

FY 2018-19: TOTAL GENERAL GOVERNMENT
Summary: As Passed by the Senate
Senate Bill 855 (S-1) as Amended



Analysts: Ben Gielczyk
Michael Crossen

	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Revised Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: Senate From FY 2017-18 YTD	
						Amount	%
IDG/IDT	\$782,493,800	\$821,066,200	\$821,066,200	\$821,066,200		\$38,572,400	4.9
Federal	807,906,500	808,698,700	808,698,700	808,698,700		792,200	0.1
Local	17,332,700	15,977,300	15,977,300	15,977,300		(1,355,400)	(7.8)
Private	6,244,900	6,247,400	6,247,400	6,247,400		2,500	0.0
Restricted	2,185,898,800	2,210,623,600	2,230,143,600	2,263,775,600		77,876,800	3.6
GF/GP	1,250,729,600	1,110,473,500	1,053,099,700	1,101,880,400		(148,849,200)	(11.9)
Gross	\$5,050,606,300	\$4,973,086,700	\$4,935,232,900	\$5,017,645,600		(\$32,960,700)	(0.7)
FTEs	8,591.7	8,781.7	8,772.7	8,881.7		290.0	3.4

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 5578 as passed by the House.

Overview

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

Major Boilerplate Changes From FY 2017-18

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

The FY 2017-18 pay-in was \$150.0 million, which was appropriated in appropriations act 2017 PA 107. For FY 2018-19, the Executive recommends including a pay-in of \$0.0, however, 25% of the GF/GP appropriation lapses for FY 2017-18 would be required to be deposited in the Budget Stabilization Fund. House recommends no pay-in. Senate revises to include a deposit in the BSF equal to 25% of the FY 2017-18 GF/GP unassigned fund balance. Additionally, Senate appropriates 25% of the FY 2017-18 GF/GP unassigned fund balance in the following manner: 7.5% for county road repairs, 7.5% to city and village road repairs, 3.3% for airport safety improvements, 3.3% for railroad infrastructure improvement, and 3.3% to the Waterway Economic Vitality Fund for harbor dredging and access improvements.

Sec. 216. Receipt and Retention of Required Reports – RETAINED

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

Sec. 217. Fund Sourcing Priorities – DELETED

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

Sec. 218. Disciplinary Action Against State Employees – RETAINED

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

Sec. 221. Reporting Requirement on Policy Changes – RETAINED

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

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

Requires departments to report on their efforts and progress made toward achieving savings and efficiencies identified by the auditor general in audit reports. Executive deletes. House retains. Senate retains.

Major Boilerplate Changes From FY 2017-18

Sec. 235. Federal Funding Contingency Plan – RETAINED

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

Sec. 240. New Program Metrics – RETAINED

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. Express intent that future program funding increases be based on prior performance. Executive revises the due date of the required report and does not include the stated intent of the Legislature that the Governor consider performances of new programs as the basis for any increase in funds appropriated from the prior year. House concurs. Senate retains current law.

FY 2018-19: DEPARTMENT OF ATTORNEY GENERAL
Summary: As Passed by the Senate
Senate Bill 855 (S-1) as Amended



Analyst: Michael Crossen

	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	<i>Difference: Senate From FY 2017-18 YTD</i>	
						<i>Amount</i>	<i>%</i>
IDG/IDT	\$29,915,300	\$30,386,400	\$30,386,400	\$30,386,400		\$471,100	1.6
Federal	9,518,000	9,628,500	9,628,500	9,628,500		110,500	1.2
Local	0	0	0	0		0	--
Private	0	0	0	0		0	--
Restricted	22,116,900	21,907,200	21,727,200	22,607,200		490,300	2.2
GF/GP	40,248,600	40,106,800	42,406,800	40,706,800		458,200	1.1
Gross	\$101,798,800	\$102,028,900	\$104,148,900	\$103,328,900		\$1,530,100	1.5
FTEs	536.0	536.0	538.0	536.0		0.0	0.0

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 5578 as passed by the House.

Overview

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

		FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Senate Change
Major Budget Changes From FY 2017-18 YTD Appropriations			
1. Ok2Say		Gross \$470,000	\$500,000
House adds \$2.3 million GF/GP and 2.0 FTEs to expand the capabilities and student awareness of the multi-media student safety reporting program for a total FY 2018-19 appropriation of \$2.8 million (\$2.3 million GF/GP). Senate adds \$500,000 GF/GP.	Restricted	470,000	0
	GF/GP	\$0	\$500,000
2. Medical Marihuana Enforcement		FTE 4.0	0.0
Executive includes an additional \$126,700 state restricted to accommodate full year costs for legal support of medical marihuana regulatory oversight as described in Public Acts 281 – 283 of 2016 for a total FY 2018-19 appropriation of \$501,700 state restricted. Legal support services include investigating and prosecuting violations of the acts and rules governing the licensing of medical marihuana facilities. House concurs. Senate concurs.	Restricted	\$375,000	\$126,700
	GF/GP	\$0	\$0
3. Flint Special Counsel Investigation		Gross \$2,600,000	\$0
Executive maintains \$2.6 million from the Lawsuit Settlement Proceeds Fund to support the ongoing investigation of activities associated with the Flint Declaration of Emergency due to drinking water and the resulting prosecutions led by an independent special counsel. House and Senate concur.	Restricted	2,600,000	0
	GF/GP	\$0	\$0
4. PACC Juvenile Life Without Parole Cases		Gross \$700,000	\$0
Executive removes \$700,000 GF/GP one-time funding to the Prosecuting Attorneys Coordination Council (PACC) to be distributed to local prosecutors for legal services related to the reconsideration of juvenile life without parole case sentences. House concurs. Senate provides \$700,000 restricted from the Lawsuit Settlement Proceeds Fund.	Restricted	0	700,000
	GF/GP	\$700,000	(\$700,000)
5. PACC NextGen IT System		Gross \$600,000	(\$600,000)
Executive removes \$600,000 in restricted, one-time funding from the Lawsuit Settlement Proceeds Fund used by PACC to upgrade its legacy case management IT system. House concurs. Senate concurs.	Restricted	600,000	(600,000)
	GF/GP	\$0	\$0

Major Budget Changes From FY 2017-18 YTD Appropriations		FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Senate Change
6. PACC Forensic Interviewing Training	Gross	\$0	\$100,000
<u>Senate</u> adds \$100,000 GF/GP to PACC for additional forensic interviewing training.	GF/GP	\$0	\$100,000
7. Bad-Faith Patent Infringement Claims	Gross	\$180,000	\$0
<u>Executive</u> maintains \$180,000 restricted from Lawsuit Settlement Proceeds Fund to support costs associated with responsibilities prescribed to the department under 2016 PA 550 related to bad-faith patent infringement claims. <u>House</u> does not include. <u>Senate</u> concurs with Executive.	Restricted	180,000	0
	GF/GP	\$0	\$0
8. Economic Adjustments	Gross	NA	\$1,403,400
<u>Executive</u> includes increased costs of \$1.4 million Gross (\$558,200 GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>House</u> concurs. <u>Senate</u> concurs.	IDG	NA	471,100
	Federal	NA	110,500
	Restricted	NA	263,600
	GF/GP	NA	\$558,200

Major Boilerplate Changes From FY 2017-18

Sec. 301a. Drug Investigation and Prosecution Unit – DELETED

Requires the Attorney General to maintain a minimum of 24 drug investigations and to prosecute upon sufficient evidence. The purpose of this investment is to establish a drug investigation and prosecution unit. Executive deletes. House retains. Senate deletes.

Sec. 314. Lawsuit Settlement Proceeds Fund – REVISED

Allows the department the use of lawsuit settlement proceeds for expenses related to the Flint Declaration of Emergency due to drinking water contamination up to a maximum of \$2.0 million and requires a quarterly expenditures report itemized by case, purpose, hourly rate of the retained attorney, and department involved. Authorizes \$600,000 to be used by the Prosecuting Attorneys Coordinating Council to upgrade its IT case management system. Authorizes \$180,000 to be used to support a single FTE costs associated with implementing the duties prescribed under PA 550 2016, The Bad-Faith Patent Infringement Claims Act. Executive increases the authorization legal expenses associated with the Flint Declaration of Emergency to \$2.6 million, removes the requirement to report the hourly rate of the retained attorney for the Flint water investigation, increase and deletes the authorization of one-time funding for the PACC IT case management system. House retains requirement to report the hourly rate of the retained attorney for the Flint water investigation and caps the hourly rate at \$250 unless the department fully complies with the section's reporting requirements; deletes the authorization for \$180,000 for the Bad-Faith Patent Infringement Claims Act; concurs with the removal of funds for the PACC IT case management system. Senate does not include the requirement to report the hourly rate of attorney for the Flint water investigation; Authorizes \$182,700 for the Bad-Faith Patent Infringement Claims Act; concurs with the removal of funds for the PACC IT case management system.

Sec. 314a. Prosecuting Attorneys Coordinating Council (PACC) Juvenile Life Without Parole Cases – REVISED

Specifies \$700,000 to be set aside for investigations, crime victim rights, prosecutions, and appeals for retroactive juvenile life without parole cases. This section was introduced in FY 2017-18 and corresponded with the one-time appropriation of \$700,000 GF/GP which was not included in FY 2018-19. Executive deletes. House retains and revises to limit the expenditure of funds authorized as work projects to be limited to \$700,000. Senate retains and authorizes \$700,000 to be set aside from the Lawsuit Settlement Proceeds Fund to replace \$700,000 GF/GP.

Sec. 316a. Address Confidentiality Program – NEW

Requires the department to develop the Address Confidentiality Program for victims of domestic or sexual assault. Senate adds.

Sec. 318. PACC Forensic Interviewing Training – NEW

Requires \$100,000 from funds appropriated in part 1 for PACC to be expended for additional forensic interviewing training. Senate adds.

Sec. 319. Wrongful Imprisonment Compensation Fund – NEW

Requires a quarterly report on the Wrongful Imprisonment Compensation Fund that includes information on outgoing payments from the fund, pending cases that may require a payment from the fund, and the balance of the fund at the end of the quarter. Senate adds.

