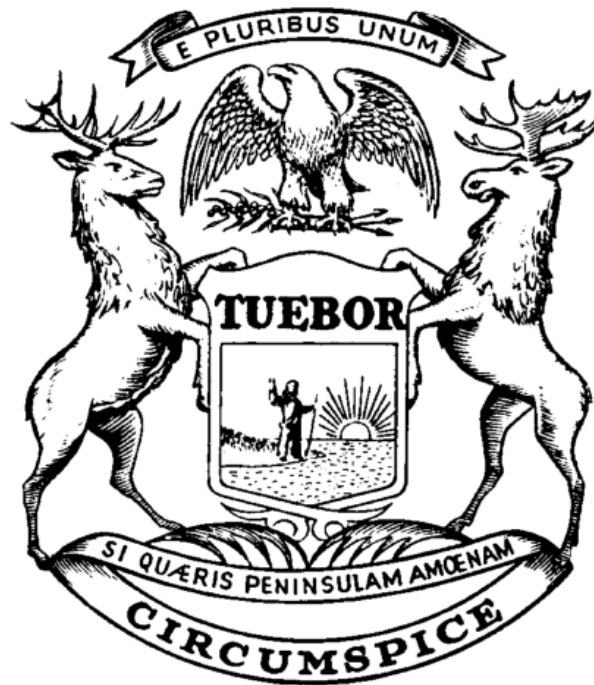


**STATE OF MICHIGAN
FISCAL YEAR 2015-16**

Appropriations Summary and Analysis



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FISCAL
AGENCY**

Mary Ann Cleary, Director

JULY 2015

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July 2015

TO: Members of the Michigan House of Representatives

FROM: Mary Ann Cleary, Director

This ***FY 2015-16 Appropriations Summary and Analysis*** summarizes the enacted FY 2015-16 state budget. A *Glossary*, following the table of contents, explains terms used throughout this report to describe Michigan's budget. The *Budget Overview* provides information on resources used and major funding changes in the enacted FY 2015-16 budget; summary tables of appropriated funds and fund sources are also included. *Budget Detail* pages note major budget and boilerplate changes for each budget area.

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

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

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

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

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

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GLOSSARY

Frequently Used State Budget Terms

STATE BUDGET TERMS

Line Item

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

Boilerplate

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

Lapse

Appropriated amounts that are unspent or unobligated at the end of a fiscal year; appropriations are automatically terminated at the end of a fiscal year unless otherwise provided by law.

Work Project

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

APPROPRIATION TERMS AND FUND SOURCES

Appropriations

Authority to expend funds for a particular purpose. An appropriation is not a mandate to spend.

Gross: Total of all applicable appropriations in an appropriation bill.

Adjusted Gross: Net amount of gross appropriations after subtracting interdepartmental grants (IDGs) and intradepartmental transfers (IDTs).

Interdepartmental Grant (IDG) Revenue

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

Intradepartmental Transfer (IDT) Revenue

Funds transferred from one appropriation unit to another within the same departmental budget.

Federal Revenue

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

Local Revenue

Revenue received from local units of government for state services.

Private Revenue

Revenue from non-government entities: rents, royalties or interest payments, payments from hospitals or individuals, or gifts and bequests.

State Restricted Revenue

State revenue restricted by the State Constitution, state statute, or outside restriction that is available only for specified purposes; includes most fee revenue; at year-end, unused restricted revenue generally remains in the restricted fund.

General Fund/General Purpose (GF/GP) Revenue

Unrestricted general fund revenue available to fund basic state programs and other purposes determined by the Legislature; unused GF/GP revenue lapses to the General Fund at the end of a fiscal year.

MAJOR STATE FUNDS

General Fund

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

School Aid Fund (SAF)

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

Budget Stabilization Fund

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

FY 2015-16 Budget Detail

OVERVIEW

**Budget Overview
Consensus Revenue Estimates
FY 2015-16 Balance Sheets
Summary Tables**

OVERVIEW

FY 2015-16 BUDGET OVERVIEW

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

The enacted state budget for Fiscal Year (FY) 2015-16 incorporates the May 2015 Consensus Revenue Estimating Conference revenue estimates. In addition to those estimates, the recommendation assumes the following major funding sources for the General Fund/General Purpose (GF/GP) and School Aid Fund (SAF) budgets:

- Beginning balances of \$170.1 million GF/GP and \$140.4 million SAF.
- Continued collection of the Use Tax on Medicaid managed care providers (\$406.7 million GF/GP and \$203.3 million SAF).

The FY 2015-16 budget includes \$53,589.0 million in adjusted gross appropriations. This includes:

- \$23,071.9 million in federal funds.
- \$395.4 million in local and private funds.
- \$20,247.5 million in state restricted funds.
- \$9,874.2 million in GF/GP funds.

Of the \$30,121.6 million in state resources (restricted plus GF/GP) appropriated for FY 2015-16, \$16,809.0 million (55.8% of the total) is designated for payments to local units of government. Article IX, Section 30 of Michigan's Constitution requires that at least 48.97% of spending from state resources must be paid to local governments.

Prior to enactment of the FY 2015-16 budget, total year-to-date adjusted gross appropriations for FY 2014-15 were \$51,976.3 million, of which \$9,595.2 million were GF/GP appropriations. Compared to those amounts, the FY 2015-16 budget represents an increase of 3.1% in adjusted gross appropriations and an increase of 2.9% in GF/GP appropriations.

The FY 2015-16 budget acts, however, also include FY 2014-15 supplemental adjustments totaling \$990.9 million adjusted gross, of which \$12.7 million is GF/GP appropriations. The bulk of these adjustments are for caseload and other related adjustments for the Medicaid program (including the Healthy Michigan Plan). Accounting for those supplemental adjustments in the FY 2014-15 totals, the FY 2015-16 budget represents an increase of 1.2% in adjusted gross appropriations and 2.8% in GF/GP appropriations. Specific FY 2014-15 supplemental adjustments are described at the end of the section for each applicable individual budget area beginning on page 22.

The FY 2015-16 budget includes both program reductions and increases compared to the FY 2014-15 budget, as well as funding allocations designated as one-time in nature.

Major FY 2015-16 GF/GP program reductions include:

- A \$15.0 million reduction in the Corrections budget from assumed clinical and mental health service savings.
- A reduction of \$18.8 million from assumed Medicaid pharmacy formulary savings.
- A reduction of \$11.6 million from assumed savings from Medicaid inspector general and third-party liability efforts.
- A reduction of \$2.5 million for the closure of the W.J. Maxey Training School.

Major fund shifts utilized to reduce GF/GP appropriations for FY 2015-16 include:

- The use of \$92.9 million in increased state retainer revenue under the Qualified Assurance Assessment Program for hospitals, statutorily authorized on a one-time basis under House Bill 4447 (2015 Public Act 104), to offset GF/GP funds for Medicaid.
- The use of \$10.0 million in available federal Temporary Assistance for Needy Families (TANF) funds in place of GF/GP funds for adoption subsidies.
- The use of \$9.0 million in Special Equipment Fund revenue in place of GF/GP funds for prisoner education in the Corrections budget.

Major FY 2015-16 GF/GP program increases include:

- \$20.1 million for a 1.5% increase in funding for public university operations.
- \$4.3 million for a 1.4% increase in funding for community college operations, as well as \$17.2 million to continue funding state-level MPERS unfunded liability costs for community colleges.
- \$12.7 million to expand the Healthy Kids Dental program to children age 0 to 12 in Kent, Oakland, and Wayne counties.
- \$7.0 million to restore FY 2014-15 reductions made to Graduate Medical Education and Special Rural Hospital payments under Executive Order (EO) 2015-5.
- \$11.5 million for maintenance at state facilities (including restoration of a \$5.0 million reduction made under EO 2015-5).
- \$4.5 million for information technology investment (including restoration of a \$2.5 million reduction made under EO 2015-5).
- \$8.8 million (including \$3.2 million in one-time costs) for State Police trooper and motor carrier officer schools.

Major one-time allocations of GF/GP funding for FY 2015-16 include:

- \$400.0 million for Transportation purposes: \$139.5 million for federal Transportation match needs and \$260.5 million for road and bridge programs. This is an increase from the \$284.6 million in GF/GP funds appropriated for Transportation purposes in FY 2014-15. Of the \$400.0 million appropriated for FY 2015-16, \$142.0 million is appropriated on an ongoing basis.
- \$25.0 million for the Film Incentive Program, of which \$19.1 million is designated to compensate state retirement systems for a guarantee on debt associated with a film studio.
- \$17.3 million for the Business Attraction and Community Revitalization Program; total FY 2015-16 funding (GF/GP plus 21st Century Jobs Fund) is \$114.0 million (\$13.8 million below the FY 2014-15 level).
- \$10.0 million for anticipated 2016 presidential primary election costs.
- A \$95.0 million deposit to the Budget Stabilization Fund (BSF), in addition to the scheduled annual deposit of \$17.5 million from tobacco settlement funds. (BSF deposits are not included in appropriation totals.) These deposits will increase the projected BSF balance at the close of FY 2015-16 to \$613.8 million.

The FY 2015-16 budget includes the following major funding changes for local revenue sharing programs:

- An estimated increase of \$25.6 million in constitutional revenue sharing payments to cities, villages, and townships based on projected growth in sales tax revenue.
- Holding discretionary revenue sharing payments to cities, villages, and townships flat, including \$5.8 million in payments to an expanded pool of local units that had been designated as one-time funding in FY 2014-15 (funding is again designated as one-time for FY 2015-16).
- An increase of \$3.5 million for revenue sharing payments to counties to provide full funding to two additional counties who will have exhausted their reserve funds in FY 2015-16.

Major FY 2015-16 School Aid funding changes include:

- \$183.0 million for increases to district foundation allowances ranging from \$70 to \$140 per pupil.
- \$70.0 million in increased funding for the At-Risk Program.
- \$144.1 million in reductions to other major School Aid categoricals (best practice grants, technology grants, and district performance grants).
- \$12.0 million in increased funding to guarantee a minimum net increase of \$25 per pupil when accounting for foundation allowance and At-Risk increases plus the elimination of best practice and district performance grants.
- A \$216.6 million increase for state-level MPERS unfunded accrued liability costs in the School Aid budget.
- \$26.4 million for an early literacy (3rd grade reading) initiative.
- \$19.0 million to expand career and technical education programs.

As shown in Table 6 on page 20, the FY 2015-16 budget assumes the extension of sunsets for a number of fees. Fees are increased in certain areas: various fees in the Agriculture budget, a new ambulance provider tax in the Health and Human Services budget, air emissions fees in the Environmental Quality budget, and health care inspections fees in the Licensing and Regulatory Affairs budget.

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

CONSENSUS REVENUE ESTIMATES

Jim Stansell, Senior Economist

This section describes the May 2015 Consensus Revenue Estimating Conference revenue estimates, adjusted for changes enacted, for GF/GP and SAF revenue for FY 2014-15 and FY 2015-16.

For Michigan:

- Personal income is expected to increase 4.6% in 2015 and 4.4% in 2016.
- Wage and salary employment is expected to increase 2.0% in 2015 and 1.2% in 2016.
- The unemployment rate is expected to be 5.8% in 2015 and 5.5% in 2016.

General Fund/General Purpose Revenue by Source

Personal Income Tax

- Michigan individual income tax revenue is forecast to increase 8.4% in FY 2014-15 and 2.9% in FY 2015-16.
- GF/GP individual income tax revenue is expected to increase 9.6% in FY 2014-15 and 2.9% to \$6,377.0 million in FY 2015-16.

Sales and Use Taxes

- GF/GP sales and use tax revenue is estimated to increase from \$2,096.8 million in FY 2013-14 to \$2,127.5 million in FY 2014-15. In FY 2015-16, sales and use tax revenue is estimated to be \$2,141.8 million.

Net Business Taxes

- Net business taxes comprise the Single Business Tax (SBT), the Michigan Business Tax (MBT), the corporate income tax (CIT), and insurance taxes, all of which accrue to the General Fund.
- Net business taxes were \$499.8 million in FY 2013-14, and are estimated to be \$660.6 million in FY 2014-15. In FY 2015-16, net business taxes are expected to decrease to \$573.3 million.

GF/GP Tax Revenue

- Final GF/GP tax revenue totaled \$8,625.3 million in FY 2013-14.
- GF/GP tax revenue is expected to increase to \$9,357.9 million in FY 2014-15, and then increase 1.7% to \$9,520.6 million in FY 2015-16.

Net GF/GP Revenue

- Total net GF/GP revenue includes tax revenue and non-tax revenue.
- Non-tax revenue includes revenue from the liquor purchase revolving fund, federal aid, licenses and permits, and investment income and borrowing costs.
- Total GF/GP revenue was \$9,018.6 million in FY 2013-14.
- Net GF/GP revenue is expected to increase to \$9,724.9 million in FY 2014-15, and then increase 1.6% to \$9,881.9 million in FY 2015-16.

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

	Final			FY 2015-16 Over FY 2014-15	
	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>Change</u>	
Individual Income Tax	\$5,655.5	\$6,199.0	\$6,377.0	\$178.0	2.9%
Sales and Use Taxes	2,096.8	2,127.5	2,141.8	14.3	0.7%
Net Business Taxes	499.8	660.6	573.3	(87.3)	(13.2%)
Other Taxes	373.2	370.8	428.5	57.7	15.6%
GF/GP Tax Revenue	\$8,625.3	\$9,357.9	\$9,520.6	\$162.7	1.7%
Non-Tax Revenue	393.3	367.0	361.3	(5.7)	(1.6%)
Net GF/GP Revenue	\$9,018.6	\$9,724.9	\$9,881.9	\$157.0	1.6%

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

<u>Revenue</u>	Final			FY 2015-16 Over FY 2014-15	
	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>Change</u>	
Sales and Use Taxes	\$5,813.7	\$5,931.8	\$6,188.3	\$256.5	4.3%
Individual Income Tax Earmark	2,357.7	2,490.7	2,561.9	71.2	2.9%
Lottery and Casinos	841.0	891.0	903.7	12.7	1.4%
Cigarette Tax	359.4	347.6	341.6	(6.0)	(1.7%)
State Education Tax	1,804.2	1,850.3	1,861.9	11.6	0.6%
Real Estate Transfer Tax	233.4	256.8	268.4	11.6	4.5%
Liquor Excise and Specific Taxes	111.2	115.0	117.1	2.1	1.8%
Net SAF Revenue	\$11,520.6	\$11,883.2	\$12,242.9	\$359.7	3.0%

School Aid Fund Revenue by Source

Sales and Use Taxes

- Combined sales and use tax revenue dedicated to the SAF equaled \$5,813.7 million in FY 2013-14; it is forecast to increase to \$5,931.8 million in FY 2014-15 and to increase 4.3% to \$6,188.3 million in FY 2015-16.

Income Tax

- Approximately 23.8% of gross income tax collections are dedicated to the SAF.
- SAF dedicated income tax revenue is forecast to be \$2,490.7 million in FY 2014-15, and then increase 2.9% to \$2,561.9 million in FY 2015-16.

Lottery/Casinos

- Lottery and casino revenue contributed \$841.0 million to the SAF in FY 2013-14.
- Lottery and casino revenue to the SAF is projected to increase to \$891.0 million in FY 2014-15, and increase by 1.4% to \$903.7 million in FY 2015-16.

Cigarette Tax

- Approximately 40% of cigarette tax revenue is dedicated to the SAF.
- The SAF received \$359.4 million from tobacco taxes in FY 2013-14.
- The demand for tobacco products is expected to decline over the duration of the forecast, leading to an expected decrease in total SAF tobacco tax revenue of \$347.6 million in FY 2014-15 and \$341.6 million in FY 2015-16.

OVERVIEW

State Education Tax/Real Estate Transfer Tax

- All of the 6-mill state education tax (SET) and the real estate transfer tax (RET) is dedicated to the SAF.
- Revenue from the SET was \$1,804.2 million in FY 2013-14.
- SET revenue is expected to increase to \$1,850.3 million in FY 2014-15, and increase 0.6% to \$1,861.9 million in FY 2015-16.
- RET contributed \$233.4 million to the SAF in FY 2013-14, and is forecast to contribute \$256.8 million in FY 2014-15 and \$268.4 million in FY 2015-16.

Net SAF Revenue

- Net SAF revenue represents revenue available for expenditure each year; it includes tax changes but does not include any GF/GP transfers, federal funds, or year-end balances.
- Net SAF revenue was \$11,520.6 million in FY 2013-14; it is expected to increase 3.1% to \$11,883.2 million in FY 2014-15 and increase 3.0% to \$12,242.9 million in FY 2015-16.

Budget Stabilization Fund Year-End Balances

The following table notes BSF deposits, withdrawals, and interest earnings from FY 1999-2000 to FY 2013-14, and HFA estimates of deposits, expected interest earnings, and year-end balances for FY 2014-15 and FY 2015-16.

The final BSF balance was \$386.3 million for FY 2013-14, which included a withdrawal of \$194.8 million made under 2014 PA 188 for the purpose of stabilizing Detroit's pension funds. For FY 2014-15, \$94.0 million in GF/GP revenue has been deposited into the BSF. In addition, 2014 PA 186 amended the Michigan Trust Fund Act to require annual \$17.5 million deposits of tobacco settlement revenue to the BSF from FY 2014-15 through FY 2034-35.

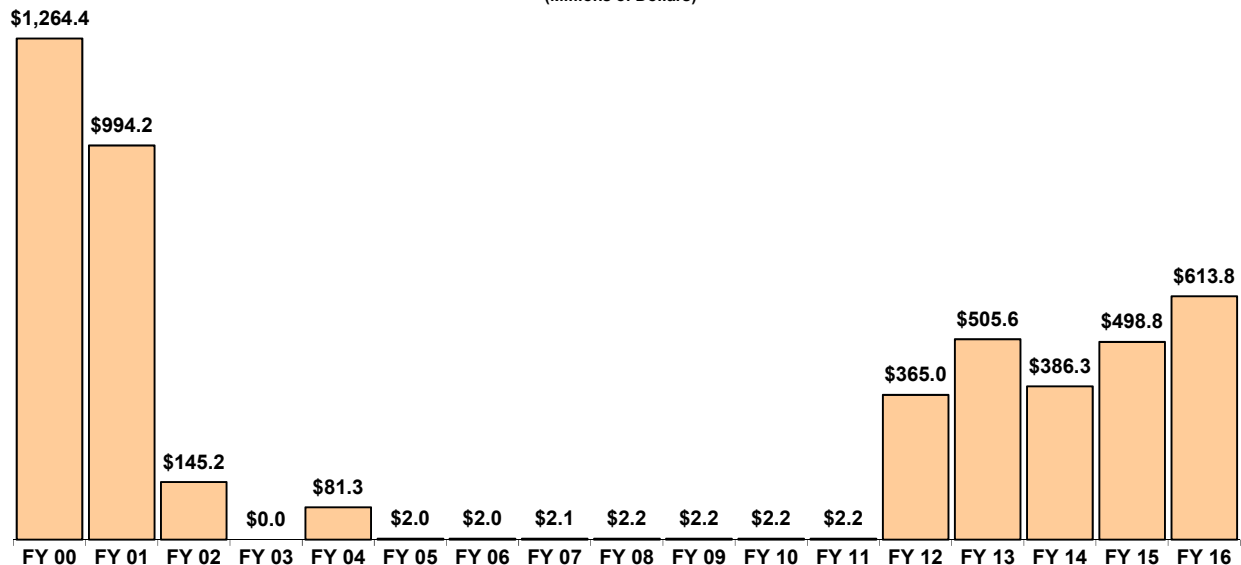
For FY 2015-16, \$95.0 million of GF/GP revenue and the required \$17.5 million of tobacco settlement revenue are expected to be deposited into the BSF. The final fund balance is forecast to be \$498.8 million for FY 2014-15 and \$613.8 million for FY 2015-16.

BUDGET STABILIZATION FUND HISTORY
(Millions of Dollars)

<u>Fiscal Year</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Interest Earned</u>	<u>Balance</u>
1999-2000	\$100.0	\$132.0	\$73.9	\$1,264.4
2000-01	0.0	337.0	66.7	994.2
2001-02	0.0	869.8	20.8	145.2
2002-03	0.0	156.1	10.9	0.0
2003-04	81.3	0.0	0.0	81.3
2004-05	0.0	81.3	2.0	2.0
2005-06	0.0	0.0	0.0	2.0
2006-07	0.0	0.0	0.1	2.1
2007-08	0.0	0.0	0.1	2.2
2008-09	0.0	0.0	0.0	2.2
2009-10	0.0	0.0	0.0	2.2
2010-11	0.0	0.0	0.0	2.2
2011-12	362.7	0.0	0.2	365.0
2012-13	140.0	0.0	0.5	505.6
2013-14	75.0	194.8	0.5	386.3
2014-15*	111.5	0.0	1.0	498.8
2015-16*	112.5	0.0	2.5	613.8

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

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



OVERVIEW

Compliance with the State Revenue Limit

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

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

<u>Revenue Limit Calculations</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>
Personal Income	CY 2012	CY 2013	CY 2014
Amount	\$378,443	\$386,471	\$401,901
X Limit Ratio	9.49%	9.49%	9.49%
State Revenue Limit	\$35,914.2	\$36,676.1	\$38,140.4
Total Revenue Subject to Revenue Limit	\$27,244.0	\$28,486.3	\$29,126.1
Amount (Under) Over State Revenue Limit	(\$8,670.2)	(\$8,189.8)	(\$9,014.3)

Implications of Exceeding the State Revenue Limit

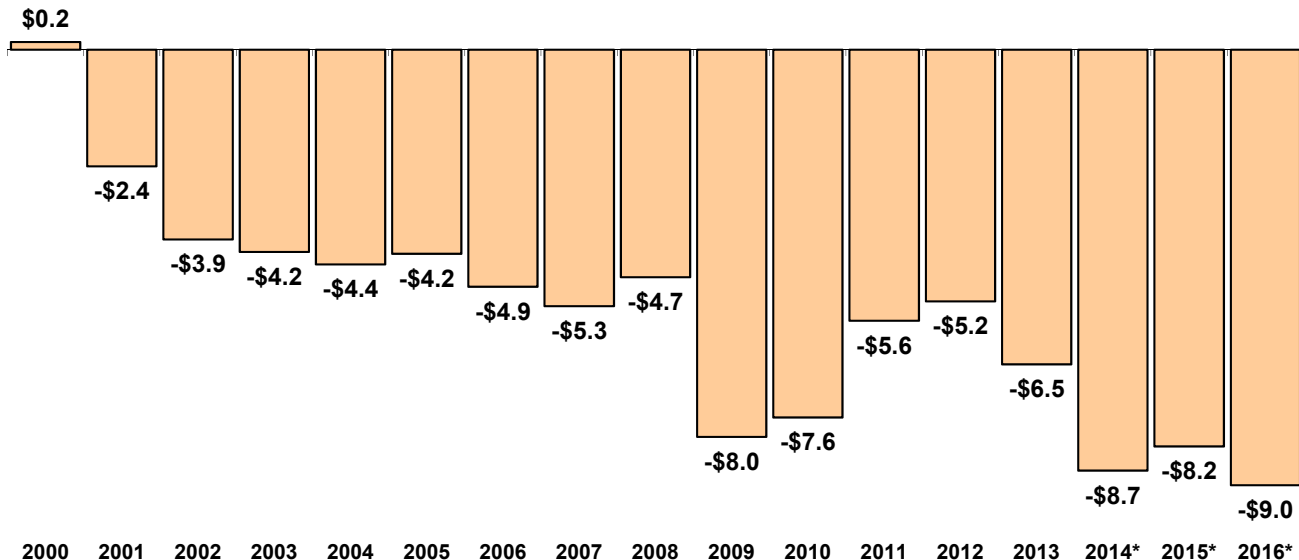
Article IX, Section 26, *Constitution of the State of Michigan*, provides that:

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

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

The FY 2013-14 revenue limit calculation indicates that the state revenue collections will be under the revenue limit by almost \$8.7 billion. For both FY 2014-15 and FY 2015-16, state revenue is estimated to be substantially below the revenue limit by roughly \$8.2 billion and \$9.0 billion, respectively.

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



*FY 2014, FY 2015, and FY 2016 are consensus estimates

FY 2015-16 BALANCE SHEETS

The balance sheets below summarize estimated General Fund/General Purpose, School Aid Fund, and Merit Award Trust Fund revenues, expenditures, and balance amounts for FY 2015-16 based on the enacted state budget.

FY 2015-16 GENERAL FUND/GENERAL PURPOSE BALANCE SHEET (Millions of Dollars)

Estimated Beginning Fund Balance	\$170.1
Revenues	
May 2015 consensus revenue estimate	\$9,881.9
Use tax on Medicaid Managed Care Organizations (2014 PA 161)	406.7
Revenue sharing to local units of government: ongoing	(462.7)
Revenue sharing to local units of government: one-time	(5.8)
Other revenue adjustments	2.0
Total Estimated Revenues	\$9,822.1
Expenditures	
Enacted appropriations: ongoing (non-Transportation)	\$9,376.7
Enacted appropriations: one-time (non-Transportation)	97.5
Transportation funding	400.0
Deposit to Budget Stabilization Fund	95.0
Total Estimated Expenditures	\$9,969.2
Estimated Change in Balance (Revenues less Expenditures)	(\$147.1)
Estimated Ending Fund Balance	\$23.0

OVERVIEW

**FY 2015-16 SCHOOL AID FUND BALANCE SHEET
(Millions of Dollars)**

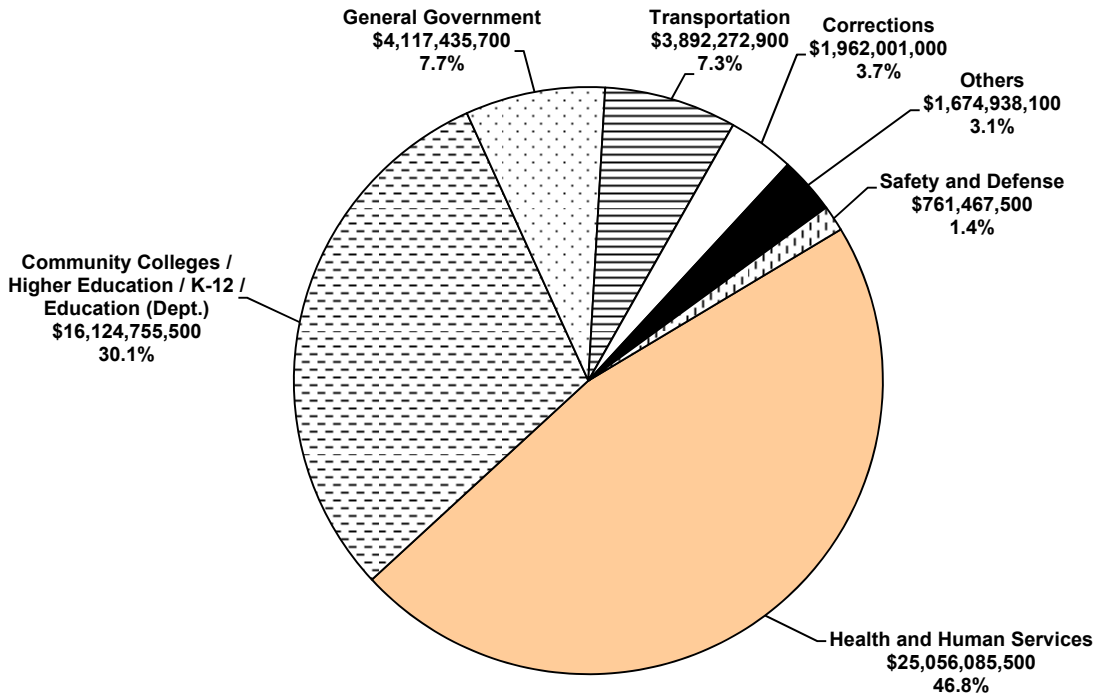
Estimated Beginning Fund Balance	\$140.4
Revenues	
May 2015 consensus revenue estimate	\$12,242.9
Use tax on Medicaid Managed Care Organizations (2014 PA 161)	203.3
General Fund/General Purpose (GF/GP) grant	15.0
Personal property tax reform: GF/GP transfer to School Aid	30.9
Federal aid	1,775.8
Total Estimated Revenues	\$14,267.9
Expenditures	
Enacted appropriations: School Aid	\$13,896.3
Enacted appropriations: Community Colleges	256.7
Enacted appropriations: Higher Education	205.2
Total Estimated Expenditures	\$14,358.2
Estimated Change in Balance (Revenues less Expenditures)	(\$90.3)
Estimated Ending Fund Balance	\$50.1

FY 2015-16 MERIT AWARD TRUST FUND BALANCE SHEET
(Millions of Dollars)

Estimated Beginning Fund Balance	\$48.5
Revenues	
Annual tobacco settlement payment due to Michigan	\$285.2
Settlement credits to manufacturers	(22.8)
Assumed payment withhold	(8.5)
Debt service payments for prior securitization	(61.2)
Deposit to 21 st Century Jobs Fund	(75.0)
Repayment to Budget Stabilization Fund for Detroit settlement payment	(17.5)
Estimated interest earnings	0.1
Total Estimated Net Revenues	\$100.3
Expenditures	
Attorney General: Administration	\$0.5
Community Health: Medicaid base funding	64.3
Community Health: Aging – Respite care	4.1
Human Services: Family Independence Program	30.1
State Police: Tobacco settlement enforcement	0.8
Treasury: Tuition Incentive Program administration	1.1
Total Estimated Expenditures	\$100.9
Estimated Change in Balance (Revenues less Expenditures)	(\$0.6)
Estimated Ending Fund Balance	\$47.9

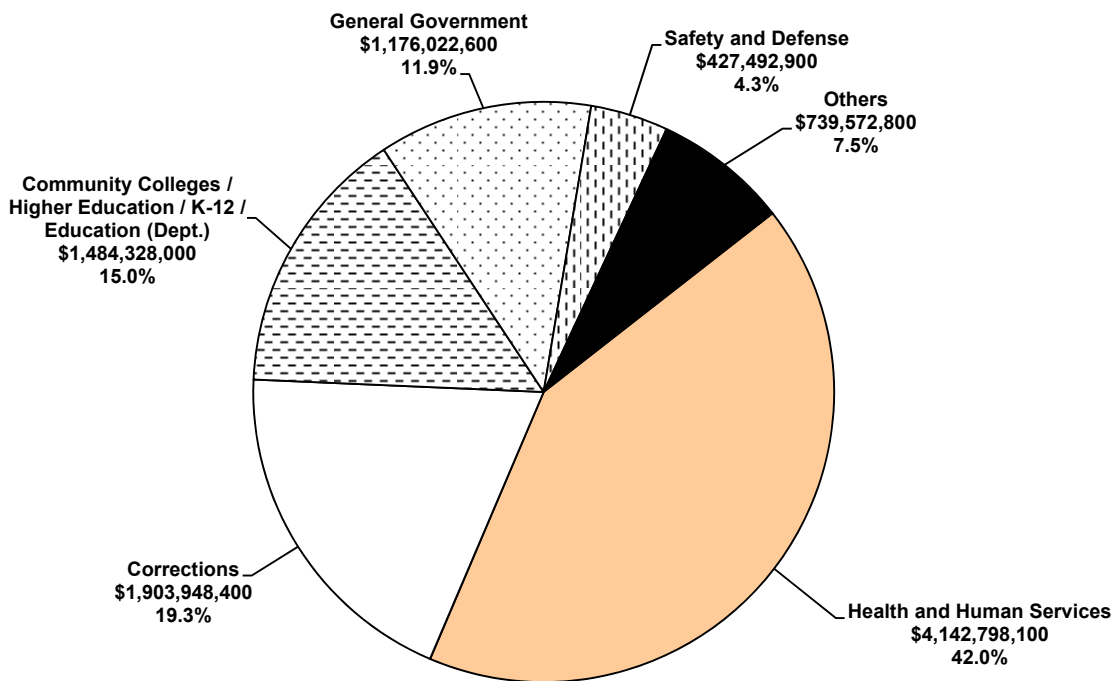
FY 2015-16 Enacted Adjusted Gross Appropriations

Total: \$53,588,956,200

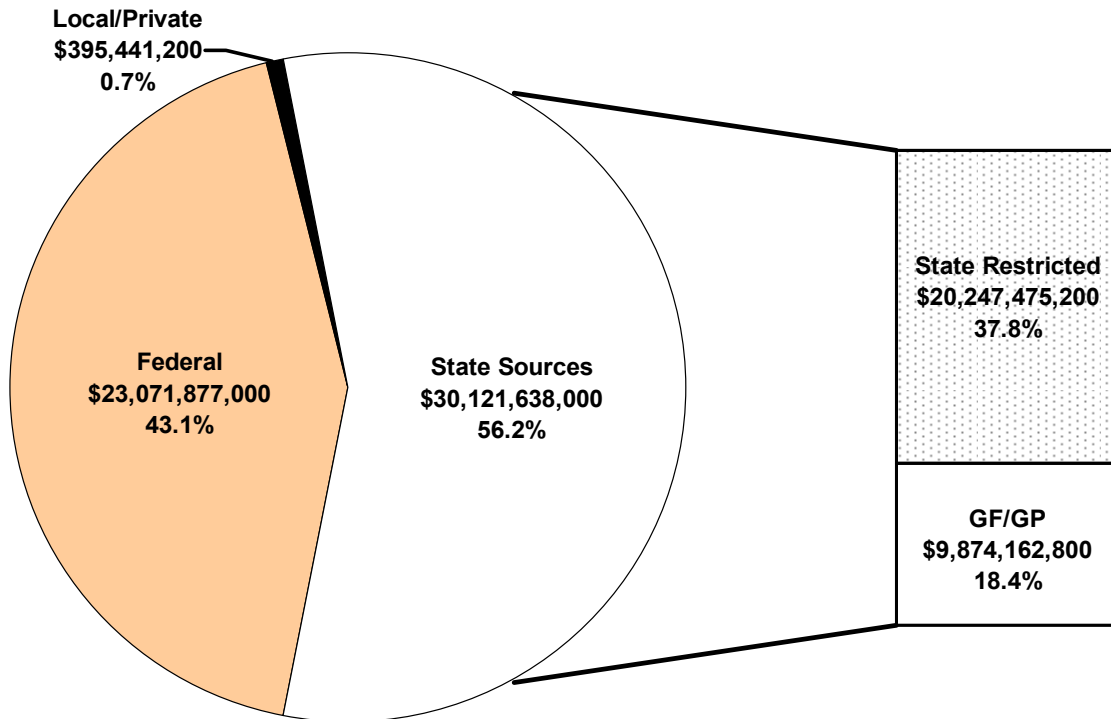


FY 2015-16 Enacted General Fund/General Purpose (GF/GP) Appropriations

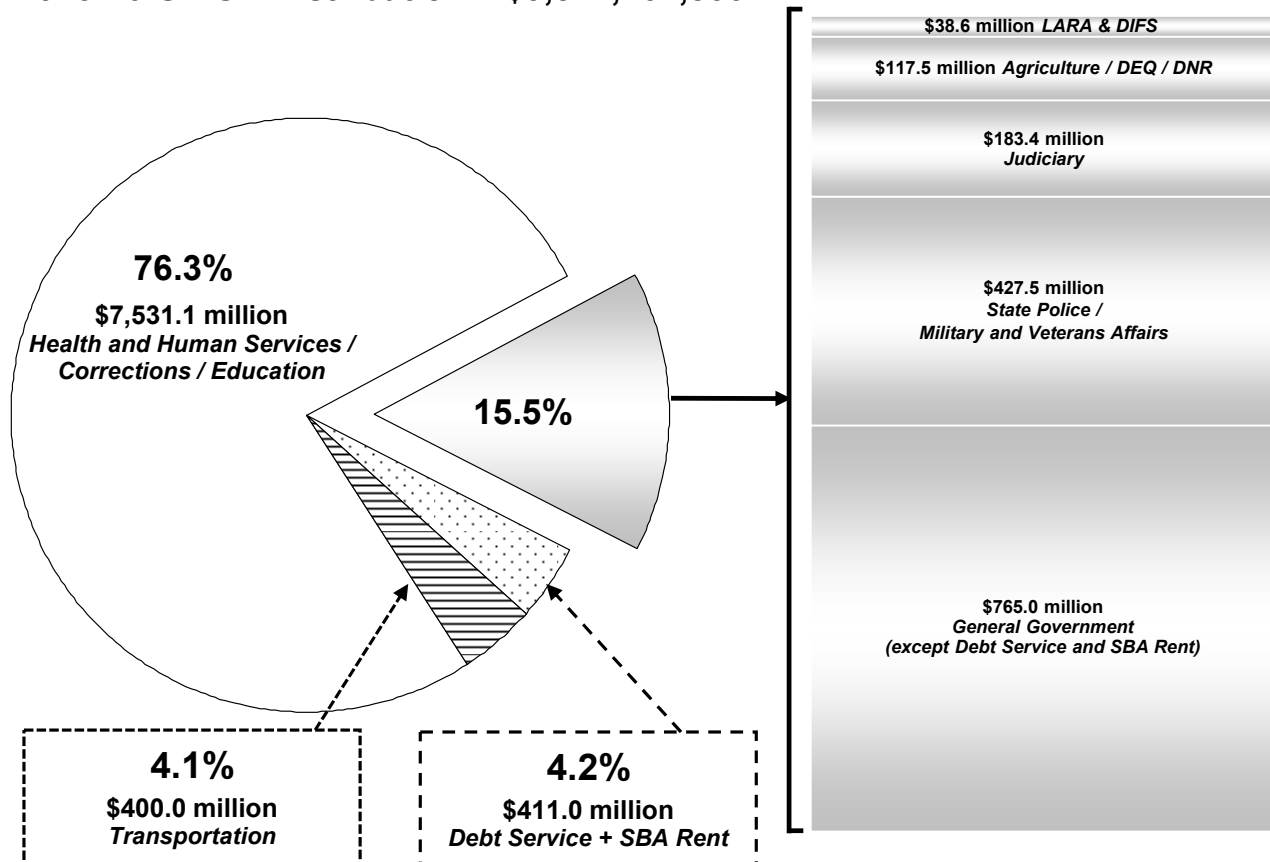
Total: \$9,874,162,800



FY 2015-16 Adjusted Gross Sources = \$53,588,956,200



FY 2015-16 GF/GP Distribution = \$9,874,162,800



SUMMARY TABLES

In the following tables, FY 2014-15 appropriations are year-to-date through June 17, 2015 and FY 2015-16 appropriations are enacted figures.

Table 1 (page 15) details the FY 2015-16 budget by Source of Funds. When interdepartmental grants and intradepartmental transfers are deducted (to avoid double counting), gross appropriations of \$54.4 billion reduce to \$53.6 billion in adjusted gross appropriations.

Table 2 (page 16) and **Table 3** (page 17) compare FY 2014-15 YTD appropriations to FY 2015-16 enacted appropriations.

Adjusted Gross Appropriations increase from \$53.0 billion in FY 2014-15 to \$53.6 billion in FY 2015-16, an increase of \$617.4 million or 1.2%.

GF/GP Appropriations increase from \$9.6 billion in FY 2014-15 to \$9.9 billion in FY 2015-16, an increase of \$266.2 million or 2.8%.

Table 4 (page 18) compares the number of authorized Full-Time Equated (FTE) Positions (classified and unclassified) for FY 2014-15 YTD to FY 2015-16. A decrease of 178.6 FTEs or 0.3% in total FTEs is shown in Table 4—from 53,033.0 in FY 2014-15 to 52,854.4 in FY 2015-16. Each FTE is equivalent to 2,088 hours of employee compensated time (including overtime, annual leave, and used sick leave) during the year.

Table 5 (page 19) shows FY 2015-16 State Spending From State Sources Paid to Local Governments and compares enacted payments to local units of government to the amount of spending from state sources provided in each budget. Pursuant to Article IX, Section 30 of the *Constitution of the State of Michigan of 1963*, at least 48.97% of state spending from state resources must be paid to all units of local government. The enacted FY 2015-16 budget provides for \$16.8 billion in state spending to local units of government, 55.8% of the estimated \$30.1 billion in state spending from state resources—well above the constitutional requirement.

Table 6 (page 20) details the target agreement for fee changes. The agreement includes sunset extensions with an estimated total of \$2.85 million in revenue.

