue Limit	\$36,676.1	\$38,313.6	\$39,957.1
Total Revenue Subject to Revenue Limit	\$28,844.3	\$29,010.0	\$30,087.3
Amount (Under) Over State Revenue Limit	(\$7,831.8)	(\$9,303.6)	(\$9,869.8)

Implications of Exceeding the State Revenue Limit

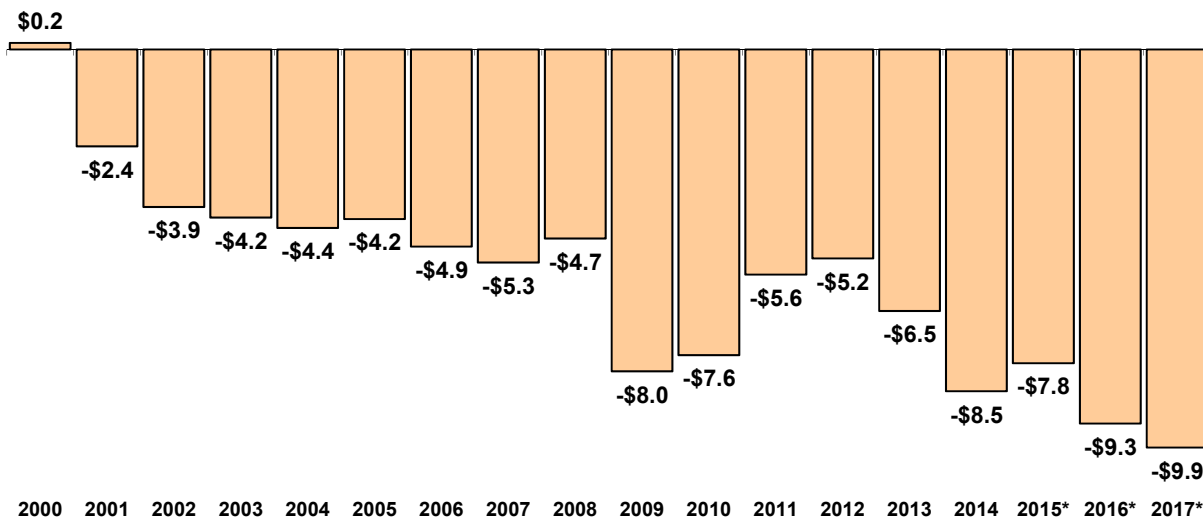
Article IX, Section 26, *Constitution of the State of Michigan*, provides that:

... For any fiscal year in the event that Total State Revenue exceed the limit established in this section by 1% or more, the excess revenues shall be refunded pro rata based on the liability reported on the Michigan income tax and single business tax (or its successor tax or taxes) annual returns filed following the close of such fiscal year. If the excess is less than 1%, this excess may be transferred to the State Budget Stabilization Fund . . .

Furthermore, the state is prohibited from spending any current year revenue in excess of the limit established in Section 26 by Article IX, Section 28.

The FY 2014-15 revenue limit calculation indicates that the state revenue collections will continue to be substantially under the revenue limit by \$7.8 billion. For both FY 2015-16 and FY 2016-17, state revenue is estimated to be further below the revenue limit, by roughly \$9.3 billion and \$9.9 billion, respectively.

**Constitutional Revenue Limit
(Billions of Dollars)**



*FY 2015, FY 2016, and FY 2017 are consensus estimates

OVERVIEW

**FY 2016-17
BALANCE SHEETS**

The balance sheets below summarize estimated General Fund/General Purpose, School Aid Fund, and Merit Award Trust Fund revenues, expenditures, and balance amounts for FY 2016-17 based on the enacted state budget.

**FY 2016-17 GENERAL FUND/GENERAL PURPOSE BALANCE SHEET
(Millions of Dollars)**

Estimated Beginning Fund Balance	\$135.3
Revenues	
May 2016 consensus revenue estimate	\$10,138.5
Insurance Credit change (HBs 5457 / 5458)	80.0
Use tax on Medicaid Managed Care Organizations (2014 PA 161)	105.8
Venture Michigan Fund certificates	(30.5)
Revenue sharing to local units of government	(471.1)
Other revenue adjustments	18.4
Total Estimated Revenues	\$9,841.1
Expenditures	
Enacted appropriations: ongoing (non-Transportation)	\$9,692.5
Enacted appropriations: one-time (non-Transportation)	274.3
Transportation funding	8.5
Deposit to Budget Stabilization Fund	0.0
Total Estimated Expenditures	\$9,975.3
Estimated Change in Balance (Revenues less Expenditures)	(\$134.2)
Estimated Ending Fund Balance	\$1.1

FY 2016-17 SCHOOL AID FUND BALANCE SHEET
(Millions of Dollars)

Estimated Beginning Fund Balance	\$104.2
Revenues	
May 2016 consensus revenue estimate	\$12,402.4
Use tax on Medicaid Managed Care Organizations (2014 PA 161)	52.9
General Fund/General Purpose (GF/GP) grant (\$161.9 million one-time)	218.9
Community District Education Trust Fund (HB 5383)	72.0
Venture Michigan Fund certificates	(9.5)
Federal aid	1,775.8
Total Estimated Revenues	\$14,555.3
Expenditures	
Enacted appropriations: School Aid	\$14,161.8
Enacted appropriations: Community Colleges	260.4
Enacted appropriations: Higher Education	237.1
Total Estimated Expenditures	\$14,659.3
Estimated Change in Balance (Revenues less Expenditures)	(\$104.0)
Estimated Ending Fund Balance	\$0.2

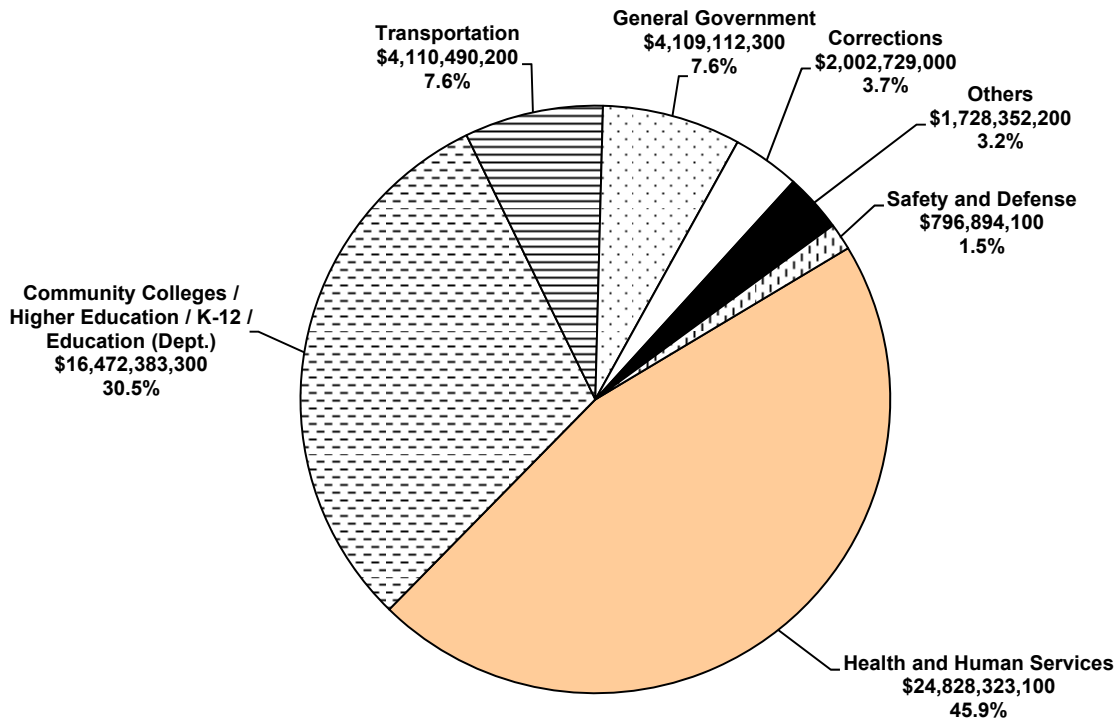
OVERVIEW

**FY 2016-17 MERIT AWARD TRUST FUND BALANCE SHEET
(Millions of Dollars)**

Estimated Beginning Fund Balance	\$0.0
Revenues	
Annual tobacco settlement payment due to Michigan	\$290.3
Settlement credits to manufacturers	(23.0)
Assumed payment withhold	(16.0)
Debt service payments for prior securitization	(60.6)
Deposit to 21 st Century Jobs Fund	(75.0)
Repayment to Budget Stabilization Fund for Detroit settlement payment	(17.5)
Transfer to Community District Education Trust Fund	(72.0)
Total Estimated Net Revenues	\$26.3
Expenditures	
Attorney General: Administration	\$0.5
Community Health: Medicaid base funding	19.7
Community Health: Aging – Respite care	4.1
State Police: Tobacco settlement enforcement	0.8
Treasury: Tuition Incentive Program administration	1.2
Total Estimated Expenditures	\$26.3
Estimated Ending Fund Balance	\$0.0

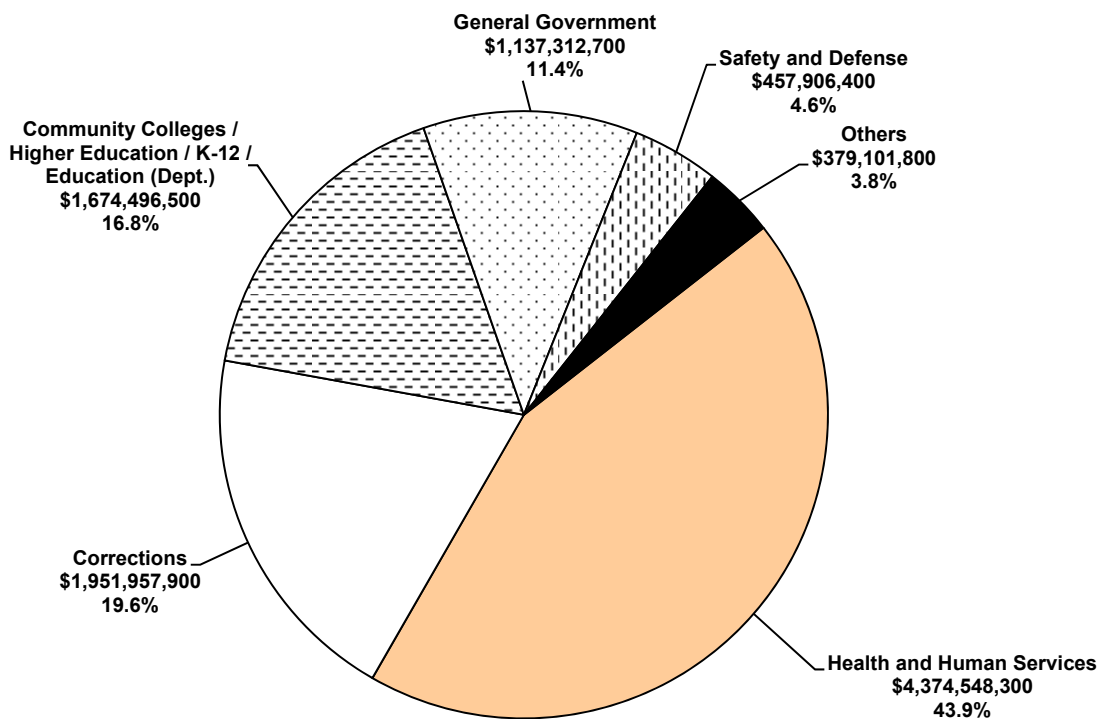
FY 2016-17 Enacted Adjusted Gross Appropriations

Total: \$54,048,284,200



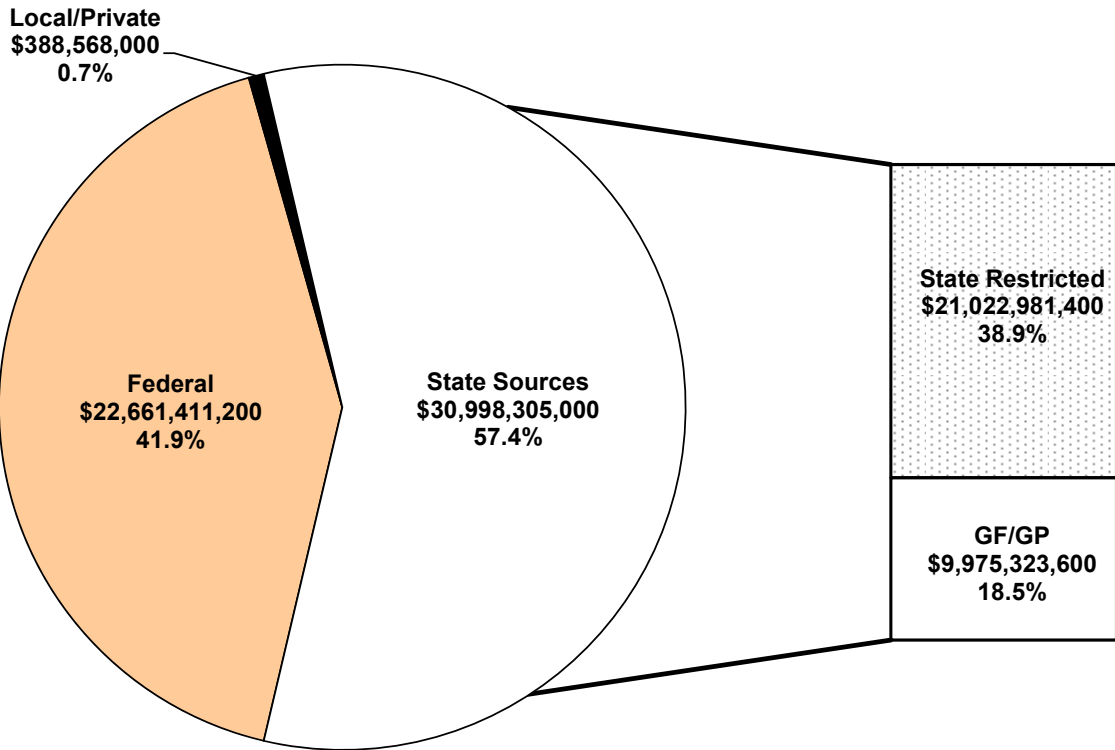
FY 2016-17 Enacted General Fund/General Purpose (GF/GP) Appropriations

Total: \$9,975,323,600

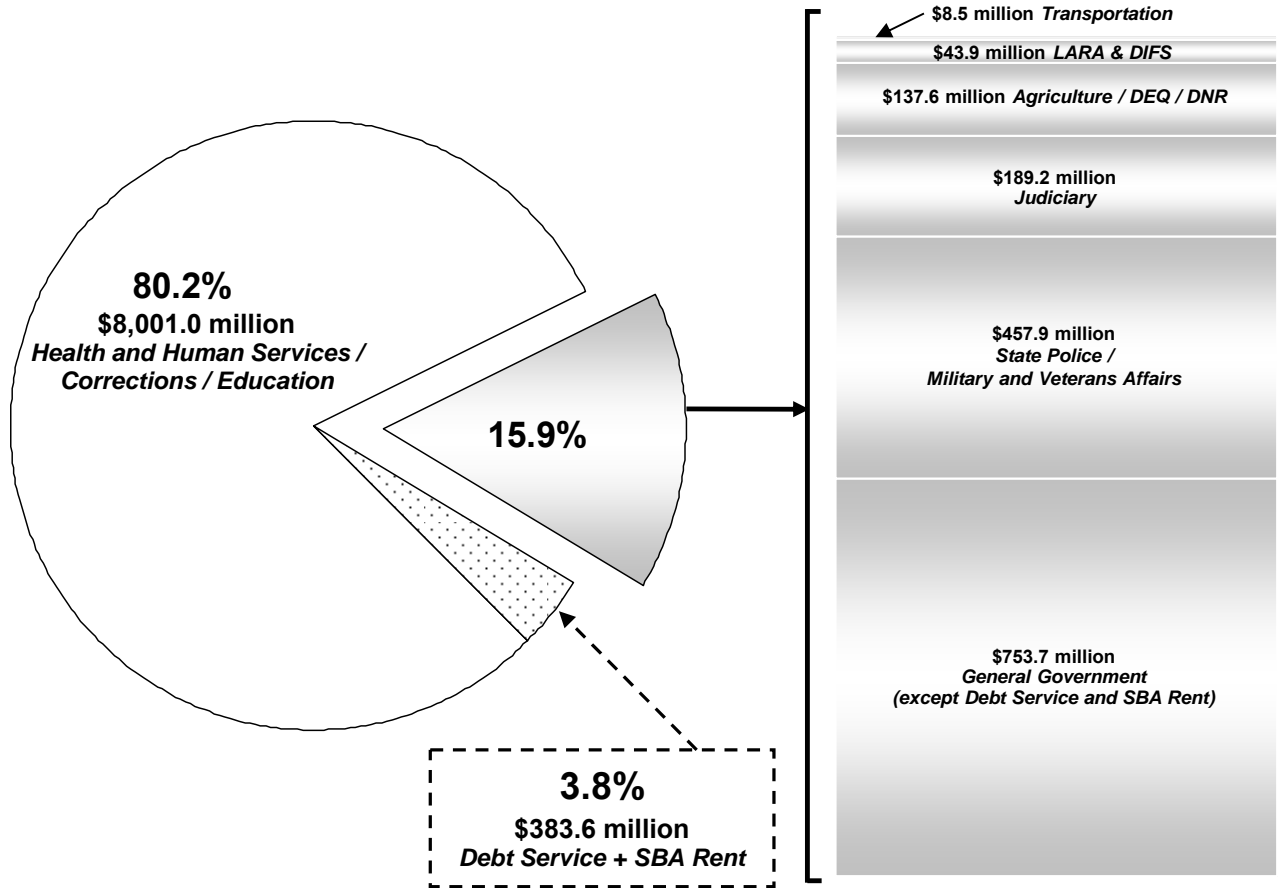


OVERVIEW

FY 2016-17 Adjusted Gross Sources = \$54,048,284,200



FY 2016-17 GF/GP Distribution = \$9,975,323,600



SUMMARY TABLES

In the following tables, FY 2015-16 appropriations are year-to-date through June 16, 2016 and FY 2016-17 appropriations are enacted figures.

Table 1 (page 16) details the FY 2016-17 budget by Source of Funds. When interdepartmental grants and intradepartmental transfers are deducted (to avoid double counting), gross appropriations of \$54.9 billion reduce to \$54.0 billion in adjusted gross appropriations.

Table 2 (page 17) and **Table 3** (page 18) compare FY 2015-16 YTD appropriations to FY 2016-17 enacted appropriations.

Adjusted Gross Appropriations increase from \$53.8 billion in FY 2015-16 to \$54.0 billion in FY 2016-17, an increase of \$239.6 million or 0.4%.

GF/GP Appropriations increase from \$9.9 billion in FY 2015-16 to \$10.0 billion in FY 2016-17, an increase of \$36.2 million or 0.4%.

Table 4 (page 19) compares the number of authorized Full-Time Equated (FTE) Positions (classified and unclassified) for FY 2015-16 YTD to FY 2016-17. A decrease of 15.9 FTEs is shown in Table 4—from 52,870.4 in FY 2015-16 to 52,854.5 in FY 2016-17. Each FTE is equivalent to 2,088 hours of employee compensated time (including overtime, annual leave, and used sick leave) during the year.

Table 5 (page 20) shows FY 2016-17 State Spending From State Sources Paid to Local Governments and compares enacted payments to local units of government to the amount of spending from state sources provided in each budget. Pursuant to Article IX, Section 30 of the *Constitution of the State of Michigan of 1963*, at least 48.97% of state spending from state resources must be paid to all units of local government. The enacted FY 2016-17 budget provides for \$17.2 billion in state spending to local units of government, 55.6% of the estimated \$31.0 billion in state spending from state resources—well above the constitutional requirement.

OVERVIEW

**TABLE 1
FY 2016-17 ENACTED APPROPRIATIONS BY SOURCE OF FUNDS**

<u>Department/Budget Area</u>	<u>Gross</u>	<u>IDG/IDT</u>	<u>Adjusted Gross</u>	<u>Federal</u>	<u>Local</u>	<u>Private</u>	<u>State Restricted</u>	<u>GF/GP</u>
Agriculture and Rural Development	\$94,101,300	\$323,200	\$93,778,100	\$10,471,200	\$0	\$130,700	\$33,249,300	\$49,926,900
Attorney General	101,485,800	28,989,700	72,496,100	9,476,700	0	0	20,178,900	42,840,500
Capital Outlay	0	0	0	0	0	0	0	0
Civil Rights	16,248,500	293,600	15,954,900	2,763,000	0	18,700	151,900	13,021,300
Community Colleges	395,925,600	0	395,925,600	0	0	0	260,414,800	135,510,800
Corrections	2,002,729,000	0	2,002,729,000	5,523,700	8,692,800	0	36,554,600	1,951,957,900
Education	331,975,200	0	331,975,200	239,821,900	5,557,200	2,034,200	8,380,700	76,181,200
Environmental Quality	513,549,400	9,225,700	504,323,700	138,687,200	0	555,300	317,344,800	47,736,400
Executive Office	5,636,300	0	5,636,300	0	0	0	0	5,636,300
Health and Human Services	24,841,836,800	13,513,700	24,828,323,100	17,880,902,200	124,445,800	154,259,300	2,294,167,500	4,374,548,300
Higher Education	1,582,640,400	0	1,582,640,400	101,526,400	0	0	237,209,500	1,243,904,500
Insurance and Financial Services	66,257,200	707,600	65,549,600	2,000,000	0	0	63,399,600	150,000
Judiciary	298,234,000	1,550,000	296,684,000	6,433,500	7,349,300	957,800	92,786,000	189,157,400
Legislative Auditor General	23,651,900	5,558,600	18,093,300	0	0	0	1,969,400	16,123,900
Legislature	141,903,600	0	141,903,600	0	0	400,000	4,275,800	137,227,800
Licensing and Regulatory Affairs	418,062,400	46,923,800	371,138,600	63,818,100	251,600	111,800	263,236,000	43,721,100
Military and Veterans Affairs	174,100,200	101,800	173,998,400	91,793,600	1,522,400	742,800	24,696,000	55,243,600
Natural Resources	398,254,100	1,375,900	396,878,200	72,365,400	0	7,446,400	277,156,400	39,910,000
School Aid	14,161,842,100	0	14,161,842,100	1,818,632,700	0	0	12,124,309,400	218,900,000
State	248,015,600	20,000,000	228,015,600	1,460,000	0	100	204,445,900	22,109,600
State Police	649,476,100	26,580,400	622,895,700	87,967,800	5,828,500	78,100	126,358,500	402,662,800
Talent and Economic Development	1,145,994,300	0	1,145,994,300	768,144,800	500,000	5,619,000	192,341,600	179,388,900
Tech., Mgmt. and Budget: Operations	1,054,621,100	694,054,100	360,567,000	4,958,200	2,320,000	0	114,340,800	238,948,000
Tech., Mgmt. and Budget: SBA Rent	246,570,600	0	246,570,600	0	0	0	0	246,570,600
Transportation	4,114,503,600	4,013,400	4,110,490,200	1,314,744,000	50,418,500	100,000	2,736,727,700	8,500,000
Treasury: Operations	519,123,200	11,262,300	507,860,900	39,920,800	9,201,000	26,700	360,303,600	98,408,800
Treasury: Debt Service	137,037,000	0	137,037,000	0	0	0	0	137,037,000
Treasury: Revenue Sharing	1,228,982,700	0	1,228,982,700	0	0	0	1,228,982,700	0
TOTAL APPROPRIATIONS	\$54,912,758,000	\$864,473,800	\$54,048,284,200	\$22,661,411,200	\$216,087,100	\$172,480,900	\$21,022,981,400	\$9,975,323,600

Note: FY 2016-17 enacted amounts include \$378.5 million Gross (\$291.7 million GF/GP) in appropriations designated as one-time only.

TABLE 2
ADJUSTED GROSS APPROPRIATIONS
FY 2016-17 Enacted Compared with FY 2015-16 Year-to-Date

<u>Department/Budget Area</u>	<u>FY 2015-16 YTD*</u>	<u>Enacted FY 2016-17</u>	<u>FY 2016-17 vs. FY 2015-16 Difference</u>	
Agriculture and Rural Development	\$89,276,700	\$93,778,100	\$4,501,400	5.0%
Attorney General	63,470,200	72,496,100	9,025,900	14.2%
Capital Outlay	27,957,600	0	(27,957,600)	(100.0%)
Civil Rights	15,842,000	15,954,900	112,900	0.7%
Community Colleges	387,825,600	395,925,600	8,100,000	2.1%
Corrections	1,962,282,300	2,002,729,000	40,446,700	2.1%
Education	308,561,200	331,975,200	23,414,000	7.6%
Environmental Quality	490,880,500	504,323,700	13,443,200	2.7%
Executive Office	5,531,100	5,636,300	105,200	1.9%
Health and Human Services	25,126,342,600	24,828,323,100	(298,019,500)	(1.2%)
Higher Education	1,534,724,400	1,582,640,400	47,916,000	3.1%
Insurance and Financial Services	64,350,100	65,549,600	1,199,500	1.9%
Judiciary	282,488,500	296,684,000	14,195,500	5.0%
Legislative Auditor General	17,447,700	18,093,300	645,600	3.7%
Legislature	136,464,300	141,903,600	5,439,300	4.0%
Licensing and Regulatory Affairs	363,780,300	371,138,600	7,358,300	2.0%
Military and Veterans Affairs	169,504,400	173,998,400	4,494,000	2.7%
Natural Resources	402,648,500	396,878,200	(5,770,300)	(1.4%)
School Aid	13,900,654,300	14,161,842,100	261,187,800	1.9%
State	210,541,700	228,015,600	17,473,900	8.3%
State Police	601,584,200	622,895,700	21,311,500	3.5%
Talent and Economic Development (MSF)	1,153,023,500	1,145,994,300	(7,029,200)	(0.6%)
Tech., Mgmt. and Budget: Operations	330,174,600	360,567,000	30,392,400	9.2%
Tech., Mgmt. and Budget: SBA Rent	254,570,600	246,570,600	(8,000,000)	(3.1%)
Transportation	3,894,522,900	4,110,490,200	215,967,300	5.5%
Treasury: Operations	605,396,400	507,860,900	(97,535,500)	(16.1%)
Treasury: Debt Service	156,449,000	137,037,000	(19,412,000)	(12.4%)
Treasury: Revenue Sharing	1,252,406,100	1,228,982,700	(23,423,400)	(1.9%)
TOTAL APPROPRIATIONS	\$53,808,701,300	\$54,048,284,200	\$239,582,900	0.4%

* As of 6/16/2016

Note: FY 2015-16 figures do not include supplemental appropriations contained in FY 2016-17 budget acts.

OVERVIEW

TABLE 3
GENERAL FUND/GENERAL PURPOSE APPROPRIATIONS
FY 2016-17 Enacted Compared with FY 2015-16 Year-to-Date

<u>Department/Budget Area</u>	<u>FY 2015-16 YTD*</u>	<u>Enacted FY 2016-17</u>	<u>FY 2016-17 vs. FY 2015-16 Difference</u>	
Agriculture and Rural Development	\$43,073,600	\$49,926,900	\$6,853,300	15.9%
Attorney General	37,013,400	42,840,500	5,827,100	15.7%
Capital Outlay	400	0	(400)	(100.0%)
Civil Rights	12,949,700	13,021,300	71,600	0.6%
Community Colleges	131,110,800	135,510,800	4,400,000	3.4%
Corrections	1,903,948,400	1,951,957,900	48,009,500	2.5%
Education	77,583,700	76,181,200	(1,402,500)	(1.8%)
Environmental Quality	46,914,200	47,736,400	822,200	1.8%
Executive Office	5,531,100	5,636,300	105,200	1.9%
Health and Human Services	4,153,708,200	4,374,548,300	220,840,100	5.3%
Higher Education	1,232,418,500	1,243,904,500	11,486,000	0.9%
Insurance and Financial Services	150,000	150,000	0	0.0%
Judiciary	183,642,200	189,157,400	5,515,200	3.0%
Legislative Auditor General	15,460,100	16,123,900	663,800	4.3%
Legislature	131,872,300	137,227,800	5,355,500	4.1%
Licensing and Regulatory Affairs	40,481,500	43,721,100	3,239,600	8.0%
Military and Veterans Affairs	53,187,300	55,243,600	2,056,300	3.9%
Natural Resources	39,597,800	39,910,000	312,200	0.8%
School Aid	45,900,000	218,900,000	173,000,000	376.9%
State	22,161,500	22,109,600	(51,900)	(0.2%)
State Police	376,405,600	402,662,800	26,257,200	7.0%
Talent and Economic Development (MSF)	198,457,000	179,388,900	(19,068,100)	(9.6%)
Tech., Mgmt. and Budget: Operations	222,627,600	238,948,000	16,320,400	7.3%
Tech., Mgmt. and Budget: SBA Rent	254,570,600	246,570,600	(8,000,000)	(3.1%)
Transportation	400,000,000	8,500,000	(391,500,000)	(97.9%)
Treasury: Operations	153,930,300	98,408,800	(55,521,500)	(36.1%)
Treasury: Debt Service	156,449,000	137,037,000	(19,412,000)	(12.4%)
Treasury: Revenue Sharing	0	0	0	--
TOTAL APPROPRIATIONS	\$9,939,144,800	\$9,975,323,600	\$36,178,800	0.4%

* As of 6/16/2016

Note: FY 2015-16 figures do not include supplemental appropriations contained in FY 2016-17 budget acts.

TABLE 4
AUTHORIZED FULL-TIME EQUATED (FTE) POSITIONS*
FY 2016-17 Enacted Compared with FY 2015-16 Year-to-Date

<u>Department/Budget Area</u>	<u>FY 2015-16 YTD</u>	<u>Enacted FY 2016-17</u>	<u>FY 2016-17 vs. FY 2015-16 Difference</u>	
Agriculture and Rural Development	460.0	479.0	19.0	4.1%
Attorney General	524.5	533.0	8.5	1.6%
Capital Outlay	0.0	0.0	0.0	--
Civil Rights	135.0	135.0	0.0	0.0%
Community Colleges	0.0	0.0	0.0	--
Corrections	14,190.3	13,819.9	(370.4)	(2.6%)
Education	594.5	603.5	9.0	1.5%
Environmental Quality	1,226.0	1,238.0	12.0	1.0%
Executive Office	84.2	84.2	0.0	0.0%
Health and Human Services	15,443.0	15,576.5	133.5	0.9%
Higher Education	0.0	0.0	0.0	--
Insurance and Financial Services	343.0	342.5	(0.5)	(0.1%)
Judiciary	489.0	510.0	21.0	4.3%
Legislative Auditor General	0.0	0.0	0.0	--
Legislature	0.0	0.0	0.0	--
Licensing and Regulatory Affairs	2,221.8	2,227.8	6.0	0.3%
Military and Veterans Affairs	897.5	907.5	10.0	1.1%
Natural Resources	2,235.8	2,242.8	7.0	0.3%
School Aid	0.0	0.0	0.0	--
State	1,593.0	1,593.0	0.0	0.0%
State Police	3,134.0	3,229.0	95.0	3.0%
Talent and Economic Development (MSF)	1,619.0	1,615.0	(4.0)	(0.2%)
Tech., Mgmt. and Budget: Operations	2,850.0	2,883.0	33.0	1.2%
Tech., Mgmt. and Budget: SBA Rent	0.0	0.0	0.0	--
Transportation	2,918.3	2,918.3	0.0	0.0%
Treasury: Operations	1,911.5	1,916.5	5.0	0.3%
Treasury: Debt Service	0.0	0.0	0.0	--
Treasury: Revenue Sharing	0.0	0.0	0.0	--
TOTAL FTE POSITIONS	52,870.4	52,854.5	(15.9)	(0.0%)

* Includes classified, unclassified, and nonlegislative exempt positions. Represents authorized/estimated positions, not necessarily actual positions funded.

Note: FY 2015-16 figures do not include supplemental appropriations contained in FY 2016-17 budget acts.

OVERVIEW

**TABLE 5
STATE SPENDING FROM STATE SOURCES PAID TO LOCAL GOVERNMENTS
FY 2016-17 Enacted**

<u>Department/Budget Area</u>	<u>Spending From State Sources</u>	<u>State Spending to Local Government Units</u>	<u>% of State Spending From State Sources as Payment to Locals</u>
Agriculture and Rural Development	\$83,176,200	\$4,750,000	5.7%
Attorney General	63,019,400	0	0.0%
Civil Rights	13,173,200	0	0.0%
Community Colleges	395,925,600	395,925,600	100.0%
Corrections	1,988,512,500	111,888,200	5.6%
Education	84,561,900	19,176,000	22.7%
Environmental Quality	365,081,200	3,750,000	1.0%
Executive Office	5,636,300	0	0.0%
Health and Human Services	6,668,715,800	1,316,100,200	19.7%
Higher Education	1,481,114,000	0	0.0%
Insurance and Financial Services	63,549,600	0	0.0%
Judiciary	281,943,400	137,778,000	48.9%
Legislative Auditor General	18,093,300	0	0.0%
Legislature	141,503,600	0	0.0%
Licensing and Regulatory Affairs	306,957,100	32,625,700	10.6%
Military and Veterans Affairs	79,939,600	102,400	0.1%
Natural Resources	317,066,400	6,100,000	1.9%
School Aid	12,343,209,400	12,181,929,700	98.7%
State	226,555,500	1,211,300	0.5%
State Police	529,021,300	17,198,900	3.3%
Talent and Economic Development (MSF)	371,730,500	11,224,800	3.0%
Tech., Mgmt. and Budget: Operations	353,288,800	0	0.0%
Tech., Mgmt. and Budget: SBA Rent	246,570,600	0	0.0%
Transportation	2,745,227,700	1,590,461,200	57.9%
Treasury: Operations	458,712,400	186,270,700	40.6%
Treasury: Debt Service	137,037,000	0	0.0%
Treasury: Revenue Sharing	1,228,982,700	1,228,982,700	100.0%
TOTALS	\$30,998,305,000	\$17,245,475,400	55.6%

FY 2016-17

Budget Detail

CAPITAL OUTLAY

CAPITAL OUTLAY
Summary of FY 2015-16 Supplemental Appropriations
Article I, 2016 Public Act 268 (House Bill 5294)

Analyst: Ben Gielczyk

Budget Area	Gross	GF/GP
Capital Outlay – Planning Authorizations	\$1,500	\$1,500
Capital Outlay – Construction Authorizations	100	100
SUBTOTAL	\$1,600	\$1,600
Capital Outlay Planning Grant	500,000	500,000
TOTAL	\$501,600	\$501,600

Overview

House Bill 5294, Article II contains \$1,500 GF/GP for 15 planning authorizations, \$100 GF/GP for one construction authorization, and \$500,000 GF/GP for one state agency planning grant. Traditionally, universities finance 25% of a project's costs and the state finances 75%; community colleges finance 50% of a project's costs and the state finances 50%. In recent years, the state share has been capped at \$30.0 million. State agency projects are covered 100% from state resources.

The total cost of the planning authorizations contained within House Bill 5294, Article II is \$491.7 million, with a state share of \$232.7 million and an institution share of \$259.1 million. There is approximately \$922.3 million in available bond capacity. Annual rental rates (debt service) are typically between 7% and 9% of the total state share. With the total state share being \$232.7 million, the annual debt service payments for the projects authorized for planning is estimated to be between \$16.3 million and \$20.9 million GF/GP over 15 to 17 years. To proceed with state financing, the projects would need to receive construction authorization in a subsequent appropriations act. Institutions have two years following the fiscal year in which the project received planning authorization to receive construction authorization.

House Bill 5294, Article II includes a construction authorization for the Ferris State University – Swan Building Annex Renovation approved for planning authorization in 2015 PA 241. The total project cost is \$30.0 million; the university share is \$7.5 million; and the state share is \$22.5 million. Annual debt service payments for this project are estimated to be between \$1.6 million and \$2.0 million GF/GP over 15 to 17 years.

House Bill 5294, Article II also includes a \$500,000 GF/GP planning grant for the DHHS – Caro Center modernization. No current cost estimate exists for the project; however, once a suitable space is identified a project cost would be estimated. Construction authorization in a subsequent appropriations act would be required for the project to proceed.

FY 2015-16 Supplemental Appropriations

**FY 2015-16
Supplemental
Change**

CAPITAL OUTLAY – PLANNING AUTHORIZATIONS

1. Central Michigan University – Center for Integrated Health Studies

Total project cost is \$26.0 million. University share is \$6.5 million; state share is \$19.5 million. The project would involve the construction of a 62,000 sq. ft. new structure. The facility would allow the university to address needs for classroom and laboratory space for health care-related fields. The building would include mediated classrooms, dry laboratory space, at least one lecture hall auditorium, and designated student collaboration space.

Gross **\$100**
GF/GP **\$100**

CAPITAL OUTLAY

**FY 2015-16
Supplemental
Change**

FY 2015-16 Supplemental Appropriations

2. Eastern Michigan University – Strong Hall Renovation

Total project cost is \$39.5 million. University share is \$9.9 million; state share is \$29.7 million. The project would replace outdated building systems (building envelope, mechanical, plumbing, electrical, interior systems, fire suppression, ADA accessibility, equipment, and other issues) in Strong Hall which was constructed in 1957. The 80,713 sq. ft. renovation would also provide additional instruction and research laboratories, modernized classrooms and lecture halls, and informal learning areas for physics, astronomy, geography, geology, global mapping/GIS, and geo-tourism disciplines.

Gross \$100
GF/GP \$100

3. Grand Valley State University – Health and Medical Sciences Laboratory and Classroom Building

Total project cost is \$70.0 million. University share is \$41.0 million; state share is \$29.0 million. The project would consist of the construction of a 160,000 sq. ft. laboratory, classroom, and faculty office building on the GVSU Pew Grand Rapids campus. The facility would allow the university to grow current health care-related disciplines and bring online new academic programs in clinical dietetics, genetic counseling, aquatic therapy, and gross anatomy. The project would include labs, classrooms, faculty and staff offices, equipment storage and support space, conference and meeting rooms, and student study and support spaces.

Gross \$100
GF/GP \$100

4. Lake Superior State University – Center for Freshwater Research and Education

Total project cost is \$11.8 million. University share is \$3.0; state share is \$8.9 million. The project would consist of the renovation and expansion of 16,000 sq. ft. The current facility includes 3,500 sq. ft. The newly renovated building would include a visitor center, classroom space for K-12 groups, modern research space, a fish health laboratory, additional hatchery space, office space for visiting scientists, space to expand community outreach programs, ADA compliance upgrades, and high-speed data capabilities.

Gross \$100
GF/GP \$100

5. University of Michigan – Ann Arbor – School of Dentistry Renovation and Addition

Total project cost is \$122.0 million. University share is \$92.0 million; state share is \$30.0 million. The project would include the renovation of 120,000 sq. ft. (approximately 30% of existing space) and the addition of 31,000 sq. ft. (8% increase) to accommodate the school's programmatic needs. The project would upgrade outdated lab space, provide adaptable and flexible space for clinical education, and expand and improve accessibility to patient care services. The project would also include a new special needs/interprofessional care clinic with specialized facilities to treat patients with disabilities and complex medical conditions.

Gross \$100
GF/GP \$100

6. University of Michigan – Dearborn – Engineering Laboratory Building Replacement

Total project cost is \$90.0 million. University share is \$60.0 million; state share is \$30.0 million. The project would replace the existing 92,125 sq. ft. structure constructed in 1959. The structure would house electrical and computer engineering, industrial and manufacturing systems engineering, and mechanical engineering. The new facility would provide active learning studios, teaching laboratories, universal lecture capture, flipped classrooms, and spaces for student collaboration, among other state of the art upgrades. Additionally, the new facility would more than double the number of classroom seats, increase the number of teaching lab seats by 38%, and more than double the number of office workstations.

Gross \$100
GF/GP \$100

7. University of Michigan – Flint – Murchie Science Building Expansion

Total project cost is \$39.0 million. University share is \$9.8 million; state share is \$29.3 million. The project would include the design and construction of an 80,000 sq. ft. addition to the Murchie Science Building. The addition would include new instructional class laboratories, interactive teaching classrooms, new faculty offices, collaboration space, a STEM tutoring and skill development center, and a general science lab for Genesee Early College.

Gross \$100
GF/GP \$100

CAPITAL OUTLAY

**FY 2015-16
Supplemental
Change**

FY 2015-16 Supplemental Appropriations

8. Western Michigan University – College of Aviation Renovation and Addition	Gross	\$100
Total project cost is \$20.0 million. University share is \$5.0 million; state share is \$15.0 million. The project would renovate and add additional space at the existing College of Aviation located in Battle Creek. The project would address current and future enrollment needs, energy deficiencies, space appropriateness, and safety concerns by adding classrooms, composites/paint labs, simulation center, research center, student briefing rooms, office space, and improvements in energy, life safety, and accessibility codes.	GF/GP	\$100
9. Delta College – Saginaw Center	Gross	\$100
Total project cost is \$12.7 million. College share is \$6.4 million; state share is \$6.4 million. The project would include the construction of a new 35,000 sq. ft. facility to provide educational programming to the City of Saginaw and southeastern Saginaw County. The college currently leases a 21,000 sq. ft., 1950s era elementary school in Buena Vista. Programmatically, the facility would support general education classes, skilled trades, health care, and classes offering an entry point career options through certification. The building would provide improved technology, special use training rooms, 8-10 classrooms, science labs, and computer labs. The building would also include multipurpose rooms/labs, student services, and administrative support space.	GF/GP	\$100
10. Kellogg Community College – Regional Manufacturing Technology Center Renovation/Addition	Gross	\$100
Total project cost is \$4.3 million. Community college share is \$2.2 million; state share is \$2.2 million. The project would include the renovation of approximately 40,000 sq. ft. and the addition of approximately 8,400 sq. ft. of new space. The renovation would address deficiencies in the current facility's envelope, security, plumbing, mechanical, and electrical systems. The addition would include classroom space for the Workforce Solutions/Customized training department. In addition, the project would address lifecycle issues with building finished (flooring, wall coverings, etc.).	GF/GP	\$100
11. Monroe County Community College – Renovation of East and West Technology Buildings	Gross	\$100
Total project cost is \$7.5 million. Community college share is \$3.8 million; state share is \$3.8 million. The project would include the renovation of exterior and interior spaces, including a number of classrooms and labs which are currently offline due to their previous use as heavy industrial teaching spaces. The resulting project would combine the twin buildings into one multi-functional facility. The renovated facility would include a student success center (includes relocation of multiple services), addition of student collaborative work spaces and commons areas, renovated classroom and lab space to support expansion of the viticulture and enology program, and renovation of the veterans lounge and office.	GF/GP	\$100
12. Muskegon Community College – Health and Wellness Center	Gross	\$100
Total project cost is \$14.1 million. Community college share is \$8.5 million; state share is \$5.6 million. The project would include the renovation of the existing health center space (17,000 sq. ft.) and the addition of new space (60,000 sq. ft.) to increase healthy lifestyle opportunities for students and community members. The project would also include a simulation lab for students in health-related training programs and a nurse managed primary care center to provide greater health access for residents of the community.	GF/GP	\$100
13. Northwestern Michigan College – West Hall Innovation Center Renovation and Expansion	Gross	\$100
Total project cost is \$14.5 million. College share is \$7.2 million; state share is \$7.2 million. The project would include the renovation of 20,000 sq. ft. of an existing 50-year-old building and the addition of 18,000 sq. ft. of new space. The project would include additional learning lab classrooms, large and adaptable simulation/adaptable learning labs, a technology-enhanced lab, a team based learning classroom, a tech help desk, and additional office space. The renovation would include upgrades to the emergency management notification system, additional barrier free restrooms, HVAC heating and cooling upgrades, and window replacements.	GF/GP	\$100

CAPITAL OUTLAY

**FY 2015-16
Supplemental
Change**

FY 2015-16 Supplemental Appropriations

14. Southwestern Michigan College – Nursing and Health Education Building Renovation and Expansion

**Gross \$100
GF/GP \$100**

Total project cost is \$8.0 million. College share is \$4.0 million; state share is \$4.0 million. The project would include the renovation of the original 12,000 sq. ft. structure by using selective site and building demolition; replacing exterior cladding, windows, and roofing; energy efficiency upgrades; reallocation of interior spaces by removing and adding partition walls; new handicap accessible restrooms; interior finishes for walls, floors, and ceilings; replacement of mechanical, plumbing, and electrical systems; and site improvements and landscape. The 10,000 sq. ft. addition would add significant instructional space, simulation labs, and lecture space.

15. Department of Natural Resources – Coolwater Rearing Hatchery Improvements

**Gross \$100
GF/GP \$100**

Total project cost is \$12.2 million. State share is \$12.2 million. The project would address needs at Thompson State Fish Hatchery and the Little Manistee Weir. The project would include the construction of a 2,000 sq. ft. fully-outfitted coolwater fish production facility at Thompson State Fish Hatchery as well as new rearing ponds to improve and consolidate walleye fingerling production. Other critical improvements at the Thompson State Fish Hatchery include the upgrade of critical life support systems (replacing automated fish feeders, upgrading water supplies, improving water heating capabilities). The Little Manistee Weir project would include replacing the backup generator, replacing concrete holding ponds, and renovating the spawn building.

16. Department of Health and Human Services – Caro Center Modernization

**Gross \$500,000
GF/GP \$500,000**

Includes \$500,000 GF/GP to support a planning grant for the Department of Health and Human Services Caro Center Modernization. No current cost estimate exists for the project; however, once a suitable plan was identified a project cost would be estimated. The planning would allow the department to explore alternative infrastructure options for the Caro Center facility.

CAPITAL OUTLAY – CONSTRUCTION AUTHORIZATIONS

17. Ferris State University – Swan Building Annex Renovation

**Gross \$100
GF/GP \$100**

Provides construction authorization for the Ferris State University Swan Building Annex Renovation. Total project cost is \$30.0 million. University share is \$7.5 million; state share is \$22.5 million. The project would involve the renovation of 47,086 sq. ft. of existing space and the addition of 34,462 sq. ft. of new space to provide updated and expanded academic and laboratory space for welding engineering technology and advanced manufacturing engineering technology which the university determined had outgrown their current space. The Swan Building was built in 1966 and the project would include major renovations including complete building mechanical, electrical, and plumbing upgrades to the existing portion of the Swan Building Annex. The project received planning authorization in 2015 PA 241.

FY 2015-16 Supplemental Boilerplate Items

GENERAL SECTIONS

1. Total State Spending

Specifies total state spending and state spending from state resources to be paid to local units of government.

2. Appropriations Subject to PA 431

Subjects appropriations to the Management and Budget Act, 1984 PA 431.

CAPITAL OUTLAY

FY 2015-16 Supplemental Boilerplate Items

CAPITAL OUTLAY

3. Public Purpose, Lease and Conveyance, and Annual Appropriation – Ferris State University – Swan Building Annex Renovation

States that the Legislature determines the leasing of SBA-financed facilities are for a public purpose under the State Building Authority Act of 1964, approves and authorizes the lease and conveyance of property to the SBA and from the SBA to state and educational institutions, as applicable, executed by the Governor and Secretary of State on behalf of the state, and specifies intent of the Legislature to annually appropriate sufficient amounts to pay rent obligations pursuant to the lease. (SBO letter dated May 12, 2016).