FY 2018-19: DEPARTMENT OF CIVIL RIGHTS
Summary: As Passed by the Senate
Senate Bill 855 (S-1) as Amended



Analyst: Michael Crossen

IDG/IDT	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: Senate From FY 2017-18 YTD	
						Amount	%
	\$296,600	\$299,100	\$299,100	\$299,100		\$2,500	0.8
Federal	2,775,800	2,802,700	2,802,700	2,802,700		26,900	1.0
Local	0	0	0	0		0	--
Private	18,700	18,700	18,700	18,700		0	0.0
Restricted	151,900	58,500	58,500	58,500		(93,400)	(61.5)
GF/GP	13,006,600	13,022,100	13,022,100	13,022,100		15,500	0.1
Gross	\$16,249,600	\$16,201,100	\$16,201,100	\$16,201,100		(\$48,500)	(0.3)
FTEs	116.0	116.0	116.0	116.0		0.0	0.0

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 5578 as passed by the House.

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 2017-18 YTD Appropriations

1. Deaf, DeafBlind, and Hard of Hearing Transfer to LARA

Executive transfers \$93,400 state restricted from the Department of Civil Rights (DCR) to the Department of Licensing and Regulatory Affairs in accordance with Executive Order No. 2017-8 which transfers the responsibilities set forth in the Deaf Persons' Interpreters Act, PA 204 of 1982 and the spending authorization of certification fees from the Division on Deafness Fund. This transfer only includes the Division on Deaf, DeafBlind, and Hard of Hearing funding responsible for interpreter licensing. \$715,600 Gross (\$696,900 GF/GP) remains in DCR for duties prescribed under the Division on Deafness Act PA 72 of 1937. House concurs. Senate concurs.

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Senate Change
Gross	\$93,400	(\$93,400)
Restricted	93,400	(93,400)
GF/GP	\$0	\$0

2. Deaf, DeafBlind, and Hard of Hearing Needs Assessment

Executive removes \$150,000 GF/GP of one-time funding used to survey the deaf, deafblind, and hard of hearing community throughout the state to determine its size, needs, and barriers to government service as well as to help develop a long-term strategic plan. House concurs. Senate concurs.

Gross	\$150,000	(\$150,000)
GF/GP	\$150,000	(150,000)

3. Economic Adjustments

Executive provides for increased costs of \$194,900 Gross (\$165,500 GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. House concurs. Senate concurs.

Gross	NA	\$194,900
IDG	NA	2,500
Federal	NA	26,900
GF/GP	NA	\$165,500

Major Boilerplate Changes From FY 2017-18

There are no major boilerplate changes in FY 2018-19.

FY 2018-19: EXECUTIVE OFFICE
Summary: As Passed by the Senate
Senate Bill 855 (S-1) as Amended



Analyst: Ben Gielczyk

IDG/IDT	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: Senate From FY 2017-18 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0		\$0	--
Federal	0	0	0	0		0	--
Local	0	0	0	0		0	--
Private	0	0	0	0		0	--
Restricted	0	0	0	0		0	--
GF/GP	6,848,500	6,980,100	6,980,100	6,980,100		131,600	1.9
Gross	\$6,848,500	\$6,980,100	\$6,980,100	\$6,980,100		\$131,600	1.9
FTEs	89.2	89.2	89.2	89.2		0.0	0.0

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 5578 as passed by the House.

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.

Major Budget Changes From FY 2017-18 YTD Appropriations	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Senate Change
1. Operational Adjustments		
Reflects increased costs of \$131,600 GF/GP related to Executive Office staff and other operations. <u>Executive</u> , <u>House</u> , and <u>Senate</u> concur.		
	FTE	89.2
	Gross	\$6,848,500
	GF/GP	\$6,848,500
		0.0
		\$131,600
		\$131,600

Major Boilerplate Changes From FY 2017-18

There are no major boilerplate changes in FY 2018-19.

FY 2018-19: LEGISLATURE
Summary: As Passed by the Senate
Senate Bill 855 (S-1) as Amended



Analyst: Ben Gielczyk

IDG/IDT	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: Senate From FY 2017-18 YTD	
						Amount	%
	\$0	\$0	\$0	\$0		\$0	--
Federal	0	0	0	0		0	--
Local	0	0	0	0		0	--
Private	400,000	400,000	400,000	400,000		0	0.0
Restricted	4,277,700	4,394,300	4,394,300	4,394,300		116,600	2.7
GF/GP	150,597,100	152,487,500	152,487,500	152,718,300		2,121,200	1.4
Gross	\$155,274,800	\$157,281,800	\$157,281,800	\$157,512,600		\$2,237,800	1.4
FTEs	0.0	0.0	0.0	0.0		0.0	--

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 5578 as passed by the House.

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 Cora Anderson House of Representatives Office Building and Binsfield Senate Office Building. The Michigan State Capitol Historic Site includes the Capitol Building, its grounds and parking lot, and the Michigan State Capitol Commission.

Major Budget Changes From FY 2017-18 YTD Appropriations		FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Senate Change
1. Legislature Operations	Gross	\$155,274,800	\$4,026,300
Reflects increased costs of \$4.3 million Gross (\$4.1 million GF/GP) related to Legislative staff and other operations. <u>Executive</u> and <u>House</u> concur on funding level. However, House shifts \$100 GF/GP from Legislative Council to accommodate placeholder for a Michigan Forensic Science Commission. <u>Senate</u> concurs with Executive.	Private	400,000	0
	Restricted	4,277,700	116,600
	GF/GP	\$150,597,100	\$3,909,700
2. Legislative Information Technology Systems Design Project	Gross	\$3,000,000	(\$2,250,000)
<u>Executive</u> includes a net reduction of \$2.3 million GF/GP in one-time appropriations related to operational and implementation costs associated with the Legislative IT System Design Project. Replaces \$3.0 million in FY 2017-18 one-time appropriations with \$750,000 GF/GP in FY 2018-19 one-time appropriations. <u>House</u> and <u>Senate</u> concur.	GF/GP	\$3,000,000	(\$2,250,000)
3. National Association Dues	Gross	\$454,700	\$0
<u>Executive</u> reduces by \$230,700 GF/GP. <u>House</u> concurs. <u>Senate</u> maintains FY 2017-18 funding level.	GF/GP	\$454,700	\$0
4. Criminal Justice Policy Commission	Gross	\$0	\$100
<u>Senate</u> includes \$100 GF/GP placeholder for Criminal Justice Policy Commission.	GF/GP	\$0	\$100

Major Boilerplate Changes From FY 2017-18

There are no major boilerplate changes in FY 2018-19.

FY 2018-19: LEGISLATIVE AUDITOR GENERAL
Summary: As Passed by the Senate
Senate Bill 855 (S-1) as Amended



Analyst: Ben Gielczyk

IDG/IDT	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: Senate From FY 2017-18 YTD	
						Amount	%
	\$5,709,200	\$5,823,400	\$5,823,400	\$5,823,400		\$114,200	2.0
Federal	0	0	0	0		0	--
Local	0	0	0	0		0	--
Private	0	0	0	0		0	--
Restricted	1,969,400	2,008,800	2,008,800	2,008,800		39,400	2.0
GF/GP	16,607,600	17,105,800	17,855,800	17,105,800		498,200	3.0
Gross	\$24,286,200	\$24,938,000	\$25,688,000	\$24,938,000		\$651,800	2.7
FTEs	0.0	0.0	0.0	0.0		0.0	--

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 5578 as passed by the House.

Overview

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

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Senate Change
Major Budget Changes From FY 2017-18 YTD Appropriations		
1. Auditor General Operations	Gross	\$24,286,200
Reflects increased costs of \$651,800 Gross (\$498,200 GF/GP) related to Auditor General staff and other operations. <u>Executive</u> , <u>House</u> , and <u>Senate</u> concur.	IDG	114,200
	Restricted	39,400
	GF/GP	\$498,200
	Gross	\$0
2. Title IX Audit Operations	GF/GP	\$0
<u>House</u> includes \$750,000 GF/GP for costs associated with conducting audits of Title IX operations at state public universities as required under Section 625 of boilerplate. <u>Senate</u> does not include.		

Major Boilerplate Changes From FY 2017-18

Sec. 625. Title IX Audits – NOT INCLUDED

Requires the Auditor General to conduct an audit of the Title IX operations of each public university at least once every three years. House includes as new section. Senate does not include.

FY 2018-19: DEPARTMENT OF STATE
Summary: As Passed by the Senate
Senate Bill 855 (S-1) as Amended



Analyst: Michael Crossen

	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: Senate From FY 2017-18 YTD	
						Amount	%
IDG/IDT	\$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		0	0.0
Local	0	0	0	0		0	--
Private	50,100	50,100	50,100	50,100		0	0.0
Restricted	208,709,400	214,686,400	206,686,400	215,686,400		6,977,000	3.3
GF/GP	24,139,000	18,466,300	19,466,300	18,466,300		(5,672,700)	(23.5)
Gross	\$254,358,500	\$254,662,800	\$247,662,800	\$255,662,800		1,304,300	0.5
FTEs	1,592.0	1,592.0	1,592.0	1,692.0		100.0	6.3

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 5578 as passed by the House.

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 2017-18 YTD Appropriations

1. Driver Responsibility Fees Elimination

House adds \$1.0 million Gross GF/GP to support increased administrative responsibilities at branch offices related to the elimination and amnesty of Driver Responsibility Fees (DRF) provided in PAs 43-50 2018. Branch office personnel will be responsible for assisting drivers reinstate their licenses that were suspended due to delinquent payments of Driver Responsibility Fees. Senate adds \$1.0 million restricted from the Transportation Administration Collection Fund (TACF) and 100.0 short-term FTEs.

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Senate Change
FTEs	925.0	100.0
Gross	NA	\$1,000,000
Restricted	NA	1,000,000
GF/GP	NA	\$0

2. Driver License Vendor Contract Extension

Executive provides \$925,000 state restricted for a contract extension with the current vendor responsible for producing driver licenses and a server upgrade to provide greater data security. House concurs. Senate concurs.

Gross	\$0	\$925,000
Restricted	0	925,000
GF/GP	\$0	\$0

3. IT Cost Increase

Executive provides \$800,000 state restricted to accommodate rate increases for services provided by DTMB and for a contract for a disaster recovery solution for the Qualified Voter File registry. House concurs. Senate concurs.