TABLE 1
FY 2015-16 ENACTED APPROPRIATIONS BY SOURCE OF FUNDS

<u>Department/Budget Area</u>	<u>Gross</u>	<u>IDG/IDT</u>	<u>Adjusted Gross</u>	<u>Federal</u>	<u>Local</u>	<u>Private</u>	<u>State Restricted</u>	<u>GF/GP</u>
Agriculture and Rural Development	\$86,594,000	\$317,300	\$86,276,700	\$10,427,900	\$0	\$128,100	\$32,647,100	\$43,073,600
Attorney General	92,107,600	28,533,900	63,573,700	9,278,600	0	0	17,281,700	37,013,400
Capital Outlay	0	0	0	0	0	0	0	0
Civil Rights	16,128,700	286,700	15,842,000	2,721,700	0	18,700	151,900	12,949,700
Community Colleges	387,825,600	0	387,825,600	0	0	0	256,714,800	131,110,800
Corrections	1,962,226,000	225,000	1,962,001,000	5,568,700	8,533,200	0	43,950,700	1,903,948,400
Education	305,876,200	0	305,876,200	215,640,900	5,633,700	2,033,300	7,669,600	74,898,700
Environmental Quality	486,909,300	9,115,300	477,794,000	138,079,100	0	546,000	304,341,200	34,827,700
Executive Office	5,531,100	0	5,531,100	0	0	0	0	5,531,100
HHS: Departmentwide Administration	399,964,700	2,963,500	397,001,200	223,801,700	16,400	23,842,000	2,825,700	146,515,400
HHS: Health Services (DCH)	19,417,155,000	2,131,500	19,415,023,500	13,968,681,100	85,951,800	109,663,500	2,097,705,500	3,153,021,600
HHS: Human Services (DHS)	5,252,517,400	8,456,600	5,244,060,800	4,226,786,100	37,371,600	22,903,600	113,738,400	843,261,100
Higher Education	1,534,724,400	0	1,534,724,400	97,026,400	0	0	205,279,500	1,232,418,500
Insurance and Financial Services	65,057,700	707,600	64,350,100	2,000,000	0	0	62,200,100	150,000
Judiciary	284,651,400	2,362,900	282,288,500	6,428,600	7,229,000	942,900	84,245,800	183,442,200
Legislative Auditor General	22,840,500	5,392,800	17,447,700	0	0	0	1,987,600	15,460,100
Legislature	136,464,300	0	136,464,300	0	0	400,000	4,192,000	131,872,300
Licensing and Regulatory Affairs	407,649,000	46,068,700	361,580,300	63,674,900	679,000	341,300	258,403,600	38,481,500
Military and Veterans Affairs	166,953,700	99,300	166,854,400	90,208,600	1,497,400	739,600	23,221,500	51,187,300
Natural Resources	404,001,200	1,352,700	402,648,500	77,128,000	0	8,157,700	277,765,000	39,597,800
School Aid	13,896,329,300	0	13,896,329,300	1,775,769,200	0	0	12,074,660,100	45,900,000
State	225,256,700	20,000,000	205,256,700	1,460,000	0	100	186,635,100	17,161,500
State Police	620,837,400	26,224,300	594,613,100	87,945,900	5,456,700	76,700	124,828,200	376,305,600
Talent and Economic Development	1,153,023,500	0	1,153,023,500	764,102,800	4,433,500	5,619,000	180,411,200	198,457,000
Tech., Mgmt. and Budget: Operations	1,008,653,100	678,478,500	330,174,600	7,997,300	3,587,700	190,100	95,771,900	222,627,600
Tech., Mgmt. and Budget: SBA Rent	254,570,600	0	254,570,600	0	0	0	0	254,570,600
Transportation	3,896,201,400	3,928,500	3,892,272,900	1,257,488,000	50,293,500	100,000	2,184,391,400	400,000,000
Treasury: Operations	536,197,100	9,500,700	526,696,400	39,661,500	9,029,700	25,400	354,049,500	123,930,300
Treasury: Debt Service	156,449,000	0	156,449,000	0	0	0	0	156,449,000
Treasury: Revenue Sharing	1,252,406,100	0	1,252,406,100	0	0	0	1,252,406,100	0
TOTAL APPROPRIATIONS	\$54,435,102,000	\$846,145,800	\$53,588,956,200	\$23,071,877,000	\$219,713,200	\$175,728,000	\$20,247,475,200	\$9,874,162,800

Note: FY 2015-16 enacted amounts include \$370.6 million Gross (\$355.5 million GF/GP) in appropriations designated as one-time only.

OVERVIEW

TABLE 2
ADJUSTED GROSS APPROPRIATIONS
FY 2015-16 Enacted Compared with FY 2014-15 Year-to-Date

Department/Budget Area	FY 2014-15 YTD*	Enacted FY 2015-16	FY 2015-16 vs. FY 2014-15 Difference	
Agriculture and Rural Development	\$83,734,100	\$86,276,700	\$2,542,600	3.0%
Attorney General	66,038,500	63,573,700	(2,464,800)	(3.7%)
Capital Outlay	24,729,500	0	(24,729,500)	(100.0%)
Civil Rights	16,355,300	15,842,000	(513,300)	(3.1%)
Community Colleges	364,724,900	387,825,600	23,100,700	6.3%
Corrections	2,022,996,700	1,962,001,000	(60,995,700)	(3.0%)
Education	288,155,200	305,876,200	17,721,000	6.1%
Environmental Quality	509,661,300	477,794,000	(31,867,300)	(6.3%)
Executive Office	5,916,100	5,531,100	(385,000)	(6.5%)
HHS: Departmentwide Administration	0	397,001,200	397,001,200	--
HHS: Health Services (DCH)	19,092,496,000	19,415,023,500	322,527,500	1.7%
HHS: Human Services (DHS)	5,681,265,600	5,244,060,800	(437,204,800)	(7.7%)
Higher Education	1,517,496,300	1,534,724,400	17,228,100	1.1%
Insurance and Financial Services	64,482,100	64,350,100	(132,000)	(0.2%)
Judiciary	285,403,200	282,288,500	(3,114,700)	(1.1%)
Legislative Auditor General	16,938,100	17,447,700	509,600	3.0%
Legislature	131,930,500	136,464,300	4,533,800	3.4%
Licensing and Regulatory Affairs	527,878,400	361,580,300	(166,298,100)	(31.5%)
Military and Veterans Affairs	173,339,400	166,854,400	(6,485,000)	(3.7%)
Natural Resources	392,800,300	402,648,500	9,848,200	2.5%
School Aid	13,673,960,100	13,896,329,300	222,369,200	1.6%
State	207,424,900	205,256,700	(2,168,200)	(1.0%)
State Police	623,508,700	594,613,100	(28,895,600)	(4.6%)
Talent and Economic Development (MSF)	1,002,779,900	1,153,023,500	150,243,600	15.0%
Tech., Mgmt. and Budget: Operations	315,845,700	330,174,600	14,328,900	4.5%
Tech., Mgmt. and Budget: SBA Rent	236,770,600	254,570,600	17,800,000	7.5%
Transportation	3,721,275,700	3,892,272,900	170,997,200	4.6%
Treasury: Operations	544,927,300	526,696,400	(18,230,900)	(3.3%)
Treasury: Debt Service	152,395,000	156,449,000	4,054,000	2.7%
Treasury: Revenue Sharing	1,226,312,400	1,252,406,100	26,093,700	2.1%
TOTAL APPROPRIATIONS	\$52,971,541,800	\$53,588,956,200	\$617,414,400	1.2%

* As of 6/17/2015

TABLE 3
GENERAL FUND/GENERAL PURPOSE APPROPRIATIONS
FY 2015-16 Enacted Compared with FY 2014-15 Year-to-Date

<u>Department/Budget Area</u>	<u>FY 2014-15 YTD*</u>	<u>Enacted FY 2015-16</u>	<u>FY 2015-16 vs. FY 2014-15 Difference</u>	
Agriculture and Rural Development	\$45,316,200	\$43,073,600	(\$2,242,600)	(4.9%)
Attorney General	38,267,100	37,013,400	(1,253,700)	(3.3%)
Capital Outlay	0	0	0	--
Civil Rights	13,448,200	12,949,700	(498,500)	(3.7%)
Community Colleges	0	131,110,800	131,110,800	--
Corrections	1,960,098,400	1,903,948,400	(56,150,000)	(2.9%)
Education	70,976,400	74,898,700	3,922,300	5.5%
Environmental Quality	37,475,900	34,827,700	(2,648,200)	(7.1%)
Executive Office	5,916,100	5,531,100	(385,000)	(6.5%)
HHS: Departmentwide Administration	0	146,515,400	146,515,400	--
HHS: Health Services (DCH)	3,101,678,700	3,153,021,600	51,342,900	1.7%
HHS: Human Services (DHS)	982,630,900	843,261,100	(139,369,800)	(14.2%)
Higher Education	1,212,902,000	1,232,418,500	19,516,500	1.6%
Insurance and Financial Services	55,000	150,000	95,000	172.7%
Judiciary	186,527,400	183,442,200	(3,085,200)	(1.7%)
Legislative Auditor General	14,937,300	15,460,100	522,800	3.5%
Legislature	127,420,700	131,872,300	4,451,600	3.5%
Licensing and Regulatory Affairs	39,821,300	38,481,500	(1,339,800)	(3.4%)
Military and Veterans Affairs	52,454,500	51,187,300	(1,267,200)	(2.4%)
Natural Resources	47,591,500	39,597,800	(7,993,700)	(16.8%)
School Aid	33,700,000	45,900,000	12,200,000	36.2%
State	17,739,000	17,161,500	(577,500)	(3.3%)
State Police	391,839,900	376,305,600	(15,534,300)	(4.0%)
Talent and Economic Development (MSF)	222,642,500	198,457,000	(24,185,500)	(10.9%)
Tech., Mgmt. and Budget: Operations	209,027,900	222,627,600	13,599,700	6.5%
Tech., Mgmt. and Budget: SBA Rent	236,770,600	254,570,600	17,800,000	7.5%
Transportation	284,647,900	400,000,000	115,352,100	40.5%
Treasury: Operations	121,668,300	123,930,300	2,262,000	1.9%
Treasury: Debt Service	152,395,000	156,449,000	4,054,000	2.7%
Treasury: Revenue Sharing	0	0	0	--
TOTAL APPROPRIATIONS	\$9,607,948,700	\$9,874,162,800	\$266,214,100	2.8%

* As of 6/17/2015

OVERVIEW

TABLE 4
AUTHORIZED FULL-TIME EQUATED (FTE) POSITIONS*
FY 2015-16 Enacted Compared with FY 2014-15 Year-to-Date

Department/Budget Area	FY 2014-15 YTD	Enacted FY 2015-16	FY 2015-16 vs. FY 2014-15 Difference	
Agriculture and Rural Development	452.0	460.0	8.0	1.8%
Attorney General	519.5	524.5	5.0	1.0%
Capital Outlay	0.0	0.0	0.0	--
Civil Rights	138.0	135.0	(3.0)	(2.2%)
Community Colleges	0.0	0.0	0.0	--
Corrections	14,195.3	14,190.3	(5.0)	0.0%
Education	606.5	594.5	(12.0)	(2.0%)
Environmental Quality	1,291.5	1,224.0	(67.5)	(5.2%)
Executive Office	88.2	84.2	(4.0)	(4.5%)
HHS: Departmentwide Administration	0.0	655.2	655.2	--
HHS: Health Services (DCH)	3,659.1	3,467.4	(191.7)	(5.2%)
HHS: Human Services (DHS)	12,208.5	11,320.4	(888.1)	(7.3%)
Higher Education	0.0	0.0	0.0	--
Insurance and Financial Services	343.0	343.0	0.0	0.0%
Judiciary	490.0	489.0	(1.0)	(0.2%)
Legislative Auditor General	0.0	0.0	0.0	--
Legislature	0.0	0.0	0.0	--
Licensing and Regulatory Affairs	2,877.8	2,220.8	(657.0)	(22.8%)
Military and Veterans Affairs	898.5	897.5	(1.0)	(0.1%)
Natural Resources	2,228.3	2,235.8	7.5	0.3%
School Aid	0.0	0.0	0.0	--
State	1,593.0	1,593.0	0.0	0.0%
State Police	3,073.0	3,121.0	48.0	1.6%
Talent and Economic Development (MSF)	756.0	1,619.0	863.0	114.2%
Tech., Mgmt. and Budget: Operations	2,823.0	2,850.0	27.0	1.0%
Tech., Mgmt. and Budget: SBA Rent	0.0	0.0	0.0	--
Transportation	2,918.3	2,918.3	0.0	0.0%
Treasury: Operations	1,873.5	1,911.5	38.0	2.0%
Treasury: Debt Service	0.0	0.0	0.0	--
Treasury: Revenue Sharing	0.0	0.0	0.0	--
TOTAL FTE POSITIONS	53,033.0	52,854.4	(178.6)	(0.3%)

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

TABLE 5
STATE SPENDING FROM STATE SOURCES PAID TO LOCAL GOVERNMENTS
FY 2015-16 Enacted

<u>Department/Budget Area</u>	<u>Spending From State Sources</u>	<u>State Spending to Local Government Units</u>	<u>% of State Spending From State Sources as Payment to Locals</u>
Agriculture and Rural Development	\$75,720,700	\$4,750,000	6.3%
Attorney General	54,295,100	0	0.0%
Civil Rights	13,101,600	0	0.0%
Community Colleges	387,825,600	387,825,600	100.0%
Corrections	1,947,899,100	114,323,600	5.9%
Education	82,568,300	15,176,000	18.4%
Environmental Quality	339,168,900	3,648,500	1.1%
Executive Office	5,531,100	0	0.0%
HHS: Departmentwide Administration	149,341,100	0	0.0%
HHS: Health Services (DCH)	5,250,727,100	1,124,021,800	21.4%
HHS: Human Services (DHS)	956,999,500	97,123,600	10.1%
Higher Education	1,437,698,000	0	0.0%
Insurance and Financial Services	62,350,100	0	0.0%
Judiciary	267,688,000	137,079,400	51.2%
Legislative Auditor General	17,447,700	0	0.0%
Legislature	136,064,300	0	0.0%
Licensing and Regulatory Affairs	296,885,100	28,225,700	9.5%
Military and Veterans Affairs	74,408,800	102,400	0.1%
Natural Resources	317,362,800	5,548,300	1.7%
School Aid	12,120,560,100	11,962,930,600	98.7%
State	203,796,600	1,272,100	0.6%
State Police	501,133,800	15,464,100	3.1%
Talent and Economic Development (MSF)	378,868,200	11,224,800	3.0%
Tech., Mgmt. and Budget: Operations	318,399,500	0	0.0%
Tech., Mgmt. and Budget: SBA Rent	254,570,600	0	0.0%
Transportation	2,584,391,400	1,438,206,000	55.6%
Treasury: Operations	477,979,800	209,657,300	43.9%
Treasury: Debt Service	156,449,000	0	0.0%
Treasury: Revenue Sharing	1,252,406,100	1,252,406,100	100.0%
TOTALS	\$30,121,638,000	\$16,808,985,900	55.8%

OVERVIEW

**TABLE 6
REVENUE ASSOCIATED WITH
FY 2015-16 FEE CHANGES AND SUNSET EXTENSIONS**

Department/Budget Area	New Fees	Increased Fees	Decreased Fees	Potential Loss: Maintain Fees at Current Level - Otherwise Decline	Potential Loss: Sunset Extensions
Agriculture and Rural Development	--	\$3,734,400	--	\$100,000	\$4,920,000
Environmental Quality	--	1,200,000	--	--	27,143,700
Health and Human Services	3,972,500	--	--	--	249,800,000
Licensing and Regulatory Affairs	--	959,777	(90,634)	15,558,215	--
State	--	--	--	--	109,600,000
State Police	--	--	--	--	30,729,263
Totals	\$3,972,500	\$5,894,177	(\$90,634)	\$15,658,215	\$422,192,963
Total: All Categories					\$447,808,489

Note: Amounts shown for Health and Human Services are for provider taxes utilized as Medicaid matching funds.

FY 2015-16

Budget Detail

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
Summary of FY 2015-16 Enacted Appropriations
Article I, 2015 Public Act 84 (Senate Bill 133)

Analyst: William E. Hamilton

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Revised Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	Difference: Enacted From FY 2014-15 YTD	
						Amount	%
IDG/IDT	\$318,100	\$317,300	\$317,300	\$317,300	\$317,300	(\$800)	(0.3)
Federal	10,126,200	10,427,900	10,427,900	10,427,900	10,427,900	301,700	3.0
Local	0	0	0	0	0	0	--
Private	98,300	128,100	128,100	128,100	128,100	29,800	30.3
Restricted	28,003,400	30,897,100	32,047,100	27,641,300	32,647,100	4,643,700	16.6
GF/GP	45,316,200	42,373,600	42,373,600	42,573,600	43,073,600	(2,242,600)	(4.9)
Gross	\$83,862,200	\$84,144,000	\$85,294,000	\$81,088,200	\$86,594,000	\$2,731,800	3.3
FTEs	452.0	460.0	460.0	452.0	460.0	8.0	1.8

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

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

Major Budget Changes From FY 2014-15 YTD Appropriations

FY 2014-15 YTD Enacted Change
(as of 3/12/15) From YTD

1. Food Safety and Quality Assurance

Enacted budget recognizes \$1.5 million in additional restricted revenue related to increases in the food licensing and inspection fees. The additional revenue would be provided through House Bill 4470, enacted as 2015 PA 61, a bill to amend the Food Law of 2000. Budget also authorizes 8.0 additional FTE positions.

FTEs	83.0	8.0
Gross	\$12,378,200	\$1,159,600
Federal	1,255,000	(4,100)
Restricted	3,432,000	1,188,500
GF/GP	\$7,691,200	(\$24,800)

Also reflects the following changes as compared to current year: Redirection of \$347,100 in Dairy and Food Safety Fund revenue to Operational Services to better align support services with fund sources; \$31,300 increase in Consumer and Industry Food Safety Education fund support to reflect new allergen awareness requirements for food safety training programs under 2014 amendments to the Food Law of 2000 (Senate Bill 730 enacted as 2014 PA 516); and economic adjustments which net to a \$39,000 Gross (\$24,800 GF/GP) decrease in anticipated program cost.

2. Milk Safety and Quality Assurance

Reflects the redirection of \$37,900 in Dairy and Food Safety Fund revenue to Operational Services, and economic adjustments netting to a \$10,700 Gross (\$9,900 GF/GP) decrease in anticipated program cost.

FTEs	30.0	0.0
Gross	\$4,219,200	(\$48,600)
Federal	55,000	(100)
Restricted	253,200	(38,600)
GF/GP	\$3,911,000	(\$9,900)

3. Animal Industry - Disease Prevention and Response

Reflects the redirection of \$11,000 in Licensing and Inspection Fee revenue to Operational Services, \$69,400 increase (restricted and federal) to better align budget to actual anticipated revenue; and economic adjustments netting to a \$14,000 Gross (\$12,500 GF/GP) decrease in anticipated program cost.

FTEs	60.0	0.0
Gross	\$8,836,600	\$44,400
Federal	565,400	18,800
Restricted	257,800	38,100
GF/GP	\$8,013,400	(\$12,500)

AGRICULTURE AND RURAL DEVELOPMENT

Major Budget Changes From FY 2014-15 YTD Appropriations

FY 2014-15 YTD Enacted Change
(as of 3/12/15) From YTD

4. Pesticide and Plant Pest Management (PPPM)

Includes \$1.2 million in additional restricted revenue from increases in pesticide, fertilizer, and feed licensing and regulatory fees used to support department's PPPM programs. Additional fee revenue would be provided through bills to amend the Commercial Feed Law (House Bill 4451 enacted as 2015 PA 83) and parts 83 and 85 of the Michigan NREPA [Enrolled House Bill 4391, which at the time of this publication had not been signed by the Governor and assigned a public act number.]

FTEs	81.0	(1.0)
Gross	\$12,181,800	\$1,089,300
Federal	1,901,100	(5,300)
Private	20,700	100
Restricted	4,666,200	1,110,600
GF/GP	\$5,593,800	(\$16,100)

Enacted budget also reflects the following changes as compared to current year: Redirection of \$169,500 in Licensing and Inspection Fee revenue to Operational Services; \$72,900 increase in Commodity and Inspection Fee revenue to better align budget with anticipated revenue; economic adjustments netting to \$34,100 Gross (\$16,100 GF/GP) decrease in anticipated program cost. Reduction of one FTE is a technical adjustment.

5. Environmental Stewardship/MAEAP/Local Conservation Districts

Enacted budget rolls up three current line items into a single line encompassing the department's conservation and freshwater protection programs, including the Michigan Agriculture Environmental Assurance Program (MAEAP). These programs are supported by restricted Freshwater Protection Fund, federal grant funding, and state GF/GP revenue. The line is defined in boilerplate Section 601. The FY 2014-15 YTD figure shows three current line items as if they were already rolled up in order to show changes in baseline funding.

FTEs	23.0	0.0
Gross	\$7,704,000	\$1,424,500
Federal	1,343,200	294,800
Restricted	5,013,000	1,129,800
GF/GP	\$1,347,800	(\$100)

Enacted budget includes \$1.0 million increase in restricted Freshwater Protection Fund revenue to reflect increases in certain water quality protection fees to be provided through House Bill 4391, a bill to amend the Natural Resources and Environmental Protection Act. House Bill 4391 would also extend current sunset dates. [At the time of this publication, Enrolled House Bill 4391 had not been signed by the Governor or assigned a public act number.]

Enacted budget also reflects \$300,000 federal Environmental Protection Agency (EPA) grant related to Western Lake Erie Basin projects, and \$140,000 (state restricted) related to a contract with Bayer CropScience LP. Both of these items were included in adjusted FY 2014-15 authorization; the EPA grant through boilerplate Section 604, the Bayer CropScience contract through Legislative Transfer Request 2015-2, approved March 25, 2015.

Economic adjustments net to \$15,500 Gross (\$4,100 GF/GP) decrease in anticipated program cost.

6. Qualified Forest Program

Reduces baseline GF/GP support by \$100,000; this reduction is offset by \$250,000 increase in restricted revenue from the Private Forestland Development Fund. Also reflects economic adjustments which net to a \$2,500 Gross (\$2,400 GF/GP) decrease in anticipated program costs.

FTE	9.0	0.0
Gross	\$2,535,000	\$147,500
Restricted	35,000	249,900
GF/GP	\$2,500,000	(\$102,400)

7. Commercial Forestry Audit Program

Includes \$300,000 GF/GP to provide for the final two years of the three-year commercial forestry audit. (See related boilerplate Sec. 609.)

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

AGRICULTURE AND RURAL DEVELOPMENT

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>		FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
8. Agriculture Development	FTEs	11.0	0.0
Program assists with local and regional economic development activities, including promotion of agricultural exports. Budget reflects economic adjustments only.	Gross	\$3,579,500	(\$2,800)
	Federal	2,300,000	(1,800)
	Restricted	86,800	(200)
	GF/GP	\$1,192,700	(\$800)
9. Rural Development Value-Added/Strategic Growth Initiative	Gross	\$2,050,000	(\$1,400,000)
Combines two current-year grant programs, Rural Development Value-Added grants, and Food and Agriculture Industry Growth Initiative, into a single line-item grant program, Rural Development Value-Added grants, funded at \$650,000 GF/GP. This is \$1.4 million less than the current total funding for the two combined programs. The FY 2014-15 Year-To-Date figure to the right is the total for the two current-year line items.	GF/GP	\$2,050,000	(\$1,400,000)
[The enacted budget also includes \$550,000 GF/GP for a <i>Rural development value-added grant</i> program in the <i>One-time basis only</i> appropriations unit described below.]			
10. Horse Racing Programs	FTEs	3.0	(2.0)
These programs are supported through the Agriculture Equine Industry Development Fund (AEIDF). Enacted budget provides additional \$600,000 AEIDF for horse purse supplements. It is not clear if actual AEIDF revenue will support this increased appropriation.	Gross	\$3,167,300	\$499,900
	Restricted	3,167,300	499,900
Budget also reduces baseline funding for fairs and racing administration functions by \$100,000 AEIDF and 2.0 FTE positions; reflects \$100 AEIDF decrease for economics.			
11. County Fairs Capital Improvement Grants	Gross	\$320,000	(\$20,000)
Includes \$300,000 for grant program.	GF/GP	\$320,000	(\$20,000)
12. Shows and Expositions	Gross	\$50,000	(\$30,000)
Includes \$20,000 for grant program.	GF/GP	\$50,000	(\$30,000)
13. Food and Agriculture Industry Strategic Growth Initiative (One-Time)	Gross	\$1,400,000	(\$1,400,000)
Eliminates one-time GF/GP competitive grant program. [Executive Order 2015-5, approved 2/12/15, reduced the original FY 2014-15 \$2.0 million GF/GP appropriation by \$600,000.]	GF/GP	\$1,400,000	(\$1,400,000)
14. Rural Development Value-Added (One-Time)	Gross	\$0	\$550,000
Provides \$550,000 GF/GP for a One-time Rural Development Value-Added grant program. [The Enacted budget also includes \$650,000 GF/GP for a <i>Rural development value-added grant</i> program in the Agriculture Development appropriations unit described above.]	GF/GP	\$0	\$550,000
15. Muskegon Farmers Market (One-Time)	Gross	\$200,000	(\$200,000)
Eliminates one-time GF/GP authorization.	GF/GP	\$200,000	(\$200,000)
16. Ottawa County Agriculture Incubator (One-Time)	Gross	\$500,000	(\$500,000)
Eliminates one-time GF/GP authorization.	GF/GP	\$500,000	(\$500,000)
17. One-Time Capital Equipment for Geagley Laboratory – NEW	Gross	\$0	\$150,000
Includes \$150,000 one-time GF/GP funding for laboratory testing equipment.	GF/GP	\$0	\$150,000
18. One-Time Tree Fruit Research Grants – NEW	Gross	\$0	\$500,000
Enacted budget includes funding for new grant program.	GF/GP	\$0	\$500,000

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>	FY 2014-15 YTD	Enacted Change
	(as of 3/12/15)	From YTD
19. Economic Adjustments	Gross	NA (\$167,400)
Reflects net cost reduction of \$167,400 million Gross (\$92,600 GF/GP)	IDG	(800)
for negotiated salary and wage amounts (2.0% base increase), insurance	Federal	(18,100)
rate increases, reductions in actuarially determined retirement rates, and	Private	(200)
other economic adjustments. These adjustments are reflected in a	Restricted	(55,700)
number of appropriation line items, including the items described above.	GF/GP	(\$92,600)

Major Boilerplate Changes From FY 2014-15

Sec. 303. On-Line Licensing Applications – NEW

Includes language indicating Legislative intent that the department use revenue from licensing and inspection fees to increase the use of technology in licensing and inspection activities to make licensing and inspection functions, including reporting, more efficient. Directs the department to work to ensure that all license and registration applications can be completed on-line through a secure web portal.

Sec. 402. Food Safety Report – REVISED

Retains the current report on food-borne outbreaks and emergencies related to food safety, but as a part of the department's Food and Dairy annual report. Retains the April 1 reporting due date.

Sec. 453. Indemnification Payments – RETAINED

Subsection 1 authorizes department to provide for indemnity pursuant to Animal Industry Act; limits indemnification orders to \$100,000 per order and provides for report. Subsection 2 authorizes department to indemnify for livestock killed by wolves, coyotes, or cougars. Subsection 3 provides for a report on livestock depredation payments under Subsection 2. In his signing letter dated June 17, 2015, the Governor indicated that he considered Subsection 2 to be unenforceable.

Sec. 601. Environmental Stewardship – REVISED

Clarifies intent of line item funding: "*The funds appropriated in part 1 for environmental stewardship/MAEAP shall be used to support department agriculture pollution prevention programs, including groundwater and freshwater protection programs under Part 87 of the Michigan natural resources and environmental protection act, 1994 PA 451, and technical assistance in implementing conservation grants available under the federal farm bill of 2014.*"

Sec. 603. Local Conservation Districts – DELETED

Deletes current language that directs the use of money appropriated for local conservation districts in Part 1. The enacted budget rolls up the Local Conservation District line item into MAEAP/Environmental Stewardship line item.

Sec. 604. Appropriation of Excess Federal Revenues – RETAINED

Authorizes the department to expend federal revenues in excess of the appropriation for Environmental stewardship/MAEAP upon notification of the Legislature.

Sec. 605. MAEAP Restrictions – DELETED

Current language restricts funding for MAEAP to the specific MAEAP appropriation in Part 1. The enacted budget rolls up the MAEAP line item into a new MAEAP/Environmental Stewardship line item.

Sec. 607. Inter-County Drain Program – DELETED

Current language indicates legislative intent that department continue its activities as provided under the Drain Code.

Sec. 609. Commercial Forestry Audit Program – REVISED

Defines purpose and uses of commercial forestry audit appropriation in part 1; indicates appropriation is a work project; provides for a report.

Sec. 701. Rural Development Value-Added Grant Program – RETAINED

Provides guidance for administration of the grant program.

Sec. 706. Agricultural Development – REVISED

Requires department to report on agricultural development and export market development activities; modifies to establish specific reporting requirement for grants.

Sec. 803. Thoroughbred/Standardbred Program Escrow – DELETED

Current language provided for "escrowing" program funds.

COMMUNITY COLLEGES
Summary of FY 2015-16 Enacted Appropriations
Article II, 2015 Public Act 85 (House Bill 4115)

Analyst: Marilyn Peterson

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Revised Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	Difference: Enacted From FY 2014-15 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	0	0	0	0	0	0	--
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	364,724,900	256,714,800	256,714,800	271,114,800	256,714,800	(108,010,100)	(29.6)
GF/GP	0	137,110,800	135,882,000	122,710,800	131,110,800	131,110,800	--
Gross	\$364,724,900	\$393,825,600	\$392,596,800	\$393,825,600	\$387,825,600	\$23,100,700	6.3

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including House Bill 4110). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

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

Major Budget Changes From FY 2014-15 YTD Appropriations

		FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
1. Community College Operations Grants	Gross	\$307,191,300	\$4,300,700
Increases funding for community college operations by 1.4% and distributes according to current performance funding formula. Projected increases for individual community colleges range from 1.2% to 1.7%. Total funding is \$311.5 million: \$236.2 million SAF, \$75.3 million GF/GP.	Restricted	307,191,300	(71,010,100)
	GF/GP	\$0	\$75,310,800
2. Michigan Public School Employees' Retirement System (MPERS) State Share	Gross	\$52,300,000	\$17,200,000
Includes \$17.2 million increase, funded with SAF, for the state's share of colleges' unfunded liability to MPERS; state's share is the difference between the actuarial accrued liability to the system and the employer contribution cap of 20.96% of payroll set by the Public School Employees Retirement act (MCL 38.1341). Total funding for state share is \$69.5 million (\$52.3 million GF/GP).	Restricted	52,300,000	(35,100,000)
	GF/GP	\$0	\$52,300,000
3. MPERS Offset	Gross	\$1,733,600	\$0
Maintains funding for payments to community colleges to offset prior-year retirement contributions.	Restricted	1,733,600	0
	GF/GP	\$0	\$0
4. Financial Aid	Gross	\$0	\$0
Does not include Executive's proposal to use \$6.0 million SAF to reinstitute Independent Part-Time Student Grant program for community college students. The budget instead uses that \$6.0 million SAF to replace an equal amount of GF/GP in funding for operations grants, thus reducing the overall budget by \$6.0 million GF/GP, compared to the Executive Recommendation.	Restricted	0	0
	GF/GP	\$0	\$0

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>		<u>FY 2014-15 YTD (as of 3/12/15)</u>	<u>Enacted Change From YTD</u>
5. Renaissance Zone Reimbursements	Gross	\$3,500,000	\$1,600,000
Increases funding for Renaissance Zone reimbursements by \$1.6 million	Restricted	3,500,000	(1,900,000)
SAF, bringing total funding to \$5.1 million (\$3.5 million GF/GP), the	GF/GP	\$0	\$3,500,000
approximate amount of college tax revenue lost under Renaissance			
Zones in FY 2013-14. Restores GF/GP funding support to its previously			
enacted level of \$3.5 million.			

Major Boilerplate Changes From FY 2014-15

Sec. 210c. Block Transfer Study Committee – NEW

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

Sec. 216. Activities Classification Structure (ACS) Advisory Committee – REVISED

Deletes language referring to initial report of ACS advisory committee, due July 30, 2015.

Sec. 226. Completion Data – REVISED

Adds to a requirement to report degree and completion data to the Workforce Development Agency (WDA) a requirement to work with WDA and the Center for Educational Performance and Information (CEPI) to develop a systematic approach to accomplish the task.

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

Updates itemized list of community college capital outlay projects on which the state will pay SBA rent in FY 2015-16. Funding for SBA rent is appropriated under the General Government budget.

Sec. 230. Performance Funding Formula – REVISED

Adds a requirement to actively participate in and submit timely updates to the Michigan transfer network, which enables students to identify courses and credits transferable to and from Michigan postsecondary institutions.

Sec. 230a. Performance Indicators Task Force – NEW

Requires creation by October 15 of a performance indicators task force to make recommendations on community college performance funding metrics. The nine-member task force would include representation from the legislature, state budget office, and community colleges, and would submit its report by January 15, 2016.

COMMUNITY COLLEGES

**FY 2015-16 COMMUNITY COLLEGE PERFORMANCE FUNDING
2015 PA 85**

College	FY 2014-15 Year-to-Date Appropriation	50.0%		17.5%		10.0%		7.5%		15.0%		Total Performance Funding	Total Operations Funding	% Change from FY15
		Share of Total Funding	Proportional to FY 2014-15 Operations Funding	Weighted Completions	Funding	Contact-Hour-Equated Students	Funding	Adjusted Administrative Costs	Funding	Share of Total Funding	Funding			
Alpena	\$5,390,700	1.8%	\$37,735	1,128	\$10,402	1,415	\$3,454	8.6%	\$10,830	1.8%	\$11,321	\$73,700	\$5,464,400	1.4%
Bay de Noc	\$5,419,500	1.8%	\$37,937	1,196	\$11,024	1,834	\$4,477	4.7%	\$5,865	1.8%	\$11,381	\$70,700	\$5,490,200	1.3%
Delta	\$14,498,900	4.7%	\$101,493	4,195	\$38,684	8,009	\$19,550	11.8%	\$14,879	4.7%	\$30,448	\$205,100	\$14,704,000	1.4%
Glen Oaks	\$2,516,100	0.8%	\$17,613	955	\$8,807	985	\$2,404	0.7%	\$917	0.8%	\$5,284	\$35,000	\$2,551,100	1.4%
Gogebic	\$4,451,400	1.4%	\$31,160	739	\$6,810	1,006	\$2,456	6.9%	\$8,709	1.4%	\$9,348	\$58,500	\$4,509,900	1.3%
Grand Rapids	\$17,947,500	5.8%	\$125,633	3,414	\$31,482	12,309	\$30,047	11.9%	\$14,905	5.8%	\$37,690	\$239,800	\$18,187,300	1.3%
Henry Ford	\$21,623,800	7.0%	\$151,367	3,656	\$33,714	11,856	\$28,941	8.0%	\$10,023	7.0%	\$45,410	\$269,500	\$21,893,300	1.2%
Jackson	\$12,087,300	3.9%	\$84,612	2,859	\$26,364	4,459	\$10,885	8.6%	\$10,763	3.9%	\$25,383	\$158,000	\$12,245,300	1.3%
Kalamazoo Valley	\$12,503,100	4.1%	\$87,522	4,023	\$37,094	7,897	\$19,277	12.8%	\$16,131	4.1%	\$26,257	\$186,300	\$12,689,400	1.5%
Kellogg	\$9,813,500	3.2%	\$68,695	2,243	\$20,679	4,628	\$11,296	12.2%	\$15,369	3.2%	\$20,608	\$136,600	\$9,950,100	1.4%
Kirtland	\$3,167,700	1.0%	\$22,174	1,189	\$10,960	1,410	\$3,442	8.4%	\$10,591	1.0%	\$6,652	\$53,800	\$3,221,500	1.7%
Lake Michigan	\$5,342,900	1.7%	\$37,400	1,045	\$9,632	3,196	\$7,802	7.0%	\$8,794	1.7%	\$11,220	\$74,800	\$5,417,700	1.4%
Lansing	\$30,877,600	10.1%	\$216,144	8,435	\$77,783	13,800	\$33,686	14.4%	\$18,144	10.1%	\$64,843	\$410,600	\$31,288,200	1.3%
Macomb	\$32,816,600	10.7%	\$229,717	6,557	\$60,465	19,283	\$47,070	13.3%	\$16,683	10.7%	\$68,915	\$422,900	\$33,239,500	1.3%
Mid Michigan	\$4,682,000	1.5%	\$32,774	1,724	\$15,893	3,178	\$7,758	7.5%	\$9,420	1.5%	\$9,832	\$75,700	\$4,757,700	1.6%
Monroe County	\$4,492,900	1.5%	\$31,450	1,119	\$10,319	2,799	\$6,832	11.7%	\$14,709	1.5%	\$9,435	\$72,700	\$4,565,600	1.6%
Montcalm	\$3,226,700	1.1%	\$22,587	1,012	\$9,328	1,335	\$3,258	9.5%	\$11,925	1.1%	\$6,776	\$53,900	\$3,280,600	1.7%
Mott	\$15,686,100	5.1%	\$109,803	4,071	\$37,541	8,452	\$20,632	11.7%	\$14,696	5.1%	\$32,941	\$215,600	\$15,901,700	1.4%
Muskegon	\$8,901,000	2.9%	\$62,307	1,495	\$13,782	3,740	\$9,129	12.5%	\$15,768	2.9%	\$18,692	\$119,700	\$9,020,700	1.3%
North Central	\$3,172,400	1.0%	\$22,207	651	\$5,999	1,815	\$4,429	10.5%	\$13,138	1.0%	\$6,662	\$52,400	\$3,224,800	1.7%
Northwestern	\$9,078,800	3.0%	\$63,552	1,731	\$15,962	3,977	\$9,707	10.6%	\$13,385	3.0%	\$19,066	\$121,700	\$9,200,500	1.3%
Oakland	\$21,123,300	6.9%	\$147,864	5,795	\$53,434	20,359	\$49,697	8.5%	\$10,744	6.9%	\$44,359	\$306,100	\$21,429,400	1.4%
Schoolcraft	\$12,513,700	4.1%	\$87,596	4,555	\$41,999	10,234	\$24,980	9.4%	\$11,844	4.1%	\$26,279	\$192,700	\$12,706,400	1.5%
Southwestern	\$6,576,400	2.1%	\$46,035	1,158	\$10,679	2,256	\$5,506	4.1%	\$5,210	2.1%	\$13,811	\$81,200	\$6,657,600	1.2%
St Clair County	\$7,061,600	2.3%	\$49,431	1,449	\$13,362	3,341	\$8,154	8.5%	\$10,630	2.3%	\$14,829	\$96,400	\$7,158,000	1.4%
Washtenaw	\$13,077,300	4.3%	\$91,542	7,131	\$65,754	10,083	\$24,612	11.5%	\$14,435	4.3%	\$27,462	\$223,800	\$13,301,100	1.7%
Wayne County	\$16,727,600	5.4%	\$117,094	7,621	\$70,277	11,455	\$27,962	9.3%	\$11,742	5.4%	\$35,128	\$262,200	\$16,989,800	1.6%
West Shore	\$2,414,900	0.8%	\$16,904	477	\$4,394	1,078	\$2,630	1.8%	\$2,303	0.8%	\$5,071	\$31,300	\$2,446,200	1.3%
TOTAL:	\$307,191,300	100.0%	\$2,150,350	81,616	\$752,623	176,185	\$430,070		\$322,553			\$4,300,700	\$311,492,000	1.4%

- Notes:
- Calculations for weighted completions, contact-hour-equated students, and adjusted administrative costs are based on a two-year average of data from FYs 2013 and 2014.
 - Weighted completions metric includes awards for computer and information sciences.
 - Contact-Hour-Equated Students and Adjusted Administrative Cost data are preliminary data provided by the Workforce Development Agency. Completions data are from IPEDS.