Capital Outlay Projects - HB 5294 (H-1) CR-1, Article II

Planning Authorizations/Grants

	Conference		
	<u>Total Cost</u>	<u>State Share</u>	<u>Inst. Share</u>
<u>Universities</u>			
Central Michigan - Center for Integrated Health Studies	\$26,000,000	\$19,500,000	\$6,500,000
Eastern Michigan - Strong Hall Renovation	39,536,000	29,652,000	9,884,000
GVSU - Health & Medical Sciences Laboratory and Classroom Building	70,000,000	29,000,000	41,000,000
Lake Superior State - Center for Freshwater Research and Education	11,800,000	8,850,000	2,950,000
UM - Ann Arbor - School of Dentistry Renovation and Addition – see Note (1)	122,000,000	30,000,000	92,000,000
UM - Dearborn - Engineering Lab Building Replacement – see Note (1)	90,000,000	30,000,000	60,000,000
UM - Flint - Murchie Sciences Building Addition	39,000,000	29,250,000	9,750,000
Western Michigan - College of Aviation Renovation and Addition	20,000,000	15,000,000	5,000,000
Subtotal Universities	\$418,336,000	\$191,252,000	\$227,084,000
<u>Community Colleges</u>			
Delta College - Saginaw Center	12,739,000	6,369,500	6,369,500
Kellogg - Regional Manufacturing Tech Center Renovation and Addition	4,300,000	2,150,000	2,150,000
Monroe - Renovations to East and West Tech Buildings	7,500,000	3,750,000	3,750,000
Muskegon - Health and Wellness Center	14,100,000	5,640,000	8,460,000
Northwestern MI - West Hall Innovation Center Renovation and Expansion	14,499,400	7,249,700	7,249,700
Southwestern MI - Nursing and Health Education Building	8,000,000	4,000,000	4,000,000
Subtotal Community Colleges	\$61,138,400	\$29,159,200	\$31,979,200
<u>State Agencies</u>			
DNR - Coolwater Rearing Hatchery Improvements	12,242,500	12,242,500	0
DHHS - Caro Center- see Note(2)	NA	NA	NA
Subtotal State Agencies	\$12,242,500	\$12,242,500	\$0
TOTAL	\$491,716,900	\$232,653,700	\$259,063,200

Construction Authorizations

Universities

Ferris State University - Swan Building Annex Renovations	30,000,000	22,500,000	7,500,000
TOTAL	\$30,000,000	\$22,500,000	\$7,500,000

Notes:

(1) State Share is capped at \$30.0 million

(2) DHHS - Caro Center would receive a \$500,000 GF/GP planning grant under HB 5294 (H-1) CR-1, Article II

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
Summary of FY 2016-17 Enacted Appropriations
Article I, 2016 Public Act 268 (House Bill 5294)

Analyst: William E. Hamilton

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Enacted	Difference: Enacted From FY 2015-16 YTD	
						Amount	%
IDG/IDT	\$317,300	\$323,200	\$323,200	\$323,200	\$323,200	\$5,900	1.9
Federal	10,427,900	10,471,200	10,471,200	10,471,200	10,471,200	43,300	0.4
Local	0	0	0	0	0	0	--
Private	128,100	130,700	130,700	130,700	130,700	2,600	2.0
Restricted	32,647,100	32,629,300	34,129,300	32,629,300	33,249,300	602,200	1.8
GF/GP	43,073,600	48,036,900	47,488,000	49,536,900	49,926,900	6,853,300	15.9
Gross	\$86,594,000	\$91,591,300	\$92,542,400	\$93,091,300	\$94,101,300	\$7,507,300	8.7
FTEs	460.0	479.0	477.0	479.0	479.0	19.0	4.1

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) "House" reflects House Bill 5294 (H-1) as passed the House, April 27, 2016. (4) "Senate" reflects Senate Bill 800 (S-1) as passed the Senate, May 4, 2016.

Overview

The Department of Agriculture and Rural Development's key programs and priorities include ensuring food safety and security, protecting animal health and welfare, managing invasive exotic species, regulating pesticide use, certifying agricultural commodities, ensuring environmental stewardship, protecting consumers, and promoting the state's agricultural economy.

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>	<u>FY 2015-16 YTD (as of 2/10/16)</u>	<u>Enacted Change From YTD</u>	
1. Information Technology	Gross	\$1,372,500	\$378,000
Increase of \$378,000 Gross, (\$257,000 GF/GP) reflects ongoing costs of new licensing and inspection system.	IDG	3,200	0
	Restricted	64,600	121,000
	GF/GP	\$1,304,700	\$257,000
	FTEs	91.0	2.0
2. Food Safety and Quality Assurance	Gross	\$13,537,800	\$300,000
Increase of \$300,000 GF/GP and 2.0 authorized FTE positions for new program to assist producers implement on-farm food produce safety standards under the Food Safety Modernization Act (FSMA). The department indicates it will use these funds to match federal FSMA training grants, if available. See boilerplate Sec. 403.	Federal	1,250,900	0
	Restricted	4,620,500	0
	GF/GP	\$7,666,400	\$300,000
	FTEs	7.0	0.0
3. Farmland and Open Space Preservation	Gross	\$905,200	\$500,000
Recognizes anticipated increase in restricted Agriculture Preservation Fund revenue based on passage of House Bill 5189. The department administers this program, commonly referred to as the PA 116 program, that grants tax credits to qualified farmers and landowners who agree to restrictions on development rights.	Restricted	583,600	500,000
	GF/GP	\$321,600	\$0
	FTE	9.0	0.0
4. Qualified Forest Program	Gross	\$2,682,500	(\$130,000)
Reduces baseline GF/GP support by \$130,000.	Restricted	284,900	0
	GF/GP	\$2,397,600	(\$130,000)

AGRICULTURE AND RURAL DEVELOPMENT

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>		FY 2015-16 YTD (as of 2/10/16)	Enacted Change From YTD
5. Commercial Forestry Audit Program	Gross	\$300,000	(\$300,000)
Eliminates funding for this program; the current year budget included sufficient funding to complete the final two years of the three-year commercial forestry audit.	GF/GP	\$300,000	(\$300,000)
6. Laboratory Services	FTEs	37.0	5.0
Reflects two programmatic changes: Elimination of Agriculture Equine Industry Development Fund (AEIDF) revenue (\$600,200), to reflect the transfer of horse race testing functions to the Michigan Gaming Control Board (MGCB); \$2.1 million GF/GP and 5.0 FTE increase in funding for Geagley Laboratory to support additional staffing/equipment upgrades for food safety and export market testing programs.	Gross	\$5,322,000	\$1,469,800
	IDG	212,900	0
	Federal	781,100	0
	Restricted	2,123,500	(600,200)
	GF/GP	\$2,204,500	\$2,070,000
7. Consumer Protection Program	FTEs	40.0	1.0
Reflects \$1.0 million GF/GP and 1.0 FTE increase for consumer protection programs at the Heffron Metrology Laboratory.	Gross	\$6,072,200	\$1,040,000
	Restricted	6,071,600	0
	GF/GP	\$600	\$1,040,000
8. Rural Development (Value-Added) Grants	Gross	\$1,200,000	\$300,000
Current year budget provides \$1.2 million for the <i>Rural Development Value-Added Grant</i> program – \$650,000 ongoing and \$550,000 one-time. The enacted FY 2016-17 budget includes \$1.5 million GF/GP (\$500,000 on-going; \$1.0 million one-time), and renames the program "Value-added grants." The grant program is defined in Sec. 701.	GF/GP	\$1,200,000	\$300,000
9. Rural Development Fund Grant Program – NEW	Gross	\$0	\$2,000,000
Includes \$2.0 million from the Rural Development Fund for a new grant/loan program for projects that address expansion and sustainability of agriculture, mining, forestry, oil and gas exploration, and tourism. Fund revenue is generated from a nonferrous metal mining severance tax established in Public Act 411 of 2012.	Restricted	0	2,000,000
10. County Fairs Capital Improvement Grants	Gross	\$300,000	\$170,000
This program provides matching grants for county fair improvement projects. The enacted budget includes an additional \$150,000 for special project grants and rolls \$20,000 <i>Shows and expositions</i> line into this line. The grant program is defined in boilerplate Sec. 805.	GF/GP	\$300,000	\$170,000
11. Shows and Expositions	Gross	\$20,000	(\$20,000)
This program provides grants for agricultural shows and expositions. The enacted budget rolls this program into <i>County fairs capital improvement grants</i> , above.	GF/GP	\$20,000	(\$20,000)
12. Horse Racing Programs	FTEs	1.0	(1.0)
Eliminates 1.0 FTE position for fairs and racing administration functions. Retains current year funding for horse racing awards and purse supplements, but increases Thoroughbred sire stakes by \$80,000 and reduces Thoroughbred breeders' awards by a like amount.	Gross	\$3,667,200	\$0
	Restricted	3,667,200	0
13. One-Time Capital Equipment for Geagley Laboratory	Gross	\$150,000	(\$150,000)
Eliminates current year one-time GF/GP authorization.	GF/GP	\$150,000	(\$150,000)
14. Tree Fruit Research (One-Time)	Gross	\$500,000	\$0
Retains current year funding for this grant program.	GF/GP	\$500,000	\$0
15. Vital Agriculture Infrastructure Grant Program – NEW	Gross	\$0	\$220,000
Includes new one-time grant line item.	GF/GP	\$0	\$220,000
16. Grape and Wine Council	Gross	\$856,500	\$170,000
Includes one-time GF/GP funding, in addition to on-going restricted fund support.	Restricted	856,500	0
	GF/GP	\$0	\$170,000

AGRICULTURE AND RURAL DEVELOPMENT

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>		FY 2015-16 YTD (as of 2/10/16)	Enacted Change From YTD
17. Animal Agriculture Initiative – NEW	Gross	\$0	\$899,000
Includes funding for new program; \$500,000 as one-time, \$399,000 as on-going.	GF/GP	\$0	\$899,000
18. Refined Petroleum Fund/GF/GP Offset	Gross	NA	\$0
Reduces Refined Petroleum Fund (RPF) support by \$1.5 million and offsets with GF/GP in <i>Laboratory services</i> and <i>Consumer protection</i> programs.	Restricted	NA	(1,500,000)
	GF/GP	NA	\$1,500,000
19. Technical Revenue Adjustments – GF/GP	Gross	NA	(\$99,100)
Enacted budget reflects unspecified GF/GP reductions that were part of the original Executive budget proposal: Food and dairy, (\$48,400); PPPM, (\$20,700); and Environmental stewardship, (\$30,000).	GF/GP	NA	(\$99,100)
20. Technical Revenue Adjustments – Federal and Restricted	Gross	NA	(\$315,900)
Reflects adjustments to federal and restricted revenue in various line items to better align appropriations with best estimates of available federal grants and restricted revenue sources.	Federal	NA	(91,800)
	Restricted	NA	(224,100)
	GF/GP	NA	\$0
21. Economic Adjustments	Gross	NA	\$1,313,100
Reflects increased costs of \$1.3 million Gross (\$727,500 GF/GP) for negotiated salary and wage increases (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required retirement contributions, and other economic adjustments.	IDG	NA	5,900
	Federal	NA	135,100
	Private	NA	2,600
	Restricted	NA	442,000
	GF/GP	NA	\$727,500
22. End of Five-Year Early Retirement Sick Leave Payouts	Gross	NA	(\$237,600)
Recognizes the end of employee accumulated sick-leave payouts from 2010 early retirement incentive; those payments had been spread over 5 years and will end in FY 2015-16.	Restricted	NA	(136,500)
	GF/GP	NA	(\$101,100)

Major Boilerplate Changes From FY 2015-16

Sec. 301. Miscellaneous Fees Revenue/Expenditures – REVISED

Authorizes department to receive/expend revenue to cover expenses related to publications, audits, sales, inspections, and other department functions; requires legislative notification 30 days prior to proposing fee increases; requires annual report on fees charged by department. The enacted budget revises to better reflect current department operations and related fees.

Sec. 302. Grant Notification – REVISED

Requires notice of grants made to local units of government, institutions of higher education, or non-profit organizations. The enacted budget revises to reduce Legislative notice requirement. Currently the department is required to notify the Legislature 10 days prior to issuing grants; the enacted budget would reduce to 7 days prior to issuing grants.

Sec. 401. Food Safety Report/Food and Dairy Division Report – REVISED

Sec. 402 of current year budget act requires a report on food-borne outbreaks and emergencies related to food safety. The enacted budget expands to require an annual Food and Dairy Division report due April 1 of each year.

Sec. 403. Food Safety and Modernization Act Program (FSMA) – NEW

Includes new section indicating legislative intent that the department established FSMA education and training program; authorizes use of federal funds in addition to those appropriated in Part 1.

Sec. 452. Animal Industry Division Annual Report – NEW

Requires new annual report on activities of the Animal Industry Division due April 1 of each year.

AGRICULTURE AND RURAL DEVELOPMENT

Major Boilerplate Changes From FY 2015-16

Sec. 453. Indemnification Payments – REVISED

This section currently authorizes the department to provide for indemnity pursuant to the Animal Industry Act; limits indemnification orders to \$100,000 per order; and requires report on reason for, amount of, and person to whom indemnification is to be paid. The section also authorizes the department to provide deprecation payments to indemnify producers for livestock killed by wolves, coyotes, or cougars. The enacted budget revises to correct statute reference; requires detailed report on deprecation payments.

Sec. 457. Bovine TB Quarterly Report – REVISED

Revises report language to reference current USDA MOUs; retains quarterly reporting.

Sec. 501. Pesticide and Plant Pest Management Annual Report – NEW

Requires new annual report on activities of PPPM Division due April 1 of each year.

Sec. 602. Environmental Stewardship Division Annual Report – NEW

Requires new annual report on activities of Environmental Stewardship Division due April 1 of each year.

Sec. 651. Laboratory Program Annual Report – NEW

Requires new annual report on activities of Laboratory Division due April 1 of each year.

Sec. 652. Laboratory Program Turnaround Times – NEW

Requires new section on laboratory turnaround time metrics.

Sec. 701. Value-Added Grant Program – REVISED

Clarifies and revises provisions governing grant program.

Sec. 706. Agriculture Development Division Annual Report – NEW

Requires new annual report on activities of Agriculture Development Division due April 1 of each year.

Sec. 711. Rural Development Fund/Program – NEW

Directs department to work with Rural Development Fund Board; references 2012 PA 41.

Sec. 805. County Fair Capital Grant Program – REVISED

Provides guidelines and reporting requirements for county fair capital grant program. Modifies to exclude fairs that received awards in prior year from receiving awards from program, incorporates *Shows and expositions* grants; identifies specific capital projects.

COMMUNITY COLLEGES
Summary of FY 2016-17 Enacted Appropriations
Article II, 2016 Public Act 249 (Senate Bill 801)

Analyst: Perry Zielak

IDG/IDT	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Enacted	Difference: Enacted From FY 2015-16 YTD	
						Amount	%
	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	0	0	0	0	0	0	--
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	256,714,800	260,414,800	260,414,800	260,414,800	260,414,800	3,700,000	1.4
GF/GP	131,110,800	138,610,800	141,701,500	138,610,800	135,510,800	4,400,000	3.4
Gross	\$387,825,600	\$399,025,600	\$402,116,300	\$399,025,600	\$395,925,600	\$8,100,000	2.1

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) "House" refers to the budget as passed by the House in HB 5291; "Senate" refers to the budget as passed by the Senate in SB 801.

Overview

The Community Colleges budget supports the 28 public community colleges located throughout the state. Community colleges offer a wide variety of educational programs, including traditional two-year transfer programs, associates' degrees, career and technical education, developmental and remedial education, continuing education, and, after 2012, baccalaureate programs in a limited number of areas. The colleges are supported primarily through a combination of state aid, local property tax revenue, and tuition and fees.

Major Budget Changes From FY 2015-16 YTD Appropriations

		FY 2015-16 YTD (as of 2/10/16)	Enacted Change From YTD
1. Community College Operations Grants	Gross	\$311,492,000	\$4,400,000
Increases operations grant funding by \$4.4 million GF/GP (1.4%), to be distributed under the revised performance funding formula created by the 2015 Performance Funding Task Force. Shift of \$50.7 million from School Aid Fund (SAF) to GF/GP. Projected increases for individual community colleges range from 1.1% to 2.0%. Total funding would be \$315.9 million: \$185.5 million SAF, \$130.4 million GF/GP.	Restricted	236,181,200	(50,700,000)
	GF/GP	\$75,310,800	\$55,100,000
2. Michigan Public School Employees' Retirement System (MPERS)	Gross	\$69,500,000	\$3,700,000
Provides additional \$3.7 million SAF for the state's share of colleges' unfunded liability to MPERS, bringing total funding to \$73.2 million SAF. There is a \$56 million increase of SAF, used to account for the \$3.7 million increase and an offset of a \$52.3 million GF/GP reduction. The state's share is the difference between the actuarial accrued liability to the system and the employer contribution cap of 20.96% of payroll set by the Public School Employees Retirement act (MCL 38.1341).	Restricted	17,200,000	56,000,000
	GF/GP	\$52,300,000	(\$52,300,000)
3. Renaissance Zone Reimbursements	Gross	\$5,100,000	\$0
Offsets a \$1.6 million SAF reduction with a \$1.6 million GF/GP increase, resulting in an entire \$5.1 million reimbursement program funded by GF/GP.	Restricted	1,600,000	(1,600,000)
	GF/GP	\$3,500,000	\$1,600,000

COMMUNITY COLLEGES

Major Boilerplate Changes From FY 2015-16

Sec. 206. Community Colleges Activities Classification Structure (ACS) Data – REVISED

Requires Michigan community colleges to report ACS data; changes responsibility of ACS data collection from the Workforce Development Agency (WDA) to the Center for Educational Performance and Information (CEPI).

Sec. 210b. Colleges and Universities Transfer Agreement – REVISED

Expresses legislative intent to implement agreements between community colleges and universities concerning transfer of core college courses. Revises language to require the Michigan Community College Association and the Michigan Association of State Universities to issue a report on the implementation of the transfer agreement between community colleges and state universities and adds reporting requirements for progress on the block transfer agreement previously provided for under former Sec. 210c.

Sec. 210c. Block Transfer Study Committee – DELETED

Establishes study committee to develop a process to improve the transferability and applicability of associates' degrees as a block of credits between community colleges and public universities on a statewide basis.

Sec. 210e. Academic Program Partnerships – NEW

Requires the Michigan Community College Association, the Michigan Association of State Universities, and the Michigan Independent Colleges and Universities to submit a report detailing the number of academic program partnerships between community colleges, public universities, and private colleges and universities.

Sec. 217. Activities Classification Structure (ACS) Data – REVISED

Transfers responsibility for drafting the ACS report from the Workforce Development Agency to the Center for Educational Performance and Information (CEPI).

Sec. 223. North American Indian Tuition Waiver – REVISED

Requires community colleges to report on number and monetary value of Indian tuition waivers granted in previous fiscal year. Revises and expands report on Indian tuition waiver program to include the number of Indian tuition waivers applications received and approved, number and monetary value of waivers, number of waiver students who withdraw, and the number of waiver students who completed a degree or certificate program. Data must be provided to the Department of Civil Rights.

Sec. 229a. State Building Authority (SBA) Rent Payments – REVISED

Updates itemized list of community college capital outlay projects on which the state will pay SBA rent in FY 2016-17. Funding for SBA rent is appropriated under the General Government budget.

Sec. 230. Performance Funding Formula – REVISED

Modifies the formula for distributing performance-based funding according to the recommendations from the 2015 Performance Task Force: reduces the across-the-board adjustment from 50% to 30%, increases the contact hours component from its current 10% unweighted to 30% weighted for health and technology/industrial fields, adds 10% for completion performance improvement, adds 10% for performance completion number, adds 10% for performance completion rate, reduces the local strategic value component from 15% to 5% and lowers the administrative costs component from 7.5% to 5%.

Sec. 230a. Performance Indicators Task Force – DELETED

Requires creation by October 15, 2015 of a task force to make recommendations on community college performance metrics with a report due January 15, 2016.

FY 2016-17 Community College Performance Funding Increases

	New Money: \$4,400,000	30%	10%	10%	10%	30%	5%	5%	100%		
			Performance-Improvement	Performance-Completion Number	Performance-Completion Rate	Contact Hours	Administrative	Local Strategic Value	Performance Funding	% Change from FY16	FY 2016-17 Appropriation
	FY 2015-16 Base	Sustainability									
Alpena	\$5,464,400	\$23,156	\$23,971	\$4,860	\$6,175	\$11,415	\$6,820	\$3,859	\$80,300	1.5%	\$5,544,700
Bay de Noc	\$5,490,200	\$23,266	\$6,204	\$6,029	\$12,231	\$13,909	\$5,153	\$3,878	\$70,700	1.3%	\$5,560,900
Delta	\$14,704,000	\$62,311	\$16,678	\$29,868	\$16,616	\$58,152	\$9,689	\$10,385	\$203,700	1.4%	\$14,907,700
Glen Oaks	\$2,551,100	\$10,811	\$2,883	\$3,747	\$8,949	\$7,442	\$202	\$1,802	\$35,800	1.4%	\$2,586,900
Gogebic	\$4,509,900	\$19,111	\$15,019	\$3,230	\$13,106	\$8,692	\$5,556	\$3,185	\$67,900	1.5%	\$4,577,800
Grand Rapids	\$18,187,300	\$77,072	\$25,309	\$22,562	\$20,552	\$94,895	\$9,989	\$12,845	\$263,200	1.4%	\$18,450,500
Henry Ford	\$21,893,300	\$92,777	\$26,411	\$20,516	\$30,819	\$86,365	\$10,351	\$15,463	\$282,700	1.3%	\$22,176,000
Jackson	\$12,245,300	\$51,892	\$14,742	\$13,731	\$20,138	\$34,843	\$8,293	\$8,649	\$152,300	1.2%	\$12,397,600
Kalamazoo Valley	\$12,689,400	\$53,773	\$14,340	\$17,815	\$20,454	\$58,272	\$10,887	\$8,962	\$184,500	1.5%	\$12,873,900
Kellogg	\$9,950,100	\$42,165	\$11,244	\$12,837	\$17,090	\$36,647	\$10,398	\$7,028	\$137,400	1.4%	\$10,087,500
Kirtland	\$3,221,500	\$13,652	\$3,640	\$4,798	\$3,640	\$12,640	\$7,814	\$2,275	\$48,500	1.5%	\$3,270,000
Lake Michigan	\$5,417,700	\$22,958	\$6,304	\$5,660	\$6,122	\$24,303	\$5,879	\$3,826	\$75,100	1.4%	\$5,492,800
Lansing	\$31,288,200	\$132,589	\$35,357	\$41,122	\$41,281	\$106,144	\$10,612	\$22,098	\$389,100	1.2%	\$31,677,300
Macomb	\$33,239,500	\$140,858	\$37,562	\$43,227	\$43,449	\$142,984	\$10,805	\$23,476	\$442,300	1.3%	\$33,681,800
Mid-Michigan	\$4,757,700	\$20,162	\$6,757	\$9,650	\$5,376	\$24,825	\$6,220	\$3,360	\$76,400	1.6%	\$4,834,100
Monroe County	\$4,565,600	\$19,348	\$5,159	\$6,718	\$5,159	\$21,675	\$9,787	\$3,225	\$71,100	1.6%	\$4,636,700
Montcalm	\$3,280,600	\$13,902	\$13,469	\$4,363	\$10,026	\$10,809	\$7,612	\$2,317	\$62,500	1.9%	\$3,343,100
Mott	\$15,901,700	\$67,386	\$21,448	\$21,735	\$17,970	\$64,770	\$9,309	\$11,231	\$213,800	1.3%	\$16,115,500
Muskegon	\$9,020,700	\$38,227	\$27,428	\$7,702	\$10,194	\$29,152	\$10,779	\$6,371	\$129,900	1.4%	\$9,150,600
North Central	\$3,224,800	\$13,666	\$12,004	\$4,645	\$10,232	\$13,681	\$9,071	\$2,278	\$65,600	2.0%	\$3,290,400
Northwestern	\$9,200,500	\$38,989	\$13,243	\$10,117	\$10,397	\$29,632	\$8,604	\$6,498	\$117,500	1.3%	\$9,318,000
Oakland	\$21,429,400	\$90,811	\$24,216	\$35,093	\$24,216	\$145,013	\$7,045	\$15,135	\$341,500	1.6%	\$21,770,900
Schoolcraft	\$12,706,400	\$53,846	\$15,218	\$23,832	\$20,777	\$70,798	\$9,467	\$8,974	\$202,900	1.6%	\$12,909,300
Southwestern	\$6,657,600	\$28,213	\$7,523	\$5,249	\$7,523	\$17,962	\$3,714	\$4,702	\$74,900	1.1%	\$6,732,500
St. Clair	\$7,158,000	\$30,333	\$8,462	\$8,427	\$14,678	\$27,373	\$6,945	\$5,056	\$101,300	1.4%	\$7,259,300
Washtenaw	\$13,301,100	\$56,366	\$19,040	\$40,843	\$20,865	\$76,882	\$9,510	\$9,394	\$232,900	1.8%	\$13,534,000
Wayne County	\$16,989,800	\$71,997	\$22,017	\$29,014	\$19,199	\$82,516	\$7,680	\$12,000	\$244,400	1.4%	\$17,234,200
West Shore	\$2,446,200	\$10,366	\$4,350	\$2,611	\$2,764	\$8,211	\$1,808	\$1,728	\$31,800	1.3%	\$2,478,000
	\$311,492,000	\$1,320,000	\$440,000	\$440,000	\$440,000	\$1,320,000	\$220,000	\$220,000	\$4,400,000	1.4%	\$315,892,000

Notes:

1. The performance improvement metric utilizes improvements in six-year average rates completions for each college from 2007 and 2008 cohorts. Completions metric includes certificates, degrees and transfers.
2. Calculations for performance completion number are based on data from IPEDS.
3. Calculations for performance completion rate are based on data provided to the Governor's dashboard on completion rates and utilizes six-year completions for each college from 2007 and 2008 cohorts.
4. Calculations for weighted contact hours are based on data provided by the Workforce Development Agency from FY 2014.
5. Adjusted Administrative Cost data are preliminary data provided by the Workforce Development Agency.

CORRECTIONS

**DEPARTMENT OF CORRECTIONS
Summary of FY 2016-17 Enacted Appropriations
Article V, 2016 Public Act 268 (House Bill 5294)**

Analyst: Robin R. Risko

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Enacted	Difference: Enacted From FY 2015-16 YTD	
						Amount	%
IDG/IDT	\$225,000	\$0	\$0	\$225,000	\$0	(\$225,000)	(100.0)
Federal	5,568,700	5,523,700	5,523,700	5,568,700	5,523,700	(45,000)	(0.8)
Local	8,533,200	8,692,800	8,692,800	8,533,200	8,692,800	159,600	1.9
Private	0	0	0	0	0	0	--
Restricted	43,950,700	35,711,700	35,711,700	42,950,700	36,554,600	(7,396,100)	(16.8)
GF/GP	1,903,948,400	1,979,457,900	1,979,457,900	1,904,448,500	1,951,957,900	48,009,500	2.5
Gross	\$1,962,226,000	\$2,029,386,100	\$2,029,386,100	\$1,961,726,100	\$2,002,729,000	\$40,503,000	2.1
FTEs	14,190.3	14,065.6	14,065.6	14,190.3	13,819.9	(370.4)	(2.6)

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Michigan Department of Corrections (MDOC) is responsible for the operation and maintenance of the state's 31 correctional facilities that house felony offenders sentenced to prison. This includes the provision of physical and mental health care, education, food service, transportation, and reintegration programs. The department is also responsible for the supervision of all parolees and probationers under department jurisdiction and has oversight over community corrections programs and other programs designed to encourage alternatives to prison placement for appropriate offenders. As of June 1, 2016, the department was responsible for 103,052 Michigan offenders: 42,149 prisoners, 45,065 probationers, and 15,838 parolees.

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>		FY 2015-16 YTD (as of 2/10/16)	Enacted Change From YTD
1. Correctional Facility Closure	FTE	NA	(237.7)
Reduces FTE positions and includes a savings as a result of closing the Pugsley Correctional Facility. Savings will be achieved from a combination of the following: eliminate \$24,863,100 in funding used for operation of the facility; reduce funding for education programs by \$842,700; reduce funding for clinical and mental health care by \$2,326,400; reduce funding for prison store operations by \$78,400; and increase funding by \$1,041,200 for Northern Region Administration and Support to cover transition costs.	Gross	NA	(\$27,069,400)
	Restricted	NA	(78,400)
	GF/GP	NA	(\$26,991,000)
2. Savings from Managing Prison Populations – Closure of Kinross	FTE	NA	(55.7)
Reduces FTE positions and includes a full-year savings from closure of the Kinross Correctional Facility and transfer of the prisoners to the former Hiawatha Correctional Facility. Closure took place in the fall of 2015 and a partial-year savings of \$2.0 million was included in the FY 2015-16 budget.	Gross	NA	(\$3,400,000)
	GF/GP	NA	(\$3,400,000)
3. Savings from Managing Prison Populations – Leased Beds	Gross	\$5,250,000	(\$3,209,000)
Includes a savings from in-sourcing leased beds. It has been determined, on a marginal cost basis, that it is more cost-effective for the department to house prisoners in state correctional facilities instead of leasing beds from county jails. The remaining funding will be reallocated to correctional facilities and to prison food service to cover costs of prisoners moving from county jails to department-operated facilities.	GF/GP	\$5,250,000	(\$3,209,000)

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<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>		<u>FY 2015-16 YTD (as of 2/10/16)</u>	<u>Enacted Change From YTD</u>
4. County Jail Reimbursement Program	Gross	\$13,597,100	\$1,467,500
Includes additional funding to increase reimbursement rates to counties for housing eligible felons, who otherwise might have been sentenced to prison, in county jails. Rates will increase by \$5.00 per offender per day.	Restricted	5,900,000	0
	GF/GP	\$7,697,100	\$1,467,500
5. Future Correctional Facility	Gross	NA	\$100
Includes a \$100 placeholder for a potential future correctional facility.	GF/GP	NA	\$100
6. One-Time Funding for New Custody Staff Training	Gross	\$9,079,500	\$8,506,100
Includes one-time funding for training an additional 350 corrections officers to meet projected attrition needs. With the additional funding added to the current year base of \$9.1 million, the department will be able to train roughly 730 new officers in FY 2016-17.	GF/GP	\$9,079,500	\$8,506,100
7. Goodwill Flip the Script	Gross	\$2,000,000	(\$500,000)
Reduces current year funding by \$500,000, leaving \$1.5 million in the budget for the Goodwill Flip the Script program.	GF/GP	\$2,000,000	(\$500,000)
8. Parole Sanction Certainty Pilot Program	Gross	\$500,000	\$940,000
Includes additional funding for the Parole Sanction Certainty Pilot Program. The total appropriation will be \$1.4 million.	GF/GP	\$500,000	\$940,000
9. Supervising Region Incentive Program	Gross	NA	\$2,999,900
Includes funding to provide incentives to field operations administration regions that implement supervision practices, procedures, and sanctions directed at parole and probation revocation reduction. Of the \$3.0 million appropriation, \$2,518,600 is designated as on-going funding and \$481,300 is designated as one-time.	GF/GP	NA	\$2,999,900
10. Criminal Justice Reinvestment	Gross	NA	\$4,573,300
Includes funding for new or expanded evidence-based programs targeted at reducing recidivism and incarceration rates among probationers and parolees.	GF/GP	NA	\$4,573,300
11. Drug Treatment for Prisoners with Hepatitis C	Gross	\$18,265,000	\$10,535,000
Includes additional funding to cover increased costs of the expanded drug treatment protocol for treatment of prisoners with Hepatitis C.	GF/GP	\$18,265,000	\$10,535,000
12. Restoration of Reduced Funding for Health Care	Gross	(\$15,000,000)	\$11,200,000
Restores \$11.2 million of a \$15.0 million reduction that was included in the current year budget and anticipated to be achieved as a result of implementing an integrated healthcare delivery system with one vendor managing physical and mental health care and pharmaceutical services. The consolidated contract took effect June 1, 2016 and will result in a full-year savings of \$3.8 million in FY 2016-17.	GF/GP	(\$15,000,000)	\$11,200,000
13. Mental Health and Sex Offender Programming for Prisoners	FTE	NA	9.0
Includes additional FTE positions and funding to address the increased caseload and waiting lists for mental health treatment services and sex offender programming.	Gross	NA	\$1,035,000
	GF/GP	NA	\$1,035,000
14. Medication-Assisted Treatment Reentry Pilot Program	Gross	NA	\$500,000
Includes funding for the department to establish a medication-assisted treatment reentry pilot program to provide prerelease treatment and post-release referral for opioid-addicted and alcohol-addicted offenders. The intent is for offenders to receive one injection prior to being released from custody and then to be connected with aftercare plans in their communities.	GF/GP	NA	\$500,000
15. Reduced Prisoner Health Care	Gross	NA	(\$1,500,000)
Includes a savings in prisoner health care costs due to the decline in prisoner population.	GF/GP	NA	(\$1,500,000)

CORRECTIONS

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>		<u>FY 2015-16 YTD (as of 2/10/16)</u>	<u>Enacted Change From YTD</u>
16. Health Care Services On-Site	Gross	NA	(\$200,000)
Includes a savings in the Transportation line item as a result of certain medical procedures being performed in-house versus off-site.	GF/GP	NA	(\$200,000)
17. Prisoner Education – Vocational Village	Gross	\$35,852,400	\$2,000,000
Includes additional funding for expansion of the Vocational Village. The goal of the Vocational Village is to provide vocational trade programs and employment readiness skills to prisoners who are nearing their release dates.	Federal	1,722,100	0
	Restricted	6,982,900	0
	GF/GP	\$27,147,400	\$2,000,000
18. Trinity Food Service Contract Adjustment	Gross	\$52,558,900	\$1,535,000
Includes additional funding to cover the contract requirement that payment rates be adjusted annually by the greater of 1% or the change in the Consumer Price Index - All Urban Consumers, U.S. City Average for Food Away from Home. That CPI has averaged a 2.6% increase over the last 10 years. The amount of additional funding assumes the same percentage increase in FY 2016-17.	GF/GP	\$52,558,900	\$1,535,000
19. Federal Regulations on Telephone Rates	Gross	\$11,782,900	(\$4,800,000)
Reduces total spending authorization and state restricted funding to reflect recent rate changes made by the Federal Communications Commission (FCC) to telephone services for prisoners. Rates charged to prisoners will be capped at amounts that are lower than amounts currently paid. This will result in less revenue going into the Program and Special Equipment Fund. The revenue is used for equipment purchases, prisoner programming, and prisoner education. Additional GF/GP funding is included to partially offset the reduction in revenue in an effort to hold harmless the funding for prisoner education.	Restricted	11,782,900	(6,674,000)
	GF/GP	\$0	\$1,874,000
20. DTMB Rate Adjustments	Gross	NA	\$1,612,800
Includes an additional \$1,775,600 to cover costs of service rate changes that DTMB will make in FY 2016-17. DTMB will follow a new financial model for the provision of information technology services resulting in additional costs for all state departments. Increases in rates are partially offset by Vehicle Travel Service rate savings that are expected to occur (\$162,800).	GF/GP	NA	\$1,612,800
21. Increased Information Technology Bandwidth	Gross	NA	\$1,021,800
Includes additional funding to cover costs of increasing information technology bandwidth in an effort to eliminate problems with system slowness and operational outages at 27 correctional facilities and 113 field operations offices.	GF/GP	NA	\$1,021,800
22. One-Time Funding for Ballistic Vests	Gross	NA	\$481,300
Includes authorization for the department to purchase ballistic vests for parole, probation, and transportation officers. State restricted Program and Special Equipment Fund revenue will be used to cover the costs of the vests.	Restricted	NA	481,300
	GF/GP	NA	\$0
23. Smart Device Access Fees	Gross	NA	\$408,000
Includes authorization for the department to use state restricted Program and Special Equipment Fund revenue to pay fees charged by DTMB for smart device access to state e-mail, mobile device management, DTMB-IT staff support, and security services.	Restricted	NA	440,000
	GF/GP	NA	(\$32,000)

CORRECTIONS

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>	<u>FY 2015-16 YTD (as of 2/10/16)</u>	<u>Enacted Change From YTD</u>	
24. Utility Fee Adjustments	Gross	NA	\$287,800
Includes additional funding to cover increased water and sewer charges at six correctional facilities. The City of Muskegon increased sewage rates by 11%, impacting Brooks (\$43,200) and Muskegon (\$29,000); the City of St. Louis increased water rates by 36%, impacting Central Michigan (\$73,700) and St. Louis (\$96,500); and Kinross Charter Township increased water rates by 25%, impacting Kinross (\$21,600) and Chippewa (\$23,800).	GF/GP	NA	\$287,800
25. Prison Industries Transportation Adjustment	Gross	NA	\$255,000
Includes authorization for Correctional Industries Revolving Fund revenue to be used to partially fund the Transportation line item. Transportation staff will be assuming more transport responsibilities for Prison Industries operations.	Restricted	NA	255,000
26. Prison Store Operations Adjustment	FTE	63.0	(28.0)
Reduces state restricted prisoner store revenue and FTE positions as a result of a change in the way the vendor handles distribution of prisoner store orders.	Gross	\$5,649,200	(\$2,400,000)
	Restricted	5,649,200	(2,400,000)
27. Technical Adjustments	Gross	NA	\$0
Makes internal FTE adjustments, funding adjustments, and transfers throughout the budget, which have no overall Gross or GF/GP impact. Adjustments are made in order to more accurately reflect employee counts and where expenditures occur as a result of reorganization within the department.	GF/GP	NA	\$0
28. Eliminate FTE Positions	FTE	NA	(58.0)
Eliminates authorization for 58.0 FTE positions in the Prison Industries Operations line item to more accurately reflect the employee count. This is a technical adjustment which has no impact on current staffing levels.	Gross	NA	\$0
	GF/GP	NA	\$0
29. Program and Fund Source Adjustments	Gross	NA	(\$356,100)
Makes the following program and fund source adjustments to align spending authorization with available revenues: (adjustments have no GF/GP impact on the budget)	IDG	NA	(225,000)
<ul style="list-style-type: none">Eliminates IDG funding received from DHHS for food service that was provided by MDOC to DHHS at the Maxey facility which is now closed (\$225,000).Eliminates Federal School Lunch Program line item and fund source due to the department's non-participation in the program since 2014 (\$812,800).Increases authorization to receive additional federal Residential Substance Abuse Treatment funding (\$64,600).Increases authorization to receive additional federal Medicaid funding for reimbursement of off-site medical expenses which qualify under the Healthy Michigan Plan (\$117,100).Increases authorization by \$500,000 to enable the department to receive \$749,000 in federal Second Chance Act grant funding to be used for computer service technician programs at Gus Harrison and Cotton Correctional Facilities; authorization currently exists in the budget for \$250,000.	Federal	NA	(131,100)
30. Early Out Payouts	Gross	\$1,346,800	(\$1,346,800)
Recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentive, which were spread out over five years.	Restricted	1,300	(1,300)
	GF/GP	\$1,345,500	(\$1,345,500)

CORRECTIONS

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>	<u>FY 2015-16 YTD (as of 2/10/16)</u>	<u>Enacted Change From YTD</u>	
31. Economic Adjustments	Gross	NA	\$35,925,700
Reflects a net increase in costs for negotiated salary and wage amounts (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required retirement contributions, private rent costs, building occupancy charges, and worker's compensation costs.	Federal	NA	86,100
	Local	NA	159,600
	Restricted	NA	581,300
	GF/GP	NA	\$35,098,700

Major Boilerplate Changes From FY 2015-16

Sec. 403. Effective Process Improvement and Communications (EPIC) Program – DELETED

Requires MDOC to report on the scope and purpose of the EPIC program, the areas of MDOC receiving resources for EPIC, budgetary savings expected to result from EPIC, areas where MDOC policy has changed as a result of EPIC, and the number of employees assigned to EPIC.

Sec. 414. County Jail Reimbursement Program – MODIFIED

Requires MDOC to administer the County Jail Reimbursement Program, which offers counties per diem payments for housing certain offenders in jails; specifies reimbursement criteria and rates; requires counties receiving funding to report on annual average jail capacity and annual average jail occupancy. Modified to include \$5.00 per day per offender rate increases.

Sec. 421. Parole Sanction Certainty Pilot Program – MODIFIED

Requires MDOC to distribute funding to accredited rehabilitation organizations in Berrien, Calhoun, Kalamazoo, Macomb, Muskegon, Oakland, and Wayne Counties for operation and administration of a pilot program to be utilized as a condition of parole for technical parole violators; requires reports from organizations on program performance measures, number of individuals participating in programs, number of individuals returning to prison after participating in programs, and outcomes of participants completing programs. Modified to include Genesee, Kent, and Saginaw Counties.

Sec. 422. Prisoners Reviewed for Parole – NEW

Requires MDOC to report on outcomes of prisoners who have been reviewed for parole to include: number of prisoners reviewed; number of prisoners granted or denied parole; number of parole decisions deferred; number of times prisoners were reviewed before being granted or denied parole; number of paroles granted, denied, or deferred for each of the parole guideline scores of low, average, and high; and reasons for parole denial or deferment.

Sec. 425. Medication-Assisted Treatment Reentry Pilot Program – NEW

Requires MDOC to establish a medication-assisted treatment reentry pilot program to provide prerelease treatment and post-release referral for opioid-addicted and alcohol-addicted offenders; requires MDOC to collaborate with residential and non-residential substance abuse treatment providers and with community-based clinics to provide post-release treatment; authorizes the manufacturer to provide MDOC with samples of the medication at no cost to the department; requires MDOC to provide participating offenders with one injection prior to being released from custody and to connect offenders with an aftercare plan; requires MDOC to report follow-up information on offenders who receive the injections.

Sec. 434. Programs to Employ Parolees in Agricultural Settings – DELETED

Requires MDOC to explore opportunities to collaborate with Michigan colleges and universities on establishing programs that will employ parolees in agricultural settings.

Sec. 503. Vendor Contracts – NEW

Requires MDOC to issue biannual reports on all vendor contracts, including the start and expiration dates, site visits completed by the department for each vendor, and the number and amount of fines for service-level agreement noncompliance for each vendor, broken down by area of noncompliance.

Sec. 508. Maintenance and Utility Costs at Facilities – MODIFIED

Requires MDOC to report by October 1 on maintenance and utility costs and plans for capital improvement costs for each correctional facility. Modified to include reporting on unspent balances of all capital outlay projects and changes due date of report to January 1.

Major Boilerplate Changes From FY 2015-16

Sec. 509. Study on Michigan State Industries Program – DELETED

Requires MDOC to conduct a study on the Michigan State Industries program that focuses on determining which industries within the 10 identified prosperity regions have the maximum benefit to prisoners in providing marketable skills and leading to employment; requires a report on current labor force trends in the prosperity regions and on how Michigan State Industries operations can work in coordination with local communities to determine the industries that would produce the greatest number of employable prisoners upon release.

Sec. 602. Supervising Region Incentive Program – NEW

Requires funding for the supervision region incentive program to be used to provide incentives to field operations administration regions that implement supervision practices, procedures, and sanctions directed at parole and probation revocation reduction in accordance with the supervising region incentive act.

Sec. 604. Criminal Justice Reinvestment – NEW

Requires funding for criminal justice reinvestment to be used only for evidence-based programs designed to reduce recidivism among probationers and parolees.

Sec. 615. (2) Parolable Lifers – NEW

Requires MDOC to report the following on parolable lifers who have served more than 25 years: name, identification number, prefix, offense, county of conviction, age when offense was committed, current age, race, gender, security classification, dates of parole board reviews, parole guideline scores, and the Parole Boards' reason for the decision not to release.

Sec. 805. Health Care Coverage for Dependents – DELETED

Requires MDOC to determine eligibility of prisoners aged 26 years and under for dependent health care coverage.

Sec. 806. Mental Health and Sex Offender Programming – NEW

Requires funding appropriated for the expanded mental health and sex offender programming to be used to address increased caseloads, reduce the number of prisoners on waiting lists who are past their earliest release dates, and reduce the percentage of prisoners readmitted to mental health programs at their previous level of care.

Sec. 807. Hepatitis C – NEW

Requires funding for Hepatitis C to be used only for the purchase of specialty medication for treatment of Hepatitis C in the prison population; requires a report on the amount spent on specialty medication, the number of prisoners treated, amount of any rebates received, and outstanding rebates expected to be received.

Sec. 814. Psychotropic Medications for Prisoners – DELETED

Requires MDOC to assure psychotropic medications are available, when deemed medically necessary by licensed medical service providers, to prisoners diagnosed with mental illness but not enrolled in mental health services

Sec. 901. Leasing of Facilities, Purchasing Private Facilities, and Reopening Closed Facilities – NEW

Requires MDOC to work with DTMB on determining the costs of entering into an agreement to lease or purchase a private facility to be operated by the department, as well as the costs of reopening closed facilities already owned by the department, to determine if it would be in the best interests of the citizens of the state to house prisoners in one of those settings, rather than in a facility currently operated by the department; requires a report that documents the acquisition, lease, reopening, and modernization costs, taxes, utilities, and expected future capital repair and upgrades at the facilities.

Sec. 902. Vocational Village – NEW

Requires MDOC to use \$2.0 million of the appropriation for education programs to expand the vocational village program.

Sec. 908. High School Diploma in lieu of High School Equivalency – NEW

Requires MDOC to explore the feasibility of establishing an online career high school education pilot program, or other alternatives for providing prisoners with a high school diploma in lieu of a high school equivalency; requires MDOC to explore establishing outside partnerships to assist with providing high school diplomas; requires MDOC to report on steps the department would have to take, resources needed, and organizational changes that would be required to provide prisoners with a high school diploma in lieu of a high school equivalency.

Sec. 909. Educational Programming – NEW

Requires MDOC to focus on providing career-based educational programming for prisoners, to include vocational trade programs and employment readiness programs.

CORRECTIONS

Major Boilerplate Changes From FY 2015-16

Sec. 913. (1) Prisoner Programming – NEW

Requires MDOC to provide violence prevention programming, assaultive offender programming, sexual offender programming, substance abuse treatment programming, thinking for a change programming, and any other programming that is required as a condition of parole to prisoners who are past their earliest release dates as a result of not having received the required programming.

Sec. 945. Overcrowding in Central Michigan Correctional Facility Visiting Room – DELETED

Requires MDOC to investigate options for increasing the visiting capacity at the Central Michigan Correctional Facility in order to ease visiting room overcrowding; requires MDOC to report on the progress being made to address visiting room overcrowding.

Sec. 1000. Increased Information Technology Bandwidth – NEW

Requires funding appropriated for increasing information technology bandwidth to be used to support critical information technology systems that provide platforms for several mandated programs and department cost savings efforts.

Sec. 1012. Faith-Based Reentry Programs – DELETED

Allows priority to be given to funding reentry or rehabilitation programs that have been demonstrated to reduce prison violence and recidivism, such as faith-based initiatives.

Sec. 1100. New Custody Staff Training – NEW

Requires funding appropriated for new custody staff training to be used to increase the training capacity for new custody staff by 350 officers for the purpose of addressing higher than normal attrition of corrections officers and decreasing overtime costs.

FY 2015-16 Supplemental Appropriations

1. Restoration of Reduced Funding for Health Care

Restores \$13.4 million of a \$15.0 million reduction that was included in the current year budget and anticipated to be achieved as a result of implementing an integrated healthcare delivery system with one vendor managing physical and mental health care and pharmaceutical services. The consolidated contract went into effect June 1, 2016 and will result in a partial-year savings of \$1.6 million in FY 2015-16.

	FY 2015-16 YTD (as of 2/10/16)	FY 2015-16 Supplemental Change
Gross	(\$15,000,000)	\$13,400,000
GF/GP	(\$15,000,000)	\$13,400,000

DEPARTMENT OF EDUCATION
Summary of FY 2016-17 Enacted Appropriations
Article VI, 2016 Public Act 268 (House Bill 5294)

Analyst: Samuel Christensen

IDG/IDT	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Enacted	Difference: Enacted From FY 2015-16 YTD	
						Amount	%
	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	215,640,900	225,355,900	225,356,000	225,355,800	239,821,900	24,181,000	11.2
Local	5,633,700	5,557,200	5,557,200	5,557,200	5,557,200	(76,500)	(1.4)
Private	2,033,300	2,034,200	2,034,200	2,034,200	2,034,200	900	0.0
Restricted	7,669,600	7,780,700	7,780,700	8,380,700	8,380,700	711,100	9.3
GF/GP	77,583,700	76,381,200	76,321,800	80,381,300	76,181,200	(1,402,500)	(1.8)
Gross	\$308,561,200	\$317,109,200	\$317,049,900	\$321,709,200	\$331,975,200	\$23,414,000	7.6
FTEs	594.5	602.5	602.5	603.5	603.5	9.0	1.5

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The State Board of Education is an eight-member elected board constitutionally mandated to provide leadership and supervision for public education in Michigan. The Michigan Department of Education (MDE) is the administrative arm of the Board charged with implementing state and federal educational mandates and administering programs. Major responsibilities of the MDE include developing and overseeing the K-12 school system, certifying teachers, disbursing funds to educational organizations and libraries, providing technical assistance to school districts and libraries, and providing early education and child day care support for low-income and other qualifying families.