Gross	\$37,452,100	\$800,000
Restricted	35,860,700	800,000
GF/GP	\$1,591,400	\$0

4. Commercial Driver License Testing Kiosks

Executive provides \$500,000 state restricted to offset the anticipated loss of federal funding for kiosks in branch offices used for computerized Commercial Driver License testing. House concurs. Senate concurs.

Gross	NA	\$500,000
Restricted	NA	500,000
GF/GP	NA	\$0

5. Fund Shift GF Reduction

Executive replaces \$1.1 million GF/GP with a corresponding amount of state restricted Transportation Administration Collection Fund (TACF) for a net change of \$0 Gross. House concurs. Senate concurs.

Gross	\$1,148,300	\$0
Restricted	0	1,148,300
GF/GP	\$1,148,300	(\$1,148,300)

Major Budget Changes From FY 2017-18 YTD Appropriations		FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Senate Change
6. Voting Machine One-Time Funding	Gross	\$5,000,000	(\$5,000,000)
<u>Executive</u> removes \$5.0 million GF/GP included as one-time funding in PA 158 of 2017 for new voting machines statewide. <u>House</u> concurs. <u>Senate</u> concurs.	GF/GP	\$5,000,000	(\$5,000,000)
7. Credit and Debit Card Fee Assessment	Gross	\$8,000,000	\$0
<u>House</u> eliminates the Credit and Debit Assessment Services line item appropriating revenue from service assessments collected by the department for credit and debit card vendor fees. Associated boilerplate authorizes the department to use collected service assessments to use for expenses related to the service and restricts the department from charging assessments which exceed the costs billable to the department. <u>Senate</u> maintains current law.	Restricted	8,000,000	0
	GF/GP	\$0	\$0
8. Economic Adjustments	Gross	NA	\$3,079,300
<u>Executive</u> provides \$3.1 million Gross (\$475,600 GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>House</u> concurs. <u>Senate</u> concurs.	Restricted	NA	2,603,700
	GF/GP	NA	\$475,600

Major Boilerplate Changes From FY 2017-18

Sec. 716b. Business Application Modernization (BAM) Project Report – DELETED

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

Sec. 716b. Customer and Automotive Records System (CARS) Project - NEW

Requires the department to report the total funds expended for the CARS program since its inception as well as the information on the project's schedule and budget and changes to either. Senate adds.

Sec. 718. Buena Vista Township Branch Office – RETAINED

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

Sec. 719. Office of Investigative Services – DELETED

State that the Office of Investigative Services may use available funds from the amount appropriated in part 1 to conduct investigations of any reported irregularities in a local, state, or national election. Executive maintains current law. House concurs. Senate deletes.

Sec. 720. Post-Election Audits – NOT INCLUDED

Requires the department to develop a plan to enhance post-election audit procedures to ensure machine-tabulated vote accounts are counted and reported accurately. House adds. Senate does not include.

Sec. 720. High School Voting Machines – NEW

Requires the Department to make at least one voting machine available to at least one high school in each prosperity region for student familiarization. Senate adds.

Sec. 720a. Driver Responsibility Fee Elimination Temporary Staffing – NEW

Sets an expiration date of March 1, 2019 for the authorization of 100.0 FTEs associated with additional administrative responsibilities associated with the elimination of Driver Responsibility Fees and driver license reinstatements. Senate adds.

Sec. 723. Plug-in Electric Vehicle Data Reporting - NEW

Requires the Department to semi-annually report information regarding plug-in electric vehicles for use by the Michigan Agency for Energy and MDOT. Senate adds.

**FY 2018-19: DEPARTMENT OF TECHNOLOGY,
MANAGEMENT, AND BUDGET**
Summary: As Passed by the Senate
Senate Bill 855 (S-1) as Amended



Analyst: Michael Crossen

	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Revised Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: Senate From FY 2017-18 YTD	
						Amount	%
IDG/IDT	\$713,959,000	\$751,777,000	\$751,777,000	\$751,777,000		\$37,818,000	5.3
Federal	4,985,300	5,033,700	5,033,700	5,033,700		48,400	1.0
Local	2,316,700	2,341,600	2,341,600	2,341,600		24,900	1.1
Private	127,700	129,400	129,400	129,400		1,700	1.3
Restricted	111,399,300	114,457,400	114,457,400	114,457,400		3,058,100	2.8
GF/GP	579,855,200	489,921,900	454,921,900	495,172,100		(84,683,100)	(14.6)
Gross	\$1,412,643,200	\$1,363,661,000	\$1,328,661,000	\$1,368,911,200		(\$43,732,000)	(3.1)
FTEs	2,943.0	3,122.0	3,111.0	3,122.0		179.0	6.1

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 5578 as passed by the House.

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 2017-18 YTD Appropriations

		FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Senate Change
1. State Building Authority (SBA) Rent Increase	Gross	\$246,570,600	\$27,592,500
<u>Executive</u> adds \$22.3 million GF/GP to cover anticipated debt service obligations associated with capital outlay projects authorized for construction. <u>House</u> adds \$7.3 million GF/GP. <u>Senate</u> adds \$27.6 million GF/GP.	GF/GP	\$246,570,600	\$27,592,500
2. EPMO IT Management Services	FTE	NA	11.0
<u>Executive</u> provides \$2.0 million GF/GP and 11.0 FTEs to expand the Enterprise Portfolio Management Office (EPMO) IT project management services across the enterprise portfolio of IT projects to establish more standardized and efficient IT management processes and controls. <u>House</u> does not include. <u>Senate</u> concurs with Executive.	Gross	NA	\$2,010,000
	GF/GP	NA	\$2,010,000
3. Regional Prosperity Grants Increase	FTE	0.0	0.0
<u>Executive</u> adds \$1.5 million GF/GP to increase grants to designated economic regions defined by the Regional Prosperity Initiative to encourage private, public, and non-profit partners to collaborate on developing economic visions and on efforts to achieve them. The additional grants would also permit funding for infrastructure asset management projects and bring the program's total annual grant funding to \$4.0 million GF/GP. <u>House</u> does not include. <u>Senate</u> does not include.	Gross	\$2,500,000	\$0
	GF/GP	\$2,500,000	\$0
4. IT Personnel Retention Incentives	Gross	\$0	\$1,400,000
<u>Executive</u> provides \$1.5 million GF/GP to offer pay-per-performance incentives to retain talent among the state's IT personnel. <u>House</u> does not include. <u>Senate</u> includes \$1.4 million GF/GP.	GF/GP	\$0	\$1,400,000

Major Budget Changes From FY 2017-18 YTD Appropriations		FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Senate Change
5. Procurement Improvement Plan Completion			
<u>Executive</u> provides \$891,900 state restricted and 6.0 FTEs for ongoing support of improved procurement operations following the guidelines set forth in Executive Order No. 2015-1. Funding will cover the costs of permanent supplier relationship management, contract management, and an enterprise-wide professional development certification program for procurement professionals. <u>House</u> concurs. <u>Senate</u> concurs.	FTE	0.0	6.0
	Gross	\$0	\$891,900
	Restricted	0	891,900
	GF/GP	\$0	\$0
6. Financial Services Support			
<u>Executive</u> provides \$559,400 Gross (\$12,900 GF/GP) and 6.0 FTEs to support an increased workload related to procurement of IT hardware and software and to reduce agency services billing errors. <u>House</u> concurs. <u>Senate</u> concurs.	FTE	0.0	6.0
	Gross	\$0	\$559,400
	IDG	0	317,900
	Restricted	0	228,600
	GF/GP	\$0	\$12,900
7. Michigan Cyber Civilian Corps			
<u>Executive</u> provides \$420,000 one-time state restricted funding to support the expansion of members in the expert volunteer force as well as updated training. The Cyber Civilian Corps (MiC3) is established to provide emergency responses to cyber security threats upon the request of a municipal, educational, non-profit, or business organization. <u>House</u> concurs. <u>Senate</u> concurs.	Gross	\$0	\$420,000
	Restricted	0	420,000
	GF/GP	\$0	\$0
8. FY 2018-19 IT IDG Baseline Adjustment			
<u>Executive</u> adjusts the DTMB Information Technology IDG authorization up \$31.0 million IDG to reflect projects and service adjustments in other agency budgets, administrative cost allocation changes, and IT budgetary requests made by agencies. <u>House</u> concurs. <u>Senate</u> concurs.	Gross	\$520,487,100	\$31,023,400
	IDG	520,487,100	31,023,400
	GF/GP	\$0	\$0
9. School Reform Office Transfer to MDE			
<u>Executive</u> transfers \$3.4 million GF/GP and 11.0 FTEs to the Department of Education per Executive Order No. 2017-5 for the organizational transfer of the School Reform Office. <u>House</u> concurs. <u>Senate</u> concurs.	FTE	11.0	(11.0)
	Gross	\$3,115,100	(\$3,353,800)
	GF/GP	\$3,115,100	(\$3,353,800)
10. Information Technology Investment Fund (ITIF)			
<u>Executive</u> reduces \$32.5 million GF/GP from the IT modernization project portfolio to reflect the decreased costs due to the completion of SIGMA. The remaining \$40.0 million GF/GP would be used to support ongoing modernization projects, six new projects, and additional projects not yet identified. <u>House</u> reduces \$43.7 million GF/GP. <u>Senate</u> concurs with Executive.	Gross	\$72,500,000	(\$32,500,000)
	GF/GP	\$72,500,000	(\$32,500,000)
11. Homeland Security Initiatives/Cyber Security			
<u>Executive</u> reduces \$1.0 million GF/GP due to the extension of the timeframe for developments in the State enterprise data network. <u>House</u> reduces \$2.0 million GF/GP. <u>Senate</u> concurs with Executive.	Gross	\$16,169,300	(\$1,000,000)
	GF/GP	\$16,169,300	(\$1,000,000)
12. State Police Retirement Services			
<u>Executive</u> adjusts authorization to the State Police Employee Retirement System (SPERS) by reducing \$87,000 GF/GP for anticipated supplemental payments per 2015 PA 168. <u>House</u> concurs. <u>Senate</u> concurs.	Gross	NA	(\$87,000)
	GF/GP	NA	(\$87,000)
13. Special Maintenance for State Facilities			
<u>Executive</u> provides an additional \$1.8 million IDG to support increased statewide utility cost increases and other building service contractual costs such as janitorial, security guards, and elevator maintenance. Funds are also included to start the process of standardizing all Automated External Defibrillators (AED) in state owned buildings. <u>House</u> concurs. <u>Senate</u> concurs.	Gross	\$2,000,000	\$1,800,000
	IDG	2,000,000	1,800,000
	GF/GP	\$0	\$0
14. Professional Development Funds			
<u>Executive</u> reduces \$50,000 IDG from employer contributions for professional development of non-union represented state employees (NERES). The reduction is related to collective bargaining agreements and was approved by the Civil Service Commission in December 2017. <u>House</u> concurs. <u>Senate</u> concurs.	Gross	\$250,000	(\$50,000)
	IDG	250,000	(50,000)
	GF/GP	\$0	\$0