DEPARTMENT OF CORRECTIONS
Summary of FY 2015-16 Enacted Appropriations
Article V, 2015 Public Act 84 (Senate Bill 133)

Analyst: Robin R. Risko

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Revised Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	Difference: Enacted From FY 2014-15 YTD	
						Amount	%
IDG/IDT	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$0	0.0
Federal	5,081,000	5,568,700	5,568,700	5,568,700	5,568,700	487,700	9.6
Local	8,547,700	8,533,200	8,533,200	8,533,200	8,533,200	(14,500)	(0.2)
Private	0	0	0	0	0	0	--
Restricted	48,769,600	42,950,700	42,950,700	42,950,700	43,950,700	(4,818,900)	(9.9)
GF/GP	1,960,098,400	1,918,948,400	1,908,948,400	1,904,448,500	1,903,948,400	(56,150,000)	(2.9)
Gross	\$2,022,721,700	\$1,976,226,000	\$1,966,226,000	\$1,961,726,100	\$1,962,226,000	(\$60,495,700)	(3.0)
FTEs	14,195.3	14,190.3	14,190.3	14,190.3	14,190.3	(5.0)	0.0

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Michigan Department of Corrections (MDOC) is responsible for the operation and maintenance of the state's 32 correctional facilities that house felony offenders sentenced to prison. This includes the provision of physical and mental health care, education, food service, transportation, and reintegration programs. The Department is also responsible for the supervision of all parolees and probationers under Department jurisdiction and has oversight over community corrections programs and other programs designed to encourage alternatives to prison placement for appropriate offenders. As of June 1, 2015, the Department was responsible for 109,569 Michigan offenders: 43,346 prisoners, 49,473 probationers, and 16,750 parolees.

Major Budget Changes From FY 2014-15 YTD Appropriations

		FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
1. Remove One-Time Funding		Gross	\$27,085,900
Removes all one-time funding that was included in the FY 2014-15 budget:		GF/GP	(\$27,085,900)
• \$25.0 million for Neal, et al. Settlement Agreement			
• \$1.0 million for Education Program one-time enhancement costs			
• \$600,000 for 70 x 7 Life Recovery Muskegon Pilot program			
• \$440,600 for Field Operations one-time mobilization costs.			

CORRECTIONS

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>	<u>FY 2014-15 YTD (as of 3/12/15)</u>	<u>Enacted Change From YTD</u>
2. Continuation of FY 2014-15 Executive Order Reductions	FTE	NA (5.0)
Reflects a savings from continuing, in the FY 2015-16 budget, various FY 2014-15 reductions that were included in Executive Order 2015-5:	Gross	NA (\$14,100,000)
<ul style="list-style-type: none">• \$7.4 million and 5.0 FTE positions from correctional facility operating efficiencies and cost controls, and elimination of administrative vacancies• \$4.0 million from the Department purchasing electronic monitoring devices instead of leasing devices, and a reduced per day per device fee for the use of the associated technology• \$1.8 million from recognizing typical year-end lapses in the County Jail Reimbursement Program line item (\$1.3 million) and the Prisoner Reentry Local Service Providers line item (\$500,000)• \$1.0 million from a reduction in transportation costs resulting from increased use of tele-medicine, increased use of video-conferencing between prisoners and courts, and an increase in situations where friends and families pick up inmates upon their release from prison instead of the Department transporting them.	GF/GP	NA (\$14,100,000)
3. Utilize Special Equipment Fund Revenue to Offset GF/GP	Gross	\$45,929,900 (\$9,000,000)
Replaces portions of GF/GP funding for the Education Program line item (\$7.0 million) and the Prisoner Reentry MDOC Programs line item (\$2.0 million) with state restricted Special Equipment Fund revenue that is currently used to cover capital outlay, equipment, and special maintenance costs.	Restricted	1,229,700 0
	GF/GP	\$44,700,200 (\$9,000,000)
4. Goodwill Flip the Script	Gross	\$2,500,000 (\$500,000)
Reduces funding for Goodwill Flip the Script. Funding will be granted to Goodwill Industries of Greater Detroit in Wayne County to provide education, job training, and mentoring to troubled 16 to 29 year-olds, in an effort to keep them out of prison.	GF/GP	\$2,500,000 (\$500,000)
5. IDG to DHS for Swift and Sure	Gross	\$1,000,000 (\$1,000,000)
Eliminates funding appropriated in FY 2014-15 to be granted by MDOC to DHS to be used for expansion of the Swift and Sure Sanctions Probation Program through the Michigan Rehabilitative Services program.	GF/GP	\$1,000,000 (\$1,000,000)
6. Closure of Kinross – Transfer Prisoners to Hiawatha	Gross	\$37,781,900 (\$2,000,000)
Reflects partial-year savings as a result of the decision to close the Kinross Correctional Facility and transfer prisoners to the former Hiawatha Correctional Facility. Due to the size and outdated physical plant, the Department has determined it would be more cost-effective to close the Kinross facility. The planned facility changes are currently scheduled for November 2015, yielding a partial-year savings.	GF/GP	\$37,781,900 (\$2,000,000)
7. Transfer Jail Mental Health Transition Pilot Program to DHHS	Gross	\$1,000,000 (\$1,000,000)
Reflects the transfer of the Jail Mental Health Transition Pilot Program to DHHS in an effort to streamline mental health diversion services, programs, and projects.	GF/GP	\$1,000,000 (\$1,000,000)

CORRECTIONS

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>	<u>FY 2014-15 YTD (as of 3/12/15)</u>	<u>Enacted Change From YTD</u>	
8. Program and Fund Source Adjustments	Gross	\$81,318,900	(\$1,356,900)
Makes the following program and fund source adjustments, which have no GF/GP impact on the budget:	Federal	1,229,700	495,500
	Restricted	13,321,300	(1,852,400)
	GF/GP	\$66,767,900	\$0
<ul style="list-style-type: none">• Eliminates the Parole and Probation Oversight Fees Set-Aside fund source included in the budget for the Community Reentry Centers line item (\$421,300)• Increases authorization to receive additional federal Title I funding to be used for prisoner education programs (\$495,500)• Includes state restricted fund source authorization for the Information Technology Services and Projects line item (\$866,300)• Reduces funding for Prison Industries Operations as a result of eliminating operations at three facilities, downsizing operations at one facility, and reducing administrative costs (\$2.3 million).			
9. Technical Adjustments	Gross	NA	\$0
Makes internal funding adjustments and transfers throughout the budget. The adjustments have no overall Gross or GF/GP impact and are made in order to more accurately reflect where expenditures occur and to reflect reorganization within the Department.	GF/GP	NA	\$0
10. Base Adjustments	Gross	NA	\$17,800,000
Base adjustments are made throughout the budget in order to compare to original enacted appropriations for FY 2014-15. (Executive Order 2015-5 and 2015 PA 6.)	Restricted	NA	(2,900,000)
	GF/GP	NA	\$20,700,000
11. Economic Adjustments	Gross	NA	(\$5,252,900)
Reflects a net cost reduction for increases in salary and wage costs, insurance rates, and private rent costs, and reductions in actuarially determined retirement rates, building occupancy charges, and worker's compensation costs.	Federal	NA	(7,800)
	Local	NA	(14,500)
	Restricted	NA	(66,500)
	GF/GP	NA	(\$5,164,100)
12. Funding Reductions	Gross	NA	(\$17,500,000)
Eliminates or reduces funding for the following line items:	GF/GP	NA	(\$17,500,000)
<ul style="list-style-type: none">• Eliminates funding for Prisoner Reentry Legal Services (\$149,000)• Reduces funding for Clinical and Mental Health Services and Support (\$15.0 million)• Reduces funding further for Worker's Compensation (\$2.4 million).			
13. Parole Sanction Certainty Pilot Program	Gross	NA	\$500,000
Includes funding to be distributed to accredited rehabilitation organizations in Berrien, Calhoun, Kalamazoo, Macomb, Muskegon, Oakland, and Wayne Counties for operation and administration of a pilot program that is to be utilized as a condition of parole for technical parole violators.	GF/GP	NA	\$500,000

Major Boilerplate Changes From FY 2014-15

Sec. 204. Investment of Budgetary Savings – DELETED

Expresses legislative intent that budgetary savings achieved are to be invested in early childhood education, K-12 education, higher education, local law enforcement entities through revenue sharing, and roads, in an effort to reduce high crime rates in the state.

Sec. 206. Disciplinary Action Against State Employees – REVISED

Prohibits MDOC from taking disciplinary action against employees or prisoners for communicating with legislators or their staff.

CORRECTIONS

Major Boilerplate Changes From FY 2014-15

Sec. 207. State Employees and Competitive Bidding – DELETED

Authorizes state employees to competitively bid on contracts for services that are or were provided by state employees; requires state employment to cease if bids are successful.

Sec. 219. Prisoner Telephone Calls and Program and Special Equipment Fund – REVISED

Requires prisoner telephone service contracts to contain a condition that prisoner telephone fees be the same as those applying outside of institutions, except for surcharges needed to meet program and special equipment costs; outlines conditions on Program and Special Equipment Fund revenue; authorizes carry forward of unexpended revenue; requires a report on revenue and expenditures.

Sec. 232. Security Levels of Prisoners Past Earliest Release Dates – DELETED

Requires MDOC to report on the security levels of all prisoners who were classified as past their earliest release dates. (Part of language included in Sec. 419.)

Sec. 238. Repurposing of Closed Correctional Facilities – DELETED

Expresses legislative intent that MDOC make additional efforts to sell, rent, or otherwise repurpose closed correctional facilities.

Sec. 304. Staff Suggestions – REVISED

Requires MDOC to maintain a staff savings initiative program to invite staff to suggest cost savings for the Department; requires MDOC to either accept or reject the initiatives submitted within 60 days, report savings resulting from accepted proposals, and report reasons for rejected proposals.

Sec. 305. Report on Prisoner Suicides – DELETED

Requires MDOC to report on prisoner suicides, including information on the circumstances of each suicide and MDOC's response to each. (Part of language included in Sec. 911.)

Sec. 402. Prisoner Reentry Expenditures – REVISED

Requires MDOC to report on actual prior-year and planned current-year prisoner reentry expenditures and allocations.

Sec. 403. LEAN Process to Reduce Program Backlog – DELETED

Requires MDOC to issue a request for proposal to institute a LEAN process to determine ways to reduce the backlog for programming for prisoners who are within six months of their earliest release dates; requires a report on outcomes of the LEAN process.

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

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

Sec. 404. Staff Associated With LEAN Process – DELETED

Authorizes MDOC to hire additional staff on a temporary basis to assist with instituting LEAN process principles and to provide programming to prisoners who are past their earliest release dates.

Sec. 406. Expansion of Swift and Sure Sanctions Program – DELETED

Requires MDOC to provide \$1.0 million in IDG funding to DHS to expand the Swift and Sure Sanctions program through the Michigan Rehabilitative Services program.

Sec. 409. Workforce Development – REVISED

Requires MDOC to work with the Talent Investment Agency within the Department of Talent and Economic Development to coordinate reentry and vocational education programs for prisoners to encourage employment of prisoners upon release from prison.

Sec. 414. County Jail Reimbursement Program – REVISED

Requires MDOC to administer the County Jail Reimbursement Program, which offers counties specified per diem payments for housing certain offenders in jail; requires counties that receive funding to submit reports on average jail capacity and annual average jail occupancy.

Major Boilerplate Changes From FY 2014-15

Sec. 419. Offender Data Reports – REVISED

Requires MDOC to provide weekly electronic mail reports on offender populations by location and security level, facility capacities, prison intake and returns, and parole board activity; requires MDOC to provide monthly electronic mail reports on end-of-the-month prisoner populations in county jails, operating capacities, and data on community residential program populations, parole board activity, prisoner intakes, returns, and exits, and the number of prisoners classified as past their earliest release dates.

Sec. 420. Report on Department Efficiencies – DELETED

Requires MDOC to report on performance data and efforts to improve efficiencies relative to departmental staffing, health care services, food service, prisoner transportation, mental health care services, and pharmaceutical costs.

Sec. 421. Mental Health Diversion Council – DELETED

Expresses legislative intent that the \$1.0 million appropriation for the Jail Mental Health Transition Pilot Program is to be used to address recommendations of the Mental Health Diversion Council.

Sec. 421. Parole Sanction Certainty Pilot Program – NEW

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

Sec. 431. Clothing for Exiting Prisoners – DELETED

Requires MDOC to ensure each exiting prisoner has a set of clothing suitable for job interviews, if requested by the prisoner.

Sec. 435. Prisoner Reentry Legal Services – DELETED

Requires MDOC to contract with Kent and Oakland Counties to establish pilot projects to provide outreach, education, and legal representation to former offenders in areas such as employment, housing, income stability, and child custody and other domestic matters; requires Oakland County to provide services to former offenders in Wayne County.

Sec. 436. Genesee County Jail Backlog – DELETED

Requires MDOC to establish a workgroup with the Genesee County Sheriff's Department and the City of Flint Police Department to develop and implement a long-term strategic plan to ease county jail backlog and to reduce the need for Department intervention.

Sec. 504. Consolidation of Transportation Services – DELETED

Requires MDOC to work with DCH, MDOT, DHS, and MSF to determine if the state can maximize its services and funding for transportation for low-income, elderly, and disabled individuals through consolidation of transportation services.

Sec. 508. Analysis of Physical Structure of Facilities – REVISED

Requires MDOC to analyze the overall quality of correctional facilities it owns or operates; requires a report on facility maintenance and utility costs, and plans for capital improvement costs.

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

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

Sec. 510. Administration of Healthy Michigan Plan – DELETED

Requires MDOC to work with DCH to establish an accounting structure that will allow expenditures associated with administration of the Healthy Michigan Plan to be identified.

Sec. 608. Electronic Monitoring Report – DELETED

Requires MDOC to report on the electronic monitoring program, particularly on the use of global positioning system tethers. (Includes reporting requirement in Sec. 611.)

Sec. 612. Violators of Parole and Probation – REVISED

Requires MDOC to develop proposals for alternatives to prison for technical violators of parole and probation; requires a report on program impacts on probationers and parolees.

CORRECTIONS

Major Boilerplate Changes From FY 2014-15

Sec. 616. Parole Board Reviews of Parolable Lifers – NEW

Requires the Parole Board to review its policies related to the review and parole of offenders who are serving parolable life sentences, with consideration given to those who do not pose an ongoing risk to society.

Sec. 802. Health Care Expenditures – REVISED

Requires MDOC to report on expenditures, allocations, and projected expenditures from accounts for prisoner health care.

Sec. 803. Standard Medical Release Form – REVISED

Requires MDOC to give all prisoners the opportunity to sign a release form, effective for one year, designating a family member or other individual to whom the Department is authorized to release information.

Sec. 804. Health Care Utilization Reports – REVISED

Requires MDOC to report on prisoner health care utilization, including number of inpatient hospital days, outpatient visits, emergency room visits, and prisoners receiving off-site inpatient medical care.

Sec. 911. Critical Incidents in Prisons – REVISED

Requires MDOC to report on the number of critical incidents, assaults, escape attempts, suicides, and attempted suicides at each prison facility by month.

Sec. 915. Program to Allow Graduate Students to Teach Programming – DELETED

Requires MDOC to explore opportunities to collaborate with Michigan universities to establish programs that will allow graduate students to work in correctional facilities teaching programming that is a condition of parole.

Sec. 938. Skilled Nursing Facility for Geriatric and Medically Fragile – DELETED

Requires MDOC, in consultation with DTMB and DCH, to issue a request for information for a contract to provide beds in a skilled nursing facility for placement of geriatric and medically fragile prisoners, so that these prisoners are eligible for Medicaid reimbursement.

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

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

Sec. 1011. Religious Cable Programming – REVISED

Allows MDOC to accept in-kind services and equipment donations to facilitate the addition of a cable network that provides religious programming for prisoners; prohibits costs to the state for adding channels.

Sec. 1012. Faith-Based Reentry Programs – NEW

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

Sec. 1051. Capital Outlay Appropriations – DELETED

Authorizes carry forward of capital outlay appropriations.

Sec. 1201. Anticipated FY 2016-17 Appropriations – REVISED

Expresses legislative intent that FY 2016-17 appropriations will be funded at the same level as FY 2015-16 appropriations, adjusting for caseloads, federal fund match rates, economic factors, and available revenue.

DEPARTMENT OF EDUCATION
Summary of FY 2015-16 Enacted Appropriations
Article VI, 2015 Public Act 84 (Senate Bill 133)

Analyst: Samuel Christensen

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Revised Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	Difference: Enacted From FY 2014-15 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	201,279,200	218,583,400	212,921,900	218,583,400	215,640,900	14,361,700	7.1
Local	5,633,700	5,633,700	5,633,700	5,633,700	5,633,700	0	0.0
Private	1,933,300	2,033,300	2,033,300	2,033,300	2,033,300	100,000	5.2
Restricted	7,972,600	7,669,600	7,669,600	7,669,600	7,669,600	(303,000)	(3.8)
GF/GP	73,679,900	79,292,200	75,291,300	75,680,400	74,898,700	1,218,800	1.7
Gross	\$290,498,700	\$313,212,200	\$303,549,800	\$309,600,400	\$305,876,200	\$15,377,500	5.3
FTEs	606.5	606.5	605.5	606.5	594.5	(12.0)	(2.0)

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

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

Major Budget Changes From FY 2014-15 YTD Appropriations	FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
1. Child Development and Care (CDC) – Increase Exit Threshold	Gross \$119,697,700	\$763,700
Increases funding by \$763,700 federal Child Care Developmental Fund (CCDF) to raise the exit threshold for determining CDC eligibility from 121% to 250% of the federal poverty level to reflect full-year funding, in addition to the FY 2014-15 partial-year increase of \$764,000 federal CCDF in HB 4112, for a total increase of \$1.5 million federal CCDF compared to the original FY 2014-15 budget.	Federal 83,108,900	763,700
	GF/GP \$36,588,800	\$0
2. Child Development and Care (CDC) – 12-Month Continuous Eligibility Model	Gross \$119,697,700	\$7,973,300
Increases funding by \$8.0 million federal CCDF to allow 12-month continuous child eligibility regardless of income after enrollment for CDC public assistance to reflect full-year funding, in addition to a FY 2014-15 partial-year increase of \$8.0 million federal CCDF in HB 4112, for a total increase of \$16.0 million federal CCDF compared to the original FY 2014-15 budget.	Federal 83,108,900	7,973,300
	GF/GP \$36,588,800	\$0
3. Child Development and Care (CDC) – Increasing Provider Rates for Tiered Reimbursement	Gross \$119,697,700	\$3,068,600
Increases funding by \$3.1 million federal CCDF to increase provider reimbursement rates for the high-quality licensed and registered programs as defined by the Great Start to Quality provider rating system to reflect full-year funding, in addition to a FY 2014-15 partial-year increase of \$3.1 million federal CCDF in HB 4112, for a total increase of \$6.1 million federal CCDF compared to the original FY 2014-15 budget.	Federal 83,108,900	3,068,600
	GF/GP \$36,588,800	\$0

EDUCATION (DEPARTMENT)

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>		<u>FY 2014-15 YTD (as of 3/12/15)</u>	<u>Enacted Change From YTD</u>
4. Child Development and Care (CDC) – FY 2015-16 Caseload Consensus	Gross	\$119,697,700	(\$7,303,300)
Reduces gross appropriation by \$7.3 million (\$6.4 million federal CCDF and \$860,800 GF/GP) to align with consensus caseload estimates and consensus cost per case estimates. Also, includes FY 2014-5 supplemental to reduce the Child Development and Care subsidy by \$2.7 million GF/GP based on consensus caseload estimates.	Federal	83,108,900	(6,442,500)
	GF/GP	\$36,588,800	(\$860,800)
5. Child Development and Care (CDC) – Additional Child Care Licensing Consultants	Gross	\$17,766,500	\$5,630,000
Increases the interdepartmental grant to Licensing and Regulatory Affairs (LARA) by \$5.6 million in federal CCDF to increase the number of Child Care Licensing (CCL) consultants by 39.0 FTEs.	Federal	17,766,500	5,630,000
	GF/GP	\$0	\$0
6. Child Development and Care (CDC) – IDG to LARA	Gross	\$17,766,500	\$3,500,000
Adds an IDG of \$3.5 million in federal CCDF to LARA to offset an equivalent amount of GF/GP for Child Care Licensors that was originally in the DHS budget.	Federal	17,766,500	3,500,000
	GF/GP	\$0	\$0
7. Educator Evaluations	Gross	NA	\$2,500,000
Provides \$2.5 million GF/GP for educator evaluations. Funding would be used for staffing, compliance monitoring, and information technology systems modifications.	GF/GP	NA	\$2,500,000
8. State Aid to Libraries Increase	Gross	\$8,876,000	\$1,000,000
Increases state aid to libraries by \$1.0 million GF/GP for a total of \$9.9 million.	GF/GP	\$8,876,000	\$1,000,000
9. Renaissance Zone Reimbursements to Libraries	Gross	\$4,700,000	\$600,000
Increases reimbursements to libraries for local revenue lost due to renaissance zones by \$600,000 GF/GP to reflect the amount necessary to fully fund the payments at \$5.3 million. In FY 2014-15 the renaissance zone reimbursements were prorated.	GF/GP	\$4,700,000	\$600,000
10. Financial Independence Team: State Aid and School Finance Services	FTE	2.0	0.0
Restores the original FY 2014-15 authorization of \$500,000, which necessitates a \$350,000 restoration of funds reduced in the FY 2014-15 negative supplemental in HB 4112. The financial independence team, added in FY 2014-15, is tasked with implementing early warning systems for distressed schools in need of financial attention.	Gross	\$150,000	\$350,000
	GF/GP	\$150,000	\$350,000
11. Financial Independence Team: Educational Improvement and Innovation Services	Gross	\$9,343,400	\$39,000
Restores the original FY 2014-15 authorization of \$278,100, which necessitates a \$39,100 restoration of funds reduced in the FY 2014-15 negative supplemental in HB 4112. The financial independence team, added in FY 2014-15, is tasked with implementing early warning systems for distressed schools in need of financial attention.	Federal	6,514,500	0
	Restricted	558,100	0
	GF/GP	\$2,270,800	\$39,000
12. Shift of School Reform Office (SRO) to DTMB	FTE	12.0	(12.0)
Reflects Executive Order 2015-9 to shift SRO from MDE to DTMB.	Gross	\$2,420,900	(\$2,420,900)
	GF/GP	\$2,420,900	(\$2,420,900)
13. Economic Adjustments	Gross	NA	(\$148,300)
Reflects net cost reduction of \$148,300 Gross (\$3,100 GF/GP) for negotiated salary and wage amounts (2.0% base increase), insurance rate increases, reductions in actuarially determined retirement rates, and other economic adjustments.	Federal	NA	(131,400)
	Restricted	NA	(13,800)
	GF/GP	NA	(\$3,100)

Major Boilerplate Changes From FY 2014-15

Sec. 203. Definitions – REVISED

Adds a new definition for "Fund-raising activity": "Fund-raising activity" means ongoing fund-raising activity that is scheduled to take place at more than 1 time during a school day, throughout the school day, or for more than 1 school day.

Sec. 211. Adequate Yearly Progress (AYP) – REVISED

Requires MDE to allow districts to appeal a determination of failure to meet AYP prior to MDE reporting those results, but revises to remove the requirement that MDE must act upon the appeal within 30 days after it is submitted. Changes MDE's requirement to allow a school or district to appeal the school designation, and revises such that those appeals shall be "addressed" rather than currently required "considered and decided upon" before designations may be published.

Sec. 233. Request for Proposals – REVISED

Lowers the contract dollar threshold for which the department must first consider issuing a request for information or request for qualification prior to issuing a request for proposal from \$5.0 million to \$1.0 million.

Sec. 234. Performance Measures – REVISED

Adds that the department follow the metrics required under Section 447 of the Management and Budget Act, 1984 PA 431, MCL 18.1447, in addition to reporting a list of specific benchmarks intended to measure the performance or return on taxpayer investment of each new program or program expansion for which funds appropriated in part 1 are greater than \$500,000. Requires the department to provide an update on program progress and expenditures as it relates to those benchmarks by November 1, 2015.

Sec. 237. Fund-Raising – NEW

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

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

Allows the Michigan schools for the deaf and blind to carry forward funds available for expenditure into the next succeeding year for the low-incidence program; conferences, workshops, and training classes; and the use of specialized equipment, facilities, and software for required services.

Sec. 702. Educator Evaluations – DELETED

Stipulates that funds appropriated in part 1 for educator evaluations and assessments shall not be expended unless HB 5223 and HB 5224 are enacted.

Sec. 805. MPERS Funds for District Libraries – DELETED

States that funds appropriated in part 1 for MPERS costs shall be used for payments to participating district libraries. Describes how payments are to be calculated for, and allocated to, district libraries. Participating entities that received funds under this section are required to forward the designated amount to the retirement system in a form, manner and timeframe determined by the retirement system.

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

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

Sec. 1004. Child Development and Care (CDC) Program Expansion – NEW

Requires the department to expend increased funding for the Child Development and Care (CDC) program on increasing the number of low-income children in high-quality early learning programs, increasing the number of children ready for school at kindergarten entry, and increasing the number of children who are reading at grade level by the end of third grade.

Sec. 1006. Early Literacy Best Practices Clearinghouse – NEW

Requires the department to post on its website a link to the federal Institute of Education Sciences' What Works Clearinghouse, as well as to disseminate knowledge about the educational clearinghouse to districts and intermediate districts.

Sec. 1007. Child Development and Care – Progress Reports – NEW

Requires the department to create progress reports for the child development and care program's external support (child care licensors) to track activities and number of occasions these activities are carried out that maintain and/or improve quality assurance of child care facilities in Michigan. Requires the progress reports be issued April 1, 2016 and September 30, 2016.

EDUCATION (DEPARTMENT)

<u>FY 2014-15 Supplemental Appropriations</u>		<u>FY 2014-15 YTD (as of 3/12/15)</u>	<u>FY 2014-15 Supplemental Change</u>
<i>1. Child Development and Care (CDC) – FY 2014-15 Caseload Consensus</i>	Gross	\$119,697,700	(\$2,703,500)
Reduces the Child Development and Care subsidy by \$2.7 million GF/GP based on consensus caseload estimates.	Federal	83,108,900	0
	GF/GP	\$36,588,800	(\$2,703,500)

DEPARTMENT OF ENVIRONMENTAL QUALITY
Summary of FY 2015-16 Enacted Appropriations
Article VII, 2015 Public Act 84 (Senate Bill 133)

Analyst: Austin Scott

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Revised Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	Difference: Enacted From FY 2014-15 YTD	
						Amount	%
IDG/IDT	\$9,530,500	\$9,115,300	\$9,115,300	\$9,115,300	\$9,115,300	(\$415,200)	(4.4)
Federal	149,749,600	138,079,100	138,163,100	138,163,100	138,079,100	(11,670,500)	(7.8)
Local	0	0	0	0	0	0	--
Private	546,900	546,000	546,000	546,000	546,000	(900)	(0.2)
Restricted	321,888,900	304,054,200	305,010,800	303,810,800	304,341,200	(17,547,700)	(5.5)
GF/GP	37,475,900	34,827,700	35,077,700	35,377,800	34,827,700	(2,648,200)	(7.1)
Gross	\$519,191,800	\$486,622,300	\$487,912,900	\$487,013,000	\$486,909,300	(\$32,282,500)	(6.2)
FTEs	1,291.5	1,224.0	1,227.0	1,227.0	1,224.0	(67.5)	(5.2)

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Executive figures include Executive Budget Revision 2016-4.

Overview

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

Major Budget Changes From FY 2014-15 YTD Appropriations

	FY 2014-15 YTD (as of 3/12/15)	Enacted	Change From YTD
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1. Extension of Fee Sunsets

House Bills 4439, 4441, 4448, and 4449 extend the groundwater discharge permit fee sunset to December 31, 2015 and extend the remaining 14 fee sunsets by four years to October 1, 2019. Collectively these fees provide \$27.1 million in annual revenue for DEQ.

Gross	NA	NA
GF/GP	NA	NA

Fee	Annual revenue
Air emissions fee	\$9,600,000
Solid waste surcharge	5,300,000
Electronic device manufacturer's registration	230,000
Electronic device recycler registration	50,000
Groundwater discharge permit	1,190,000
Surface water discharge permit	2,816,800
Stormwater discharge fee	1,625,100
Land and water permit fees (6 fees)	2,100,000
Sewer expedited permit	31,800
Tire disposal charge	4,200,000
Total	\$27,143,700

ENVIRONMENTAL QUALITY

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>		<u>FY 2014-15 YTD</u> <u>(as of 3/12/15)</u>	<u>Enacted Change</u> <u>From YTD</u>
2. Air Quality Program - Fee Increase	Gross	NA	\$1,200,000
House Bill 4449 increases the air emissions (air quality) fee from \$47.95 per ton to \$51.15 per ton. This fee increase is expected to generate \$1.2 million in additional revenue. Air emissions fee revenue allows the state to operate its own emissions regulation program rather than be subject to the EPA's program. This fee is paid by more than 800 facilities and currently generates \$9.6 million in annual revenue.	Restricted	NA	1,200,000
	GF/GP	NA	\$0
3. Drinking Water Revolving Fund (DWRf) Loan Program	Gross	\$85,193,000	(\$200,000)
The FY 2014-15 budget as originally enacted included \$5.0 million GF/GP for DWRf loans. A reduction of \$2.8 million GF/GP was included in EO 2015-5. The FY 2015-16 enacted budget includes an additional reduction of \$200,000 GF/GP. These funds are used for state match to a federal program that provides water suppliers with low-interest loans to finance public drinking water system infrastructure projects.	Federal	71,543,000	0
	Restricted	11,400,000	0
	GF/GP	\$2,250,000	(\$200,000)
4. FTE Reductions	FTE	1,291.5	(67.5)
Reduces total FTEs from 1,291.5 to 1,224.0. All reduced FTEs are classified positions. The department does not have adequate funding to fill all of its currently allotted positions and this reduction will align FTEs with available resources. No current DEQ employees are expected to lose employment as a result of this reduction. Three FTEs are shifted to LARA as a part of the establishment of the Michigan Agency for Energy.	Gross	NA	NA
	GF/GP	NA	NA
5. Refined Petroleum Product Cleanup Program	Gross	\$32,900,000	(\$12,900,000)
Reduces refined petroleum product cleanup program (RPPCP) by \$12.9 million in restricted funding. Responsibility for underground storage tank cleanups was transferred from RPPCP to the newly established Underground Storage Tank Cleanup Program (USTCP) under PA 416 of 2014. This new program receives the first \$20 million of the environmental protection regulatory fee which was first appropriated for FY 2014-15 in HB 4112 and continued in FY 2015-16. The reduction of restricted funding to RPPCP is intended to offset the increase in restricted funding to USTCP.	Restricted	32,900,000	(12,900,000)
	GF/GP	\$0	\$0
6. Removal of FY 2014-15 One-Time GF/GP for Electronic Document Management	Gross	\$1,850,000	(\$1,850,000)
The FY 2014-15 budget as originally enacted included \$2.5 million in one-time GF/GP for electronic document management. A reduction of \$650,000 GF/GP was included in EO 2015-5. The FY 2015-16 enacted budget removes the remaining \$1.9 million GF/GP for this one-time appropriation.	GF/GP	\$1,850,000	(\$1,850,000)
7. Federal Authorization Adjustment	Gross	NA	(\$10,907,000)
Reduces federal authorization by \$10.9 million to reflect a decrease in available federal funds.	Federal	NA	(10,907,000)
	GF/GP	NA	\$0
8. Clean Michigan Initiative (CMI) and Environmental Protection Bond Fund	Gross	\$9,282,100	(\$1,473,200)
Reduces restricted funding of the CMI by \$1.5 million. Increases for the environmental bond site reclamation program, nonpoint source pollution prevention and control program, and the contaminated sediment program totaling \$2.5 million in restricted funding are exceeded by a decrease of \$4.0 million in restricted funding for Brownfield grants.	Restricted	9,282,100	(1,473,200)
	GF/GP	\$0	\$0
9. Contaminated Site Investigation, Cleanup, and Revitalization	Gross	\$29,385,200	(\$5,000,000)
Reduces restricted funding by \$5.0 million to reflect available resources. This program supports remediation and cleanup efforts at contaminated sites in order to eliminate public health and safety hazards.	Private	187,200	0
	Restricted	29,198,000	(5,000,000)
	GF/GP	\$0	\$0

ENVIRONMENTAL QUALITY

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>		<u>FY 2014-15 YTD</u>	<u>Enacted Change</u>
		<u>(as of 3/12/15)</u>	<u>From YTD</u>
10. Office of Environmental Assistance – Michigan Agency for Energy	Gross	NA	(\$1,053,600)
Reduces the Office of Environmental Assistance by \$1.1 million Gross to transfer appropriation to the Department of Licensing and Regulatory Affairs in order to help establish the new Michigan Agency for Energy under Executive Order 2015-10.	Federal	NA	(84,000)
	Restricted	NA	(669,600)
	GF/GP	NA	(\$300,000)
11. Air Quality Program – Michigan Agency for Energy	Gross	NA	(\$250,000)
Reduces the air quality program by \$250,000 GF/GP to transfer appropriation to the Department of Licensing and Regulatory Affairs to help establish the new Michigan Agency for Energy.	GF/GP	NA	(\$250,000)
12. Economic Adjustments	Gross	NA	(\$332,700)
Reflects net cost reduction of \$332,700 Gross (\$48,200 GF/GP) for negotiated salary and wage amounts (2.0% base increase), insurance rate increases, reductions in actuarially determined retirement rates, and other economic adjustments.	IDG	NA	(13,200)
	Private	NA	(900)
	Federal	NA	(93,700)
	Restricted	NA	(176,700)
	GF/GP	NA	(\$48,200)

Major Boilerplate Changes From FY 2014-15

Sec. 204. Benchmark Requirements – REVISED

Requires DEQ establish benchmarks and report performance of programs appropriated at \$500,000 or more.

Sec. 228. Customer Satisfaction Evaluation Program – DELETED

Requires report on development of customer satisfaction evaluation program and public feedback received.

Sec. 229. Expedited Permitting Program – DELETED

Requires report listing actions and program changes taken to implement the Expedited Permitting Program.

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

Lists cleanup projects funded through the Refined Petroleum Product Cleanup Program; requires report on amount spent at each site and work performed, list of cleanup projects for FY 2015-16. Revised to update list.

Sec. 311. Enbridge Settlement Report – NEW

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

Sec. 401. Aquatic Nuisance Control (ANC) – DELETED

Requires \$700,000 and 5.0 FTEs be allocated to the permit review program within the ANC program; requires report.

Sec. 406. Groundwater Discharge Permit Fee Revision – NEW

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

Sec. 501. Air Quality Program – NEW

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

Sec. 604. Environmental Pollution Prevention Fund (EPPF) Balance Stipulation – DELETED

Provides that if the EPPF balance declines below spending levels, appropriations other than those for the Hazardous Waste Management Program shall be reduced.

Sec. 701. Underground Storage Tank Authority – NEW

Allows unexpended funds appropriated for the underground storage tank cleanup program to be considered work project appropriations and carry forward into the succeeding fiscal year. The program will perform contaminated site cleanups estimated to cost \$20 million with a tentative completion date of September 20, 2020.

Sec. 1202. Identification of Future Retirement Costs – DELETED

States legislative intent that the DEQ identify the FY 2015-16 retirement costs for line items listed in part 1.

GENERAL GOVERNMENT TOTALS

GENERAL GOVERNMENT TOTALS
Summary of FY 2015-16 Enacted Appropriations
Article VIII, 2015 Public Act 84 (Senate Bill 133)

Analysts: Ben Gielczyk
Perry Zielak

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Revised Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	Difference: Enacted From FY 2014-15 YTD	
						Amount	%
IDG/IDT	\$739,896,100	\$742,192,600	\$742,192,600	\$742,192,600	\$742,192,600	\$2,296,500	0.3
Federal	689,103,500	825,221,900	688,424,100	688,424,100	825,221,900	136,118,400	19.8
Local	9,969,700	17,050,900	17,050,900	17,050,900	17,050,900	7,081,200	71.0
Private	6,287,200	6,253,300	6,283,300	6,283,300	6,253,300	(33,900)	(0.5)
Restricted	2,055,023,600	2,092,388,000	2,073,445,800	2,096,823,800	2,092,887,000	37,863,400	1.8
GF/GP	1,160,232,700	1,204,202,100	1,123,814,100	1,163,921,300	1,176,022,600	15,789,900	1.4
Gross	\$4,660,512,800	\$4,887,308,800	\$4,651,210,800	\$4,714,696,000	\$4,859,628,300	\$199,115,500	4.3
FTEs	7,791.2	8,706.2	7,842.2	7,847.2	8,717.2	926.0	11.9

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview of All General Government Departments

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

Major Boilerplate Changes From FY 2014-15

Sec. 207. New Program Metrics – REVISED

Requires benchmarks to be developed by the department or agency receiving funding for a new program for which funds in excess of \$500,000 are appropriated by November 1 and requires update of benchmarks on March 1. Expresses legislative intent that beginning in FY 2015-16, any new program proposed by the Executive include a list of benchmarks intended to measure performance of the program. Revises to note that metrics are in addition to those metrics required under Section 447 of the Management and Budget Act.

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

Appropriates GF/GP revenue into the Countercyclical Budget and Economic Stabilization Fund (BSF). Revises to appropriate \$95.0 million to BSF in FY 2015-16.

Sec. 217. General Fund Restrictions – DELETED

Prohibits use of General Fund appropriations where federal funds are available for the same purpose.

Sec. 231. Full-Time Equated Position Report – DELETED

Expresses intent of the Legislature that departments properly account for their spending and do not use FTE positions as placeholders for spending in other parts of their budgets; requires report.

Sec. 235. Contract Request for Information and Qualification – DELETED

Requires state departments and agencies to issue and receive a Request for Information (RFI) or Request for Quotation (RFQ) before a Request for Proposal (RFP) for any contract in excess of \$5.0 million. States that the department may not issue RFP unless it first considers issuing an RFI or RFQ. Requires department to notify DTMB of the evaluation process used to determine if an RFI or RFQ was not necessary.

Major Boilerplate Changes From FY 2014-15

Sec. 235. Federal Fund Contingency Plan – NEW

Requires the appropriate department to notify the State Budget Director, appropriation committees, and fiscal agencies within 14 days of receiving a formal notification from the federal government that a federal funding source of greater than \$10.0 million will be reduced by 10% or greater. Requires the State Budget Director, in consultation with the appropriate department, to recommend a contingency plan for the federal funding reduction.

Sec. 239. State Building Energy Performance – DELETED

Requires DTMB, with assistance from the Michigan Energy Office, to assess energy performance of state-owned buildings to identify energy savings achievable with internal resources and energy performance contracts.

Sec. 1301. Anticipated Appropriations – REVISED

Expresses intent of the Legislature to provide the same appropriations for fiscal year 2016 as provided in fiscal year 2015, except for where adjustments are made for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. Revises to reflect new fiscal year.

DEPARTMENT OF ATTORNEY GENERAL
Summary of FY 2015-16 Enacted Appropriations
Article VIII, 2015 Public Act 84 (Senate Bill 133)

Analyst: Perry Zielak

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Revised Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	Difference: Enacted From FY 2014-15 YTD	
						Amount	%
IDG/IDT	\$27,783,800	\$28,533,900	\$28,533,900	\$28,533,900	\$28,533,900	\$750,100	2.7
Federal	9,857,200	9,278,600	9,278,600	9,278,600	9,278,600	(578,600)	(5.9)
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	17,914,200	17,281,700	17,281,700	17,281,700	17,281,700	(632,500)	(3.5)
GF/GP	38,267,100	36,847,400	36,847,400	36,847,400	37,013,400	(1,253,700)	(3.3)
Gross	\$93,822,300	\$91,941,600	\$91,941,600	\$91,941,600	\$92,107,600	(\$1,714,700)	(1.8)
FTEs	519.5	524.5	524.5	524.5	524.5	5.0	1.0

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

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

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
1. Sexual Assault Prosecutions	Gross	\$3,000,000	(\$3,000,000)
Eliminates \$3.0 million GF/GP of one-time funding for prosecutions of sexual assault cases within Wayne County that resulted from the testing of rape kits discovered upon the closure of the Detroit crime laboratory.	GF/GP	\$3,000,000	(\$3,000,000)
2. Sexual Assault Law Enforcement	FTE	0	5.0
Adds \$1.7 million GF/GP and 5.0 FTEs to test backlogged sexual assault kits in communities statewide with the exception of Wayne County, and to assist in investigations and prosecutions that may result.	Gross	\$0	\$1,700,000
	GF/GP	\$0	\$1,700,000
3. Fund Source Adjustments	Gross	NA	(\$239,200)
Adjusts interdepartmental grant, federal, and restricted revenue fund sources to accurately reflect costs of providing legal services and memorandums of understanding with other state agencies and departments.	IDG	NA	866,400
	Federal	NA	(543,600)
	Restricted	NA	(562,000)
4. Prosecuting Attorneys Coordinating Council	Gross	\$2,106,100	\$166,000
Adds \$166,000 GF/GP to fill an unexpected loss of training funds for local prosecutors.	IDG	162,900	0
	Federal	119,200	0
	Restricted	405,300	0
	GF/GP	\$1,418,700	\$166,000
5. Economics	Gross	NA	(\$341,500)
Reflects net cost reduction of \$341,500 Gross (\$119,700 GF/GP) for negotiated salary and wage amounts (2.0% base increase), insurance rate increases, reductions in actuarially determined retirement rates, and other economic adjustments.	IDG	NA	(116,300)
	Federal	NA	(35,000)
	Restricted	NA	(70,500)
	GF/GP	NA	(\$119,700)

Major Boilerplate Changes From FY 2014-15

Sec. 316. Sexual Assault Kit Testing – NEW

Appropriates \$1.7 million to test sexual assault kits statewide in order to eliminate county backlogs by the end of FY 2015-16, assist with prosecutions that may result and provide victim services. Requires a detailed work and spending plan to be submitted to the state budget office and the legislature to be approved by the state budget director.