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 YTD (as of 2/10/16)	Enacted Change From YTD
1. Multi-Tiered Systems of Supports (MTSS) Implementation Monitoring and Assistance	FTE	45.0	3.0
	Gross	\$9,174,400	\$500,000
Provides \$500,000 GF/GP and 3.0 FTEs to the Office of Field Services to establish a team of consultants to monitor and support implementation of a FY 2015-16 School Aid budget requirement that districts implement MTSS in grades K-3 in order to receive at-risk funding.	Federal	8,874,900	0
	Restricted	77,000	0
	GF/GP	\$222,500	\$500,000
2. Early/Middle Colleges (EMC) Expansion Supports	FTE	27.0	2.0
	Gross	\$4,748,800	\$395,000
Provides \$395,000 GF/GP and 2.0 FTEs to the Office Career and Technical Education to support technical assistance and monitoring of EMCs, which have increased from 9 in FY 2011-12 to approximately 119 projected for FY 2016-17.	Federal	3,818,600	0
	GF/GP	\$930,200	\$395,000
3. Special Education Task Force Recommendations	Gross	\$8,920,000	\$100,000
Provides \$100,000 GF/GP to the Office of Special Education to implement findings from the Special Education Reform Task Force to design and distribute parent-friendly information for Individualized Education Plans (IEPs) and support mediator training.	Federal	8,440,900	0
	Private	110,100	0
	Restricted	44,000	0
	GF/GP	\$325,000	\$100,000
4. School Safety Consultant	FTE	82.6	1.0
	Gross	\$15,087,200	\$180,000
Provides \$180,000 GF/GP and 1.0 FTE to the Office of School Support Services to support school emergency planning for MDE and coordinate with the State Police and the Attorney General in providing consistent statewide leadership and guidance on school safety issues.	Federal	14,240,500	0
	Local	11,700	0
	Restricted	157,300	0
	GF/GP	\$677,700	\$180,000

EDUCATION (DEPARTMENT)

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>		FY 2015-16 YTD (as of 2/10/16)	Enacted Change From YTD
5. Home Visit Program Management and Coordination	FTE	64.0	1.0
Provides \$175,000 GF/GP and 1.0 FTE to the Office of Great Start to manage the home visit program that was part of the FY 2015-16 School Aid budget early literacy initiative.	Gross	\$22,808,600	\$175,000
	Federal	15,681,700	0
	Private	250,000	0
	Restricted	64,100	0
	GF/GP	\$6,812,800	\$175,000
6. E-Rate Technical Assistance for Districts	FTE	59.7	1.0
Provides \$162,500 GF/GP and 1.0 FTE to the Office of Educational Improvement and Innovation Services to support an E-Rate consultant to coordinate district applications and projects, which may allow for increased chances in receiving grants since the Federal Communications Commission (FCC) is considering greater intra-state coordination as a requirement to receive funds. Technology Readiness Infrastructure Grants (TRIG) have funded E-Rate coordination of district applications and projects through the School Aid budget; however, in the School Aid budget TRIG was removed in the FY 2016-17 budget, so this appropriation would continue these operations.	Gross	\$9,362,500	\$162,500
	Federal	6,500,600	0
	Restricted	556,900	0
	GF/GP	\$2,305,000	\$162,500
7. Chief Information Officer	FTE	11.0	1.0
Provides \$200,000 GF/GP and 1.0 FTE for a Chief Information Officer to provide the following functions: leadership, integrative management, and direction for the MDE's shared information systems; institution-wide strategic planning, budgeting for information technologies, and coordination and integration of all MDE IT matters; and data management within MDE.	Gross	\$2,092,100	\$200,000
	Federal	152,700	0
	Private	28,100	0
	Restricted	739,100	0
	GF/GP	\$1,172,200	\$200,000
8. Low Incidence Outreach Program	Gross	NA	\$300,000
Appropriates \$300,000 to the Michigan schools for the deaf and blind to support the low incidence outreach program for document reproduction and services; conferences, workshops, and training classes; and the use of specialized equipment, facilities, and software.	Restricted	NA	300,000
9. Library Fees	Gross	NA	\$300,000
Appropriates \$300,000 to the Library of Michigan for document reproduction and services; conferences, workshops, and training classes; and the use of specialized equipment, facilities, and software.	Restricted	NA	300,000
10. One-Time: Flint Declaration of Emergency Child Development and Care (CDC)	Gross	\$0	\$8,050,100
Includes one-time, half-year funding of \$8.1 million federal Child Care Development Fund (CCDF) to provide subsidized childcare to all 0-3 aged children in Flint for half-day services, for household income up to 300% of the federal poverty guidelines, with additional funding available for transfer from an \$18.9 million Drinking Water Emergency Reserve Fund in the FY 2015-16 supplemental for DTMB.	Federal	0	8,050,000
	Restricted	0	100
11. One-Time: Voluntary Water Testing	Gross	NA	\$4,500,000
Includes \$4.5 million GF/GP to reimburse local schools (public and private school instructional buildings) for the cost to test water for lead, with a cap of \$950 per school building.	GF/GP	NA	\$4,500,000
12. One-Time: Certification Fees Subsidy	Gross	NA	\$500,000
Includes \$500,000 GF/GP to support declining teacher certification fee revenue in a number of line items, for which a fee increase is requested for FY 2017-18.	GF/GP	NA	\$500,000
13. Financial Independence Team (FIT) Operations	Gross	\$499,500	(\$250,000)
Reduces FIT by \$250,000 GF/GP (\$252,800 remaining). The FIT, added in FY 2014-15, is tasked with implementing early warning systems for distressed schools in need of financial attention.	GF/GP	\$499,500	(\$250,000)

EDUCATION (DEPARTMENT)

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>		FY 2015-16 YTD (as of 2/10/16)	Enacted Change From YTD
14. Educator Evaluations	Gross	\$2,500,000	(\$1,000,000)
Reduces Educator Evaluations by \$1.0 million (\$1.5 million remaining). Funding in FY 2015-16 was used for staffing, compliance monitoring, and information technology systems modifications.	GF/GP	\$2,500,000	(\$1,000,000)
15. Early Out 5-Year Payouts	Gross	\$201,400	(\$201,400)
Recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentive, which were spread out over 5 years.	Federal	179,500	(179,500)
	GF/GP	\$21,900	(\$21,900)
16. Educator Talent and Policy Coordination	FTE	NA	0.0
Reflects a new section within the MDE consisting of an appropriation of \$2.6 million Gross (\$627,400 federal, \$239,600 state restricted, and \$1.7 million GF/GP) and 17.0 FTEs. The FTEs and funding do not indicate increases to the MDE, but instead are transfers from other units and line items.	Gross	NA	\$0
	Federal	NA	0
	Restricted	NA	0
	GF/GP	NA	\$0
17. Child Development and Care – Increase Entrance Threshold	Gross	\$124,200,000	\$7,666,100
Provides \$7.7 million federal CCDF in the child development and care public assistance line item to increase the eligibility entrance threshold from 121% of the federal poverty guidelines to 125% of the federal poverty guidelines.	Federal	93,719,300	7,666,100
	GF/GP	\$30,480,700	\$0
18. Child Development and Care – FY 2016-17 Caseload Consensus	Gross	\$124,200,000	\$2,100,000
Increases gross appropriation by \$2.1 million (\$6.8 million federal CCDF increase and \$4.7 million GF/GP decrease) to align with consensus caseload estimates and consensus cost per case estimates.	Federal	93,719,300	6,800,000
	GF/GP	\$30,480,700	(\$4,700,000)
19. Economic Adjustments	Gross	NA	\$2,407,400
Provides for increased costs of \$2.4 million Gross (\$451,100 GF/GP) for negotiated salary and wage increases (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required retirement contributions, and other economic adjustments.	Federal	NA	1,829,000
	Private	NA	900
	Restricted	NA	126,400
	GF/GP	NA	\$451,100

Major Boilerplate Changes From FY 2015-16

Sec. 219. Contingency Funds – REVISED

Increases federal contingency funds from \$5.0 million to \$10.0 million.

Sec. 226. Inter-Departmental Coordination of Services – NEW

Requires that the Department work with other departments to streamline services and resources to reduce duplication and increase efficiency.

Sec. 235. Contract Notification – REVISED

Revises to remove specific references to No Child Left Behind but adds the State Budget Director to the list of organizations that the MDE shall notify when it intends to seek a federal waiver or an amendment to a federal waiver, as well as changing the section number to 229.

Sec. 236. Nonpublic School Mandates – REVISED

Requires MDE to compile a report that identifies mandates required by nonpublic schools by April 1, 2016, but revises the report to reflect only new nonpublic school mandates from the previous year, or lack thereof, as well as changing the section number to 230.

Sec. 237. Fund-raising – DELETED

Provides that MDE shall establish an upper limit on the number and frequency of fund-raising activities that may take place in a public school during hours that allow the sale of food and beverage items that do not meet nutritional standards, and the upper limit is not less than 2 fund-raising activities a week.

EDUCATION (DEPARTMENT)

Major Boilerplate Changes From FY 2015-16

Sec. 350. Special Education Reform Task Force Guidelines – NEW

Requires the Office of Special Education to address the Special Education Reform Task Force Guidelines to design and distribute parent-friendly information for all Individualized Education Plans (IEPs), as well as train mediators knowledgeable about the dispute resolution system and state and federal mandates pertaining to the rights and protections of students with disabilities.

Sec. 408. Carry Forward of Programmatic Service Funds – REVISED

Allows the Michigan schools for the deaf and blind to carry forward funds available for expenditure into the next succeeding year for the low incidence outreach fund for the following: document reproduction and services; conferences, workshops, and training classes; and the use of specialized equipment, facilities, and software for required services. Revises to remove the boilerplate appropriation; which is replaced by a \$300,000 appropriation in part 1 under Sec. 106 for the Michigan Schools for the Deaf and Blind.

Sec. 503. Professional Development Coordination – NEW

Requires the department to coordinate professional development with the Michigan Virtual Learning Research Institute (MVU) and external stakeholders.

Sec. 507. Teacher Certification Test – NEW

Requires the department to adopt a teacher certification test for all new elementary teachers to ensure they have the skills to deliver evidence-based literacy instruction.

Sec. 601. Financial Independence Team (FIT) – DELETED

Details the purpose of the Financial Independence Team which will work with Treasury to develop a financial early warning system and provide assistance to distressed districts and intermediate districts.

Sec. 701. MTSS K-3 At-Risk Funding Report – NEW

Requires the MDE to produce a report detailing the progress made by districts with grades K-3 receiving at-risk funding under section 31a of the State Aid Act in implementing Multi-Tiered Systems of Supports (MTSS) in the prior school fiscal year.

Sec. 801. Funds for Required Services – REVISED

Allows library fee funds collected by MDE through the Library of Michigan for document reproduction, workshops, and equipment to be available for expenditure and may be carried into the next fiscal year. Revises to remove the boilerplate appropriation, which is replaced by a \$300,000 appropriation in part 1 under Sec. 117 for the Library of Michigan.

Sec. 806. State Aid to Libraries – Early Literacy Focus – DELETED

Provides intent to the department to utilize the increased funding for state aid to libraries in support to local library operations and programming for early literacy and third grade reading proficiency.

Sec. 1008. Home Visit Program Coordination – NEW

Requires the department of Education to coordinate with the department of Health and Human Services to provide services to families for home visits.

Sec. 1009. Child Development and Care (CDC) Increase to Eligibility Entrance Threshold – NEW

Requires the department to use \$7.7 million federal CCDF to increase the eligibility entrance threshold of the CDC program from 121% of the federal poverty guidelines to 125% of the federal poverty guidelines.

Sec. 1010. Flint Declaration of Emergency Work Project – NEW

Provides that funding for the drinking water declaration of emergency, if not fully expended by September 30, 2017, are a work project and may be spent in the following fiscal year.

Sec. 1021. Home Visit Program Coordination – NEW

Requires the MDE to renegotiate the ACT WorkKeys test so that the costs for registering and providing students with the National Career Readiness Certificate are included in the contract cost and are not charged to the student.

Major Boilerplate Changes From FY 2015-16

Sec. 1101. Flint Declaration of Emergency – NEW

Requires that from the funds for the Flint declaration of emergency, the MDE must do the following activities: pilot expansion of CDC eligibility to children ages 0 to 3 for half-day childcare services for household income up to 300% of the federal poverty guidelines; and provide information to childcare providers on identification and intervention services for children demonstrating potential developmental delays associated with exposure to lead. The department is required to create a report related to the pilot expansion of the CDC program for the following data: the number of children ages 0 to 3 eligible and participating in CDC services, caseloads, identification for developmental delays or other medical conditions; the number of children ages 0 to 3 receiving medical screenings or referrals; the of number of children ages 0 to 3 in 1-parent and 2-parent households; the number of child care providers provided training on developmental delays and lead exposure; and the number and types of communications to parents or caretakers on the impact of developmental delays and available services.

Sec. 1102. Lead Water Testing – NEW

Requires a reimbursement of \$4.5 million and up to \$950 per school building for the costs for water testing, fixture replacement, filter purchases, plumbing assessments, and/or technical assistance incurred from July 1, 2016 to September 30, 2017.

<u>FY 2015-16 Supplemental Appropriations</u>	<u>FY 2015-16 YTD (as of 2/10/16)</u>		<u>FY 2015-16 Supplemental Change</u>
<i>1. Central Support: Flint Water Emergency Allocations</i>	Gross	NA	\$25,600,000
Provides funding to do the following:	Federal	NA	19,600,000
<ul style="list-style-type: none"> • \$8.0 million to subsidize partial-year half-day child care services for 0-3 children in Flint households making less than 300% of the federal poverty level. • \$100,000 for information to childcare providers on identification and intervention services for children demonstrating developmental delays. • \$9.5 million (\$6.0 million GF/GP) to expand provisions for reimbursement, vouchers, and/or delivery of programs providing fruits and vegetables to children and families. • \$8.0 million reserved for future childcare services for children impacted by the Flint Water Emergency, designated as a work project through FY 2017-18. 	GF/GP	NA	\$6,000,000
<i>2. Child Development and Care (CDC) Caseload Adjustment</i>	Gross	\$124,200,000	(\$3,500,000)
Reduces the Child Development and Care subsidy by \$3.5 million Gross based on consensus caseload estimates.	Federal	93,719,300	1,200,000
	GF/GP	\$30,480,700	(\$4,700,000)

FY 2015-16 Supplemental Boilerplate Changes

Sec. 401. Flint Water Emergency Allocations

Stipulates that funds appropriated for the Flint Water Emergency shall be allocated to address childcare and nutrition needs, including expanding eligibility for half-day childcare services to children up to three years old residing within Flint households earning up to 300% of the federal poverty line, expanding eligibility to support the purposes of the Early Childhood Education Partnership, providing information to childcare providers on identification and intervention services for children demonstrating developmental delays, and expanding programs for reimbursement and vouchers for and home delivery of fruits and vegetables to children and families. Also requires the department to amend definitions and eligibility requirements of the Child Care and Development Fund State Plan and authorizes the department to make allocations of federal TANF funds for food and nutrition needs of families impacted by the Flint water emergency.

Sec. 402. Federal Child Care and Development Fund

Allocates \$8.0 million in federal Child Care and Development funds from the funds appropriated for the Flint Water Emergency for future childcare services for children affected by the Flint water emergency; designates as a work project through FY 2017-18.

ENVIRONMENTAL QUALITY

**DEPARTMENT OF ENVIRONMENTAL QUALITY
Summary of FY 2016-17 Enacted Appropriations
Article VII, 2016 Public Act 268 (House Bill 5294)**

Analyst: Austin Scott

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Enacted	Difference: Enacted From FY 2015-16 YTD	
						Amount	%
IDG/IDT	\$9,115,300	\$9,225,700	\$9,225,700	\$9,225,700	\$9,225,700	\$110,400	1.2
Federal	138,079,100	138,687,200	138,687,200	138,687,200	138,687,200	608,100	0.4
Local	0	0	0	0	0	0	--
Private	546,000	555,300	555,300	555,300	555,300	9,300	1.7
Restricted	305,341,200	317,344,800	315,844,800	317,344,800	317,344,800	12,003,600	3.9
GF/GP	46,914,200	47,686,400	56,186,400	47,686,400	47,736,400	822,200	1.8
Gross	\$499,995,800	\$513,499,400	\$520,499,400	\$513,499,400	\$513,549,400	\$13,553,600	2.7
FTEs	1,226.0	1,238.0	1,238.0	1,238.0	1,238.0	12.0	1.0

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Environmental Quality (DEQ) is responsible for managing Michigan's air, land, and water resources. Departmental functions include improving resource quality, reducing waste, administering Great Lakes programs, and mitigating threats to Michigan's environment.

Major Budget Changes From FY 2015-16 YTD Appropriations

		FY 2015-16 YTD (as of 2/10/16)	Enacted Change From YTD
1. Flint Declaration of Emergency (one-time)	FTE	NA	10.0
Provides 10.0 FTEs and \$5.4 million GF/GP for corrosion control, water quality testing in high risk locations, and water connection service payments for October 2016 through December 2016. Additional funding would be available for transfer from a \$18.9 million Flint Emergency Reserve Fund in the DTMB budget.	Gross	NA	\$5,400,100
	Restricted	NA	100
	GF/GP	NA	\$5,400,000
2. Flint Declaration of Emergency – Removal of FY 2015-16 Supplemental Funding	Gross	\$13,086,500	(\$13,086,500)
Removes \$13.1 million Gross (\$12.1 million GF/GP) from FY 2015-16 Flint supplemental funding (2015 PA 143 and 2016 PA 3). Flint emergency response efforts are continued in FY 2016-17 by the above appropriation.	Restricted	1,000,000	(1,000,000)
	GF/GP	\$12,086,500	(\$12,086,500)
3. Water Pollution Control and Drinking Water Revolving Fund (one-time)	Gross	\$84,993,000	\$2,950,000
Provides \$3.0 million in one-time GF/GP to meet the state match for a federal grant for drinking water revolving fund loans. These low-interest loans are provided to water suppliers to finance the construction, upgrades, or expansions of safe public drinking water systems.	Federal	71,543,000	0
	Restricted	11,400,000	0
	GF/GP	\$2,050,000	\$2,950,000
4. Contaminated Lake and River Sediment Cleanup Program (one-time)	Gross	\$1,565,000	\$700,000
Provides \$700,000 in one-time Clean Michigan Initiative (CMI) contaminated sediments funding for investigation and remediation projects within the Detroit and Rouge Rivers, which are among DEQ's Areas of Concern sites.	Restricted	1,565,000	700,000
	GF/GP	\$0	\$0

ENVIRONMENTAL QUALITY

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>		<u>FY 2015-16 YTD (as of 2/10/16)</u>	<u>Enacted Change From YTD</u>
5. Environmental Cleanup and Redevelopment Program	Gross	\$15,000,000	\$14,900,000
Appropriates remaining \$14.9 million CMI response activities funding to begin cleanup efforts at 13 high priority sites in the following counties: Antrim (2), Cass, Charlevoix, Emmet, Gratiot, Houghton, Ingham, Lake, Lapeer, Livingston, Saint Joseph, and Washtenaw.	Restricted	15,000,000	14,900,000
	GF/GP	\$0	\$0
6. Oil, Gas, and Mineral Services (one-time)	FTE	59.0	0.0
Provides \$4.0 million in one-time GF/GP for oil, gas, and mineral services to help offset a reduction in available oil and gas regulatory funding due to decreased gas prices.	Gross	\$12,012,800	\$4,000,000
	Restricted	12,012,800	0
	GF/GP	\$0	\$4,000,000
7. Refined Petroleum Product Cleanup Program	Gross	\$20,000,000	\$1,500,000
Shifts \$1.5 million in refined petroleum funding (RPF) from the Department of Agriculture and Rural Development (MDARD) to DEQ to better align RPF with the fund's remediation and redevelopment purpose. This shift is the first of a three year plan; funding in MDARD is replaced with GF/GP.	Restricted	20,000,000	1,500,000
	GF/GP	\$0	\$0
8. Water Withdrawal Assessment Program	FTE	4.0	0.0
Provides \$800,000 CMI clean water funding to implement program recommendations made by the Water Use Advisory Council. Recommendations include improvements to the Water Withdrawal Assessment Tool on the DEQ website.	Gross	\$611,900	\$800,000
	Restricted	240,500	800,000
	GF/GP	\$371,400	\$0
9. Five-Year Early Out Sick Leave Payments	Gross	NA	(\$243,300)
Recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentive, which were spread out over 5 years; removes \$243,300 Gross (\$43,800 GF/GP).	IDG	NA	(8,200)
	Federal	NA	(53,300)
	Restricted	NA	(138,000)
	GF/GP	NA	(\$43,800)
10. Revenue Adjustments	FTE	NA	4.0
Reduces federal and restricted authorization by a combined \$7.0 million and adds 4.0 FTEs to the underground storage tank cleanup program to reflect available funding. Includes a \$150,000 reduction in federal funding for the Office of the Great Lakes (replaced by restricted funding), a \$1.5 million reduction in CMI authorization for Brownfield grants, and a \$5.4 million reduction in oil and gas regulatory fund authorization for oil, gas, and mineral services.	Gross	NA	(\$7,012,400)
	Federal	NA	(150,000)
	Restricted	NA	(6,862,400)
	GF/GP	NA	\$0
11. Economic Adjustments	Gross	NA	\$3,595,700
Reflects increased costs of \$3.6 million Gross (\$552,500 GF/GP) for negotiated salary and wage increases (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required retirement contributions, and other economic adjustments.	IDG	NA	118,600
	Federal	NA	811,400
	Private	NA	9,300
	Restricted	NA	2,103,900
	GF/GP	NA	\$552,500
12. Saginaw River Dredging Project – Phase I	Gross	NA	\$50,000
Provides \$50,000 GF/GP for phase I of a dredging project in the Saginaw River.	GF/GP	NA	\$50,000

Major Boilerplate Changes From FY 2015-16

Sec. 207. Retention of Reports – DELETED

Requires DEQ to retain copies of all reports funded from appropriations.

Sec. 215. Performance Benchmarks – DELETED

Requires report of benchmarks to measure performance or return for each new program or program increase over \$500,000; includes intent language that any new program include a list of benchmarks in future (see Sec. 240 in General Government).

ENVIRONMENTAL QUALITY

Major Boilerplate Changes From FY 2015-16

Sec. 223. FTE Report by Line Item – DELETED

Requires DEQ to report on the number of funded FTEs and number of FTEs funded by line item.

Sec. 235. Clean Michigan Initiative Report – NEW

Requires DEQ to prepare an annual report on projects funded by Clean Michigan Initiative (CMI) funds and remaining CMI fund balances.

Sec. 306. Refined Petroleum Fund Cleanup Site List – REVISED

Lists cleanup projects funded through the Refined Petroleum Product Cleanup Program; requires report on amount spent at each site and work performed. Revised with updated site list.

Sec. 309. Brownfield Grants Program Work Project Language – DELETED

Provides that Brownfield Grants Program funds are work project appropriations and allows carry-forward of remaining funds; requires projects to be accomplished by contract; tentative completion date is September 30, 2020.

Sec. 311. Enbridge Settlement Report – DELETED

Requires DEQ to submit a report detailing the remediation and redevelopment actions funded by the May 2015 Enbridge settlement.

Sec. 312. Perfluorinated Compounds Study and Workgroup – NEW

Requires DEQ to conduct a study on the effects of long-term exposure to perfluorinated compounds and to conduct a workgroup to establish cleanup criteria for perfluorinated compounds under part 201 of the Natural Resources and Environmental Protection Act.

Sec. 406. Groundwater Discharge Permit Fee Revision – DELETED

Requires DEQ to work with stakeholders to revise the ground water discharge permit fee prior to September 30, 2016.

Sec. 407. Contaminated Lake and River Sediment Cleanup Program – NEW

Allows unexpended funds appropriated for the contaminated lake and river sediment cleanup program to be considered work project appropriations and carried forward into the succeeding fiscal year. The program will perform contaminated lake and river sediment cleanups estimated to cost \$2.3 million with a tentative completion date of September 30, 2021.

Sec. 410. Lake Erie Report – NEW

Requires DEQ to compile a report on the status of the implementation plan for the western Lake Erie basin collaborative agreement.

Sec. 501. Air Quality Program – DELETED

Directs DEQ to use the increase in air quality funding to administer Michigan's air quality program and maintain compliance with the federal Clean Air Act, also includes 1.0 FTE authorization dedicated to oversight of air quality programs in the Upper Peninsula.

Sec. 502. Air Quality Penalties – DELETED

Prohibits DEQ from issuing additional penalties for violations committed by a facility's previous owner, unless compelled by a legal agreement.

Sec. 801. Flint Declaration of Emergency – NEW

Allows the funds appropriated for the Flint declaration of emergency to be expended to keep Flint on the Detroit water system, to cover staff, lab and testing costs, and to cover contract costs.

Sec. 803. Flint Supplemental Funding Report – NEW

Requires a report on the use of the supplemental funds appropriated in FY 2015-16 for the Flint declaration of emergency.

Sec. 2001. FY 2016-17 Anticipated Appropriations – DELETED

States intent that FY 2016-17 line item appropriations will be the same as those for FY 2015-16 with certain economic adjustments.

ENVIRONMENTAL QUALITY

FY 2015-16 Supplemental Appropriations

1. Flint Declaration of Emergency

Provides spending and staff authorization for:

- \$25.0 million for a grant awarded to the City of Flint for the replacement of lead service lines for high-risk, high-hazard homes in Flint.
- \$4.5 million for expenses related to the declaration of emergency which may include Flint water system needs or Flint Water Response Team efforts.
- \$3.9 million to the Great Lakes Water Authority (fmr. Detroit Sewer and Water Department) for service from July 2016 through September 2016.

	FY 2015-16 YTD (as of 2/10/16)	FY 2015-16 Supplemental Change
FTE	NA	4.0
Gross	NA	\$33,350,000
GF/GP	NA	\$33,350,000

2. Western Michigan University Geological Research

Provides \$500,000 GF/GP for the research of Michigan's geological resources. Research will be conducted through Western Michigan University. The study will include the mapping of resources to identify their potential social and economic benefits and the protection of associated resource values.

Gross	NA	\$500,000
GF/GP	NA	\$500,000

FY 2015-16 Supplemental Boilerplate Changes

Sec. 501. Great Lakes Water Authority

Stipulates that funds appropriated via line item shall be allocated to pay up to \$3.9 million to the Great Lakes Water Authority (fmr. Detroit Water and Sewerage Department), subject to a legal agreement, for water service from July 2016 through September 2016.

Sec. 502. Needs Related to Declaration of Emergency

Stipulates that funds appropriated via line item shall be allocated for expenses related to the Flint water emergency, which may include water system needs and Flint Water Response Team efforts.

Sec. 503. Replacement of Lead Service Lines

Stipulates that funds appropriated via line item shall be granted to the City of Flint to support up to \$25.0 million for the replacement of lead service lines for high-risk, high-hazard homes in Flint. The grant is subject to a signed agreement and requirement that the City provide a work plan, limitation on the amount expended per household, and prohibition on use of fund for permitting fees; unexpended funds would lapse to the General Fund after September 30, 2017 and the Auditor General would be required to conduct preliminary and final audits.

GENERAL GOVERNMENT TOTALS

GENERAL GOVERNMENT TOTALS
Summary of FY 2016-17 Enacted Appropriations
Article VIII, 2016 Public Act 268 (House Bill 5294)

Analysts: Ben Gielczyk
Perry Zielak

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Revised Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Enacted	Difference: Enacted From FY 2015-16 YTD	
						Amount	%
IDG/IDT	\$742,192,600	\$760,146,600	\$760,158,300	\$760,158,300	\$760,158,300	\$17,965,700	2.4
Federal	825,221,900	832,556,900	832,523,500	832,523,500	826,723,500	1,501,600	0.2
Local	17,050,900	17,085,700	17,021,000	12,021,000	12,021,000	(5,029,900)	(29.5)
Private	6,253,300	6,064,500	6,064,500	6,064,500	6,064,500	(188,800)	(3.0)
Restricted	2,092,887,000	2,150,408,700	2,153,660,400	2,136,895,100	2,126,990,600	34,103,600	1.6
GF/GP	1,181,022,600	1,147,340,600	1,094,451,200	1,146,743,400	1,137,312,700	(43,709,900)	(3.7)
Gross	\$4,864,628,300	\$4,913,603,000	\$4,863,878,900	\$4,894,405,800	\$4,869,270,600	\$4,642,300	0.1
FTEs	8,717.2	8,752.7	8,736.7	8,747.7	8,759.7	42.5	0.5

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview of All General Government Departments

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 2015-16 General Government appropriations bill follow this page.

Major Boilerplate Changes From FY 2015-16

Sec. 207. New Program Metrics – DELETED

Requires benchmarks to be developed by November 1 by the department or agency receiving funding for a new program for which funds in excess of \$500,000 are appropriated. Metrics developed are in addition to those metrics required under section 447 of the Management and Budget Act.

Sec. 211. Budget Stabilization Fund Pay-in – REVISED

Appropriates \$95.0 million of GF/GP revenue into the Countercyclical Budget and Economic Stabilization Fund (BSF). Revises to eliminate Budget Stabilization Fund pay-in. Stipulates that 25% of unassigned GF/GP fund balance for FY 2016-17 shall be deposited in the Budget Stabilization Fund.

Sec. 217. General Fund Restrictions – NEW

Prohibits using General Fund appropriations where federal funds and private grants funds are available for the same purpose.

Sec. 240. New Program Metrics – NEW

Requires the State Budget Office provide a list of new programs and program enhancements that exceed \$500,000. Also requires identified programs to use program-specific measuring metrics in addition to the metrics required under Section 447 of the Management and Budget Act. The State Budget Office shall provide a report on the metrics and performance progress of identified programs by September 30. Expresses intent that future program funding increases be based on prior performance.

**DEPARTMENT OF ATTORNEY GENERAL
Summary of FY 2016-17 Enacted Appropriations
Article VIII, 2016 Public Act 268 (House Bill 5294)**

Analyst: Perry Zielak

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Enacted	Difference: Enacted From FY 2015-16 YTD	
						Amount	%
IDG/IDT	\$28,533,900	\$28,989,700	\$28,989,700	\$28,989,700	\$28,989,700	\$455,800	1.6
Federal	9,278,600	9,476,700	9,476,700	9,476,700	9,476,700	198,100	2.1
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	17,281,700	17,578,900	20,178,900	17,578,900	20,178,900	2,897,200	16.8
GF/GP	37,013,400	39,140,500	39,140,600	41,040,500	42,840,500	5,827,100	15.7
Gross	\$92,107,600	\$95,185,800	\$97,785,900	\$97,085,800	\$101,485,800	\$9,378,200	10.2
FTEs	524.5	533.0	533.0	533.0	533.0	8.5	1.6

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (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.

Major Budget Changes From FY 2015-16 YTD Appropriations

		FY 2015-16 YTD (as of 2/10/16)	Enacted Change From YTD
1. State Defense Costs	Gross	NA	\$3,000,000
Includes \$3.0 million GF/GP in one-time funding for increased litigation costs in the defense of state agencies and state actors associated with the Flint water crisis.	GF/GP	NA	\$3,000,000
2. Lawsuit Settlement Proceeds Fund	Gross	NA	\$2,600,000
Includes \$2.6 million in restricted fund authorization to allow for Attorney General to spend lawsuit settlement proceeds on the costs of all associated expenses related to the Flint water crisis. Associated boilerplate restricts spending to a cap of \$2.6 million.	Restricted	NA	2,600,000
	GF/GP	NA	\$0
3. Prescription Drug Abuse Unit	FTE	NA	4.5
Includes \$700,000 GF/GP in one-time funding and 4.5 FTEs to strengthen the statewide drug enforcement strategy.	Gross	NA	\$700,000
	GF/GP	NA	\$700,000
4. Juvenile Life without Parole	Gross	NA	\$700,000
Includes \$700,000 GF/GP in one-time funding for investigations, crime victim rights, prosecutions and appeals for retroactive juvenile life without parole cases.	GF/GP	NA	\$700,000
5. Home Protection Unit	FTE	475.5	4.0
Includes \$600,000 GF/GP and 4.0 FTEs for the Home Protection Unit, which assists home-owners defrauded from foreclosure-related crimes.	Gross	\$81,501,200	\$600,000
	IDG	28,371,500	0
	Federal	6,589,700	0
	Restricted	16,877,700	0
	GF/GP	\$29,662,300	\$600,000

GENERAL GOVERNMENT: ATTORNEY GENERAL

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>		<u>FY 2015-16 YTD</u>	<u>Enacted Change</u>
		<u>(as of 2/10/16)</u>	<u>From YTD</u>
6. Five-Year Early Out Deferred Sick Leave Payments		Gross	NA (\$472,200)
Recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentive, which were spread out over 5 years.		Restricted	(467,200)
		GF/GP	(\$5,000)
7. Human Trafficking Commission		Gross	\$81,501,200 \$390,000
Includes \$390,000 Gross for prosecutions and public awareness regarding human trafficking in Michigan.		IDG	0
		Federal	0
		Restricted	390,000
		GF/GP	\$0
8. Economic Adjustments		Gross	NA \$1,940,700
Includes cost increase of \$1.9 million Gross (\$750,000 GF/GP) for negotiated salary and wage amounts (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required retirement contributions, and other economic adjustments.		IDG	618,200
		Federal	198,100
		Restricted	374,400
		GF/GP	\$750,000

Major Boilerplate Changes From FY 2015-16

Sec. 308. Litigation Expense Reimbursements – REVISED

Increases appropriation cap from \$500,000 to \$1.0 million from litigation expense reimbursements and increases cap from \$500,000 to \$1.0 million of unexpended funds to be carried forward.

Sec. 313. Mortgage Fraud Prosecutions – NEW

Specifies that \$600,000 be allocated for the investigation and prosecution of mortgage fraud.

Sec. 314. Lawsuit Settlement Proceeds for Declaration of Emergency Due to Drinking Water Contamination – NEW

Allows the department to use lawsuit settlement proceeds for associated expenses related to the Flint water declaration of emergency up to a maximum authorization of \$2.6 million.

Sec. 314a. Juvenile Life without Parole – NEW

Specifies purpose of \$700,000 appropriation is for investigations, crime victim rights, prosecutions and appeals for retroactive juvenile life without parole cases. Also requires report by September 30.

Sec. 316. Sexual Assault Kit Testing – REVISED

Specifies that the department test the backlog of sexual assault kits outside of Wayne County, assist local prosecutions and investigations and provide victim services. Adds a reporting requirement on updates related to expenditures made from appropriated funds due January 30.

Sec. 317. Declaration of Emergency Due to Drinking Water Contamination Report – NEW

Specifies that the department provide an accounting report of all funds spent for any legal costs or associated expenses related to the declaration of emergency in Flint on the public website that shall include the budget line item source for each expenditure. Also requires that all materials related to the investigation be preserved according to existing retention policies.

<u>FY 2015-16 Supplemental Appropriations</u>		<u>FY 2015-16 YTD</u>	<u>FY 2015-16</u>
		<u>(as of 2/10/16)</u>	<u>Supplemental</u>
			<u>Change</u>
1. Drinking Water Emergency Legal Services		Gross	NA \$1,300,000
Spending authorization for legal services related to the Flint drinking water declaration of emergency provided by the Department of Attorney General.		Restricted	1,300,000

FY 2015-16 Supplemental Boilerplate Changes

Sec. 301. Flint Water Emergency Legal Services

Stipulates that the department may expend money appropriated from the Lawsuit Settlement Proceeds Fund for expenses related to the Flint water emergency.

**DEPARTMENT OF CIVIL RIGHTS
Summary of FY 2016-17 Enacted Appropriations
Article VIII, 2016 Public Act 268 (House Bill 5294)**

Analyst: Perry Zielak

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Revised Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Enacted	Difference: Enacted From FY 2015-16 YTD	
						Amount	%
IDG/IDT	\$286,700	\$293,600	\$293,600	\$293,600	\$293,600	\$6,900	2.4
Federal	2,721,700	2,763,000	2,763,000	2,763,000	2,763,000	41,300	1.5
Local	0	0	0	0	0	0	--
Private	18,700	18,700	18,700	18,700	18,700	0	0.0
Restricted	151,900	151,900	151,900	151,900	151,900	0	0.0
GF/GP	12,949,700	13,494,700	13,394,700	13,519,700	13,021,300	71,600	0.6
Gross	\$16,128,700	\$16,721,900	\$16,621,900	\$16,746,900	\$16,248,500	\$119,800	0.7
FTEs	135.0	138.0	137.0	138.0	135.0	0.0	0.0

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (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.

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 YTD (as of 2/10/16)	Enacted Change From YTD
1. Hispanic/Latino and Asian Pacific American Affairs Commissions	FTE	2.0	(2.0)
Incorporates Executive Order 2016-3, which moves the Hispanic/Latino Commission of Michigan and the Asian Pacific American Affairs Commission to the Department of Licensing and Regulatory Affairs (LARA).	Gross	\$365,700	(\$365,700)
	GF/GP	\$365,700	(\$365,700)
2. Division on Deaf and Hard of Hearing	FTE	NA	2.0
Includes \$250,000 GF/GP in one-time funding and 2.0 FTEs to the Division on Deaf and Hard of Hearing.	Gross	NA	\$250,000
	GF/GP	NA	\$250,000
3. Commission on Middle Eastern American Affairs	FTE	NA	(1.0)
Incorporates EO 2016-3, which moves the Commission on Middle Eastern American Affairs to LARA.	Gross	NA	(\$100,000)
	GF/GP	NA	(\$100,000)
4. Five-Year Early Out Deferred Sick Leave Payments	Gross	NA	\$70,800
Recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentive, which were spread out over 5 years.	GF/GP	NA	\$70,800
5. Economic Adjustments	Gross	NA	\$286,200
Reflects increased costs of \$286,200 Gross (\$238,000 GF/GP) for negotiated salary and wage amounts (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required retirement contributions, and other economic adjustments.	IDG	NA	6,900
	Federal	NA	41,300
	Restricted	NA	0
	GF/GP	NA	\$238,000

Major Boilerplate Changes From FY 2015-16

There are no major boilerplate changes for FY 2016-17.

EXECUTIVE OFFICE
Summary of FY 2016-17 Enacted Appropriations
Article VIII, 2016 Public Act 268 (House Bill 5294)

Analyst: Ben Gielczyk

IDG/IDT	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Enacted	Difference: Enacted From FY 2015-16 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	0	0	0	0	0	0	--
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	0	0	0	0	0	0	--
GF/GP	5,531,100	5,636,300	5,636,300	5,636,300	5,636,300	105,200	1.9
Gross	\$5,531,100	\$5,636,300	\$5,636,300	\$5,636,300	\$5,636,300	\$105,200	1.9
FTEs	84.2	84.2	84.2	84.2	84.2	0.0	0.0

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (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.

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>		<u>FY 2015-16 YTD Enacted</u>	<u>Change</u>
		<u>(as of 2/10/16)</u>	<u>From YTD</u>
1. Executive Office Operations		Gross \$4,002,900	\$105,200
Reflects increased costs of \$105,200 Gross and GF/GP related to Executive Office staff and other operations.	GF/GP	\$4,002,900	\$105,200

Major Boilerplate Changes From FY 2015-16

There are no major boilerplate changes for FY 2016-17.

LEGISLATIVE AUDITOR GENERAL
Summary of FY 2016-17 Enacted Appropriations
Article VIII, 2016 Public Act 268 (House Bill 5294)

Analyst: Ben Gielczyk

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Enacted	Difference: Enacted From FY 2015-16 YTD	
						Amount	%
IDG/IDT	\$5,392,800	\$5,558,600	\$5,558,600	\$5,558,600	\$5,558,600	\$165,800	3.1
Federal	0	0	0	0	0	0	--
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	1,987,600	1,969,400	1,969,400	1,969,400	1,969,400	(18,200)	(0.9)
GF/GP	15,460,100	15,923,900	16,387,700	15,923,900	16,123,900	663,800	4.3
Gross	\$22,840,500	\$23,451,900	\$23,915,700	\$23,451,900	\$23,651,900	\$811,400	3.6
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	--

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (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.

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>	FY 2015-16 YTD (as of 2/10/16)	Enacted Change From YTD
1. Auditor General Operations	Gross	\$22,511,100
Includes \$811,400 Gross (\$663,800 GF/GP) to reflect increased costs related to Auditor General staff and other operations.	IDG	5,392,800
	Restricted	1,987,600
	GF/GP	\$15,130,700
		\$811,400

Major Boilerplate Changes From FY 2015-16

There are no major boilerplate changes in FY 2016-17.

LEGISLATURE

**Summary of FY 2016-17 Enacted Appropriations
Article VIII, 2016 Public Act 268 (House Bill 5294)**

Analyst: Ben Gielczyk

IDG/IDT	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Enacted	Difference: Enacted From FY 2015-16 YTD	
						Amount	%
	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	0	0	0	0	0	0	--
Local	0	0	0	0	0	0	--
Private	400,000	400,000	400,000	400,000	400,000	0	0.0
Restricted	4,192,000	4,275,800	4,275,800	4,275,800	4,275,800	83,800	2.0
GF/GP	131,872,300	136,577,800	137,352,800	138,077,800	137,227,800	5,355,500	4.1
Gross	\$136,464,300	\$141,253,600	\$142,028,600	\$142,753,600	\$141,903,600	\$5,439,300	4.0
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	--

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (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 Farnum 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 2015-16 YTD Appropriations	FY 2015-16 YTD (as of 2/10/16)	Enacted Change From YTD
1. Legislature Operations	Gross \$136,464,300	\$4,789,300
Includes \$4.8 million Gross (\$4.7 million GF/GP) to reflect increased costs related to legislative staff and other operations.	Private 400,000	0
	Restricted 4,192,000	83,800
	GF/GP \$131,872,300	\$4,705,500
2. Criminal Justice Policy Commission	Gross NA	\$500,000
Includes \$500,000 GF/GP to support a study by the Criminal Justice Policy Commission on the costs and savings of redirecting 17-year-olds from the adult court to the family court and juvenile justice systems.	GF/GP NA	\$500,000
3. Michigan Veterans Facility Ombudsman	Gross NA	\$150,000
Includes \$150,000 GF/GP to support the creation of a Veterans Facility Ombudsman to address complaints made at the veteran's homes of the state.	GF/GP NA	\$150,000

Major Boilerplate Changes From FY 2015-16

Sec. 603. National Association Dues – REVISED

Requires the Legislative Council to distribute funds appropriated for payment of national association dues. Revises to require first \$34,800 to be paid to the National Conference of Commissioners of Uniform State Laws with the remaining funds distributed accordingly by the Legislative Council.

Major Boilerplate Changes From FY 2015-16

Sec. 610. Criminal Justice Policy Commission Study – NEW

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.

Sec. 619. Michigan Veterans Facility Ombudsman – NEW

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.

<u>FY 2015-16 Supplemental Appropriations</u>		<u>FY 2015-16 YTD (as of 2/10/16)</u>	<u>FY 2015-16 Supplemental Change</u>
<i>1. Legislative Redistricting</i>	Gross	NA	\$450,000
Includes \$450,000 GF/GP to cover costs associated with House and Senate redistricting, including equipment, supplies, and services needed for tracking and reporting census and reapportionment information.	GF/GP	NA	\$450,000
<i>2. Legislative IT Systems Design Project</i>	Gross	NA	\$3,000,000
Includes \$3.0 million GF/GP to cover the design, development, and implementation of a legislative-wide integrated computer system.	GF/GP	NA	\$3,000,000
<i>3. Criminal Justice Policy Commission</i>	Gross	NA	\$500,000
Includes \$500,000 GF/GP to cover the administrative and operational costs associated with the Criminal Justice Policy Commission.	GF/GP	NA	\$500,000
<i>4. Capitol Historic Site</i>	Gross	\$3,060,000	\$3,250,000
Includes \$3.3 million GF/GP for the State Capitol Historic Site restoration, renewal, and maintenance. Specifically, the funds would cover the costs of additional equipment and services for scheduled maintenance and restoration.	Restricted GF/GP	3,060,000 \$0	0 \$3,250,000

FY 2015-16 Supplemental Boilerplate Changes

Sec. 501. Legislative Redistricting

Designates funding as work project with a tentative completion date of September 30, 2020.

Sec. 502. Integrated Computer System

Designates funding as work project with a tentative completion date of September 30, 2019.

Sec. 503. Criminal Justice Policy Commission

Designates funding as work project with a tentative completion date of September 30, 2019.

Sec. 504. Capitol Historic Site

Designates funding as work project with a tentative completion date of September 30, 2020.

DEPARTMENT OF STATE
Summary of FY 2016-17 Enacted Appropriations
Article VIII, 2016 Public Act 268 (House Bill 5294)

Analyst: Perry Zielak

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Enacted	Difference: Enacted From FY 2015-16 YTD	
						Amount	%
IDG/IDT	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$0	0.0
Federal	1,460,000	1,460,000	1,460,000	1,460,000	1,460,000	0	0.0
Local	0	5,000,000	5,000,000	0	0	0	--
Private	100	100	100	100	100	0	0.0
Restricted	186,635,100	204,445,900	204,445,900	190,345,900	204,445,900	17,810,800	9.5
GF/GP	22,161,500	27,109,600	22,109,600	27,109,600	22,109,600	(51,900)	(0.2)
Gross	\$230,256,700	\$258,015,600	\$253,015,600	\$238,915,600	\$248,015,600	\$17,758,900	7.7
FTEs	1,593.0	1,593.0	1,593.0	1,593.0	1,593.0	0.0	0.0

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (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 2015-16 YTD Appropriations		FY 2015-16 YTD (as of 2/10/16)	Enacted Change From YTD
1. Increased Record Look-up Fee	Gross	\$21,945,300	\$14,100,000
Increases funding by \$14.1 million state restricted from raising the record look-up fee from \$8.00 to \$11.00 to replace department mainframe legacy systems.	Restricted	20,380,700	14,100,000
	GF/GP	\$1,564,600	\$0
2. State/Local Funding for Voting System Replacement	Gross	NA	\$5,000,000
Appropriates \$5.0 million GF/GP in one-time funding for the purchase of new voting systems statewide.	GF/GP	NA	\$5,000,000
3. Removal of FY 2015-16 One-Time Appropriation	Gross	\$5,000,000	(\$5,000,000)
Eliminates \$5.0 million GF/GP from appropriation made for voting machines in PA 268 of 2015.	GF/GP	\$5,000,000	(\$5,000,000)
4. Five-Year Early Out Deferred Sick Leave Payments	Gross	NA	(\$598,800)
Recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentive, which were spread out over 5 years.	Restricted	NA	(568,100)
	GF/GP	NA	(\$30,700)
5. MI-Time Line Maintenance	Gross	\$83,462,100	\$470,000
Appropriates \$470,000 state restricted for system support and maintenance of kiosks that allows customers to schedule an appointment time online.	IDG	20,000,000	0
	Restricted	60,468,400	470,000
	GF/GP	\$2,993,700	\$0
6. Customer Delivery Services Fund Shift	Gross	\$83,462,100	\$0
Increases use of Transportation Administration Collection fund revenues by \$500,000 to offset \$500,000 GF/GP reduction.	IDG	20,000,000	0
	Restricted	60,468,400	500,000
	GF/GP	\$2,993,700	(\$500,000)

GENERAL GOVERNMENT: STATE (DEPARTMENT)

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>		<u>FY 2015-16 YTD (as of 2/10/16)</u>	<u>Enacted Change From YTD</u>
<i>7. Economic Adjustments</i>	Gross	NA	\$3,599,400
Includes cost increase of \$3.6 million Gross (\$465,400 GF/GP) for negotiated salary and wage amounts (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required retirement contributions, and other economic adjustments.	Restricted	NA	3,134,000
	GF/GP	NA	\$465,400

Major Boilerplate Changes From FY 2015-16

Sec. 703. Record Look-up Fees – REVISED

Increases the fee charged for the record look-up of vehicles and various other crafts from \$8.00 to \$11.00 and adds quarterly reporting requirement.

Sec. 722. Bridge Card Fraud Work Group – DELETED

Requires the department to participate in a work group with the Department of Health and Human Services and the Michigan State Police to investigate methods to deter Bridge Card fraud and to report the findings.

Sec. 722. Legacy System Modernization – NEW

Explains the purpose of modernizing legacy system mainframes and adds reporting requirement on project expenditures.

Sec. 723. Voting Machines Replacement Program – NEW

Explains the purpose of the voting machines replacement program.

<u>FY 2015-16 Supplemental Appropriations</u>		<u>FY 2015-16 YTD (as of 2/10/16)</u>	<u>FY 2015-16 Supplemental Change</u>
<i>1. ExpressSOS Technology Upgrades</i>	Gross	\$21,945,300	\$3,800,000
Appropriates \$3.8 million GF/GP for ExpressSOS technology upgrades needed as a result of changes made in PA 174 of 2015, which increased registration fees.	Restricted	20,380,700	0
	GF/GP	\$1,564,600	\$3,800,000

FY 2015-16 Supplemental Boilerplate Changes

Sec. 701. ExpressSOS Technology Upgrades

Designates funding as work project with a tentative completion date of September 30, 2020.

**DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT
Summary of FY 2016-17 Enacted Appropriations
Article VIII, 2016 Public Act 268 (House Bill 5294)**

Analyst: Ben Gielczyk

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Enacted	Difference: Enacted From FY 2015-16 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	764,102,800	773,944,800	773,944,800	773,944,800	768,144,800	4,042,000	0.5
Local	4,433,500	500,000	500,000	500,000	500,000	(3,933,500)	(88.7)
Private	5,619,000	5,619,000	5,619,000	5,619,000	5,619,000	0	0.0
Restricted	180,411,200	192,341,600	192,341,600	192,341,600	192,341,600	11,930,400	6.6
GF/GP	198,457,000	170,088,900	150,089,000	169,275,100	179,388,900	(19,068,100)	(9.6)
Gross	\$1,153,023,500	\$1,142,494,300	\$1,122,494,400	\$1,141,680,500	\$1,145,994,300	(\$7,029,200)	(0.6)
FTEs	1,619.0	1,615.0	1,615.0	1,615.0	1,615.0	(4.0)	(0.2)

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (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 2015-16 YTD Appropriations

1. Business Attraction and Community Revitalization

Includes increase of \$1.5 million (\$499,900 GF/GP).

	FY 2015-16 YTD (as of 2/10/16)	Enacted Change From YTD
Gross	\$114,000,000	\$1,499,900
Restricted	20,600,000	1,000,000
GF/GP	\$93,400,000	\$499,900

2. Entrepreneurship Eco-System

Removes \$2.0 million 21st Century Jobs Trust Fund and shifts \$1.0 million to Business Attraction and Community Revitalization (See Item #1) and \$1.0 million to Pure Michigan (See Item #8).

Gross	\$21,400,000	(\$2,000,000)
Restricted	21,400,000	(2,000,000)

3. Skilled Trades Training Program

Provides a net increase of \$5.3 million Gross. Includes \$10.0 million in additional Contingent Fund, penalty and interest funds and reduces by \$4.7 million GF/GP. Funds will support expansion of program and help meet continued demand of Skilled Trades Training Program. Funds assist employers with designing training programs for potential employees lacking the requisite skills.

Gross	\$25,600,000	\$5,300,000
Federal	0	0
Restricted	15,600,000	10,000,000
GF/GP	\$10,000,000	(\$4,700,000)

4. Statewide Data System Integration

Includes \$8.8 million Gross (\$0 GF/GP) in one-time appropriations for the replacement of the state's current workforce reporting system with the Michigan Integrated Data System which will allow state to meet new federal workforce data reporting requirements. Funds will also support the enhancement of the Workforce Longitudinal Data System to enhance data integration and sharing between state agencies to measure effectiveness and outcomes of state and federal workforce and education programs.

Gross	\$0	\$8,778,500
Federal	0	4,800,000
Restricted	0	3,978,500

GENERAL GOVERNMENT: TALENT AND ECONOMIC DEVELOPMENT

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>	FY 2015-16 YTD (as of 2/10/16)	Enacted Change From YTD
5. Human Resources Transfer	FTE 4.0	(4.0)
Removes \$710,000 Gross (\$0 GF/GP) and 4.0 FTEs associated with human services functions in DTED. Funds and FTEs are transferred to the Civil Service Commission with the establishment of DTED as an Executive department.	Gross \$710,000	(\$710,000)
	Federal 535,400	(535,400)
	Restricted 174,600	(174,600)
6. Technical Adjustment to Revenue Sources	Gross \$954,566,500	(\$8,587,700)
Reduces various line items by \$8.6 million Gross (\$0 GF/GP) federal, local, private, and restricted fund sources to align with actual funds received.	Federal 764,102,800	(1,881,400)
	Local 4,433,500	(3,933,500)
	Private 5,619,000	(8,000)
	Restricted 180,411,200	(2,764,800)
7. Five-Year Early Out Deferred Sick Leave Payments	Gross \$577,700	(\$577,700)
Removes \$577,700 Gross (\$59,200 GF/GP). Recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentives, which were spread out over five years.	Federal 386,200	(386,200)
	Restricted 132,300	(132,300)
	GF/GP \$59,200	(\$59,200)
8. Pure Michigan	Gross \$33,000,000	\$1,000,000
Includes \$1.0 million Gross (\$0 GF/GP) in additional funds to support the Pure Michigan campaign. Funds transferred from Entrepreneurship Eco-System.	Restricted 33,000,000	1,000,000
9. Other One-Time Appropriations	Gross \$30,150,000	(\$18,150,000)
Removes \$30.2 million GF/GP in one-time appropriations for Film Incentives (\$25.0 million GF/GP) and various one-time special grants (\$5.2 million GF/GP). Includes \$12.0 million in new one-time special grant funding for the 21 special grant projects listed in Section 1046.	GF/GP \$30,150,000	(\$18,150,000)
10. Sustainable Employment Pilot Program	Gross \$0	\$100
Includes \$100 GF/GP in one-time appropriations as a placeholder for a new sustainable employment pilot program. The program would focus on moving individuals off of government assistance programs and measure the corresponding savings to state government.	GF/GP \$0	\$100
11. Protect and Grow	Gross \$0	\$3,000,000
Includes \$3.0 million GF/GP to support Protect and Grow which would inventory Michigan's defense assets and determine their economic impact, strategically invest to protect current defense industry assets, grow existing operations and identify and pursue new opportunities, and engage key leaders associated with Michigan's defense industry.	GF/GP \$0	\$3,000,000
12. Economics Adjustments	Gross NA	\$3,417,700
Reflects increased costs of \$3.4 million Gross (\$341,100 GF/GP) for negotiated salary and wage amounts (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required retirement contributions, and other economic adjustments.	Federal NA	2,045,000
	Private NA	8,000
	Restricted NA	1,023,600
	GF/GP NA	\$341,100

Major Boilerplate Changes From FY 2015-16

Sec. 991. Michigan Broadband Development Authority Report – DELETED

Requires the Department and MSHDA to report on the status of loans entered into by the Michigan Broadband Development Authority.

Sec. 1014. Michigan Core Communities Fund – DELETED

Outlines purposes and authorized uses of the fund; establishes policies and procedures for disseminating grants from the fund; requires notification before grant distribution. Rolls reporting requirement into Section 1007.

Sec. 1031. Spending Plan Report – DELETED

Requires MSF to report by April 15 on the spending plan for the line items for innovation and entrepreneurship and business attractions and economic gardening; requires notice within 10 days if spending plan changes.

GENERAL GOVERNMENT: TALENT AND ECONOMIC DEVELOPMENT

Major Boilerplate Changes From FY 2015-16

Sec. 1033. *Film Incentive Status Report* – REVISED

Requires quarterly reports on the status of the film incentives approved under Section 29h of the MSF Act. Revises to require annual activities report from the Michigan Film and Digital Media Office.

Sec. 1037. *Facility for Rare Isotope Beams Debt Service* – DELETED

Caps reimbursement to Michigan State University at \$91.0 million. Provides that the State Budget Director shall retain the authority and fiduciary responsibility associated with the maintenance of the public's financial and policy interests related to state-financed construction projects.

Sec. 1038. *Facility for Rare Isotope Beams Progress Report* – NEW

Requires a status report on the construction of the Facility for Rare Isotope Beams at Michigan State University.

Sec. 1043. *Tax Credit Report* – NEW

Requires MSF to report on the MEGA tax credits, Brownfield Redevelopment Tax Credit, Film Tax Credit, Photovoltaic Technology Tax Credit, Polycrystalline Silicone Manufacturing Tax Credit, Vehicle Battery Tax Credit, and any other certified credits. States that MSF must work in conjunction with the Department of Treasury.

Sec. 1046. *Special Grants Award Listing* – NEW

Specifies distribution of funds appropriated in part 1 for 21 Special Grants.

Sec. 1050. *Activities Classification Structure Data Book* – DELETED

Requires Department of Talent and Economic Development (DTED) to publish the "activities classification structure data book" for Michigan community colleges; report on Indian Tuition Waivers granted; and compile information from community colleges on the number of associate's degrees and other certificates awarded during the previous fiscal year.

Sec. 1053. *Status of Projects Report* – DELETED

Requires MSF to provide a report on the status of projects by award recipient in an annual report to the legislature as required in the MSF Act.

Sec. 1056. *Film Incentive Funds Transfer* – DELETED

Requires the DTED to make a total payment of \$19.1 million from the funds appropriation in part 1 to Film Incentives to the Michigan retirement systems for obligations purchased or guaranteed for the financing, construction, or operation of a film production studio.

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

Requires the Skilled Trades Training Program to be administered according to specific guidelines outlined in boilerplate. Allows up to \$5.0 million of funds appropriated for Skilled Trades Training Program to be used for matching funds when a Michigan company has utilized its favored status from the Investments in Manufacturing Communities Partnership to receive an award from the federal government. Revises to eliminate funding restrictions for program and process-centered training organization employers. Modifies matching funds language to broaden federal match language to allow the Department flexibility if new federal funding was available.

Sec. 1069. *Michigan GED-to-School Program* – DELETED

Stipulates that funds appropriated in part 1 for the program are to be used to cover the cost of the GED test free of charge to individuals meeting certain requirements. Requires Workforce Development Agency to develop procedures, provide program information, provide a full-year cost estimate, and provide a report.

Sec. 1070. *Welfare-to-Work Workgroup* – DELETED

Requires Workforce Development Agency to conduct a workgroup with DHHS and members of the Senate and House of Representatives, unless a workgroup and report were provided in FY 2014-15, to determine how the state can align the spending on Michigan Works! Job readiness programs with the declining family assistance program caseload. Requires report.

Sec. 1079. *Interagency Agreement for TANF Funds* – NEW

Requires TIA to extend into an interagency agreement with DHHS for the use of TANF funds. Requires report on use of TANF funds by TIA.

Sec. 1080. *Community Ventures Matching Funds* – NEW

Stipulates that up to \$2.0 million funding in part 1 for the Community Ventures may be used for a matching program (\$1 for \$1) if private funds are raised.

Major Boilerplate Changes From FY 2015-16

Sec. 1081. Statewide Data System Integration Performance Metrics – NEW

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.

Sec. 1083. Sustainable Employment Pilot Program – NEW

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.

DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET
Summary of FY 2016-17 Enacted Appropriations
Article VIII, 2016 Public Act 268 (House Bill 5294)

Analyst: Perry Zielak

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Revised Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Enacted	Difference: Enacted From FY 2015-16 YTD	
						Amount	%
IDG/IDT	\$678,478,500	\$696,904,100	\$694,054,100	\$694,054,100	\$694,054,100	\$15,575,600	2.3
Federal	7,997,300	4,958,200	4,958,200	4,958,200	4,958,200	(3,039,100)	(38.0)
Local	3,587,700	2,320,000	2,320,000	2,320,000	2,320,000	(1,267,700)	(35.3)
Private	190,100	0	0	0	0	(190,100)	(100.0)
Restricted	95,771,900	111,490,800	114,340,800	114,340,800	114,340,800	18,568,900	19.4
GF/GP	477,198,200	504,423,100	476,210,000	500,468,200	485,518,600	8,320,400	1.7
Gross	\$1,263,223,700	\$1,320,096,200	\$1,291,883,100	\$1,316,141,300	\$1,301,191,700	\$37,968,000	3.0
FTEs	2,850.0	2,873.0	2,862.0	2,868.0	2,883.0	33.0	1.2

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (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.

Major Budget Changes From FY 2015-16 YTD Appropriations	FY 2015-16 YTD (as of 2/10/16)	Enacted Change From YTD
1. DTMB Rate Authorization	Gross \$596,060,800	\$10,632,400
Authorizes increase of \$10.6 million IDG to collect increases in agencies' budgets for IT baseline and rated service model, mailing warehouse, and vehicle and travel service rate changes.	IDG 482,154,900	10,632,400
	Local 2,209,900	0
	GF/GP \$111,696,000	\$0
2. State Building Authority Rent	Gross \$254,570,600	(\$8,000,000)
Reduction of \$8.0 million GF/GP due to savings recognized through the cancellation of various leases in the July 2015 refinancing deal.	GF/GP \$254,570,600	(\$8,000,000)
3. Enterprise Identity Management System	FTE NA	6.0
Includes \$6.7 million GF/GP and 6.0 FTEs to create MiLogin, an enterprisewide single sign-in and identity management tool which allows for the establishment, management and authentication of user identities for statewide IT systems.	Gross NA	\$6,700,000
	GF/GP NA	\$6,700,000
4. Information Technology Technical Adjustments	Gross \$596,060,800	\$5,551,500
Increase of \$5.5 million Gross to align funding of the Information Technology IDGs with agency investment requests.	IDG 482,154,900	5,551,500
	Local 2,209,900	0
	GF/GP \$111,696,000	\$0

GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>		FY 2015-16 YTD (as of 2/10/16)	Enacted Change From YTD
5. Removal of FY 2015-16 One-Time Appropriations	Gross	\$5,205,000	(\$5,205,000)
Eliminates one-time funding of \$5.2 million Gross (\$4.6 million GF/GP) for various projects: Treasury – Technology Services (\$3.0 million GF/GP), Litigation Fund (\$1.0 million GF/GP), Technology Services Funding (\$600,000 IDG), Cost Study of 2014 PA 555 (\$500,000 GF/GP) and Special Projects (\$105,000 GF/GP).	IDG	600,000	(600,000)
	GF/GP	\$4,605,000	(\$4,605,000)
6. Legal Services	Gross	NA	\$5,000,000
Includes \$5.0 million GF/GP in one-time funding for potential litigation involving the Governor and Attorney General in their official capacity and for securing outside legal advice on major statewide issues not unique to a single agency. One-time funding of \$1.0 million GF/GP in FY 2015-16 for the Litigation Fund was eliminated.	GF/GP	NA	\$5,000,000
7. Information Technology Investment Fund	Gross	NA	\$4,500,000
Includes \$4.5 million GF/GP in one-time funding for a Department of Treasury legacy system replacement project and Project SIGMA updates.	GF/GP	NA	\$4,500,000
8. Cyber Security Improvements	Gross	\$9,063,500	\$4,000,000
Includes \$4.0 million GF/GP to support the Cyber Security Improvement Program, which will enhance network security, develop a comprehensive security framework and asset security program, and implement an enterprisewide data loss prevention process.	GF/GP	\$9,063,500	\$4,000,000
9. Office of Retirement Services Technology Upgrades	FTE	491.5	7.0
Includes \$3.6 million Gross and 7.0 FTEs for IT infrastructure expansion, code libraries, data storage and access. The funding will also address more frequent system upgrades and other costs supporting customer service transactions.	Gross	\$120,926,000	\$3,631,100
	IDG	93,717,000	0
	Restricted	21,964,200	3,631,100
	GF/GP	\$5,244,800	\$0
10. Capital Outlay – Enterprisewide Special Maintenance for State Facilities	Gross	\$31,500,000	(\$3,500,000)
Reduces funding by \$3.5 million GF/GP for maintenance and upkeep projects at state-owned properties.	IDG	2,000,000	0
	GF/GP	\$29,500,000	(\$3,500,000)
11. Office of Retirement Service IT Modernization and Enterprise Mandates	Gross	NA	\$2,850,000
Includes \$2.9 million Gross one-time funding for various IT projects, including Filenet upgrades and electronic banking capabilities.	IDG	NA	2,850,000
12. Office of Good Government	FTE	132.5	6.0
Increases funding by \$2.7 million Gross (\$1.5 million GF/GP) and 6.0 FTEs for costs related to employee engagement and citizen surveys that support various transformational initiatives.	Gross	\$17,362,900	\$2,678,700
	IDG	10,538,700	0
	Restricted	4,131,500	1,178,700
	GF/GP	\$2,692,700	\$1,500,000
13. Five-Year Early Out Deferred Sick Leave Payments	Gross	NA	(\$1,595,500)
Recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentive, which were spread out over 5 years.	IDG	NA	(883,600)
	Federal	NA	(19,600)
	Local	NA	(1,000)
	Restricted	NA	(426,000)
	GF/GP	NA	(\$265,300)
14. Enterprisewide Special Maintenance	Gross	NA	\$1,600,900
Includes \$1.6 million GF/GP of one-time funding for maintenance and upkeep projects at state-owned properties.	GF/GP	NA	\$1,600,900
15. Office of Urban Initiatives	Gross	\$2,500,000	(\$1,500,000)
Reduces funding by \$1.5 million GF/GP for urban and metropolitan initiatives respective to transportation, public services, land use/sustainability, housing, and workforce development.	GF/GP	\$2,500,000	(\$1,500,000)

GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>		FY 2015-16 YTD (as of 2/10/16)	Enacted Change From YTD
16. Civil Service Commission Provision of Human Resources to Department of Talent and Economic Development (TED) Transfers \$710,000 in state restricted funds and 4.0 FTEs from TED to administer the department's human resources function.	FTE	316.0	4.0
	Gross	\$35,878,600	\$710,000
	IDG	1,153,500	0
	Local	661,100	0
	Restricted GF/GP	16,455,500 \$17,608,500	710,000 \$0
17. Retirement Costs and Special Projects Adds \$500,000 GF/GP for retirement costs (\$250,000 GF/GP on going), and special projects (\$250,000 GF/GP in one-time funds).	Gross	NA	\$500,000
	GF/GP	NA	\$500,000
18. Office of Performance and Transformation Recognizes funding changes made in Executive Revision 2017-3, which creates the Office of Performance and Transformation in DTMB, incorporating the Office of Reinventing Performance in Michigan and the Office of Regulatory Reinvention from the Department of Licensing and Regulatory Affairs (LARA). \$495,500 GF/GP and 10.0 FTEs are added to DTMB as a result of the reorganization.	FTE	NA	10.0
	Gross	NA	\$495,500
	GF/GP	NA	\$495,500
19. Professional Development Funds Reduces funding by \$152,600 IDG for adjustments to employer contributions for Professional Development Funds based on negotiated contracts.	Gross	\$1,102,600	(\$152,600)
	IDG	1,102,600	(152,600)
20. MSP Retirement Payment for Low-Income Retirees Increases funding by \$132,000 GF/GP for anticipated costs associated with the State Police Retirement Act amendment to provide an additional payment to State Police retirees who retired before October 1, 1986 (and to their beneficiaries) whose annual pension is less than \$16,000.	Gross	\$27,209,000	\$132,000
	Restricted	21,964,200	0
	GF/GP	\$5,244,800	\$132,000
21. Bureau of Labor Market Information and Strategic Initiatives (LMISI) Increases funding by \$35,000 Gross based on authorization for LMISI to begin collecting revenue from local customers for customized data.	Gross	\$5,376,400	\$35,000
	Federal	4,776,400	0
	Local	0	35,000
	GF/GP	\$600,000	\$0
22. Technical Adjustments Recognizes fund source adjustments for funding authorization alignment and Statewide Cost Allocation Plan adjustment.	Gross	\$268,036,700	\$0
	IDG	187,990,500	270,400
	Federal	4,934,700	0
	Local	60,100	0
	Restricted	34,870,700	26,200
	GF/GP	\$40,180,700	(\$296,600)
23. Economic Adjustments Includes cost increase of \$8.9 million Gross (\$2.1 million GF/GP) for negotiated salary and wage amounts (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required retirement contributions, and other economic adjustments.	Gross	NA	\$8,904,000
	IDG	NA	5,388,000
	Federal	NA	43,100
	Local	NA	16,000
	Private	NA	0
	Restricted	NA	1,398,000
	GF/GP	NA	\$2,058,900

Major Boilerplate Changes From FY 2015-16

Sec. 819. Ronald Reagan Memorial Monument Fund – DELETED

Allows DTMB to collect and expend funds from the Ronald Reagan memorial monument fund.

Sec. 822f. Regional Prosperity Initiative – REVISED

Provides information on the regional prosperity grant program, with various technical changes and additions to definitions within section.

Major Boilerplate Changes From FY 2015-16

Sec. 822h. Office of Urban Initiatives – REVISED

Requires office to submit report on expenditures, economic impact and job growth initiatives for each urban and metropolitan area receiving funds. Adds language that any unexpended and unencumbered funds remaining by October 1 lapse to the general fund.

Sec. 822j. Office of Good Government – NEW

Adds section which explains the purpose of the Office of Good Government.

Sec. 822k. Hawthorn Center Appraisal – NEW

Adds new section that requires DTMB to work with the Department of Health and Human Services on an evaluation of state-owned lands and buildings at the Hawthorn Center Psychiatric Hospital Facility for Children and Adolescents. DTMB must also create a recommendation for the future use of the facility to the Legislature by March 1.

Sec. 822l. School Reform Office Hearings – NEW

Adds section requiring the School Reform Office (SRO) to hold one public hearing in the district that the SRO has determined to require an intervention and include an outline of the academic improvement plan and projected time frame of the SRO's involvement.

Sec. 822m. Vendor Performance Tracking – NEW

Adds section requiring DTMB to establish a performance tracking system that collaborates with other departments of vendors awarded contracts through the procurement process and states that vendor performance is a factor in determining future contracts.

Sec. 822n. Contract Proposals Website – NEW

Adds section requiring DTMB to create a webpage that displays requests for proposals for all departments and agencies searchable by department and agency.

Sec. 822o. School Reform Office Coordination with Department of Education – NEW

Adds section requiring the School Reform Office to coordinate with the Department of Education to streamline state services, reduce duplication and increase efficiency.

Sec. 836. Information Technology Investment Fund – NEW

Adds section which explains the purpose of the Information Technology Investment Fund.

Sec. 837. Cyber Security Investment Projects – NEW

Adds section which explains the purpose of cyber security investment projects.

Sec. 838. Enterprise Identity Management Program – NEW

Adds section which explains the purpose of the Enterprise Identity Management Program.

Sec. 839. Office of Retirement Services (ORS) Information Technology Upgrade – NEW

Adds section which explains the purpose of the Office of Retirement Services' upgrades in information technology.

<u>FY 2015-16 Supplemental Appropriations</u>	FY 2015-16 YTD (as of 2/10/16)	FY 2015-16 Supplemental Change
1. Drinking Water Emergency Reserve Fund	Gross	NA
Appropriates \$18.9 million GF/GP to the Drinking Water Emergency Reserve Fund, which could only be expended upon appropriation or legislative transfer and would remain within the Fund at the close of the fiscal year.	GF/GP	\$18,900,000
2. State Building Authority Rent	Gross	\$254,570,600
Provides for a reduction of \$26.5 million GF/GP as a result of savings from the State Building Authority's July 2015 refunding deal.	GF/GP	(\$26,500,000)
3. Legal Services	Gross	\$1,000,000
Includes \$11.0 million GF/GP for potential litigation involving the Governor and Attorney General in their official capacity and for securing outside legal advice on major statewide issues not unique to a single agency.	GF/GP	\$11,000,000

GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET

<u>FY 2015-16 Supplemental Appropriations</u>		<u>FY 2015-16 YTD (as of 2/10/16)</u>	<u>FY 2015-16 Supplemental Change</u>
4. Retirement Services	Gross	\$27,209,000	\$2,800,000
Includes \$2.8 million in state restricted funds to support modifications costs associated with transitioning the Office of Retirement Services from MAIN to SIGMA.	Restricted	21,964,200	2,800,000
	GF/GP	\$5,244,800	\$0
5. Special Projects.	Gross	NA	\$1,000,000
Includes \$1.0 million GF/GP for special projects.	GF/GP	NA	\$1,000,000
6. Education Commission	Gross	NA	\$400,000
Includes \$400,000 GF/GP for support costs related to the 21 st Century Education Commission, established by Executive Order 2016-6.	GF/GP	NA	\$400,000
7. Civil Service Commission Training	Gross	\$1,300,000	\$325,000
Includes \$325,000 GF/GP to enhance manager training for state employees to further support performance and transformation initiatives.	GF/GP	\$1,300,000	\$325,000
8. State Trooper Pension Supplemental Payment	Gross	NA	\$145,000
Includes \$145,000 GF/GP to provide an additional payment to State Police retirees (and beneficiaries) who retired before October 1, 1986 and whose annual pension is less than \$16,000. This payment is pursuant to PA 168 of 2015.	GF/GP	NA	\$145,000

FY 2015-16 Supplemental Boilerplate Changes

Sec. 901. Drinking Water Emergency Reserve Fund

Creates and deposits \$18.9 million GF/GP into the Drinking Water Emergency Reserve Fund, which, upon appropriation or legislative transfer, would be available for expenditure and which would not lapse to the General Fund.

Sec. 902. Integrity Oversight Monitor

Permits the department to expend money from the Drinking Water Emergency Reserve Fund to contract with an integrity oversight monitor to ensure legal compliance, detect misconduct, and promote best practices in the expenditure of funds and specifies the process to select the monitor, that no person shall interfere with the monitor carrying out its duties, that state entities shall provide assistance to the monitor, that the monitor shall coordinate with the Auditor General, and that the monitor shall submit detailed reports and recommendations for each six-month period the contract is in effect.

DEPARTMENT OF TREASURY
Summary of FY 2016-17 Enacted Appropriations
Article VIII, 2016 Public Act 268 (House Bill 5294)

Analyst: Ben Gielczyk

IDG/IDT	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Enacted	Difference: Enacted From FY 2015-16 YTD	
						Amount	%
	\$9,500,700	\$11,250,600	\$11,262,300	\$11,262,300	\$11,262,300	\$1,761,600	18.5
Federal	39,661,500	39,954,200	39,920,800	39,920,800	39,920,800	259,300	0.7
Local	9,029,700	9,265,700	9,201,000	9,201,000	9,201,000	171,300	1.9
Private	25,400	26,700	26,700	26,700	26,700	1,300	5.1
Restricted	1,606,455,600	1,615,304,400	1,615,956,100	1,615,890,800	1,589,286,300	(17,169,300)	(1.1)
GF/GP	280,379,300	234,945,800	234,130,500	235,692,300	235,445,800	(44,933,500)	(16.0)
Gross	\$1,945,052,200	\$1,910,747,400	\$1,910,497,400	\$1,911,993,900	\$1,885,142,900	(\$59,909,300)	(3.1)
FTEs	1,911.5	1,916.5	1,912.5	1,916.5	1,916.5	5.0	0.3

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (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.

Major Budget Changes From FY 2015-16 YTD Appropriations	FY 2015-16 YTD (as of 2/10/16)	Enacted Change From YTD
1. Constitutional Revenue Sharing	Gross \$783,866,100	(\$25,990,900)
Updates FY 2016-17 Constitutional Revenue Sharing estimate for May 2016 CREC estimates. May 2016 CREC estimate is \$12.1 million (1.6%) above May 2016 CREC estimate for FY 2015-16 Constitutional Revenue Sharing.	Restricted 783,866,100	(25,990,900)
2. City, Village, and Township Revenue Sharing	Gross \$248,840,000	\$0
Retains FY 2015-16 funding levels so that all CVTs eligible for a payment in FY 2015-16 will be eligible for 100% of their FY 2015-16 payment in FY 2016-17. The \$5.8 million necessary to cover 101 CVTs is considered one-time.	Restricted 248,840,000	0
3. County Revenue Sharing/County Incentive Program	Gross \$214,700,000	\$2,567,500
Increases county payments by \$467,500 in restricted sales tax revenue to accommodate two new counties (Alcona and Charlevoix) coming online for state payments in FY 2016-17. Provides additional \$2.1 million for County Revenue Sharing to provide 1% increase to all counties eligible to receive a state payment. Additional \$2.1 million is added to County Revenue Sharing portion to increase County Revenue Sharing portion to 80.2% of total funding, while County Incentive Share is decreased to 19.8% of total.	Restricted 214,700,000	2,567,500

GENERAL GOVERNMENT: TREASURY

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>	<u>FY 2015-16 YTD</u>	<u>Enacted Change</u>
	<u>(as of 2/10/16)</u>	<u>From YTD</u>
4. Payments in Lieu of Taxes	Gross	\$26,094,100
Increases by \$1.3 million Gross (\$1.1 million GF/GP) to support scheduled and statutorily-required payments in lieu of taxes (PILT). To accommodate increased estimates, each PILT line item is increased by 5%.	Private	1,300
	Restricted	246,600
	GF/GP	\$1,056,800
5. General Obligation Bond Debt Service	Gross	\$156,449,000
Reduces by a net of \$19.4 million GF/GP due to scheduled and statutory-required debt service payment requirements. Reductions from payoffs and refundings were partially offset by debt service increase from \$10.3 million in new bond issuances associated with the Strategic Water Quality Initiative.	GF/GP	(\$19,412,000)
6. Subject Matter Experts for IT Systems	FTE	4.0
Provides \$750,000 GF/GP and 4.0 FTEs to provide testing and analytic review to assure IT systems are designed and tested properly during production and operation.	Gross	\$750,000
	GF/GP	\$750,000
7. Change to Rated Service Model for IT Services	Gross	\$28,959,700
Includes \$1.6 million Gross (\$0 GF/GP) for transitional support to cover costs changes for the Department as they transition to a rated service model with DTMB for the delivery of IT services.	IDG	0
	Federal	0
	Local	0
	Restricted	1,563,000
	GF/GP	\$0
8. Grants	Gross	\$571,600
Removes \$250,000 GF/GP for grant associated with the Chaldean Community Foundation. Urban Search and Rescue Taskforce increased by \$200,000 GF/GP from FY 2015-16 for a total of \$500,000 GF/GP (one-time). Additional grants include \$100,000 GF/GP for Beat the Streets; \$100,000 GF/GP for Gianna House; \$76,000 GF/GP for plasma cutter matching grant at Lenawee ISD; and \$345,600 GF/GP for a student loan delinquency counseling program.	GF/GP	\$571,600
9. Fund Shifts to Replace General Fund	Gross	NA
Includes net change of \$0 Gross (\$1.8 million GF/GP) to reflect replacement of General Fund with available IDG and restricted fund revenue. The following line items were affected: Office of Accounting Services (\$105,600), Office of Collections (\$1.1 million), and Office of Financial Services (\$520,400).	IDG	1,644,400
	Restricted	105,600
	GF/GP	(\$1,750,000)
10. Five-Year Early Out Deferred Sick Leave Payments	Gross	(\$701,300)
Removes \$701,300 Gross (\$73,800 GF/GP). Recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentives, which were spread out over five years.	IDG	(25,700)
	Federal	(57,500)
	Restricted	(544,300)
	GF/GP	(\$73,800)
11. Casino Gaming Adjustments	FTE	1.0
Includes \$868,300 Gross (\$0 GF/GP) associated with the following casino gaming operations adjustments:	Gross	\$868,300
<ul style="list-style-type: none"> Transfer in Horse Sample Testing from MDARD - \$250,000 Gross (\$0 GF/GP). Ongoing support for IT services - \$500,000 Gross (\$0 GF/GP) (incorrectly placed in Racing Commission line). Includes additional auditor for tribal gaming operations - \$118,300 Gross (\$0 GF/GP) and 1.0 FTE. 	Restricted	868,300

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>	FY 2015-16 YTD	Enacted Change
	(as of 2/10/16)	From YTD
12. Other One-Time Appropriation Adjustments	Gross	\$29,900,000
Provides a net reduction of \$27.1 million GF/GP in one-time appropriations. Includes \$2.8 million GF/GP to support development and implementation costs associated with new Free Individual Income Tax E-File system and \$100 placeholder for the drinking water declaration of emergency to allow for future transfers. Funding for the following items is removed: Personal property tax payments to reimburse local units for lost debt service millages (\$19.3 million GF/GP); Online Business Portal (\$600,000 GF/GP); Presidential Primary (\$10.0 million GF/GP); and CVT Revenue Sharing (\$5.8 million GF/GP). NOTE: One-time appropriations for CVT Revenue Sharing is included in #2 and Urban Search and Rescue is included in #8.	Restricted	0
	GF/GP	(\$27,057,500)
	Gross	NA
13. Economics Adjustments	IDG	\$5,627,200
Reflects increased costs of \$5.6 million Gross (\$1.0 million GF/GP) for negotiated salary and wage amounts (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required retirement contributions, and other economic adjustments.	Federal	142,900
	Local	316,800
	Restricted	171,300
	GF/GP	3,958,500
		NA
		\$1,037,700

Major Boilerplate Changes From FY 2015-16

Sec. 904a. Financial Services Expenditure Appropriation – REVISED

Provides funds to pay expenditures for financial services provided by financial institutions through restricting revenue from common cash interest earnings and investment earnings. Revises to state that if the amounts of common cash interest earnings are insufficient to cover the costs, then miscellaneous revenues shall be used to fund the remaining balance of the expenditures.

Sec. 918. Tax Orientation Workshops and Seminars – DELETED

Authorizes Treasury to receive and expend funds for tax orientation workshops and seminars, not to exceed actual costs.

Sec. 919. Contracted Audit and Collection Services – REVISED

Appropriates funds to contract with private auditing firms to audit for and collect unclaimed property due the state; requires report on firms employed, amounts collected, and costs of collection. Requires a review of current practices and a report, by March 31, to a joint subcommittee of the House and Senate subcommittees on General Government. Revises to eliminate review of current practices and report by March 31.

Sec. 936. Student Loan Delinquency Counseling Pilot Program – NEW

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.

Sec. 937. Michigan Accounts Receivable Collections System Report – NEW

Requires the Department of Treasury to submit a report on the Michigan Accounts Receivable Collections System. States that report shall include information regarding current collection strategies, including vendors and contractors used; amount of delinquent accounts and collection referrals to vendors and contractors; liquidation rates; profile of uncollected delinquent accounts; Department's strategy to manage delinquent accounts; and a summary of strategies used in other states.

Sec. 938. State Capitol Historic Site Payments – NEW

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 signing message states section unenforceable.)

GENERAL GOVERNMENT: TREASURY

Major Boilerplate Changes From FY 2015-16

Sec. 941. Tax Credit Report – NEW

Requires Treasury, in conjunction with the Michigan Strategic Fund, to report on the MEGA tax credits, Brownfield Redevelopment Tax Credit, Film Tax Credit, Photovoltaic Technology Tax Credit, Polycrystalline Silicone Manufacturing Tax Credit, Vehicle Battery Tax Credit, and any other certified credits.

Sec. 949a. Personal Property Tax Reimbursements Performance Measures – DELETED

Specifies that the Department shall identify specific outcomes and performance measures for the personal property tax reimbursements to local units of government. Provides example of performance metric/outcome stating that the Department's role in reimbursing the local units will provide the Department with the ability to establish the technical and administrative support needed to ensure the payment information provided is accurate and timely.

Sec. 949b. City Income Tax Administration Performance Measures – DELETED

Specifies that the Department shall identify specific outcomes and performance measures for the administration of the city income tax program. Provides example of performance metric/outcome stating that the Department shall track and reduce fraudulent returns by expanding compliance and enforcement services which will benefit Michigan cities by allowing the taxpayer to e-file the city return as part of the state return.

Sec. 949c. Operations Information Technology Services and Projects Performance Measures – DELETED

Specifies that the Department shall identify specific outcomes and performance measures for the operations information technology services and projects. Provides example of performance metric/outcome stating that the funding will provide businesses with the opportunity for electronic business tax registration, authentication of taxpayers, and tax filing for more than 325,000 Michigan businesses.

Sec. 949d. Financial Review Commission Performance Measures – REVISED

Specifies that the Department shall expand financial review commission efforts in FY 2015-16. The funds shall cover ongoing costs associated with the operation of the commission. Provides example of performance metric/outcome stating that the funding will allow the Department to perform critical fiscal review to ensure the city of Detroit does not reenter distress following its exit from bankruptcy. Updates to match fiscal year and continuing funding. Includes additional metric reference to proposed new community district in Detroit.

Sec. 955. County Revenue Sharing – REVISED

Requires the county revenue sharing appropriation to be distributed by the Department to eligible counties according to the Glen Steil State Revenue Sharing Act of 1971. Revises to increase county revenue sharing payments to all counties receiving a state payment by \$2.1 million (1.0%).

Sec. 957. CVT Revenue Sharing Workgroup – DELETED

States legislative intent that a workgroup be formed, to include members of the Executive Branch, to explore a new nonconstitutional revenue sharing distribution formula.

Sec. 964. Promotion and Advertising Appropriation – REVISED

Appropriates 1% of the Bureau of State Lottery's prior fiscal year's gross sales or \$23.0 million, whichever is less, for promotion and advertising. Revises to increase amount to 1% or \$25.0 million, whichever is less.

GENERAL GOVERNMENT: TREASURY

FY 2015-16 Supplemental Appropriations

1. Treasury - Flint Water Emergency Allocations

Spending authorization for:

- \$12.8 million for reimbursement of the City of Flint's Water Enterprise Fund for credits to equal to 65.0% for residential customers and 20.0% for other customers of the amount billed for water, beginning with the billing period containing April 30, 2014 through the billing period containing the date upon which the declaration of emergency expires; unexpended funds would lapse to the General Fund after December 31, 2016. This spending authorization is in addition to the \$30.0 million appropriated by 2016 PA 24 for similar reimbursements, the entire balance of which has been encumbered and the unexpended balance of which lapses to the General Fund after September 30, 2016.
- \$1.4 million for expenses incurred by the program management office of Mission Flint and other purposes related to the Flint water emergency.

	FY 2015-16 YTD (as of 2/10/16)	FY 2015-16 Supplemental Change
Gross	\$30,000,000	\$14,130,000
GF/GP	\$30,000,000	\$14,130,000

2. Supervision of General Property Tax Law - Office of Fiscal Responsibility

Includes \$1.0 million GF/GP to provide additional assistance to local units of government in areas experiencing financial distress through the Office of Fiscal Responsibility. Funds will support legal, financial, consulting, and accounting services.

Gross	\$4,500,000	\$1,000,000
GF/GP	\$4,500,000	\$1,000,000

3. Office of Collections - Driver Responsibility Program Administrative Expenses

Includes \$300,000 in driver responsibility fee revenue to cover ongoing administrative expenses related to the driver responsibility fee program and the community service option alternative to paying driver responsibility fees under 2014 PA 283.

Gross	NA	\$300,000
Restricted	NA	300,000

FY 2015-16 Supplemental Boilerplate Changes

Sec. 1001. Water Bill Credit Reimbursement – Allocation

Allocates \$12.8 million GF/GP to support reimbursement of the City of Flint's Water Enterprise Fund for credits posted on customers' water bills and requires quarterly reporting to the Legislature.

Sec. 1002. Water Bill Credit Reimbursement – Stipulations

Stipulates various prohibitions, restrictions, conditions, and limitations on the amount appropriated for the reimbursements, including forbidding administrative charges, expenditure without authorization from the state treasurer, and reimbursement of sewer services, while specifying the formula for calculating the credits for residential and other customers, that these credits shall reflect rates consistency with those at billing, that reimbursement shall only be made if the overall collection rate exceeds 70.0% (waivable by the state treasurer upon notification of the Legislature), that the state treasurer shall submit monthly performance reports to the Legislature regarding collection rates, that unexpended funds lapse to the General Fund after December 31, 2016, and that the state treasurer and Auditor General shall audit reimbursements.

Sec. 1003. Flint Water Emergency Allocations

Stipulates that the funds appropriated via line item shall be allocated to address needs related to the Flint water emergency, including Mission Flint expenses.

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
Summary of FY 2016-17 Enacted Appropriations
Article X, 2016 Public Act 268 (House Bill 5294)**

Analysts: Susan Frey, Kevin Koorstra, Viola Wild, and Kyle I. Jen

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Revised Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Enacted	Difference: Enacted From FY 2015-16 YTD	
						Amount	%
IDG/IDT	\$13,551,600	\$13,513,700	\$13,663,700	\$13,513,700	\$13,513,700	(\$37,900)	(0.3)
Federal	18,422,113,900	17,730,579,000	17,908,814,900	17,796,663,100	17,880,902,200	(541,211,700)	(2.9)
Local	123,339,800	123,812,700	124,445,800	123,892,300	124,445,800	1,106,000	0.9
Private	156,409,100	156,259,300	154,259,300	156,279,300	154,259,300	(2,149,800)	(1.4)
Restricted	2,217,821,600	2,328,800,000	2,359,233,400	2,342,745,600	2,294,167,500	76,345,900	3.4
GF/GP	4,153,708,200	4,355,003,000	4,312,425,900	4,350,767,400	4,374,548,300	220,840,100	5.3
Gross	\$25,086,944,200	\$24,707,967,700	\$24,872,843,000	\$24,783,861,400	\$24,841,836,800	(\$245,107,400)	(1.0)
FTEs	15,443.0	15,560.5	15,560.5	15,505.5	15,576.5	133.5	0.9

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." 3) Revised Executive amount includes Executive Budget Revision 2017-1 issued on April 4, 2016.

Overview

The Department of Health and Human Services (DHHS) was created in 2015 through the merger of the Department of Community Health and the Department of Human Services under Executive Order 2015-4. The Human Services portion of the DHHS budget includes programs and services to assist Michigan's most vulnerable families, including public assistance programs, protecting children and assisting families by administering foster care, adoption, and family preservation programs, and by enforcing child support laws. The Health Services portion of the DHHS budget provides funding for behavioral health (mental health and substance use disorder), public health, aging, crime victim, and medical services programs, including Medicaid and the Healthy Michigan Plan.

Major Budget Changes From FY 2015-16 YTD Appropriations	FY 2015-16 YTD (as of 2/10/16)	Enacted Change From YTD
MEDICAID AND BEHAVIORAL HEALTH - GENERAL		
1. Traditional Medicaid Cost Adjustments	Gross \$13,077,804,300	\$487,619,600
Provides \$487.6 million Gross (\$195.0 million GF/GP) based on the May caseload consensus agreement between the State Budget Office, Senate Fiscal Agency, and House Fiscal Agency for traditional Medicaid, MIChild, and Federal Medicare Pharmaceutical Program caseload, utilization, inflation, and financing adjustments. Includes \$47.8 million GF/GP to offset Federal Medical Assistance Percentage (FMAP) decline from 65.60% to 65.15% due to relative growth in state's personal income and \$44.5 million GF/GP reduction based on available federal Title XXI matching funds. Total caseload for traditional Medicaid program is projected at 1.7 million individuals.	Federal 8,539,476,700	282,763,000
	Local 46,712,100	441,400
	Private 2,100,000	0
	Restricted 1,887,376,600	9,374,900
	GF/GP \$2,602,138,900	\$195,040,300
2. Healthy Michigan Plan (HMP) Cost Adjustments	Gross \$4,120,201,500	(\$460,560,700)
Reduces HMP \$460.6 million Gross (increases \$110.6 million GF/GP) based on the May caseload consensus agreement. Gross reduction is due to both caseloads levelling off at roughly 600,000 individuals and adjustments to managed care capitated rates. Beginning January 1, 2017, the federal match rate reduces from 100% to 95%, requiring \$110.6 million GF/GP increase and \$26.3 million increase in local and restricted funds for special Medicaid reimbursements. Utilizes \$95.0 million of Hospital QAAP Retainer savings described in item 41 below to offset bulk of GF/GP match costs.	Federal 4,120,201,500	(597,416,000)
	Local 0	633,100
	Restricted 0	25,668,300
	GF/GP \$0	\$110,553,900

HEALTH AND HUMAN SERVICES

Major Budget Changes From FY 2015-16 YTD Appropriations

FY 2015-16 YTD **Enacted Change**
(as of 2/10/16) **From YTD**

3. Actuarial Soundness Adjustments

Includes a net reduction of \$18.9 million Gross (\$5.0 million GF/GP) to provide:

- \$54.8 million Gross (\$19.1 million GF/GP) for a 1.5% Medicaid health plans actuarial soundness adjustment.
- \$34.2 million Gross (\$11.9 million GF/GP) for a 1.5% Prepaid Inpatient Health Plans actuarial soundness adjustment.
- \$29.2 million Gross (\$1.1 million GF/GP) for a 2.0% Healthy Michigan Plan actuarial soundness adjustment.
- A reduction of \$137.2 million Gross (\$37.2 million GF/GP) based on a one-year moratorium on the ACA health insurer fee beginning January 1, 2017.

Gross	\$11,516,242,900	(\$18,911,600)
Federal	9,031,879,700	(13,882,200)
Local	39,846,400	0
Restricted	1,189,849,500	0
GF/GP	\$1,254,667,300	(\$5,029,400)

4. Medicaid Managed Care Use Tax and Health Insurance Claims Assessment Adjustments

Beginning January 1, 2017, reduces \$479.5 million Gross (\$165.0 million GF/GP) based on (1) discontinuation of the Use Tax on Medicaid Managed Care Organizations (MCOs) and associated actuarial soundness payments of \$479.5 million Gross (\$125.5 million GF/GP), and (2) a net Health Insurance Claims Assessment (HICA) revenue increase of \$39.4 million used to offset an equal amount of GF/GP from the automatic increase in HICA from 0.75% to 1.0% once the Medicaid MCO Use Tax is discontinued. The federal Centers for Medicare & Medicaid Services (CMS) has advised states with health care-related taxes such as the Medicaid MCO Use Tax are not in compliance with federal requirements and have until the end of the state's legislative session to make changes to that tax. CMS has also advised that any impermissible taxes imposed after that time frame may be subject to federal disallowance actions.

Gross	NA	(\$479,536,600)
Federal	NA	(353,994,500)
Restricted	NA	39,441,300
GF/GP	NA	(\$164,983,400)

DEPARTMENTWIDE ADMINISTRATION

5. DHHS Merger Line Item Changes and Departmental Savings

Includes numerous appropriation line item adjustments related to the 2015 merger creating DHHS, including consolidation of line items and appropriation units reflecting reorganization of programs and agencies, with no net impact on department appropriations; includes \$100,000 GF/GP unrelated reduction for Departmentwide savings.

Gross	NA	(\$100,000)
GF/GP	NA	(\$100,000)

6. Information Technology – Child Welfare Information System (MiSACWIS)

Includes an increase of 23 FTEs and \$19.5 million Gross (\$11.5 million GF/GP), including \$8.0 million as ongoing and \$11.5 million as one-time funding, to continue implementation of improvements to the Michigan Statewide Automated Child Welfare Information System, to comply with new federal regulations and the Modified Settlement Agreement with Children's Rights, Inc., for improved monitoring of child protective services and foster care and adoption cases.

FTE	NA	23.0
Gross	NA	\$19,528,400
Federal	NA	8,012,200
GF/GP	NA	\$11,516,200

7. Information Technology – Support, Services, and Analytics

Increases funding by \$7.2 million Gross (\$2.5 million GF/GP) for costs to support information technology and Medicaid Management Information systems (MMIS) including \$422,000 for encryption and security software, \$433,300 for Medicaid fraud detection software, and \$6.3 million for transition to the new DTMB financial model for information technology services across all departments; also includes new Sec. 293 boilerplate to explore an analytics platform for Medicaid claims. Year-to-date amount shown includes IT and MMIS line items.

Gross	\$201,717,400	\$7,198,300
IDG	1,067,000	0
TANF	12,087,200	0
Federal	105,285,900	4,656,000
Private	20,000,000	0
Restricted	1,985,800	0
GF/GP	\$61,291,500	\$2,542,300

HEALTH AND HUMAN SERVICES

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>	<u>FY 2015-16 YTD (as of 2/10/16)</u>	<u>Enacted Change From YTD</u>
8. Economic Adjustments	Gross NA	\$42,842,000
Reflects increased costs of \$42.8 million Gross (\$21.3 million GF/GP) for the following economics adjustments for employees and other: negotiated salary and wage increases (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially determined retirement rate increases, and increases for worker's compensation, building occupancy, and food for state hospitals, centers, and juvenile justice facilities. Economic adjustments are also included for administrative hearings system and information technology charges.	IDG NA	231,000
	TANF NA	4,951,700
	Federal NA	14,608,200
	Local NA	658,800
	Private NA	232,100
	Restricted NA	835,900
	GF/GP NA	\$21,324,300
9. Completion of 2010 Early Out Payouts	Gross \$6,363,600	(\$6,363,600)
Recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentive, which were spread out over 5 years; total reduction is \$6.4 million Gross (\$2.5 million GF/GP).	IDG 200	(200)
	TANF 995,400	(995,400)
	Federal 2,773,900	(2,773,900)
	Restricted 53,700	(53,700)
	GF/GP \$2,540,400	(\$2,540,400)
10. Michigan 2-1-1	Gross \$500,000	\$750,000
Provides \$750,000 GF/GP funding increase for Michigan 2-1-1 system including \$450,000 ongoing funding, and \$300,000 one-time funding for additional support during emergency and disaster events.	GF/GP \$500,000	\$750,000
PUBLIC ASSISTANCE		
11. Food Assistance Program (FAP) Caseload Adjustment	Gross \$2,419,025,900	(\$70,908,500)
Increases FAP caseload costs by \$13.8 million Gross (\$0 GF/GP) for FY 2016-17, in addition to a proposed supplemental caseload cost reduction for FY 2015-16 of \$84.7 million Gross (\$0 GF/GP), for a total reduction of \$70.9 million Gross (\$0 GF/GP) compared to the original enacted FY 2015-16 budget. Funding supports 795,400 cases at an average cost of \$246.01 per month.	Federal 2,419,025,900	(70,908,500)
	GF/GP \$0	\$0
12. Additional Public Assistance Caseload Adjustments	Gross \$190,205,100	(\$22,112,900)
Reduces funding for other public assistance programs based on the May caseload consensus agreement by \$22.1 million Gross (\$7.7 million GF/GP) as follows:	TANF 42,731,900	(12,636,800)
<ul style="list-style-type: none"> • Family Independence Program (FIP) is reduced \$18.4 million Gross (\$4.6 million GF/GP) adjusting the monthly caseload estimate from 25,473 cases at \$359.25 per month to 21,600 cases at \$352.62 per month. • State Disability Assistance (SDA) is reduced by \$2.5 million GF/GP adjusting the monthly caseload estimate from 5,566 cases at \$209.88 per month to 4,500 cases at \$213.96 per month. • State Supplementation is reduced by \$934,800 GF/GP adjusting the monthly caseload estimate from 276,585 cases at \$19.04 per month to 274,077 cases at \$18.93 per month. 	Restricted 48,029,600	(1,819,200)
	GF/GP \$99,443,600	(\$7,656,900)
13. Family Independence Program (FIP) Clothing Allowance	Gross \$2,880,000	\$3,390,000
Includes additional \$3.4 million federal Temporary Assistance to Needy Families (TANF) funding to expand the \$140 per child clothing allowance for FIP recipients to all school-age children receiving benefits instead of current policy that only children in "child-only" eligibility groups (adult caretakers not eligible for benefits) receive the allowance.	TANF 2,880,000	3,390,000
	GF/GP \$0	\$0

HEALTH AND HUMAN SERVICES

Major Budget Changes From FY 2015-16 YTD Appropriations

FY 2015-16 YTD **Enacted Change**
(as of 2/10/16) **From YTD**

14. Multicultural Integration Funding

Increases funding by \$1.4 million GF/GP to various multicultural organizations that provide social services programs to specific populations. Organizations receiving additional funding include: Arab Community Center for Economic and Social Services (ACCESS), Arab Chaldean Council (ACC), the Jewish Federation, and the Chaldean Community Foundation (CCF). Sec. 295 is related boilerplate.