Major Budget Changes From FY 2017-18 YTD Appropriations		FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Senate Change
15. SWCAP Adjustment			
<u>Executive</u> reallocates fund sourcing associated with Statewide Cost Allocation Plan (SWCAP) for a net change of \$0 Gross and reduction of \$45,100 GF/GP. <u>House</u> concurs. <u>Senate</u> concurs.	Gross	NA	\$0
	IDG	NA	(36,300)
	Restricted	NA	81,400
	GF/GP	NA	(\$45,100)
16. Drinking Water Declaration of Emergency Reserve Fund	Gross	NA	\$100
<u>Executive</u> adds a \$100 Restricted placeholder to accommodate future transfers. <u>House</u> concurs. <u>Senate</u> concurs.	Restricted	NA	100
	GF/GP	NA	\$0
17. Additional FTE Request	FTE	2,937.0	167.0
<u>Executive</u> adds 167.0 classified FTEs to align department FTE totals with appropriated funds and associated positions. <u>House</u> concurs. <u>Senate</u> concurs.	Gross	NA	\$0
	GF/GP	NA	\$0
18. Removal of Current Year One-Time Funding	Gross	\$82,125,100	(\$82,125,100)
<u>Executive</u> removes \$82.1 million GF/GP of one-time funding from ten items. These items are \$2.0 million for citizen-centric government IT initiatives, \$25.0 million for the Drinking Water Declaration of Emergency Reserve Fund, \$3.7 million additional funding for Homeland Security Initiative/Cyber Security, \$35.0 million for the Michigan Infrastructure Fund, \$5.0 million for the Michigan Public Safety Communications System, \$2.1 million for MAIN closeout, \$6.2 million for the Michigan.gov CMS, \$300,000 for a procurement review pilot program, \$353,000 for the School Reform Office, \$2.4 million and 10.0 FTEs for SIGMA transition support, and \$100,000 for MDOT's MiTRIP system enhancement. NOTE: Additional \$7.5 million in one-time funding for the IT Investment Fund (ITIF) was accounted for above in item #10. <u>House</u> concurs. <u>Senate</u> concurs.	GF/GP	\$82,125,100	(\$82,125,100)
19. Enterprisewide Special Maintenance for State Facilities	Gross	\$26,000,000	\$0
<u>Executive</u> maintains current year funding for maintenance and upkeep at all state-owned properties. <u>House</u> reduces by \$2.6 million GF/GP. <u>Senate</u> concurs with Executive.	GF/GP	\$26,000,000	\$0
20. Information Technology Services and Projects	Gross	\$26,429,100	\$0
<u>Executive</u> maintains current year funding for IT services and projects which support department activities. <u>House</u> reduces by \$200,000 GF/GP. <u>Senate</u> concurs with Executive.	IDG	932,900	0
	Restricted	15,827,000	0
	GF/GP	\$9,669,200	\$0
21. Office of Retirement Services Actuarial Analysis	Gross	NA	\$0
<u>House</u> includes \$4,000 GF/GP one-time funding to conduct an actuarial analysis to determine the potential costs incurred by the state employees retirement system as a result of implementing the provisions included in House Bill No. 5411 of the 99 th Legislature. The appropriation would not take effect unless the bill is enacted into law. <u>Senate</u> does not include	GF/GP	NA	\$0
22. National Guard Retirees	Gross	NA	\$1,600,000
<u>Senate</u> provides \$1.6 million GF/GP, contingent upon the passage of Senate Bill 747, to cover retirement benefits costs for certain National Guard members prescribed in Senate Bill 747.	GF/GP	NA	\$1,600,000
23. Census Related Services Placeholder	Gross	NA	\$100
<u>Senate</u> includes a \$100 GF/GP one-time placeholder for funds to be awarded to the Michigan Nonprofit Association to achieve a fair and accurate count in the 2020 census.	GF/GP	NA	\$100
24. Broadband Initiative Placeholder	Gross	NA	\$100
<u>Senate</u> includes a \$100 GF/GP one-time placeholder for grants to be issued to local entities in areas unserved and underserved for broadband service for broadband pilot programs.	GF/GP	NA	\$100

Major Budget Changes From FY 2017-18 YTD Appropriations	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Senate Change	
25. Economic Adjustments	Gross	NA	\$8,086,400
<u>Executive</u> provides increased costs of \$3.1 million Gross (\$475,600 GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>House</u> concurs. <u>Senate</u> concurs.	IDG	NA	4,763,000
	Federal	NA	48,400
	Local	NA	24,900
	Private	NA	1,700
	Restricted	NA	1,436,100
	GF/GP	NA	\$1,812,300

Major Boilerplate Changes From FY 2017-18

Sec. 810a. Vendor Review Pilot Program – RETAINED

Requires a pilot project be established using a third-party vendor that will provide comprehensive information on all vendors with which the State conducts business. Executive deletes. House concurs with Executive. Senate retains.

Sec. 817. National Guard Retirees – NEW

States that \$1.6 million from funds appropriated in Part 1 for retirement services shall be used to cover the costs of retirement benefits for eligible members as described in Senate Bill 747; States that funding will be contingent on passage of Senate Bill 747. Senate adds.

Sec. 822. Report on Unclassified Salaries – RETAINED

Requires a report on individual appointee and unclassified employee salaries by January 1. Executive deletes. House retains. Senate retains.

Sec. 822f. Regional Prosperity Initiative – RETAINED

Provides for the regional prosperity grant program, which offers economic and workforce development planning grants to eligible regional planning organizations working in collaboration with local governmental, non-profit, business, and educational community partners. Executive revises incentive-based funding grant amounts and creates one-time grants for integrated infrastructure asset management initiatives under the guidance of the Michigan Infrastructure Council; dedicates 0.3 FTE at \$30,000 to manage grant evaluations. House retains current law amounts authorized for grants; concurs with the inclusion of infrastructure asset management; revises language for the provision of funding for a 0.3 FTE from "shall" to "may". Senate retains current law.

Sec. 822i. School Reform Office – DELETED

Requires public schools placed in the reform district to comply with all state and federal laws concerning special education; requires report on the number of students who have an individualized education program and the performance results after the change in school governance. Executive deletes. House concurs. Senate concurs.

Sec. 822l. School Reform Office Hearings – DELETED

Requires the SRO to conduct one public hearing in the district that the SRO will intervene in; requires the office to give advance notice of the hearing and provide an academic improvement plan outline and projected time frame of involvement. Executive deletes. House concurs. Senate concurs.

Sec. 822m. Vendor Performance Tracking – REVISED

Requires DTMB to establish a vendor performance tracking system that collaborates with other departments to collect information to factor in to the determination of awarding future contracts in the procurement process. Executive deletes. House retains. Senate retains and adds subsection (2) requiring the department to report a listing of all departments and agencies that have not complied with the requirements of this section.

Sec. 822n. Request for Proposals Website – RETAINED

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

Sec. 822o. School Reform Office Coordination – DELETED

Requires the SRO to make an effort to coordinate with the Department of Education to streamline state services and resources, reduce duplication, and increase efficiency. Executive deletes. House concurs. Senate concurs.

Sec. 827a. MPSCS Unpaid Invoices – NEW

States that from funds appropriated for the Michigan Public Safety Communications System, \$2.0 million shall be used to pay outstanding invoices for local agencies billed by MPSCS that are dated more than 3 years prior to the current fiscal year. Senate adds.

Sec. 828. IT Appropriations and Expenditures Report – RETAINED

Requires a report on the total appropriations and expenditures for IT related services and projects for all executive departments and agencies. Executive deletes. House retains. Senate retains.

Major Boilerplate Changes From FY 2017-18

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

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

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

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

Sec. 830. *Enterprisewide IT Project Reporting* –NOT INCLUDED

Requires a quarterly report on active and closed IT projects throughout all executive branch departments with information on the schedule, budget, cost, project changes, and project success scores for each project; revises the method for reporting. House adds. Senate does not include.

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

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

Sec. 834a. *Broadband Grants and Local Networks* - NEW

Prohibits expenditures of funds appropriated for the broadband initiative to be used for or by a local entity for establishing a broadband network unless it is located in an unserved area; States that grants shall be awarded to broadband pilot programs and stipulates conditions for awarding grants. Senate adds.

Sec. 835a. *Nonprofit Census-Related Activity* – NEW

Requires one-time funding for census-related activities to be awarded to the Michigan Nonprofit association to achieve a fair and accurate count in the 2020 census; authorizes unexpended funds as a work project. Senate adds.

Sec. 836a. *Cyber Security Investment Projects* – DELETED

Explains the purpose of cyber security improvements to enhance network security, develop comprehensive security framework and additional goals; requires an annual report on the outcomes of the stated goals. Executive deletes. House retains and revises language to address ongoing activities. Senate concurs with Executive.

Sec. 837. *Citizen Centric Government IT Initiative* – DELETED

Requires the development and use of metrics for activities related to MiLogin and other Citizen Centric initiatives; requires an annual report to describe the measures developed and the results of these measures. Executive deletes. House retains and revises language to address ongoing activities. Senate concurs with Executive.

Sec. 840. *EPMO Performance Measures* – NEW

Requires the development and use of metrics for activities related to funds appropriated to the Enterprise Portfolio Management Office. Executive adds. House does not include. Senate concurs with Executive.