Sec. 320. Sexual Assault Prosecutions – DELETED

Requires a detailed work and spending plan for the sexual assault prosecution line item to be submitted to the state budget office and the legislature and approved by the state budget director prior to spending any of the \$3.0 million appropriation.

DEPARTMENT OF CIVIL RIGHTS
Summary of FY 2015-16 Enacted Appropriations
Article VIII, 2015 Public Act 84 (Senate Bill 133)

Analyst: Perry Zielak

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Revised Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	Difference: Enacted From FY 2014-15 YTD	
						Amount	%
IDG/IDT	\$288,900	\$286,700	\$286,700	\$286,700	\$286,700	(\$2,200)	(0.8)
Federal	2,736,500	2,721,700	2,721,700	2,721,700	2,721,700	(14,800)	(0.5)
Local	0	0	0	0	0	0	--
Private	18,700	18,700	18,700	18,700	18,700	0	0.0
Restricted	151,900	151,900	151,900	151,900	151,900	0	0.0
GF/GP	13,448,200	12,949,700	12,949,700	12,949,700	12,949,700	(498,500)	(3.7)
Gross	\$16,644,200	\$16,128,700	\$16,128,700	\$16,128,700	\$16,128,700	(\$515,500)	(3.1)
FTEs	138.0	135.0	135.0	135.0	135.0	(3.0)	(2.2)

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

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

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
1. Vacant Public Affairs Position	FTE	124.0	(1.0)
Reduced funding by \$115,000 GF/GP through proposed elimination of a vacant Public Affairs position.	Gross	\$14,091,800	(\$115,000)
	IDG	288,900	0
	Federal	2,721,500	0
	Restricted	58,500	0
	GF/GP	\$11,022,900	(\$115,000)
2. Librarian Position	FTE	124.0	(1.0)
Reduces funding by \$105,000 GF/GP through proposed elimination of a librarian position.	Gross	\$14,091,800	(\$105,000)
	IDG	288,900	0
	Federal	2,721,500	0
	Restricted	58,500	0
	GF/GP	\$11,022,900	(\$105,000)
3. Executive Secretary Position	FTE	124.0	(1.0)
Reduces funding by \$90,000 GF/GP through proposed elimination of an executive secretary position.	Gross	\$14,091,800	(\$90,000)
	IDG	288,900	0
	Federal	2,721,500	0
	Restricted	58,500	0
	GF/GP	\$11,022,900	(\$90,000)

GENERAL GOVERNMENT: CIVIL RIGHTS

Major Budget Changes From FY 2014-15 YTD Appropriations

4. Unclassified Funding

Reduced funding by \$90,000 GF/GP that was not utilized by the department.

	FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
Gross	\$724,700	(\$90,000)
GF/GP	\$724,700	(\$90,000)

5. Economic Adjustments

Reflects net cost reduction of \$115,500 Gross (\$98,500 GF/GP) for negotiated salary and wage amounts (2.0% base increase), insurance rate increases, reductions in actuarially determined retirement rates, and other economic adjustments.

Gross	NA	(\$115,500)
IDG	NA	(2,200)
Federal	NA	(14,800)
GF/GP	NA	(\$98,500)

Major Boilerplate Changes From FY 2014-15

There are no major boilerplate changes for FY 2015-16.

**EXECUTIVE OFFICE
Summary of FY 2015-16 Enacted Appropriations
Article VIII, 2015 Public Act 84 (Senate Bill 133)**

Analyst: Ben Gielczyk

IDG/IDT	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Revised Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	Difference: Enacted From FY 2014-15 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	0	0	0	0	0	0	--
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	0	0	0	0	0	0	--
GF/GP	5,916,100	5,531,100	5,916,100	5,916,100	5,531,100	(385,000)	(6.5)
Gross	\$5,916,100	\$5,531,100	\$5,916,100	\$5,916,100	\$5,531,100	(\$385,000)	(6.5)
FTEs	88.2	84.2	88.2	88.2	84.2	(4.0)	(4.5)

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

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

Major Budget Changes From FY 2014-15 YTD Appropriations

1. Office of New Americans

Removes \$385,000 GF/GP and 4.0 FTEs for the Office of New Americans to accommodate Executive Revision 2016-1. Executive Revision shifted funding and FTEs to Department of Licensing and Regulatory Affairs per Executive Order 2014-12.

	FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
FTE	4.0	(4.0)
Gross	\$385,000	(\$385,000)
GF/GP	\$385,000	(\$385,000)

Major Boilerplate Changes From FY 2014-15

There are no major boilerplate changes for FY 2015-16.

LEGISLATIVE AUDITOR GENERAL
Summary of FY 2015-16 Enacted Appropriations
Article VIII, 2015 Public Act 84 (Senate Bill 133)

Analyst: Ben Gielczyk

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Revised Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	Difference: Enacted From FY 2014-15 YTD	
						Amount	%
IDG/IDT	\$5,220,700	\$5,392,800	\$5,392,800	\$5,392,800	\$5,392,800	\$172,100	3.3
Federal	0	0	0	0	0	0	--
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	2,000,800	1,987,600	1,987,600	1,987,600	1,987,600	(13,200)	(0.7)
GF/GP	14,937,300	15,460,100	15,385,400	15,460,100	15,460,100	522,800	3.5
Gross	\$22,158,800	\$22,840,500	\$22,765,800	\$22,840,500	\$22,840,500	\$681,700	3.1
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	--

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

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

Major Budget Changes From FY 2014-15 YTD Appropriations	FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
1. Auditor General Operations	Gross	\$22,158,800
Includes \$681,700 Gross (\$522,800 GF/GP) related to increased costs for Auditor General staff and other operations.	IDG	172,100
	Restricted	(13,200)
	GF/GP	\$522,800

Major Boilerplate Changes From FY 2014-15

Sec. 625. Information Technology Audits – DELETED

Specifies that not more than \$400,000 may be used to hire up to 10 additional auditors for the specific purpose of providing audit support and oversight of the state's most critical information technology systems and services. Requires unobligated funds to revert to the General Fund.

LEGISLATURE
Summary of FY 2015-16 Enacted Appropriations
Article VIII, 2015 Public Act 84 (Senate Bill 133)

Analyst: Ben Gielczyk

IDG/IDT	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Revised Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	Difference: Enacted From FY 2014-15 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	0	0	0	0	0	0	--
Local	0	0	0	0	0	0	--
Private	400,000	400,000	400,000	400,000	400,000	0	0.0
Restricted	4,109,800	4,192,000	4,192,000	4,192,000	4,192,000	82,200	2.0
GF/GP	127,420,700	131,872,300	131,236,400	131,872,300	131,872,300	4,451,600	3.5
Gross	\$131,930,500	\$136,464,300	\$135,828,400	\$136,464,300	\$136,464,300	\$4,533,800	3.4
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	--

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

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

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>	<u>FY 2014-15 YTD Enacted</u>	<u>Change From YTD</u>
	<u>(as of 3/12/15)</u>	
1. Legislature Operations	Gross \$131,930,500	\$4,533,800
Includes \$4.5 million Gross (\$4.5 million GF/GP) related to increased costs for legislative staff and other operations.	Private 400,000	0
	Restricted 4,109,800	82,200
	GF/GP \$127,420,700	\$4,451,600

Major Boilerplate Changes From FY 2014-15

Sec. 609. Capitol Historic Site Fund – DELETED

Designates appropriations from the Capitol Historic Site Fund as subject to enrollment of Senate Bill 678 of the 97th Legislature.

Sec. 618. Legislative Retirement Administration – REVISED

States legislative intent that all administrative functions and associated funding for the Michigan legislative retirement system shall be transferred from the legislative council to the DTMB before the end of FY 2014-15. Revises to reflect new fiscal year.

DEPARTMENT OF STATE
Summary of FY 2015-16 Enacted Appropriations
Article VIII, 2015 Public Act 84 (Senate Bill 133)

Analyst: Perry Zielak

IDG/IDT	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Revised Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	Difference: Enacted From FY 2014-15 YTD	
						Amount	%
IDG/IDT	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$0	0.0
Federal	1,460,000	1,460,000	1,460,000	1,460,000	1,460,000	0	0.0
Local	0	0	0	0	0	0	--
Private	100	100	100	100	100	0	0.0
Restricted	185,985,800	186,635,100	186,635,100	186,635,100	186,635,100	649,300	0.3
GF/GP	17,739,000	17,161,500	17,161,500	27,161,500	17,161,500	(577,500)	(3.3)
Gross	\$225,184,900	\$225,256,700	\$225,256,700	\$235,256,700	\$225,256,700	\$71,800	0.0
FTEs	1,593.0	1,593.0	1,593.0	1,593.0	1,593.0	0.0	0.0

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

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

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>		<u>FY 2014-15 YTD (as of 3/12/15)</u>	<u>Enacted Change From YTD</u>
1. Credit and Debit Assessment Service Fees	Gross	\$5,000,000	\$1,000,000
Increases funding authorization by \$1.0 million state restricted revenue as usage of credit and debit cards by customers increase at branch locations.	Restricted	5,000,000	1,000,000
2. Ignition Interlock Program	Gross	\$1,000,000	\$0
Continues funding authorization of \$1.0 million state restricted revenue to accommodate increasing workload with inspecting and regulating businesses related to the installation of ignition interlocks to motor vehicles. Initial increased authorization was added through HB 4112 (2015 PA 6) for FY 2014-15.	Restricted	1,000,000	0
3. Departmental Identified Budgetary Savings	Gross	NA	(\$500,000)
Reduces funding by \$500,000 GF/GP through departmental identified budgetary savings in Branch Operations (\$241,800), Unclassified Positions (122,100), Department Service Operation (\$83,800), Central Operations (\$26,900), Election Administration and Services (\$25,000) and Legal Services (\$400).	GF/GP	NA	(\$500,000)
4. Removal of FY 2014-15 One-Time Appropriations	Gross	\$200,000	(\$200,000)
Eliminates one-time funding (added through HB 4112 (2015 PA 6)) of \$200,000 GF/GP for IT system changes related to the May 2015 transportation ballot proposal.	GF/GP	\$200,000	(\$200,000)

GENERAL GOVERNMENT: STATE (DEPARTMENT)

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>	<u>FY 2014-15 YTD (as of 3/12/15)</u>	<u>Enacted Change From YTD</u>
5. Economics	Gross	NA (\$228,200)
Reflects net cost reduction of \$228,200 Gross (increase of \$122,500	Restricted	NA (350,700)
GF/GP) for negotiated salary and wage amounts (2.0% base increase),	GF/GP	NA \$122,500
insurance rate increases, reductions in actuarially determined retirement rates, and other economic adjustments.		

Major Boilerplate Changes From FY 2014-15

Sec. 722. Bridge Card Work Group – NEW

Requires the department to form a work group with Department of Community Health and the Michigan State Police to investigate methods to deter Bridge Card fraud and report findings by February 1, 2016.

DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT
Summary of FY 2015-16 Enacted Appropriations
Article VIII, 2015 Public Act 84 (Senate Bill 133)

Analyst: Ben Gielczyk

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Revised Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	Difference: Enacted From FY 2014-15 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	627,370,300	764,102,800	627,305,000	627,305,000	764,102,800	136,732,500	21.8
Local	4,433,500	4,433,500	4,433,500	4,433,500	4,433,500	0	0.0
Private	5,654,900	5,619,000	5,649,000	5,649,000	5,619,000	(35,900)	(0.6)
Restricted	142,678,700	180,411,200	142,588,000	181,088,000	180,411,200	37,732,500	26.4
GF/GP	222,642,500	233,907,000	158,707,100	188,107,000	198,457,000	(24,185,500)	(10.9)
Gross	\$1,002,779,900	\$1,188,473,500	\$938,682,600	\$1,006,582,500	\$1,153,023,500	\$150,243,600	15.0
FTEs	756.0	1,619.0	756.0	756.0	1,619.0	863.0	114.2

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Executive and Conference incorporated Executive Revisions 2016-1 and 2016-4 which created the Department of Talent and Economic Development. House and Senate versions only included Michigan Strategic Fund.

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, and economic development in the State of Michigan.

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>		FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
1. Business Attraction and Community Revitalization	Gross	\$127,800,000	(\$13,800,000)
Reduces by \$13.8 million Gross (\$5.6 million GF/GP). Reduction includes shift of \$1.0 million 21 st Century Jobs Trust Fund to Pure Michigan. \$17.3 million of total funding is considered one-time appropriations. FY 2014-15 mid-year negative supplemental (HB 4112 (H-1)) removed \$10.0 million GF/GP and shifted \$7.8 million 21 st Century Jobs Trust Fund from Entrepreneurship Eco-System to this line item for a net reduction of \$2.2 million GF/GP to the line item.	Restricted	28,800,000	(8,200,000)
	GF/GP	\$99,000,000	(\$5,600,000)
2. Entrepreneurship Eco-System	Gross	\$17,200,000	\$4,200,000
Increases by \$4.2 million Gross (21 st Century Jobs Trust Fund) to partially restore FY 2014-15 mid-year reduction. FY 2014-15 mid-year negative supplemental (HB 4112 (H-1)) shifted \$7.8 million 21 st Century Jobs Trust Fund to the Business Attraction and Community Revitalization to mitigate GF/GP reductions in that line item.	Restricted	17,200,000	4,200,000
3. Pure Michigan	Gross	\$29,000,000	\$4,000,000
Increases by \$4.0 million Gross (21 st Century Jobs Trust Fund). Funding would support enhanced international marketing, update Pure Michigan commercials, and upgrade the Pure Michigan website.	Restricted	29,000,000	4,000,000
4. Film Incentives	Gross	\$38,000,000	(\$13,000,000)
Reduces by \$13.0 million GF/GP. Appropriates \$25.0 million GF/GP in one-time funds, of which \$19.1 million is dedicated to compensate Michigan retirement systems for guarantee on debt associated with film studio. Film incentives effectively funded at \$5.9 million GF/GP.	GF/GP	\$38,000,000	(\$13,000,000)

GENERAL GOVERNMENT: TALENT AND ECONOMIC DEVELOPMENT

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>		<u>FY 2014-15 YTD</u> <u>(as of 3/12/15)</u>	<u>Enacted Change</u> <u>From YTD</u>
5. One-Time Appropriations	Gross	\$17,750,000	(\$12,600,000)
Reduces by \$12.6 million GF/GP leaving the special grants line item funded at \$5.2 million GF/GP.	GF/GP	\$17,750,000	(\$12,600,000)
6. Michigan Film Office	Gross	\$891,900	(\$237,100)
Removes \$237,100 GF/GP from Michigan Film Office operations. Statute allows for the capture of 4.0% of film incentive appropriations to support administration thereby eliminating the need for appropriated GF/GP for Michigan Film Office operations.	Restricted	654,800	0
	GF/GP	\$237,100	(\$237,100)
7. Facility for Rare Isotope Beams Debt Service	Gross	NA	\$7,300,000
Includes \$7.3 million GF/GP for Facility for Rare Isotope Beams debt service to accommodate Executive Revision 2016-1. The funding was previously located in the Department of Treasury.	GF/GP	NA	\$7,300,000
8. Skilled Trades Training Program	Gross	\$10,000,000	\$15,600,000
Includes additional \$15.6 million Gross for the Skilled Trades Training Program. Funding is shifted in under Executive Revision 2016-1 from the Department of Licensing and Regulatory Affairs.	Restricted	0	15,600,000
	GF/GP	\$10,000,000	\$0
9. Unemployment Insurance Agency Transfer In	FTE	NA	864.0
Includes \$163.4 million Gross and 864.0 FTEs to reflect transfer in of Unemployment Insurance Agency activities under Executive Revision 2016-1.	Gross	NA	\$163,428,400
	Federal	NA	140,592,300
	Restricted	NA	22,836,100
10. Michigan Energy Office Transfer Out	FTE	7.0	(7.0)
Removes \$4.7 million Gross and 7.0 FTEs to reflect transfer out of the Michigan Energy Office under Executive Revision 2016-4.	Gross	\$4,696,400	(\$4,696,400)
	Federal	3,794,500	(3,794,500)
	Private	30,000	(30,000)
	Restricted	871,900	(871,900)
11. MSHDA Executive Director Transfer In	Gross	NA	\$259,000
Includes \$259,000 Gross to reflect transfer in of MSHDA Executive Director under Executive Revision 2016-1.	Restricted	NA	259,000
12. Economic Adjustments	FTE (uncl)	NA	6.0
Includes net cost reduction of \$210,300 Gross (\$48,400 GF/GP) for negotiated salary and wage amounts (2.0% base increase), insurance rate increases, reductions in actuarially determined retirement rates, and other economic adjustments. Includes 6.0 FTE (unclassified) positions to reflect Executive Revision 2016-1 and the creation of the Department of Talent and Economic Development.	Gross	NA	(\$210,300)
	Federal	NA	(65,300)
	Private	NA	(5,900)
	Restricted	NA	(90,700)
	GF/GP	NA	(\$48,400)

Major Boilerplate Changes From FY 2014-15

Boilerplate Section Renumbering

Renumbers the following sections due to Executive Revisions 2016-1 and 2016-4 and the creation of the Department of Talent and Economic Development:

- Sec. 980 (New – Sec. 990)
- Sec. 981 (New – Sec. 991)
- Sec. 984 (New – Sec. 994)
- Sec. 985 (New – Sec. 995)
- Sec. 1001 (New – Sec. 980)
- Sec. 1039 (New – Sec. 1065)
- Sec. 1039b (New – Sec. 1066)
- Sec. 1045 (New – Sec. 981)
- Sec. 1052 (New – Sec. 1053)
- Sec. 1054 (New – Sec. 1061)
- Sec. 1071 (New – Sec. 1055)

Major Boilerplate Changes From FY 2014-15

DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT (GENERAL SECTIONS)

Sec. 980. Contingency Funds – REVISED

Appropriates \$20.0 million in federal, \$2.0 million in state restricted, \$2.0 million in private contingency funds, and \$100,000 in local contingency funds; authorizes expenditure after legislative transfer to specific line items. Revises to \$30.0 million federal, \$10.0 million in state restricted, \$2.0 million in private, and \$2.0 million in local contingency funds to reflect Executive Revision 2016-1. (Formerly Section 1001 in MSF).

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

Sec. 986. Land Bank Fast Track Authority Operations Report – DELETED

Requires the Land Bank Fast Track Authority to provide a report including a listing of revenue-generating activities mitigating or eliminating the need for GF/GP support, a listing of identified barriers to implement the activities, and a timeline for instituting the activities.

Sec. 990. Housing Rehabilitation Task Force – DELETED

Requires the Michigan State Housing Development Authority to work with the Department of Community Health and the Department of Human Services to appoint members to a joint task force to review housing rehabilitation, energy and weatherization, and hazard abatement program policies and to make recommendations for integrating and coordinating project delivery.

MICHIGAN STRATEGIC FUND

Sec. 1033. Film Incentives Status Report – REVISED

Requires quarterly reports on the status of the film incentives approved under Section 29h of the MSF Act. Revises to remove indirect economic impact, indirect jobs, and indirect investment from the reporting requirement.

Sec. 1034. Business Incubator Program – REVISED

Requires each of the 10 business incubators that received awards in FY 2012-13 from the Innovation and Entrepreneurship line item to submit a dashboard of indicators to gauge performance. Indicates intent of the legislature that any additional funding be based on performance of the business incubator. Revises by striking intent language.

Sec. 1037. Facility for Rare Isotope Beams Debt Service – REVISED

Stipulates that no long-term indebtedness shall be issued by the Michigan Strategic Fund until Michigan State University provides certification that all necessary approvals have been secured and federal funds are available to commence construction of the facility. Caps reimbursement to Michigan State University at \$91.0 million. Provides that the State Budget Director shall retain the authority and fiduciary responsibility associated with the maintenance of the public's financial and policy interests related to state-financed construction projects. Revises by striking subsection (1).

Sec. 1043. West Michigan Film Office – DELETED

Requires \$250,000 of the funds appropriated in part 1 for film incentives to be dedicated to the West Michigan Film Office.

Sec. 1044. Michigan Heritage Restoration Program – DELETED

Directs distribution of \$600,000 GF/GP supporting the Michigan Heritage Restoration Program. Requires grant funds to support neighborhood organizations designated 501(c)(3) and stipulates that grants shall not exceed \$250,000.

Sec. 1049. Michigan Law Enforcement Officers Memorial Monument Fund – DELETED

Directs funds appropriated in part 1 for the Michigan Law Enforcement Officers Memorial Monument Fund to be used as match funds. For every \$1.00 raised in private money, \$2.00 is to be distributed from state funds up to a maximum of \$2.0 million.

Sec. 1052. Community College Skilled Trades Equipment Program Debt Service – DELETED

Stipulates that no long-term indebtedness may be issued by the MSF until the MSF board approves the RFP and guidelines for the Community College Skilled Trades Equipment Program. Specifies that up to \$50.0 million is to be made available for equipment and related investments at community colleges to deliver educational programs in high-wage, high-skill, and high-demand occupations, as identified by regional labor market conditions. States that plans demonstrating collaboration between postsecondary and school districts and ISDs should get additional consideration. Awards to be made by April 1, 2015 through a competitive process. Specifies required proposal requirements for community colleges. Provides guidelines for program and requirements for community colleges participating in program. Provides for the State Budget Director to retain the authority and fiduciary responsibility associated with the maintenance of the public's financial and policy interests related to state-financed construction projects.

Sec. 1053. Status of Projects Report – NEW

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

GENERAL GOVERNMENT: TALENT AND ECONOMIC DEVELOPMENT

Major Boilerplate Changes From FY 2014-15

Sec. 1055. Business Attraction and Community Revitalization Performance Measures – NEW

Requires MSF to identify specific outcomes and performance metrics for the one-time funds associated with the Business Attraction and Community Revitalization line item that shall include, but not be limited to, monthly total jobs and private investment for community projects. (Formerly Sec. 1071)

Sec. 1056. Film Incentive Funds Transfer – NEW

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

Sec. 1057. Aerospace Supplier Development Program – DELETED

Authorizes the fund to appropriate funds dedicated to Entrepreneurship Eco-System for the Aerospace Supplier Development Program. Provides guidance on the expenditure of funds if granted.

Sec. 1058. Transportation Workgroup – DELETED

Requires MSF to conduct a workgroup with MDOT, MDOC, MDHS, and members of the Senate and House of Representatives to determine how the state can maximize services and funding for transportation for low-income individuals.

Sec. 1059. Pre-College Engineering – DELETED

Provides for distribution of funds appropriated to a pre-college engineering program in southeast Michigan.

TALENT INVESTMENT AGENCY

Sec. 1064. Workforce Development Programs Reporting – NEW

Requires MSF to provide a status report on each discrete workforce development agency program supported by funds appropriated in part 1.

Sec. 1066. Skilled Trades Training Program Administration – REVISED

Requires the Skilled Trades Training Program to be administered according to specific guidelines outline in boilerplate. Revises to include subsection allowing up to \$5.0 million to be used for matching funds when a Michigan company has utilized its favored status from the Investments in Manufacturing Communities Partnership to receive an award from the federal government. (Formerly Sec. 1039b)

Sec. 1069. Michigan GED-to-School Program – REVISED

Stipulates that funds appropriated in part 1 for the program are to be used to cover the cost of the GED test free of charge to individuals meeting certain requirements. Requires Workforce Development Agency to develop procedures, provide program information, provide a full-year cost estimate, and provide a report. Revises section to eliminate requirement that individuals enroll in a postsecondary institution within 2 years of taking test. Includes new requirement that individuals score "likely to pass" on the official GED practice test. Includes language designating FY 2014-15 and FY 2015-16 funds as work project. Revises to eliminate reference to funding in part 1 and replace with reference to FY 2014-15 appropriations. *In a signing letter dated June 17, 2015, the Governor asserts that this boilerplate section is unenforceable.*

Sec. 1070. Welfare-to-Work Workgroup – REVISED

Requires the Workforce Development Agency to conduct a workgroup with DHS and members of the Senate and House of Representatives to determine how the state can align the spending on Michigan Works! Job readiness programs with the declining family assistance program caseload. Requires report. Revises language to maintain FY 2014-15 requirement unless the information was already provided by the workgroup in FY 2014-15.

Sec. 1076. Unemployment Insurance Agency Integrated Systems – NEW

Requires the Unemployment Insurance Agency to report on the implementation and improvements to the agency's integrated system project.

Sec. 1077. Internet Michigan Web Account Manager System – NEW

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

Sec. 1078. Internet Michigan Web Account Manager System Performance Metrics – NEW

Requires the Department of Talent and Economic Development to maintain customer service standards for employers and claimants making use of the various means by which they can access the system.

Major Boilerplate Changes From FY 2014-15

Sec. 1079. Career Technology and Skilled Trades Training Programs Performance Metrics – NEW

Requires the Department of Talent and Economic Development to expand workforce training and re-employment services to better connect workers to in-demand jobs.

DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET
Summary of FY 2015-16 Enacted Appropriations
Article VIII, 2015 Public Act 84 (Senate Bill 133)

Analyst: Perry Zielak

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Revised Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	Difference: Enacted From FY 2014-15 YTD	
						Amount	%
IDG/IDT	\$677,193,600	\$678,478,500	\$678,478,500	\$678,478,500	\$678,478,500	\$1,284,900	0.2
Federal	7,974,100	7,997,300	7,997,300	7,997,300	7,997,300	23,200	0.3
Local	3,553,700	3,587,700	3,587,700	3,587,700	3,587,700	34,000	1.0
Private	190,400	190,100	190,100	190,100	190,100	(300)	(0.2)
Restricted	94,322,000	95,771,900	95,771,900	99,271,900	95,771,900	1,449,900	1.5
GF/GP	445,798,500	478,880,800	470,380,800	468,503,800	477,198,200	31,399,700	7.0
Gross	\$1,229,032,300	\$1,264,906,300	\$1,256,406,300	\$1,258,029,300	\$1,263,223,700	\$34,191,400	2.8
FTEs	2,823.0	2,839.0	2,834.0	2,839.0	2,850.0	27.0	1.0

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

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

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
1. Removal of FY 2014-15 One-Time Appropriations	Gross	\$22,522,000	(\$22,522,000)
Eliminates one-time funding of \$22.5 million Gross (\$14.7 million GF/GP) for various projects: Litigation Fund (\$2.0 million GF/GP, on top of EO 2015-5 reduction of \$2.0 million); Regional Prosperity Grants (\$500,000 GF/GP, on top of EO 2015-5 reduction of \$500,000); Technology Services funding (\$6.9 million IDG, \$300 GF/GP); Office of Urban Initiatives (\$4.0 million GF/GP, on top of EO 2015-5 reduction of \$1.0 million); Business One Stop – Depreciation (\$871,700 IDG); Special Projects (\$1.2 million GF/GP); and Enterprisewide Special Maintenance (\$7.0 million GF/GP).	IDG	7,771,700	(7,771,700)
	GF/GP	\$14,750,300	(\$14,750,300)
2. State Building Authority (SBA) Rent Payments	Gross	\$236,770,600	\$17,800,000
Restores \$17.8 million GF/GP to State Building Authority rent funding that was reduced in the FY 2014-15 mid-year negative supplemental (HB 4112 (2015 PA 6)).	GF/GP	\$236,770,600	\$17,800,000
3. Capital Outlay – Enterprisewide Special Maintenance at State Facilities	Gross	\$20,000,000	\$11,500,000
Increases funding by \$11.5 million GF/GP for maintenance and upkeep projects at state-owned properties. The figure includes \$5.0 million in restored funding from reductions made in Executive Order 2015-5.	GF/GP	\$20,000,000	\$11,500,000

GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>		FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
4. Motor Vehicle Fleet	Gross	\$67,669,300	\$6,515,500
Increases spending authorization by \$6.5 million IDG to meet anticipated costs of the state's motor vehicle fleet, which is wholly funded by charges paid by agencies using the fleet.	IDG	67,669,300	6,515,500
5. Information Technology Investment Fund	Gross	\$60,500,000	\$4,500,000
Increases funding by \$4.5 million GF/GP to continue upgrading various IT-related projects and legacy systems. The figure includes \$2.5 million in restored funding from reductions made in Executive Order 2015-5. Total proposed funding is \$65.0 million rolled out over five lines.	GF/GP	\$60,500,000	\$4,500,000
6. General Services Technical Adjustments	FTE	324.5	5.0
Aligns funding of the Information Technology IDGs with agency investment requests by \$3.8 million. Includes funding and FTE authorization for Treasury Business Portal (\$2.0 million IDG and 2.0 FTEs), Treasury City Income Tax Operations (\$1.2 million IDG and 2.0 FTEs), and Treasury Personal Property Tax Reform Operations (\$650,000 IDG and 1.0 FTE).	Gross	\$90,562,100	\$3,850,000
	IDG	90,562,100	3,850,000
7. Additional One-Time Appropriations	Gross	NA	\$3,605,000
Added one-time appropriations of \$500,000 GF/GP for the Cost Study of 2014 PA 555, \$3.0 million GF/GP for Treasury technology services, and \$105,000 GF/GP for Special Grants.	GF/GP	NA	\$3,605,000
8. Office of Urban Initiatives	FTE	NA	5.0
Establishes ongoing funding of \$2.5 million GF/GP and 5.0 FTEs, partially restoring an Executive Order 2015-5 reduction to one-time funding, for urban and metropolitan initiatives respective to transportation, public services, land use/sustainability, housing, and workforce development.	Gross	NA	\$2,500,000
	GF/GP	NA	\$2,500,000
9. Information Technology Interdepartmental Grant (IDG) Adjustments	Gross	NA	(\$2,018,800)
Reduces funding by \$2.0 million IDG to align funding of the Information Technology IDGs with adjusted anticipated agency costs.	IDG	NA	(2,018,800)
10. Michigan Public Safety Communications System (MPSCS)	Gross	\$38,359,000	\$1,500,000
Increases funding by \$1.5 million GF/GP for radio replacement cycle and system maintenance. Funding was decreased by \$3.5 million in Executive Order 2015-5 for FY 2014-15, proposal maintains \$2.0 million of that reduction resulting in \$1.5 million increase over prior fiscal year adjusted numbers.	Local	2,212,100	0
	GF/GP	\$36,146,900	\$1,500,000
11. Office of Retirement Services - Deferred Compensation Fund	Gross	\$25,983,700	\$1,257,600
Increases funding authorization by \$1.2 million state restricted revenue to Defined Contribution/Deferred Compensation Fund in the Office of Retirement Services to cover increased administrative expenses.	Restricted	20,738,900	1,257,600
	GF/GP	\$5,244,800	\$0
12. Civil Service Commission	Gross	\$4,385,800	(\$1,085,800)
Reduces funding of \$1.1 million GF/GP to the Civil Service Commission's Information Technology Services and Projects.	Federal	1,025,400	0
	Restricted	1,407,800	0
	GF/GP	\$1,952,600	(\$1,085,800)
13. Homeland Security/Cyber Security	Gross	\$8,068,200	\$1,000,000
Restores \$1.0 million GF/GP of funding reductions made in Executive Order 2015-5: Homeland Security Initiative/Cyber Security.	GF/GP	\$8,068,200	\$1,000,000

GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>		<u>FY 2014-15 YTD</u> <u>(as of 3/12/15)</u>	<u>Enacted Change</u> <u>From YTD</u>
14. Legal Services	Gross	NA	\$1,000,000
Establishes one-time funding of \$1.0 million GF/GP, restoring an Executive Order 2015-5 reduction to one-time funding, for major litigation involving the Governor and Attorney General in their official capacity, and for securing outside legal advice on major statewide issues not unique to a single agency.	GF/GP	NA	\$1,000,000
15. Procurement Improvement Plan – Category Management Implementation	FTE	91.0	6.0
Includes funding of \$825,000 Gross (\$479,100 GF/GP) and 6.0 FTEs to examine state purchasing from an enterprisewide perspective and reduce the number of contracts and suppliers utilized.	Gross	\$10,476,400	\$825,000
	IDG	452,900	16,900
	Federal	100	0
	Restricted	4,916,300	329,000
	GF/GP	\$5,107,100	\$479,100
16. State Emergency Operations Center	Gross	\$91,352,000	\$631,700
Increases authorization by \$631,700 IDG to the Building Operation Services line item to cover revenue, maintenance, utilities, security, and operations costs of the State Emergency Operations Center commencing October 1, 2015.	IDG	91,352,000	631,700
17. One-Time Technology Service Funding	Gross	NA	\$600,000
Increases funding by \$600,000 IDG to align agency IT funding costs for the Treasury Business Portal.	IDG	NA	600,000
18. Offset of GF and Restricted Revenue	Gross	NA	\$0
Reduces funding by \$45,000 GF/GP for the Office of State Employer to offset increase in restricted revenue authorization from the Health Management Fund.	Restricted	NA	45,000
	GF/GP	NA	(\$45,000)
19. Professional Development Funds	Gross	\$1,095,000	\$7,600
Increases funding by \$7,600 IDG for adjustments to employer contributions for Professional Development Funds based on negotiated contracts.	IDG	1,095,000	7,600
20. Various Technical Adjustments	Gross	NA	\$478,100
Makes fund source adjustments by replacing \$3,100 GF/GP with \$3,100 IDG and \$12,700 restricted revenue with \$12,700 IDG for various adjustments, including: funding authorization realignment, Statewide Cost Allocation Plan adjustment, and State Building Authority Rent adjustment. Finally restores \$478,100 in IDG user fee authorizations that were reduced based on FY 2014-15 mid-year adjustment.	IDG	NA	493,900
	Restricted	NA	(12,700)
	GF/GP	NA	(\$3,100)
21. Administrative Services Offsets	Gross	\$17,611,900	\$0
Makes fund source adjustments that result in \$781,700 GF/GP increase. This includes a \$981,700 GF/GP increase to offset restricted revenues supporting departmental administrative services, in addition to a \$200,000 GF/GP decrease to offset an increase in procurement card revenue authorization.	IDG	11,259,200	(694,700)
	Restricted	4,232,500	(87,000)
	GF/GP	\$2,120,200	\$781,700
22. Executive Revision 2016-1, Office of New Americans	Gross	\$17,611,900	(\$208,000)
Incorporates Executive Revision 2016-1, which reallocated funding from Administrative Services to the Department of Licensing and Regulatory Affairs (LARA) for the Office of New Americans.	IDG	11,259,200	0
	Restricted	4,232,500	0
	GF/GP	\$2,120,200	(\$208,000)
23. Executive Revision 2016-3, School Reform Office	FTE	NA	11.0
Incorporates Executive Revision 2016-3, which moved the School Reform Office from the Department of Education to DTMB.	Gross	NA	\$2,420,900
	GF/GP	NA	\$2,420,900

GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>	<u>FY 2014-15 YTD</u>	<u>Enacted Change</u>
	<u>(as of 3/12/15)</u>	<u>From YTD</u>
24. Economics	Gross	NA
Reflects net cost increase of \$34,600 Gross (\$405,200 GF/GP) for negotiated salary and wage amounts (2.0% base increase), insurance rate increases, reductions in actuarially required retirement rates, and other economic adjustments.	IDG	(345,500)
	Federal	23,200
	Local	34,000
	Private	(300)
	Restricted	(82,000)
	GF/GP	\$405,200

Major Boilerplate Changes From FY 2014-15

Sec. 808a. Building Occupancy; Vacated Space – DELETED

Barred DTMB from charging for building occupancy for unoccupied space if the affected department or agency has given prior notice to vacate the space as specified by the section.

Sec. 809. Computer Contracts – REVISED

Requires DTMB to report revisions that increase or decrease current contracts for computer software development, hardware acquisition, or quality assurance by more than \$500,000 on a quarterly basis.

Sec. 813.(5) Motor Vehicle Fleet – DELETED

Promoted use of remanufactured parts.

Sec. 814a. Enterprisewide Information Technology Investment Projects – NEW

Explains purpose of the enterprisewide IT investment projects.

Sec. 815. Energy Savings Performance Contracts – DELETED

Required DTMB to review capital improvement projects over \$500,000 for possible inclusion in an energy savings performance contract; required report on use of energy savings performance contracts.

Sec. 817. Call Center Locations – DELETED

Authorized DTMB to require a contractor providing state call center services to disclose to callers the location from which services are being provided.

Sec. 822. Report on Unclassified Salaries – REVISED

Requires a report on individual appointee and unclassified employee salaries by January 1 and be available electronically.

Sec. 822f. Regional Prosperity Initiative – REVISED

Provides guidelines for the Regional Prosperity Initiative. (Formerly Sec. 890)

Sec. 822g. Wayland Police Post – DELETED

Required DTMB to assist state police as necessary in discussions with City of Wayland regarding a potential joint public safety building.

Sec. 822g. Legal Fund – NEW

Requires itemized report on legal fund expenditures.

Sec. 822h. One Division Building – DELETED

Required DTMB to evaluate the feasibility of repurposing the One Division Building in Grand Rapids for a new state police crime laboratory.

Sec. 822h. Office of Urban Initiatives – NEW

Requires office to submit report on expenditures, economic impact and job growth initiatives for each urban and metropolitan area receiving funds.

Sec. 822i. School Reform Office – NEW

Requires report on the number of students within and the performance of schools within the state school reform district.

Sec. 827.(4) Michigan Public Safety Communications System (MPSCS) – REVISED

Requires annual report of receipts and expenditures for each six-month period of the fiscal year.

GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET

Major Boilerplate Changes From FY 2014-15

Sec. 836. Cloud Computing – DELETED

Required DTMB to conduct analyses on use of public or private cloud computing technologies for new projects and for migration of existing projects or system platforms.

Sec. 840. Online Citizens Guide – DELETED

Required DTMB to issue RFP for publicly accessible statewide online citizens guide.

Sec. 866. State Building Authority (SBA) Leases – DELETED

Expressed legislative approval for execution of SBA leases for SBA-financed construction.

Sec. 867. Farnum Building – NEW

Allocates proceeds from the sale of the Farnum Building to DTMB. If net proceeds are less than \$7.0 million, the shortfall would be appropriated to the department.

Sec. 895. Michigan Business One-Stop (MBOS) – DELETED

Prohibited DTMB from charging other departments and agencies for continued MBOS operation, and allowed DTMB to spend up to \$1.5 million of its own funds on MBOS maintenance and operation to the extent necessary to minimize disruptions while transitioning to elimination of MBOS.

Sec. 896. Farnum Building – DELETED

Required DTMB to make up to \$7.0 million available to the Senate for future costs associated with the relocation from the Farnum Building. Proceeds from sale of Farnum Building would be used to repay DTMB.

Sec. 897. Special Projects – DELETED

From the \$1.25 million appropriated for special projects, allocated \$500,000 for 120 payments to National Guard retirees and \$250,000 to the Catholic Charities Center for Hope in Genesee, leaving \$500,000 unallocated.