Gross	\$11,858,300	\$1,445,500
TANF	421,000	0
Federal	694,500	0
GF/GP	\$10,742,800	\$1,455,500

CHILDREN'S SERVICES AGENCY – CHILD WELFARE

15. Child Welfare Caseload Adjustments

Reduces funding for child welfare programs based on the May caseload consensus agreement by \$5.0 million Gross (\$1.3 million GF/GP) as follows:

- Foster care payments are reduced by \$6.5 million Gross (\$11.5 million GF/GP) from 6,175 cases at \$27,877 per year to 5,907 cases at \$28,351 per year.
- Adoption subsidies are reduced \$6.5 million Gross (increase of \$545,100 GF/GP) from 25,064 cases at \$745.00 per month to 24,637 cases at \$735.83 per month.
- The Child Care Fund is increased \$6.7 million GF/GP.
- Guardianship assistance payments are increased by \$1.9 million Gross (\$2.9 million GF/GP) from 900 cases at \$825.94 per month to 1,162 cases at \$778.15 per month.
- Family Support Subsidies are reduced by \$682,200 Gross (\$0 GF/GP) from 6,616 cases at \$222.11 per month to 6,369 cases at the same monthly rate.

Gross	\$621,109,300	(\$4,991,300)
TANF	163,523,100	(3,578,800)
Federal	191,130,500	231,600
Private	2,805,900	(381,900)
Local	14,194,000	0
GF/GP	\$249,455,800	(\$1,262,200)

16. Foster Care Residential and Administrative Rates – County Hold-Harmless Provision

Retains the county hold-harmless provision that requires DHHS to pay 100% of the foster care administrative rates to private agencies for all new cases and 100% of the \$3 administrative rate increase to private agencies. Includes \$7.5 million Gross (\$5.6 million GF/GP) for an additional \$5 increase to the private administration rate, raising it from the current rate of \$40 per day to \$45.

Gross	NA	\$7,500,000
Federal	NA	1,945,000
GF/GP	NA	\$5,555,000

17. County Prosecuting Attorney Contracts

Provides additional \$500,000 federal funding to recognize the increase in contracts with county Prosecuting Attorneys for legal services concerning child welfare cases.

Gross	\$2,561,700	\$500,000
Federal	2,561,700	500,000
GF/GP	\$0	\$0

18. Child Care Fund – Federal TANF and GF/GP Fund Source Shift

Includes fund source shift of TANF and GF/GP funding in the Child Care Fund line item by replacing \$43.0 million TANF funding with \$43.0 million GF/GP. The GF/GP funding is available by replacing GF/GP in two line items with TANF in the following amounts: the Child Welfare Field Staff line item (\$28.8 million) and the Family Independence Program line item (\$15.0 million). Federal policy mandates that in-home care expenditures for youth in juvenile justice programs may no longer be funded with TANF or TANF MOE funding.

Gross	NA	\$0
TANF	NA	0
GF/GP	NA	\$0

19. Family Preservation Programs

Includes 1.0 FTE position and an additional \$6.1 million federal TANF grant funds as one-time funding to expand the Parent Partner Program and the Family Reunification Program to additional counties over 3 years; includes boilerplate language (Sec. 1909).

FTE	23.0	1.0
Gross	\$38,857,500	\$6,098,200
TANF	38,274,300	6,098,200
Federal	583,200	0
GF/GP	\$0	\$0

HEALTH AND HUMAN SERVICES

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>		FY 2015-16 YTD (as of 2/10/16)	Enacted Change From YTD
20. Adoption Family Support Network Parent-to-Parent Program	Gross	\$350,000	(\$100,000)
Reduces funding by \$100,000 GF/GP for the Parent-to-Parent program which provides parent mentoring to adoptive parents.	GF/GP	\$350,000	(\$100,000)
21. Program Reductions	Gross	NA	(\$2,900,000)
Reduces funding for Child Care Fund by \$2.0 million GF/GP from anticipated savings based on the findings of an upcoming Auditor General audit, reduces the Maxey facility funding by \$500,000 GF/GP, and eliminates the \$400,000 GF/GP funding for In-Home Community Care Grants for in-home juvenile justice services in rural counties.	GF/GP	NA	(\$2,900,000)
22. Program Increases	Gross	NA	\$1,405,000
Includes \$1.4 million GF/GP funding to increase the following programs: SSI Advocacy Legal Services (\$500,000), Food Banks (\$250,000), Indigent Burial Program (\$75,000), Muskegon Covenant Academy (\$280,000), Hope Network (\$250,000), and AgrAbility (\$50,000).	GF/GP	NA	\$1,405,000
23. Capped Federal Revenues Fund Source	Gross	NA	\$0
Retains the "Capped Federal Revenues" as a separate federal fund source concerning budget appropriations.	Federal	NA	0
	GF/GP	NA	\$0
BEHAVIORAL HEALTH			
24. Mental Health and Wellness Commission	Gross	\$22,362,500	(\$5,512,500)
Reduce ongoing funding for Mental Health and Wellness Commission recommendations \$5.5 million Gross (\$1.9 million GF/GP).	Federal	12,573,500	(3,648,500)
	GF/GP	\$9,789,000	(\$1,864,000)
25. Community Mental Health Non-Medicaid Services	Gross	\$117,050,400	\$3,000,000
Provides a \$3.0 million GF/GP increase in non-Medicaid mental health services provided through Community Mental Health Services Programs (CMHSPs) and includes Sec. 941 directing that these funds support costs related to Medicaid spenddown beneficiaries.	GF/GP	\$117,050,400	\$3,000,000
26. University Autism Programs	Gross	\$2,500,000	(\$1,500,000)
Reduces \$1.5 million GF/GP allocated for University Autism programs.	GF/GP	\$2,500,000	(\$1,500,000)
27. New Unit at Center for Forensic Psychiatry	FTE	556.3	51.0
Adds \$7.6 million GF/GP to fund additional unit to serve 30 patients. Center provides psychiatric treatment to criminal defendants ruled incompetent to stand trial and/or acquitted by reason of insanity. Adds new boilerplate Sec. 1059 that identifies outcomes and performance measures: average wait times for persons ruled incompetent to stand trial and number of persons waiting to receive services.	Gross	\$72,538,000	\$7,607,000
	Federal	11,900	0
	Local	5,085,700	0
	Restricted	877,600	0
	GF/GP	\$66,562,800	\$7,607,000
28. Autism Navigator	Gross	\$0	\$565,000
Includes \$565,000 GF/GP in one-time funding for an assessment of the statewide rollout of the Medicaid Autism benefit and assistance to families of autistic children in finding services. Previously funded with \$1.5 million in one-time restricted funding for FY 2014-15.	GF/GP	\$0	\$565,000

HEALTH AND HUMAN SERVICES

Major Budget Changes From FY 2015-16 YTD Appropriations

FY 2015-16 YTD **Enacted Change**
(as of 2/10/16) **From YTD**

PUBLIC HEALTH

29. Flint Declaration of Emergency

Provides \$15.1 million Gross (\$9.1 million GF/GP) in funding for evaluation and assistance to residents exposed to lead in the City of Flint, as one-time funding. Year-to-Date funding of \$17.3 million Gross (\$10.9 million GF/GP) from two supplemental appropriations for Flint is not continued, creating a net funding reduction from FY 2015-16. FY 2016-17 funds are anticipated to be for partial year only. Services to be supported include food inspection of restaurants and public venues, nutritional services through existing programs, health services at child and adolescent health centers and schools, community mental health evaluation and care for children with elevated blood levels, and lead investigations and abatement planning for homes. Additional funding will be available for transfer from an \$18.9 million Drinking Water Declaration of Emergency Reserve Fund in the DTMB budget, as well as a \$6.1 million set aside in the DHHS budget, both included in the Article XXI FY 2015-16 supplemental also enacted (and described in this summary). Sec. 1910 is related new boilerplate.

Gross	\$17,307,000	(\$2,168,900)
TANF	0	3,520,000
Federal	2,845,000	(795,000)
Restricted	3,552,000	(3,078,100)
GF/GP	\$10,910,000	(\$1,815,800)

30. Public Health – Federal Grant Adjustments

Recognizes \$1.2 million of increased federal public health funding including a new adult immunization program grant of \$517,400, stroke registry grant increase of \$390,000, and use of violence prevention grant carryforward funding of \$290,700 for suicide prevention and violent death reporting. Reduces authorization for the 4-year federal State Innovation Model (SIM) grant from \$25 to \$10 million.

Gross	NA	(\$13,801,900)
Federal	NA	(13,801,900)
GF/GP	NA	\$0

31. Public Health Innovation Grants Reduction

Reduces the health innovations grants program by \$500,000 GF/GP.

Gross	\$1,500,000	(\$500,000)
GF/GP	\$1,500,000	(\$500,000)

32. Immunization Programming Shift

Eliminates the public health value of vaccines education public/private matching program (\$2.5 million Gross, \$500,000 GF/GP) first funded in FY 2015-16, and related Sec. 1182 boilerplate, and transfers the \$500,000 GF/GP funding to Medicaid health plan services line item for immunization education activities; anticipated federal Medicaid matching funds and related new Sec. 1782 boilerplate are included. Federal matching funds are also included for the current year unexpended immunization GF/GP funding, which is established as a work project into FY 2016-17 in the Article XX FY 2015-16 supplemental also enacted (and described in this summary).

Gross	\$2,500,000	(\$1,000,000)
Federal	0	1,000,000
Private	2,000,000	(2,000,000)
GF/GP	\$500,000	\$0

33. Public Health Dental Clinics

Includes new funding of \$1.55 million GF/GP for local health departments partnering with nonprofit dental providers for dental services for seniors, children, low-income uninsured, and adults enrolled in Medicaid, and related new Sec. 1229 boilerplate.

Gross	\$0	\$1,550,000
GF/GP	\$0	\$1,550,000

34. Rural Home Visit Program

Restores \$550,000 GF/GP to the prenatal and early childhood home visiting program in the Upper Peninsula and rural areas of the northern Lower Peninsula, for total program funding of \$2.25 million. FY 2015-16 appropriation was reduced when unspent funds from the prior fiscal year were made available as a work project.

Gross	\$1,700,000	\$550,000
GF/GP	\$1,700,000	\$550,000

35. Alternative Pregnancy and Parenting Support Program

Increases alternative pregnancy and parenting support program from \$50,000 GF/GP to \$400,000 federal TANF grant funds.

Gross	\$50,000	\$350,000
TANF	0	400,000
GF/GP	\$50,000	(\$50,000)

HEALTH AND HUMAN SERVICES

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>	<u>FY 2015-16 YTD (as of 2/10/16)</u>	<u>Enacted Change From YTD</u>
CRIME VICTIM SERVICES		
36. Crime Victim Assistance Services	Gross	\$33,999,800
Provides additional \$44.3 million of federal funding to reflect increased grant award for crime victim justice assistance services including training and technical assistance for service providers, and direct services to crime victims. The funds are available due to the federal Victims of Crime Act (VOCA) Fund annual cap being increased by law, accessing a substantial balance in the Fund for all state formula grants. Also transfers 3 crime victim services program line items to the human services Community Services and Outreach appropriation unit. Year-to-date amount shown is all funding for Crime Victim Services Commission.	Federal	44,279,300
	Restricted	0
	GF/GP	\$0
AGING AND ADULT SERVICES AGENCY		
37. Implement Planned PACE Program Expansion	Gross	\$65,938,500
Increases the Program of All-Inclusive Care for the Elderly (PACE) appropriation line item by \$26.6 million Gross (\$9.3 million GF/GP) to fund additional slots at current PACE sites, and new slots to implement PACE expansion into Jackson County and Traverse City for qualified Medicaid recipients. Savings from the PACE expansion are assumed in the same amount from the Long Term Care Services line item for a net \$0 DHHS budget adjustment. Also transfers the PACE line item back to the Medical Services appropriation unit; PACE was transferred to Aging and Adult Services Agency in FY 2015-16 budget as part of the Department merger.	Federal	17,320,700
	GF/GP	\$9,265,200
38. Senior Community Services	Gross	\$39,013,900
Provides an increase of \$2.5 million GF/GP supporting community services for seniors. YTD funding shown is for senior community services appropriation line item.	Federal	0
	GF/GP	\$2,500,000
MEDICAL SERVICES		
39. Healthy Michigan Plan Administration	FTE	0.0
Reduces Healthy Michigan Plan public assistance call center \$8.1 million Gross (\$1.6 million GF/GP), \$3.4 million in TANF reductions are used to offset GF/GP elsewhere in the budget for a total GF/GP savings of \$5.0 million. Call center has not yet been implemented; pilot is scheduled to begin in FY 2016-17. Also reduces Healthy Michigan Plan marketing and advertising \$1.0 million Gross (\$500,000 GF/GP).	Gross	(\$9,109,900)
	TANF	(3,430,400)
	Federal	(3,609,900)
	GF/GP	(\$2,069,600)
40. Integrated Service Delivery	FTE	15.0
Provides \$43.2 million Gross (\$4.3 million GF/GP) for information technology costs to update and streamline the electronic application and enrollment process for services provided through DHHS. Ongoing funding is \$6.3 million Gross (\$630,800 million GF/GP) and one-time funding is \$36.9 million Gross (\$3.7 million GF/GP). Also includes boilerplate Sec. 1507 describing the initiative and outlining outcomes and performance measures.	Gross	\$43,230,500
	Federal	38,907,500
	GF/GP	\$4,323,000
41. Hospital QAAP Retainer	Gross	\$0
Replaces one-time increase in GF/GP retainer savings from hospital Quality Assurance Assessment Program (QAAP) of \$92.9 million with ongoing retainer amount of \$105.0 million tied to Healthy Michigan Plan special hospital payments, for a net GF/GP savings of \$12.1 million. Enrolled Senate Bill 957 makes the required statutory changes.	Restricted	12,143,900
	GF/GP	(\$12,143,900)

HEALTH AND HUMAN SERVICES

Major Budget Changes From FY 2015-16 YTD Appropriations

FY 2015-16 YTD **Enacted Change**
(as of 2/10/16) **From YTD**

42. Special Hospital Payments – Healthy Michigan Plan (HMP)	Gross	\$638,056,100	(\$28,495,100)
Revises Healthy Michigan Plan Hospital Rate Adjustment from \$320.1 million to \$375.0 million and Medicaid Access to Care Initiative from \$318.0 million to \$234.5 million based on DHHS's projected payment levels. Matching funds for HMP special Medicaid reimbursements are required beginning January 1, 2017 (see item #2 for base HMP fund sourcing adjustment).	Federal	638,056,100	(27,426,600)
	Restricted	0	(1,068,500)
	GF/GP	\$0	\$0
43. Special Hospital Payments	Gross	\$208,799,300	\$0
Maintains special hospital payments at FY 2015-16 levels:	Federal	136,972,300	7,800,000
• \$162.9 million Gross (\$56.0 million GF/GP) for Graduate Medical Education.	GF/GP	\$71,827,000	(\$7,800,000)
• \$34.9 million Gross (\$12.0 million GF/GP) for Special Rural Hospitals.			
• \$11.0 million Gross (\$3.8 million GF/GP) for OB/GYN Hospital Lump Sum.			
Transfers \$25.0 million Gross for Graduate Medical Education from traditional Medicaid financing to Healthy Michigan Plan financing, creating \$7.8 million GF/GP savings.			
44. Specialty Drugs – Hepatitis C and Cystic Fibrosis	Gross	\$199,449,700	\$105,049,900
Provides \$105.0 million Gross (\$44.7 million GF/GP) to annualize costs for specialty drugs added to the Medicaid formulary in 2016 to treat Hepatitis C and Cystic Fibrosis. Total FY 2016-17 costs, including half-year costs added through FY 2015-16 legislative transfer, are \$238.2 million Gross (\$66.5 million GF/GP) for estimated Hepatitis C treatment costs and \$66.3 million Gross (\$43.7 million GF/GP) is for estimated Cystic Fibrosis treatment costs; majority of Cystic Fibrosis treatment will be through Children Special Health Care Services.	Federal	133,934,900	60,385,900
	GF/GP	\$65,514,800	\$44,664,000
45. Private Duty Nursing Rate Increase	Gross	NA	\$4,949,900
Includes \$4.9 million Gross (\$1.7 million GF/GP) to provide a 15% rate increase for private duty nursing services for Medicaid beneficiaries under the age of 21. Also includes boilerplate Sec. 1702 to describe the rate increase.	Federal	NA	3,224,900
	GF/GP	NA	\$1,725,000
46. Hospice Room and Board	Gross	\$107,768,400	\$2,500,000
Continues \$2.5 million GF/GP, shifted from one-time FY 2015-16 funding to ongoing funding, to support hospice room and board costs for facilities (enrolled with Medicaid by October 1, 2014) that are state licensed but not federally certified.	Federal	70,695,900	0
	GF/GP	\$37,072,500	\$2,500,000
47. Healthy Kids Dental	Gross	\$219,139,400	\$25,601,000
Adds \$25.6 million Gross (\$8.9 million GF/GP) to complete statewide expansion of Healthy Kids Dental, covering children ages 13 to 20 in Kent, Oakland, and Wayne Counties. Revises boilerplate Sec. 1894 to reflect expansion to children of all ages in those counties.	Federal	143,150,200	16,679,100
	GF/GP	\$75,989,200	\$8,921,900
48. Pregnant Women Dental Rate Increase	Gross	\$219,139,400	\$2,726,000
Provides \$2.7 million Gross (\$950,000 GF/GP) to increase the fee-for-service dental services reimbursement rates for services provided to pregnant women.	Federal	143,150,200	1,776,000
	GF/GP	\$75,989,200	\$950,000
49. Ambulance Quality Assurance Assessment Program (QAAP)	Gross	\$8,641,000	\$35,507,000
Expands QAAP-funded ambulance provider supplemental payments to managed care payments in addition to fee-for-service supplemental payments.	Federal	5,668,500	26,718,800
	Restricted	3,972,500	11,667,200
	GF/GP	(\$1,000,000)	(\$2,879,000)

HEALTH AND HUMAN SERVICES

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>		<u>FY 2015-16 YTD (as of 2/10/16)</u>	<u>Enacted Change From YTD</u>
50. Court Appointed Guardianship Rate Increase	Gross	NA	\$2,726,000
Provides \$2.7 million Gross (\$950,000 GF/GP) to increase the monthly guardian rate from \$60 to \$83. Medicaid beneficiaries in long-term care can deduct guardian costs from their patient pay amount, meaning DHHS pays additional \$23 to the long-term care facility.	Federal	NA	1,776,000
	GF/GP	NA	\$950,000
51. Personal Care Services Rate Increase	Gross	\$11,762,300	\$717,400
Adds \$717,400 Gross (\$250,000 GF/GP) to provide a \$15-per-month increase for adult foster care facilities and homes for the aged that provide personal care services to Medicaid beneficiaries.	Federal	7,716,100	467,400
	GF/GP	\$4,046,200	\$250,000
52. Medicaid Health Plan Capitated Rate Reduction	Gross	\$8,707,739,100	(\$37,857,100)
Reduces Medicaid health plan capitated rates \$37.9 million Gross (\$10.2 million GF/GP) with the assumption that the Medicaid health plans can achieve savings through efficiencies in Emergency Department utilization, hospital re-admissions, and other utilization efficiencies.	Federal	7,059,889,800	(27,607,300)
	Local	14,617,500	0
	Restricted	1,168,471,000	0
	GF/GP	\$464,760,800	(\$10,249,800)
53. University of Detroit Dental Clinic Program	Gross	\$1,000,000	\$1,000,000
Adds \$1.0 million GF/GP for the University of Detroit Dental program, increasing appropriation to \$2.0 million.	GF/GP	\$1,000,000	\$1,000,000
54. Merit Award Trust Fund Adjustment	Gross	\$98,434,700	\$0
Offsets \$74.6 million in Merit Award Trust Fund revenue appropriated in the long term care services and Family Independence Program line items with GF/GP in order to redirect Merit Award Trust Fund revenue to account for costs related to Detroit Public Schools restructuring.	Restricted	98,434,700	(74,626,800)
	GF/GP	\$0	\$74,626,800
55. Medicaid Benefits Trust Fund Adjustment	Gross	\$324,146,200	\$0
Increases \$22.5 million in Medicaid Benefits Trust Fund revenue to offset GF/GP based on anticipated tobacco tax collections and legal settlements.	Restricted	324,146,200	22,500,000
	GF/GP	\$0	(\$22,500,000)
ONE-TIME BASIS ONLY APPROPRIATIONS			
56. Current Year One-Time Basis Only Appropriations	Gross	\$7,800,000	(\$7,800,000)
Removes the following one-time funding items that were included in the FY 2015-16 budget: \$1.5 million GF/GP for pay for success contracts, \$1.5 million GF/GP for Mental Health Commission recommendations, \$1.5 million GF/GP for drug policy initiatives, and \$800,000 Gross (\$400,000 GF/GP) for employment and training support services. Transfers \$2.5 million GF/GP for one-time Hospice services funding to ongoing Medical Services unit.	Federal	400,000	(400,000)
	GF/GP	\$7,400,000	(\$7,400,000)

Major Boilerplate Changes From FY 2015-16

GENERAL SECTIONS

Sec. 204. Performance Metrics for New Programs or Program Increases – DELETED

Requires DHHS, in addition to metrics required under the Management and Budget Act, to identify program-specific metrics for new programs or enhancements in excess of \$1.0 million. Deletes from DHHS budget and includes similar language in General Government budget to apply to all departments (Article VIII, Sec. 240).

Sec. 222. Notification and Report of Policy Changes – REVISED

Requires notification of policy changes 30 days before implementation; requires policy manual to be available on the DHHS website; and requires a report by April 1 on policy changes made to implement new public acts. Deletes subsection (1) requiring the 30-day notification.

Major Boilerplate Changes From FY 2015-16

Sec. 228. Healthy Michigan Plan Incentive Allocation – NEW

Requires that \$1.0 million from the Healthy Michigan Plan appropriation be distributed to Medicaid health plans to inform residents about certain Healthy Michigan Plan incentives shown to improve health outcomes. States that DHHS shall not use funds appropriated in part 1 to advertise enrollment in the Healthy Michigan Plan.

Sec. 230. Reports on Information Technology Expansion Projects – NEW

Requires a report to the Legislature by December 1 on information technology expansion projects including bid process, project management plan, timelines, and benefits; once an award is made, DHHS shall report on projected costs by use and type of expense for that project.

Sec. 274. Capped Funds Restriction on Use for Economics Adjustments – REVISED

Requires report of 3 years of estimated expenditures and revenue for capped federal grants after release of Executive budget recommendation for the next fiscal year, and a report on TANF maintenance of effort funding. Revises with updated date, and adds new subsection (2) language that the Executive shall not utilize capped federal funding for economics adjustments for FTEs or other economics costs included in the Governor's budget submission for the ensuing fiscal year. (Executive signing message states subsection (2) is considered unenforceable.)

Sec. 275. Year-End Federal Funds Adjustments – NEW

Provides limited authority for the Executive to realign capped and other federal fund sources to maximize federal revenues as part of the year-end closing process, and requires a report to the Legislature on the realignments made. Identical boilerplate is also added to the FY 2015-16 budget in the Article XX FY 2015-16 supplemental also enacted (and described in this summary).

Sec. 295. (Formerly Sec. 695) Multicultural Integration Funding – REVISED

Permits DHHS to require each contractor receiving multicultural integration line item funding to provide data and information on stated performance related metrics; requires report, and requires workgroup to consider accreditation and competitive bidding for contractors/grantees. Revises to eliminate workgroup, and remove permissive language so that awardees of grants greater than \$1.0 million are required to comply with performance-related metrics and be accredited.

Sec. 298. Behavioral Health Integration – NEW

Requires DHHS to work with a workgroup to make recommendations on policy and financing to improve coordination of Medicaid behavioral health and physical health services; states goals to consider including ensuring access to community-based services/supports and transparent public oversight, governance, and accountability; states requirements for a detailed plan; suggests use of a pilot; requires annual benchmarks to measure progress of implementation; and requires updates and a final report on the workgroup's recommendations. States that except as allowed for a pilot program, no funding paid in past years to Prepaid Inpatient Health Plans (PIHPs) for certain behavioral health services shall be transferred or paid to any other entity without specific legislative authorization.

Sec. 299. Request for Proposals for Contract – REVISED

Prohibits DHHS from issuing a request for proposal (RFP) for a contract in excess of \$5 million, without first considering issuing a request for information (RFI) or request for qualification (RFQ); DTMB must be notified of evaluation process used to make this determination. Revises to add requirement for DHHS to notify all bidders within 30 days of an RFP decision, including stated details and explanations; and to add requirement for DHHS to report annually to the Legislature by September 30 a summary of RFPs where an existing service received proposals from multiple vendors, and certain related information.

CHILDREN'S SERVICES AGENCY – CHILD WELFARE

Sec. 501. Foster Care Time Limit Goals – REVISED

Revises to establish a goal that not more than 25% of foster children at any given time will have been in foster care for 24 months or more.

Sec. 503. Child Welfare Performance-Based Funding – REVISED

Requires DHHS to continue to develop actuarially sound case rates for out-of-home child welfare services. Revises language to include that the cost analysis report must also contain background information and details about contractual costs covered by case rate and require a Memorandum of Understanding (MOU) in order to implement the model into additional counties.

Sec. 532. Licensing and Contract Compliance Review – REVISED

Requires collaboration between DHHS and representatives of private child and family agencies to revise and improve contract compliance and licensing review processes. Revises language to require that licensing reviews be not more than once every 4 years for certain agencies.

HEALTH AND HUMAN SERVICES

Major Boilerplate Changes From FY 2015-16

Sec. 533. Child Welfare Payment Promptness – REVISED

Directs DHHS to make payments to child placing agencies within 30 days after receiving documentation for out-of-home care and in-home care services; requires report. Revises language to provide legislative intent that DHHS has burden to ensure timely payments are made; revises report to include the percentage of payments made to each agency over 30 days late.

Sec. 546. Foster Care Agency Administrative Rates – REVISED

Establishes foster care administrative rate of \$37 for private child placing agencies under contract with DHHS and establishes the general independent living administrative rate of \$28. Revises language to increase the foster care services administrative rate by an additional \$8, instead of the \$3 increase in current year, provided that the county match rate is eliminated for this increase. Revised language increases the overall foster care administrative rate for private agencies from \$40 to \$45 per day.

Sec. 558. Child Welfare Training Institute (CWI) Report – REVISED

Requires DHHS to maximize use of training programs or courses provided through the CWI and requires courses be made available to private service providers' employees. Includes requirement that DHHS conduct a workgroup to study reducing the current 4 weeks of centralized training; requires report.

Sec. 589. Payment of Foster Care Administrative Rate – REVISED

Requires DHHS to pay 100% of the administrative rate for all new cases referred to foster care services providers, eliminates reference to cases beginning on October 1, 2013.

PUBLIC ASSISTANCE

Sec. 613. Indigent Burial – REVISED

Provides reimbursements for the final disposition of indigent persons, establishes maximum allowable reimbursements. Revises language to require that the adult burial with services allowance for reimbursement shall be \$725, the adult burial without services allowance shall be \$490, and the infant burial allowance shall be \$170.

Sec. 625. Legal Services Association of Michigan – REVISED

Requires that DHHS contract with and pay Legal Services Association of Michigan \$500,000 GF/GP to provide SSI advocacy legal services to individuals who have applied or wish to apply for federal disability benefits.

CHILDREN'S SERVICES AGENCY – JUVENILE JUSTICE

Sec. 708. County Spending Plan Required – REVISED

Specifies that in order for counties to receive allocations from the Child Care Fund, they must submit a service spending plan by October 1 of each year; approval must be obtained prior to December 15. Revises language to prohibit DHHS from requesting any additional revisions to a plan outside of originally requested revisions.

BEHAVIORAL HEALTH SERVICES

Sec. 912. Salvation Army Harbor Light Contract – REVISED

Requires DHHS to contract directly with the Salvation Army Harbor Light Program to provide non-Medicaid substance use disorder services. Adds condition that the local coordinating agency or DHHS confirm the program meets the standard of care, including use of medication assisted treatment.

Sec. 920. Rate-Setting Process for PIHPs – NEW

Requires the Medicaid rate-setting process for PIHPs include any state and federal wage and compensation increases; also states legislative intent that any Medicaid rate increase related to a state minimum wage increase be also distributed to direct care employees.

Sec. 924. Timely Claims Process for PIHPs – DELETED

Requires that PIHPs contracting with DHHS to provide services to the Medicaid population adhere to the timely claims processing and payments procedure to claims submitted by health professionals and facilities as described in the Social Welfare Act.

Sec. 940. Transferring and Withdrawing CMHSP Allocations – NEW

Requires DHHS to review CMHSP expenditures to identify projected lapses and surpluses and to encourage the board of the CMHSP with a projected lapse to concur with the recommendation to reallocate the lapse to other CMHSPs and requires DHHS to withdraw funds from a CMHSP if those funds were not expended in a manner approved by DHHS, including for services and programs provided to individuals residing outside of the CMHSP's geographic region.

Major Boilerplate Changes From FY 2015-16

Sec. 942. CMHSP Notice of Reduction, Termination, or Suspension of CMHSP Provided Services – NEW

Requires a CMHSP to provide at least 30 days' notice before reducing, terminating, or suspending services to CMHSP clients, with the exception of services that no longer meet established criteria for medical necessity.

Sec. 960. University Autism Programs – REVISED

Requires DHHS to allocate funds appropriated for university autism programs through a grant process. Adds requirement for universities to track and report initial employment of certified applied behavioral analysts and adds outcomes and performance measures: increase in behavioral analysts certified from a program, autism diagnosis services provided, employment rate of employment program participants, and employment rate of applied behavioral analysts trained through the university autism programs.

Sec. 1004. Workgroup on PIHPs Capitation Payments – REVISED

Requires DHHS to continue to work with the workgroup created to make recommendations to achieve more uniformity in capitation payments made to the PIHPs; requires a progress report. Replaces current language with requirement for DHHS to provide 90 days' notice before rebasing formula to either Medicaid behavioral health services or non-Medicaid mental health services.

Sec. 1010(2)/Sec. 928(2). Redistribution of Lapsed Funds – REVISED

States intent that any lapsed funds from appropriation for Medicaid Mental Health Services be redistributed to individual CMHSPs and requires report on lapse amounts. Renumbers to Sec. 928(2) and revises redistribution to be based on local matching requirement for Medicaid rates.

Sec. 1010. Kevin's Law – NEW

Allocates up to \$2.0 million to address implementation of court ordered assisted outpatient treatment under the Mental Health Code (Kevin's Law).

STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES

Sec. 1057. Hawthorn Center and Caro Center Evaluation – NEW

Requires DHHS to evaluate the condition of the Hawthorn Center and Caro Center, the cost effectiveness of improvements, and to recommend improvements.

HEALTH POLICY

Sec. 1150. Opioid Fraud Collaboration – NEW

Requires DHHS to coordinate with other state departments, law enforcement, and Medicaid health plans to reduce fraud related to opioid prescribing within Medicaid, and to address other prescription drug and opioid abuse issues; requires DHHS to provide a report to the Legislature by October 1.

Sec. 1151. Opioid Addiction Treatment Education Collaboration – NEW

Requires DHHS to coordinate with other state departments, law enforcement, and Medicaid health plans to work with substance use disorder providers to inform Medicaid beneficiaries of medically appropriate opioid addiction treatment options when an opioid prescription is completed, and to address other prescription drug and opioid abuse issues; requires DHHS to provide a report to the Legislature by October 1.

Sec. 1180. Lead Abatement – REVISED

Provides that no less than \$1.75 million of the Part 1 healthy homes program appropriation shall be allocated for lead abatement of homes. Revises to restore an annual report to the Legislature on the expenditures and activities of the lead abatement program in the previous fiscal year, last required by boilerplate in FY 2010-11.

WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM (WIC)

Sec. 1340. Lowest Price Product Choice by WIC Participants – REVISED

Requires WIC program to encourage participants to choose the lowest price product available; all products must satisfy nutritional requirements of the federal program; WIC biannual food authorization guidelines are to reflect these changes. Current law is replaced with language requiring DHHS to include national brand peanut butter on WIC list of approved food items.

HEALTH AND HUMAN SERVICES

Major Boilerplate Changes From FY 2015-16

MEDICAL SERVICES

Sec. 1620. Pharmacy Dispensing Fee and Prescription Drug Co-payments – REVISED

Establishes the pharmacy dispensing fees and requires prescription co-payments for certain Medicaid and Healthy Michigan Plan (HMP) recipients. Replaces established pharmacy dispensing fees with requirement that dispensing fees follow federal covered outpatient drug final rules, take into consideration the state's long-term financial exposure, and are not lower than those in effect October 1, 2015.

Sec. 1645. Nursing Home QAAP Calculation and Review – NEW

Requires DHHS to review current nursing home QAAP calculation, report any excess collections greater than \$1.0 million, and report on feasibility of creating a more accurate assessment and whether rebates can or cannot be made.

Sec. 1670. MICHild Program Eligibility – REVISED

Establishes eligibility standards and other provisions for the MICHild Program. Revises to remove various specific program operation-related requirements.

Sec. 1801. Primary Care Rates – REVISED

Requires DHHS to use \$33.3 million GF/GP plus associated federal match to continue to increase Medicaid rates to primary care service providers and establish policies to limit the rate increase to practitioners that solely practice primary care. Removes specific dollar amount, removes requirement for DHHS to evaluate inclusion of neonatal subspecialty, and includes reporting requirement.

Sec. 1805. Graduate Medical Education (GME) Quality Data – REVISED

Requires hospitals receiving GME payments to submit quality data to a specified national nonprofit organization utilizing consensus-based nationally endorsed standards and requires DHHS to withhold fourth quarter GME payments if data is not submitted. Revises to require submission of data to a nonprofit organization, requires the public website to provide information to compare safe practices by hospital campus, including perinatal care, hospital-acquired infection, and serious reportable events, strikes fourth quarter withhold provision, and requires the hospitals to also make their quality data available on their website.

Sec. 1812. Graduate Medical Education Program Costs – REVISED

Requires hospitals receiving GME funds to submit report on direct and indirect costs associated with the residency training program; also requires report on marginal cost of adding one additional training slot, additional administrative costs, and postresidency retention rate; requires DHHS to hold a GME recipient's fourth quarter payment until required information is submitted; requires workgroup and report on metrics for distribution of GME funds, with intent that those metrics will be used to distribute GME funds beginning with FY 2016-17; provides for DHHS to seek a federal waiver to fulfill the requirements of the section if needed. Revises to require DHHS to complete the report from most recent cost reports, to develop a template for hospitals to use for marginal and administrative costs; strikes fourth quarter GME payment withhold.

Sec. 1861. Nonemergency Medical Transportation Pilot – REVISED

Requires DHHS to encourage cooperation between Medicaid health plans, other health providers, and nonprofit entities to help facilitate a pilot nonemergency transportation system. Revises to require continued facilitation.

Sec. 1870. MIDocs Consortium – REVISED

Requires DHHS to establish the MIDocs consortium, consisting of Michigan-based medical schools, with purpose of developing freestanding residency training programs in primary care and other ambulatory care-based specialties. Revises language for DHHS to continue to work with MIDocs consortium.

Sec. 1874. Program of All-Inclusive Care for the Elderly Inclusion – NEW

Require DHHS to ensure PACE is included as an option, where available, in options counseling and enrollment brokering for aging services, requires DHHS to establish a workgroup, and to provide a report on workgroup findings.

Sec. 1875. Prior Authorization for Certain Drugs – NEW

Applies prior authorization prohibition to DHHS and its contractual agents for psychotropic medications and drugs for the treatment of epilepsy/seizure disorder or organ transplant therapy, if those drugs were either carved out or not subject to prior authorization procedures as of May 9, 2016, defines "prior authorization".

ONE-TIME BASIS ONLY APPROPRIATIONS

Sec. 1912. Mobile Electronic Service Verification Study – NEW

Provides \$25,000 to commission a study to review the outcomes and performance improvements of developing and piloting a mobile electronic biometric identity verification product for home help services.

HEALTH AND HUMAN SERVICES

FY 2015-16 Supplemental Appropriations

	FY 2015-16 YTD (as of 2/10/16)	FY 2015-16 Supplemental Change
1. City of Flint Drinking Water and Lead Exposure Emergency	Gross \$17,307,000	\$14,790,000
Provides \$14.8 million Gross (\$8.7 million GF/GP) under Article XXI:	TANF 0	6,100,000
• \$8.7 million GF/GP for needs related to the City of Flint water and lead exposure crisis (Declaration of Emergency first issued by the Governor on January 5, 2016) including \$1.5 million for cognitive behavioral therapy and outreach for children through community mental health agencies including case management, \$1.3 million for nutritional programs, \$1.3 million for a statewide childhood lead poisoning prevention program, \$500,000 for child and adolescent health center funding, \$500,000 for interpretation services for the deaf and hard of hearing and bilingual support for Arabic and Spanish speakers, \$430,000 for mobile food bank and additional food bank resources for nutrition services to mitigate lead exposure, \$260,000 for evidence-based home visiting programs to promote parenting skills and identify developmental delays in children, and \$3.0 million for a contract with Wayne State University to assess linkage between lead-contaminated drinking water and Legionella and other diseases.	Federal 2,845,000	0
• \$6.1 million in TANF funds allocated for emergency needs for children impacted by the Flint water emergency, designated as a work project through FY 2017-18.	Restricted GF/GP 3,552,000	0
		\$8,690,000
2. Sexual Assault Evidence Kit Funding	Gross NA	\$25,000
Includes \$25,000 GF/GP funding to implement PA 318 of 2014, the Sexual Assault Evidence Kit Tracking and Reporting Act.	GF/GP NA	\$25,000
3. Child Welfare Caseload Adjustments	Gross \$621,109,300	(\$3,413,000)
Reduces funding for child welfare programs by \$3.4 million Gross (GF/GP increased by \$3.3 million) based on the May consensus agreement between the State Budget Office, Senate Fiscal Agency, and House Fiscal Agency:	TANF 163,523,100	(602,200)
• Child Care Fund is increased \$6.7 million GF/GP.	Federal 191,130,500	(6,113,700)
• Adoption Subsidies program is reduced \$5.6 million Gross (\$1.7 million GF/GP) from 25,064 cases at \$745.00 per month to 24,742 cases at \$735.83 per month.	Private 2,805,900	0
• Guardianship program is increased \$477,000 Gross (\$265,700 GF/GP) from 900 cases at \$825.94 per month to 1,013 cases at \$773.05 per month.	Local 14,194,000	0
• Foster Care program is reduced \$4.4 million Gross (\$2.0 million GF/GP) from 6,175 cases at annual cost of \$27,877 to 5,950 cases at an annual cost of \$28,187.	GF/GP \$249,455,800	\$3,302,900
• Family Support Subsidies are reduced by \$602,200 Gross (\$0 GF/GP) from 6,616 cases at \$221.11 per month to 6,390 cases at the same monthly rate.		

HEALTH AND HUMAN SERVICES

<u>FY 2015-16 Supplemental Appropriations</u>	FY 2015-16 YTD (as of 2/10/16)	FY 2015-16 Supplemental Change
4. Public Assistance Caseload Adjustments		
Reduces funding for public assistance programs by \$97.6 million Gross (\$5.6 million GF/GP) based on the May consensus agreement:	Gross \$2,609,231,000	(\$97,579,600)
<ul style="list-style-type: none"> • Food Assistance Program (FAP) is reduced by \$84.7 million Gross (\$0 GF/GP) from 809,100 cases at \$239.26 per month to 801,800 cases at \$242.61 per month. • Family Independence Program (FIP) is reduced \$9.7 million Gross (\$3.3 million GF/GP) from 25,473 cases at \$359.25 per month to 23,569 cases at \$353.96 per month. • State Disability Assistance (SDA) program is reduced \$2.1 million Gross (\$1.3 million GF/GP) from 5,566 cases at \$209.88 per month to 4,591 cases at \$216.16 per month. • State Supplementation program is reduced \$1.0 million GF/GP from 276,585 cases at \$19.04 per month to 273,475 cases at \$18.94 per month. 	TANF 42,731,900 Federal 2,419,025,900 Restricted 48,029,600 GF/GP \$99,443,600	(6,448,700) (85,553,200) 0 (\$5,577,700)
5. Crime Victim Assistance Services		
Provides additional \$5.0 million federal funding to reflect increased grant award for crime victim justice assistance services, including crisis counseling, training and technical assistance, personal and legal advocacy, therapy, shelter, and referral. The funds are available due to the federal Victims of Crime Act (VOCA) Fund annual cap being increased by law, accessing a substantial balance in the Fund for all state formula grants. A significant increase is also included in the FY 2016-17 DHHS budget. Year-to-date amount shown is all funding for Crime Victim Services Commission.	Gross \$33,999,800	\$5,000,000
	Federal 18,697,500	5,000,000
	Restricted 15,302,300	0
	GF/GP \$0	\$0
6. Traditional Medicaid Cost Adjustments		
Increases funding for traditional Medicaid program by \$319.6 million Gross (\$90.2 million GF/GP) based on the May consensus agreement. Adjustments include the review of caseload, utilization, inflation, and financing changes.	Gross \$13,077,804,300	\$319,589,900
	Federal 8,539,476,700	222,583,200
	Local 46,712,100	0
	Private 2,100,000	0
	Restricted 1,887,376,600	6,849,900
	GF/GP \$2,602,138,900	\$90,156,800
7. Healthy Michigan Plan Cost Adjustments		
Reduces funding for the Healthy Michigan Plan program by \$523.8 million Gross (\$0 GF/GP) based on the May consensus agreement. Adjustments include the review of caseload, utilization, inflation, and financing changes.	Gross \$4,120,201,500	(\$523,778,000)
	Federal 4,120,201,500	(523,778,000)
	GF/GP \$0	\$0
8. State Children's Health Insurance Program (SCHIP) Funding Increase		
Reclassifies a portion of Medicaid costs financed at the regular Federal Medical Assistance Percentage (FMAP) of 65.60% to the enhanced SCHIP federal match rate of 98.92%. The additional federal funds offset an equal amount of GF/GP.	Gross NA	\$0
	Federal NA	15,000,000
	GF/GP NA	(\$15,000,000)
9. Merit Award Trust Fund		
Offsets \$3.7 million Merit Award Trust Fund shortfall with \$3.7 million GF/GP.	Gross \$98,434,700	\$0
	Restricted 98,434,700	(3,674,500)
	GF/GP \$0	\$3,674,500
10. Graduate Medical Education		
Unappropriates and reappropriates \$162.9 million Gross (\$56.0 million GF/GP) for Graduate Medical Education payments to hospitals to allow for repeal and replacement of current boilerplate requirements (see Sec. 306 below).	Gross \$162,888,300	\$0
	Federal 106,854,700	0
	GF/GP \$56,033,600	\$0

HEALTH AND HUMAN SERVICES

<u>FY 2015-16 Supplemental Appropriations</u>		<u>FY 2015-16 YTD (as of 2/10/16)</u>	<u>FY 2015-16 Supplemental Change</u>
11. Immunization Education Work Project	Gross	\$2,500,000	(\$2,000,000)
Removes \$2.0 million in unrealized private revenue for public health vaccine education activities and transfers associated \$500,000 GF/GP from the immunization program line item to the Medicaid health plan services line item. Current boilerplate Sec. 1182 is repealed (under Sec. 1001(2)) and replaced with Sec. 302, which designates \$500,000 GF/GP as a work project to contract with Medicaid health plans for immunization education activities.	Private	2,000,000	(2,000,000)
	GF/GP	\$500,000	\$0
12. SIGMA Readiness Project	Gross	NA	\$1,500,000
Provides \$1.5 million GF/GP for a SIGMA readiness project for DHHS. SIGMA is the Statewide Integrated Governmental Management Applications project underway to replace and improve the state's financial data system.	GF/GP	NA	\$1,500,000
13. Oscoda Groundwater Contamination – Special Project	Gross	NA	\$1,000,000
Provides \$1.0 million GF/GP for a special project related to groundwater contamination in a county of less than 8,700 residents per the most recent decennial census, for water filters, water quality monitoring and a long-term alternative public water supply, working with the Department of Environmental Quality. Legislative intent is to address a groundwater contamination issue in the area of Oscoda Township. Sec. 305 is related boilerplate.	GF/GP	NA	\$1,000,000
14. Human Trafficking Grants – Special Project	Gross	\$200,000	\$500,000
Provides \$500,000 GF/GP for a grants program to address human trafficking. Year-to-date amount shown is for the Human Trafficking Intervention Services appropriation line item.	GF/GP	\$200,000	\$500,000

FY 2015-16 Supplemental Boilerplate Changes

Sec. 601. Flint Drinking Water and Lead Exposure Emergency Allocations (Article XXI)

Allocates funding to address needs related to the Flint drinking water and lead exposure emergency, including nutrition support and food bank resources, intensive services and outreach for children including evidence-based home visiting programs, assessment of potential linkages between the Flint water emergency and diseases, support for child and adolescent health centers and the Children's Healthcare Access Program, childhood lead poisoning prevention, and interpretation services.

Sec. 602. Flint Emergency Needs TANF Funds (Article XXI)

Allocates \$6.1 million of federal Temporary Assistance for Needy Families (TANF) funds to provide for emergency needs for children and families impacted by the Flint water emergency; designated as a work project through FY 2017-18.

Sec. 603. Payments to Licensed Private Child Welfare Agencies (Article XXI)

Stipulates that the department shall compensate licensed private child welfare agencies under contract to provide foster care, independent living, and residential treatment services in the water catchment area within Flint for the increased level of required care and supervision mandated by the department between January 1, 2016 and May 31, 2016 via a \$321,000 lump-sum payment.

Sec. 301. Authority for Year-End Adjustments to Federal Fund Sources

Provides authority for DHHS to realign federal fund sources as part of the year-end closing process, including capped federal, TANF, and other federal revenues. The realignment shall not alter line item gross amounts or total federal revenue amounts, and shall not produce a net increase in TANF authorization. Requires a report to the Legislature on realignments carried out for the previous fiscal year under this authority. Identical boilerplate is also added to the FY 2016-17 budget also enacted (and described in this summary).

Sec. 302. Immunization Education Work Project

Designates any unencumbered or unallotted funds to support education activities about immunizations through the Medicaid health plans as a work project. Estimates the total available FY 2015-16 amount at \$500,000.

HEALTH AND HUMAN SERVICES

FY 2015-16 Supplemental Boilerplate Changes

Sec. 303. Community Mental Health Services Program (CMHSP) Notification

Requires a CMHSP to provide at least 30 days' notice before reducing, terminating, or suspending services with the exception of services that are no longer medically necessary.

Sec. 304. Home Help Criminal History Background Check Request for Proposal (RFP)

Permits DHHS to issue a RFP for criminal history background checks for adult home help providers.

Sec. 305. Special Project – Groundwater Contamination

Requires DHHS to work with the Department of Environmental Quality to expend \$1.0 million appropriated to provide water filters, water quality monitoring and a long-term alternative public water supply for residents affected by groundwater contaminated by perfluorinated compounds in a county of less than 8,700 residents per the most recent decennial census. Legislative intent is to address an issue in the area of Oscoda Township.