Sec. 880. *Drinking Water Declaration of Emergency Reserve Fund* – RETAINED

Provides information on the Drinking Water Declaration of Emergency Reserve Fund; requires a legislative appropriation or transfer for spending use; authorizes the end of year balance to be carried forward. Executive deletes. House concurs. Senate retains and adds a \$100 placeholder.

FY 2018-19: DEPARTMENT OF TREASURY
Summary: As Passed by the Senate
Senate Bill 855 (H-1) as Amended



Analyst: Ben Gielczyk

	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: Senate From FY 2017-18 YTD	
						Amount	%
IDG/IDT	\$12,613,700	\$12,780,300	\$12,780,300	\$12,780,300		\$166,600	1.3
Federal	27,022,600	27,128,000	27,128,000	27,128,000		105,400	0.4
Local	14,516,000	13,135,700	13,135,700	13,135,700		(1,380,300)	(9.5)
Private	27,500	27,500	27,500	27,500		0	0.0
Restricted	1,631,217,500	1,669,678,700	1,675,478,700	1,696,130,700		64,913,200	4.0
GF/GP	214,327,600	208,793,300	212,493,300	218,843,000		4,515,400	2.1
Gross	\$1,899,724,900	\$1,931,543,500	\$1,941,043,500	\$1,968,045,200		\$68,320,300	2.2
FTEs	1,862.5	1,870.5	1,870.5	1,870.5		8.0	0.4

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 5578 as passed by the House.

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 2017-18 YTD Appropriations

1. Constitutional Revenue Sharing

Executive increases Constitutional revenue sharing by \$34.3 million in restricted sales tax revenue relative to the FY 2017-18 budget act appropriated amount. When compared to updated January CREC estimates for FY 2017-18 it reflects a \$24.7 million (3.1%) increase. House and Senate concur.

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Senate Change
Gross	\$798,087,800	\$34,256,000
Restricted	798,087,800	34,256,000
GF/GP	\$0	\$0

2. City, Village, and Township Revenue Sharing

Executive eliminates \$5.8 million in restricted sales tax revenue considered one-time appropriations for City, Village, and Township (CVT) Revenue Sharing. 101 CVTs (100 townships and 1 city) that were newly eligible in FY 2014-15 due to the inclusion of the \$5.8 million would no longer be eligible for a CVT Revenue Sharing payment in FY 2018-19. House retains current year funding level. Senate retains \$5.8 million for 101 CVTs but replaces restricted sales tax revenue with GF/GP. Additionally, Senate includes \$116,000 GF/GP to increase the number of local units eligible for a CVT Revenue Sharing payment to include those that received a payment of at least \$1,000 in FY 2009-10. Current law and Executive and House proposals specify that a local unit must have received \$4,500 in FY 2009-10 to be eligible for a CVT Revenue Sharing payment.

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Senate Change
Gross	\$248,850,000	\$116,000
Restricted	248,850,000	(5,800,000)
GF/GP	\$0	\$5,916,000

3. Supplemental CVT Revenue Sharing

Executive eliminates \$6.2 million GF/GP included in FY 2017-18 as one-time Supplemental CVT Revenue Sharing distributed to all units eligible to receive a CVT Revenue Sharing payment on a per capita basis. House reduces funding by \$3.1 million. Senate concurs with Executive and eliminates funding.

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Senate Change
Gross	\$6,200,000	(\$6,200,000)
GF/GP	\$6,200,000	(\$6,200,000)

Major Budget Changes From FY 2017-18 YTD Appropriations		FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Senate Change
4. County Revenue Sharing/County Incentive Program		Gross	\$220,087,200
<u>Executive</u> includes a net reduction of \$1.9 million Gross (\$2.2 million GF/GP) for County Revenue Sharing. Adjustment includes increase of \$317,400 in restricted sales tax revenue to accommodate 3 additional counties that are expected to exhaust their revenue sharing reserve funds in FY 2018-19 and a decrease of \$2.2 million GF/GP to reduce County Revenue Sharing payments to an amount 1% above statutory full-funding from an amount 2% above full-funding included in FY 2017-18. County Revenue Sharing accounts for 80.2% of appropriation and County Incentive Program accounts for 19.8%. <u>House</u> concurs. <u>Senate</u> increases County Revenue Sharing payments by one percentage point for a total distribution equal to 103% of statutory full funding.	Restricted	217,908,100	317,400
	GF/GP	\$2,179,100	\$2,185,500
5. Financially Distressed CVTs		Gross	\$5,000,000
<u>House</u> reduces by \$500,000 Gross (\$0 GF/GP) and shifts funds to support the Financial Data Analytic Tool Reimbursement program. See Item #6. <u>Executive</u> and <u>Senate</u> maintain current year funding.	Restricted	5,000,000	0
	GF/GP	\$0	\$0
6. Financial Data Analytic Tool Reimbursement		Gross	\$500,000
<u>Executive</u> removes funding for program. <u>House</u> includes \$500,000 sales tax revenue to support program. Funds were shifted from Financially Distressed CVTs line item. Program was funded with equal amount of GF/GP in FY 2017-18. See also Item #15. <u>Senate</u> retains current year appropriation with GF/GP.	Restricted	0	0
	GF/GP	\$500,000	\$0
7. Medical Marihuana Regulatory and Licensing Framework	FTE	4.0	0.0
<u>Executive</u> increases by \$7.2 million Gross (\$0 GF/GP) to account for full-year costs associated with administrative personnel and grants to municipalities, counties, and county sheriffs to offset the costs associated with medical marihuana regulatory activities. <u>House</u> and <u>Senate</u> concur.	Gross	\$4,635,000	\$7,157,100
	Restricted	4,635,000	7,157,100
	GF/GP	\$0	\$0
8. Information Technology System Enhancements		Gross	\$30,909,800
<u>Executive</u> includes \$5.5 million GF/GP to accommodate costs associated with increased staffing for DTMB IT personnel working on necessary IT service requirements (\$2.3 million), continued mainframe legacy upgrades associated with Unisys (\$400,000), and cloud hosting services (\$2.8 million) to enhance data security on mandated projects. <u>House</u> includes \$5.0 million GF/GP for these IT projects. <u>Senate</u> concurs with <u>Executive</u> .	IDG	400,000	0
	Federal	627,800	0
	Local	1,217,500	0
	Restricted	18,318,800	0
	GF/GP	\$10,345,700	\$5,450,000
9. MI Thrive Program Administration	FTE	0.0	1.0
<u>Executive</u> includes \$214,300 from the Brownfield Redevelopment Fund and 1.0 FTE for costs associated with administering the MI Thrive Brownfield Redevelopment Program. The position would calculate income tax generated from development and determine required payment to the developer. <u>House</u> and <u>Senate</u> concur.	Gross	\$0	\$214,300
	Restricted	0	214,300
	GF/GP	\$0	\$0
10. Local Pension and Health Benefit Oversight	FTE	0.0	2.0
<u>Executive</u> includes \$464,000 GF/GP for costs associated with reviewing the status, reports, and corrective action plans of local unit retirement health systems and retirement pension systems as required under the provisions of 2017 PA 202. <u>House</u> and <u>Senate</u> concur.	Gross	\$0	\$464,000
	GF/GP	\$0	\$464,000
11. Bureau of State Lottery Staffing Increases	FTE	191.0	5.0
<u>Executive</u> includes \$637,200 State Lottery Fund and 5.0 FTEs to accommodate the administration of the continued expansion in lottery gaming. <u>House</u> and <u>Senate</u> concur.	Gross	\$25,619,700	\$637,200
	Restricted	25,619,700	637,200
	GF/GP	\$0	\$0
12. Restricted Fund Authorization Removal		Gross	\$158,700
<u>Executive</u> eliminates \$158,700 in Emergency 911 Fund authorization due to funding no longer being available. Fund source supported Tax and Economic Policy line item. <u>House</u> and <u>Senate</u> concur.	Restricted	158,700	(158,700)
	GF/GP	\$0	\$0

Major Budget Changes From FY 2017-18 YTD Appropriations		FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Senate Change
13. General Fund Target Reduction			
<u>Executive</u> reduces multiple line items by a total of \$750,000 GF/GP to provide additional GF/GP savings. Reductions include Tax Compliance (\$350,000 GF/GP), Supervision of the General Property Tax Law (\$150,000 GF/GP), and Department Services (\$250,000 GF/GP). <u>House</u> and <u>Senate</u> concur.	Gross GF/GP	NA NA	(\$750,000) (\$750,000)
14. Accounting Services User Charges			
<u>Executive</u> includes additional \$30,000 IDG authorization to authorize receipt of additional accounting user charges from Lottery and Casino Gaming. Current authorization level would not allow for collection of additional user charges. <u>House</u> and <u>Senate</u> concur.	FTE Gross IDG Restricted GF/GP	24.0 \$2,786,400 1,175,600 1,335,800 \$275,000	0.0 \$30,000 30,000 0 \$0
15. Supervision of General Property Tax Law			
<u>Senate</u> reduces by \$230,900 GF/GP and transfers \$230,700 to the Legislature to restore National Association Dues to the current year funding level. The remaining \$200 supports 2 placeholders.	FTE Gross Local Restricted GF/GP	0.0 \$13,878,700 140,000 3,568,300 \$10,170,400	0.0 (\$230,900) 0 0 (\$230,900)
16. Debt Service – Clean Michigan Initiative			
<u>Senate</u> transfers \$500,000 GF/GP from Clean Michigan Initiative debt service to support OK2Say program in the Department of Attorney General.	Gross GF/GP	\$62,751,000 \$62,751,000	(\$500,000) (\$500,000)
17. Convention Facility Development Fund			
<u>Senate</u> includes additional \$4.7 million in Convention Facility Development Fund appropriations to increase authorization to amount distributed in FY 2016-17.	Gross Restricted GF/GP	\$90,950,000 90,950,000 \$0	\$4,652,000 4,652,000 \$0
18. Emergency 911 Payments			
<u>Senate</u> increases by \$21.8 million in restricted Emergency 911 Fund to account for projected increases in revenue and distributions due to the passage of 2018 PA 51.	Gross Restricted GF/GP	\$27,000,000 27,000,000 \$0	\$21,800,000 21,800,000 \$0
19. One-Time Appropriations and Grants			
<u>Executive</u> removes \$6.5 million Gross (\$3.5 million GF/GP) in other FY 2017-18 one-time appropriations. Appropriations include Beat the Streets (\$100,000 GF/GP), Urban Search and Rescue (\$900,000 GF/GP), City income tax administration costs associated with implementation of Detroit sales and flow through withholding collections (\$1.5 million in local funds), Information Technology implementation costs associated with SAP (\$2.0 million GF/GP), and the Michigan Infrastructure Council (\$1.5 million from Michigan Infrastructure Fund). <u>House</u> concurs but retains Urban Search and Rescue (\$900,000 GF/GP) and Beat the Streets (\$100,000 GF/GP). <u>Senate</u> concurs with Executive.	Gross Local Restricted GF/GP	\$6,000,000 1,500,000 1,500,000 \$3,000,000	(\$6,000,000) (1,500,000) (1,500,000) (\$3,000,000)
20. Courageous Cadets			
<u>House</u> includes \$50,000 GF/GP for new grant to Courageous Cadets program. <u>Executive</u> and <u>Senate</u> do not include.	Gross GF/GP	\$0 \$0	\$0 \$0
21. Sheriff Patrol Assistance for Financially Distressed Communities			
<u>House</u> shifts \$100 GF/GP from Supervision of General Property Tax Law to new line item to accommodate placeholder for the Sheriff Patrol Assistance for Financially Distressed Communities. Change nets to \$0 GF/GP. <u>Executive</u> and <u>Senate</u> do not include.	Gross GF/GP	\$0 \$0	\$0 \$0
22. Economic Adjustments			
Reflects increased costs of \$4.9 million Gross (\$1.2 million GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>Executive</u> , <u>House</u> , and <u>Senate</u> concur.	Gross IDG Federal Local Restricted GF/GP	NA NA NA NA NA NA	\$4,880,400 136,600 105,400 119,700 3,337,900 \$1,180,800