DEPARTMENT OF TREASURY
Summary of FY 2015-16 Enacted Appropriations
Article VIII, 2015 Public Act 84 (Senate Bill 133)

Analyst: Ben Gielczyk

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Revised Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	Difference: Enacted From FY 2014-15 YTD	
						Amount	%
IDG/IDT	\$9,409,100	\$9,500,700	\$9,500,700	\$9,500,700	\$9,500,700	\$91,600	1.0
Federal	39,705,400	39,661,500	39,661,500	39,661,500	39,661,500	(43,900)	(0.1)
Local	1,982,500	9,029,700	9,029,700	9,029,700	9,029,700	7,047,200	355.5
Private	23,100	25,400	25,400	25,400	25,400	2,300	10.0
Restricted	1,607,860,400	1,605,956,600	1,624,837,600	1,606,215,600	1,606,455,600	(1,404,800)	(0.1)
GF/GP	274,063,300	269,379,300	275,229,700	277,103,400	280,379,300	6,316,000	2.3
Gross	\$1,933,043,800	\$1,933,553,200	\$1,958,284,600	\$1,941,536,300	\$1,945,052,200	\$12,008,400	0.6
FTEs	1,873.5	1,911.5	1,911.5	1,911.5	1,911.5	38.0	2.0

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

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

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
1. Constitutional Revenue Sharing	Gross	\$758,272,400	\$25,593,700
Includes \$25.6 million in restricted sales tax revenues to adjust constitutional revenue sharing payments upward 3.4% from the FY 2014-15 budget act appropriated amount (3.1% above the May 2015 Consensus Revenue Estimating Conference (CREC) estimate for FY 2014-15). FY 2015-16 amount is based on May 2015 CREC estimates.	Restricted	758,272,400	25,593,700
2. City, Village, and Township Revenue Sharing	Gross	\$248,840,000	\$0
Maintains FY 2014-15 funding level and provides all CVTs eligible for a payment in FY 2014-15 with 100% of their FY 2014-15 payment if required conditions under Section 952 are met.	Restricted	248,840,000	0
3. County Revenue Sharing/County Incentive Program	Gross	\$211,200,000	\$3,500,000
Increases county payments by \$3.5 million in restricted sales tax revenue to accommodate two new counties coming online for state payments in FY 2015-16. Maintains full-funding levels for county revenue sharing. Maintains 80% of funding distributed through county revenue sharing and 20% through County Incentive Program.	Restricted	211,200,000	3,500,000
4. Financially Distressed Cities, Villages, and Townships	Gross	\$8,000,000	(\$3,000,000)
Removes \$3.0 million in one-time restricted sales tax revenues for Financially Distressed CVT grant program. Maintains \$5.0 million in ongoing funding for Financially Distressed CVT grant program.	Restricted	8,000,000	(3,000,000)

GENERAL GOVERNMENT: TREASURY

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>	<u>FY 2014-15 YTD</u>	<u>Enacted Change</u>
	<u>(as of 3/12/15)</u>	<u>From YTD</u>
5. Payments in Lieu of Taxes	Gross	\$21,174,900
Increases by \$4.9 million Gross (\$4.5 million GF/GP) to support scheduled and statutory-required increases in payments in lieu of taxes (PILT). Swamp and tax-reverted lands PILT increases from \$3 to \$4 per acre in FY 2015-16 per statute.	Private	2,300
	Restricted	448,400
	GF/GP	\$4,468,500
	Gross	\$152,395,000
6. Debt Service	GF/GP	\$4,054,000
Increases by \$4.1 million GF/GP to support scheduled and statutory-required debt service payments. Funding increase allows for \$5.0 million in new bond issues related to the Strategic Water Quality Initiative.		
7. City Income Tax Administration Program	FTE	NA
Includes \$7.1 million in local funds and 24.0 FTEs to support the City Income Tax Administration Program. Under the program, the Department of Treasury would collect the City of Detroit's individual income tax. A portion of the funding would support expansion of the system to include collection of the City of Detroit's business tax in the future. Transfers additional 26.0 FTEs from Tax Processing to support program.	Gross	NA
	Local	7,050,000
		24.0
	Gross	\$7,050,000
8. Personal Property Tax Reform Administration	FTE	NA
Includes \$3.3 million GF/GP and 9.0 FTEs to support administration of the personal property tax reform changes including collection and distribution of the essential services assessment.	Gross	NA
	GF/GP	\$3,345,000
		9.0
	Gross	\$3,345,000
9. Financial Review Commission	FTE	NA
Includes \$2.0 million GF/GP and 8.0 FTEs to support new Financial Review Commission created under the Michigan Financial Review Commission Act. The commission will ensure that the City of Detroit is meeting statutory requirements under the city's debt-cutting plan, review and approve the city's four-year financial plan, and ensure fiscal management, among other roles and responsibilities.	Gross	NA
	GF/GP	\$2,000,000
		8.0
	Gross	\$2,000,000
10. Financial Independence Teams	Gross	\$2,250,000
Increases by \$1.5 million GF/GP to restore a portion of the FY 2014-15 mid-year negative supplemental (HB 4112 (H-1)) reduction of \$2.3 million GF/GP to the program.	GF/GP	\$1,450,000
		\$2,250,000
11. Treasury Online Business Portal	Gross	NA
Includes \$2.6 million GF/GP (\$600,000 GF/GP considered one-time) for the Department of Treasury's Business Portal. The portal allows businesses to conduct online business tax registration, tax returns, and tax payments.	GF/GP	NA
		\$2,600,000
12. Urban Search and Rescue Task Force	Gross	NA
Includes \$300,000 GF/GP to support an Urban Search and Rescue Task Force, which provides technical rescue operations and equipment in the event of a disaster or emergency that causes widespread structural damage in urban areas.	GF/GP	NA
		\$300,000
13. Supervision of General Property Tax Law	Gross	\$16,817,500
Reduces by \$250,000 GF/GP. Reduction is targeted at the Office of Fiscal Responsibility.	Local	0
	Restricted	0
	GF/GP	(\$250,000)
		\$9,878,700
14. Chaldean Community Foundation Grant	Gross	NA
Includes \$250,000 GF/GP to support grant to the Chaldean Community Foundation.	GF/GP	NA
		\$250,000
15. Dual Enrollment Payments	Gross	\$1,005,200
Includes additional \$500,000 GF/GP to accommodate growth in dual enrollment payments.	GF/GP	\$500,000
		\$1,005,200

GENERAL GOVERNMENT: TREASURY

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>		FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
16. Senior Citizen Cooperative Housing Tax Exemption Program	Gross	\$10,020,000	\$500,000
Includes \$500,000 GF/GP to accommodate expected increased payments under the program.	GF/GP	\$10,020,000	\$500,000
17. Presidential Primary Payments	Gross	NA	\$10,000,000
Includes \$10.0 million GF/GP in one-time funds to support grants to local governments for costs associated with the 2016 Presidential Primary.	GF/GP	NA	\$10,000,000
18. Facility for Rare Isotope Beams Debt Service	Gross	\$7,300,000	(\$7,300,000)
Shifts \$7.3 million GF/GP funding for Facility for Rare Isotope Beams debt service to the Department of Talent and Economic Development per Executive Revision 2016-1.	GF/GP	\$7,300,000	(\$7,300,000)
19. Casino Gaming Legal Affairs and Gaming Regulation	FTE	NA	12.0
Includes \$514,100 in restricted funds and 12.0 FTEs to support licensing and regulation of live horse races, verify electronic gaming devices, and enhance the agency's communication strategies.	Gross	NA	\$514,100
	Restricted	NA	514,100
20. Office of Racing Commissioner Adjustment	Gross	\$2,352,400	(\$670,100)
Reduces Office of Racing Commissioner by \$670,100 Gross due to an adjustment to the Equine Development Fund fund source. Fund source is adjusted to more accurately reflect revenues in fund.	Restricted	2,352,400	(670,100)
21. Lottery Promotion and Advertising	Gross	\$18,622,000	(\$18,622,000)
Removes \$18.6 million in State Lottery Fund for promotion and advertising. Line item appropriation is removed and replaced with boilerplate that would appropriate to the Bureau of State Lottery 1% of the prior fiscal year's gross sales or \$23.0 million, whichever is less, for promotion and advertising.	Restricted	18,622,000	(18,622,000)
22. Contractual Services, Supplies, and Materials Reductions	Gross	NA	(\$300,000)
Reduces various tax programs line items by \$300,000 GF/GP. Reflects budget savings from reductions in contracted services, supplies, and materials (CSS&M). Executive Order 2015-5 and HB 4112 (H-1) implemented \$1.1 million in CSS&M reductions to Tax and Economic Policy (\$600,000 GF/GP) and Tax Compliance (\$500,000 GF/GP). Further reduces both programs by an additional \$50,000 GF/GP and reduces Tax Processing and Office of Collections by \$100,000 GF/GP.	GF/GP	NA	(\$300,000)
23. Fund Source Revenue Adjustments	Gross	NA	(\$3,264,500)
Includes net reduction of \$3.3 million Gross (\$0 GF/GP) to align appropriation with actual available revenues in fund source. Adjusts IDG for Data Collection Services Fee up by \$40,000 and Land Reutilization Fund restricted funds down by \$3.3 million. Makes technical adjustment in fund sourcing by shifting \$62,300 in restricted funding to IDG funding.	IDG	NA	102,300
	Restricted	NA	(3,366,800)

GENERAL GOVERNMENT: TREASURY

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>	FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
24. One-Time Appropriations	FTE 15.0	(15.0)
Provides a net reduction of \$20.4 million Gross (\$15.2 million GF/GP) and 15.0 FTEs in one-time appropriations. Personal property tax payments to reimburse local units for lost debt service millages under the personal property tax reforms are retained at \$19.3 million GF/GP. Funding for the following items is removed: credit card payment services (\$500,000 GF/GP and 6.0 FTEs), personal property tax reform implementation (\$1.5 million GF/GP and 9.0 FTEs), City of Flint police and fire safety grant (\$1.1 million GF/GP), MBT adjustments under PA 282 of 2014 (\$1.0 million GF/GP), Financial Review Commission from PA 182 of 2014 (\$100,000 GF/GP), May Election Administration included in HB 4112 (H-1) (\$10.0 million GF/GP), Driver Responsibility Fee Phase Out Administrative Costs included in HB 4112 (H-1) (\$550,000 Restricted), Transportation Ballot Proposal IT included in HB 4112 (H-1) (\$1.0 million GF/GP), Gaming Control Board IT Replacement included in HB 4112 (H-1) (\$3.0 million Restricted), and Fraud Prevention Services included in HB 4112 (H-1) (\$1.6 million Restricted).	Gross \$39,650,000	(\$20,350,000)
	Restricted 5,150,000	(5,150,000)
	GF/GP \$34,500,000	(\$15,200,000)
25. MSHDA Executive Director Transfer Out	Gross \$259,000	(\$259,000)
Removes \$259,000 Gross to reflect Executive Revision 2016-1 which transferred the MSHDA Executive Director to the new Department of Talent and Economic Development.	Restricted 259,000	(259,000)
26. Economic Adjustments	Gross NA	(\$552,000)
Includes net cost reduction of \$552,000 Gross (\$101,500 GF/GP) for negotiated salary and wage amounts (2.0% base increase), insurance rate increases, reductions in actuarially determined retirement rates, and other economic adjustments.	IDG NA	(10,700)
	Federal NA	(43,900)
	Local NA	(2,800)
	Restricted NA	(393,100)
	GF/GP NA	(\$101,500)

Major Boilerplate Changes From FY 2014-15

Sec. 906. Audit Charges – REVISED

Requires Treasury to charge for audits and report on audits performed and audit charges; appropriation for state compliance audits to be for cost of audits performed by independent CPAs or Treasury auditors; creates Audit Charges Fund revolving fund to collect contract charges and carry forward for future appropriation. Revises to include statement that charge shall not be more than the actual cost for performing the audit.

Sec. 919. Contracted Audit and Collection Services – REVISED

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

Sec. 944. Pension Plan Consultant Report – REVISED

Requires Treasury to forward any report received from a pension plan consultant within 30 days of receipt. Revises section to require the department to retain a copy of the report and make available upon request rather than forward the report.

Sec. 945. Assessment and Certification Division Reviews – REVISED

Requires assessment and certification division to conduct 14-point reviews in at least one assessment jurisdiction per county. Revises reference from 14-point review to Audit of Minimal Assessing Requirements.

Sec. 949. Fraud Prevention Appropriation – NEW

Specifies that the Department of Treasury may contract with private agencies from the funds appropriated in part 1 to prevent the disbursement of fraudulent tax refunds. Appropriates a total amount not to exceed \$1.6 million from the fund or account to which the revenues being collected are recorded or dedicated to pay contract costs or fund operations designed to reduce fraudulent income tax refund payments. Requires report.

Major Boilerplate Changes From FY 2014-15

Sec. 949a. City of Flint Police and Fire Grant – DELETED

Requires appropriation of \$1.1 million to be expended on police and fire services in the city of Flint. Authorizes emergency manager or receivership transition advisory board to determine distribution of funds.

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

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

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

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

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

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

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

Specifies that the department shall expand financial review commission efforts in FY 2015-16. The funds shall cover ongoing costs associated with the operation of the commission. Provides example of performance metric/outcome stating that the funding will allow the department to perform critical fiscal review to ensure the city of Detroit does not reenter distress following its exit from bankruptcy.

Sec. 949e. State Essential Services Assessment Program – NEW

Specifies the purpose of the new program is to provide the department with the ability to collect the new state essential services assessment which is a phased-in replacement of locally collected personal property taxes on eligible manufacturing personal property.

Sec. 949f. Tobacco Tax Revenue Distribution Appropriation Authorization – NEW

Requires revenue received under the tobacco products act related to Wayne County to be appropriated and distributed as required under the act.

Sec. 949g. Urban Search and Rescue Task Force – NEW

Allocates \$300,000 to the urban search and rescue task force. Requires the task force to provide reports on FY 2014-15 revenues and expenditures, proposed FY 2015-16 grant expenditures, and a final report on FY 2015-16 grant expenditures.

REVENUE SHARING

Sec. 952. City, Village, and Township Revenue Sharing – REVISED

Specifies distribution of \$248.8 million to all cities, villages, and townships (CVTs) with a population of 7,500 or more by providing the greater of a 3.05% increase over its FY 2013-14 payment or a per capita payment of \$2.65. CVTs with a population below 7,500 that were eligible for an Economic Vitality Incentive Program (EVIP) payment in FY 2013-14 would be eligible to receive a 3.05% increase from their FY 2013-14 EVIP payment. In order to qualify for its eligible payment a CVT would be required to comply with the items listed under accountability and transparency. To qualify for county incentive payment counties would be required to comply with the items listed under accountability and transparency. Any unexpended funds would be deposited in the Financial Distressed CVTs program in Sec. 956. Revises to provide an eligible payment equal to 100% of the FY 2014-15 payment to all CVTs that were eligible for a payment in FY 2014-15 provided accountability and transparency requirements are met.

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

Specifies distribution of \$8.0 million as grants to CVTs that have one or more conditions of probable 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. Revises language to accommodate program practices; revises amount to \$5.0 million to match appropriation; revises report date to March 30.

Sec. 957. CVT Revenue Sharing Workgroup – NEW

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

GENERAL GOVERNMENT: TREASURY

Major Boilerplate Changes From FY 2014-15

Sec. 958. *Statewide Online Financial Accountability Reporting System* – DELETED

Requires department to work with DTMB to issue an RFP for a statewide online financial accountability reporting system accessible to the general public that displays local government audit data.

LOTTERY

Sec. 964. *Promotion and Advertising Appropriation* – NEW

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

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Summary of FY 2015-16 Enacted Appropriations
Article X, 2015 Public Act 84 (Senate Bill 133)

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

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Revised Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	Difference: Enacted From FY 2014-15 YTD	
						Amount	%
IDG/IDT	\$30,971,800	\$13,551,600	\$33,938,400	\$33,938,400	\$13,551,600	(\$17,420,200)	(56.2)
Federal	16,996,016,000	18,008,147,100	17,997,191,900	18,027,148,800	18,419,268,900	1,423,252,900	8.4
Local	269,058,100	131,403,000	131,403,000	126,384,100	123,339,800	(145,718,300)	(54.2)
Private	147,326,500	154,055,600	154,055,600	154,055,600	156,409,100	9,082,600	6.2
Restricted	2,253,318,700	2,406,246,200	2,247,899,600	2,290,718,800	2,214,269,600	(39,049,100)	(1.7)
GF/GP	4,069,862,300	3,955,647,100	4,089,553,700	4,102,190,200	4,142,798,100	72,935,800	1.8
Gross	\$23,766,553,400	\$24,669,050,600	\$24,654,042,200	\$24,734,435,900	\$25,069,637,100	\$1,303,083,700	5.5
FTEs	15,867.6	15,502.0	15,724.0	15,670.0	15,443.0	(424.6)	(2.7)

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and 2015 Public Act 6 (House Bill 4112)). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Executive figures reflect revisions to implement Executive Order 2015-4. Individual articles for the Departments of Human Services and Community Health in the House- and Senate-passed budgets were merged into a single article of Senate Bill 133 for the enacted DHHS budget in a manner largely consistent with those executive revisions.

Overview

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

Major Budget Changes From FY 2014-15 YTD Appropriations

BUDGETWIDE ADJUSTMENTS

1. DHHS Merger Budget Changes

Includes numerous appropriation line item adjustments to merge from two department budgets (SB 118 and SB 124 Conference Reports) into one, including elimination of interdepartmental grants from DHS to DCH, consolidation of Departmentwide line items and other like functions, and reorganization of certain funding, programs, and agencies throughout the budget, including adult and aging services.

	FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
FTE	NA	0.0
Gross	NA	(\$7,546,600)
IDG	NA	(7,546,600)
Federal	NA	0
Local	NA	0
Private	NA	0
Restricted	NA	0
GF/GP	NA	\$0

HEALTH AND HUMAN SERVICES

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>	<u>FY 2014-15 YTD (as of 3/12/15)</u>	<u>Enacted Change From YTD</u>
2. Public Assistance Caseload Adjustments		
Decreases funding for public assistance programs by \$156.4 million Gross (reduction of \$13.2 million GF/GP) as follows:	Gross	NA (\$156,355,500)
	Federal	NA (140,025,500)
	Restricted	NA (3,080,900)
	GF/GP	NA (\$13,249,100)
<ul style="list-style-type: none"> • Food Assistance Program (FAP) is reduced by \$128.3 million Gross (\$0 GF/GP); the monthly caseload estimate is adjusted from 854,700 cases at \$248.36 per month to 809,100 cases at \$243.90 per month; funding also increased by \$50.1 million Gross (\$0 GF/GP) for estimated costs due to <u>Barry, et al, v. Lyons</u> court ruling. • Family Independence Program (FIP) is reduced \$27.1 million Gross (\$12.0 million GF/GP) from 32,300 cases at \$363.00 per month to 28,730 cases at \$362.75 per month. • State Disability Assistance (SDA) program is reduced \$1.6 million Gross (GF/GP reduced \$1.9 million) from 6,450 cases at \$212.00 per month to 5,566 cases at \$209.88 per month. • State Supplementation program is increased \$660,400 GF/GP from 279,100 cases at \$18.75 per month to 276,585 cases at \$19.04 per month. 		
3. Child Welfare Caseload Adjustments		
Increases funding for child welfare programs \$2.7 million Gross (\$1.3 million GF/GP) as follows:	Gross	NA (\$13,766,300)
	Federal	NA (11,232,000)
	Local	NA (2,767,300)
	Private	NA 391,200
	GF/GP	NA (\$158,200)
<ul style="list-style-type: none"> • Foster care payments are increased by \$416,900 Gross (\$5.5 million GF/GP) from 6,500 cases at \$27,085 per year to 6,175 cases at \$27,877 per year. • Adoption subsidies are reduced \$10.5 million Gross (\$3.9 million GF/GP) from 26,725 cases at \$730.25 per month to 25,064 cases at \$745.00 per month. • Guardianship assistance payments are increased \$1.4 million Gross (\$766,900 GF/GP) for an estimate of 900 cases at \$825.94 per month. • Child Care Fund is reduced \$5.1 million Gross (\$2.5 million GF/GP). 		
4. Budgetary Savings: Staffing Reductions		
Distributes the reductions from the \$7.5 million GF/GP staffing reductions line item in FY 2014-15 DHS budget to various human services line items within the Department budget; the FY 2014-15 \$7.5 million GF/GP savings was achieved by (1) eliminating 332.0 FTEs and an associated \$6.3 million Gross funding (\$4.5 million GF/GP). Savings are annualized through reductions in multiple line items in budget, (2) increasing Temporary Assistance for Needy Families (TANF) funding by \$3.0 million to save \$3.0 million GF/GP.	FTE	0.0 (332.0)
	Gross	(\$7,500,000) (\$6,296,800)
	Federal	0 (6,291,700)
	Local	0 (5,100)
	GF/GP	(\$7,500,000) \$0
5. Adjustments to Current Human Services Baseline		
Adjusts funding by decreasing federal funding by \$8.7 million and increasing GF/GP spending by \$8.7 million to align line item appropriations with projected spending and available revenues; also adjusts FTE allocations to align with supportable positions (81.7); discontinues \$7.0 million one-time fund source shift from GF/GP to TANF federal funding authorized by the supplemental appropriations Act 6 of 2015 (HB 4112).	FTE	NA (81.7)
	Gross	NA \$0
	Federal	NA (15,650,400)
	Private	NA (90,000)
	GF/GP	NA \$15,740,400

HEALTH AND HUMAN SERVICES

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>	<u>FY 2014-15 YTD (as of 3/12/15)</u>	<u>Enacted Change From YTD</u>
6. Base Medicaid, MICHild, and Federal Medicare Pharmaceutical Program Cost Adjustments	Gross \$12,915,340,200	\$190,188,200
Provides a net 1% increase of \$190.2 million Gross (\$70.3 million GF/GP) for caseload, utilization, and inflation adjustments for Medical Services, Behavioral Health Services, Children's Special Health Care Services, Federal Medicare Pharmaceutical Program, and Family Support Subsidy based on estimates agreed to at the May Consensus Revenue Estimating Conference. Amount also includes the Federal Medical Assistance Percentage (FMAP) adjustment from 65.54% to 65.60% and the Enhanced FMAP adjustment from 75.88% to 98.92%, offsetting \$23.7 million GF/GP. FY 2014-15 supplemental adjustments agreed to at the May Consensus Revenue Estimating Conference are also included in the bill (see final 2 pages of DHHS section).	IDG 2,999,900 Federal 8,448,405,800 Local 45,465,200 Private 2,100,000 Restricted 1,900,374,300 GF/GP \$2,515,995,000	(11,000) 145,159,600 0 0 (1,536,100) \$46,575,700
7. Healthy Michigan Plan (HMP) Cost Adjustments	Gross \$2,651,022,800	\$960,427,100
Provides a net increase of 18% in FY 2014-15 HMP costs of \$485.9 million and a net increase of 15% in FY 2015-16 HMP costs of \$474.6 million, reflecting increased federal funding for caseload, utilization, and inflation adjustments in Medical Services and Behavioral Health Services for Healthy Michigan Plan/Medicaid expansion based on estimates agreed to at the May Consensus Revenue Estimating Conference. HMP costs are funded with 100% federal revenue through the end of calendar year 2016. FY 2014-15 supplemental adjustments agreed to at the May Consensus Revenue Estimating Conference are also included in the bill (see final 2 pages of DHHS section).	Federal 2,651,022,800 GF/GP \$0	960,427,100 \$0
8. Healthy Michigan Plan (HMP) MACI Payments	Gross \$0	\$318,200,000
Provides \$318.2 million in federal funding for Medicaid Access to Care Initiative (MACI) payments to hospitals under Healthy Michigan Plan; these payments had not previously been appropriated. FY 2014-15 supplemental adjustments for HMP MACI payments area also included in the FY 2015-16 budget bill (see final 2 pages of DHHS section). FY 2015-16 funding is the same amount that will be appropriated for FY 2014-15 HMP MACI payments.	Federal 0 GF/GP \$0	318,200,000 \$0
9. Actuarially Sound Capitation Payment Rates Adjustments	Gross \$9,820,800,900	\$170,040,500
Provides \$170.0 million Gross (\$38.0 million GF/GP) to increase capitation payment rates for Medicaid Health Plans 2.0% and Prepaid Inpatient Health Plans (PIHPs) 1.5% to comply with federal requirement that rates for managed care entities are actuarially sound. Line items increased include Medicaid mental health services, Medicaid substance use disorder services, Healthy Michigan Plan – behavioral health, health plan services, and Healthy Michigan Plan.	IDG 2,999,900 Federal 7,402,104,700 Local 38,846,400 Restricted 1,235,226,000 GF/GP \$1,141,623,900	0 132,035,300 0 0 \$38,005,200
DEPARTMENTWIDE ADMINISTRATION		
10. Departments of Human Services and Community Health Merger Savings	FTE 12.0	(6.0)
Eliminates 6.0 unclassified FTE positions and \$379,000 in GF/GP funding due to the merger between the two departments. Constitutionally, each individual state department is only permitted to have 6.0 unclassified FTE positions.	Gross \$1,449,300 Federal 287,400 GF/GP \$1,161,900	(\$379,000) 0 (\$379,000)
11. Office Closures and Consolidations	Gross NA	(\$2,439,000)
Reduces funding by \$2.4 million Gross (\$1.0 million GF/GP) through the closure and consolidation of targeted local offices and the use of the community partner network facilities for certain county offices.	Federal NA GF/GP NA	(1,439,000) (\$1,000,000)

HEALTH AND HUMAN SERVICES

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>	<u>FY 2014-15 YTD (as of 3/12/15)</u>	<u>Enacted Change From YTD</u>	
12. Administrative Hearing System Costs	Gross	\$1,424,600	\$1,039,400
Increases funding for administrative hearing costs related to Department programs by \$1.0 million gross (\$519,700 GF/GP); \$139,400 for new charges for related rent and information technology costs, and \$900,000 transferred from Department of Licensing and Regulatory Affairs (LARA) for Healthy Michigan Plan related hearings costs. LARA administers the hearings system for all departments through interdepartmental grants.	Federal	704,000	519,700
	GF/GP	\$720,600	\$519,700
13. Child Care Licensing (CCL)	FTE	NA	39.0
Provides \$5.7 million Gross and 39.0 FTEs to increase the number of CCL consultants and management staff to align the state's consultant-to-caseload ratio with the national average (1 consultant: 98 programs). Current caseload ratio is estimated to be 1:150; program funded through a federally funded IDG from Michigan Department of Education. Program transferred to the Department of Licensing and Regulatory Affairs (LARA). (See item #14 below.)	Gross	NA	\$5,661,500
	IDG	NA	5,661,500
	GF/GP	NA	\$0
14. Transfer Adult Foster Care (AFC), Children's Day Care Licensure to LARA	FTE	180.0	(219.0)
Transfers 219.0 FTEs and \$29.0 million Gross (\$16.1 million GF/GP) for the Office of Child and Adult Licensing and the Adult Foster Care Licensing Advisory Council to LARA based on the Executive Order 2015-4. (Includes CCL licensing – see item #13 above.)	Gross	\$23,293,800	(\$28,955,300)
	IDG	7,178,700	(12,840,200)
	GF/GP	\$16,115,100	(\$16,115,100)
15. Economic Adjustments	Gross	NA	(\$3,057,600)
Includes a net reduction of \$3.1 million Gross (\$959,100 GF/GP) for the following economics adjustments: salary and wage 2.0% base increase, insurance rate increase, reductions in actuarially determined retirement rates, and increases for worker's compensation, building occupancy, and rent. There are no economic adjustments recommended for food, gas, fuel, or utility costs for state hospitals and centers.	IDG	NA	(38,500)
	Federal	NA	(1,868,900)
	Local	NA	(80,600)
	Private	NA	(30,400)
	Restricted	NA	(80,100)
	GF/GP	NA	(\$959,100)
COMMUNITY SERVICES AND OUTREACH			
16. School Success Partnership Program	Gross	\$300,000	\$150,000
Increases funding for the School Success Partnership program by \$150,000 GF/GP; changes program funding from GF/GP to TANF.	Federal	0	450,000
	GF/GP	\$300,000	(\$300,000)
CHILDREN'S SERVICES AGENCY – CHILD WELFARE			
17. Foster Care Rates	Gross	NA	\$0
Retains current-year funding for the FY 2014-15 increase for private residential rate foster care payments and the \$3 per day administrative rate increase for foster care services provided by child placing agencies.	Federal	NA	0
	GF/GP	NA	\$0
18. Child Care Fund Administrative Rates – County Hold Harmless Provision	Gross	\$5,000,000	\$0
Retains current-year funding for the county hold harmless provision requiring Department to pay 100% of the foster care administrative rate to private agencies for all new cases referred to service providers beginning October 1, 2013.	GF/GP	\$5,000,000	\$0
19. Adoption Subsidies Re-Determination of Care Program	Gross	\$1,000,000	(\$1,000,000)
Eliminates \$1.0 million GF/GP funding for the Adoption Re-Determination of Care Program which would have allowed eligible adoptive parents to request a redetermination of payments for certain children with special needs after an agreement has been finalized.	Federal	0	0
	GF/GP	\$1,000,000	(\$1,000,000)

HEALTH AND HUMAN SERVICES

Major Budget Changes From FY 2014-15 YTD Appropriations

FY 2014-15 YTD **Enacted Change**
(as of 3/12/15) **From YTD**

20. Parent-to-Parent Program	Gross	\$700,000	(\$350,000)
Reduces funding for the Parent-to-Parent program by \$350,000 GF/GP by eliminating the FY 2014-15 one-time funding of \$200,000 and reducing program funding by an additional \$150,000 GF/GP.	GF/GP	\$700,000	(\$350,000)
21. TANF Offset of GF/GP	Gross	NA	\$0
Appropriates an additional \$10.0 million TANF funding to offset a \$10.0 million GF/GP reduction in the Adoption Subsidies line item.	TANF	NA	10,000,000
	GF/GP	NA	(\$10,000,000)
22. Other Program Reductions	Gross	NA	(\$2,865,000)
Reduces funding by \$2.9 million Gross (\$1.3 million GF/GP) from changing to electronic notifications for MiBridges and Child Support billing coupons by offering clients option of electronic correspondence.	Federal	NA	(1,550,100)
	GF/GP	NA	(\$1,314,900)

CHILDREN'S SERVICES AGENCY – JUVENILE JUSTICE

23. Closure of W.J. Maxey Training School	FTE	69.0	(69.0)
Includes the elimination of 69.0 unclassified FTE positions and \$7.5 million Gross (\$2.5 million GF/GP) reduction due to the proposed closure of the W.J. Maxey Training School; retains \$1.0 million for closing costs and \$1.8 million to transfer 40 youths to other comparable residential facilities for one year.	Gross	\$10,324,500	(\$7,543,300)
	Federal	166,100	26,500
	Local	5,744,000	(5,045,800)
	GF/GP	\$4,414,400	(\$2,524,000)
24. Eliminate IDG Funding for Swift and Sure Program	FTE	526.0	0.0
Eliminates \$3.0 million IDG funding and \$11.1 million federal funding to reflect the elimination of funding from the Corrections budget for the Swift and Sure Punishment program within the Michigan Rehabilitation Services Program for re-entry services for former prisoners.	Gross	\$149,289,700	(\$14,084,500)
	IDG	3,000,000	(3,000,000)
	Federal	123,368,000	(11,084,500)
	Local	6,539,100	0
	Private	1,846,000	0
	Restricted	1,592,300	0
	GF/GP	\$12,944,300	\$0

PUBLIC ASSISTANCE

25. Family Independence Program (FIP)	Gross	\$141,534,600	(\$1,742,900)
Reduces funding by a total of \$1.7 million Gross (\$1.7 million GF/GP) through the following three changes: (1) the elimination of the Extended Family Independence Program (EFIP), which provided \$10 per month benefit for six months as clients exited FIP program (\$116,400 GF/GP savings); (2) elimination of the Short Term Family Support Program, a short-term diversion program for families that could become eligible for ongoing FIP benefits (\$726,200 GF/GP savings); (3) new requirement of pre-assistance cooperation with child support before clients can receive public assistance benefits (\$900,300 Gross/\$889,200 GF/GP savings).	Federal	43,479,700	(11,100)
	Restricted	45,876,900	0
	GF/GP	\$52,178,000	(\$1,731,800)

26. Drug Testing Program for FIP Recipients	Gross	\$0	\$300,000
Appropriates \$300,000 TANF funding for a pilot program to implement a suspicion-based drug testing pilot program for FIP recipients in 3 counties (PA 394 of 2014 and PA 395 of 2014).	Federal	0	300,000

FIELD OPERATIONS AND SUPPORT SERVICES

27. Donated Funds Positions	FTE	338.0	200.0
Provides \$20.6 million Gross (\$0 GF/GP) to expand Donated Funds positions by 200.0 FTEs. These caseworkers would be located based on the requests of adult placement and independent living settings, federally qualified health clinics, hospitals with high uncompensated costs, and employer-based sites; the entities would expend their own funds to draw down federal funding to cover the personnel costs of caseworkers.	Gross	\$39,690,800	\$20,551,200
	IDG	236,400	0
	Federal	20,551,800	10,275,600
	Local	7,644,300	4,110,200
	Private	11,258,300	6,165,400
	GF/GP	\$0	\$0

HEALTH AND HUMAN SERVICES

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>	<u>FY 2014-15 YTD (as of 3/12/15)</u>	<u>Enacted Change From YTD</u>
28. Healthy Michigan Plan (HMP) Call Center		
Restores \$7.6 million (\$736,900 GF/GP) funding for the Healthy Michigan Plan Call Center to replace the funding reduced in E.O. 2015-5; includes additional \$1.4 million federal funding for a fund source shift to replace GF/GP funding. HMP line item is also transferred from the Field Operations and Support Services unit to the Medical Services Administration unit.	Gross \$11,976,300	\$7,560,000
	Federal 8,510,700	6,823,100
	GF/GP \$3,465,600	\$736,900
29. Program Reductions		
Reduces \$1.6 million GF/GP funding from the following programs: Emergency Services Local Office Allocations (\$1.2 million) and Juvenile Justice Administration and Maintenance (\$400,000).	Gross NA	(\$1,551,000)
	Federal NA	0
	GF/GP NA	(\$1,551,000)
DISABILITY DETERMINATION SERVICES		
30. Disability Determination Program Positions		
Authorizes 16.0 additional FTE positions for Disability Determination Program to reflect supportable FTE positions authorized by the federal Social Security Administration; current federal funding authorization in line item is sufficient to support new positions.	FTE 545.9	16.0
	Gross \$107,284,100	\$0
	IDG 173,300	0
	Federal 105,097,400	0
	GF/GP \$2,013,400	\$0
BEHAVIORAL HEALTH SERVICES		
31. Mental Health and Wellness Commission		
Provides \$1.25 million Gross (\$469,000 GF/GP) and 1.0 FTE for a 12-bed psychiatric residential treatment facility and a children's behavioral action team with an emphasis on children residing at Hawthorn Center to be implemented during the last quarter of the fiscal year; provides \$1.5 million GF/GP designated as one-time basis only to coordinate child trauma response and to partially offset reductions from Executive Order 2015-5; and removes \$6.1 million Gross (2.1 million GF/GP) designated as one-time basis funding appropriated in FY 2014-15.	FTE 0.0	1.0
	Gross \$33,625,000	(\$3,312,500)
	Federal 22,205,000	(3,181,500)
	GF/GP \$11,420,000	(\$131,000)
32. Mental Health Jail Diversion and Transition		
Restores an Executive Order 2015-5 reduction of \$300,000 GF/GP and transfers in \$1.0 million GF/GP from Department of Corrections for jail diversion and transition programming.	FTE 1.0	0.0
	Gross \$3,050,000	\$1,300,000
	GF/GP \$3,050,000	\$1,300,000
33. Community Mental Health (CMH) Non-Medicaid Services		
Replaces \$20.0 million in one-time Roads and Risks Reserve funds with an equal amount of GF/GP to maintain annual CMH Non-Medicaid funding at \$117.1 million. The \$20.0 million in one-time Roads and Risks Reserve funds was included in the current-year supplemental, 2015 PA 6 (HB 4112).	Gross \$117,050,400	\$0
	Restricted 20,000,000	(20,000,000)
	GF/GP \$97,050,400	\$20,000,000
34. Community Mental Health (CMH) Purchase of State Services		
Eliminates the transfer of GF/GP to local Community Mental Health Services Programs (CMHSP) for the purchase of state services, reducing the corresponding \$139.5 million in local revenue appropriated for state psychiatric hospitals. The GF/GP currently appropriated for CMHSP purchase of state services is instead directly appropriated to support the state psychiatric hospitals.	Gross \$278,931,200	(\$139,465,600)
	Local 139,465,600	(139,465,600)
	GF/GP \$139,465,600	\$0
35. One-Time Drug Policy Initiatives		
Provides \$1.5 million GF/GP on a one-time basis to support a new initiative targeted to reduce prescription drug abuse and to support those seeking recovery. Sec. 1907 prohibits expenditure for these initiatives until a statewide plan is issued and submitted to the appropriation subcommittees.	Gross \$0	\$1,500,000
	GF/GP \$0	\$1,500,000

HEALTH AND HUMAN SERVICES

Major Budget Changes From FY 2014-15 YTD Appropriations

FY 2014-15 YTD **Enacted Change**
(as of 3/12/15) **From YTD**

36. Children's Waiver Home Care Program

Reduces children's waiver home care program funding by \$1.5 million Gross (\$531,400 GF/GP) to reflect anticipated program expenditure levels based on historic expenditure trends. Also revises fund sourcing for the program by offsetting \$1.4 million in federal funds that are not available with GF/GP.

Gross	\$21,544,900	(\$1,544,900)
Federal	15,488,700	(2,368,700)
GF/GP	\$6,056,200	\$823,800

STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES

37. State Psychiatric Hospitals – Pharmacy Costs

Provides \$425,700 Gross (\$336,800 GF/GP) for an estimated 3.75% inflationary increase for pharmacy costs at the state's 4 psychiatric hospitals and the Forensic Center.

Gross	NA	\$425,700
Federal	NA	28,700
Local	NA	29,500
Restricted	NA	30,700
GF/GP	NA	\$336,800

PUBLIC HEALTH ADMINISTRATION

38. Essential Local Public Health Services

Reinstates \$1.5 million GF/GP for essential local public health services, which was a reduction in the current fiscal year under Executive Order 2015-5.

Gross	\$39,386,100	\$1,500,000
Local	5,150,000	0
GF/GP	\$34,236,100	\$1,500,000

39. Health and Wellness Initiatives

Reinstates \$1.5 million GF/GP for health and wellness initiatives including cancer prevention funding, which was a reduction in the current fiscal year under Executive Order 2015-5.

Gross	\$7,450,000	\$1,500,000
Restricted	5,210,700	0
GF/GP	\$2,239,300	\$1,500,000

HEALTH POLICY

40. Federal Grant for Blueprint for Health Innovation

Recognizes a total of \$25.0 million in federal grant funds to test and implement Michigan's Blueprint for Health Innovation supporting major innovations in health care service delivery and payment systems, a \$5.0 million increase from the current year. The grant totals \$70.0 million over 4 years. (Current-year authorization included in supplemental appropriations Act 6 of 2015 (HB 4112)). Adds new related boilerplate Sec. 1144, including outcomes, performance measures, and standards for aggregated claims data systems created with funds from the grant.

Gross	\$20,000,000	\$5,000,000
Federal	20,000,000	5,000,000
GF/GP	\$0	\$0

EPIDEMIOLOGY AND INFECTIOUS DISEASE

41. Newborn Screening

Increases funding for newborn screening and treatment program, and related laboratory and vital records services by \$2.1 million from additional state restricted newborn screening fee revenue. The additional revenues are from fee increases for inflation and for new tests as recommended by the Quality Assurance Advisory Committee, pursuant to the Public Health Code. Year-To-Date (YTD) amount shown includes funding for all newborn screening services.

Gross	\$14,070,500	\$2,060,900
Restricted	14,070,500	2,060,900
GF/GP	\$0	\$0

42. Immunization Vaccine Education

Increases funding for immunization programs by \$2.5 million Gross (\$500,000 GF/GP) and adds new related boilerplate Sec. 1182, to provide and promote education about the value of vaccines for infants and toddlers. The funding is to be expended only upon commitment of matching funds from private sector sources, at a match rate of \$1.00 state for \$4.00 private.