Sec. 306. Graduate Medical Education (GME) Quality Data

Requires hospitals receiving GME payments to submit quality data to a nonprofit organization using consensus-based nationally endorsed standards to help patients and payers identify hospital campuses likely to have superior outcomes, requires quality data to include perinatal care, hospital-acquired infection, and serious reportable events, and requires hospitals to also make the quality data available on their website. Replaces Sec. 1805 in current DHHS budget.

Sec. 1001. (2) Repealers

- Repeals Sec. 1182 related to unrealized program of private and state match funding for immunization and vaccine education activities. State funds are redirected in this supplemental.
- Repeals Sec. 1805 requiring hospitals receiving GME payments to submit quality data to a specified national nonprofit organization and requiring DHHS to withhold a hospital's fourth quarter GME payment until the hospital submits the quality data. Sec. 306 above replaces this section.

**HIGHER EDUCATION
Summary of FY 2016-17 Enacted Appropriations
Article III, 2016 Public Act 249 (Senate Bill 801)**

Analyst: Marilyn Peterson

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Enacted	Difference: Enacted From FY 2015-16 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	97,026,400	99,026,400	99,026,400	100,179,200	101,526,400	4,500,000	4.6
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	205,279,500	237,209,500	237,209,600	237,209,500	237,209,500	31,930,000	15.6
GF/GP	1,232,418,500	1,262,418,500	1,250,047,300	1,262,418,500	1,243,904,500	11,486,000	0.9
Gross	\$1,534,724,400	\$1,598,654,400	\$1,586,283,300	\$1,599,807,200	\$1,582,640,400	\$47,916,000	3.1

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) "House" refers to budget as passed by the House in HB 5291; "Senate" refers to budget as passed by the Senate in SB 801.

Overview

The Higher Education budget, contained in Article III of the compiled School Aid Act, provides funding for operational support of the state's 15 public universities, the AgBioResearch and Extension programs operated by Michigan State University, various financial aid programs for students attending public and independent colleges and universities in the state, and several other smaller higher education-related programs.

Major Budget Changes From FY 2015-16 YTD Appropriations

1. University Operations

Increases university operations funding by 2.9% (\$39.8 million), a reduction of \$20.0 million GF/GP from the Executive, and reinstates a formula component that distributes 50% of the performance funding based on each university's share of operational funding appropriated in the baseline year of FY 2010-11. Percentages applying to other formula components are thus halved; those other components are weighted completions, research and development expenditures, and comparisons to Carnegie peers, the latter of which includes four metrics.

	FY 2015-16 YTD (as of 2/10/16)	Enacted Change From YTD
Gross	\$1,360,557,600	\$39,787,400
Restricted	200,019,500	31,200,000
GF/GP	\$1,160,538,100	\$8,587,400

Performance funding that would otherwise be allocated to Eastern and Oakland is reduced by \$400,000 for each school and divided equally among the four other institutions that would still be below FY 2010-11 funding levels: Michigan State, UM-Ann Arbor, Wayne State, and Western.

Receipt of performance funding conditioned on restraining tuition/fee increases to 4.2% (set at 3.2% in current year). Projected funding increases for individual universities range from 2.4% to 4.5%.

2. MSU AgBioResearch and MSU Extension

Restores FY 2010-11 levels of funding for MSU's AgBioResearch and Extension programs. AgBioResearch with 2.3% (\$734,800 GF/GP) increase, bringing funding to \$33.2 million; Extension with 2.4% (\$677,800 GF/GP) increase, bringing funding to \$28.7 million.

Gross	\$60,503,100	\$1,412,600
GF/GP	\$60,503,100	\$1,412,600

HIGHER EDUCATION

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>		<u>FY 2015-16 YTD (as of 2/10/16)</u>	<u>Enacted Change From YTD</u>
3. MSU Veterinary Diagnostic Laboratory	Gross	NA	\$500,000
Provides one-time appropriation of \$500,000 GF/GP for MSU's Diagnostic Center for Population and Animal Health, which assists in identifying emerging animal and public health issues and works with national, state, and local officials on research and responses to threats such as avian influenza, bovine tuberculosis, West Nile virus, and chronic wasting disease.	GF/GP	NA	\$500,000
4. Michigan Public School Employees' Retirement System (MPERS)	Gross	\$5,160,000	\$730,000
Provides \$5.9 million in School Aid Fund (SAF) revenues to fund the difference between a newly enacted statutory cap on university payments into MPERS and the universities' unfunded accrued liability. Cap of 25.73% of applicable payroll was enacted by 2016 PA 136. Funding and cap affect the seven universities with MPERS employees: Central, Eastern, Ferris, Lake Superior State, Michigan Tech, Northern, and Western. Current-year funding is \$5.2 million, and assumes enactment of the 25.73% cap.	Restricted	5,160,000	730,000
5. Tuition Incentive Program	Gross	\$48,500,000	\$4,500,000
Adds \$4.5 million federal TANF funds for Tuition Incentive Program, which pays associate's degree tuition for Medicaid-eligible students completing high school, and provides tuition assistance of up to \$2,000 for participants continuing on with a baccalaureate. Total funding would be \$53.0 million (\$45.8 million TANF, \$4.7 million GF/GP); current-year funding would be increased to the same level by a supplemental appropriation (see below). Related boilerplate language establishes annual cap of \$8.5 million on total awards at any one college or university, effective FY 2017-18.	Federal	43,800,000	4,500,000
	GF/GP	\$4,700,000	\$0
6. Tuition Grant Program	Gross	\$34,035,500	\$986,000
Increases funding for the Tuition Grant Program by \$986,000 GF/GP, a 2.9% increase in total funding for this financial aid program for students at independent colleges and universities.	Federal	31,664,700	0
	GF/GP	\$2,370,800	\$986,000

Major Boilerplate Changes From FY 2015-16

GENERAL SECTIONS

Sec. 236c. State Building Authority Rent Payments – REVISED

Revised to update itemized list of estimated SBA rent payments to be made under the DTMB budget for university capital outlay projects. Current-year payments total an estimated \$136.0 million, updated to \$145.0 million for FY 2016-17.

Sec. 239a. Foreign Vehicles – DELETED

States intent that funds appropriated to universities not be used to purchase vehicles assembled outside the United States.

GRANTS AND FINANCIAL AID

Sec. 254. Financial Aid Payment Schedule – REVISED

Specifies quarterly payment schedule for financial aid programs, currently paid out at 50%, 30%, 10%, 10%. Revised to establish a different schedule for the Tuition Incentive Program, with payments being completed in the first three quarters: 55%, 40%, 5%.

Sec. 256. Tuition Incentive Program – REVISED

Provides for the Tuition Incentive Program, which pays associate's degree ("Phase I") tuition for Medicaid-eligible students completing high school, and provides tuition assistance of up to \$2,000 for participants continuing on with a baccalaureate degree ("Phase II"). New language establishes annual limit of \$8.5 million in awards at any one college or university, beginning in FY 2017-18, a change that currently would affect only Ferris State University.

Major Boilerplate Changes From FY 2015-16

UNIVERSITY OPERATIONS

Sec. 265. Performance Funding Criteria: Tuition Restraint – REVISED

- Conditions receipt of performance funding in part on compliance with tuition restraint requirements that limit allowable resident undergraduate tuition/fee increases to 4.2% over the prior year. Fiscal Year 2015-16's tuition restraint cap was 3.2%.
- Adds language stating that universities that exceed the tuition restraint cap shall not receive a planning or construction authorization for a state-funded capital outlay project in FY 2017-18 or FY 2018-19. Also adds a provision explicitly stating that the legislature may at any time adjust appropriations for a university that adopts a tuition and fee increase that exceeds the tuition restraint cap.
- Clarifies various terms consistent with usage.

Sec. 265a. Performance Funding Criteria and Formula – REVISED

Conditions receipt of performance funding on:

- Compliance with tuition restraint provisions.
- Certification that university participates in reverse transfer agreements with at least three Michigan community colleges. Language allowing compliance through "good faith effort" deleted.
- Certification that dual enrollment policy does not consider use of credits toward high school graduation requirements.
- Active participation, including submission of timely updates, in Michigan Transfer Network. Current-year language simply specified "participation."

Specifies formula used to distribute performance funding, revised as follows:

Formula Component	Current Year FY 2016-17	
• Proportional to each university's share of total operations funding in baseline year of FY 2010-11.	0.0%	50.0%
• Based on weighted undergraduate completions in critical skills areas.	22.2%	11.1%
• Based on research and development expenditures (for high-research universities).	11.1%	5.6%
• Based on comparisons with Carnegie classification peers – or improvement – on four metrics: six-year graduation rate, total degree completions, institutional support as a percentage of core expenditures, and percentage of students receiving Pell grants.	66.7%	33.3%

Sec. 268. Indian Tuition Waivers – REVISED

Revises and clarifies reporting requirements to include university data on number of undergraduate and graduate waiver students, costs of waivers, and degree and certification completion, by degree or certificate level.

Sec. 286a. Academic Program Partnerships – NEW

Requires Michigan Community College Association, Michigan Association of State Universities, and Michigan Independent Colleges and Universities to report on academic partnerships between public community colleges, public universities, and private colleges and universities.

Sec. 293. Student Records – DELETED

Requires universities to provide information from the records of a student to persons authorized by the student.

<u>FY 2015-16 Supplemental Appropriations</u>	<u>FY 2015-16 YTD (as of 2/10/16)</u>		<u>FY 2015-16 Supplemental Change</u>
1. Tuition Incentive Program	Gross	\$48,500,000	\$4,500,000
Provides supplemental appropriation of \$4.5 million in federal TANF authorization to meet anticipated current-year costs of the Tuition Incentive Program, consistent with a revised supplemental request made by the Executive on May 6, 2016. Total funding increased to \$53.0 million.	Federal	43,800,000	4,500,000
	GF/GP	\$4,700,000	\$0

HIGHER EDUCATION

Summary: FY 2016-17 University Performance Funding Increases

University	Proportional to FY 2010-11			Performance Funding Proportional to Share of Total				Performance Funding Scored vs. National Carnegie Peers										Funding Redistribution	*Total Performance Funding Increase	Proposed FY 2016-17 Appropriation	Percent Change
	% of formula: 50.0%			11.1%		5.6%		33.3%													
	Funding per unit: \$0.0140 per dollar			\$273.01 per completion		\$0.0018 per dollar		\$8.81 per weighted point													
FY 2015-16 Year-to-Date Appropriation	FY 2010-11 Appropriation	Funding	Critical Skills Undergrad Completions	Funding	Research & Development Expenditures	Funding	6-year Grad Rate	Total Degrees	Instl. Support as % of Expend.	% Students Receiving Pell Grants	Total Points	Undergrad FYES	Weighted Points	Funding							
Michigan State	\$268,770,700	\$283,685,200	\$3,973,365	2,767	\$755,414	\$311,961,002	\$547,140	2	3	0	0	5	36,653	183,265	\$1,615,449	200,000	\$7,091,400	\$275,862,100	2.6%		
UM-Ann Arbor	299,975,000	\$316,254,500	4,429,538	2,971	811,107	\$704,342,000	1,235,327	3	3	2	0	8	28,192	225,533	1,988,031	200,000	\$8,664,000	308,639,000	2.9%		
Wayne State	191,451,300	\$214,171,400	2,999,737	885	241,612	\$150,737,120	264,374	2	2	0	3	7	14,706	102,943	907,428	200,000	\$4,613,200	196,064,500	2.4%		
Michigan Tech	46,754,700	\$47,924,200	671,238	902	246,253	\$51,389,065	90,130	3	2	2	0	7	5,432	38,023	335,168		\$1,342,800	48,097,500	2.9%		
Western	104,334,100	\$109,615,100	1,535,296	1,089	297,306	\$18,997,041	33,318	2	2	0	3	7	16,870	118,087	1,040,912	200,000	\$3,106,800	107,440,900	3.0%		
Central	81,127,100	\$80,132,000	1,122,349	861	235,060	\$13,794,808	24,194	3	3	3	0	9	17,859	160,731	1,416,816		\$2,798,400	83,925,500	3.4%		
Oakland	48,371,900	\$50,761,300	710,975	1,119	305,496	\$9,080,916	15,927	2	3	2	0	7	14,851	103,957	916,363	(400,000)	\$1,548,800	49,920,700	3.2%		
Eastern	71,782,500	\$76,026,200	1,064,842	817	223,048			0	3	2	2	7	14,966	104,759	923,431	(400,000)	\$1,811,300	73,593,800	2.5%		
Ferris	50,369,800	\$48,619,200	680,972	1,305	356,276			2	3	2	2	9	10,750	96,750	852,835		\$1,890,100	52,259,900	3.8%		
Grand Valley	65,275,700	\$61,976,400	868,057	1,281	349,724			3	3	2	2	10	19,677	196,767	1,734,467		\$2,952,200	68,227,900	4.5%		
Saginaw Valley	28,181,200	\$27,720,700	388,263	463	126,403			0	2	2	2	6	7,906	47,434	418,124		\$932,800	29,114,000	3.3%		
UM-Dearborn	24,033,100	\$24,726,200	346,321	435	118,759			2	2	0	2	6	5,770	34,620	305,169		\$770,200	24,803,300	3.2%		
UM-Flint	21,815,400	\$20,898,000	292,703	558	152,339			0	2	2	2	6	5,462	32,775	288,903		\$733,900	22,549,300	3.4%		
Northern	45,107,700	\$45,140,300	632,246	550	150,155			2	2	2	0	6	7,356	44,136	389,051		\$1,171,500	46,279,200	2.6%		
Lake Superior	13,207,400	\$12,694,200	177,798	190	51,872			2	3	0	2	7	2,112	14,784	130,318		\$360,000	13,567,400	2.7%		
TOTAL:	\$1,360,557,600	\$1,420,344,900	\$19,893,700	16,193	\$4,420,822	\$1,260,301,952	\$2,210,411	28	38	21	20	107	208,561	1,504,563	\$13,262,467	\$0	\$39,787,400	\$1,400,345,000	2.9%		

Funding Increase: **\$39,787,400**
 Percent Increase: **2.9%**

Data Notes	Source	Years	Notes
Critical skills undergrad completions	State HEIDI	FYs 2014-2015	STEM/health/etc.
Research & develop expends	Federal IPEDS	FY 2014	Carnegie research universities only
Six-year graduation rate	Federal IPEDS^	FYs 2010-2013	First-time, full-time degree seeking students
Total degree completions	Federal IPEDS^	FYs 2010-2013	Includes graduate degrees
Inst support as % of core expends	Federal IPEDS^	FYs 2010-2013	Measure of administrative costs
Pell grant students	Federal IPEDS^	FYs 2011-2013	Federal need-based aid for undergrads
Undergrad FYES	State HEIDI	FY 2015	Includes nonresident students

^ via Business Leaders for Michigan and Anderson Economic Group

Scoring Based on Carnegie Peers	
Top 20% nationally	3
Above national median	2
Improving over 3 years	2

- *Requirements to receive funding increase:
1. Restrain FY 2016-17 resident undergraduate tuition/fee rate increase to 4.2% or below
 2. Participate in at least three reverse transfer agreements with community colleges
 3. Maintain a dual enrollment credit policy that does not consider whether credits were used toward high school graduation
 4. Actively participate in and submit timely updates to the Michigan Transfer Network

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
Summary of FY 2016-17 Enacted Appropriations
Article XI, 2016 Public Act 268 (House Bill 5294)

Analyst: Paul B.A. Holland

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Enacted	Difference: Enacted From FY 2015-16 YTD	
						Amount	%
IDG/IDT	\$707,600	\$707,600	\$707,600	\$707,600	\$707,600	\$0	0.0
Federal	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	0	0.0
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	62,200,100	63,449,600	63,399,600	63,449,600	63,399,600	1,199,500	1.9
GF/GP	150,000	150,000	200,000	150,000	150,000	0	0.0
Gross	\$65,057,700	\$66,307,200	\$66,307,200	\$66,307,200	\$66,257,200	\$1,199,500	1.8
FTEs	343.0	343.0	342.5	343.0	342.5	(0.5)	(0.1)

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Insurance and Financial Services (DIFS) is responsible for regulating, licensing, examining, evaluating, and promoting the insurance and financial industries operating within the state and providing consumer protection by managing consumer information and inquiries and investigating consumer complaints. DIFS implements, administers, and enforces state statutes pertaining to state-chartered banks and credits unions; mortgage brokers, lenders, and servicers; various consumer finance entities; insurance companies, agents, and products; and health maintenance organizations. DIFS was created by Executive Order 2013-1 through the transfer of the authority, powers, duties, functions, and responsibilities of the former Office of Financial and Insurance Regulation from the Department of Licensing and Regulatory Affairs.

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 YTD (as of 2/10/16)	Enacted Change From YTD
1. Technical Authorization Adjustments and Fund Shifts	Gross	\$3,332,100	\$0
Reflects net impact of multiple adjustments to spending and staff authorizations for numerous funds affecting various line items to more accurately reflect available and appropriate revenues and align authorization with actual operations; technical adjustments may involve increasing or decreasing spending or staff authorization or shifting authorization between fund sources within a single line item or transferring spending or staff authorization between line items.	Restricted	3,332,100	0
2. Early Out Five-Year Payouts	Gross	\$138,500	(\$138,500)
Recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentive, which were spread out over 5 years.	Restricted	138,500	(138,500)
3. Economic Adjustments	Gross	NA	\$1,388,000
Reflects increased costs for negotiated salary and wage increases (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required retirement contributions, and other economic adjustments.	Restricted	NA	1,388,000
4. Economic Development Programs	FTE	4.0	(0.5)
Removes estimated spending and staff authorization (\$50,000 restricted and 0.5 FTE) for economic development programming undertaken by the department.	Gross	\$1,084,300	(\$50,000)
	Restricted	934,300	(50,000)
	GF/GP	\$150,000	\$0

INSURANCE AND FINANCIAL SERVICES

Major Boilerplate Changes From FY 2015-16

Note: The Legislature renumbered several sections; section numbers below are referenced as they appear in the enacted FY 2016-17 budget with the section numbers as they appear under the FY 2015-16 budget in parenthesis, if different. Sections for which the only difference is renumbering are not included below.

Sec. 207. Out-of-State Travel Requirements and Report – NEW

Stipulates various limitations regarding under which conditions DIFS may send employees on out-of-state travel, further limits the expenditure of state funds on out-of-state professional development conferences, and requires a detailed annual report on out-of-state travel.

Sec. 213 (229). Department Scorecard Website and Health Insurance Rate Filings Report – REVISED

Requires DIFS to maintain a department scorecard website that identifies, updates, and tracks key metrics to monitor the department's performance and submit a separate report on annual rate filings by health insurers. *Revised to transfer the rate filing report to separate section (Sec. 301).*

Sec. (205). Metrics for New Programs or Program Enhancements – DELETED

Requires LARA to provide a list identifying program-specific metrics intended to measure performance based on a return on taxpayer investment and update the Legislature on its progress in tracking metrics and the status of program success.

Sec. (218). Out-of-State Travel Report – DELETED

Requires DIFS to submit a report pertaining to out-of-state travel for state employees, including the dates of each travel occurrence and the related expenses and fund sourcing of each travel occurrence.

Sec. (219). Office Space Consolidation Plan – DELETED

Requires DIFS to submit a report describing the amount of office space paid for and the amount actually utilized during the previous year and the amount estimated to be utilized during the current and subsequent years.

Sec. 220 (245). Healthy Michigan Plan Accounting Structure – REVISED

Requires DIFS in conjunction with the Department of Health and Human Services (DHHS) to maintain accounting structures within MAIN which will facilitate the identification of expenditures associated with the Healthy Michigan Plan and requires DIFS to annually provide the Legislature with relevant accounting scripts and reports. *Revised to require report only if accounting structures are changed.*

Sec. 301. Health Insurance Rate Filings Report – NEW

Requires DIFS to submit a report based on the annual rate filings from health insurers and delineates the information to be included.

Sec. (310). Economic Development Report – DELETED

Requires DIFS to submit a report pertaining to the total amounts expended and number of FTEs utilized during the preceding fiscal year to support the economic development of the insurance or financial industries and to provide a detailed 2-year plan for DIFS activities to support the economic development of the insurance or financial industries.

Sec. 303. Fees for Customized Listings – NEW

Permits DIFS to provide customized lists of non-confidential information to interested parties and charge reasonable fees; states that funds lapse to appropriate restricted fund accounts.

Sec. (802). Autism Coverage Reimbursement Program Reporting Requirements – DELETED

Requires DIFS to submit a report pertaining to the number of claims approved for reimbursement within each county, the amount expended for reimbursement of each carrier, and detailed claims statistics associated with the Autism Coverage Reimbursement Program authorized by 2012 PA 101.

INSURANCE AND FINANCIAL SERVICES

FY 2015-16 Supplemental Appropriations

1. Autism Coverage Reimbursement Program

Includes spending authorization to support the pro-rated reimbursement of eligible health insurance carriers for approved, yet unpaid, claims associated with the diagnosis and treatment of autism spectrum disorder (ASD) submitted through April 30, 2016. Reimbursements are administered under the Autism Coverage Reimbursement Program (ACRP) and are financed with money from the Autism Coverage Fund (ACF), which was nearly depleted during November 2015, subsequent to rapidly escalating submissions of reimbursement claims.

	FY 2015-16 YTD (as of 2/10/16)	FY 2015-16 Supplemental Change
Gross	\$0	\$2,225,000
Restricted	0	449,900
GF/GP	\$0	\$1,775,100

FY 2015-16 Supplemental Boilerplate Changes

Sec. 401. Fees for Customized Listings – NEW

Permits DIFS to provide customized lists of non-confidential information to interested parties and charge reasonable fees, which are appropriated upon receipt to offset related expenses and lapse to appropriate restricted fund accounts.

Sec. 402. Autism Coverage Fund – NEW

Allocates \$2.25 million from the Autism Coverage Fund, pursuant to 2012 PA 101, for pro-rated reimbursements of health insurance carriers for approved paid claims for the diagnosis and treatment of autism spectrum disorders received under the Autism Coverage Reimbursement Program.

Sec. 403. Autism Coverage Fund Tie-Bar – NEW

Stipulates that DIFS may not be expended from the appropriation in Sec. 402 unless and until SB 1007 is enacted into law permitting the proration of reimbursements for claims received prior to April 30, 2016.

**JUDICIARY
Summary of FY 2016-17 Enacted Appropriations
Article XII, 2016 Public Act 268 (House Bill 5294)**

Analyst: Robin R. Risko

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Revised Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Enacted	Difference: Enacted From FY 2015-16 YTD	
						Amount	%
IDG/IDT	\$2,362,900	\$1,550,000	\$1,550,000	\$1,550,000	\$1,550,000	(\$812,900)	(34.4)
Federal	6,428,600	6,433,500	6,433,500	6,433,500	6,433,500	4,900	0.1
Local	7,229,000	7,349,300	7,349,300	7,349,300	7,349,300	120,300	1.7
Private	942,900	957,800	957,800	957,800	957,800	14,900	1.6
Restricted	84,245,800	92,786,000	92,786,000	92,786,000	92,786,000	8,540,200	10.1
GF/GP	183,642,200	190,057,400	190,057,400	188,334,800	189,157,400	5,515,200	3.0
Gross	\$284,851,400	\$299,134,000	\$299,134,000	\$297,411,400	\$298,234,000	\$13,382,600	4.7
FTEs	489.0	510.0	510.0	510.0	510.0	21.0	4.3

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

Article VI of the State Constitution of 1963 forms the basis for Michigan's judicial branch of government. The Judiciary budget provides operational funding for the Michigan Supreme Court, the Court of Appeals, and related judicial agencies. The budget funds the salaries of justices of the Supreme Court and judges of the appeals, circuit, probate, and district courts according to constitutional and statutory requirements. Funding assistance for local trial court operations is provided through a variety of grant programs. The largest of these, the Court Equity Fund Reimbursement program, reimburses counties for trial court operations based on a statutory formula that recognizes circuit and probate caseloads and the numbers of judgeships.

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 YTD (as of 2/10/16)	Enacted Change From YTD
1. Statewide Electronic Filing System	Gross	\$100	\$8,499,900
Includes authorization to receive state restricted electronic filing fee revenue. Public Acts 230 through 235 of 2015 established the electronic filing fund to support implementation, operation, and maintenance of a statewide electronic filing system. Fees paid by parties filing civil actions support the system.	Restricted	100	8,499,900
2. Michigan Indigent Defense Commission	FTE	6.0	10.0
Includes additional FTE positions and funding for the Michigan Indigent Defense Commission to work to bring the state's criminal defense system into compliance with the right to counsel requirements of the United States and Michigan constitutions.	Gross	\$996,700	\$1,300,000
	GF/GP	\$996,700	\$1,300,000
3. Judges Salaries	Gross	NA	\$872,600
Includes funding to cover costs of judicial salary increases authorized by Public Act 31 of 2016. Under the law, salaries for Court of Appeals, circuit, probate, and district court judges will be increased by the same percentage increase that civil service non-exclusively represented employees receive.	GF/GP	NA	\$872,600
4. Medication-Assisted Treatment Pilot Program	Gross	NA	\$750,000
Includes one-time funding to establish a medication-assisted treatment pilot program, within existing drug treatment courts, to target new court admissions having heroin or other opiate drug disorders.	GF/GP	NA	\$750,000

Major Budget Changes From FY 2015-16 YTD Appropriations	FY 2015-16 YTD (as of 2/10/16)	Enacted Change From YTD
5. Compliance with U.S. Supreme Court Decision Regarding Juvenile Lifers	FTE	NA
	Gross	NA
	GF/GP	11.0
Includes additional FTE positions and one-time funding for the State Appellate Defender Office (SADO) to provide post-conviction representation of juvenile lifers in re-sentencings as a result of the U.S. Supreme Court decision on the <i>Montgomery v. Louisiana</i> case.		\$700,000
		\$700,000
6. Expansion of Problem Solving Courts	Gross	NA
	GF/GP	NA
Includes funding for expanding the number of veterans courts and increasing the number of drug treatment court participants. Of the \$500,000 in additional funding, \$250,000 is designated as a one-time appropriation, and \$250,000 is designated as on-going. Of the \$250,000 in additional on-going appropriations, \$125,000 is allocated to drug treatment courts and \$125,000 to mental health courts.		\$500,000
		\$500,000
7. Michigan Legal Self-Help Website and Centers	Gross	NA
	GF/GP	NA
Includes funding for the Michigan Legal Help program which provides free around-the-clock legal information and assistance to individuals who represent themselves in civil legal matters. The funding replaces work project funding that has been utilized to fund the program since 2013. The additional funding will cover expenses for nine months after work project funding is no longer available in December 2016.		\$300,000
		\$300,000
8. Funding Adjustments for Michigan Judicial Institute	Gross	\$2,159,100
	IDG	339,200
	Federal	169,200
	Private	59,300
	GF/GP	\$1,591,400
Removes \$56,500 in federal Department of Justice grant funding that was budgeted, but not received, and decreases spending authorization by \$339,200 to reflect discontinued Michigan Justice Training grant funding that was previously received from the Department of State Police (DSP).		(\$395,700)
		(339,200)
		(56,500)
		0
		\$0
9. Funding Adjustment for SADO	Gross	\$473,700
	IDG	473,700
	GF/GP	\$0
Eliminates IDG funding to reflect discontinued Michigan Justice Training grant funding that was previously received from DSP and includes GF/GP funding to partially offset the loss of IDG funding so that SADO is able to continue indigent defense trainings.		(\$306,700)
		(473,700)
		\$167,000
10. Savings for Eliminated Judgeships	Gross	NA
	GF/GP	NA
Includes a savings from a combination of 1.0 Court of Appeals judgeship elimination by attrition (2012 PA 240), 3.0 district court and 1.0 circuit court judgeship retirements (2012 PAs 27, 33, 35, and 38), restoration of 1.0 circuit court judgeship (2009 PA 228), and election of 1.0 new district court and 2.0 new circuit court judges (2014 PAs 56, 58, and 60).		(\$259,700)
		(259,700)
11. Swift and Sure Sanctions Program	Gross	\$4,250,000
	Restricted	1,729,400
	GF/GP	\$2,520,600
Reduces current year funding for the Swift and Sure Sanctions Program by \$250,000.		(\$250,000)
		0
		(250,000)
12. Early Out Payouts	Gross	\$58,800
	Federal	500
	Local	6,800
	GF/GP	\$51,500
Recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentive, which were spread out over five years.		(\$58,800)
		(500)
		(6,800)
		(51,500)
13. Economic Adjustments	Gross	NA
	Federal	NA
	Local	NA
	Private	NA
	Restricted	NA
	GF/GP	NA
Reflects a net increase in costs for negotiated salary and wage amounts (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required retirement contributions, private rent costs, building occupancy charges, and worker's compensation costs.		\$1,731,000
		61,900
		127,100
		14,900
		40,300
		\$1,486,800

JUDICIARY

Major Boilerplate Changes From FY 2015-16

Sec. 209. Juvenile Justice Vision 20/20 – DELETED

Expresses legislative intent that the State Court Administrative Office (SCAO) implement a database, if funding becomes available, that tracks statistical and demographic data on adjudicated juveniles for use by the circuit and probate courts, private juvenile justice agencies, and SCAO; establishes the project as a work project account; requires SCAO to report on the status of the implementation of the project.

Sec. 306. Collected and Uncollected Payments and Fees – MODIFIED

Requires SCAO to provide a statistical report, categorized by county, on collected and uncollected amounts of restitution payments, court fees, and other judgements placed on people within the counties, for fiscal years 2009 through 2014. Reporting period revised to the year 2015.

Sec. 320. Swift and Sure Sanctions Program – MODIFIED

Requires the appropriation to be expended for the Swift and Sure Sanctions program; requires SCAO to report on courts receiving funding, the number of offenders participating, criminal history of offenders, recidivism rates, and parameters of the program. New requirement included that reserves \$500,000 of the appropriation for programs in counties that had more than 325 individuals sentenced to prison in the previous calendar year.

Sec. 324. Additional Funding for Michigan Indigent Defense Commission – NEW

Requires additional funding appropriated for the Michigan Indigent Defense Commission to be used for bringing the Michigan criminal defense system into compliance with the right to counsel requirements of the United States and Michigan constitutions; requires specific outcomes and performance measures to be identified.

Sec. 325. Michigan Indigent Defense Commission Report on Incremental Costs – NEW

Requires the Michigan Indigent Defense Commission to submit a report on the incremental costs associated with the standard development process, the compliance plan process, and the collection of data from all indigent defense systems and attorneys providing indigent defense.

Sec. 401. Expansion of Problem Solving Courts – NEW

Requires additional funding appropriated for drug treatment courts to be used for increasing the number of participants and decreasing recidivism rates.

Sec. 402. Compliance with U.S. Supreme Court Decision Regarding Juvenile Lifers – NEW

Requires SADO to ensure compliance with the U.S. Supreme Court ruling on the *Montgomery v. Louisiana* case and to ensure competent, resourced, and supervised counsel in cases involving the resentencing of juvenile lifers; requires SADO to submit a report on the number of juvenile lifer cases investigated and prepared, to include a calculation of hours spent and a focus on incremental costs associated with investigating and conducting each case.

Sec. 403. Medication-Assisted Treatment Pilot Program – NEW

Requires the judiciary to establish a medication-assisted treatment pilot program to provide treatment for opioid-addicted and alcohol-addicted individuals who are referred and who voluntarily participate.

<u>FY 2015-16 Supplemental Appropriations</u>		<u>FY 2015-16 YTD (as of 2/10/16)</u>	<u>FY 2015-16 Supplemental Change</u>
1. Statewide Electronic Filing System	Gross	\$100	\$5,000,000
Includes authorization to receive state restricted electronic filing fee revenue. Public Acts 230 through 235 of 2015 established the electronic filing fund to support implementation, operation, and maintenance of a statewide electronic filing system.	Restricted	100	5,000,000
2. Representation of Juvenile Lifers	FTE	NA	6.0
Includes FTE positions and funding for SADO to provide post-conviction representation of juvenile lifers in re-sentencings as a result of the U.S. Supreme Court decision on the <i>Montgomery v. Louisiana</i> case.	Gross	NA	\$300,000
	GF/GP	NA	\$300,000
3. Indigent Defense Training	Gross	\$473,700	\$0
Includes \$167,000 GF/GP, and reduces IDG funding by a like amount, to reflect discontinued MCOLES grant funding from DSP. Funding is used by SADO for indigent defense trainings.	IDG	473,700	(167,000)
	GF/GP	\$0	\$167,000

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
Summary of FY 2016-17 Enacted Appropriations
Article XIII, 2016 Public Act 268 (House Bill 5294)

Analyst: Paul B.A. Holland

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Revised Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Enacted	Difference: Enacted From FY 2015-16 YTD	
						Amount	%
IDG/IDT	\$46,068,700	\$46,923,800	\$46,923,800	\$46,923,800	\$46,923,800	\$855,100	1.9
Federal	63,674,900	63,818,100	63,818,100	63,818,100	63,818,100	143,200	0.2
Local	679,000	251,600	251,600	251,600	251,600	(427,400)	(62.9)
Private	341,300	314,100	111,800	314,100	111,800	(229,500)	(67.2)
Restricted	258,603,600	262,446,700	268,232,700	262,462,400	263,236,000	4,632,400	1.8
GF/GP	40,481,500	42,791,100	42,313,200	45,813,200	43,721,100	3,239,600	8.0
Gross	\$409,849,000	\$416,545,400	\$421,651,200	\$419,583,200	\$418,062,400	\$8,213,400	2.0
FTEs	2,221.8	2,230.8	2,226.8	2,229.8	2,227.8	6.0	0.3

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) "Executive" includes the revisions recommended by the Executive Budget Revision #2017-3.

Overview

The Department of Licensing and Regulatory Affairs (LARA) is primarily responsible for overseeing various agencies and programs that implement, administer, and enforce numerous statutes and rules regulating commercial and occupational, construction and fire safety, health care and human service, energy and public utility, and alcoholic beverage activities, entities, and facilities. Agencies within LARA are also responsible for implementing, administering, and enforcing workers' compensation requirements, occupational safety and health standards, and labor and wage laws, as well as providing vocational rehabilitation services for the blind and coordinating employment services for immigrants. Lastly, agencies within LARA conduct and adjudicate administrative hearings, supervise administrative rulemaking, and evaluate regulatory requirements and administrative processes for departments and agencies throughout state government.

Major Budget Changes From FY 2015-16 YTD Appropriations

		FY 2015-16 YTD (as of 2/10/16)	Enacted Change From YTD
1. Michigan Automated Prescription System	FTE	NA	9.0
Increases spending and staff authorization by \$2.0 million to support maintenance of the information technology components of and enhance the staffing for the Michigan Automated Prescription System (MAPS), which is accessed to identify and prevent drug diversion by tracking controlled substances prescriptions, in accordance with the recommendations of the Michigan Prescription Drug and Opioid Abuse Task Force. (One-time spending authorization for the upgrade of MAPS information technology components was included in the FY 2015-16 supplemental and is described below.)	Gross	NA	\$2,020,000
	GF/GP	NA	\$2,020,000
2. Electric Reliability and Resiliency Programs	FTE	183.0	4.0
Increases spending and staff authorization for the Michigan Agency for Energy (MAE) and the Public Service Commission (PSC) to hire engineers to implement programs related to energy mandates, emergency coordination, electric resiliency, demand response, waste reduction, and reliability expenditures and funded with annual assessments levied on investor-owned and cooperative electric, natural gas, and telecommunication utilities.	Gross	\$33,802,700	\$601,300
	Federal	5,155,100	0
	Private	30,000	0
	Restricted	28,067,600	601,300
	GF/GP	\$550,000	\$0
3. Liquor Control Commission IT Systems (One-Time)	Gross	NA	\$1,560,000
Includes one-time spending authorization to support the upgrade of three IT systems utilized by the Liquor Control Commission (LCC) to improve business processes related to the state's liquor wholesale operations.	Restricted	NA	1,560,000

LICENSING AND REGULATORY AFFAIRS

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>		FY 2015-16 YTD (as of 2/10/16)	Enacted Change From YTD
4. FY 2015-16 Flint Water Emergency Supplemental Appropriations		FTE	1.0 (1.0)
Removes spending and staff authorization supporting the inspection and replacement (if lead levels exceed 15 ppb) of plumbing fixtures installed in educational, human service, and healthcare facilities located within the City of Flint and performed under the direction of the Bureau of Construction Codes (BCC).		Gross	\$2,200,000 (\$2,200,000)
	Restricted	200,000	(200,000)
	GF/GP	\$2,000,000	(\$2,000,000)
5. Detroit Demolition Permit Assistance		Gross	\$800,000 (\$800,000)
Eliminates spending authorization which supported permitting activities administered by the Bureau of Construction Codes (BCC) and related to demolition and blight elimination projects undertaken within the City of Detroit; the City resumed these permitting duties during October 2015.		Restricted	800,000 (800,000)
6. Distance Education Reciprocal Agreements		Gross	\$0 \$300,000
Includes spending authorization to support administrative expenses incurred under the Higher Education Authorization and Distance Education Reciprocal Exchange Act and financed with revenue generated by statutory fees levied on accredited colleges and universities located within and without the state and authorized to participate in reciprocal agreements between the state and other states or higher education compacts entered into by LARA pursuant to the Act.		Restricted	0 300,000
7. Technical Authorization Adjustments and Fund Shifts		FTE	631.9 0.0
Reflects net impact of multiple adjustments to spending and staff authorizations for numerous funds affecting various line items to more accurately reflect available and appropriate revenues and align authorization with actual operations; technical adjustments may involve increasing or decreasing spending or staff authorization or shifting authorization between fund sources within a single line item or transferring spending or staff authorization between line items.		Gross	\$110,954,700 (\$3,260,800)
	IDG/IDT	20,995,000	(100,000)
	Federal	22,424,400	(595,200)
	Local	429,000	(429,000)
	Private	434,600	(232,300)
	Restricted	45,997,000	(1,195,300)
	GF/GP	\$20,674,700	(\$709,000)
8. Early Out Five-Year Payouts		Gross	\$934,700 (\$934,700)
Recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentive, which were spread out over 5 years.		IDG/IDT	37,800 (37,800)
	Federal	263,300	(263,300)
	Restricted	616,100	(616,100)
	GF/GP	\$17,500	(\$17,500)
9. Economic Adjustments		Gross	NA \$6,549,700
Reflects increased costs for negotiated salary and wage increases (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required retirement contributions, and other economic adjustments.		IDG/IDT	NA 992,900
	Federal	NA	1,001,700
	Local	NA	1,600
	Private	NA	2,800
	Restricted	NA	3,982,500
	GF/GP	NA	\$568,200
10. Bureau of Fire Services Plan Review Division		FTE	7.0 (2.0)
Reduces staff authorization for the Plan Review Division of the Bureau of Fire Services (BFS) to recognize anticipated administrative efficiencies created via electronic filing of plan reviews.		Gross	\$850,000 \$0
	Restricted	350,000	0
	GF/GP	\$500,000	\$0
11. Fire Protection Grants (One-Time)		Gross	\$9,273,900 \$3,400,000
Increases spending authorization for grants awarded to municipalities within which state-owned facilities (e.g., offices, prisons, hospitals, universities, warehouses) are located in lieu of taxes for fire protection services provided by municipalities.		Restricted	9,273,900 0
	GF/GP	\$0	\$3,400,000

LICENSING AND REGULATORY AFFAIRS

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>		FY 2015-16 YTD (as of 2/10/16)	Enacted Change From YTD
12. Firefighter Training Grants	Gross	\$1,000,000	\$1,000,000
Increases spending authorization for grants awarded to counties to reimburse organized fire departments for firefighter training and other activities required under the Firefighter Training Council Act of 1966; supported with revenue from the Fireworks Safety Fund, which has historically exceeded expenditures and is earmarked for these grants.	Restricted	1,000,000	1,000,000
13. Regulatory Reinvention and Reinventing Performance in Michigan	FTE	10.0	(7.0)
	Gross	\$1,182,600	(\$495,500)
Removes spending and staff authorization (\$495,500 GF/GP, 4.0 FTE) for the Office of Regulatory Reinvention (ORR), which supervises the promulgation of administrative rules by departments and agencies throughout state government, and staff authorization (6.0 FTE) for the Office of Reinventing Performance in Michigan (RPM), which researches administrative processes and procedures to increase efficiency and effectiveness through modern managerial techniques, both of which were transferred from LARA to the Department of Technology, Management, and Budget via Executive Order 2016-4; while retaining the spending authorization for the RPM (\$715,900 from Corporations Fees) and adding staff authorization (3.0 FTE) within the LARA administrative office to continue departmental process improvement activities.	Restricted	700,000	0
	GF/GP	\$482,600	(\$495,500)
14. Hispanic, Asian Pacific, and Middle Eastern Commissions	FTE	NA	3.0
	Gross	NA	\$473,400
Includes spending and staff authorization for the Hispanic/Latino Commission of Michigan, Asian Pacific American Affairs Commission, and the Commission on Middle Eastern American Affairs which were transferred to LARA from the Department of Civil Rights via Executive Order 2016-3 and are charged with promoting the interests of and advising the state government on their respective ethnic populations.	GF/GP	NA	\$473,400

Major Boilerplate Changes From FY 2015-16

Note: The Legislature renumbered several sections; section numbers below are referenced as they appear in the enacted FY 2016-17 budget with the section numbers as they appear under the FY 2015-16 budget in parenthesis, if different. Sections for which the only difference is renumbering are not included below.

Sec. 207 (218). Out-of-State Travel Requirements and Report – REVISED

Requires LARA to submit a report pertaining to out-of-state travel for state employees, including the dates of each travel occurrence and the related expenses and fund sourcing of each travel occurrence. *Revised to stipulate various limitations regarding under which conditions LARA may send employees on out-of-state travel, further limit the expenditure of state funds on out-of-state professional development conferences, and require a detailed annual report on out-of-state travel.*

Sec. 210 (223). Contingency Funds – REVISED

Permits appropriation of federal, state restricted, local, and private contingency funds up to specified amounts, subject to the legislative transfer process. *Revised to modify amounts.*

Sec. (205). Metrics for New Programs or Program Enhancements – DELETED

Requires LARA to provide a list identifying program-specific metrics intended to measure performance based on a return on taxpayer investment and update the Legislature on its progress in tracking metrics and the status of program success.

Sec. (219). Office Space Consolidation Plan – DELETED

Requires LARA to submit a report describing the amount of office space paid for and the amount actually utilized during the previous year and the amount estimated to be utilized during the current and subsequent years.

Sec. 220 (245). Healthy Michigan Plan Accounting Structure – REVISED

Requires LARA in conjunction with the Department of Health and Human Services (DHHS) to maintain accounting structures within MAIN which will facilitate the identification of expenditures associated with the Healthy Michigan Plan and requires LARA to annually provide the Legislature with relevant accounting scripts and reports. *Revised to require report only if accounting structures are changed.*

LICENSING AND REGULATORY AFFAIRS

Major Boilerplate Changes From FY 2015-16

Sec. 223 (241). Informational, Training, and Special Events Revenues and Expenditures – REVISED

Stipulates that LARA may charge registration fees for events sponsored by LARA, that fees shall reflect costs of sponsoring events, that revenue generated by fees is appropriated for sponsorship costs, that excess revenue shall carry-forward, requires annual report pertaining to revenues and expenditures related to events, and limits authorization to \$500,000. *Revised to eliminate reporting requirement.*

Sec. 226 (248). Regulatory Statistical Report – REVISED

Requires LARA to submit an annual report that specifies and summarizes statistical information pertaining to fees, revenues, expenditures, applications, determinations, timeliness, examinations, complaints, investigations, enforcement actions, administrative hearings, and adjudications for activities, entities, facilities, and industries regulated by agencies within LARA. *Revised to recognize current regulatory agencies, remove agency-level summary reporting requirement, and redefine key terms.*

Sec. (243). Reinventing Performance in Michigan MOUs – DELETED

Requires LARA to work to establish memorandums of understanding (MOUs) with participating state departments to devise a mechanism to recover costs related to services performed for the Reinventing Performance in Michigan (RPM) initiative and submit an annual report on the RPM and associated MOUs.

Sec. 301. Exploration of Carbon Dioxide Capture – NEW

Directs the Michigan Agency for Energy (MAE) and Public Service Commission (PSC) to explore policies relating to carbon dioxide capture and sequestration that improve the state's regulatory structure and report their findings to the Legislature.

Sec. 401. IT Upgrades to Mitigate Licensure Delays – NEW

Directs the Liquor Control Commission (LCC) to utilize its existing appropriation from the Liquor Purchase Revolving Fund to invest in information technology upgrades to expedite the measuring of distance between applicants and churches or schools.

Sec. 402. Investigation of Direct Shipments of Wine – NEW

Directs the Liquor Control Commission (LCC) to expend its existing appropriation from the Direct Shipper Enforcement Revolving Fund to investigate unlawful direct shipments of wine by unlicensed wineries and retailers and submit a related report to the Legislature.

Sec. 507. Medical Marijuana Program Report and Fees – REVISED

Requires LARA to submit a report pertaining to the revenue, expenditures, application determinations, and timeliness of the Medical Marijuana Program and other specified information. *Revised to include requirement to report number of registry cards within each county from Sec. 902.*

Sec. 512. Public Availability of BHCS Disciplinary Actions – DELETED

Requires the Bureau of Health Care Services (BHCS), to the extent allowed under applicable laws, to make disciplinary actions taken against health professionals publically available through a license verification website.

Sec. 514. Number of Child Care Licensing Consultants and Staff – DELETED

Requires the Bureau of Children and Adult Licensing (BCAL) to expend the interdepartmental grant from the Department of Education to increase the number of child care licensing consultants and staff who perform monitoring visits to licensees and applicants for licensure and submit a report to the Legislature detailing improvements achieved due to increased consultants and staff.

Sec. 515. Authorization to Assess Regulatory Fees on Child and Adult Care Facilities – NEW

Authorizes LARA to assess and collect fees associated with the licensing and regulation of child care organizations and adult foster care facilities as defined pursuant to statute and requires LARA to provide information necessary to shift spending authorization for revenue generated by the fees to a restricted fund for FY 2017-18.

Sec. 516. Wood Products Manufacturing Facilities Inspection Method and Report – NEW

Stipulates intent that LARA establish a consistent method for inspecting wood products manufacturing facilities and requires LARA to submit a report describing specified information pertaining to such inspections.

Sec. 517. Opioid Overprescribing Report – NEW

Requires LARA to submit a report pertaining to the overprescribing of opioids by licensed prescribers and specifying the actions undertaken by LARA in response to such overprescribing and requires LARA to provide information on how to obtain federal guidelines for prescribing opioids.

Major Boilerplate Changes From FY 2015-16

Sec. 518. Notice of AFC, HFA, and LTC Facility Closing – NEW

Requires the Bureau of Community and Health Systems (BCHS) to notify legislatures representing districts wherein licensed adult foster care home, home for the aged, and nursing home facilities receiving Orders of Suspension are located.

Sec. 519. Performance Metrics for MAPS IT Upgrades and Staffing Enhancement – NEW

Requires LARA to provide improved efficiencies, functionality, and reporting capabilities of the Michigan Automated Prescription System (MAPS); identify and report specific outcomes and performance metrics for the upgrade and enhancement of MAPS to the Legislature; and consider releasing statistical information for research purposes.

Sec. 706. Youth Low-Vision Program Report – DELETED

Requires LARA to submit an annual report to the Legislature pertaining to the operations and expenditures of the Youth Low-Vision Program administered by the Bureau of Services for Blind People (BSBP).

Sec. 902. Medical Marihuana Registry Cards Report and Grants to County Law Enforcement – REVISED

Requires LARA to submit a report pertaining to the number of medical marihuana registry identification cards issued or renewed in each county; stipulates that LARA award Medical Marihuana Operation and Oversight Grants to county sheriffs' offices; requires reports submitted by both county sheriffs' offices and LARA pertaining to the amounts, recipients, and uses of the grants; and permits county sheriffs' offices to distribute discretionary grants to municipal law enforcement agencies. *Revised to direct LARA to collaborate with law enforcement entities regarding the availability of grant funds and transfer requirement to report number of registry cards within each county to Sec. 507.*

Sec. 903. Firefighter Training Grants – REVISED

Requires that the appropriation be expended for payments to counties and purposes pursuant to 1966 PA 291, stipulates intent pertaining to how the appropriation is disbursed to counties and specifying a minimum disbursement to each county, requires an annual report identifying potential and actual disbursements and other expenditures, and stipulates intent that unexpended disbursements lapse back into the restricted fund are appropriated in the next fiscal year. *Revised to eliminate intent language directing the Legislature to appropriate grant funds unexpended during the preceding year.*

Sec. 1001. Performance Metrics for LCC IT Upgrades – NEW

Requires LARA to maintain customer service standards of the Liquor Control Commission (LCC) and identify specific outcomes and performance metrics for the upgrades of LCC information technology systems.