Major Boilerplate Changes From FY 2017-18

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

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

Sec. 902b. Department of Treasury Fund Report – NEW

Requires department report on funds controlled or administered by the department that are not appropriated in part 1. Senate includes as new section.

Sec. 903. Tax Collection Contracts – REVISED

Authorizes Treasury to contract with private collection agencies and law firms to collect taxes, accounts due the state, defaulted student loans, and accounts due to Michigan guaranty agencies; provides funds for collection costs and fees; requires report of agencies used, amounts collected, cost of collection, and other information. Requires amounts appropriated for defaulted student loan collections from exceeding 24.34% of the collection or a lesser amount prescribed in the contract. Requires department to issue an RFP for a secondary placement collections program. Allows for a multiple contract approach for a bidder to bid on a part or the entirety of the contract for primary and secondary collections. Executive revises to eliminate requirement that department issue an RFP for a secondary placement collections program. House concurs. Senate requires the department to issue an RFP for secondary placement collections when issuing primary collection contracts.

Sec. 927. Personal Property Tax Audit Report – REVISED

Requires the department to submit annual progress reports regarding personal property tax audits. Senate revises to include any essential service assessment audits.

Sec. 936. Financial Data Analytical Tool Guidance – REVISED

Requires funds appropriated in part 1 to be for reimbursement to counties, cities, villages, and townships for the cost of a data analytical tool that provides financial data analysis and early warning analysis. Requires DTMB to provide between 2 and 4 approved vendors by October 15, 2017. Executive deletes section. House retains current law; updates dates. Senate retains section and modifies to authorize regional councils of government to receive reimbursement, remove the RFP requirement, authorize vendors to carry out the reimbursement requests for the local unit, and put any remaining funds into a work project.

Sec. 940. Principal Residence Exemption Administration Feasibility Study – NOT INCLUDED

Requires the Department of Treasury to study the feasibility of requiring homeowners to file principal residence exemption documents directly with the Department of Treasury. House includes as new section. Executive and Senate do not include.

Sec. 943. Medical Marijuana Closed-Loop Payment System – DELETED

Authorizes the Department of Treasury to establish a closed-loop payment processing and digital patient identification delivery and authentication system under which the department creates accounts to be used only by registered participants. Executive and Senate delete section. House retains current law.

Sec. 944. Pension Plan Consultant Report – REVISED

Requires Treasury to retain a copy of any report received from a pension plan consultant and make available upon request. A notification that a report was received shall be made to the subcommittees on General Government, fiscal agencies, and State Budget Director. Included in the notification shall be a rationale for the retention of a pension plan consultant. Executive eliminates requirement that notification shall include a rationale for the retention of a pension plan consultant. House retains current law. Senate concurs with Executive.

Sec. 949g. Urban Search and Rescue Task Force – NOT INCLUDED

Allocates \$900,000 to the urban search and rescue task force. Requires the task force to provide reports on FY 2016-17 revenues and expenditures, proposed FY 2017-18 grant expenditures, and a final report on FY 2017-18 grant expenditures. Executive and Senate delete section. House retains current law.

Sec. 949k. Transformational Brownfield Plan Payments – NEW

Appropriates an amount sufficient to recognize and pay an amount equal to the captured tax revenues due under approved Transformational Brownfield Plans, as provided by law. Executive includes as new section. House and Senate concur.

Sec. 949l. Program Request for Proposals for OPEB Oversight and Transformational Brownfield – NEW

Requires the department to use \$464,000 of the funds appropriated for Supervision of the General Property Tax Law be used to issue an RFP for the implementation of the local other post-employment benefits oversight legislation (2017 PA 202) and the transformational brownfield program (2018 PA 57). The chosen vendor must specialize in financial data analytics. Senate includes as a new section.

Major Boilerplate Changes From FY 2017-18

TREASURY – REVENUE SHARING

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

Specifies distribution of \$248.8 million to all CVTs with a population of 7,500 or more by providing an eligible payment equal to 100% of the FY 2016-17 payment to all CVTs that were eligible for a payment in FY 2016-17. In order to qualify for its eligible payment, a CVT is required to comply with the items listed under accountability and transparency. To qualify for county incentive payment, counties are required to comply with the items listed under accountability and transparency. Any unexpended funds are directed to be deposited in the Financial Distressed CVTs program in Sec. 956, subject to approval of transfers. Executive revises to distribute \$243.0 million to all CVTs that received a payment above \$4,500 in Sec. 950(2) of 2009 PA 128. CVTs would be eligible to receive a payment equal to 78.51044% of its payment received under Sec. 950(2) of 2009 PA 128 if transparency and accountability requirements are met. House retains current law due to retention of current funding levels. Senate retains \$5.8 million for 101 CVTs. Additionally, Senate includes \$116,000 GF/GP to increase the number of local units eligible for a CVT Revenue Sharing payment to include those that received a payment of at least \$1,000 in FY 2009-10. Current law and Executive and House proposals specify that a local unit must have received \$4,500 in FY 2009-10 to be eligible for a CVT Revenue Sharing payment.

Sec. 955. County Revenue Sharing Distribution – REVISED

Requires the county revenue sharing appropriation to be distributed so that each eligible county receives a payment (when coupled with the County Incentive Program payment) equal to 101.986% of the amount determined pursuant to the Glen Steil State Revenue Sharing Act of 1971. Executive modifies to reduce county payment to 100.986%. House concurs with Executive. Senate modifies payment to equal 102.986%.

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

Specifies distribution of \$5.0 million in grants to CVTs that have one or more conditions of probably financial distress. CVTs must work with Treasury to develop a plan for grant funding. Grants are capped at \$2.0 million. Funds are designated as work project. Requires report. Executive revised to authorize funds to be used “to administer other projects that move the city, village, or township toward financial stability.” House concurs with Executive revision. Senate retained current law.

Sec. 957. Supplemental City, Village, and Township Revenue Sharing – DELETED

Specifies distribution of \$6.2 million GF/GP appropriated in part 1 to support supplemental revenue sharing payments. Payments would be provided to CVTs on a per capita basis equal to \$0.81198 per person. Executive and Senate do not include funding for Supplemental CVT Revenue Sharing. House revises to distribute \$3.1 million GF/GP on a per capita basis equal to \$0.40599 per person.

TREASURY – BUREAU OF STATE LOTTERY

Sec. 964. Promotion and Advertising Appropriation – REVISED

Appropriates 1% of the Bureau of State Lottery’s prior fiscal year’s gross sales or \$30.0 million, whichever is less, for promotion and advertising. Executive revises to authorize the Bureau of State Lottery to spend 1% of the prior fiscal year’s gross sales for promotion and advertising. House retains current law. Senate concurs with Executive.

TREASURY - CASINO GAMING

Sec. 978. Racing Commission Regulatory Changes – RETAINED

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

FY 2018-19: DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT



Summary: As Passed by the Senate Senate Bill 855 (S-1) as Amended

Analyst: Ben Gielczyk

	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: Senate From FY 2017-18 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0		\$0	--
Federal	762,144,800	762,645,800	762,645,800	762,645,800		501,000	0.1
Local	500,000	500,000	500,000	500,000		0	0.0
Private	5,620,900	5,621,700	5,621,700	5,621,700		800	0.0
Restricted	206,056,700	183,432,300	205,332,300	208,432,300		2,375,600	1.2
GF/GP	205,099,400	166,745,800	133,465,900	138,865,900		(66,233,500)	(32.3)
Gross	\$1,179,421,800	\$1,118,945,600	\$1,107,565,700	\$1,116,065,700		(\$63,356,100)	(5.4)
FTEs	1,453.0	1,456.0	1,456.0	1,456.0		3.0	0.2

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 5578 as passed by the House.

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 2017-18 YTD Appropriations

1. Business Attraction and Community Revitalization

Executive reduces by \$5.1 million Gross (\$7.1 million GF/GP). The GF/GP reduction of \$7.1 million is partially offset by shifting \$2.0 million in 21st Century Jobs Trust Fund from Entrepreneurship Eco-System. House reduces by \$15.5 million Gross (\$20.0 million GF/GP). House reduction transfers \$2.0 million 21st Century Jobs Trust Fund from Entrepreneurship Eco-System to concur with Executive and transfers an additional \$2.5 million 21st Century Jobs Trust Fund from Pure Michigan to realize additional GF/GP savings. Section 1047 allocates \$500,000 of total to the Southern Michigan Center for Science and Industry for a new pilot program. Senate reduces by \$15.4 million Gross (\$17.4 million GF/GP).