Gross	\$15,022,300	\$2,500,000
Federal	12,112,400	0
Private	0	2,000,000
Restricted	850,000	0
GF/GP	\$2,059,900	\$500,000

HEALTH AND HUMAN SERVICES

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>	<u>FY 2014-15 YTD (as of 3/12/15)</u>	<u>Enacted Change From YTD</u>
CHRONIC DISEASE, INJURY PREVENTION, AND HEALTH PROMOTION		
43. Public Health Federal Grants		
FTE	NA	4.0
Gross	NA	\$5,868,200
Federal	NA	5,868,200
GF/GP	NA	\$0
Recognizes federal grant adjustments for public health and family, maternal, and child health programs totaling \$5.9 million, including: a new chronic disease prevention grant of \$3.5 million, five other new grants totaling \$2.9 million, removal of one completed grant of \$850,000, and an increase of \$286,000 to one ongoing grant. Other new grants address immunization, lead poisoning prevention, environmental public health tracking, and school readiness for children with high health needs.		
44. Trauma Hospital Traumatic Brain Injury Treatment Support		
Gross	\$1,000,000	(\$1,000,000)
GF/GP	\$1,000,000	(\$1,000,000)
Eliminates \$1.0 million GF/GP supporting evidence-based traumatic brain injury intensive care treatment management system, training, and interactive software at Level I trauma hospitals, first funded in FY 2011-12. In the current fiscal year, this program was reduced by \$350,000 GF/GP under Executive Order 2015-5.		
FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES		
45. Real Alternatives Pilot Program		
Gross	\$800,000	(\$750,000)
GF/GP	\$800,000	(\$750,000)
Reduces program funding from \$800,000 to \$50,000 GF/GP for alternative pregnancy and parenting support program which promotes childbirth and alternatives to abortion, first funded in FY 2013-14.		
46. Rural Maternal, Infant & Early Childhood Home Visit Program		
Gross	\$2,250,000	(\$550,000)
GF/GP	\$2,250,000	(\$550,000)
Reduces funding from \$2.25 million GF/GP to \$1.7 million for a home visit program of prenatal, infant, and early childhood support services in rural areas in the northern Lower Peninsula and the Upper Peninsula, first funded in FY 2014-15. Adds new related boilerplate Sec. 1312 directing the Department to spend available work project funds for this program. (In the current fiscal year, a work project is established by Sec. 3005 of supplemental appropriations Act 84 of 2015 (SB 133) for an anticipated \$550,000 lapse that would be available for expenditure during FY 2015-16. See final page of DHHS section.)		
47. Roll Up Public Health Dental Program Line Items		
Gross	\$1,798,600	\$0
Federal	1,247,600	0
Private	250,000	0
GF/GP	\$301,000	\$0
Rolls up the Dental Program for Persons with Developmental Disabilities line item with funding of \$151,000 GF/GP into the Dental Programs line item.		
48. Pay for Success Maternal and Child Health Pilot Program		
Gross	\$0	\$1,500,000
GF/GP	\$0	\$1,500,000
Reinstates \$1.5 million GF/GP for one-time funding for pay for success contracts for maternal and child services programs which was eliminated in the current fiscal year under Executive Order 2015-5, and revises related Sec. 1906 to require that copies of contracts executed for this program be provided to the Legislature.		

HEALTH AND HUMAN SERVICES

Major Budget Changes From FY 2014-15 YTD Appropriations

FY 2014-15 YTD **Enacted Change**
(as of 3/12/15) **From YTD**

49. Autism - University and Family Assistance Programs

(1) Eliminates one-time funding of \$1.5 million for autism family assistance services from the Autism Coverage Fund, and related Sec. 1902(2). (2) Provides one-time funding of \$2.5 million GF/GP for university autism provider education programs, a reduction from \$7.5 million Gross (\$7.0 million one-time and \$500,000 ongoing). The appropriation line item is moved from the one-time appropriation unit to the Behavioral Health Services unit. Related boilerplate is revised and moved from Sec. 1902(2) to Sec. 960. (In the current year \$3.0 million of funding for this program was shifted from GF/GP to Autism Coverage Fund under supplemental appropriations Act 6 of 2015 (HB 4112)).

Gross	\$9,000,000	(\$6,500,000)
Restricted	8,500,000	(8,500,000)
GF/GP	\$500,000	\$2,000,000

AGING AND ADULT SERVICES AGENCY

Renamed from OFFICE OF SERVICES TO THE AGING

50. Ombudsman Fund Shift, Nursing Home Improvement

Includes a net \$0 gross (\$357,500 GF/GP) shift from civil monetary penalty fund revenues to GF/GP to fund state and local long-term care ombudsman programs, to comply with revised federal guidelines that disallow use of penalty fund revenue for this purpose, and retains \$200,000 of the civil monetary penalty fund revenue as a budget increase for a new voluntary nursing home culture and quality improvement project emphasizing person-centered services.

Gross	\$357,500	\$200,000
Private	357,500	(157,500)
GF/GP	\$0	\$357,500

51. Roll Up Senior Volunteer Program Appropriation Lines

Rolls up three appropriation line items into one Senior Volunteer Service Programs line item, including foster grandparent volunteer program funding of \$2.23 million, retired and senior volunteer program funding of \$627,300, and senior companion volunteer program funding of \$1.6 million. The 3 line items had been unrolled from a single line item in FY 2006-07.

Gross	\$4,465,300	\$0
GF/GP	\$4,465,300	\$0

MEDICAL SERVICES ADMINISTRATION

52. Medicaid Inspector General and Third-Party Liability Efforts

Provides \$2.4 million Gross (\$1.2 million GF/GP) and 10.0 FTEs for the Medicaid Inspector General and additional third-party liability efforts, and assumes these increased administrative activities will result in savings of \$37.2 million Gross (\$12.8 million GF/GP) in Medical Services costs; net assumed savings of \$34.8 million Gross (\$11.6 million GF/GP). Also includes reporting language in Sec. 1505 on the actual savings in expenditures from these efforts.

FTE	NA	10.0
Gross	NA	(\$34,809,300)
Federal	NA	(23,209,300)
GF/GP	NA	(\$11,600,000)

53. Commercial Insurance Third-Party Liability Efforts

Assumes additional savings of \$2.9 million Gross (\$1.0 million GF/GP) from commercial insurance third-party liability efforts. Savings would require enabling legislation.

Gross	NA	(\$2,907,000)
Federal	NA	(1,907,000)
GF/GP	NA	(\$1,000,000)

MEDICAL SERVICES

54. Health Insurance Claims Assessment (HICA)

Provides \$27.0 million GF/GP to offset a net reduction of available HICA revenue. Assumes HICA collections at 0.75% to increase from \$239.2 million to \$250.0 million but assumes a statutory cap payback of \$37.9 million. The statutory cap is \$450 million and includes HICA collections and the net GF/GP portion of Medicaid managed care use tax collections. (Treasury receives \$2.0 million of HICA revenues for administrative purposes.)

Gross	\$237,178,400	\$0
Restricted	237,178,400	(27,100,000)
GF/GP	\$0	\$27,100,000

HEALTH AND HUMAN SERVICES

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>		<u>FY 2014-15 YTD</u> <u>(as of 3/12/15)</u>	<u>Enacted Change</u> <u>From YTD</u>
55. Replacement of Medicaid Restricted Revenue With GF/GP		Gross	\$90,037,300
Includes an increase of \$90.0 million GF/GP to replace the following: one-time Roads and Risks Reserve funds (\$62.9 million), a decline in Medicaid Benefits Trust Fund revenue (\$19.5 million), one-time Certified Public Expenditures (\$5.9 million federal), and a decline in Healthy Michigan Fund revenue (\$1.7 million) that are currently used to support Medicaid medical services.		Federal	5,900,000
		Restricted	84,137,300
		GF/GP	\$0
			Enacted Change From YTD
			(\$5,900,000)
			(84,137,300)
			\$90,037,300
56. Graduate Medical Education (GME)		Gross	\$148,378,700
Restores a \$14.5 million Gross (\$5.0 million GF/GP) Executive Order 2015-5 reduction to GME.		Federal	97,278,700
		Restricted	0
		GF/GP	\$51,100,000
			Enacted Change From YTD
			9,509,600
			0
			\$5,000,000
57. Special Rural Hospital Payments		Gross	\$29,019,200
Restores a \$5.8 million Gross (\$2.0 million GF/GP) Executive Order 2015-5 reduction to Special Rural Hospital Payments.		Federal	19,019,200
		Restricted	0
		GF/GP	\$10,000,000
			Enacted Change From YTD
			3,803,800
			0
			\$2,000,000
58. Hospital QAAP Increase		Gross	NA
Increases hospital quality assurance assessment program (QAAP) \$92.9 million to offset a like amount of increased state GF/GP retainer savings. House Bill 4447 (2015 Public Act 104) amends the public health code to permit this increase in state retainer savings. In order to keep hospitals held harmless on the whole the Healthy Michigan Plan Hospital Rate Adjustment is increased by \$92.9 million. The Healthy Michigan Plan Hospital Rate Adjustment (HRA) is 100% federally funded through the end of calendar year 2016.		Federal	NA
		Restricted	NA
		GF/GP	NA
			Enacted Change From YTD
			92,856,100
			92,856,100
			(\$92,856,100)
59. Hospital Capital Cost Reimbursements		Gross	NA
Assumes savings of \$34.8 million Gross (\$12.0 million GF/GP) from incorporating managed care hospital capital cost expenditure data into the hospital capital cost reimbursement formula.		Federal	NA
		GF/GP	NA
			Enacted Change From YTD
			(\$34,806,800)
			(22,833,300)
			(\$11,973,500)
60. Primary Care Rate Annualization		Gross	\$72,547,900
Annualizes the partial continuation of the primary care rate increase that was provided through the Affordable Care Act with 100% federal funds through calendar year 2014. After calendar year 2014, states had the option to continue the higher rates at regular FMAP.		Federal	47,547,900
		GF/GP	\$25,000,000
			Enacted Change From YTD
			\$24,182,600
			15,863,800
			\$8,318,800
61. Hospice Room and Board		Gross	\$0
Provides \$2.5 million GF/GP on a one-time basis for non-Medicaid room and board costs for hospice residences with licensed-only nursing facility beds. Federal Medicaid will only provide matching funds for room and board costs at facilities that are both licensed and certified.		Federal	0
		GF/GP	\$0
			Enacted Change From YTD
			\$2,500,000
			0
			\$2,500,000
62. Healthy Kids Dental Services		Gross	NA
Provides \$37.0 million Gross (\$12.7 million GF/GP) to expand Healthy Kids Dental for an estimated 290,000 additional children ages 0-12 in Kent, Oakland, and Wayne Counties. Healthy Kids Dental is already a covered service for the 80 other counties.		Federal	NA
		GF/GP	NA
			Enacted Change From YTD
			\$37,042,200
			24,299,800
			\$12,742,400
63. Ambulance QAAP		Gross	\$11,000,000
Increases ambulance provider rates \$8.6 million Gross through a new ambulance quality assurance assessment program (QAAP). State retainer results in a GF/GP savings of \$1.0 million. House Bill 4447 (2015 Public Act 104) amends the public health code to authorize this new QAAP.		Federal	7,157,800
		Restricted	0
		GF/GP	\$3,842,200
			Enacted Change From YTD
			\$8,641,000
			5,668,500
			3,972,500
			(\$1,000,000)

HEALTH AND HUMAN SERVICES

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
64. Adult Home Help Administrative Reimbursement Policy Savings	Gross	\$302,440,800	(\$2,300,000)
Assumes savings of \$2.3 million Gross (\$791,200 GF/GP) to Adult Home Help Services line item to reflect the Department's proposed administrative Home Help agency provider reimbursement policy change (#1512).	Federal	198,669,500	(1,508,800)
	GF/GP	\$103,771,300	(\$791,200)
65. Program of All-Inclusive Care for the Elderly (PACE) Expansion	Gross	NA	\$0
Provides \$9.1 million Gross (\$3.1 million GF/GP) to expand PACE into Jackson County and Traverse City. Assumes expansion of PACE will offset an equal amount of funding within the long-term care services line item. The PACE line item is also transferred from Medical Services to the Aging and Adult Services Agency Unit.	Federal	NA	0
	GF/GP	NA	\$0
66. Medicaid Managed Care Laboratory Reimbursement Annualization	Gross	(\$4,352,900)	(\$27,437,100)
Annualizes laboratory reimbursement savings effective August 1, 2015 under Executive Order 2015-5. Savings are from a policy change that reduces laboratory service payments benchmark from Medicare payment rates to Medicaid fee-for-service rates. Also includes reporting language in Sec. 1770 on the actual reduction in expenditures from this policy change.	Federal	(2,852,900)	(18,001,300)
	GF/GP	(\$1,500,000)	(\$9,435,800)
67. Medicaid Managed Care Pharmacy Coverage	Gross	NA	(\$54,585,800)
Assumes savings of \$54.6 million Gross (\$18.8 million GF/GP) from anticipated common pharmacy formulary savings within the new Medicaid managed care contracts effective January 1, 2016. Includes Sec. 1806 that lists various requirements of the common formulary.	Federal	NA	(35,808,300)
	GF/GP	NA	(\$18,777,500)
68. Medicaid Managed Care Integration Savings	Gross	\$4,886,273,000	(\$15,375,000)
Assumes savings of \$15.4 million Gross (\$5.3 million GF/GP) from Medicaid managed care coordination and other contractual changes effective January 1, 2016.	Federal	3,259,591,300	(10,086,000)
	Local	13,617,500	0
	Restricted	1,217,104,000	0
	GF/GP	\$395,960,200	(\$5,289,000)
69. Medicaid Managed Care Use Tax Actuarial Soundness	Gross	NA	\$16,818,900
Includes \$16.8 million Gross (\$5.8 million GF/GP) to reflect federally required actuarially sound payments for costs to Medicaid managed care organizations of the 6% use tax currently applied to such organizations.	Federal	NA	11,033,200
	GF/GP	NA	\$5,785,700
70. Medicaid Autism Services Through Age 21	Gross	\$25,171,800	\$7,350,100
Provides \$7.4 million Gross (\$2.5 million GF/GP) to expand Medicaid autism benefit through age 21. Current benefit is offered to individuals from ages 18 months to 5 years. Also transfers line item from Medical Services to Behavioral Health Services.	Federal	16,497,500	4,821,700
	GF/GP	\$8,674,300	\$2,528,400
ONE-TIME BASIS ONLY APPROPRIATIONS			
71. Specialized Employment and Training Services Pilot	Gross	NA	\$800,000
Includes \$800,000 Gross (\$400,000 GF/GP) one-time funding for an expanded pilot for specialized employment and training services in partnership with Michigan Works! Agencies to provide training for clients with significant employment barriers.	Federal	NA	400,000
	GF/GP	NA	\$400,000

HEALTH AND HUMAN SERVICES

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>	FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
72. Eliminate FY 2014-15 Appropriations – Human Services		
Discontinues one-time appropriations that were included in the FY 2014-15 Department of Human Services budget of \$5.0 million GF/GP for Child Support Enforcement Operations, Legal Support Contracts, Michigan Rehabilitation Services, Flint Catholic Charities, Performance Based Funding Implementation, Private Child Welfare IT Services, Fostering Futures Endowment, Juvenile Justice In-Home Community Care Grants, Food Banks, and Michigan Reading Corps.	Gross	\$4,950,000
	GF/GP	(\$4,950,000)
73. Other One-Time Appropriations Changes – Health Services		
Removes the following one-time funding items that were included in the FY 2014-15 Department of Community Health budget: \$2.0 million GF/GP for child and adolescent health services pilot in schools, \$3.0 million Gross (\$300,000 GF/GP) for Healthy Kids Dental computer project, \$1.3 million for statewide trauma system (in current fiscal year Act 6 of 2015 (HB 4112) shifted funding from GF/GP to state restricted Crime Victim's Rights Fund), and \$100,000 GF/GP for Senior Olympics. Reduces funding for University of Detroit Dental program from \$4.1 million to \$1.0 million GF/GP and transfers the funding into the Medical Services appropriation unit. Retains \$250,000 GF/GP for the bone marrow transplant registry and transfers the funding into the Health Policy appropriation unit; related boilerplate is moved from Sec. 1905 to Sec. 1146.	Gross	\$10,742,300
	Federal	(2,700,000)
	Restricted	(1,300,000)
	GF/GP	(\$5,492,300)

Major Boilerplate Changes From FY 2014-15

Note: Numerous sections not shown here are renumbered from DHS and DCH SB 124 and SB 118 Conference Reports.

GENERAL SECTIONS

Sec. 204. Benchmarks for New Programs or Program Increases – REVISED

Revises to require the Department, in addition to metrics required under the Management and Budget Act, to identify program-specific metrics for new programs or enhancements in excess of \$1.0 million, rather than performance measurement benchmarks for new programs or program expansions of \$500,000 or greater; and removes Legislative intent language for FY 2015-16 budget.

Sec. 229. Job Readiness Work Group – REVISED

Requires Department to conduct a work group with Treasury and the Legislature to align spending on Michigan Works! job readiness programs with the declining Family Independence Program caseload; requires report by December 1 on work group findings.

Sec. 231. (former Sec. 218) Local County Travel Costs – NEW

Requires Department to allocate up to \$100,000 to reimburse counties for out-of-pocket travel costs of local county department board members and county department directors to attend one Michigan County Social Services Association meeting each year.

Sec. 233. (former Sec. 290) DHHS Merger Status Report – NEW

Requires report at the end of each quarter concerning the merger of the Department of Community Health and the Department of Human Services into the Department of Health and Human Services, including the impact on client service delivery or access to services, any cost increases or reductions from rent or building occupancy changes, facilities in use including any office closures, consolidations, or new office locations, status of FTE positions including positions eliminated or added, and any other efficiencies, costs, or savings associated with the merger.

Sec. 280. Personnel-Related Costs Report – NEW

Requires report by the fifth business day of each month detailing the specific individual amounts for salaries and wages, payroll taxes, and fringe benefits and a plan for addressing any projected shortfalls.

Major Boilerplate Changes From FY 2014-15

Sec. 282. Performance Metrics for Contracts – DELETED

Requires establishment of an automated annual metric collection and reporting system for contracts via the state's e-procurement system, and establishes a deadline for generation of report under the system for state-funded contracts of \$1.0 million or more.

Sec. 295. Late Boilerplate Reporting Penalty – DELETED

Reduces appropriations by \$150,000 if DHS fails to provide boilerplate reports and other required data within 30 days after due date.

DEPARTMENTWIDE ADMINISTRATION

Sec. 315. Licensing Adult Assisted Living Services Work Group – REVISED

Requires Department to conduct a work group in conjunction with organizations representing disabled and elderly adults, representatives of assisted living facilities, and the Legislature that explores licensing standards, practices, and performance measures for facilities providing assisted living services; requires report.

Sec. 316. Terminal Leave Payouts – NEW

Prohibits Department from spending amounts in excess of the annual terminal leave payouts gross appropriation unless it identifies and requests a legislative transfer from another budgetary line item from the Legislature.

CHILD WELFARE SERVICES

Sec. 506. Medicaid Coverage for Foster Children Report – DELETED

Requires Department to report the number of foster children that experience a break in Medicaid coverage and the number that did not receive Medicaid coverage.

Sec. 559. Parent-to-Parent – REVISED

Allocates \$350,000 to the Parent-to-Parent Program for adoptive parents; requires report.

Sec. 563. Performance Evaluation Report – DELETED

Requires report on the number of employees who had a satisfactory and unsatisfactory performance evaluation.

Sec. 587. In-Home Community Programs Expansion – REVISED

Provides \$400,000 to expand and create new in-home and community-based programs for juvenile justice services in rural counties by January 15; requires report.

Sec. 593. Private Residential Service Providers Staff Ratios – NEW

Allows residential service providers for abuse and neglect cases to implement a staff ratio of 1 staff to 5 children during waking hours.

PUBLIC ASSISTANCE

Sec. 612. Refugee Medical Benefits Asset Test – DELETED

Requires Department to implement an asset test for applicants and recipients of Refugee Assistance Program medical benefits.

Sec. 613. Indigent Burial – REVISED

Provides reimbursements for the final disposition of indigent persons; establishes maximum allowable reimbursements; requires that the adult burial with services allowance for reimbursement shall be \$720, the adult burial without services allowance shall be \$485, and the infant burial allowance shall be \$165. Also includes legislative intent language that a total increase of \$20 per case be allocated for increases to funeral directors for funeral goods and services.

Sec. 614. State Disability Assistance (SDA) Recipient Report – NEW

Requires report on the number and percentage of SDA recipients who were determined to be eligible for federal Supplemental Security Income benefits in previous fiscal year.

Sec. 620. Medicaid Eligibility Determination Standards of Promptness – REVISED

Requires Department to determine Medicaid eligibility in 90 days when disability is an eligibility factor and 45 days for other Medicaid applicants, including patients in nursing homes; requires semiannual reports on Medicaid standards of promptness.

Sec. 654. Food Assistance Program (FAP) – NEW

Requires FAP recipients be notified that their benefits can be spent with bridge cards at many farmers' markets and that the Double Up Food Bucks program can provide them with an additional \$20 to buy produce at participating markets.

HEALTH AND HUMAN SERVICES

Major Boilerplate Changes From FY 2014-15

Sec. 673. *MiBridges Fraud Workgroup* – NEW

Requires Department to conduct a workgroup with the Departments of State and State Police to investigate minimizing fraud in the MiBridges benefits programs; requires report.

JUVENILE JUSTICE SERVICES

Sec. 709. *W.J. Maxey Training School Closure* – NEW

Requires Department to close the W.J. Maxey Training School by October 15, 2015 and that staff be given priority for new staff positions for which they are qualified. Youth currently at the school shall be transferred to another juvenile residential facility and not an adult prison or county jail; requires report.

FIELD OPERATIONS AND SUPPORT SERVICES

Sec. 801. (former Sec. 401) *Centers for Independent Living (CILs)* – REVISED

Requires that all funds appropriated within the Independent Living line item be used to support CILs in underserved areas and to build capacity; allows funds to be used to leverage federal vocational rehabilitation innovation and expansion funds up to \$5.5 million; requires report.

Sec. 805. (former Sec. 405) *Order of Selection* – REVISED

States legislative intent that Michigan Rehabilitation Services not implement an order of selection for vocational and rehabilitative services; requires that if program is at risk of entering into an order of selection, the Legislature shall be notified within two weeks.

Sec. 850. (former Sec. 750) *Donated Funds Positions* – REVISED

Requires Department to maintain out-stationed eligibility specialists in community-based organizations, community mental health agencies, nursing homes, and hospitals unless the out-stationed location requests the program be discontinued. Requires that Department enter into a contract with any agency that places a request for a Donated Funds position and is eligible under federal law; Department must provide agency with applicable federal law or rule if denied; requires performance metrics.

BEHAVIORAL HEALTH SERVICES

Sec. 998. *State General Fund Distribution to CMHSPs* – NEW

Requires the Department, if the Department decides to use census data, to use the most recent federal decennial census data available for distribution of state general funds to CMHSPs.

Sec. 1009. *Workgroup on Staff Recruitment and Retention* – NEW

Requires the Department to establish a workgroup to analyze the workforce challenges of recruitment and retention of staff who provide Medicaid-funded services and supports and to develop a plan to enhance recruitment and retention efforts; identifies who must be included in the workgroup; requires a report on the recommendations of the workgroup to make note when participants of the workgroup did not concur with those recommendations.

Sec. 1010. *Medicaid Mental Health Services Lapse Redistribution* – PARTIALLY VETOED

If allowed by the federal government, requires the redistribution of federal fund lapses in the Medicaid mental health services line to the PIHPs based on the current fiscal year funding formula; states legislative intent that any lapses from the Medicaid mental health services line be redistributed to CMHSPs based on the current fiscal year funding formula, and requires a report on PIHP lapses from the previous fiscal year and projected PIHP lapses in the current fiscal year. *Governor vetoed subsection requiring redistribution of federal fund lapses if allowed by the federal government.*

PUBLIC HEALTH ADMINISTRATION

Sec. 1101. (former Sec. 651) *Michigan Health Endowment Fund* – REVISED

Revises to require the Department to work with the Michigan Health Endowment Fund Corporation to explore ways to fund and evaluate current and future policies and programs of the Department, rather than explore ways to expand health and wellness programs.

Sec. 1103. *Health and Wellness Initiatives Criteria* – NEW

Requires the Department to establish criteria for Health and Wellness Initiatives line item project allocations, including evidence-based and supported by research, include interventions that demonstrate outcomes that lower cost and improve quality, and be designed for statewide impact. Preference is given to programs that use the funding to match additional resources.

HEALTH POLICY

Sec. 1145. *Payments to Indian or Tribal Facilities for Medicaid Services* – NEW

Directs the Department to take steps necessary to assure that Indian Health Service, Tribal or Urban Indian Health Program facilities receive the maximum amount allowable under federal law for Medicaid services.

Major Boilerplate Changes From FY 2014-15

FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES

Sec. 1300. (former Sec. 1103) Report of Sexual and Maternal Health Demographics and Expenditures – REVISED

Revises to update state application form references for the annual report of estimated public funds expended for family planning, sexually transmitted infection prevention and treatment, pregnancies, and births, and client demographics as voluntarily provided to the Department, as reported by marital status.

Sec. 1303. Contract and Subcontract Restrictions for Family Planning Local Agreements State Funds – NEW

Prohibits the Department from contracting with an organization which provides elective abortions, abortion counseling, or abortion referrals, for services funded with state restricted or GF/GP funds appropriated for family planning local agreements. Also prohibits an organization under contract with the Department from subcontracting with an organization that provides elective abortions, abortion counseling, or abortion referrals, for services that are to be funded with state restricted or GF/GP funds appropriated for family planning local agreements.

Sec. 1310. (former Sec. 1139) Housing Rehabilitation and Hazard Abatement Program Task Force – REVISED

Revises to require the Department to continue to work with the joint task force on housing rehabilitation, energy, weatherization, and hazard abatement policies. The joint task force may make recommendations to the Department; the recommendations must consider best practices and cost effectiveness. Removes language establishing the joint task force, removes reporting requirement, and deletes reference to Department of Human Services (due to merger).

WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM

Sec. 1340. (former Sec. 1151) Report on Access/Savings Regarding WIC Purchasing Requirements – REVISED

Revises to require the Department to encourage participants in the Women, Infants, and Children Special Supplemental Food and Nutrition program (WIC) program to choose the lowest price product available, that all products must satisfy the federal program nutritional requirements, and that the biannual food authorization guidelines will be updated to reflect such. Removes language requiring a report on complaints received regarding access to and savings gained related to generic peanut butter purchasing requirement modifications to the WIC program by the Department.

CHILDREN'S SPECIAL HEALTH CARE SERVICES

Sec. 1361. (former Sec. 1205) Expansion of Telemedicine Capacity – REVISED

Authorizes the Department to use up to \$500,000 for continued development and expansion of telemedicine capacity to allow CSHCS children better access to specialty providers. Strikes the specific dollar amount of \$500,000.

CRIME VICTIM SERVICES COMMISSION

Sec. 1380. (former Sec. 1302) Allocation of Funds for Forensic Nurse Examiner Programs – REVISED

Revises to require the Department to continue to support forensic nurse examiner programs to facilitate training for improved evidence collection for prosecution of sexual assault. Removes allocation of up to \$200,000 of justice assistance grants line item funds for expansion of the program.

MEDICAL SERVICES

Sec. 1620. Pharmacy Dispensing Fee and Prescription Drug Copayments – REVISED

Establishes the pharmacy dispensing fee at \$2.75 for recipients not in nursing homes and \$3.00 for nursing home residents, or the pharmacy's usual and customary charge, whichever is less. Specifies prescription copayments for Medicaid recipients of \$1.00 for generic drugs and \$3.00 for brand-name drugs except as prohibited by federal or state law or regulation. Adds prescription copayments for Healthy Michigan Plan enrollees with an income above 100% of the federal poverty level of \$4.00 for generic drugs and \$8.00 for brand-name drugs except as prohibited by federal or state law or regulation.

Sec. 1631. Medical Services Copayments – REVISED

Requires copayments on dental, podiatric, and vision services unless prohibited by law or regulation. Specifies copayments of \$2 for a physician office visit, \$3 for a hospital emergency room visit, \$50 for the first day of an inpatient hospital stay, and \$1 for an out-patient hospital visit. Revises to require recipients to pay "not less than" the copayments listed in this section, and adds copayments for Healthy Michigan Plan enrollees with an income above 100% of the federal poverty level copayments of \$4 for a physician office visit, \$8 for a hospital emergency room visit, \$100 for the first day of an inpatient hospital stay, and \$4 for an out-patient hospital visit or any other medical provider visit except as prohibited by federal or state law or regulation.

Sec. 1730. Maternal Infant Health Literacy Assessment – NEW

Requires the Department to work with the Department of Education to evaluate the feasibility of including an assessment tool to promote literacy development of pregnant women and new mothers in the maternal infant health program; requires a report on the findings of the feasibility study.

HEALTH AND HUMAN SERVICES

Major Boilerplate Changes From FY 2014-15

Sec. 1764. Actuarial Soundness Certification of Medicaid Health Plan Rates – REVISED

Requires the Department to annually certify that rates paid to Medicaid health plans and specialty prepaid inpatient health plans are actuarially sound and to notify the legislature upon rate certification and approval. Adds requirement that actuarial soundness take into account any Medicaid policy bulletins affecting Medicaid health plans and PIHPs.

Sec. 1800. Outpatient DSH Payments – REVISED

Requires the Department to explore establishment of a Medicaid value pool within the \$85.0 million outpatient disproportionate share hospital (DSH) pool that rewards and incentivizes hospitals providing low-cost and high-quality services, to establish a workgroup to assist in the development of metrics used to determine value, and requires a report. Deletes the workgroup and requires each pool within the \$85.0 million outpatient DSH pool to be distributed based on quality of care, cost, and traditional DSH factors.

Sec. 1805. Graduate Medical Education (GME) Data Reporting – NEW

Requires hospitals that receive GME funding to provide data to a national nonprofit organization on a public website and requires the Department to withhold the hospital's fourth quarter payment if the hospital fails to submit the required data.

Sec. 1806. Pharmaceutical Common Formulary Savings – NEW

Requires that contracts for Medicaid health plans include cooperation and participation in development of a common formulary to be used by all contracting Medicaid health plans; permits the Department to establish performance standards; requires ongoing implementation to include consideration of the Department's preferred drug list; permits Medicaid health plans to use evidence-based management techniques to achieve low net cost objective; and requires the Department and the Medicaid health plans to continue emphasis on use of e-prescribing and electronic medical records.

Sec. 1809. Medicaid Health Plan Performance Standards – NEW

Requires the Department to establish separate contract performance standards for the 0.75% and 0.25% capitation withholds with the 0.75% capitation withhold to include 1-year continuous enrollment and Healthcare Effectiveness Data and Information Set (HEDIS) audited data and the 0.25% capitation withhold to include encouraging high-value services and discouraging low-value services.

Sec. 1812. Graduate Medical Education (GME) Cost and Retention Reporting – NEW

Requires hospitals that receive GME funding to submit direct and indirect costs of the GME program; requires GME hospitals to report the marginal cost to add 1 residency program slot, number of additional slots that would result in need to increase administrative costs, and postresidency retention rates for GME; requires the Department to withhold the hospital's fourth-quarter payment if the hospital fails to submit the required data; requires the Department to convene a workgroup based on the reports provided in this section; and requires the Department to seek a federal waiver if needed to fulfill the requirements of this section.

Sec. 1815. Cap on Health Plan Capitation Withhold – DELETED

Prohibits the Department from implementing a capitation withhold as part of overall health plan capitation rate schedule that exceeds the 0.19% withhold administered during FY 2008-09.

Sec. 1861. Nonemergency Medical Transportation Pilot Program – REVISED

Requires the Department to review the efficiency and effectiveness of the current nonemergency transportation system and report the results to the Legislature, directs the Department to create a pilot in at least two counties, with priority given to Berrien and Muskegon counties, to provide nonemergency transportation services encouraging use of nonprofit entities. Strikes current law and requires the Department to encourage cooperation between Medicaid managed care plans, other health providers, and nonprofit entities to facilitate a pilot nonemergency transportation system.

Sec. 1870. MIDocs Consortium – REVISED

Directs the Department to establish the MIDocs consortium, consisting of Michigan-based medical schools. The purpose of MIDocs is to develop freestanding residency training programs in primary care and other ambulatory care-based specialties. Directs the Department to require an annual report from the consortium detailing per resident costs for medical training and clinical quality measures. Allocates \$500,000 to prepare the report, legally create the consortium, prepare to obtain ACGME accreditation, and develop new residency programs. Replaces \$500,000 with "the work project allocation from the fiscal year ending September 30, 2015".

HEALTH AND HUMAN SERVICES

FY 2014-15 Supplemental Appropriations

**FY 2014-15 YTD
(as of 3/12/15)** **FY 2014-15
Supplemental
Change**

DEPARTMENT OF COMMUNITY HEALTH

1. Base Medicaid, MICHild, and Federal Medicare Pharmaceutical Program Cost Adjustments

Includes FY 2014-15 supplemental adjustments of \$65.4 million Gross (\$14.7 million GF/GP) for caseload, utilization, and inflation adjustments for Medical Services, Behavioral Health Services, Children's Special Health Care Services, and Federal Medicare Pharmaceutical Program based on estimates agreed to at the May Consensus Revenue Estimating Conference. Also includes a fund sourcing adjustment based on increased restricted funding for the base Medicaid Access to Care Initiative (MACI) that offsets \$3.3 million GF/GP.

Gross	\$12,915,340,200	\$65,397,000
IDG	2,999,900	0
Federal	8,448,405,800	40,915,000
Local	45,465,200	0
Private	2,100,000	0
Restricted	1,900,374,300	13,010,100
GF/GP	\$2,515,995,000	\$11,471,900

2. Healthy Michigan Plan (HMP) Cost Adjustments

Includes FY 2014-15 supplemental adjustments of \$485.9 million, reflecting increased federal funding for caseload, utilization, and inflation adjustments in Medical Services and Behavioral Health Services for Healthy Michigan Plan/Medicaid expansion based on estimate agreed to at the May Consensus Revenue Estimating Conference. HMP costs are funded with 100% federal revenue through the end of calendar year 2016.

Gross	\$2,651,022,800	\$485,865,600
Federal	2,651,022,800	485,865,600
GF/GP	\$0	\$0

3. FY 2013-14 Healthy Michigan Plan (HMP) MACI Payments

Includes \$148.7 million in federal funding for FY 2013-14 Medicaid Access to Care Initiative (MACI) payments to hospitals under Healthy Michigan Plan; these payments had not previously been appropriated. Funds will be appropriated in FY 2014-15 to make payments associated with FY 2013-14 services.

Gross	\$0	\$148,700,000
Federal	0	148,700,000
GF/GP	\$0	\$0

4. FY 2014-15 Healthy Michigan Plan (HMP) MACI Payments

Includes \$318.2 million in federal funding for FY 2014-15 Medicaid Access to Care Initiative (MACI) payments to hospitals under Healthy Michigan Plan; these payments had not previously been appropriated.

Gross	\$0	\$318,200,000
Federal	0	318,200,000
GF/GP	\$0	\$0

5. Psychiatric Residency Program

Provides \$1.5 million GF/GP to support a new psychiatry residency program. Also includes Sec. 3003 that requires these funds to be considered work project appropriations.

Gross	\$0	\$1,500,000
GF/GP	\$0	\$1,500,000

DEPARTMENT OF HUMAN SERVICES

6. Child Welfare Caseload Adjustments

Reduces funding for child welfare programs by \$8.7 million Gross (GF/GP increased by \$3.1 million) as follows:

- Child Care Fund is reduced \$4.4 million Gross (GF/GP reduced \$2.2 million).
- Adoption Subsidies program is reduced \$10.1 million Gross (GF/GP reduced \$3.7 million) from 26,725 cases at \$730.25 per month to 25,105 cases at \$745.00 per month.
- Guardianship program is increased \$881,800 Gross (\$447,700 GF/GP) from 800 cases at \$780.00 per month to 850 cases at \$825.94 per month.

Foster Care program is increased \$4.9 million Gross (\$8.6 million GF/GP) from 6,500 cases at an annual cost of \$27,085.00 to 6,446 cases at an annual cost of \$27,645.00.

Gross	NA	(\$8,738,400)
Federal	NA	(10,023,700)
Local	NA	(2,288,800)
Private	NA	485,300
GF/GP	NA	\$3,088,800

HEALTH AND HUMAN SERVICES

FY 2014-15 Supplemental Appropriations

7. Public Assistance Caseload Adjustments

Reduces funding for public assistance programs by \$14.0 million Gross (reduction of \$4.3 million GF/GP) as follows:

- Family Independence Program (FIP) is reduced \$12.9 million Gross (reduction of \$3.6 million GF/GP) from 31,800 cases at \$361.13 per month to 28,730 cases at \$362.75 per month.
- State Disability Assistance (SDA) program is reduced \$1.1 million Gross (reduction of \$756,000 GF/GP) from 6,100 cases at \$214.00 per month to 5,755 cases at \$210.39 per month.
- State Supplementation program is increased \$66,000 GF/GP from 276,600 cases at \$19.10 per month to 273,696 cases at \$19.06 per month.

Increases public assistance caseload costs by \$3.6 million Gross (\$2.7 million GF/GP) for increased costs due to the recent Barry, et al, v. Lyons court ruling.

	FY 2014-15 YTD (as of 3/12/15)	FY 2014-15 Supplemental Change
Gross	NA	(\$10,316,800)
Federal	NA	(5,002,200)
Restricted	NA	(3,676,200)
GF/GP	NA	(\$1,638,400)

FY 2014-15 Supplemental Boilerplate Changes

DEPARTMENT OF COMMUNITY HEALTH

Sec. 3003. Psychiatric Residency Program Work Project Authorization – NEW

Requires any unexpended, unencumbered, or unallotted funds appropriated in the FY 2014-15 supplemental to support a new psychiatry residency program to be considered a work project appropriation; specifies an estimated cost of \$1.5 million; and specifies a tentative completion date of September 30, 2016.

Sec. 3004. MIDocs Consortium Work Project Authorization – NEW

Requires any unexpended, unencumbered, or unallotted funds appropriated in Sec. 1870 of Article IV of 2014 PA 252 to support the MIDocs consortium to be considered a work project appropriation; specifies an estimated cost of \$500,000; and specifies a tentative completion date of September 30, 2016.

Sec. 3005. Prenatal and Early Childhood Home Visiting Work Project Authorization – NEW

Requires any unexpended, unencumbered, or unallotted funds appropriated in Article IV of 2014 PA 252 for prenatal care outreach and services delivery support to support evidence-based prenatal and early childhood home visiting programs in rural areas to be considered a work project appropriation; specifies an estimated cost of \$550,000; and specifies a tentative completion date of September 30, 2016.

**HIGHER EDUCATION
Summary of FY 2015-16 Enacted Appropriations
Article III, 2015 Public Act 85 (House Bill 4115)**

Analyst: Marilyn Peterson

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Revised Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	Difference: Enacted From FY 2014-15 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	97,026,400	97,026,400	97,026,400	97,026,400	97,026,400	0	0.0
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	206,567,900	205,279,500	205,279,500	205,279,500	205,279,500	(1,288,400)	(0.6)
GF/GP	\$1,212,902,000	\$1,238,913,300	1,224,917,700	1,238,913,300	1,232,418,500	19,516,500	1.6
Gross	\$1,516,496,300	\$1,541,219,200	\$1,527,223,600	\$1,541,219,200	\$1,534,724,400	\$18,228,100	1.2

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including House Bill 4110). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

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

Major Budget Changes From FY 2014-15 YTD Appropriations

1. University Operations

Increases university operations funding by \$20.1 million GF/GP (1.5%), bringing total support to \$1.4 billion (\$1.2 billion GF/GP). Funding increase to be distributed according to a performance funding formula, revised to eliminate the component that distributes 50% of performance funding based on each university's share of operational funding appropriated in the baseline year of FY 2010-11. Percentages applying to other formula components (weighted completions, research and development, and comparison to Carnegie peers) thus are doubled. Conditions receipt of performance funding on restraining resident undergraduate tuition/fee increases to 3.2%, same as in the current year. Projected increases for individual universities range from 0.4% to 3.0%, assuming all universities qualify for the performance increases.

	FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
Gross	\$1,339,958,200	\$20,099,400
Restricted	200,019,500	0
GF/GP	\$1,139,938,700	\$20,099,400

2. Michigan Public School Employees Retirement System (MPERS)

Assumes a cap of 25.73% of payroll on university payments for unfunded accrued liability under MPERS. Funding of \$5.2 million in School Aid Fund (SAF) revenues is provided to pay the difference between the 25.73% cap and universities' unfunded accrued liability rate. This would affect the seven universities with MPERS employees: Central, Eastern, Ferris, Lake Superior State, Michigan Tech, Northern, and Western. Current-year funding of \$6.4 million includes \$4.0 million designated as one-time appropriations. Current-year funding is allocated based on specified payroll and appropriated "solely for the purpose of offsetting a portion of the retirement contributions owed by the university."