<u>FY 2015-16 Supplemental Appropriations</u>	<u>FY 2015-16 YTD (as of 2/10/16)</u>	<u>FY 2015-16 Supplemental Change</u>
1. Video Franchise Assessments	Gross	\$0
Spending authorization to exhaust the remaining fund balance for video franchise assessments levied pursuant to the Uniform Video Services Local Franchise Act of 2006, the authority to collect which was subject to a sunset provision beginning on December 31, 2015; however, no authorization to expend these monies was included in the FY 2015-16 LARA budget; consequently, LARA is seeking authorization to expend the fund balance on expenses incurred in implementing the Act between October 1 and December 31, 2015.	Restricted	83,300
		\$83,300
2. Higher Education Compacts	Gross	NA
Spending authorization for revenue generated by statutory fees levied on and collected from accredited colleges and universities located within and without the state and authorized to participate in reciprocal agreements between the state and other states or higher education compacts entered into by LARA pursuant to the Higher Education Authorization and Distance Education Reciprocal Exchange Act of 2015. This revenue would be expended by LARA to support departmental administrative expenses incurred under the Act.	Restricted	300,000
		\$300,000

LICENSING AND REGULATORY AFFAIRS

<u>FY 2015-16 Supplemental Appropriations</u>	<u>FY 2015-16 YTD (as of 2/10/16)</u>	<u>FY 2015-16 Supplemental Change</u>
3. Michigan Automated Prescription System (One-Time)	Gross	NA
Spending authorization to support the one-time expenses incurred to upgrade the information technology components of the Michigan Automated Prescription System (MAPS), which is accessed to identify and prevent drug diversion by tracking controlled substances prescriptions, in accordance with the recommendations of the Michigan Prescription Drug and Opioid Abuse Task Force.	GF/GP	NA
		\$2,470,000
		\$2,470,000
4. First Responder Presumed Coverage Fund (One-Time)	Gross	\$0
Spending authorization to support the First Responder Presumed Coverage Fund created by 2014 PA 515 and which, upon appropriation, provides workers' compensation benefits to eligible firefighters diagnosed with statutorily specified cancers who are ineligible for or denied other disability pension benefits; supported with revenue from the Forest Development Fund, appropriated by HB 5631, into which proceeds from the sale of contracts to harvest timber on state lands are deposited.	Restricted	0
		\$3,000,000
		3,000,000

FY 2015-16 Supplemental Boilerplate Changes

Sec. 601. First Responder Presumed Coverage Claims – NEW

Designates unexpended funds appropriated for the payment of workers' compensation claims from the First Responder Presumed Coverage Fund as a work project appropriation to be carried forward until the tentative completion date of September 30, 2020.

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
Summary of FY 2016-17 Enacted Appropriations
Article XIV, 2016 Public Act 268 (House Bill 5294)

Analyst: Kent Dell

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Enacted	Difference: Enacted From FY 2015-16 YTD	
						Amount	%
IDG/IDT	\$99,300	\$101,800	\$101,800	\$101,800	\$101,800	\$2,500	2.5
Federal	90,208,600	91,793,600	91,793,600	91,793,600	91,793,600	1,585,000	1.8
Local	1,497,400	1,522,400	1,522,400	1,732,400	1,522,400	25,000	1.7
Private	739,600	742,800	742,800	742,800	742,800	3,200	0.4
Restricted	23,221,500	24,696,000	23,596,000	24,696,000	24,696,000	1,474,500	6.3
GF/GP	53,187,300	57,143,600	51,543,800	57,643,600	55,243,600	2,056,300	3.9
Gross	\$168,953,700	\$176,000,200	\$169,300,400	\$176,710,200	\$174,100,200	\$5,146,500	3.0
FTEs	897.5	897.5	902.5	907.5	907.5	10.0	1.1

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Military and Veterans Affairs provides for the operations of the Michigan National Guard in support of the military and security needs of the state and the federal government. The department, through the Michigan Veterans Affairs Agency, also oversees state programs for veterans, including the state's veterans homes, grants to veterans service organizations, and the Michigan Veterans Trust Fund.

Budget Structure

The FY 2015-16 budget includes six line items within four appropriation units and incorporates schedules of programs in part 1. The FY 2016-17 budget is restructured into five appropriation units containing twenty-eight separate line items, eliminating the schedule of programs budget structure. The Grand Rapids Home for Veterans is structured as one of the five appropriation units and consists of three separate line items.

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 YTD (as of 2/10/16)	Enacted Change From YTD
1. Removal of FY 2015-16 One-Time Appropriations	Gross	\$5,000,000	(\$5,000,000)
Removes the one-time appropriation of \$3.0 million GF/GP for the purpose of Special Maintenance – National Guard as well as \$2.0 million GF/GP for the Flint Declaration of Emergency.	GF/GP	\$5,000,000	(\$5,000,000)
2. Grand Rapids Home for Veterans: Medicaid Certification Pilot (One-Time)	Gross	NA	\$1,000,000
Includes a one-time appropriation of \$1.0 million GF/GP to renovate the fourth floor of the Grand Rapids Home for Veterans in order to meet Medicaid specifications. Additional funds were made available via supplemental appropriation.	GF/GP	NA	\$1,000,000
3. Grand Rapids Home for Veterans: Revenue Shortfall Offset (Ongoing)	Gross	\$45,854,000	\$0
Includes \$2.3 million GF/GP to offset a shortfall in income and assessments restricted revenue, due to declining veterans' home member census.	Federal	21,773,000	0
	Restricted	8,717,100	(2,300,000)
	GF/GP	\$15,363,900	\$2,300,000
4. Grand Rapids Home for Veterans: Staffing Adjustment	Gross	\$45,854,000	\$1,800,000
Includes \$1.8 million GF/GP to increase the wages of contracted nursing aides in order to attract and retain personnel.	Federal	21,773,000	0
	Restricted	8,717,100	0
	GF/GP	\$15,363,900	\$1,800,000

MILITARY AND VETERANS AFFAIRS

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>		<u>FY 2015-16 YTD</u>	<u>Enacted Change</u>
		<u>(as of 2/10/16)</u>	<u>From YTD</u>
5. D.J. Jacobetti Home for Veterans: Medicaid Certification Pilot (Ongoing)	Gross	\$19,531,600	\$1,120,000
	Federal	7,991,200	0
	Restricted	4,881,300	0
	GF/GP	\$6,659,100	\$1,120,000
Includes \$1.1 million GF/GP funding adjustment to improve nursing unit level and renovate the home to meet Medicaid specifications. Additional funds were made available via supplemental appropriation.			
6. Adjustments Based upon Anticipated Federal Revenue – Veterans Homes	Gross	\$65,385,600	(\$986,000)
	Federal	29,764,200	(986,000)
	Restricted	13,598,400	0
	GF/GP	\$22,023,000	\$0
Includes appropriation increases to utilize available federal revenues of \$214,000 for the D.J. Jacobetti Home for Veterans. Federal Medicare authorization decreased to better align with anticipated federal revenue for the Grand Rapids (\$1.1 million) and D.J. Jacobetti (\$100,000) Homes for Veterans.			
7. National Guard Tuition Assistance Fund	Gross	\$0	\$60,000
	GF/GP	\$0	\$60,000
Includes \$60,000 GF/GP to seed the National Guard Tuition Assistance Fund.			
8. National Guard Tuition Assistance Program	Gross	\$3,741,600	(\$236,600)
	Restricted	0	3,505,000
	GF/GP	\$3,741,600	(\$3,741,600)
Includes \$3.5 million in restricted spending authorization from the National Guard Tuition Assistance Fund, although only \$2.4 million is expected to be remaining in the Tuition Assistance Fund at the beginning of FY 2016-17.			
9. National Guard Armory Maintenance (One-Time)	Gross	NA	\$2,500,000
	GF/GP	NA	\$2,500,000
Includes one-time appropriation of \$2.5 million GF/GP to upgrade communication network connections at Army National Guard armories.			
10. Adjustments Based upon Anticipated Federal Revenue – Armory Operations	Gross	\$15,558,800	\$1,500,000
	Federal	7,823,200	1,500,000
	Restricted	346,400	0
	GF/GP	\$7,389,200	\$0
Includes authorization increases to utilize available federal revenues of \$1.5 million for armory operations.			
11. Michigan Youth ChalleNge Academy	FTE	40.0	10.0
	Gross	\$4,541,300	\$710,000
	Federal	2,844,300	0
	Local	1,497,400	0
	Private	199,600	0
	GF/GP	\$0	\$710,000
Includes \$710,000 GF/GP and 10.0 FTEs to increase staffing levels at the academy in order to address concerns raised by the Auditor General report.			
12. Camp Grayling Housing Construction	Gross	\$15,000,000	\$300,000
	Federal	15,000,000	0
	GF/GP	\$0	\$300,000
Includes \$300,000 GF/GP for housing construction at Camp Grayling.			
13. Homeless Veterans Program (One-Time)	Gross	NA	\$300,000
	GF/GP	NA	\$300,000
Includes \$300,000 one-time GF/GP for the purpose of mitigating homelessness among Michigan veterans.			
14. Veterans Service Grants Economic Adjustment	Gross	\$3,733,500	\$30,000
	GF/GP	\$3,733,500	\$30,000
Includes a \$30,000 GF/GP (0.8%) economic adjustment for veterans service organization grants.			
15. Veterans Homes Planning	Gross	NA	\$0
	GF/GP	NA	\$0
Reduces the veterans home operations line item by \$100 and includes a \$100 placeholder for the purpose of possible capital outlay projects pertaining to this state's veterans homes.			
16. Early Out Deferred Sick Leave Payments	Gross	NA	(\$125,800)
	Federal	NA	(46,100)
	Restricted	NA	(34,100)
	GF/GP	NA	(\$45,600)
Recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentive, which were spread out over five years.			

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>	<u>FY 2015-16 YTD</u>	<u>Enacted Change</u>
	<u>(as of 2/10/16)</u>	<u>From YTD</u>
17. Economic Adjustments	Gross	NA
Reflects increased costs of \$2.2 million Gross (\$723,500 GF/GP) for negotiated salary and wage increases (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required contributions, and other economic adjustments.	IDG	2,500
	Federal	1,112,200
	Local	25,000
	Private	3,200
	Restricted	308,600
	GF/GP	\$723,500

Major Boilerplate Changes From FY 2015-16

Sec. 216. Schedule of Programs Disclaimer – DELETED

Provides for funding and spending flexibility under the schedule of programs budget structure.

Sec. 240. New Program Metrics – DELETED

Requires the department to report performance-based, program-specific metrics to the legislature for any new program or program enhancement with funds in excess of \$500,000 (see Sec. 240 in General Government).

Sec. 300. Unclassified Positions – REVISED

Lists the authorized unclassified positions within the department. Revised to remove the Director – Public Safety Group unclassified FTE and replaces it with the new Chief Executive Officer for the Veteran Health System position.

Sec. 309. Starbase Grant – REVISED

Establishes the Starbase program. Revised to remove fourth graders as a target group for the program, specifying students in the fifth grade as the intended program targets.

Sec. 310. National Guard Tuition Assistance Program – REVISED

Establishes the National Guard Tuition Assistance Program. Revised to include language to ensure that all funds remaining in the National Guard Tuition Assistance Program lapse into the National Guard Tuition Assistance Fund at the end of a fiscal year.

Sec. 407. Veterans Trust Fund Administration – REVISED

Requires the department and the Michigan Veterans Trust Fund Board to provide emergency funds to veterans through the Michigan Veterans Trust Fund. Revised to remove legislative intent language regarding the expenditure of appropriated funds, but retains the requirement that unexpended or unencumbered funds lapse back into the Veterans Trust Fund.

Sec. 501. Veterans' Homes Service and Care Requirements – REVISED

Requires the department to administer the state's two veterans homes and specifies service and care requirements. Revised to combine with former section 503 in order to create a set of boilerplate language concerning veterans homes services and care requirements; removes language specifying federal requirements and replaces with language that requires providing the results of federal U.S. Department of Veterans Affairs certification as proof of compliance; changes compliance reporting requirements from quarterly to annual; includes language requiring the department to report quarterly regarding the status of Medicaid certification efforts; removes minimum skilled nursing bed and domiciliary bed requirements; removes minimum long-term care experience requirements for new competency evaluated nursing assistants; and includes additional reporting requirements.

Sec. 502. Medicaid Certification Pilot – NEW

Requires the department to pursue compliance with current Medicaid and Medicare services certification standards for the veterans' homes in order to increase federal revenue and provide better services.

Sec. 503. Quality of Care Standards – NEW

Includes reporting requirements regarding the quality of care improvements made by implementing the Medicaid certification upgrades.

Sec. 504. Board of Managers (Veterans Homes) – REVISED

Specifies the regulatory authority as well as advisory and advocacy roles of the veterans homes boards of managers. Revised to combine the former separate boards of managers sections for the Grand Rapids and D.J. Jacobetti Homes for Veterans.

MILITARY AND VETERANS AFFAIRS

Major Boilerplate Changes From FY 2015-16

Sec. 605. Veterans Homes Planning – NEW

Includes language specifying the purpose of the funds appropriated for veterans homes planning, to include development of a long-term plan, renovating existing veterans homes, building one or more new veterans homes, and the acquisition of land or facilities for new veterans homes.

Sec. 701. One-Time Appropriations – REVISED

Specifies one-time appropriations and their purposes. Revised to remove FY 2015-16 language regarding one-time appropriations, which is replaced with language requiring the use of FY 2016-17 one-time appropriations for armory maintenance as special maintenance in order to received federal matching dollars for armory improvements.

<u>FY 2015-16 Supplemental Appropriations</u>		FY 2015-16 YTD (as of 2/10/16)	FY 2015-16 Supplemental Change
1. National Guard Tuition Assistance Program and Fund	Gross	\$3,741,600	\$5,741,600
Shifts the current \$3.7 million GF/GP appropriation from the National Guard Tuition Assistance Program to the National Guard Tuition Assistance Fund, along with an additional \$2.0 million GF/GP (corresponding to the FY 2014-15 lapse for the program). Then appropriates \$3.7 million in restricted funds out of the Tuition Assistance Fund in order to support Tuition Assistance Program expenditures for FY 2015-16. The remaining \$2.0 million would be carried forward for expenditure in FY 2016-17.	Restricted	0	3,741,600
	GF/GP	\$3,741,600	\$2,000,000
2. Grand Rapids Home for Veterans	Gross	\$45,854,000	\$0
Provides \$2.3 million GF/GP to offset a projected shortfall in income and assessments restricted revenue supporting the Grand Rapids Home for Veterans, due to declining veteran homes member census and the inability of veterans to pay the maximum assessment.	Federal	21,773,000	0
	Restricted	8,717,100	(2,300,000)
	GF/GP	\$15,363,900	\$2,300,000
3. Veterans Homes Medicaid Certification	Gross	NA	\$1,400,000
Provides \$1.2 million GF/GP to support the state veterans homes Medicaid consultant contract and \$200,000 GF/GP to support staffing adjustments for compliance with Medicaid certification at the D.J. Jacobetti Home for Veterans.	GF/GP	NA	\$1,400,000
4. AFSCME Arbitration	Gross	NA	\$500,000
Provides \$500,000 GF/GP for severance pay to the Residential Care Aides laid off from the Grand Rapids Home for Veterans in March 2013. Under the collective bargaining agreement between the State and Michigan Council 25, AFSCME, AFL-CIO employees who are indefinitely laid off are eligible for severance payments.	GF/GP	NA	\$500,000
5. Grand Rapids Home Staff Augmentation	Gross	\$45,854,000	\$625,000
Provides \$625,000 GF/GP to support contracted positions with expertise in turnaround management and nursing administration to assist the Michigan Veterans Health System address recent audit findings and ensure modern, quality care.	Federal	21,773,000	0
	Restricted	8,717,100	0
	GF/GP	\$15,363,900	\$625,000
6. Nursing Services Contracts	Gross	\$45,854,000	\$600,000
Provides \$600,000 GF/GP to increase the wages of contracted nursing assistants and acquire supplemental staffing through a secondary contract with another nursing service provider.	Federal	21,773,000	0
	Restricted	8,717,100	0
	GF/GP	\$15,363,900	\$600,000

DEPARTMENT OF NATURAL RESOURCES
Summary of FY 2016-17 Enacted Appropriations
Article XV, 2016 Public Act 268 (House Bill 5294)

Analyst: Austin Scott

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Enacted	Difference: Enacted From FY 2015-16 YTD	
						Amount	%
IDG/IDT	\$1,352,700	\$1,375,900	\$1,375,900	\$1,375,900	\$1,375,900	\$23,200	1.7
Federal	77,128,000	72,365,400	72,365,400	72,365,400	72,365,400	(4,762,600)	(6.2)
Local	0	0	0	0	0	0	--
Private	8,157,700	7,446,400	7,446,400	7,446,400	7,446,400	(711,300)	(8.7)
Restricted	277,765,000	277,156,400	277,156,500	277,156,400	277,156,400	(608,600)	(0.2)
GF/GP	39,597,800	39,560,000	38,560,000	39,810,000	39,910,000	312,200	0.8
Gross	\$404,001,200	\$397,904,100	\$396,904,200	\$398,154,100	\$398,254,100	(\$5,747,100)	(1.4)
FTEs	2,235.8	2,242.8	2,242.8	2,242.8	2,242.8	7.0	(0.3)

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Natural Resources (DNR) manages Michigan's natural and cultural resources through conservation and protection. State parks, wildlife, fisheries, forests, and minerals management are all administered by DNR.

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 YTD (as of 2/10/16)	Enacted Change From YTD
1. Land Ownership Tracking System (one-time)	Gross	NA	\$4,000,000
Provides \$4.0 million Gross to convert outdated land management IT system to a web-based system that can interact with current databases.	Federal	NA	100,000
	Restricted	NA	3,900,000
	GF/GP	NA	\$0
2. Forestry Investment – Vegetative Management System (one-time)	Gross	NA	\$2,100,000
Provides \$2.1 million from the Forest Development Fund to continue the replacement of the old timber sale system with the new Vegetative Management System which tracks timber sales, catalogs inventory, and interfaces with the Land Ownership Tracking System.	Restricted	NA	2,100,000
	GF/GP	NA	\$0
3. Invasive Species (one-time)	Gross	NA	\$1,000,000
Provides \$1.0 million GF/GP to prevent invasive carp from migrating into state waterways from outside of Michigan.	GF/GP	NA	\$1,000,000
4. Fisheries Resource Management (one-time)	Gross	NA	\$600,000
Provides \$600,000 Gross (\$300,000 GF/GP) for two web-based systems to replace current paper-based system for real-time fish harvest reporting by state-licensed commercial anglers, tribal fishers, and wholesale dealers.	Restricted	NA	300,000
	GF/GP	NA	\$300,000
5. Forest Management and Timber Market Development	FTE	169.0	7.0
Increases by 7.0 FTEs and \$2.1 million from the Forest Development Fund to increase the state's sustainable timber supply. The additional FTEs include foresters, technicians, and forest economists. This funding will help DNR assess the impact of spruce budworm on 100,000 at-risk acres and develop the state's forest products economy.	Gross	\$29,108,100	\$2,125,000
	Federal	2,193,300	0
	Private	914,600	0
	Restricted	26,000,200	2,125,000
	GF/GP	\$0	\$0

NATURAL RESOURCES

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>		<u>FY 2015-16 YTD</u> <u>(as of 2/10/16)</u>	<u>Enacted Change</u> <u>From YTD</u>
6. Forest Fire Equipment Replacement	Gross	\$431,500	\$1,150,000
Increases restricted funding for forest fire equipment replacement by \$1.2 million (\$150,000 ongoing and \$1.0 million one-time). Departmental inventory includes 350 total pieces of forest fire equipment, over half of which are more than 20 years old.	Restricted	431,500	1,150,000
	GF/GP	\$0	\$0
7. Recreation Passport Local Grants	Gross	\$1,000,000	\$500,000
Increases restricted authorization by \$500,000 on a one-time basis. Recreation passport local grants are awarded by DNR to local units of government for the development of public recreation facilities.	Restricted	1,000,000	500,000
	GF/GP	\$0	\$0
8. Capital Outlay Project Adjustments	Gross	NA	\$2,654,600
Makes current services baseline adjustments to capital outlay projects by reducing federal funding and increasing restricted and GF/GP funding for a net increase of \$2.7 million.	Federal	NA	(1,970,500)
	Restricted	NA	4,375,100
	GF/GP	NA	\$250,000
9. Removal of FY 2015-16 One-Time Appropriations	Gross	NA	(\$20,537,000)
Removes \$20.5 million Gross (\$1.1 million GF/GP) for one-time projects included in the previous fiscal year's budget.	Federal	NA	(3,000,000)
	Private	NA	(750,000)
	Restricted	NA	(15,712,000)
	GF/GP	NA	(\$1,075,000)
10. Five-Year Early Out Sick Leave Payments	Gross	NA	(\$816,800)
Recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentive, which were spread out over 5 years; removes \$816,800 Gross (\$22,900 GF/GP).	IDG	NA	(900)
	Restricted	NA	(793,000)
	GF/GP	NA	(\$22,900)
11. Revenue Adjustments	Gross	NA	(\$4,240,800)
Reduces federal and restricted authorization by a combined \$4.2 million to reflect available funds. Major adjustments include changes to state park improvement fund and game and fish protection fund authorization.	Federal	NA	(619,200)
	Restricted	NA	(3,621,600)
	GF/GP	NA	\$0
12. Economic Adjustments	Gross	NA	\$5,367,900
Reflects increased costs of \$5.4 million Gross (\$710,100 GF/GP) for negotiated salary and wage increases (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required retirement contributions, and other economic adjustments.	IDG	NA	24,100
	Federal	NA	727,100
	Private	NA	38,700
	Restricted	NA	3,867,900
	GF/GP	NA	\$710,100
13. Swimmer's Itch Pilot Program (one-time)	Gross	NA	\$250,000
Provides \$250,000 on-going GF/GP for a pilot program to address swimmer's itch in Michigan's inland lakes.	GF/GP	NA	\$250,000
14. Water Trail Development (one-time)	Gross	NA	\$100,000
Provides \$100,000 one-time GF/GP for a special grant for water trail development.	GF/GP	NA	\$100,000

Major Boilerplate Changes From FY 2015-16

Sec. 217. Performance Benchmarks – DELETED

Requires report of benchmarks to measure performance or return for each new program or program increase of \$500,000 or more; includes intent language that any future new program include list of benchmarks (see Sec. 240 in General Government).

Sec. 501. Wildlife Management – DELETED

Requires DNR to use increased federal funding available from increased firearm and ammunition sales for the purpose of wildlife management which includes habitat restoration, conservation, and enhancement.

Sec. 505. Urban Deer Management – NEW

Requires the department to develop a plan for urban deer management.

Major Boilerplate Changes From FY 2015-16

Sec. 603. Cormorant Management – REVISED

Requires quarterly report on the use of cormorant management funding; provides that the DNR must submit funding to the USDA to pay for increased taking of cormorants and their nests; any retained or additional funds for cormorant control must be used for program. Revises requirement from quarterly report to annual report.

Sec. 705. State Parks Capital Outlay and Maintenance Report – DELETED

Requires DNR to produce a report detailing its five-year plan for capital outlay and maintenance in state parks.

Sec. 801. Forest Management and Timber Market Development – REVISED

Requires DNR to use increased funding available from the increased timber harvest for the purpose of forest management and timber market development, including investments in technology and equipment aimed at growing the timber economy. Renumbered section to 808 and revised to exclude technology and equipment enhancements and include a departmental requirement to develop corresponding metrics to assess performance.

Sec. 802. Timber Marking – REVISED

Directs DNR, subject to forest certification process, to mark and prescribe treatment on 79,000 acres, prepare 76,500 acres for harvest at an average rate of 12.5 to 15.0 cords per acre; requires that the impact of timber harvest on wildlife habitat and recreation uses be considered; requires quarterly report. Revised to require quarterly reports on departmental timber marking efforts.

Sec. 805. Contract Foresters – DELETED

Allows DNR to hire sufficient contract foresters to mark timber.

Sec. 808. Gas and Oil Lease Development – DELETED

Requires DNR to develop a plan to motivate state-land oil and gas lessees to undertake warranted new operations.

Sec. 809. Forest Fire Equipment Replacement – NEW

Requires DNR to use increased funding available for forest fire equipment and forestry investment for the replacement of aging forest fire equipment. The department is also required to develop corresponding metrics to assess performance.

Sec. 1201. Forest Management and Timber Market Development Technology – NEW

Requires DNR to use increased funding available for the increased timber harvest for the purpose of forest management and timber market development which includes investments in technology aimed at growing the timber economy. The department is also required to develop corresponding metrics to assess performance.

Sec. 1202. Land Ownership Tracking System – NEW

Requires DNR to use increased funding available for the land ownership tracking system to implement a new electronic system to facilitate state land records management for the purpose of increasing access to public land records and updating systems. The department is also required to develop corresponding metrics to assess performance.

Sec. 1203. Invasive Species – NEW

Requires DNR to use increased funding available for invasive species and control to prevent, detect, eradicate, and control invasive species.

Sec. 1204. Swimmer's Itch Pilot Program – NEW

Designates \$250,000 GF/GP in part 1 to be distributed to a Michigan-based nonprofit organization for swimmer's itch mitigation and research.

Sec. 2001. FY 2016-17 Anticipated Appropriations – DELETED

States legislative intent that FY 2016-17 line item appropriations will be the same as those for FY 2015-16 with certain economic adjustments.

<u>FY 2015-16 Supplemental Appropriations</u>	<u>FY 2015-16 YTD (as of 2/10/16)</u>	<u>FY 2015-16 Supplemental Change</u>
1. Summer Youth Employment Program – Flint Water Emergency Allocations	Gross	NA
	GF/GP	NA
		\$250,000
		\$250,000

Provides spending authorization for a seasonal employment program for youth to provide services for those affected by the Flint water crisis, including distribution of bottled water and filters.

NATURAL RESOURCES

<u>FY 2015-16 Supplemental Appropriations</u>		<u>FY 2015-16 YTD (as of 2/10/16)</u>	<u>FY 2015-16 Supplemental Change</u>
2. Off-Road Vehicle Trail Projects	Gross	NA	\$4,000,000
Appropriates \$4.0 million in restricted funding for off-road vehicle trail projects including infrastructure repair and improvements.	Restricted	NA	4,000,000
	GF/GP	NA	\$0
3. Dam Management Program	Gross	\$350,000	\$3,000,000
Provides \$3.0 million GF/GP to expand the dam management grant program. These competitive grants are awarded for the removal or maintenance of failing dams from private and public land.	GF/GP	\$350,000	\$3,000,000
4. Milliken State Park Improvements (Capital Outlay)	Gross	NA	\$800,000
Appropriates \$800,000 in federal funding for shoreline and aquatic habitat improvements along the Detroit River in Milliken State Park. This grant was awarded to DNR by the United States Fish and Wildlife Service (USFWS).	Federal	NA	800,000
	GF/GP	NA	\$0
5. East Tawas State Harbor Project (Capital Outlay)	Gross	\$1,200,000	\$100,000
Appropriates \$100,000 in federal funding for the ongoing East Tawas state harbor project. This funding comes from an increase in Michigan's annual apportionment from USFWS's Boating Infrastructure Grant Program.	Federal	0	100,000
	Restricted	1,200,000	0
	GF/GP	\$0	\$0
6. Negwegon State Park Land Acquisition (Capital Outlay)	Gross	NA	\$900,000
Appropriates \$900,000 in federal funding for the acquisition of land adjacent to Negwegon State Park in Alpena County. This acquisition will connect two units of the park to improve preservation and conservation. Funding comes from USFWS's National Coastal Wetlands Conservation Grant Program.	Federal	NA	900,000
	GF/GP	NA	\$0
7. Petoskey State Park Land Acquisition (Capital Outlay)	Gross	NA	\$200,000
Appropriates \$200,000 in federal funding for the acquisition of land bordering Petoskey State Park. This acquisition will improve conservation of threatened animal and plant species' habitat as well as provide a rest area along the Iron Belle Trail. Funding comes from the National Oceanic and Atmospheric Administration.	Federal	NA	200,000
	GF/GP	NA	\$0

FY 2015-16 Supplemental Boilerplate Changes

Sec. 701. Summer Youth Employment Program

Stipulates that funds appropriated via line item shall be allocated to support a limited summer youth employment program.

SCHOOL AID

Summary of FY 2016-17 Enacted Appropriations

Article I, 2016 Public Act 249 (Senate Bill 801)

Analysts: **Bethany Wicksall**
Samuel Christensen

IDG/IDT	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Enacted	Difference: Enacted From FY 2015-16 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	1,775,769,200	1,818,632,700	1,818,632,700	1,818,632,700	1,818,632,700	42,863,500	2.4
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	12,078,985,100	12,134,479,400	12,148,050,100	12,062,479,600	12,124,309,400	45,324,300	0.4
GF/GP	45,900,000	230,000,000	221,000,100	226,000,000	218,900,000	173,000,000	376.9
Gross	\$13,900,654,300	\$14,183,112,100	\$14,187,682,900	\$14,107,112,300	\$14,161,842,100	\$261,187,800	1.9

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The School Aid budget makes appropriations to the state's 541 local school districts, 300 public school academies, the Education Achievement System, and 56 intermediate school districts (ISDs) for operations and certain categorical programs. It also appropriates funds to the Center for Educational Performance and Information, the Workforce Development Agency, and other entities to implement certain grants and other programs related to K-12 education.

Major Budget Changes From FY 2015-16 YTD Appropriations

1. Foundation Allowances (Secs. 22a and 22b)

Increases foundations using the 2x funding formula with increases ranging from \$60 to \$120 per pupil. Increases the State Maximum Guaranteed Foundation (the Basic) from \$8,169 to \$8,229 and the Minimum Foundation from \$7,391 to \$7,511. Adds \$72.0 million in Community District Education Trust Funds to support the foundation allowance costs of the Detroit community district to offset the loss of local school operating millage revenue, which was redirected to pay off the debts of the former district.

	FY 2015-16 YTD (as of 2/10/16)	Enacted Change From YTD
Gross	\$9,009,700,000	\$95,300,000
Restricted	8,993,379,500	(60,782,300)
GF/GP	\$16,320,500	\$156,082,300

2. MPSERS Unfunded Liability – State Share (Sec. 147c)

Increases funding for the state share of Michigan Public School Employees' Retirement System (MPSERS) unfunded liability costs for districts, ISDs, and public libraries to a total of \$982.8 million.

Gross	\$893,500,000	\$89,300,000
Restricted	892,900,000	89,300,000
GF/GP	\$600,000	\$0

3. Flint Declaration of Emergency (Sec. 11s) – NEW

Provides \$10.1 million for half-year funding to provide universal Early On testing to identify and provide services to children 0-3 (\$6.2 million), universal access to preschool for 4-year-olds (\$1.5 million), additional district school nurses and school social workers (\$1.3 million), and ISD staff and services including (\$1.2 million). Additional funding, if necessary, would be available for transfer from an \$18.9 million Flint Emergency Reserve Fund in DTMB. Appropriates up to \$15.0 million in state restricted contingency funds, which are not available until approval of a transfer by the Legislature. (See FY 2015-16 supplemental items below.)

Gross	\$0	\$10,142,600
Restricted	0	100
GF/GP	\$0	\$10,142,500

4. Special Education (Sec. 51a, 51c, 51d, 53a, 54, and 56)

Increases funding by \$54.5 million to a total of \$1.4 billion to reflect updated estimates. (See FY 2015-16 supplemental items below.)

Gross	\$1,359,546,100	\$54,500,000
Restricted	918,546,100	54,500,000
Federal	441,000,000	0

SCHOOL AID

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>		<u>FY 2015-16 YTD (as of 2/10/16)</u>	<u>Enacted Change From YTD</u>
5. State School Reform/Redesign (Sec. 21) – NEW	Gross	\$0	\$5,000,000
Adds \$5.0 million for CEOs and supplemental payments to districts with schools identified as being in the lowest achieving 5% of public schools in the state and under the control of the State School Reform/Redesign Office (SRRO). Districts would receive a 20% foundation allowance premium for each high school FTE to compensate for the loss in foundation allowance funds remaining with elementary FTEs, since elementary foundation allowance funds often subsidize higher cost secondary schools, but would no longer be available to do so under a takeover. (See FY 2015-16 supplemental items below.)	Restricted	0	5,000,000
6. Competency-Based Funding Pilot (Sec. 21g) – NEW	Gross	\$0	\$500,000
Provides \$500,000 million GF/GP to pilot a competency-based transcript and market place to establish an articulation framework for Michigan academic, technical, and global competencies and to establish assessment criteria for measuring these competencies and awarding universally recognized credentials.	GF/GP	0	500,000
7. Consolidation Innovation Grants (Sec. 22g)	Gross	\$5,000,000	(\$2,000,000)
Reduces to \$3.0 million and earmarks \$2.5 million for a grant to district that approved annexation and received a grant in FY 2015-16.	Restricted	5,000,000	(2,000,000)
8. Youth Challenge Program (Sec. 24c)	Gross	\$1,497,400	\$135,000
Increases the appropriation by \$25,000 SAF, reflecting economics increases, and adds an additional \$110,000 for a total of \$1.6 million SAF.	Restricted	1,497,400	135,000
9. Strict Discipline Academies (Sec. 25f)	Gross	\$1,000,000	(\$250,000)
Reduces the appropriation for the added costs of educating strict discipline academy pupils to \$750,000 SAF.	Restricted	1,000,000	(250,000)
10. Dropout Recovery Programs (Sec. 25g)	Gross	\$1,000,000	(\$250,000)
Reduces the appropriation for the additional costs of educating pupils in a year-round dropout recovery program to \$750,000 SAF.	Restricted	1,000,000	(250,000)
11. "At Risk" Pupil Support (Sec. 31a)	Gross	\$378,988,200	\$0
Maintains current year appropriation levels for at-risk pupil programs.	Restricted	378,988,200	0
12. Year-Round School Grants (Sec. 31b) – NEW	Gross	\$0	\$1,500,000
Adds \$1.5 million for grants to districts for building modifications or other nonrecurring costs related to implementing a new year-round school.	Restricted	0	1,500,000
13. Gang Prevention Grants (Sec. 31c)	Gross	\$1,000,000	\$2,000,000
Increases grants for gang prevention to \$3.0 million.	Restricted	1,000,000	2,000,000
14. Local Produce in School Meals (Sec. 31j) – NEW	Gross	\$0	\$250,000
Adds \$250,000 GF/GP for a pilot project to support districts in the purchase of locally grown fruits and vegetables for use in school lunches.	GF/GP	\$0	\$250,000
15. Early Learning Cooperative (Sec. 32q) – NEW	Gross	\$0	\$175,000
Adds \$175,000 SAF for FY 2016-17 for an intermediate district partnering with an early childhood collaborative on a pilot program to evaluate the benefits of 2 years of preschool for vulnerable children.	Restricted	0	175,000
16. Early Literacy (3rd Grade Reading) Initiative (Sec. 35 and 35a)	Gross	\$26,400,000	(\$1,500,000)
Reduces funding by \$1.5 million by eliminating Parent University (\$1.0 million) and one-time funding for an early literacy certification test (\$500,000). Maintains funding for administration (\$1.0 million), professional development (\$950,000), diagnostic tools (\$1.5 million), literacy teacher coaches (\$3.0 million), and added instructional time (\$17.0 million). (See FY 2015-16 supplemental items below.)	Restricted	23,900,000	(1,000,000)
	GF/GP	\$2,500,000	(\$500,000)

SCHOOL AID

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>		<u>FY 2015-16 YTD (as of 2/10/16)</u>	<u>Enacted Change From YTD</u>
17. Special Education Reforms (Sec. 54b) – NEW	Gross	\$0	\$1,125,000
Adds \$1.1 million for the implementation of recommendations of the Special Education Reform Task Force published in January 2016. \$625,000 would be used to pilot statewide implementation of the Michigan Integrated Behavior and Learning Support Initiative (MiBLSI), a program of positive behavioral intervention and supports, in at least 3 ISDs. \$500,000 would be used for training related to the safe implementation of emergency restraints and seclusion.	Restricted	0	1,125,000
18. Career and Technology Education Programs (Sec. 61a)	Gross	\$36,611,300	\$79,000
Maintains current year appropriation levels for the added costs of CTE programs, but adds \$79,000 GF/GP to a non-profit organization that provides curriculum and training to CTE programs in restaurant management and culinary training.	Restricted	36,611,300	0
	GF/GP	\$0	\$79,000
19. CTE Early/Middle Colleges (Sec. 61b)	Gross	\$10,000,000	(\$1,000,000)
Reduces funding to \$9.0 million for career & technical education (CTE) early/middle colleges that allow a student to graduate in 5 years with both a high school diploma and postsecondary credentials. Revises to make districts that receive funding for CTE program added costs under Section 61a eligible for funding under this section, to allow funds to be used for CTE dual enrollment, and to include \$500,000 in planning grants for new or expanded programs. (See FY 2015-16 supplemental items below.)	Restricted	10,000,000	(1,000,000)
20. CTE Equipment Upgrades (Sec. 61c) – NEW	Gross	\$0	\$3,200,000
Provides \$3.0 million in a competitive grant program to provide funds to career educational planning districts (CEPDs) for programs driving economic development and building a more qualified workforce. Adds \$200,000 for a CTE program in mechatronics.	Restricted	0	3,200,000
21. CTE (ISD/Health Department) Partnership (Sec. 63) – NEW	Gross	\$0	\$250,000
Adds \$250,000 SAF to an ISD for a joint capital project with a local health department for a new building connected to the ISD CTE center.	Restricted	0	250,000
22. Intermediate School District (ISD) General Operations (Sec. 81)	Gross	\$67,108,000	\$0
Maintains FY 2015-16 funding levels for ISDs.	Restricted	67,108,000	0
23. Michigan Virtual University (MVU) (Sec. 98)	Gross	\$7,387,500	\$0
Maintains FY 2015-16 funding levels and adds requirement that MVU report by Nov. 1, 2016 on its mission, its plans, and proposed benchmarks it must meet, including a plan to increase by 50% improvement for each requirement under this section in order to receive full funding for FY 2017-18. Expands professional development requirements from 500 educators to 30,000 and requires coordination with Math/Science Centers.	GF/GP	\$7,387,500	\$0
24. FIRST Robotics (Sec. 99h)	Gross	\$2,000,000	\$500,000
Increases funding for FIRST Robotics programs to a total of \$2.5 million and expands to include programs in grades K-12 including Jr. Lego and Lego.	Restricted	2,000,000	500,000
25. MiSTEM Grants (Sec. 99s)	Gross	\$9,274,300	\$275,000
Adds \$275,000 bringing total funding to \$9.4 million. Maintains current year funding for Math/Science Centers (\$8.0 million), Science Olympiad (\$250,000) and Van Andel Institute (\$250,000); eliminates Michigan STEM Partnership and STEM Professional Development; adds \$1.0 million for MiSTEM council grants and requires council to be trained in and use Change the Equation STEMworks to rate programs.	Federal	5,249,300	0
	Restricted	3,250,000	(250,000)
	GF/GP	\$775,000	\$525,000

SCHOOL AID

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>		<u>FY 2015-16 YTD (as of 2/10/16)</u>	<u>Enacted Change From YTD</u>
26. Online Algebra tool (Sec. 99t) – NEW	Gross	\$0	\$1,500,000
Provides \$1.5 million GF/GP for a statewide online algebra tool that provides algebra related videos, adaptive diagnostics, online supports, practice assessments, and professional development.	GF/GP	\$0	\$1,500,000
27. Financial Data Analysis Tools (Sec. 102d)	Gross	\$1,500,000	\$0
Maintains current year funding levels but adds ISDs as eligible recipients. Provides a reimbursement formula that first funds up to 50% of the cost for each district and ISD that applies and second distributes remaining funds on an equal per-pupil basis. Caps reimbursement at total cost and restricts to not more than 1 software application per district or ISD.	Restricted	1,500,000	0
28. M-STEP Assessments (Sec. 104)	Gross	\$50,244,400	(\$10,100,000)
Reduces by \$10.1 million bringing total funding for student assessments to \$40.1 million. Eliminates \$8.5 million in one-time funding to convert assessments to online tests, expand writing assessments to additional grades, and create additional constructed response test questions, all of which has been completed. Also eliminates funding that had supported the Kindergarten Entry Assessment (KEA), which has been replaced by a kindergarten summative assessment, but requires MDE make the KEA available to districts, and allocates \$185,000 to implement a kindergarten readiness assessment (KRA) in participation with a Maryland-Ohio pilot.	Restricted	43,994,400	(10,100,000)
	Federal	6,250,000	0
29. Nonpublic School Reimbursements (Sec. 152b) – NEW	Gross	\$0	\$2,500,000
Adds \$2.5 million GF/GP to reimburse nonpublic schools for the costs related to activities identified in the nonpublic schools mandate report required under Sec. 236 of PA 252 of 2014.	GF/GP	\$0	\$2,500,000
30. Technology Readiness Infrastructure Grants (Sec. 22i)3	Gross	\$23,500,000	(\$23,500,000)
Eliminates funding and repeals this section.	Restricted	23,500,000	(23,500,000)
31. Michigan College Access Network (MCAN) (Sec. 67)	Gross	\$3,600,000	(\$550,000)
Reduces funding by \$550,000 to eliminate one-time funding for an online career planning tool, leaving \$3.1 million for the balance of MCAN efforts to expand access to college.	Restricted	3,600,000	(550,000)
32. Cost Adjustments	Gross	NA	(\$8,286,700)
Adjusts funding levels based on estimated costs for the following: <ul style="list-style-type: none">• Sec. 11m - Cash Flow Borrowing - \$1.0 million increase to \$3.0 million.• Sec. 26a - Renaissance Zones - \$6.3 million decrease to \$20.0 million.• Sec. 31f - School Breakfasts - \$3.1 million decrease to \$2.5 million.• Sec. 24a - Juvenile Detention Facilities - \$861,700 decrease to \$1.3 million to reflect a facility closure.	Restricted	NA	(8,286,700)
33. Federal NCLB/ESSA Funding (Sec. 39a(1))	Gross	\$779,076,400	\$42,863,400
Recognizes increase in funding under the new Every Student Succeeds Act (ESSA) of \$55.9 million for student support and academic enrichment. Reduces Drug-Free School and Community funds by \$3.0 million to a total of \$2.0 million, and eliminates all but \$250,000, a reduction of \$10.0 million, in charter school subgrant funds.	Federal	779,076,400	42,863,400

Major Boilerplate Changes From FY 2015-16

Sec. 3. Definitions – REVISED

Adds a new definition for "community district" as defined under Part B of the Revised School Code, as proposed in the Detroit Public Schools legislative package.

Major Boilerplate Changes From FY 2015-16***Sec. 6. Pupil Membership Definitions – REVISED***

Adds that for a special education student who was expelled on the pupil count day but reinstated after, the district's membership shall be adjusted to count the student. Expands the pupils allowed in an alternative education program to be educated until age 22 as long as the program is "primarily focused on educating pupils with extreme barriers to education such as being homeless..." rather than requiring the pupil to be homeless. Revises the prohibition on establishing an instructional site within the boundaries of another district to provide an exception for the Michigan Youth Challenge Program (MYCP) for a site that already existed in 2015-2016.

Sec. 11r. Distressed District Emergency Grant Fund – REVISED

Provides that \$2.8 million of the \$3.8 million remaining in the fund shall lapse to the School Aid fund for FY 2015-16.

Sec. 19. Reporting Requirements – REVISED

Requires that MDE and CEPI begin implementing statewide standard reporting requirements in 2016-2017 and requires that districts and ISDs implement beginning in 2017-2018 or whenever a district or ISD updates its education data reporting system, whichever is later.

Sec. 20. Foundation Allowance Calculation – REVISED

Increases Minimum foundation to \$7,511 and the State Maximum Guaranteed foundation to \$8,229; makes adjustments to reflect Section 20m. Adds that a community district would have a foundation allowance equal to the qualifying school district that it is replacing.

Sec. 20g. Dissolved District Transition Grant – REVISED

Provides intent to lapse \$660,000 in FY 2013-14 work project funds and includes an FY 2016-17 appropriation to pay off the Buena Vista debt.

Sec. 20m. Foundation Calculations for Hold Harmless Districts – NEW

Adds new section, similar to former section 20j, due to an inflationary cap on Hold Harmless (HH) District Foundation Allowances, which was put in statute along with the school funding reforms tied to Proposal A in 1994. Absent this section HH districts (currently foundation allowances greater than \$8,169) would be capped at increases ranging from \$8-\$15. Allows the difference between each HH district's inflationary increase and the \$60 increase in the State Maximum Guaranteed foundation allowance to be allocated under a separate calculation than its foundation calculation in Sec. 20.

Sec. 21f. Virtual Classes – REVISED

Requires a district to provide a pupil with written notification and a description of appeal process if denying enrollment in a virtual class. Also requires a district, if disallowing a course for sufficient rigor, to "enroll" a pupil in an alternative course, rather than "make a reasonable effort to assist" a student in finding an alternative. Requires MDE to establish standards for appropriate hardware, software, and internet access and to establish minimum requirements to count a pupil in a virtual course in a district's pupil membership, for the purpose of receiving of state aid. Provides that the pupil membership standards shall be those defined in the pupil accounting manual in 2015-2016 or as subsequently amended by MDE if MDE notifies the Legislature of amendments at least 60 days before any changes take effect.

Sec. 25e. Pupil Transfer Process – REVISED

Retains the pupil transfer process but only for pupils that enroll in a strict discipline academy after the pupil membership count date.

Sec. 32d. Great Start Readiness Program (GSRP) – REVISED

Prioritizes children who are homeless, in foster care, or have an IEP that requires preschool as if they are in the lowest income quintile. Reduces program eligibility notification requirements to community-based providers to those that are currently non-participating and to just one notice, which could be done electronically. Revises the cap on ISD administration expenses from either 7% or 4% (depending on whether or not the ISD is subcontracting services) to 4% either way. Eliminates the 4% cap for subrecipient administration costs and instead counts them as program costs or contracted fees for service. Also, allows a Head Start grantee or delegate in a blended Head Start GSRP program to count toward the 30% of slots that must be allocated to community-based providers, but excludes children in a pure Head Start program from counting toward the 30%.

Sec. 39. Great Start Readiness Program Formula – REVISED

Revises application and formula to base it on number of half-day slots filled rather children served such that the hold harmless provision, guaranteeing an ISD at least its prior-year slot allocation, would include slots used to provide full-day programs.

SCHOOL AID

Major Boilerplate Changes From FY 2015-16

Sec. 39a. Federal Funds – REVISED

Adds that for the purposes of funding Title I grants, MDE shall allocate an amount of Title I, Part A funds to a strict discipline academy equal to what it would have received if it were included under Part D or what it would receive under Part A, whichever is greater.

Sec. 51a(15). Special Education Penalty – REVISED

Revises to replace legislative intent with actual implementation beginning in FY 2016-17, to penalize a district, PSA, or ISD by 10% of its total state aid if it does not comply with the process for special education services for PSA pupils under subsection (14) or federal regulations.

Sec. 101. Days and Hours of Instruction – REVISED

Deletes district reports of days and hours of instruction and replaces with district certification to MDE that it is in full compliance or district reports to MDE for each instance of noncompliance.

Sec. 104c. Assessments – REVISED

Revises to require fall and spring assessments in grades K to 2, and eliminates the kindergarten entry assessment.

Sec. 107. Adult Education – REVISED

Revises eligible programs to add adult secondary education programs, eliminate job- or employment-related programs, and revise GED to high school equivalency test prep programs. Deletes all current participant eligibility criteria, and replaces with either a) is at least 20 years of age or b) is at least 18 years old and his/her graduating class has graduated. Deletes FTE funding formula based on 80% enrollment and 20% completion. Makes payments based on statewide allocation criteria including 3-year average enrollments, census data, and local needs as well as participant completion data, and allowable expenditures. Freezes the program funding distribution formula at the current split of 2/3 old method, 1/3 new method for one more year.

Sec. 166. Penalty for Family Planning – REVISED

Revises the penalty under which a district currently forfeits 5% of its total state aid if a board member or staff distributes family planning drugs or devices or makes referrals for abortions. Instead it would require a district to adopt a disciplinary policy for school officials or staff for violations of MCL 380.1507 (regarding Sex Education and prohibits distribution of family planning drugs or devices) or for making abortion referrals. A district that fails to adopt a disciplinary policy would forfeit \$100,000 of its state aid. The policy must create financial penalties for school officials and staff.

Sec. 166b. Nonpublic Students – REVISED

Adds that MDE shall convene a workgroup to examine the issue of a uniform definition of nonessential elective courses and a uniform definition of part-time pupil.

Sec. 167a. Expelled or Suspended Pupils – NEW

Adds language that requires a district to implement a plan to reduce expulsions and suspensions exceeding ten days, and provides legislative intent to reduce state aid in FY 2017-18 for districts that have not implemented such a plan.