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Senate Change
Gross	\$115,500,000	(\$15,357,100)
Restricted	21,600,000	2,000,000
GF/GP	\$93,900,000	(\$17,357,100)

2. Entrepreneurship Eco-System

Executive includes a net reduction of \$500,000 Gross and an increase of \$1.5 million GF/GP. Adjustment includes a reduction of \$2.0 million 21st Century Jobs Trust Fund which is moved to Business Attraction and Community Revitalization to partially offset GF/GP reduction in that line item and a reduction of \$1.0 million GF/GP in ongoing appropriations. Includes \$1.5 million GF/GP in FY 2018-19 one-time funds to support business accelerators. House includes a net increase of \$500,000 Gross and an increase of \$2.5 million GF/GP. House shifts \$1.0 million GF/GP from one-time to ongoing appropriations relative to Executive. House transfers \$1.0 million GF/GP from Project Rising Tide to augment Entrepreneurship Eco-System funding. Senate concurred with Executive.

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Senate Change
Gross	\$19,400,000	(\$500,000)
Restricted	18,400,000	(2,000,000)
GF/GP	\$1,000,000	\$1,500,000

Major Budget Changes From FY 2017-18 YTD Appropriations		FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Senate Change	
3. Going Pro		Gross	\$41,908,300	(\$1,000,000)
<u>Executive</u> includes a net reduction of \$1.0 million Gross and an increase of \$24.0 million GF/GP. Adjustment includes the replacement of \$15.0 million in ongoing restricted Contingent Fund, Penalty and Interest Account funds with an equal amount of GF/GP. Replaces FY 2017-18 one-time appropriation of \$10.0 million Contingent Fund, Penalty and Interest Account with \$9.0 million GF/GP one-time appropriation in FY 2018-19. FY 2018-19 Executive Recommendation totals \$40.9 million Gross (\$25.0 million GF/GP). <u>House</u> reduces by \$4.6 million Contingent Fund, Penalty and Interest and increases by \$600,000 GF/GP for a net reduction of \$4.0 million Gross. \$3.0 million of the reduction is the result of moving the Jobs for Michigan Grads program to a separate standalone line item. See Item #5. Section 1070 was retained and allocates \$1.5 million of total to Graduation Alliance program. <u>Senate</u> concurred with Executive funding level, but maintained total funding with Contingent Fund, Penalty and Interest Account funds. \$3.0 million of total funding is earmarked for Jobs for Michigan Grads program.	Restricted	40,908,300	0	
	GF/GP	\$1,000,000	(\$1,000,000)	
4. Pure Michigan		Gross	\$35,000,000	\$1,000,000
<u>Executive</u> and <u>House</u> maintain FY 2017-18 funding at \$35.0 million Gross. House funds \$2.5 million of total with GF/GP appropriations. <u>Senate</u> increases by \$1.0 million GF/GP.	Restricted	35,000,000	0	
	GF/GP	\$0	\$1,000,000	
5. Project Rising Tide		Gross	\$2,000,000	(\$2,000,000)
<u>Executive</u> maintains funding at FY 2017-18 level. <u>House</u> reduces by \$1.0 million GF/GP and transfers funds to Entrepreneurship Eco-System to increase investment in that line item. <u>Senate</u> eliminates funding for program.	GF/GP	\$2,000,000	(\$2,000,000)	
6. At-Risk Youth Grant Program (Jobs for Michigan Graduates)		Gross	NA	\$0
<u>Executive</u> removes \$3.0 million GF/GP funding supporting program (See Item #11). <u>House</u> shifts \$3.0 million in Contingent Fund, Penalty and Interest funds from Going Pro line item to standalone At-Risk Youth Grant Program line item to support Jobs for Michigan Grads. FY 2017-18 funding for program was supported with \$3.0 million GF/GP included in Going Pro line item (See Item #11). <u>Senate</u> includes boilerplate earmark out of the Going Pro line item (See Item #3).	Restricted	NA	0	
	GF/GP	NA	\$0	
7. Community Ventures		FTE	7.0	0.0
<u>Executive</u> reduces by \$3.3 million Gross (\$306,700 GF/GP). Funds are shifted to Community College Skilled Trades Training Program debt service line item to offset GF/GP funds in that line item. FY 2018-19 line item is funded at \$5.0 million Contingent Fund, Penalty and Interest Account. NOTE: \$1.5 million Contingent Fund, Penalty and Interest Account and 7.0 FTEs are shifted to Workforce Program Administration to consolidate Talent Investment Agency (TIA) employees into one appropriation line item. <u>House</u> reduces by \$4.8 million Gross (\$306,700 GF/GP). <u>Senate</u> concurs with Executive.	Gross	\$9,806,700	(\$3,300,000)	
	Restricted	9,500,000	(2,993,300)	
	GF/GP	\$306,700	(\$306,700)	
8. Arts and Cultural Grant Program		Gross	\$11,150,000	\$0
<u>Executive</u> removes \$1.0 million GF/GP in one-time funds that augmented ongoing Arts and Cultural Grants. <u>House</u> and <u>Senate</u> retain funding.	Private	100,000	0	
	Federal	1,050,000	0	
	GF/GP	\$10,000,000	\$0	
9. Community College Skilled Trades Training Program Debt Service		Gross	\$4,600,000	\$0
<u>Executive</u> replaces \$4.6 million GF/GP with an equal amount of Contingent Fund, Penalty and Interest (\$3.0 million of total shifted from Community Ventures) for a net change of \$0 Gross. <u>House</u> and <u>Senate</u> concur with Executive.	Restricted	0	4,600,000	
	GF/GP	\$4,600,000	(\$4,600,000)	
10. Land Bank Fast Track Fund Operations		FTE	6.0	3.0
<u>Executive</u> reduces by \$1.0 million GF/GP to reflect reduced costs associated with Land Bank Fast Track Authority operations. Includes 3.0 FTE positions to align totals with the number of funded positions. <u>House</u> concurs with Executive and reduces by an additional \$500,000 GF/GP. <u>Senate</u> concurs with Executive.	Gross	\$5,259,100	(\$1,000,000)	
	Federal	1,000,000	0	
	Restricted	298,400	0	
	GF/GP	\$3,960,700	(\$1,000,000)	

Major Budget Changes From FY 2017-18 YTD Appropriations		FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Senate Change
11. Other One-Time Appropriations	Gross	\$14,200,000	(\$14,199,900)
<u>Executive</u> removes a total of \$14.2 million GF/GP in one-time appropriations. Appropriations include DTED – grants (\$2.7 million GF/GP), Protect and Grow (\$1.0 million GF/GP), Talent Marketing (\$5.0 million GF/GP), Dropout Support and Career Training Grants included in the Going Pro line item (\$1.5 million GF/GP), Jobs for Michigan Grads program included in the Going Pro line item (\$3.0 million GF/GP), and a Van Andel Institute grant included in the Entrepreneurship Eco-System line item (\$1.0 million GF/GP). Includes new \$100 restricted for Drinking Water Declaration of Emergency placeholder to accommodate future transfer needs. <u>House</u> concurs with <u>Executive</u> . GF/GP funding used to support Dropout Support and Career Training Grants in FY 2017-18 was removed but \$1.5 million of total Going Pro line item was earmarked in boilerplate Section 1070 for program (See Item #3). GF/GP used to support Jobs for Michigan Grads in FY 2017-18 was removed but \$3.0 million Contingent Fund, Penalty and Interest was used to support program (See Item #5 and Section 1071). <u>Senate</u> concurs with <u>Executive</u> .	Restricted	0	100
	GF/GP	\$14,200,000	(\$14,200,000)
12. Michigan Enhancement Grants	Gross	\$35,897,000	(\$28,540,000)
<u>Executive</u> removed funding for one-time Michigan Enhancement Grants. <u>House</u> concurs with <u>Executive</u> . <u>Senate</u> includes \$7.4 million GF/GP for 27 new enhancement grants.	GF/GP	\$35,897,000	(\$28,540,000)
13. UIA Debt Payoff Placeholder	Gross	\$0	\$100
<u>Senate</u> includes \$100 GF/GP as a placeholder for a payment to pay off the UIA debt owed from the dissolved Inkster School District. <u>Executive</u> and <u>House</u> do not include.	GF/GP	\$0	\$100
14. Technical Fund Source Adjustments to Align with Available Revenues	Gross	NA	(\$1,653,900)
<u>Executive</u> removes \$1.7 million Gross (\$0 GF/GP) in federal and state restricted appropriation authorization to align fund sources with actual revenues. <u>House</u> and <u>Senate</u> concur.	Federal	NA	(1,622,100)
	Restricted	NA	(31,800)
	GF/GP	NA	\$0
15. Workforce Development Programs	Gross	\$3,499,400	\$501,000
<u>Executive</u> includes \$501,000 in Federal Department of Agriculture, Employment and Training funds to accommodate the receipt of a new federal award for the existing Food Assistance, Employment and Training workforce development program. <u>House</u> and <u>Senate</u> concur.	Federal	3,499,400	501,000
	GF/GP	\$0	\$0
16. Economic Adjustments	Gross	NA	\$2,693,700
Reflects increased costs of \$2.7 million Gross (\$270,200 GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>Executive</u> , <u>House</u> , and <u>Senate</u> concur.	Federal	NA	1,622,100
	Private	NA	800
	Restricted	NA	800,600
	GF/GP	NA	\$270,200

Major Boilerplate Changes From FY 2017-18

Sec. 983. Broadband Bonding Prohibition – NEW

Prohibits the Michigan Strategic Fund and Michigan State House Development Authority from issuing or refinancing bonds for broadband construction, expansion, repairs, or upgrades. Senate includes as new section.

Sec. 1004. Statutory Reporting Requirements Update – NOT INCLUDED

Requires MSF to provide information included in MSF Act annual activities report to Legislature by March 15. House includes as new section. Executive and Senate do not include.

Sec. 1004. Waterway Economic Vitality Fund – NEW

Creates the Waterway Economic Vitality Fund to provide grants for the dredging of waterways around harbors to maintain waterway access. States that fund is a revolving fund and shall be located in the Michigan Strategic Fund. Proceeds are received from Section 210 distribution of 3.33% of unassigned GF/GP fund balance. Requires Michigan Strategic Fund to ensure that grants awarded through the state and regional prosperity regions. Senate includes as new section.