	Gross	Enacted Change
Gross	\$6,448,400	(\$1,288,400)
Restricted	6,448,400	(1,288,400)
GF/GP	\$0	\$0

HIGHER EDUCATION

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>	<u>FY 2014-15 YTD (as of 3/12/15)</u>	<u>Enacted Change From YTD</u>
3. MSU Extension Service and AgBioResearch	Gross \$59,609,000	\$894,100
Provides a 1.5% increase for Michigan State's AgBioResearch and Extension programs, funding AgBioResearch at \$32.5 million (a \$480,400 increase from current year), and Extension at \$28.0 million (a \$413,700 increase).	GF/GP \$59,609,000	\$894,100
4. Michigan College Access Network (MCAN)	Gross \$2,000,000	(\$2,000,000)
Removes the Michigan College Access Network from the Higher Education budget, consistent with moving the program to the K-12 budget.	GF/GP \$2,000,000	(\$2,000,000)
5. Midwest Higher Education Compact	Gross \$95,000	\$20,000
Funds dues increase for participation in the Midwest Higher Education Compact, which promotes regional cooperation and economies of scale in purchasing, encourages tuition reciprocity programs, and conducts research into higher education issues.	GF/GP \$95,000	\$20,000
6. Indian Tuition Waivers	Gross \$500,000	\$0
Rolls current-year appropriation for Indian Tuition Waivers into individual university operations appropriations based on the number of eligible students at each university. Current-year appropriation was distributed based on the amount of tuition waived at each university, adjusted for amounts included in university operations appropriations. (Funding for Indian Tuition Waivers was rolled into university operations appropriations in FY 1996-97, and has been assumed to rise or fall with subsequent across-the-board increases and decreases.)	GF/GP \$500,000	\$0
7. Grants and Financial Aid	Gross \$104,994,200	\$503,000
Provides a 1.5% increase (\$503,000 GF/GP) for the tuition grant program, but otherwise maintains current-year funding levels for the various financial aid programs. Funding is as follows:	Federal 97,026,400	0
<ul style="list-style-type: none"> • Tuition Incentive Program: \$48.5 million (\$43.8 million federal TANF funds and \$4.7 million GF/GP). • Tuition Grant Program: \$34.0 million (\$31.7 million TANF and \$2.4 million GF/GP). • State competitive scholarships: \$18.4 million, all TANF. • Project GEAR-UP scholarships: \$3.2 million federal program funds. • Children of Veterans and Officer's Survivor Tuition Grant Programs: \$1.3 million GF/GP, \$100,000 restricted revenue. 	Restricted 100,000	0
	GF/GP \$7,867,800	\$503,000
8. King-Chavez-Parks (KCP) Programs	Gross \$2,691,500	\$0
In addition to allocations contained in each university's operations appropriation, the budget maintains funding for the three KCP programs that are separately funded:	GF/GP \$2,691,500	\$0
<ul style="list-style-type: none"> • Select Student Support Services (\$2.0 million) • Michigan College/University Partnership Program (\$586,800) • Morris Hood, Jr. Educator Development Program (\$148,600) 		
9. Higher Education Institutional Data Inventory (HEIDI)	Gross \$200,000	\$0
Maintains funding for the state's higher education database. Public universities submit finance, enrollment, and other data annually under statutory and budget act requirements.	GF/GP \$200,000	\$0

Major Boilerplate Changes From FY 2014-15

GENERAL SECTIONS

Sec. 236c. State Building Authority (SBA) Rent Payments – REVISED

Itemizes SBA rent payments made under the DTMB budget for university capital outlay projects. Current-year payments total \$124.8 million, updated to \$136.0 million for FY 2015-16.

Sec. 246. Michigan Public School Employees' Retirement System (MPSERS) – REVISED

Allocates MPSERS funding based on each participating university's percentage of the total combined payrolls of employees who are MPSERS members hired before January 1, 1996, and employees who would have been MPSERS members but for enactment of 1995 PA 272, which closed the system to new hires. Under Executive, new language would assume a maximum employer rate of 25.73% of payroll and would specify that the amount of a university's MPSERS payment would be equal to the difference between the capped rate and the rate that would otherwise apply in order to meet the unfunded accrued actuarial liability. Language requiring funding to be used "solely for the purpose of offsetting a portion of the retirement contributions owed by the university" would be replaced with language requiring each university that receives MPSERS support to forward the amount received to MPSERS.

GRANTS AND FINANCIAL AID

Sec. 252. Tuition Grant Program – REVISED

Establishes conditions for the tuition grant program, which provides need-based tuition assistance at Michigan independent (i.e., private nonprofit) colleges and universities:

- Retains requirement for unexpended funds to continue to be available in the next fiscal year; unexpended funds thus would lapse to the General Fund.
- Retains cap of \$3.2 million on awards at any one institution.
- Revises requirement for Department of Treasury to confirm by December 15 and again by February 18 whether appropriations are sufficient for awards, deleting the December 15 requirement.
- Moves deadline for institutional reporting from August 31 to September 30.
- Adds requirement for independent colleges and universities to report to the legislature and the state budget director on efforts to develop and implement sexual assault response training for key personnel.

Sec. 259. Michigan College Access Network (MCAN) – DELETED

In conjunction with transferring the college access program to the K-12 budget, removes MCAN language from the Higher Education budget.

UNIVERSITY OPERATIONS

Sec. 262a. Textbook Policies – DELETED

Deletes section that states intent that universities develop policies for reviewing required textbook and course materials to minimize costs while maintaining quality of education; requires report on university policies.

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

In FY 2014-15, receipt of performance funding is conditioned on:

- Compliance with tuition restraint provisions (limited to 3.2% increase in both FY 2014-15 and FY 2015-16).
- Participation in reverse transfer agreements with at least three Michigan community colleges.
- Certification that dual enrollment policy does not consider use of credits toward high school graduation requirements.
- Participation in Michigan Transfer Network.

The FY 2014-15 budget also sets the formula used to distribute performance funding, distributed as follows:

- 50% proportional to each university's share of total operations funding in the baseline year of FY 2010-11.
- 11.1% based on weighted undergraduate completions in critical skills areas.
- 5.6% based on research and development expenditures (for high-research universities).
- 33.3% based on comparisons with Carnegie classification peers on four metrics: six-year graduation rate, total degree completions, institutional support as a percentage of core expenditures, and number of students receiving Pell grants.

The FY 2015-16 budget deletes the component based on FY 2010-11 allocations, thereby doubling the percentages applying to the remaining three components, and revises the Pell grant metric to apply to the percentage of students receiving Pell grants, rather than the number of students receiving Pell grants.

HIGHER EDUCATION

Major Boilerplate Changes From FY 2014-15

Sec. 268. *Indian Tuition Waivers (ITW)* – REVISED

Adds a requirement that a public university provide the Department of Civil Rights any information necessary for preparing the ITW report required by the budget.

Sec. 272a. *Rejection of Transfer Credits* – DELETED

Repeals a section that requires universities to report on transfer credits that they rejected in the prior year.

Sec. 273. *Student Religious Beliefs* – DELETED

Deletes section that states intent that universities report on efforts to accommodate the religious beliefs of students in accredited counseling programs.

Sec. 274a. *Adult Coresident Health Benefits* – DELETED

Deletes section that states intent that universities not provide benefits to unmarried adult coresidents or their dependents, and that each university report on the costs of providing such benefits.

Sec. 274c. *Sexual Assault Response Training* – NEW

Adds requirement for universities to report to the legislature and the state budget director on efforts to develop and implement sexual assault response training for key personnel.

FY 2015-16 University Performance Funding (2015 PA 85)
1.5% Increase

University	FY 2014-15 Year-to-Date Appropriation	Performance Funding Proportional to Share of Total				Performance Funding Scored vs. National Carnegie Peers										Total Performance Funding Increase Dollars	%	Add FY15 ITW funding to base	FY 2015-16 Appropriation	
		Critical Skills Undergrad Completions	Funding	Research & Development Expenditures	Funding	6-year Grad Rate	Total Degrees	Instl. Support as % of Expend.	% Students Receiving Pell Grants	Total Points	Undergrad FYES	FYES- Weighted Score	Funding							
	% of formula: Funding per unit:	22.2%	\$288.43 per completion	11.1%	\$0.0017 per dollar	66.7%										\$7.68 per weighted point				
Michigan State	\$264,429,100	2,716	\$783,254	\$328,770,128	\$553,972	2	3	2	2	9	36,203	325,827	\$2,503,779	\$3,841,000	1.5%	\$8,800	\$268,278,900			
UM-Ann Arbor	\$295,174,100	2,911	\$839,606	\$746,124,000	\$1,257,206	3	3	2	2	10	28,048	280,480	\$2,155,315	\$4,252,100	1.4%	\$4,400	\$299,430,600			
Wayne State	\$190,519,800	731	\$210,839	\$155,643,759	\$262,257	0	0	0	3	3	14,909	44,727	\$343,699	\$816,800	0.4%	\$10,100	\$191,346,700			
Michigan Tech	\$45,923,100	886	\$255,418	\$53,719,135	\$90,516	3	2	2	2	9	5,466	49,194	\$378,025	\$724,000	1.6%	\$14,900	\$46,662,000			
Western	\$102,742,000	1,066	\$307,461	\$19,502,342	\$32,861	2	2	2	2	8	17,149	137,192	\$1,054,236	\$1,394,500	1.4%	\$19,100	\$104,155,600			
Central	\$79,115,000	766	\$220,934	\$11,338,433	\$19,105	3	3	3	2	11	17,740	195,140	\$1,499,530	\$1,739,600	2.2%	\$49,800	\$80,904,400			
Oakland	\$48,364,100	1,089	\$314,095	\$10,296,931	\$17,350	2	2	2	2	8	14,591	116,728	\$896,982	\$1,228,400	2.5%	\$7,800	\$49,600,300			
Eastern	\$71,771,100	741	\$213,579			0	3	2	2	7	15,601	109,207	\$839,188	\$1,052,800	1.5%	\$11,400	\$72,835,300			
Ferris	\$49,087,000	1,249	\$360,261			2	3	2	2	9	10,822	97,398	\$748,443	\$1,108,700	2.3%	\$32,100	\$50,227,800			
Grand Valley	\$63,136,000	1,293	\$372,988			3	3	2	2	10	19,594	195,940	\$1,505,678	\$1,878,700	3.0%	\$20,500	\$65,035,200			
Saginaw Valley	\$27,610,200	427	\$123,158			0	2	2	2	6	8,089	48,534	\$372,954	\$496,100	1.8%	\$11,400	\$28,117,700			
UM-Dearborn	\$23,689,300	404	\$116,524			2	0	0	2	4	5,786	23,144	\$177,847	\$294,400	1.2%	\$11,700	\$23,995,400			
UM-Flint	\$21,337,700	505	\$145,655			0	2	2	2	6	5,606	33,636	\$258,472	\$404,100	1.9%	\$21,900	\$21,763,700			
Northern	\$44,277,200	520	\$149,999			2	3	2	2	9	7,694	69,246	\$532,113	\$682,100	1.5%	\$61,100	\$45,020,400			
Lake Superior	\$12,782,500	183	\$52,764			2	2	2	2	8	2,169	17,352	\$133,339	\$186,100	1.5%	\$215,000	\$13,183,600			
TOTAL:	\$1,339,958,200	15,486	\$4,466,533	\$1,325,394,728	\$2,233,267	26	33	27	31	117	209,467	1,743,745	\$13,399,600	\$20,099,400	1.5%	\$500,000	\$1,360,557,600			

Funding Increase: \$20,099,400
Percent Increase: 1.5

Note: formula distributions account for corrected IPEDS data.

Component	Source	Years	Notes
Critical skills undergrad completions	State HEIDI	FYs 2013-2014	STEM/health/etc.
Research & develop expend	Federal IPEDS	FY 2013	Carnegie research universities only
Six-year graduation rate	Federal IPEDS [^]	FYs 2009-2012	First-time, full-time degree seeking students
Total degree completions	Federal IPEDS [^]	FYs 2009-2012	Includes graduate degrees
Inst support as % of core expend	Federal IPEDS [^]	FYs 2009-2012	Measure of administrative costs
Pell grant students	Federal IPEDS [^]	FYs 2010-2012	Federal need-based aid for undergrads
Undergrad FYES	State HEIDI	FY 2013	Includes nonresident students

[^] via Business Leaders for Michigan and Anderson Economic Group

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

*Requirements to receive funding increase:

1. Restrain FY 2015-16 resident undergraduate tuition/fee rate increase to 3.2% or below
2. Participate in at least three reverse transfer agreements with community colleges (or make good-faith effort)
3. Maintain a dual enrollment credit policy that does not consider whether credits were used toward high school graduation
4. Participate in the Michigan Transfer Network

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
Summary of FY 2015-16 Enacted Appropriations
Article XI, 2015 Public Act 84 (Senate Bill 133)

Analyst: Paul B.A. Holland

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Revised Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	Difference: Enacted From FY 2014-15 YTD	
						Amount	%
IDG/IDT	\$707,600	\$707,600	\$707,600	\$707,600	\$707,600	\$0	0.0
Federal	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	0	0.0
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	62,427,100	62,200,100	62,200,100	62,200,100	62,200,100	(227,000)	(0.4)
GF/GP	55,000	150,000	150,000	55,000	150,000	95,000	172.7
Gross	\$65,189,700	\$65,057,700	\$65,057,700	\$64,962,700	\$65,057,700	(\$132,000)	(0.2)
FTEs	343.0	343.0	343.0	343.0	343.0	0.0	0.0

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

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

Major Budget Changes From FY 2014-15 YTD Appropriations

		FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
1. Report on Healthy Michigan Plan Impact on Insurance Rates	Gross	\$55,000	\$95,000
Increases GF/GP spending authorization to support departmental expenses to evaluate and issue an annual report on the impact of expanding medical coverage via the Healthy Michigan Plan (i.e., Medicaid Expansion/Reform) on the cost of uncompensated care as it relates to changes in health insurance rates, pursuant to Section 105d of The Social Welfare Act (as amended by 2013 PA 107). 2014 PA 252 appropriated \$55,000 for the initial baseline report, included as ongoing for FY 2015-16, resulting in a recommended total of \$150,000 for the aforementioned evaluation and report.	GF/GP	\$55,000	\$95,000
2. Michigan Business One Stop Charges	Gross	\$78,500	(\$78,500)
Decreases spending authorization for information technology charges by the Department of Technology, Management, and Budget, resultant from the elimination of the Michigan Business One Stop web portal and call center pursuant to 2014 PA 252.	Restricted	78,500	(78,500)

INSURANCE AND FINANCIAL SERVICES

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>	<u>FY 2014-15 YTD</u>	<u>Enacted Change</u>
	<u>(as of 3/12/15)</u>	<u>From YTD</u>
3. Technical Adjustments	FTE 42.0	0.0
Includes multiple adjustments to spending and staff authorizations for numerous funds affecting various line items to more accurately reflect available and appropriate revenues and align authorization with actual operations; technical adjustments may involve increasing or decreasing spending or staff authorization or shifting authorization between fund sources within a single line item or transferring spending or staff authorization between line items.	Gross \$11,879,300	\$0
	Restricted 11,879,300	0
4. Economic Adjustments	Gross NA	(\$148,500)
Includes adjustments to reflect net cost reduction for negotiated salary and wage amounts (2.0% base increase), insurance rate increases, reductions in actuarially determined retirement rates, and other economic adjustments.	Restricted NA	(148,500)

Major Boilerplate Changes From FY 2014-15

Sec. 205. Benchmarks for New Programs or Program Expansions – REVISED

Requires DIFS to submit reports to the Legislature identifying specific benchmarks intended to measure the performance or return on taxpayer investment of new programs or program expansions and updating the Legislature on the progress of the programs as measured by those benchmarks; stipulates that the Legislature intends that benchmarks be included with executive budget requests beginning with the FY 2015-16 budget. *Revised to include reference to a statutory scorecard requirement, change benchmarks into program-specific metrics, and remove intent language.*

Sec. 223. Contingency Appropriations – REVISED

Permits appropriation of federal, state restricted, local, and private contingency funds up to specified amounts, subject to the legislative transfer process. *Revised to remove contingency appropriations for local and private funds and streamline reference to Management and Budget Act.*

Sec. 229. Department Scorecard Website – REVISED

Requires DIFS to maintain a department scorecard website that identifies, updates, and tracks key metrics to monitor the department's performance. *Revised to add separate reporting requirement for metrics on annual rate filings by health insurers.*

Sec. 240. Filled FTE Report – DELETED

Stipulates that the Legislature intends that DIFS does not use FTE positions as spending placeholders and requires DIFS to provide a report specifying the quarterly number of filled FTE positions by line item and indicating FTEs allocated to economic development activities during the preceding fiscal year.

Sec. 246. Appropriation for Healthy Michigan Plan Statutory Reporting Requirement – REVISED

Stipulates that appropriation from the General Fund shall only be expended on DIFS' reporting requirements pursuant to Subsection 105d(9) of The Social Welfare Act of 1939 and requires DIFS to acquire at least two bids prior to expending the appropriation. *Revised to remove requirement to obtain at least two bids.*

Sec. 802. Autism Coverage Reimbursement Program Reporting Requirements – REVISED

Requires DIFS to submit a report pertaining to the number of claims approved for reimbursement within each county, the amount expended for reimbursement of each carrier, and the average age of patients for reimbursed claims under the Autism Coverage Reimbursement Program authorized by 2012 PA 101. *Revised to remove average age of patients from report and add requirement to report on detailed claims statistics.*

Sec. 1201. FY 2016-17 Appropriation – NEW

States intent that FY 2016-17 appropriations are anticipated to be the same as FY 2015-16 appropriations, except for adjustments for changes in caseloads, federal match rates, economic factors, and available revenue.

Sec. 1202. Normal Retirement Costs and Legacy Retirement Costs – NEW

States intent that DIFS identifies the amounts for normal retirement costs and legacy retirement costs for FY 2016-17.

**JUDICIARY
Summary of FY 2015-16 Enacted Appropriations
Article XII, 2015 Public Act 84 (Senate Bill 133)**

Analyst: Robin R. Risko

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Revised Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	Difference: Enacted From FY 2014-15 YTD	
						Amount	%
IDG/IDT	\$2,364,400	\$2,362,900	\$2,362,900	\$2,362,900	\$2,362,900	(\$1,500)	(0.1)
Federal	6,437,400	6,428,600	6,428,600	6,428,600	6,428,600	(8,800)	(0.1)
Local	7,241,100	7,229,000	7,229,000	7,229,000	7,229,000	(12,100)	(0.2)
Private	944,800	942,900	942,900	942,900	942,900	(1,900)	(0.2)
Restricted	84,252,500	84,245,700	84,245,700	84,245,800	84,245,800	(6,700)	0.0
GF/GP	186,527,400	182,692,200	182,192,200	184,192,200	183,442,200	(3,085,200)	(1.7)
Gross	\$287,767,600	\$283,901,300	\$283,401,300	\$285,401,400	\$284,651,400	(\$3,116,200)	(1.1)
FTEs	490.0	487.0	489.0	489.0	489.0	(1.0)	(0.2)

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including House Bill 4112). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

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

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
1. Budgetary Savings	Gross	\$140,215,300	(\$2,400,000)
Reflects a savings from recognizing year-end lapses that typically occur in various line items and from administrative efficiencies, such as delaying hiring for vacant positions. The largest amounts of savings are taken from the Swift and Sure Sanctions Program line item (\$1.8 million) and from the Mental Health Courts and Diversion Services line item (\$500,000). The remaining savings of \$150,000 is taken from various operation/administration line items throughout the budget.	IDG	738,600	0
	Federal	3,987,300	0
	Private	944,800	0
	Restricted	54,059,800	0
	GF/GP	\$80,484,800	(\$2,400,000)
	FTE	1.0	(1.0)
2. Remove One-Time Funding	Gross	\$375,000	(\$375,000)
Removes one-time funding included in the FY 2014-15 budget for the Trial Court Innovations Fund. Funding was used to create incentives to encourage positive change, adoption of best practices, and high performance in the state's trial courts.	GF/GP	\$375,000	(\$375,000)
3. Savings for Eliminated Judgeships	Gross	NA	(\$351,800)
Reflects a savings from elimination of one Court of Appeals judgeship under Public Act 40 of 2012; elimination of four district court judgeships under Public Acts 16, 20, and 34 of 2012 and 58 of 2014; and elimination of five circuit court judgeships under Public Acts 228 of 2009, 18 and 35 of 2012, and 59 of 2014. The amount of savings is a result of retirements effective on January 1, 2015. Seventy-five percent of the savings was recognized in the FY 2014-15 budget; the remaining twenty-five percent will be recognized in the FY 2015-16 budget.	GF/GP	NA	(\$351,800)

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>		FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
4. Eliminate Community Court Pilot Program	Gross	\$20,000	(\$20,000)
Eliminates funding appropriated for the Community Court Pilot Program. Funding was used to assist the 36th District Court with their community court. Community courts are neighborhood-focused courts that harness the power of the justice system to address local problems.	GF/GP	\$20,000	(\$20,000)
5. Economic Adjustments	Gross	NA	\$30,500
Reflects a net cost increase for increases in salary and wage costs, insurance rates, and private rent costs, and reductions in actuarially determined retirement rates, building occupancy charges, and worker's compensation costs.	IDG	NA	(1,500)
	Federal	NA	(8,800)
	Local	NA	(12,100)
	Private	NA	(1,900)
	Restricted	NA	(6,800)
	GF/GP	NA	\$61,600
6. Statewide E-Filing System	Gross	NA	\$100
Includes a \$100 placeholder to allow for further discussion on a statewide e-filing system for the trial courts.	Restricted	NA	100

Major Boilerplate Changes From FY 2014-15

Sec. 211. Linking Swift and Sure Sanctions Program to Michigan Rehabilitative Services – REVISED

Requires the State Court Administrative Office (SCAO) to evaluate programs within the Department of Health and Human Services and the Department of Talent and Economic Development to establish programmatic connections with participants in the Swift and Sure Sanctions program for the purpose of leveraging collaborations and determining avenues of success for offenders who are eligible for state-provided programs; requires SCAO to deliver guidance to courts participating in the Swift and Sure Sanctions program, detailing the evaluations and directing participants into available programming.

Sec. 306. Assist With Court Collections – DELETED

Requires the Supreme Court and SCAO to maintain efforts to assist local trial courts in improving judgment collections.

Sec. 306. Report on Court Collections – NEW

Requires SCAO to report, by county, the amounts of collected and uncollected restitution payments, court fees, and other judgments, placed on people within the county, for fiscal years 2009 through 2014.

Sec. 308. Judges' Salaries – REVISED

Authorizes the appropriation of GF/GP to meet the cost of judges' compensation should funds from the Court Fee Fund be insufficient; requires SCAO to notify within 14 days if GF/GP appropriations are made.

Sec. 309. Mental Health Courts – DELETED

Requires SCAO to provide an annual update on the status of the mental health courts.

Sec. 309. Report on Specialty Courts – NEW

Requires SCAO to report information on drug treatment courts, mental health courts, and veterans courts, such as the number of each type of program that has been established, the number of program participants in each jurisdiction, and the impact of the programs on offender criminal involvement and recidivism.

Sec. 310. Drug Treatment Court Evaluation – DELETED

Requires SCAO to evaluate and collect data on the performance of drug treatment court programs and to provide an annual review.

Sec. 318. Community Court Pilot Project – DELETED

Requires funding appropriated for the community court pilot project to be used for administering a pilot program of neighborhood-focused community courts.

Sec. 320. Swift and Sure Sanctions Program – REVISED

Specifies that \$4.3 million is to be expended for the Swift and Sure Sanctions program; requires SCAO to report on offenders participating and on recidivism rates.

JUDICIARY

Major Boilerplate Changes From FY 2014-15

Sec. 322a. Federal Funding Authorization for the Michigan Indigent Defense Commission – NEW

Authorizes the Michigan Indigent Defense Commission to receive and expend up to \$250,000 in federal Byrne grant funding, and up to \$300,000 in other federal grant funding, if the funding is made available from the United States Department of Justice.

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
Summary of FY 2015-16 Enacted Appropriations
Article XIII, 2015 Public Act 84 (Senate Bill 133)

Analyst: Paul B.A. Holland

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Revised Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	Difference: Enacted From FY 2014-15 YTD	
						Amount	%
IDG/IDT	\$14,509,800	\$42,568,700	\$16,279,900	\$15,754,900	\$46,068,700	\$31,558,900	217.5
Federal	200,624,800	63,674,900	200,388,700	200,388,700	63,674,900	(136,949,900)	(68.3)
Local	656,500	679,000	679,000	679,000	679,000	22,500	3.4
Private	311,800	341,300	311,300	311,300	341,300	29,500	9.5
Restricted	286,464,000	265,213,400	298,742,500	298,214,000	258,403,600	(28,060,400)	(9.8)
GF/GP	39,821,300	41,481,500	22,894,800	24,223,500	38,481,500	(1,339,800)	(3.4)
Gross	\$542,388,200	\$413,958,800	\$539,296,200	\$539,571,400	\$407,649,000	(\$134,739,200)	(24.8)
FTEs	2,877.8	2,235.8	2,862.8	2,871.8	2,220.8	(657.0)	(22.8)

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Executive figures include Executive Budget Revisions 2016-1, 2016-2, and 2016-4.

Overview

The Department of Licensing and Regulatory Affairs (LARA) is primarily responsible for business regulatory and employment services programs and is organized according to its four principal functions: 1) Licensing and Regulation, which implements and enforces statutory laws and administrative rules pertaining to commercial and occupational, construction and fire safety, healthcare professional and facility, adult and child care home, energy and public utility, and alcoholic beverage regulations; 2) Employment Security and Workplace Safety, which oversees workers' compensation insurance, occupational safety and health standards, labor and wage laws, and vocational rehabilitation services for the blind; 3) the Michigan Administrative Hearing System, a quasi-judicial agency which centralizes and conducts administrative hearings for agencies throughout state government; and 4) the Office of Regulatory Reinvention, which manages administrative rule-making and evaluates the state's regulatory infrastructure, and the Office of Reinventing Performance in Michigan, which implements statewide regulatory process improvement and paperwork efficiency measures.

Major Budget Changes From FY 2014-15 YTD Appropriations

		FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
1. Career and Technology Education and Skilled Trades Initiative	Gross	NA	\$15,600,000
Includes spending authorization for various programs intended to enhance career and technology education and skilled trades training; consisting of \$10.0 million for the Skilled Trades Training Program (in addition to an existing \$10.0 million appropriation within the budget for the Michigan Strategic Fund), \$2.1 million for an At-Risk Youth Initiative, \$1.8 million for a Michigan Advanced Technical Training Initiative, \$1.5 million to enhance re-employment opportunities for unemployed workers, and \$200,000 to support the re-tooling of credentials received by persons immigrating to Michigan. The Initiative is primarily supported with revenue from the Penalty and Interest Account of the Unemployment Insurance Agency's Contingent Fund and partially with federal unemployment insurance administration grants. (See #16 below for transfer of this authorization out of LARA.)	Federal	NA	1,500,000
	Restricted	NA	14,100,000

LICENSING AND REGULATORY AFFAIRS

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>	FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD	
2. Unemployment Insurance Customer Service			
	Gross	\$18,000,000	
Transfers spending authorization from one-time to include as ongoing for the maintenance of customer services at the Unemployment Insurance Agency (UIA), supported with revenue from the Penalty and Interest Account of the Contingent Fund (Fund) in which penalties, damages, and interest collected from employers and claimants are deposited. In August of 2012, due to the decline in the state's Insured Unemployment Rate, the federal government reduced the amount of administration grants to the UIA by \$37.2 million, resulting in 402 FTEs being laid off, and there continues to be uncertainty concerning the amounts of quarterly grant awards. The Legislature approved contingency transfers authorizing \$7.5 million in FY 2011-12 and \$5.0 million in both FY 2012-13 and FY 2013-14 from the Fund to support the maintenance of UIA operations and included a one-time appropriation of \$18.0 million for FY 2014-15 (see #5 below) for customer services. In July 2014, the U.S. Department of Labor has notified the UIA that it is "at risk" of decertification, resulting in loss of federal employer tax credits and administration grants, for failing to satisfy timeliness standards for first benefit payments and determination of appeals. (See #16 below for transfer of this authorization out of LARA.)	Restricted	18,000,000	\$0 0
3. Statutory Fee Sunsets			
	Gross	\$67,173,200	
Assumes revenues generated by the extension of sunsets on numerous past statutory fee increases, set to expire on September 30, 2015, for various business and nonprofit filing and securities registration fees collected by the Corporations, Securities, and Commercial Licensing Bureau (CSCLB) and numerous occupational registration and licensure fees collected by the CSCLB and the Bureau of Construction Codes. LARA estimates that the elimination of these fee sunsets will preserve an annualized average of \$15.6 million in restricted revenue. The Legislature increased these fees in either 2003 or 2008 and recently extended the sunsets in 2012. House Bills 4363, 4364, 4381, 4382, 4383, 4384, 4397, 4398, and 4399 extended sunsets until September 30, 2019.	Restricted	67,173,200	\$0 0
4. Health Facilities Fees			
	Gross	\$3,702,900	
Assumes revenues generated by implementation of increases in application, base rate, and per bed licensure fees levied on acute and psychiatric hospitals, hospice agencies and residences, long-term care and freestanding surgical outpatient facilities, and substance use disorder programs, and collected by the Bureau of Health Care Services (BHCS). LARA and HFA estimate these fee increases would generate an additional \$1.1 million per year. These fees were last adjusted between 20 and 35 years ago and the increases are similar to those proposed by the BHCS in the annual report required by boilerplate Sec. 509 of 2014 PA 252. It is further assumed that fees would be levied annually while inspections of facilities would be triennial and that authority to waive inspections would be expanded. No increase in spending authorization is required as the Health Systems Fees fund, into which these fees are deposited, is currently over-appropriated. House Bills 4444 and 4447 increased the fees, subject to a sunset on September 30, 2019, and made the fees annual, inspections triennial, and expanded inspection waivers.	Restricted	3,702,900	\$0 0

LICENSING AND REGULATORY AFFAIRS

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>		FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
5. FY 2014-15 One-Time Appropriations			
Removes spending authorization for FY 2014-15 one-time appropriations for Delphi Corporation workers' compensation payments \$15.0 million GF/GP, Liquor Control Commission IT upgrades (\$500,000 Gross), and a disability access pilot project implemented by the Disability Advocates of Kent County (\$100,000 Gross). Also, eliminates \$100,000 GF/GP appropriated by 2014 PA 414 for costs incurred by the Bureau of Employment Relations to receive and upload specified collective bargaining documents and the remaining \$99,700 GF/GP for implementation of a health professional disciplinary actions website pursuant to Sec. 512 of Article XIII of 2014 PA 252. One-time spending authorization for customer services at the Unemployment Insurance Agency customer service is transferred to ongoing authorization (see #2 above).	Gross	\$15,700,000	(\$15,799,700)
	Restricted	600,000	(600,000)
	GF/GP	\$15,100,000	(\$15,199,700)
6. Michigan Business One Stop Charges			
Decreases spending authorization for information technology charges by the Department of Technology, Management, and Budget, resultant from the elimination of the Michigan Business One Stop web portal and call center pursuant to 2014 PA 252.	Gross	\$41,795,200	(\$2,147,900)
	Federal	23,446,600	(76,900)
	Restricted	18,283,400	(2,071,000)
	GF/GP	\$65,200	\$0
7. Corporate and Commercial Licensing Databases			
Increases spending authorization for information technology costs associated with upgrades to the databases utilized by the Corporation, Securities, and Commercial Licensing Bureau for regulatory, examination, registration, and licensure activities pursuant to state laws applicable to business and nonprofit entities or various professional occupations.	Gross	\$41,795,200	\$1,820,000
	Federal	23,446,600	0
	Restricted	18,283,400	1,820,000
	GF/GP	\$65,200	\$0
8. METRO Authority			
Eliminates spending and staff authorization for the Metropolitan Extension Telecommunication Rights-of-Way Oversight (METRO) Authority abolished via 2014 PA 88. This authorization also included LARA's expenses related to compliance with and coordination of and Freedom of Information Act (FOIA) requests. The METRO Authority and LARA's FOIA costs were supported with Public Utility Assessments levied pursuant to 1972 PA 299.	FTE	3.0	(3.0)
	Gross	\$383,600	(\$383,600)
	Restricted	383,600	(383,600)
9. FOIA Coordination and Local Community Stabilization Authority			
Increases spending and staff authorization for the expenses related to the powers, duties, functions, and responsibilities of the former METRO Authority transferred to the Local Community Stabilization Authority (LCSA) via 2014 PAs 86 and 88. LARA is currently negotiating a contract with the LCSA which is intended to establish a funding mechanism to support these expenses. This authorization also includes a separate line item for LARA's expenses related to compliance with and coordination of Freedom of Information Act (FOIA) requests, supported with statutory filing fees levied on business on nonprofit entities.	FTE	NA	3.0
	Gross	NA	\$452,900
	Local	NA	150,000
	Restricted	NA	302,900
10. Michigan Administrative Hearing System Overhead Costs			
Increases spending authorization to support the overhead costs (e.g., property management, information technology, and departmental administration) of the Michigan Administrative Hearing System associated with administrative hearings on decisions made under programs administered by other state departments and agencies.	FTE	215.0	0.0
	Gross	\$38,425,800	\$1,014,200
	IDG/IDT	14,259,800	1,014,200
	Federal	9,842,600	0
	Restricted	12,834,300	0
	GF/GP	\$1,489,100	\$0

LICENSING AND REGULATORY AFFAIRS

Major Budget Changes From FY 2014-15 YTD Appropriations	FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
11. Technical Adjustments and Major Fund Shifts	FTE 20.0	(15.0)
Includes multiple adjustments to spending and staff authorizations for numerous funds affecting various line items to more accurately reflect available and appropriate revenues and align authorization with actual operations; technical adjustments may involve increasing or decreasing spending or staff authorization or shifting authorization between fund sources within a single line item or transferring spending or staff authorization between line items. Specifically, replacing of \$525,000 GF/GP with revenue generated by corporate filing fees for the Office of Reinventing Performance in Michigan, replacing \$174,000 GF/GP for MIOSHA and the Wage and Hour Program with revenue generated by corporate filing fees, replacing revenue from the Liquor Purchase Revolving Fund with GF/GP for Fire Protection Grants (\$773,900) and the Bureau of Fire Services (\$1,054,800), and reducing staff for the PSC and LCC to reflect actual staffing levels.	Gross \$11,509,900	(\$807,000)
	IDG/IDT 707,000	293,000
	Federal 3,545,500	(681,300)
	Local 127,500	(127,500)
	Restricted 5,980,900	(970,900)
	GF/GP \$1,149,000	\$679,700
12. Economic Adjustments	Gross NA	(\$1,893,800)
Includes adjustment to reflect net cost reduction for negotiated salary and wage amounts (2.0% base increase), insurance rate increases, reductions in actuarially determined retirement rates, and other economic adjustments.	IDG/IDT NA	(62,100)
	Federal NA	(977,900)
	Private NA	(500)
	Restricted NA	(805,400)
	GF/GP NA	(\$47,900)
13. Freestanding Surgical Outpatient Facility Inspections	FTE 200.4	0.0
Decreases spending authorization, specified in Sec. 510 of Article XIII of 2014 PA 252, for the inspection of freestanding surgical outpatient facilities by the Bureau of Health Care Services, which has been included since FY 2012-13 to supplement insufficient revenue generated by statutory licensure fees, because the House concurs with the Executive to assume additional revenues generated by the increase of statutory licensure fees (see #4 above).	Gross \$28,845,400	(\$530,000)
	Federal 19,575,400	0
	Private 200,000	0
	Restricted 3,317,400	0
	GF/GP \$5,752,600	(\$530,000)
14. Liquor Licensing and Enforcement Fund Shifts	FTE 124.0	0.0
Shifts \$500,000 in spending authorization for the liquor licensing and enforcement activities of the Liquor Control Commission (LCC) from revenue generated by statutory licensure fees levied on liquor retailers to revenue generated from the statutory mark-up on the wholesale sale of liquor products to licensed retailers by the LCC and deposited into the Liquor Purchase Revolving Fund (LPRF).	Gross \$15,122,600	\$0
	Restricted 15,122,600	0
15. Video Franchise Assessment	Gross \$417,200	(\$417,200)
Eliminates spending authorization associated with revenue generated by the video franchise assessment levied on video service providers to support the Public Service Commission's (PSC) costs of carrying out its duties under 2006 PA 480. The PSC's statutory authority to levy the assessment is set to expire on December 31, 2015 and the Executive did not include an extension or elimination of the sunset in its recommendation for the FY 2015-16 budget. Over the previous five fiscal years, actual revenue generated from the assessment has averaged \$246,965 annually and associated regulatory expenditures have averaged \$254,159 annually; subsequently, a fund balance of \$117,303 carried forward into FY 2014-15.	Restricted 417,200	(417,200)
16. Removal of Unemployment Insurance Agency and Career and Technology Education and Skilled Trades Initiative	FTE 864.0	(864.0)
Removes spending and staff authorization and includes fund shifts to IDG revenue related to the Unemployment Insurance Agency and the Career and Technology Education and Skilled Trades Initiative transferred from LARA to the Department of Talent and Economic Development pursuant to E.O. 2014-12.	Gross \$179,028,400	(\$165,054,800)
	IDG/IDT 0	13,973,600
	Federal 140,592,300	(140,592,300)
	Restricted 38,436,100	(38,436,100)

LICENSING AND REGULATORY AFFAIRS

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>		FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
17. Office of New Americans	FTE	NA	4.0
Increases spending and staff authorization for the Office of New Americans transferred to LARA from the Governor's Executive Office pursuant to E.O. 2014-12.	Gross	NA	\$593,000
	GF/GP	NA	\$593,000
18. Bureau of Children and Adult Licensing	FTE	NA	219.0
Increases spending and staff authorization related to the Bureau of Children and Adult Licensing transferred to LARA from the former Department of Human Services pursuant to E.O. 2015-4, while shifting \$3.5 million from GF/GP to an IDG from the Department of Education.	Gross	NA	\$28,955,300
	IDG/IDT	NA	16,340,200
	GF/GP	NA	\$12,615,100
19. Michigan Agency for Energy	FTE	NA	10.0
Increases and transfers spending and staff authorization related to the Michigan Agency for Energy created within LARA (from the transfer of the former Michigan Energy Office within the Michigan Economic Development Corporation, the Retired Engineers Technical Assistance and Air Policy Programs within the Department of Environmental Quality, and the Public Service Commission within LARA) pursuant to E.O. 2015-10.	Gross	NA	\$6,833,700
	Federal	NA	3,878,500
	Private	NA	30,000
	Restricted	NA	2,375,200
	GF/GP	NA	\$550,000
20. Motor Carrier Regulation	FTE	11.0	(11.0)
Eliminates spending and staff authorization related to motor carrier regulation by the Motor Carrier Division of the Public Service Commission transferred to the Department of State Police pursuant to E.O. 2015-10.	Gross	\$2,974,300	(\$2,974,300)
	Restricted	2,974,300	(2,974,300)

Major Boilerplate Changes From FY 2014-15

Sec. 205. Benchmarks for New Programs or Program Expansions – REVISED

Requires LARA to submit reports to the Legislature identifying specific benchmarks intended to measure the performance or return on taxpayer investment of new programs or program expansions and updating the Legislature on the progress of the programs as measured by those benchmarks; stipulates that the Legislature intends that benchmarks be included with executive budget requests beginning with the FY 2015-16 budget. *Revised to include reference to a statutory scorecard requirement, change benchmarks into program-specific metrics, and remove intent language.*

Sec. 211. LCC IT Upgrades Work Project – DELETED

Designates the appropriation for Liquor Control Commission (LCC) IT upgrades as a work project, stipulates that the appropriation remain available and shall not lapse, and indicates that the estimated completion date is February 1, 2016.

Sec. 240. Filled FTE Report – DELETED

Stipulates that the Legislature intends that LARA does not use FTE positions as spending placeholders and requires LARA to provide a report specifying the quarterly number of filled FTE positions by line item and indicating FTEs allocated to economic development activities during the preceding fiscal year.

Sec. 243. Reinventing Performance in Michigan MOUs – REVISED

Requires LARA to work to establish memorandums of understanding (MOUs) with participating state departments to devise a mechanism to recover costs related to services performed for the Reinventing Performance in Michigan (RPM) initiative, requires an annual report, and stipulates the Legislature's intent that the RPM shall be funded by participating state departments. *Revised to remove intent language.*

Sec. 248. Regulatory Statistical Report – REVISED

Requires LARA to submit an annual report that includes statistical information pertaining to revenues, expenditures, application determinations, timeliness, examinations, complaints, investigations, enforcement actions, administrative hearings, and adjudications for each regulatory product administered by regulatory agencies within LARA. *Revised to add reporting requirements pertaining to types and amounts of fees and statistical summaries by agency.*

Sec. 250. OPEB Prefunding – DELETED

Stipulates that the Legislature intends that LARA continues the prefunding of other postemployment benefits (OPEB) pursuant to 2011 PA 264.