<u>FY 2015-16 Supplemental Appropriations</u>	<u>FY 2015-16 YTD (as of 2/10/16)</u>		<u>FY 2015-16 Supplemental Change</u>
1. Flint Declaration of Emergency (Sec. 110) – NEW	Gross	NA	\$9,200,000
Adds \$9.2 million to provide early intervention services and summer Great Start Readiness programs to children 0-4 with potential developmental delays due to lead exposure.	GF/GP	NA	\$9,200,000
2. Special Education (Secs. 51a, 51c, 51d, 53a, 54, and 56)	Gross	\$1,359,546,100	\$26,700,000
Increases the state share of court-mandated special education costs to a total of \$947.2 million to reflect updated estimates based on actual FY 2014-15 costs.	Restricted	918,546,100	26,700,000
	Federal	441,000,000	0
3. Foundation Allowances (Secs. 22a and 22b)	Gross	\$9,009,700,000	(\$57,700,000)
Reduces the state share of foundation costs by \$57.7 million to a total of \$9.0 billion to reflect May 2016 revised consensus estimates.	Restricted	8,993,379,500	(57,700,000)
	GF/GP	\$16,320,500	\$0

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<u>FY 2015-16 Supplemental Appropriations</u>		<u>FY 2015-16 YTD (as of 2/10/16)</u>	<u>FY 2015-16 Supplemental Change</u>
4. School Bond Loan Redemption Fund (Sec. 11j)	Gross	\$126,500,000	(\$116,000,000)
Reduces costs paid on behalf of districts in the school bond loan program to \$10.5 million to reflect lower costs from an increased number of districts refinancing bonds.	Restricted	126,500,000	(116,000,000)
5. CTE Early/Middle Colleges (Sec. 61b)	Gross	\$10,000,000	(\$9,000,000)
Reduces funding to \$1.0 million based on current FY 2015-16 expenditures.	Restricted	10,000,000	(9,000,000)
6. Renaissance Zone Reimbursements (Sec. 26a)	Gross	\$26,300,000	(\$6,300,000)
Reduces reimbursements to \$20.0 million based on actual FY 2014-15 costs.	Restricted	26,300,000	(6,300,000)
7. Early Literacy (3rd Grade Reading) Initiative (Sec. 35 and 35a)	Gross	\$26,400,000	(\$4,900,000)
Eliminates \$1.0 million for parent university and reduces added instructional time by \$3.9 million to a total of \$13.6 million to reflect current FY 2015-16 expenditures.	Restricted	23,900,000	(4,900,000)
	GF/GP	\$2,500,000	\$0
8. School Breakfast (Sec. 31f)	Gross	\$5,625,000	(\$3,125,000)
Reduces school breakfast costs to \$2.5 million based on actual FY 2014-15 program costs. Cost reductions due to increased federal funding in FY 2014-15.	Restricted	5,625,000	(3,125,000)
9. Cash Flow Borrowing (Sec. 11m)	Gross	\$2,000,000	(\$1,000,000)
Reduces by \$1.0 million to a total of \$1.0 million to reflect May cost estimates.	Restricted	2,000,000	(1,000,000)
10. Dissolved District Transition Grants (Sec. 20g)	Gross	\$2,200,000	(\$1,000,000)
Reduces transition grants to districts enrolling former pupils of the now dissolved Inkster and Buena Vista districts, based on lower than anticipated actual cost data.	Restricted	2,200,000	(1,000,000)
11. Juvenile Detention Facilities (Sec. 24a)	Gross	\$2,189,800	(\$888,800)
Reduces the costs of education expenses in juvenile detention facilities operated by DHHS to reflect the closure of the Maxey facility.	Restricted	2,189,800	(888,800)
12. Promise Zone Payments (Sec. 26c)	Gross	\$610,000	(\$332,000)
Reduces payments to promise zone authorities based on updated cost estimates. Promise zones receive half the growth in the State Education Tax (SET) revenue from property within the zone compared to base year SET revenues.	Restricted	610,000	(332,000)

SCHOOL AID



Sec.	
11j	School Bond Redemption Fund
11m	Cash Flow Borrowing Costs
11o/11s	Flint Declaration of Emergency - NEW
20f	Categorical Offset Payments
20g	Dissolved District Transition Grants
21	State School Reform/Redesign - NEW
21g	Competency Based Funding Pilot - NEW
22a	Foundations: Proposal A Obligation Payment
22b	Foundations: Discretionary Payment
22d	Isolated District Funding
22g	Consolidation Innovation Grants
22i	Technology Infrastructure Improvement Grants
24	Court-Placed Pupils
24a	Juvenile Detention Facility Programs
24c	Youth ChalleNGe Program
25f	Strict Discipline Academy
25g	Dropout Recovery Programs
26a	Renaissance Zone Reimbursement
26b	PILT Reimbursement
26c	Promise Zone Funding
31a	"At Risk" Pupil Support
31a(7)	School Based Health Centers
31a(8)	Hearing and Vision Screening
31b	Year-round Instruction Grants - NEW
31c	Gang Prevention and Intervention Programs
31d	State School Lunch Programs
31d	Federal School Lunch Programs
31f	School Breakfast Program
31h	Cooperative Education Grant
31j	Local Produce in School Meals - NEW
32d	Great Start Readiness Program
32p	Early Childhood Block Grants
32q	Early Learning Cooperative - NEW
35	Early Literacy Implementation
35a(2)	Early Literacy Parents University Pilot
35a(3)	Early Literacy Professional Development
35a(4)	Early Literacy Diagnostic Tools
35a(5)	Early Literacy Teacher Coaches
35a(6)	Early Literacy Added Instructional Time
35a(7)	Early Literacy - Michigan Education Corps
35a(8)	Early Literacy Teacher Certification Test
39a(1)	Federal NCLB/ESSA Grant Funds
39a(2)	Other Federal Funding
41	Bilingual Education Grants
43	Teacher Certification Test Rewrite
51a(1)	Special Education - Federal Reimbursement
51a(2)	Special Ed ISD Foundation and Costs
51a(3)	Special Ed ISD Hold Harmless Payment
51a(6)	Special Ed Admin Rules Changes
51a(11)	Special Ed Foundations for Non Sec. 52 to ISDs
51c	Special Ed Headlee Obligation (Durant)
51d	Special Education - Other Federal Grants
53a	Special Ed for Court Placed Pupils
54	Special Ed Michigan School Blind/Deaf
54b	Special Ed Task Force Reforms - NEW
55	Conductive Learning Study
56	Special Ed ISD Millage Equalization
61a	Career & Tech Ed Programs
61b	Career & Tech Ed Early/Middle College
61c	Career & Tech Ed Equipment Upgrades - NEW
62	ISD Vocational Education Millage Equalization
63	ISD/Health Department Partnership for CTE/Health - NEW
64b	Dual Enrollment Incentive Payments
65	Detroit PreCollege Engineering
67	Career and College Readiness Tools
74	School Bus Driver Safety Instruction
74	School Bus Inspections
81	ISD General Operations Support

FY 2015-16		
HB 4115 (PA 85) SB 134 (PA 139) Enacted	Change from YTD	SB 801 Revised Supplemental
\$126,500,000	(\$116,000,000)	\$10,500,000
\$2,000,000	(\$1,000,000)	\$1,000,000
\$0	\$9,200,000	\$9,200,000
\$18,000,000		\$18,000,000
\$2,200,000	(\$1,000,000)	\$1,200,000
\$0		\$0
\$0		\$0
\$5,281,700,000	(\$21,700,000)	\$5,260,000,000
\$3,728,000,000	(\$36,000,000)	\$3,692,000,000
\$5,000,000		\$5,000,000
\$5,000,000		\$5,000,000
\$23,500,000		\$23,500,000
\$8,000,000		\$8,000,000
\$2,189,800	(\$888,800)	\$1,301,000
\$1,497,400		\$1,497,400
\$1,000,000		\$1,000,000
\$1,000,000		\$1,000,000
\$26,300,000	(\$6,300,000)	\$20,000,000
\$4,276,800		\$4,276,800
\$610,000	(\$332,000)	\$278,000
\$378,988,200		\$378,988,200
\$5,557,300		\$5,557,300
\$5,150,000		\$5,150,000
\$0		\$0
\$1,000,000		\$1,000,000
\$22,495,100		\$22,495,100
\$513,200,000		\$513,200,000
\$5,625,000	(\$3,125,000)	\$2,500,000
\$300,000		\$300,000
\$0		\$0
\$243,900,000		\$243,900,000
\$13,400,000		\$13,400,000
\$0		\$0
\$1,000,000		\$1,000,000
\$1,000,000	(\$1,000,000)	\$0
\$950,000		\$950,000
\$1,450,000		\$1,450,000
\$3,000,000		\$3,000,000
\$17,500,000	(\$3,900,000)	\$13,600,000
\$1,000,000		\$1,000,000
\$500,000		\$500,000
\$779,076,400		\$779,076,400
\$30,800,000		\$30,800,000
\$1,200,000		\$1,200,000
\$1,800,000		\$1,800,000
\$370,000,000		\$370,000,000
\$251,800,000	\$11,700,000	\$263,500,000
\$1,300,000	(\$300,000)	\$1,000,000
\$2,200,000		\$2,200,000
\$3,300,000	\$500,000	\$3,800,000
\$610,000,000	\$14,800,000	\$624,800,000
\$71,000,000		\$71,000,000
\$10,500,000		\$10,500,000
\$1,688,000		\$1,688,000
\$0		\$0
\$150,000		\$150,000
\$37,758,100		\$37,758,100
\$36,611,300		\$36,611,300
\$10,000,000	(\$9,000,000)	\$1,000,000
\$0		\$0
\$9,190,000		\$9,190,000
\$0		\$0
\$1,750,000		\$1,750,000
\$340,000		\$340,000
\$3,600,000		\$3,600,000
\$1,625,000		\$1,625,000
\$1,690,700		\$1,690,700
\$67,108,000		\$67,108,000

FY 2016-17	
Change from FY16 YTD	SB 801 Enacted
	\$126,500,000
\$1,000,000	\$3,000,000
\$10,142,600	\$10,142,600
	\$18,000,000
(\$340,000)	\$1,860,000
\$5,000,000	\$5,000,000
\$500,000	\$500,000
(\$76,700,000)	\$5,205,000,000
\$172,000,000	\$3,900,000,000
	\$5,000,000
(\$2,000,000)	\$3,000,000
(\$23,500,000)	\$0
	\$8,000,000
(\$861,700)	\$1,328,100
\$135,000	\$1,632,400
(\$250,000)	\$750,000
(\$250,000)	\$750,000
(\$6,300,000)	\$20,000,000
\$128,300	\$4,405,100
\$390,000	\$1,000,000
	\$378,988,200
	\$5,557,300
	\$5,150,000
\$1,500,000	\$1,500,000
\$2,000,000	\$3,000,000
	\$22,495,100
	\$513,200,000
(\$3,125,000)	\$2,500,000
\$0	\$300,000
\$250,000	\$250,000
	\$243,900,000
	\$13,400,000
\$175,000	\$175,000
	\$1,000,000
(\$1,000,000)	\$0
	\$950,000
	\$1,450,000
	\$3,000,000
	\$17,500,000
	\$1,000,000
(\$500,000)	\$0
\$42,863,500	\$821,939,900
	\$30,800,000
	\$1,200,000
(\$1,800,000)	\$0
	\$370,000,000
\$19,800,000	\$271,600,000
(\$200,000)	\$1,100,000
	\$2,200,000
\$400,000	\$3,700,000
\$34,500,000	\$644,500,000
	\$71,000,000
	\$10,500,000
	\$1,688,000
\$1,125,000	\$1,125,000
	\$150,000
	\$37,758,100
\$79,000	\$36,690,300
(\$1,000,000)	\$9,000,000
\$3,200,000	\$3,200,000
	\$9,190,000
\$250,000	\$250,000
	\$1,750,000
	\$340,000
(\$550,000)	\$3,050,000
	\$1,625,000
\$4,900	\$1,695,600
	\$67,108,000



Sec.	
94	Advanced Placement (AP) Incentive Program
94a	Center for Educational Performance and Information
94a	Center for Educational Performance and Info - Federal
98	Michigan Virtual University
99c	Civic Education
99h	FIRST Robotics
99s(2)	MiSTEM Grants - Council
99s(3)	MiSTEM Grants - Math and Science Centers - State
99s(3)	MiSTEM Grants - Math and Science Centers - Federal
99s(4)	MiSTEM Grants - Michigan STEM Partnership
99s(5)	MiSTEM Grants - STEM Professional Development
99s(6)	MiSTEM Grants - Science Olympiad
99s(7)	MiSTEM Grants - Van Andel Education Institute
99t	Online Algebra Tool - NEW
102d	Financial Data Analysis Tools
104	Education Assessments - State
104	Education Assessments - Federal
104d	Computer Adaptive Test
107	Adult Education
147a	MPERS Cost Offset
147c	MPERS State Share of Unfunded Liability Payments
152a	Adair - Database Payment
152b	Nonpublic School Reimbursement - NEW
TOTAL APPROPRIATIONS	

FY 2015-16		
HB 4115 (PA 85) SB 134 (PA 139) Enacted	Change from YTD	SB 801 Revised Supplemental
\$250,000		\$250,000
\$11,967,000		\$11,967,000
\$193,500		\$193,500
\$7,387,500		\$7,387,500
\$60,000		\$60,000
\$2,000,000		\$2,000,000
\$50,000		\$50,000
\$2,750,000		\$2,750,000
\$5,249,300		\$5,249,300
\$475,000		\$475,000
\$250,000		\$250,000
\$250,000		\$250,000
\$250,000		\$250,000
\$0		\$0
\$1,500,000		\$1,500,000
\$43,994,400		\$43,994,400
\$6,250,000		\$6,250,000
\$4,000,000		\$4,000,000
\$25,000,000		\$25,000,000
\$100,000,000		\$100,000,000
\$893,500,000		\$893,500,000
\$38,000,500		\$38,000,500
\$0		\$0
\$13,900,654,300	(\$164,345,800)	\$13,736,308,500

FY 2016-17	
Change from FY16 YTD	SB 801 Enacted
	\$250,000
\$206,200	\$12,173,200
	\$193,500
	\$7,387,500
(\$60,000)	\$0
\$500,000	\$2,500,000
\$1,000,000	\$1,050,000
	\$2,750,000
	\$5,249,300
(\$475,000)	\$0
(\$250,000)	\$0
	\$250,000
	\$250,000
\$1,500,000	\$1,500,000
(\$10,100,000)	\$33,894,400
	\$6,250,000
	\$4,000,000
	\$25,000,000
	\$100,000,000
\$89,300,000	\$982,800,000
	\$38,000,500
\$2,500,000	\$2,500,000
\$261,187,800	\$14,161,842,100

REVENUE BY SOURCE	
Federal Aid	
School Aid Fund	
Community District Trust Fund/Other Restricted Fund	
General Fund/General Purpose	
TOTAL REVENUE	

\$1,775,769,200	\$0	\$1,775,769,200
\$12,078,985,100	(\$173,545,800)	\$11,905,439,300
\$0		\$0
\$45,900,000	\$9,200,000	\$55,100,000
\$13,900,654,300	(\$164,345,800)	\$13,736,308,500

\$42,863,500	\$1,818,632,700
(\$26,675,800)	\$12,052,309,300
\$72,000,100	\$72,000,100
\$173,000,000	\$218,900,000
\$261,187,800	\$14,161,842,100

DEPARTMENT OF STATE POLICE
Summary of FY 2016-17 Enacted Appropriations
Article XVI, 2016 Public Act 268 (House Bill 5294)

Analyst: Kent Dell

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Enacted	Difference: Enacted From FY 2015-16 YTD	
						Amount	%
IDG/IDT	\$26,224,300	\$26,580,400	\$26,580,400	\$26,580,400	\$26,580,400	\$356,100	1.4
Federal	90,945,900	87,967,800	87,967,800	87,967,800	87,967,800	(2,978,100)	(3.3)
Local	5,456,700	5,828,500	5,828,500	5,828,500	5,828,500	371,800	6.8
Private	76,700	78,100	78,100	78,100	78,100	1,400	1.8
Restricted	128,699,300	126,358,500	126,358,500	126,358,500	126,358,500	(2,340,800)	(1.8)
GF/GP	376,405,600	411,912,800	407,158,000	415,743,200	402,662,800	26,257,200	7.0
Gross	\$627,808,500	\$658,726,100	\$653,971,300	\$662,556,500	\$649,476,100	\$21,667,600	3.5
FTEs	3,134.0	3,253.0	3,234.0	3,272.0	3,229.0	95.0	3.0

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Michigan Department of State Police (MSP) is the state's primary law enforcement and emergency response authority, responsible for criminal law enforcement and investigation, traffic and motor carrier safety, and homeland security; in addition to the administration and implementation of various state programs, technologies, and specialized services intended to enhance the capabilities and coordination of federal, state, and local law enforcement agencies, the criminal justice system, and the entire public safety community.

Budget Structure

The FY 2015-16 budget includes eight line items within eight appropriation units and continues to appropriate from fund types, while incorporating the schedules of programs and revenues within boilerplate. The FY 2016-17 budget is restructured into six appropriation units containing twenty-nine separate line items, eliminating the schedule of programs budget structure.

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 YTD (as of 2/10/16)	Enacted Change From YTD
1. FY 2015-16 One-Time Appropriations	Gross	\$10,671,100	(\$10,171,100)
Removes FY 2015-16 one-time appropriations, including \$3.0 million federal grant for disaster assistance, \$3.8 million state restricted for emergency operations in Flint, \$100,000 GF/GP for the Flint emergency declaration, and \$3.2 million GF/GP for the 129 th Trooper Recruit School.	Federal	3,000,000	(3,000,000)
	Restricted	3,871,100	(3,871,100)
	GF/GP	\$3,800,000	(\$3,300,000)
2. 129th Trooper Recruit School (Ongoing)	Gross	\$256,957,200	\$8,750,300
Provides \$8.8 million GF/GP to annualize the salary, benefit, and equipment costs of the 100 expected graduates of the 129 th Trooper Recruit School.	Restricted	35,364,900	0
	GF/GP	\$221,592,300	\$8,750,300
3. 130th Trooper Recruit School (Ongoing and One-Time)	FTE	1,345.0	65.0
Provides \$3.2 million GF/GP for the one-time costs of training and outfitting for the 130 th Trooper Recruit School, and \$3.8 million ongoing GF/GP for the salary, benefit, and equipment costs of the 65 new troopers expected to graduate by September 2017.	Gross	\$205,570,100	\$7,000,000
	Restricted	35,364,900	0
	GF/GP	\$170,205,200	\$7,000,000
4. School Safety Initiative (One-Time)	Gross	NA	\$2,000,000
Provides \$2.0 million in GF/GP funding to support competitive grants for local safety initiatives to K-12 schools.	GF/GP	NA	\$2,000,000

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>	<u>FY 2015-16 YTD</u> <u>(as of 2/10/16)</u>	<u>Enacted Change</u> <u>From YTD</u>
5. Secure Cities Expansion	FTE 0.0	9.0
Provides an increase of \$1.5 million GF/GP and 9.0 FTEs to provide MSP law enforcement services to Muskegon Heights, Inkster, Hamtramck, Harper Woods, Highland Park, and Benton Harbor. Expands upon the Secure Cities Partnership, which currently includes the Cities of Detroit, Flint, Pontiac, and Saginaw.	Gross \$2,952,700	\$1,463,500
	GF/GP \$2,952,700	\$1,463,500
6. Statewide Drug Enforcement Strategy	FTE 149.0	7.0
Provides \$753,200 GF/GP and 7.0 FTEs to deploy a statewide drug enforcement strategy focusing on prescription drug and opioid diversion, in accordance with recommendations of the Michigan Prescription Drug and Opioid Abuse Task Force.	Gross \$24,565,700	\$753,200
	IDG/IDT 712,400	0
	Local 11,400	0
	Private 76,700	0
	Restricted 1,197,100	0
	GF/GP \$22,568,100	\$753,200
7. Cyber-Crimes Enforcement Expansion	FTE 339.5	7.0
Provides an Increase of \$1.7 million GF/GP and 7.0 FTEs to expand the capacity to prevent, detect, and investigate cyber-crimes.	Gross \$55,937,500	\$1,706,300
	IDG/IDT 712,400	0
	Federal 377,200	0
	Local 11,400	0
	Private 76,700	0
	Restricted 1,296,100	0
	GF/GP \$53,463,700	\$1,706,300
8. Michigan International Speedway Traffic Control (One-Time)	Gross \$831,900	(\$31,900)
Provides \$800,000 GF/GP to support the one-time costs of MSP traffic control services provided for the Michigan International Speedway.	GF/GP \$831,900	(\$31,900)
9. State Capitol Complex Security	FTE 21.0	(1.0)
Removes funding for one FTE, to remove a vacant state property security officer position.	Gross \$2,362,700	(\$89,300)
	GF/GP \$2,362,700	(\$89,300)
10. Forensic Scientist Positions	FTE 194.0	(4.0)
Removes funding for four vacant forensic scientist positions.	Gross \$32,171,000	(\$530,400)
	Federal 1,042,100	0
	Restricted 9,507,400	0
	GF/GP \$21,621,500	(\$530,400)
11. Advanced 9-1-1 (One-Time)	Gross NA	\$2,200,000
Provides \$2.2 million one-time GF/GP to implement a statewide advanced 9-1-1 system administered by the Michigan State Police, which allows for voluntarily-provided supplemental health and safety information to be accessed by first responders in the event of an emergency.	GF/GP NA	\$2,200,000
12. Roadside Saliva Testing Pilot	Gross NA	\$0
Shifts \$100 from the Post Operations line item, to create a placeholder for a roadside marijuana testing pilot project.	GF/GP NA	\$0
13. Technical Adjustments	Gross NA	(\$185,600)
Aligns federal and local authorization to more accurately reflect actual revenues.	Federal NA	(485,600)
	Local NA	300,000
	GF/GP NA	\$0
14. Early-Out Deferred Sick Leave Payments	Gross NA	(\$347,000)
Recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentive, which were spread out over five years.	IDG/IDT NA	(17,300)
	Federal NA	(47,400)
	Restricted NA	(107,600)
	GF/GP NA	(\$174,700)

STATE POLICE

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>	<u>FY 2015-16 YTD</u>	<u>Enacted Change</u>	
	<u>(as of 2/10/16)</u>	<u>From YTD</u>	
15. Economic Adjustments	Gross	NA	\$9,149,600
Provides for increased costs of \$9.1 million Gross (\$6.5 GF/GP) for negotiated salary and wage increases (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required contributions, and other economic adjustments. Also includes adjustments for information technology and accounting service center staff.	IDG	NA	385,300
	Federal	NA	555,200
	Local	NA	71,800
	Private	NA	1,400
	Restricted	NA	1,625,700
	GF/GP	NA	\$6,510,200

Major Boilerplate Changes From FY 2015-16

Sec. 216. Schedules of Programs and Revenues – DELETED

Outlines the schedules of programs and revenues and associated appropriations.

Sec. 221. Department Core Services – REVISED

Specifies the department's core service requirements. Revised to replace language regarding specific types of forensic analysis with the broad term "forensic analysis and biometric identification;" replaces language discussing traffic safety with "criminal investigations," and removes language pertaining to specific types of criminal investigations.

Sec. 235. Wayland Post – DELETED

Requires the department to discuss a possible joint public safety building with the City of Wayland.

Sec. 240. Benchmarks for New Programs or Program Enhancements – DELETED

Requires the department to report performance-based, program-specific metrics to the legislature for any new program or program enhancement with funds in excess of \$500,000 (see Sec. 240 in General Government).

Sec. 241. Receive and Expend Authorization for Federal Funds – NEW

Includes language that authorizes the department to expend federal funds that it receives in excess of the federal funds appropriated in part 1.

Sec. 250. Participation in MIBridges Fraud Work Group – DELETED

Requires the department to participate in a work group, along with the Departments of Health and Human Services and State, with the intent of identifying ways in which MIBridges benefits program fraud can be minimized.

Sec. 301. Security Services for State Capitol Complex Facilities and State Secondary Complex – REVISED

Requires the department to provide security services to the State Capitol and its associated facilities. Revised to remove language requiring the department to pursue federal grants to improve Capitol Building security; replaces language concerning patrol hour requirements for the State Capitol Complex Facilities with language requiring an annual number of inspections of state owned and leased facilities.

Sec. 304. Department Services – REVISED

Specifies the service requirement for Department Services. Revised to remove language referencing department operations outlined in public act and replaces it with general language outlining a list of grant and community service programs; remove requirement for administrative support for asset forfeiture reporting and adds language requiring administrative support for other grant programs and the department's community policing efforts.

Sec. 402. Criminal Justice Information Center – REVISED

Requires the department to maintain and ensure compliance with Criminal Justice Information Center databases and applications. Revised to remove the concealed weapon enforcement fund revenue reporting requirement.

Sec. 403. Forensic Science – REVISED

Specifies the department's forensic science service requirements. Revised to replace backlog reduction language requiring annual percentage reductions in cases throughout the text and replaces it with a standardized requirement that the department maintain a 30-day turnaround time for forensic laboratory cases across discipline; and remove all language regarding the sexual assault kit initiative and sexual assault kit analysis and move it to a new section (Sec. 405).

Sec. 405. Sexual Assault Kits – NEW

Includes new section consisting of the language regarding the sexual assault kit initiative and sexual assault kit analysis formerly included as subsection (12) in Sec. 403.

Major Boilerplate Changes From FY 2015-16

Sec. 501. Michigan Commission on Law Enforcement Standards – REVISED

Specifies the service requirements of the Michigan Commission on Law Enforcement Standards. Revised to replace the requirement to update law enforcement standards within 30 days of the effective date of new legislation with a 120 day requirement from the enactment date of new legislation.

Sec. 601. General Law Enforcement and Traffic Safety – REVISED

Specifies the general law enforcement and traffic safety service requirements of the department. Revised to increase the minimum patrol hour requirements for statewide patrolling and distressed cities and include language requiring the department to enhance data analysis capabilities to assist in efforts to improve public safety in distressed cities.

Sec. 602. Criminal Investigations – REVISED

Specifies the department's investigative service requirements. Revised training opportunity requirements to include opioid related investigations training; replaces the minimum annual case clearance rate of 60% with a minimum of 62%; and includes language requiring the department to maintain staffing and resources necessary to increase opioid related investigations and partner with hometown security teams and multi-jurisdictional task forces to reduce opioid related crime.

Sec. 603. Tobacco Tax Fraud Investigations – REVISED

Specifies the department's requirement to enforce tobacco tax laws. Revised to include a requirement to report annually to the State Budget Office on expenditures and activities related to tobacco tax enforcement for the prior fiscal year.

Sec. 701. Special Operations – REVISED

Specifies the department's specialized service requirements. Revised to include language requiring the department to maintain the staffing and resources necessary to increase the number of cases completed by the computer crimes unit and improve initiatives to assist law enforcement and criminal justice agencies statewide in investigatory assistance and evidentiary analysis.

Sec. 702. Commercial Vehicle Regulation and Enforcement – REVISED

Specifies the department's commercial vehicle and school bus regulatory service requirements. Revised to include language requiring the department to maintain school bus inspections; remove language requiring the department to annually inspect a minimum of 50,000 commercial vehicles as well as maintain staffing and resources necessary to exercise the authority, powers, functions, and responsibilities concerning school bus inspection; remove the requirement to report to the legislature the number school bus inspections by type and the requirement to maintain the capability to train a minimum of ten motor carrier officers; and adds language that does not allow the revenue collected under the Motor Carrier Act to lapse into the general fund at the end of a fiscal year.

Sec. 703. Emergency Management and Homeland Security – REVISED

Specifies the department's role in coordinating emergency preparation and response efforts. Revised to remove the requirement to annually report to the legislature regarding the use of the Disaster and Emergency Contingency Fund during the prior fiscal year; add language requiring the department to report to the legislature monthly if funds from the Disaster and Emergency Contingency Fund are expended; and allows the department to spend funds appropriated to any line item for the purpose of rapidly responding to and mitigating a declared state disaster or emergency.

Sec. 801. Secondary Road Patrol Program – REVISED

Requires the department of provide funding for the Secondary Road Patrol Program. Revised to replace quarterly reporting requirement with an annual reporting requirement and remove requirement that each county receiving a grant report its total budget for all patrol functions.

Sec. 901. One-Time Appropriations – REVISED

Specifies one-time appropriations and their purposes. Revised to remove FY 2015-16 language regarding one-time appropriations and replace it with language regarding the intent and restrictions of the School Safety Initiative one-time appropriation, to include awarding the funds as competitive grants to K-12 schools.

Sec. 902. Sexual Assault Prevention and Education Initiative – NEW

Includes new language regarding the intent and restrictions of the Sexual Assault Prevention and Education Initiative one-time appropriation, to include awarding grants to institutions of higher education with a physical presence in this state for the purpose of preventing sexual assault on campuses, and establishes the initiative as a work project.

Sec. 903. Advanced 9-1-1 – NEW

Includes language that establishes the Michigan State Police as the administrator for a statewide supplemental 9-1-1 program that is to be purchased from a private vendor and made available to any public safety answering point that voluntarily joins the network.

STATE POLICE

<u>FY 2015-16 Supplemental Appropriations</u>		<u>FY 2015-16 YTD (as of 2/10/16)</u>	<u>FY 2015-16 Supplemental Change</u>
1. Flint Water Emergency	Gross	\$100,000	\$6,000,000
Spending authorization for the purchase and distribution of water filters, filter cartridges, and bottled water in addition to other related expenses; money for similar purposes was appropriated to the Department of Health and Human Services (\$1.0 million GF/GP for water filters under 2015 PA 143 and \$4.6 million GF/GP for bottled water and water filters under 2016 PA 3), which continues to be expended to qualify for federal matching funds (25.0% state / 75.0% federal) provided via the Federal Emergency Management Agency through August 14, 2016, at which time the state is anticipated to become responsible for supporting all expenses of purchasing and distributing water filters and cartridges.	GF/GP	\$100,000	\$6,000,000
2. Trooper Recruit Training Costs	Gross	\$256,957,200	\$428,800
Provides \$428,800 GF/GP to support the one-time training costs for the 12 additional recruits added to the trooper recruit school beginning in June 2016.	Restricted	35,364,900	0
	GF/GP	\$221,592,300	\$428,800
3. Disaster and Emergency Contingency Fund Deposit	Gross	\$3,871,100	\$10,000,000
Provides \$10.0 million GF/GP to replenish the Disaster and Emergency Contingency Fund, which is anticipated to be depleted in FY 2015-16 by the Flint water emergency and other state emergencies.	GF/GP	\$3,871,100	\$10,000,000
4. Homeland Security – Energy Disaster Strategy	Gross	NA	\$750,000
Provides \$750,000 GF/GP funding to support the development of a statewide strategy and implementation plan to help ensure energy disaster preparedness in the event of widespread, long-duration power outages.	GF/GP	NA	\$750,000

FY 2015-16 Supplemental Boilerplate Changes

Sec. 801. Flint Water Emergency Allocations

Stipulates that the funds appropriated via line item shall be allocated to address needs related to the Flint water emergency, including purchase of water and replacement filter cartridges.

Sec. 801. Trooper Recruit Training Costs

Modifies schedule of programs to reflect increased appropriation.

DEPARTMENT OF TRANSPORTATION
Summary of FY 2016-17 Enacted Appropriations
Article XVII, 2016 Public Act 268 (House Bill 5294)

Analyst: William E. Hamilton

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Enacted	Difference: Enacted From FY 2015-16 YTD	
						Amount	%
IDG/IDT	\$3,928,500	\$4,013,400	\$4,013,400	\$4,013,400	\$4,013,400	\$84,900	2.2
Federal	1,257,488,000	1,314,744,000	1,314,744,000	1,314,744,000	1,314,744,000	57,256,000	4.6
Local	50,293,500	50,418,500	50,418,500	50,418,500	50,418,500	125,000	0.2
Private	100,000	100,000	100,000	100,000	100,000	0	0.0
Restricted	2,184,391,400	2,745,527,700	2,745,527,700	2,645,527,700	2,736,727,700	552,336,300	25.3
GF/GP	400,000,000	10,400,000	0	10,400,000	8,500,000	(391,500,000)	(97.9)
Gross	\$3,896,201,400	\$4,125,203,600	\$4,114,803,600	\$4,025,203,600	\$4,114,503,600	\$218,302,200	5.6
FTEs	2,912.3	2,912.3	2,912.3	2,912.3	2,912.3	0.0	0.0

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) "House" reflects House Bill 5294 (H-1) as passed the House, April 27, 2016. (4) "Senate" reflects Senate Bill 800 (S-1) as passed the Senate, May 4, 2016.

Overview

The state transportation budget supports state and local highway programs, public transportation programs, aeronautics programs, and administration of the Michigan Department of Transportation (MDOT). Approximately two-thirds of the revenue in this budget comes from state restricted revenue, with approximately one-third from federal sources. Most of the state-restricted revenue in this budget is constitutionally restricted – from motor fuel taxes and vehicle registration taxes – and is first credited to the Michigan Transportation Fund (MTF) and then distributed in accordance with 1951 PA 51 (Act 51) to other state transportation funds and programs, including the State Trunkline Fund (STF) and the Comprehensive Transportation Fund (CTF), and to local road agencies. Revenue related to taxes on aviation fuel and aircraft registrations is credited to the State Aeronautics Fund for aeronautics programs.

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>		FY 2015-16 YTD (as of 2/10/16)	Enacted Change From YTD
1. Debt Service	Gross	\$238,860,800	(\$935,500)
Provides \$237.9 million to reflect anticipated debt service schedules.	Federal	45,766,900	1,000
[Total outstanding transportation-related debt at September 30, 2015, was \$1.8 billion.]	Restricted	193,093,900	(936,500)
2. Support Services by Other State Departments	Gross	\$46,506,900	\$813,800
Provides \$47.3 million for Interdepartmental grants (IDGs) that authorize the reimbursement of other state departments from restricted transportation funds for services provided to those transportation funds. IDGs include \$20.0 million MTF for Department of State vehicle registration tax collection program (unchanged from current year), and \$2.7 million MTF for Department of Treasury motor fuel tax collection program (\$15,900 less than current year). The net increase across all IDG line items reflects economic increases of \$297,600, and a \$516,200 net increase for cost allocation adjustments.	Restricted	46,506,900	813,800
3. Information Technology	Gross	\$31,429,600	\$660,300
Reflects change in the way the DTMB charges state agencies for IT services, referred to as a Rated Service Model.	Federal	520,500	0
	Restricted	30,909,100	660,300

TRANSPORTATION

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>	FY 2015-16 YTD (as of 2/10/16)	Enacted Change From YTD
4a. State Trunkline Road and Bridge Construction	Gross \$839,663,400	\$228,513,500
State trunkline road and bridge construction/preservation program would total to \$1,068.2 million, \$228.5 million more than the current year. This increase reflected an increase of \$194.7 million in STF revenue. The STF increase reflects an increase in estimated baseline MTF revenue, anticipated new revenue from the Road Funding Plan enacted in November, 2015 and effective January 1, 2017, and the redirection of \$10.4 million from TEDF, Category A program. [The redirection would be made in House Bill 4440.] The increase in state restricted funds also reflects \$18.4 million increase in appropriation of Blue Water Bridge Fund revenue in anticipation of Blue Water Bridge Plaza project.	Federal 742,277,800	15,437,000
	Local 30,000,000	0
	Restricted 67,385,600	213,076,500
Budget also reflects \$15.4 million increase in anticipated federal aid as a result of the <i>FAST Act</i> , the reauthorization of the federal surface transportation program.		
Note that the enacted budget assumes the release of \$100.0 million from the Road Funding Plan "Lockbox" – See note related to Boilerplate Section 505, below.		
4b. State Trunkline Road and Bridge Construction – GF/GP	Gross \$214,847,250	(\$204,447,250)
Current year budget includes two line items that effectively distribute \$214.8 million GF/GP to the STF for the state trunkline road and bridge program. The enacted FY 2016-17 budget does not retain GF/GP funding for state trunkline road and bridge construction program.	GF/GP \$214,847,250	(\$204,447,250)
5. Local Federal Aid Road and Bridge Program	Gross \$240,443,000	\$32,068,000
Recognizes the Act 51 mandated suballocation of federal aid highway funds in Michigan to local road agencies. Increase reflects anticipated federal aid revenue as a result of the <i>FAST Act</i> , the reauthorization of the federal surface transportation program.	Restricted 240,443,400	32,068,000
6. Local Bridge Program	Gross \$26,828,600	\$640,000
Reflects Act 51 earmarks to this program.	Restricted 26,828,600	640,000
7a. MTF to Local Road Agencies	Gross \$959,033,300	\$283,062,800
MTF distribution to local road agencies would total \$1,242.1 million – \$797.5 million to county road commissions, and \$444.6 million to cities/villages. This distribution reflects estimated MTF revenue and the Act 51 statutory formula. The increase in MTF revenue reflects estimates of baseline motor fuel and vehicle registration tax revenue, as well as additional revenue provided through the Road Funding Plan passed November, 2015 and effective January 1, 2017.	Restricted 959,033,300	283,062,800
Note that the enacted budget assumes the release of \$100.0 million from the Road Funding Plan "Lockbox" – See note related to Boilerplate Section 505, below.		
7b. State and Local Road and Bridge Programs – GF/GP	Gross \$158,631,650	(\$158,631,650)
Current year budget distributes \$158.6 million GF/GP to local road agencies, \$101.8 million to county road commissions, and \$56.8 million to cities and villages. The enacted FY 2016-17 budget does not include GF/GP distribution to local road agencies.	GF/GP \$158,631,650	(\$158,631,650)
8. Rail Grade Surface Crossing – NEW	Gross \$0	\$3,000,000
Includes \$3.0 million MTF for a new rail grade crossing surface improvements program, established in 2015 PA 175, an amendatory act part of the Road Funding Package enacted November, 2015, and effective January 1, 2017.	Restricted 0	3,000,000

TRANSPORTATION

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>	FY 2015-16 YTD (as of 2/10/16)	Enacted Change From YTD
9. Transportation Economic Development Fund (TEDF)	Gross \$38,770,500	(\$14,322,900)
The current year budget assumes the redirection of \$4.0 million in TEDF revenue: \$2.0 million to the STF, and \$2.0 million for Aeronautics programs. The enacted FY 2016-17 budget redirects \$10.4 million from TEDF, Category A program, to the State trunkline road and bridge construction program. The redirection is reflected in House Bill 4440.	Restricted 38,770,500	(\$14,322,900)
<p>TEDF budget also reflects Leadership Target decision to redirect an additional \$9.4 million from the TEDF Category A to the state General Fund. This fund shift would be made in House Bill 5706.</p>		
10. Aeronautics Services	FTEs 54.0	0.0
Provides \$768,200 State Aeronautics Fund increase to reflect aviation funding package (Public Acts 258 through 262 of 2015). Of this increase, \$518,200 would enhance the department's current aviation support programs; \$250,000 would restore the Air Service Grant Program.	Gross \$7,039,300	\$768,200
	Restricted 7,039,300	768,200
11. Bus Transit – Local Bus Operating Assistance	Gross \$167,400,000	\$18,850,000
Provides \$18.8 million (CTF) increase in state operating assistance to local public transit agencies. Of this increase, \$12.6 million is attributable to the increase in CTF revenue provided through the Road Funding Plan passed November, 2015 and effective January 1, 2017. An additional \$6.25 million CTF was provided through a reduction in Transit Capital.	Restricted 167,400,000	18,850,000
<p>Note that the enacted budget assumes the release of \$100.0 million from the Road Funding Plan "Lockbox" – See note related to Boilerplate Section 505, below.</p>		
12. Rail Operations and Infrastructure	Gross \$103,090,400	\$15,804,400
Supports rail passenger service, including operating support for three Amtrak routes in Michigan, as well as capital assistance for the Detroit-Chicago high speed rail corridor. Budget reflects increased CTF support.	Federal 60,100,000	0
	Local 100,000	0
	Private 100,000	0
	Restricted 42,790,400	15,804,400
13. Transit Capital	Gross \$31,160,800	\$22,746,300
Reflects anticipated increase in federal funds available through the <i>FAST Act</i> , and anticipated increases in available CTF to match federal transit grants for local transit agencies. The enacted budget redirected \$6.25 million CTF from this program to <i>Local Bus Operating</i> , as shown in Item #11, above.	Federal 5,300,000	10,000,000
	Local 1,250,000	0
	Restricted 24,610,800	12,746,300
14. Transit Capital and Rail Infrastructure – GF/GP	Gross \$25,000,000	(\$25,000,000)
Current year budget includes \$25.0 million GF/GP for transit capital and/or rail infrastructure projects. GF/GP funding is not included in the FY 2016-17 enacted budget.	GF/GP \$25,000,000	(\$25,000,000)
15a. Airport Improvement Program	Gross \$95,043,200	\$2,780,800
Reflects anticipated federal funding, related local matching funds, and available state restricted State Aeronautics Fund revenue for the federal Airport Improvement Program. Net increase of \$2.8 million reflects \$4.8 million increase from aviation funding package (Public Acts 258 through 262 of 2015), less \$2.0 million from elimination of the use of TEDF revenue.	Federal 79,000,000	0
	Local 12,508,500	0
	Restricted 3,534,700	2,780,800
15b. Airport Improvement Program – GF/GP	Gross \$1,521,100	(\$1,521,100)
Current year budget includes \$1.5 million GF/GP to provide matching funds for Airport Improvement Program grants. GF/GP funding is not included in the FY 2016-17 enacted budget.	GF/GP \$1,521,100	(\$1,521,100)

TRANSPORTATION

<u>Major Budget Changes From FY 2015-16 YTD Appropriations</u>		<u>FY 2015-16 YTD (as of 2/10/16)</u>	<u>Enacted Change From YTD</u>
16. Detroit Metropolitan Wayne County Airport – NEW	Gross	\$0	\$8,775,000
Includes new earmark for Detroit Metro Airport and related fund source, the Qualified Airport Fund, established through amendment to the State Aeronautics Code in the aviation funding package (Public Acts 258 through 262 of 2015).	Restricted	0	8,775,000
17. Special Grants (One-time) – NEW	Gross	\$0	\$8,500,000
Includes a new one-time line item to reflect three designated GF/GP funded road improvement projects: Right of way acquisition for US-31 in Berrien County; upgrading Weston Road and Rodesiler Highway in Lenawee county to provide an all-season truck route between M-52 and US-223; establishing access between M-53 and US 233 in Macomb County.	GF/GP	\$0	\$8,500,000
18. Economic Adjustments	Gross	NA	\$6,979,000
Reflects increased costs of \$6.9 million Gross (\$0 GF/GP) for negotiated salary and wage increases (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required retirement contributions, and other economic adjustments.	IDG	NA	84,900
	Restricted	NA	6,894,100
19. End of Five-Year Early Retirement Sick Leave Payouts	Gross	NA	(\$1,441,100)
Recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentive, which were spread out over 5 years.	Restricted	NA	(1,441,100)

Major Boilerplate Changes From FY 2015-16

GENERAL SECTIONS (Secs. 201 through 271)

Except for Sec. 204 (New or expanded program metrics) and Sec. 233 (Report on services provided to local units of government), the enacted budget retains all of the current year standard sections, in some cases with minor modifications. Note that at the request of the State Budget Office, many of these sections have been renumbered.

Sec. 306. Use of Transportation Funds by Other State Agencies/Biennial Audit – REVISED

Current law sets guidelines for use of transportation funds (Interdepartmental grants) by other state agencies; provides reporting requirements and biennial audit. The enacted budget revises to eliminate biennial audit and require a "risk-based" audit program.

Sec. 383. Report on Use of State Airfleet – REVISED

Requires quarterly report on use of MDOT-owned aircraft; recovery of department costs; indicates legislative intent that department work with Michigan State Police on employing fixed winged aircraft. Enacted budget includes reporting requirement related to the subsection regarding MDOT/MSP fixed wing aircraft.

Sec. 395. Contingent Use of Capital Trunkline Funds for Maintenance – NEW

Includes new section that would allow the use of up to \$10.0 million from the capital road and bridge construction line for highway maintenance activities to support safety-related, high-priority, and other deferred maintenance needs on the state trunkline system.

Sec. 396. Solicitation of Proposals for Contractual Services – NEW

Includes language that would direct the department to obtain assurance that contractors can perform proposed services.

Sec. 505. Road Innovation Fund Report ("Lockbox") – NEW

Public Act 175 of 2015, part of the Road Funding Plan passed November, 2015, amended Act 51 to establish a Roads Innovation Task Force and Roads Innovation Fund. Public Act 175 also established a process for "releasing" money from the Roads Innovation Fund, specifically, MDOT could expend money from the fund "only after each house of the legislature approves a 1-time concurrent resolution on a record roll call vote to release money in the Roads Innovation Fund." New boilerplate section, Section 505, would require the department to prepare a report on the amount of MTF revenue withheld if the Roads Innovation Fund is not released on or before October 1, 2016.

Note that the enacted budget assumes that \$100.0 million in Roads Innovation Fund money will be released and distributed in accordance with the provisions of Section 10 of Act 51.

Major Boilerplate Changes From FY 2015-16

Sec. 603. Traffic Congestion – DELETED

Directs department to consider traffic congestion as criteria in project selection.

Sec. 660. Use of Alternative Materials – REVISED

Encourages the department to examine the use of alternative road surface materials; use of crumb rubber from tires. Enacted budget retains subsections 1 and 3; deletes subsection 3 dealing with crumb rubber.

Sec. 704. Rail Operations and Infrastructure Report – NEW

Includes new reporting requirement.

Sec. 705. City of Woodhaven Grade Separation – NEW

Includes new intent language.

Sec. 706. Detroit/Wayne County Port Authority – REVISED

Modifies report due date to June 30.

Sec. 713. Commuter Rail Report – DELETED

Deletes current report on status of commuter rail demonstration projects.

Sec. 803. Third-party Management of MDOT Aircraft – NEW

Includes language directing the department to request proposals for third party management of department aircraft.

Sec. 1001. One-Time Only Special Grants – NEW

Includes section specifying special road improvement project grants: Berrien County – US-31 right of way acquisition; Lenawee County – Upgrading Weston Road and Rodesiler Highway to provide an all-season truck route between M-52 and US-223; Macomb County – M-53 at 33 Mile Road access.

Sec. 1006. Detroit/Windsor Rail Tunnel – DELETED

Enacted budget deletes report on a project to construct a new rail tunnel under the Detroit River between Detroit and Windsor, Ontario.

<u>FY 2015-16 Supplemental Appropriations</u>	<u>FY 2015-16 YTD (as of 2/10/16)</u>	<u>FY 2015-16 Supplemental Change</u>
1. Transportation Special Project	Gross	NA
Unappropriates \$2.0 million from the Transportation Economic Development Fund, <i>Rural county primary</i> program; re-appropriates the funds for a rural county primary road project in Oceana County. Related boilerplate Sec. 901.	Restricted	NA
	GF/GP	NA
		\$0
		0
		\$0

FY 2015-16 Supplemental Boilerplate Changes

Sec. 901. Special Projects

Allocates \$2.0 million for a rural county primary road project in Oceana County with a tentative completion date of September 30, 2017; designates unexpended funds as a work project.



Mary Ann Cleary, Director
 Kyle I. Jen, Deputy Director

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Capital Outlay	Benjamin Gielczyk
Community Colleges	Perry Zielak
Corrections	Robin R. Risko
Education (Department)	Samuel Christensen
Environmental Quality	Austin Scott
General Government:	
Attorney General/Civil Rights/State (Department)/	
Technology, Management, and Budget	Perry Zielak
Executive Office/Legislature/Legislative Auditor General/Lottery/	
Michigan Strategic Fund/Talent and Economic Development/Treasury	Benjamin Gielczyk
Health and Human Services:	
Human Services	Viola Bay Wild
Medicaid/Physical and Behavioral Health	Kevin Koorstra; Kyle I. Jen
Public Health/Aging/Departmentwide Administration	Susan Frey
Higher Education	Marilyn Peterson
Insurance and Financial Services	Paul B.A. Holland
Judiciary	Robin R. Risko
Licensing and Regulatory Affairs	Paul B.A. Holland
Military and Veterans Affairs	Kent Dell
Natural Resources	Austin Scott
School Aid	Bethany Wicksall; Samuel Christensen
State Police	Kent Dell
Transportation	William E. Hamilton
Unemployment Insurance	Paul B.A. Holland
Economic/Revenue Forecast; Local Finance; Tax Analysis	Jim Stansell
Revenue Sharing	Jim Stansell; Benjamin Gielczyk
Legislative Analysis	Chris Couch
	Edith Best; Jennifer McInerney; Josh Roesner; Sue Stutzky
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