Major Boilerplate Changes From FY 2017-18

Sec. 1006. Business Incentive and Community Revitalization Grant Amendment Reporting – NOT INCLUDED

Requires MSF to provide a report of prior year amendments to Michigan Business Development Program and Michigan Community Revitalization Program incentives by March 15. House includes as new section. Executive and Senate do not include.

Sec. 1007. Program Reporting Requirements – RETAINED

Requires report on grants, investments, and activities of each program administered by MSF or MEDC, including spending and FTEs; requires report on tourism promotion and business marketing expenditures and revenues by source. Additionally requires report to include the budget for the MSF and MEDC for the prior fiscal year including all corporate revenue by source, all expenditures by core focus, number of positions at the MEDC, the corporate fund balance remaining at the end of the fiscal year, the total amount of work project funding spent during the previous fiscal year, all work project funding that is being carried forward, and the difference between the enacted budget and final expenditures for the previous fiscal year. Requires performance metrics report on the Michigan Business Development Program and the Community Revitalization program. Executive deletes. House concurs with deletion but revises reporting requirements into 3 new sections (Sections 1004, 1006, and 1007). Senate retains current law.

Sec. 1007. Corporate Funding Reporting – NOT INCLUDED

Requires MEDC/MSF to provide an activities report on programs and activities administered by the MEDC board and supported with corporate or investment revenues by March 15. House includes as new section. Executive and Senate do not include.

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

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

Sec. 1011. Disposition of Unexpended Funds – REVISED

Requires unexpended and unencumbered funds at the end of the fiscal year to be disposed of in accordance with the Management and Budget Act unless carry forward authorization has otherwise been provided. Executive revises to include subsection that authorizes any carry forward authorization through a work project shall be preserved until a cash or accrued expenditure has been executed or the allowable work project time period has expired. House and Senate concur with Executive revisions.

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

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

Sec. 1038. Facility for Rare Isotope Beams Progress Report – DELETED

Requires a status report on the construction of the Facility for Rare Isotope Beams at Michigan State University. Executive revises date of report to April 10. House retains current law. Senate deletes section.

Sec. 1040. MAIN System Reporting – REVISED

Requires MSF to use MAIN or a DTMB-administered successor program to report encumbrances and expenditures. Executive deletes section. House and Senate retain current law and updates to reflect SIGMA as new statewide financial accounting system.

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

Requires MSF to request not more than 60% of the funds appropriated for Business Attraction and Community Revitalization prior to April 1. Executive deletes section. House and Senate retain current law.

Sec. 1047. Michigan Enhancement Grants – REVISED

Specifies individual grants included in the Michigan Enhancement Grant line item totaling \$35.9 million GF/GP: playground project in Commerce Township (\$100,000); Sanilac FFA "miracle of life" barn (\$35,000); St. Clair River seawall (\$500,000); St. Clair highway bridge (\$2,700,000); Oakland Hope (\$100,000); Michigan Works! retirement shortfall (\$800,000); Sault Sainte Marie Carbide Docks (\$1,000,000); Hillsdale Veteran Affairs Scholarship Program (\$12,000); Plymouth Township intersection upgrade (\$1,000,000); Albion Water Tower Upgrade (\$500,000); Holy Cross Services (\$1,500,000); Gianna House (\$100,000); Livonia Rotary Park accessible playground (\$300,000); Botsford Park upgrade to outdoor pool (\$70,000); Child Restraint Safety Program Awareness Campaign (\$300,000); Former Detroit House of Corrections demolition and cleanup (\$1,500,000); No Wrong Door Program – Wayne County (\$250,000); South Michigan Center for Science and Industry (\$800,000); Voss Park – baseball diamonds upgrades (\$300,000); Salem Township Urban Services District (\$10.0 million); Harvey Street woonerf project (\$1,000,000); Grand Rapids Civic Theatre (\$1,000,000); Lowell Showboat Replacement (\$1,000,000); Dixie Highway Federal Match (\$1,000,000); KVCC Healthy Living Campus (\$2,000,000); White Lake Township Road Infrastructure Improvement (\$750,000); Muskegon County/Coopersville Wastewater Treatment Improvement (\$2,500,000); Monroe County ISD Career Tech Equipment (\$40,000); Ida School District CAD equipment (\$70,000); Whites Bridge Rebuild – Ionia County (\$350,000); Village of Lexington Master Plan Study (\$120,000); Grand Rapids Dam Removal (\$1,500,000); Mackinaw Cutter Repainting (\$300,000); LSSU power grid improvements (\$300,000); Zeeland Interchange Upgrade (\$2,000,000); National Sportsman Caucus National Meeting – Traverse City (\$100,000). Executive and House delete section. Senate revises section by deleting FY 2017-18 enhancement grants and including 27 new enhancement grants for FY 2018-19.

Major Boilerplate Changes From FY 2017-18

Sec. 1047. Southern Michigan Center for Science and Industry Grant Program – NOT INCLUDED

Requires \$500,000 of funds appropriated in part 1 to support a grant to the Southern Michigan Center for Science and Industry for an employment enhancement pilot program. Requires report. House includes as new section. Executive and Senate do not include.

Sec. 1048. Van Andel Institute Grant – DELETED

Appropriates \$1.0 million of funding appropriated for Entrepreneurship Eco-System in part 1 to the Van Andel Institute. Executive and House delete section and do not include funding. Senate deletes section and moves boilerplate earmark to Michigan Enhancement Grants (Section 1047)

Sec. 1051. Talent Marketing Performance Measures – DELETED

Requires department to identify specific performance measures for the Talent Marketing appropriations; provides two performance measures. Executive, House, and Senate delete section.

Sec. 1052. Project Rising Tide Performance Measures – DELETED

Requires department to identify specific performance measures for the Project Rising appropriations; provides two performance measures. Executive and House retain current law. Senate deletes section.

Sec. 1053. Arts and Cultural Grants Performance Measures – RETAINED

Requires department to identify specific performance measures for the Arts and Cultural Grants appropriations; provides three performance measures. Executive deletes section. House and Senate retain current law and update dates.

Sec. 1054. Protect and Grow Performance Measures – DELETED

Requires department to identify specific performance measures for the Protect and Grow appropriations; provides two performance measures; includes reporting requirement. Executive, House, and Senate delete section.

Sec. 1055. City Park Development Project – DELETED

Requires \$500,000 GF/GP appropriated in part 1 for DTED – grants to be awarded as a matching grant to a park development project at Riverbend Park in Rochester Hills. Executive, House, and Senate delete section.

DTED – TALENT INVESTMENT AGENCY

Sec. 1064. Going Pro Expenditure Report – NOT INCLUDED

Requires the Talent Investment Agency to provide a report of Going Pro expenditures by program/grant type for the prior fiscal year and a projected expenditure report by program/grant type for the current fiscal year. House includes as new section. Executive and Senate do not include.

Sec. 1065. Going Pro Program – REVISED

Requires TIA to publish data and reports on March 15 and September 30 on the Going Pro Program. Requires the Department of Talent and Economic Development to expand workforce training and re-employment services to better connect workers to in-demand jobs and identify specific outcomes with performance metrics for this initiative. Executive revises to remove reference to individuals enrolled in skilled trades training program and includes number of individuals enrolled in classroom training, on the job training, and new USDOL registered apprentices. Aligns metric measurements with those required for Going Pro in FY 2017-18 Section 1084. House and Senate concur with Executive revisions.

Sec. 1067. Helmets to Hardhats Program Grant – DELETED

Requires \$200,000 GF/GP appropriated in part 1 for DTED - grants to be awarded to a national, nonprofit organization that connects National Guard, Reserve, retired, and transitioning active-duty military service members with skilled training and quality career opportunities in the construction industry. Funds must be used to recruit and assist military veterans transition into apprenticeship programs in the state of Michigan. Executive and House delete section. Senate deletes section and moves boilerplate earmark to Michigan Enhancement Grants, Section 1047(18).

Sec. 1069. Focus: Hope Grant – DELETED

Requires \$2.0 million GF/GP appropriated in part 1 for DTED - grants to be awarded to Focus: Hope for programming needs. Executive, House, and Senate delete section.

Sec. 1070. Dropout Support and Career Training Grant – DELETED

Requires \$1.5 million of the funds appropriated for Going Pro to support a program to assist adults over the age of 23 in obtaining high school diplomas and placement in career training programs. Provides requirements to qualify as an eligible program provider. Provides detailed reimbursement rates for certain performance measures. Executive and Senate delete section. House retains current law.

Sec. 1071. Dropout Prevention and Recovery Program for Michigan Youth – RETAINED

Requires \$3.0 million from the funds appropriated for Going Pro to be awarded to an existing dropout prevention and recover program for Michigan youth. Executive deletes section. House revises to allocate funds from new At-Risk Youth Grants line item. Senate retains current law.

Sec. 1072. UIA Debt Payoff Placeholder – NEW

Provides a placeholder for the payoff of unemployment insurance agency debt owed by the dissolved Inkster School District. Senate includes as new section.

Major Boilerplate Changes From FY 2017-18

Sec. 1077. Fraudulent Claims Review Request for Proposals – NEW

Requires the UIA to use \$300,000 of the funds appropriated in part 1 for a pilot project that uses an outside vendor for the analysis, review, and disposition of the high volume of fraudulent claims for the unemployment insurance agency. Requires the UIA to issue an RFP to contract with a vendor. Senate includes as new section.

Sec. 1080. Community Ventures Matching Funds – DELETED

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. Executive and Senate delete section. House retains current law.

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

Requires the Department to identify specific outcomes and performance metrics for the increased funds in part 1 associated with the Statewide Data System Integration line item. Provides nonexclusive list of performance metrics to be used. Status report required by March 15. Executive and Senate delete section. House retains current law.

Sec. 1082. Sustainable Employment Pilot Program – DELETED

Requires a status update on the usage of the funds appropriated for the Sustainable Employment Pilot Program. Provides requested reporting metrics. Executive and Senate delete section. House retains current law.

Sec. 1084. Going Pro Performance Measures – RETAINED

Requires department to identify specific performance measures for the Going Pro appropriations; provides three performance measures. Executive deletes section. House and Senate retain current law; update dates.