LICENSING AND REGULATORY AFFAIRS

Major Boilerplate Changes From FY 2014-15

Sec. 252. Departmental Employee Performance Monitoring Process – NEW

Stipulates legislative intent that LARA establish a consistent employee performance monitoring process and submit a report pertaining to planned or implemented changes to that process.

Sec. 503. Veteran Fee Exemption Report – REVISED

Requires LARA to submit a report providing information about the number of veteran fee exemptions from licensure, registration, filing, and other fees, the amount of revenue lost due to veteran fee exemptions during the preceding fiscal year, the costs of providing licensing and regulatory services to veterans exempted from the fees, and estimate the amount of revenue lost due to the veteran fee exemptions in future fiscal years. *Revised to clarify current language.*

Sec. 506. Nursing Facility Complaint Investigations Report – DELETED

Requires LARA to report the timeliness of nursing facility complaint investigations, the number of allegations that are substantiated on an annual basis, the most frequently cited complaint deficiencies for the prior three years, the causes of the changes in the number of citations, and whether education and training are needed; also requires LARA to make every effort to contact complainants during the investigations.

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

Requires LARA to submit a report pertaining to the revenue, expenditures, application determinations, and timeliness of the Medical Marijuana Program and other specified information; permits LARA to raise application and renewal fees if revenue is insufficient to offset expenses of the Program. *Revised to eliminate authorization to increase fees.*

Sec. 509. Bureau of Health Care Services Regulatory Costs and Fee Report – DELETED

Requires the Bureau of Health Care Services (BHCS) to submit to the Legislature a proposed updated fee schedule to offset BHCS' regulatory costs, including recommended statutory and rule changes.

Sec. 510. Support for BHCS Inspections of FSOFs – DELETED

Requires that the Bureau of Health Care Services (BHCS) expend at least \$530,000 of the amount appropriated within the Health Systems Regulation line item in Part 1 for the inspection of Freestanding Surgical Outpatient Facilities (FSOFs).

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

Requires the Bureau of Health Care Services (BHCS), to the extent allowed under applicable laws, to make disciplinary actions taken against health professionals publicly available through a license verification website and includes language pertaining to one-time appropriation for website development. *Revised to eliminate one-time appropriation.*

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

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

Sec. 701. Expenditure of Additional Federal Unemployment Insurance Funding – DELETED

Permits expenditure of federal funds for the unemployment Insurance Agency (UIA) in excess of amount appropriated upon notification of appropriation subcommittees and State Budget Office of the purpose and amount of grant awards.

Sec. 702. UI Computer System Report – DELETED

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

Sec. 703. UI Internet Claims Report – DELETED

Requires LARA to submit quarterly reports pertaining to the percentage of claimants using the internet MiWAM system, or any application developed for that purpose, to certify and receive unemployment insurance benefits and implement improvement to the system to reach a goal of 75.0% of claimants certifying on systems that reduces staff face time and MARVIN telephone system usage.

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

(FY 2014-15 Sec. 706 renumbered as Sec. 904 for FY 2015-16)

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

Sec. 801. Tax Tribunal Caseload Report – DELETED

Requires the Michigan Tax Tribunal to submit a report containing specified information pertaining to the caseload, timeliness, dispositions, and backlog of Tax Tribunal cases.

Major Boilerplate Changes From FY 2014-15

Sec. 901. Fire Protection Grants – REVISED

Requires LARA to expend funds in accordance with 1977 PA 289 to local units of government with state-owned facilities within their jurisdictions and stipulates that local units of government are eligible for funds if they provide a specified report to LARA. *Revised to eliminate reporting requirements for local units of government and LARA.*

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

Requires LARA to submit a report pertaining to the number of medical marihuana registry identification cards issued or renewed in each county; stipulates that LARA award Medical Marihuana Operation and Oversight Grants to county law enforcement offices; requires reports submitted by both county law enforcement offices and LARA pertaining to the amounts, recipients, and uses of the grants; and permits county law enforcement offices to distribute discretionary grants to municipal law enforcement agencies. *Revised to alter various dates and deadlines.*

Sec. 1001. Delphi Corp Workers' Compensation Claims – DELETED

Stipulates how LARA is to expend the \$15.0 million appropriation (\$8.0 million immediately, \$7.0 million over five years) and specifying under what conditions future expenditures may occur, stipulates that unexpended funds shall lapse to the General Fund, requires LARA to annually notify the Legislature of any expenditures, and designates the appropriation as a work project available for expenditure until September 30, 2019.

Sec. 1002. Disability Accessibility Pilot Project – DELETED

Requires LARA to work with a nonprofit group with expertise in disability accessibility evaluations on a pilot project to provide services to municipalities and business to improve accessibility for persons with disabilities and create universal design blueprints that are electronically available through the Bureau of Construction Codes (BCC).

Sec. 1201. FY 2016-17 Appropriation – NEW

States intent that FY 2016-17 appropriations are anticipated to be the same as FY 2015-16 appropriations, except for adjustments for changes in caseloads, federal match rates, economic factors, and available revenue.

Sec. 1202. Normal Retirement Costs and Legacy Retirement Costs – NEW

States intent that LARA identifies the amounts for normal retirement costs and legacy retirement costs for FY 2016-17.

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
Summary of FY 2015-16 Enacted Appropriations
Article XIV, 2015 Public Act 84 (Senate Bill 133)

Analyst: Perry Zielak

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Revised Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	Difference: Enacted From FY 2014-15 YTD	
						Amount	%
IDG/IDT	\$100,000	\$99,300	\$99,300	\$99,300	\$99,300	(\$700)	(0.7)
Federal	90,362,800	90,208,600	90,208,600	90,208,600	90,208,600	(154,200)	(0.2)
Local	1,500,000	1,497,400	1,497,400	1,497,400	1,497,400	(2,600)	(0.2)
Private	740,000	739,600	739,600	739,600	739,600	(400)	(0.1)
Restricted	23,286,400	23,221,500	23,221,500	23,221,500	23,221,500	(64,900)	(0.3)
GF/GP	52,454,500	48,187,300	48,616,300	48,187,300	51,187,300	(1,267,200)	(2.4)
Gross	\$168,443,700	\$163,953,700	\$164,382,700	\$163,953,700	\$166,953,700	(\$1,490,000)	(0.9)
FTEs	898.5	897.5	897.5	897.5	897.5	(1.0)	(0.1)

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

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

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
1. Removal of FY 2014-15 One-Time Appropriations	Gross	\$3,400,000	(\$3,400,000)
Eliminates one-time funding of \$3.4 million GF/GP: \$3.0 million GF/GP for Special Maintenance – Veterans' Homes; and \$400,000 GF/GP for National Guard Tuition Assistance Program Reserve.	GF/GP	\$3,400,000	(\$3,400,000)
2. Income and Assessment Revenue Offsets	Gross	\$0	\$0
Continues increase of ongoing funding of \$3.3 million GF/GP to offset income and assessment restricted revenue shortfalls at the Grand Rapids and D.J. Jacobetti Veterans' Homes due to declining member census and the inability of veterans to pay the maximum assessment. Offsets were originally made for FY 2014-15 in HB 4112 (2015 PA 6).	Restricted	(3,300,000)	0
	GF/GP	\$3,300,00	\$0
3. One-Time Appropriation – Armory Maintenance	Gross	NA	\$3,000,000
Adds a one-time appropriation of \$3.0 million GF/GP to Special Maintenance – National Guard for armory maintenance.	GF/GP	NA	\$3,000,000
4. Chargeable Transient Quarters Program and Billeting Fund	Gross	\$1,500,000	\$0
Continues establishment of ongoing funding of \$1.5 million state restricted revenue to reinstate the Chargeable Transient Quarters program and Billeting Fund for ongoing operations in National Guard lodging facilities at Fort Custer and Camp Grayling. Change was originally made for FY 2014-15 in HB 4112 (2015 PA 6).	Restricted	1,500,000	0
5. National Guard Tuition Assistance Program	Gross	\$4,341,600	(\$600,000)
Reduces funding by \$600,000 to shift funds to Veteran Service Grants and Targeted Grants schedule of programs.	GF/GP	\$4,341,600	(\$600,000)

MILITARY AND VETERANS AFFAIRS

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>		FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
6. Targeted Grants	Gross	NA	\$200,000
Adds \$200,000 GF/GP in new schedule of program for targeted outreach to veterans.	GF/GP	NA	\$200,000
7. Veteran Service Grants	Gross	\$3,762,500	(\$29,000)
Reduces funding by \$29,000 GF/GP for grants made to veteran service organizations (VSOs) to support veterans outreach services statewide.	GF/GP	\$3,762,500	(\$29,000)
8. Vacant Partnership Development Analyst Position	FTE	40.0	(1.0)
Reduces funding by \$117,300 GF/GP through proposed elimination of a vacant Partnership Development Analyst position.	Gross	\$6,045,100	(\$117,300)
	GF/GP	\$6,045,100	(\$117,300)
9. Military Training Sites	Gross	\$33,450,600	(\$100,000)
Reduces funding by \$100,000 GF/GP by eliminating Air National Guard Fire Protection Activities at the Battle Creek Air National Guard Base and Alpena Combat Readiness Training Center.	Federal	30,295,600	0
	Restricted	1,500,000	0
	GF/GP	\$1,655,000	(\$100,000)
10. Departmentwide Service	Gross	\$1,909,400	(\$100,000)
Reduces funding by \$100,000 GF/GP through savings gained by increased departmentwide efficiencies within contractual services, supplies, and materials.	Federal	1,546,300	0
	GF/GP	\$363,100	(\$100,000)
11. Counterdrug Program	Gross	\$50,000	\$50,000
Increases authorization by \$50,000 Federal for Counterdrug Program (formerly Counter Narcotic Operations) to collect more revenue that may be used for investigations, law enforcement training, equipment and operations, asset accounting and tracking, awards and memorials.	Federal	50,000	50,000
12. Economics	Gross	NA	(\$393,700)
Reflects net cost reductions of \$393,700 Gross (\$120,900 GF/GP) for negotiated salary and wage amounts (2.0% base increase), insurance rate increases, reduction in actuarially required retirement rates, and other economic adjustments.	IDG	NA	(700)
	Federal	NA	(204,200)
	Local	NA	(2,600)
	Private	NA	(400)
	Restricted	NA	(64,900)
	GF/GP	NA	(\$120,900)

Major Boilerplate Changes From FY 2014-15

Sec. 301. Support Services – DELETED

Required DMVA to provide effective and efficient administrative leadership and administrative support for its operations, including ensuring proper accountability of state funds, adherence to state financial and administrative guidelines, and proper fiscal controls in the procurement of goods and services.

Sec. 302. Armories and Joint Force Readiness – REVISED

Requires DMVA to provide for the executive-level administration of the department, the operations of Michigan military establishment, and the maintenance of operation of National Guard armories, requires reporting requirements on the current state of the armories, a development strategy for physical improvements, consolidations, and establishing new armories.

Sec. 305. Billeting Fund Account – NEW

Authorizes the creating of the billeting fund account for funds received from the operation of the Chargeable Transient Quarter Program; requires annual report of operations and expenditures.

Sec. 309. Starbase Grant – REVISED

Requires DMVA to maintain a Starbase program, providing programs in mathematics, science, and technology to primarily fourth and fifth grade students, at Air National Guard facilities.

Sec. 310. National Guard Tuition Assistance Program – REVISED

Language on establishing and maintaining a tuition assistance program for members of the Michigan National Guard.

MILITARY AND VETERANS AFFAIRS

Major Boilerplate Changes From FY 2014-15

Sec. 400(6). Veterans Advisory Board – DELETED

Established a five-member advisory board representing small, medium, and large veterans service organizations to assist the MVAA in developing plans and service delivery initiatives that assist it in meeting its performance goals and objectives.

Sec. 407. Veterans' Trust Fund Administration – REVISED

Requires DMVA to provide emergency grants from the MVTF as provided by listed legal authorities; requires an annual report on MVTF financial and grant activities. Adds new intent language limiting administrative costs to \$550,000, directs \$400,000 towards creation of online application and \$450,000 towards a regional office model.

Sec. 501 (1-26). Grand Rapids Home for Veterans – REVISED

Language around performance standards in the Grand Rapids Home for Veterans. Deleted several subsections deemed to be redundant and changed wording from "veterans' home" to "home for veterans."

Sec. 503 (1-18). D.J. Jacobetti Home for Veterans – REVISED

Language around performance standards in the D.J. Jacobetti Home for Veterans. Deleted several subsections deemed to be redundant and changed wording from "veterans' home" to "home for veterans."

Sec. 701. One-Time Appropriation - Special Maintenance - National Guard – NEW

Authorizes the one-time appropriation for armory maintenance to be carried forward at the end of the fiscal year, directs for the maintenance and repair of military facilities, and requires quarterly report.

Sec. 701. Special Maintenance - Veterans' Homes – DELETED

Authorized the one-time appropriation to be carried forward at the end of the fiscal year, consistent with provisions outlined in the Management and Budget Act; requires quarterly reports on the status, projected costs, and projected completion data of current and planned special maintenance projects at the state's veterans homes funded from one-time special maintenance (capital outlay) appropriations made in part 1 and in prior appropriation years.

Sec. 702. National Guard Tuition Assistance Program Reserve – DELETED

Authorized the one-time appropriation for the National Guard tuition assistance program reserve line to be expended after DMVA exhausts the ongoing appropriation in Section 102 for the National Guard Tuition Assistance Program.

<u>FY 2014-15 Supplemental Appropriations</u>		<u>FY 2014-15 YTD (as of 3/12/15)</u>	<u>FY 2014-15 Supplemental Change</u>
1. Michigan Youth ChalleNGe Academy	Gross	\$4,549,200	\$4,995,700
Increases federal and private spending authorizations for anticipated funding increases.	Federal	2,849,200	3,995,700
	Local	1,500,000	0
	Private	200,000	1,000,000
	GF/GP	\$0	\$0

DEPARTMENT OF NATURAL RESOURCES
Summary of FY 2015-16 Enacted Appropriations
Article XV, 2015 Public Act 84 (Senate Bill 133)

Analyst: Austin Scott

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Revised Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	Difference: Enacted From FY 2014-15 YTD	
						Amount	%
IDG/IDT	\$1,355,100	\$1,352,700	\$1,352,700	\$1,352,700	\$1,352,700	(\$2,400)	(0.2)
Federal	71,104,500	76,028,000	76,028,000	76,028,000	77,128,000	6,023,500	8.5
Local	0	0	0	0	0	0	--
Private	10,286,300	8,157,700	8,157,700	8,157,700	8,157,700	(2,128,600)	(20.7)
Restricted	262,148,000	264,183,000	264,683,000	264,583,100	277,765,000	15,617,000	6.0
GF/GP	47,591,500	39,772,800	37,775,800	39,522,800	39,597,800	(7,993,700)	(16.8)
Gross	\$392,485,400	\$389,494,200	\$387,997,200	\$389,644,300	\$404,001,200	\$11,515,800	2.9
FTEs	2,228.3	2,225.8	2,225.8	2,225.8	2,235.8	7.5	0.3

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

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

Major Budget Changes From FY 2014-15 YTD Appropriations

1. Shooting Range Enhancement Projects (One-Time)

Continues a \$1.0 million federal funding increase appropriated for FY 2014-15 in HB 4112 with an additional \$3.0 million Gross (\$750,000 private, \$2.0 million federal, and \$250,000 GF/GP) to support recreational shooting opportunities through range projects in the following 12 priority counties: Alger, Allegan, Alpena/Presque Isle, Barry, Crawford, Jackson, Livingston, Marquette, Oakland, Ontonagon, Roscommon, and St. Clair. Private and GF/GP funding will be used as required non-federal match.

	FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
Gross	\$1,000,000	\$3,000,000
Private	0	750,000
Federal	1,000,000	2,000,000
GF/GP	\$0	\$250,000

2. Forestry Investment (One-Time)

Continues a \$4.0 million restricted funding increase appropriated for FY 2014-15 in HB 4112; funding is designated as a one-time appropriation for FY 2015-16. Funds will be used for timber cultivation equipment and the vegetative management system. This system will assist the DNR's Forest Resources Division in maintaining timber inventory and interacting with industry.

Gross	\$4,000,000	\$0
Restricted	4,000,000	0
GF/GP	\$0	\$0

3. Wildlife Restoration

Continues a \$2.2 million federal funding increase appropriated for FY 2014-15 in HB 4112 with an additional \$5,000 in federal funding to manage wildlife habitats across the state.

Gross	\$2,150,000	\$5,000
Federal	2,150,000	5,000
GF/GP	\$0	\$0

4. Non-Motorized Trail Initiative

Restores \$100,000 GF/GP to the non-motorized trail initiative. This initiative was reduced by \$1.25 million GF/GP for FY 2014-15 in EO 2015-5. The non-motorized trail initiative includes appropriations for forest recreation and trails, Mackinac Island state park operations, the Michigan Historical Center, and non-motorized trail development & maintenance grants.

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

NATURAL RESOURCES

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>		<u>FY 2014-15 YTD</u> <u>(as of 3/12/15)</u>	<u>Enacted Change</u> <u>From YTD</u>
5. Recreation Passport Grants (One-Time)	Gross	\$1,000,000	\$500,000
Increases the recreation passport grants program by \$500,000 in restricted funding. This program provides grants to local units of government for the construction, maintenance, and enhancement of public recreation facilities; it is funded by the sale of Recreation Passports. This one-time appropriation is intended to provide DNR the authority to expend an available fund balance.	Restricted	1,000,000	500,000
	GF/GP	\$0	\$0
6. State Parks Repair and Maintenance	Gross	\$12,200,000	\$200,000
Continues a \$250,000 GF/GP reduction to state parks repair and maintenance for FY 2014-15 in EO 2015-5 with additional reductions of \$1.25 million GF/GP and \$2.5 million in private funding. These FY 2015-16 reductions are exceeded by an increase of \$4.0 million in restricted funding from the state parks endowment and Recreation Passport fees for a net increase of \$200,000 to the line item. This appropriation addresses capital projects in state parks including trail improvements, road maintenance, and recreation structure repairs. Also includes a \$1.0 million decrease in GF/GP matched by a \$1.0 increase in restricted funding from the Michigan State Parks Endowment Fund.	Private	2,500,000	(2,500,000)
	Restricted	6,000,000	4,950,000
	GF/GP	\$3,500,000	(\$2,250,000)
7. State Game and Wildlife Area Infrastructure	Gross	NA	\$3,600,000
Increases federal funding for state game and wildlife area infrastructure by \$3.6 million. Federal Pittman-Robertson funds will be used to support maintenance, renovations, repairs, and some construction of facilities in state game and wildlife management areas.	Federal	NA	3,600,000
	GF/GP	NA	\$0
8. Wetland Restoration, Enhancement, and Acquisition	Gross	\$3,000,000	(\$3,000,000)
Reduces restricted funding for wetland restoration, enhancement, and acquisition by \$3.0 million. The waterfowl hunt stamp program (game and fish protection fund) was used to expand water recreation opportunities through projects focused in southern Michigan.	Restricted	3,000,000	(3,000,000)
	GF/GP	\$0	\$0
9. Removal of FY 2014-15 One-Time GF/GP	Gross	\$4,750,000	(\$4,750,000)
Removes one-time GF/GP for River Raisin national battlepark foundation (\$2.0 million), Saginaw River feasibility study (\$280,000), Flint River dike repair (\$1.0 million), Hart-Montague Trail (\$470,000), and City of Alma/Alma College public safety land improvements (\$1.0 million).	GF/GP	\$4,750,000	(\$4,750,000)
10. Hart-Montague Trail	Gross	\$530,000	(\$530,000)
Removes ongoing funding for the Hart-Montague trail in west Michigan by reducing \$530,000 GF/GP. The removal of this ongoing funding in addition to the removal of one-time funding eliminates support for the trail.	GF/GP	\$530,000	(\$530,000)
11. Great Lakes Research Vessel	Gross	\$2,000,000	(\$2,000,000)
Removes \$2.0 million Gross in one-time funding (\$500,000 private, \$500,000 restricted, and \$1.0 million GF/GP) for the Great Lakes research vessel. This new vessel was purchased to replace an outdated vessel and is used to conduct research on Lake Huron.	Private	500,000	(500,000)
	Restricted	500,000	(500,000)
	GF/GP	\$1,000,000	(\$1,000,000)
12. Wildfire Protection – Fund Shift	Gross	NA	\$0
Increases wildfire protection by \$150,000 in restricted funding from the forest development fund to offset \$150,000 GF/GP.	Restricted	NA	150,000
	GF/GP	NA	(\$150,000)
13. Cooperative Resource Programs	Gross	NA	\$200,000
Provides additional \$200,000 in federal funding for a United States Department of Agriculture grant program.	Federal	NA	200,000
14. Forest Management and Timber Market Development	FTE	NA	4.0
Provides additional 4.0 FTEs and \$1.9 million Gross for forest management and timber market development.	Gross	NA	\$1,900,000
	Federal	NA	900,000
	Restricted	NA	1,000,000

NATURAL RESOURCES

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>		FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
15. Wildfire Protection	FTE	NA	6.0
Provides additional 6.0 FTEs and \$220,000 in restricted funding for wildfire protection.	Gross	NA	\$220,000
	Restricted	NA	220,000
16. Forestry Investment (One-Time)	Gross	NA	\$3,992,000
Provides additional \$4.0 in one-time restricted funding for timber cultivation equipment and the vegetative management system. This system will assist the DNR's Forest Resources Division in maintaining timber inventory and interacting with industry.	Restricted	NA	3,992,000
17. Forest Development Infrastructure (Capital Outlay, One-Time)	Gross	NA	\$2,120,000
Provides additional \$2.1 million in one-time restricted funding for forest development infrastructure projects.	Restricted	NA	2,120,000
18. Fish Production (One-Time)	Gross	NA	\$100,000
Provides additional \$100,000 in one-time restricted funding for fish production.	Restricted	NA	100,000
19. Kalamazoo River Watershed Improvements (Capital Outlay, One-Time)	Gross	NA	\$5,000,000
Provides \$5.0 million in one-time restricted funding for watershed improvements in the Kalamazoo River watershed.	Restricted	NA	5,000,000
20. Special Grant Programs – One-Time	Gross	NA	\$825,000
Provides \$825,000 in one-time GF/GP for special grant programs.	GF/GP	NA	\$825,000
21. Revenue Adjustments	Gross	NA	\$797,000
Increases \$797,000 Gross funding to reflect necessary adjustments in anticipated revenue and expenditures for FY 2015-16. Reductions of \$375,000 in private funding and \$343,800 in federal funding are exceeded by an increase of \$1.5 million in restricted funding.	Private	NA	(375,000)
	Federal	NA	(343,800)
	Restricted	NA	1,515,800
	GF/GP	NA	\$0
22. Economic Adjustments	Gross	NA	(\$333,700)
Reflects net cost reduction of \$333,700 Gross (\$11,300 GF/GP increase) for negotiated salary and wage amounts (2.0% base increase), insurance rate increases, reductions in actuarially determined retirement rates, and other economic adjustments.	IDG	NA	(2,400)
	Private	NA	(3,600)
	Federal	NA	(58,200)
	Restricted	NA	(280,800)
	GF/GP	NA	\$11,300

Major Boilerplate Changes From FY 2014-15

Sec. 204. Performance Benchmarks – REVISED

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

Sec. 250. Michigan Civilian Conservation Corps (MCCC) – DELETED

Requires DNR to work with MCCC steering committee to plan for a nonprofit MCCC outside of state government.

Sec. 501. Wildlife Management – NEW

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

Sec. 702. State Park Campground Closures – DELETED

Requires DNR to notify Legislature if Department intends to reduce operations or recreation opportunities at any state park or recreation area.

Sec. 704. Pure Michigan Trails – DELETED

Allocates \$200,000 from appropriations in part 1 for Pure Michigan Trails if Senate Bills 873 through 877 are enacted. (Note: Four of these five bills have been enacted: Senate Bill 873 - PA 210, Senate Bill 875 - PA 211, Senate Bill 876 - PA 212, Senate Bill 877 - PA 213).

NATURAL RESOURCES

Major Boilerplate Changes From FY 2014-15

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

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

Sec. 706. Grand River Waterway Study – NEW

Directs DNR to work with the State Budget Office to ensure that the Grand River Waterway Study carry forward as a work project appropriation. This study was originally appropriated in 2013.

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

Requires DNR to use increased restricted funding available from the increased timber harvest for the purpose of forest management and timber market development which includes investments in technology and equipment aimed at growing the timber economy.

Sec. 804. Horseback Riding Opportunities – DELETED

Directs Department to work cooperatively with horseback riding interests to increase horseback riding opportunities.

Sec. 1002. Off-Road Vehicle (ORV) Trail Improvement Grants – DELETED

Requires expenditure of not less than \$980,000 for the development of new ORV trails.

Sec. 1201. Saginaw River Study – DELETED

Requires DNR to conduct a study concerning the deepening of the Saginaw River.

Sec. 1302. Identification of Future Retirement Costs – DELETED

States legislative intent that the DNR identify the FY 2015-16 retirement costs for line items listed in part 1.

SCHOOL AID
Summary of FY 2015-16 Enacted Appropriations
Article I, 2015 Public Act 85 (House Bill 4115)

Analysts: Bethany Wicksall
Samuel Christensen

IDG/IDT	FY 2014-15 YTD as of 7/1/14	FY 2015-16 Revised Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	Difference: Enacted From FY 2014-15 YTD	
						Amount	%
	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	1,808,162,700	1,775,769,200	1,775,769,200	1,775,769,200	1,775,769,200	(32,393,500)	(1.8)
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	11,845,097,400	12,137,294,700	12,084,799,900	12,151,594,700	12,074,660,100	229,562,700	1.9
GF/GP	33,700,000	45,900,000	45,900,000	41,700,000	45,900,000	12,200,000	36.2
Gross	\$13,686,960,100	\$13,958,963,900	\$13,906,469,100	\$13,969,063,900	\$13,896,329,300	\$209,369,200	1.5

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including House Bill 4110). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The School Aid budget makes appropriations to the state's 548 local school districts, 302 public school academies, the Education Achievement System, and 56 intermediate school districts (ISDs) for operations and certain categorical programs. It also appropriates funds to the Center for Educational Performance and Information, the Workforce Development Agency, and other entities to implement certain grants and other programs related to K-12 education.

Major Budget Changes From FY 2014-15 YTD Appropriations	FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
1. Foundation Allowances (Secs. 22a, 22b, 22c) Increases foundations using the 2x funding formula with increases ranging from \$70 to \$140 per pupil. Increases the Minimum Foundation to \$7,391 and the State Maximum Guaranteed Foundation to \$8,169. Total cost is \$183.0 million, but after a consensus cost reduction of \$100.0 million due to pupil reductions and growth in local taxable values, the net increase totals \$83.0 million. Also, adds \$9.7 million to change the pupil membership blend to 90% of fall count plus 10% of PREVIOUS February count.	Gross \$8,917,000,000 Restricted 8,908,985,300 GF/GP \$8,014,700	\$92,700,000 8,305,800 \$84,394,200
2. At-Risk Program (Sec. 31a) Increases by \$70.0 million, bringing total funding to \$379.0 million and revises program requirements. (See <i>Major Boilerplate Changes</i> below.)	Gross \$308,988,200 Restricted 308,988,200	\$70,000,000 70,000,000
3. Best Practices (Sec. 22f) Eliminates funding for Best Practices grants to districts.	Gross \$75,000,000 Restricted 75,000,000	(\$75,000,000) (75,000,000)
4. District Performance Grants (Sec. 22j) Eliminates grants to districts for improving achievement levels on statewide assessments.	Gross \$51,100,000 Restricted 51,100,000	(\$51,100,000) (51,100,000)
5. Technology Readiness Infrastructure Grants (TRIG) (Sec. 22i) Reduces funding by \$18.0 million to a total of \$23.5 million, and allocates the funds more specifically including \$11.3 million for district incentive grants, \$9.3 million for device purchasing, \$2.2 million for data systems integration, \$300,000 for E-Rate activities, and \$500,000 for TRIG administration.	Gross \$41,500,000 Restricted 41,500,000	(\$18,000,000) (18,000,000)

SCHOOL AID

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
6. MPSERS Cost Offset (Sec. 147a)	Gross	\$100,000,000	\$0
Maintains \$100.0 million SAF for districts to reimburse them for a share of their Michigan Public School Employees' Retirement System (MPSERS) costs.	Restricted	100,000,000	0
7. MPSERS Unfunded Liability State Share (Sec. 147c)	Gross	\$676,900,000	\$216,600,000
Increases funding for the state share of MPSERS unfunded liability costs for districts, ISDs, and public libraries pursuant to PA 300 of 2012 by \$216.6 million, bringing the total to \$893.5 million.	Restricted	676,400,000	216,500,000
	GF/GP	\$500,000	\$100,000
8. MPSERS Additional Liability Payment (Sec. 147d)	Gross	\$19,634,500	(\$19,634,500)
Eliminates the \$19.6 million SAF one-time additional unfunded liability payment.	Restricted	19,634,500	(19,634,500)
9. Durant – Non-Plaintiff Debt Service (Sec. 11g)	Gross	\$39,500,000	(\$39,500,000)
Eliminates funding for the debt service for bonds for districts that were not plaintiffs in the <i>Durant v. State of Michigan</i> special education funding case. FY 2014-15 was the final year for debt service payments.	Restricted	39,500,000	(39,500,000)
10. Distressed District Rehabilitation Fund (Sec. 11r)	Gross	\$4,000,000	(\$4,000,000)
Provides no new funding deposits into the fund for distressed districts.	Restricted	4,000,000	(4,000,000)
11. Categorical Offset Payments (Sec. 20f)	Gross	\$6,000,000	\$12,000,000
Increases total funding to \$18.0 million. Maintains \$6.0 million current-year funding to maintain the base that ensured a \$5 increase for all districts for FY 2013-14 funding and adds \$12.0 million to guarantee a minimum net increase of \$25 per pupil when adding foundation allowance and At-Risk increases plus the elimination of Best Practices and District Performance.	Restricted	6,000,000	12,000,000
12. Isolated District Funding (Sec. 22d)	Gross	\$2,584,600	\$2,415,400
Increases by \$2.4 million SAF for a total of \$5.0 million SAF. Maintains \$957,300 SAF to small, geographically isolated districts, but increases payments to districts with low pupil density from \$1.6 million to \$4.0 million to provide reimbursements to districts with fewer than 7.3 pupils per square mile rather than 5.0 pupils per square mile, and eliminates the requirement that a district have at least 200 square miles.	Restricted	2,584,600	2,415,400
13. Consolidation Grants (Sec. 22g)	Gross	\$2,000,000	\$3,000,000
Increases funding to \$5.0 million, but restricts it to consolidations or annexations of whole districts or intermediate districts.	Restricted	2,000,000	3,000,000
14. Strict Disciplinary Academy and Dropout Recovery (Sec. 25f)	Gross	\$2,000,000	(\$1,000,000)
Provides \$1.0 million in the SDA funding, but revises to distribute it as a reimbursement for added costs rather than based on an alternative pupil count method. Transfers Dropout Recovery Programs to Sec. 25g.	Restricted	2,000,000	(1,000,000)
15. Dropout Recovery Programs (Sec. 25g) – NEW	Gross	\$0	\$1,000,000
Transfers payments to dropout recovery programs under Sec. 23a from Sec. 25f to Sec. 25g.	Restricted	0	1,000,000
16. School-Based Health Centers (Sec. 31a(6))	Gross	\$3,557,300	\$2,000,000
Increases the appropriation to \$5.6 million for child and adolescent health centers to provide an additional \$2.0 million for 3 existing health centers to act as hubs for services with mobile teams to serve satellite schools to increase access to nurses and behavioral health services in schools.	Restricted	3,557,300	2,000,000
17. Gang Prevention and Intervention Programs (Sec. 31c) – NEW	Gross	\$0	\$1,000,000
Appropriates \$1.0 million for programs intended to improve public safety, reduce the number of youth in gang-related activity, and to increase graduation rates.	Restricted	0	1,000,000

SCHOOL AID

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>		<u>FY 2014-15 YTD (as of 3/12/15)</u>	<u>Enacted Change From YTD</u>
18. Cooperative Education Grant (Sec. 31h) – NEW	Gross	\$0	\$300,000
Appropriates \$300,000 for a district that educates high school students for a district that voluntarily closed its high school in 2013 (Marshall/Albion).	Restricted	0	300,000
19. Great Start Readiness Program (GSRP) (Sec. 32d)	Gross	\$239,575,000	\$0
Maintains \$239.6 million for GSRP 4-year-old preschool programs for children in low-income families with additional boilerplate revisions. (See Major Boilerplate Changes below.)	Restricted	239,275,000	0
	GF/GP	\$300,000	\$0
20. Early Childhood Block Grants (Sec. 32p)	Gross	\$10,900,000	\$2,500,000
Increases by \$2.5 million for a total of \$13.4 million SAF to provide home-visiting programs for parents in at-risk families as part of the Early Literacy Initiative.	Restricted	10,900,000	2,500,000
21. Early Literacy Initiative (Secs. 35 and 35a) – NEW	Gross	\$0	\$26,400,000
Provides \$26.4 million (\$2.0 million GF/GP) for efforts to improve early literacy in an attempt to have children reading on grade level by 3 rd grade. Funded activities include implementation (\$1.0 million), pilot parenting programs (\$1.0 million), professional development (\$950,000), teacher certification tests (\$500,000), diagnostic tools (\$1.5 million), teacher coaches (\$3.0 million), added instructional time (\$17.5 million), and a grant to the Michigan Education Corps (\$1.0 million).	Restricted	0	23,900,000
	GF/GP	\$0	\$2,500,000
22. Federal No Child Left Behind and Other Funding (Sec. 39a)	Gross	\$839,269,900	(\$29,393,500)
Decreases level of anticipated federal funds by \$29.4 million to a total of \$809.9 million. Decreases are primarily driven by a \$26.5 million reduction in available Title I funds for disadvantaged children.	Federal	839,269,900	(29,393,500)
23. Special Education (Secs. 51a, 51c, 51d, 53a, 54, 56)	Gross	\$1,358,946,100	\$600,000
Increases by \$3.6 million SAF from the current YTD appropriation to a total of \$918.5 million SAF to adjust for consensus cost estimates. Federal funds are reduced to \$441.0 million.	Federal	444,000,000	(3,000,000)
	Restricted	914,946,100	3,600,000
24. Conductive Learning Center Study (Sec. 55) – NEW	Gross	\$0	\$150,000
Adds \$150,000 as the first of two years of funding for an MSU Department of Epidemiology study of the Conductive Learning Center at Aquinas College to evaluate the effectiveness of conductive education for children with cerebral palsy.	Restricted	0	150,000
25. Career & Technical Education (Sec. 61a)	Gross	\$27,611,000	\$9,000,000
Increases by \$10.0 million for a total of \$37.6 million to reimburse local districts and secondary area vocational/technical centers for a portion of the added costs of career and technical education (CTE) programs. Eliminates \$1.0 million in one-time funding for grants to integrate the Michigan merit curriculum (MMC) content standards into state-approved CTE instructional programs to award academic credit. Revises funding distribution. (See Major Boilerplate Changes below.)	Restricted	27,611,000	9,000,000
26. Career & Technical Education Dual Enrollment (Sec. 61b) – NEW	Gross	\$0	\$10,000,000
Provides \$10.0 million SAF to expand CTE Middle College programs statewide. Programs are intended to provide high school students with an opportunity to finish an associates' degree, finish technical certification, or earn college credit while taking high school courses.	Restricted	0	10,000,000
27. Detroit Area Pre-College Engineering Program (Sec. 65) – NEW	Gross	\$0	\$340,000
Adds \$340,000 for DAPCEP, which received \$300,000 in the FY 2014-15 Michigan Strategic Fund budget.	GF/GP	\$0	\$340,000

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Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
28. Career and College Readiness Tools (Sec. 67) – NEW	Gross	\$0	\$3,600,000
Appropriates \$3.6 million GF/GP for FY 2015-16 administered through the Michigan College Access Network (MCAN) (currently funded at \$2.0 million in the Higher Ed budget) for programs to inform students of college and career options and provide tools and resources to increase the number of students prepared to make informed college and career decisions.	GF/GP	\$0	\$3,600,000
29. ISD General Operations (Sec. 81)	Gross	\$67,115,000	(\$7,000)
Maintains \$67.1 million in funding for ISDs after eliminating a 3-year increase of \$7,000 tied to the past consolidation of two ISDs. Eliminates ISD best practices and shifts that \$2.0 million into ISD general operations funding.	Restricted	67,115,000	(7,000)
30. Educator and Administrator Evaluations (Sec. 95a)	Gross	\$14,800,000	(\$14,800,000)
Eliminates funding for implementing statewide educator and administrator evaluations for FY 2015-16.	Restricted	12,100,000	(12,100,000)
	GF/GP	\$2,700,000	(\$2,700,000)
31. Math and Science Centers (Sec. 99)	Gross	\$8,474,300	\$0
Maintains funding for math and science centers and the Michigan STEM Partnership, but rolls into Sec. 99s (3) and (4).	Federal	5,249,300	0
	Restricted	2,750,000	0
	GF/GP	\$475,000	\$0
32. STEM Professional Development (Sec. 99b)	Gross	\$330,000	(\$80,000)
Reduces funding for professional development for teachers in science, technology, and mathematics instruction to \$250,000 and rolls into Sec. 99s (5).	Restricted	330,000	(80,000)
33. Civic Education (Sec. 99c) – NEW	Gross	\$0	\$60,000
Appropriates \$60,000 GF/GP for a grant to a provider of civic education to teach students how to participate responsibly in local and state government and provide students with an innovative course in history and the principles of U.S. constitutional democracy.	GF/GP	\$0	\$60,000
34. Science Olympiad and Other STEM Programs (Sec. 99q) – NEW	Gross	\$0	\$250,000
Adds \$250,000 for Science Olympiad grants and rolls into Sec. 99s (6).	Restricted	0	250,000
35. Van Andel Education Institute (Sec. 99r) – NEW	Gross	\$0	\$250,000
Adds \$250,000 for a grant to the Van Andel Education Institute to provide STEM professional development to science teachers in student-driven, inquiry-based science instruction and rolls into Sec. 99s (7).	GF/GP	\$0	\$250,000
36. MiSTEM Grants (Sec. 99s) – NEW	Gross	\$0	\$50,000
Includes \$50,000 for the cost of a MiSTEM State Advisory Council that will make recommendations regarding future funding for state STEM programs and activities.	Restricted	\$0	\$50,000
37. Financial Data Analysis Tools (Sec. 102d) – NEW	Gross	\$0	\$1,500,000
Appropriates \$1.5 million to reimburse districts for the cost of licensing school data analytical tools on an equal per pupil basis.	Restricted	0	1,500,000
38. State Assessments (Sec. 104)	Gross	\$47,644,400	\$2,600,000
Increases funding by \$2.6 million for state assessments to add additional components to determine a pupil's proficiency level prior to grade 3 for implementation in 2016-2017 including assessments administered in fall and spring to measure English language arts and mathematics in 1 st and 2 nd grades and a kindergarten entry assessment administered in the fall of kindergarten.	Federal	6,250,000	0
	Restricted	41,394,400	2,600,000

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>	<u>FY 2014-15 YTD (as of 3/12/15)</u>	<u>Enacted Change From YTD</u>
39. Computer Adaptive Test (Sec. 104d) – NEW	Gross	\$0
Appropriates \$4.0 million to reimburse districts for the purchase of computer adaptive tests, as well as diagnostic and screening tools or benchmark assessments for K-3 pupils intended to increase reading proficiency by 4 th grade.	Restricted	4,000,000
40. Adult Education (Sec. 107)	Gross	\$22,000,000
Increases appropriation by \$3.0 million for a total of \$25.0 million with boilerplate revisions. (See <i>Major Boilerplate Changes</i> below.)	Restricted	3,000,000

Major Boilerplate Changes From FY 2014-15

Sec. 6. Pupil Membership Definitions – REVISED

Revises the pupil membership blend from 90% current-year October count plus 10% of FOLLOWING February count to 90% of current-year October count plus 10% of PRIOR-year February count.

Revises to require that a pupil enrolled in an online course under Sec. 21f be counted in membership in its primary enrolling district and strikes a related provision under (6)(p) allowing a student enrolled in an online course under Sec. 21f from being counted in a district other than the resident district without the permission of the resident district.

Sec. 21f. Online Courses – REVISED

Revises to add community colleges as eligible online course providers. Adds that an online course provider must assign each student with a teacher of record and that a primary enrolling district must assign each student with a mentor.

Strikes the payment provisions requiring the primary district to pay the providing district 80% upon enrollment and 20% upon course completion. Revises the maximum amount a primary district must pay a providing district from 8.33% of the minimum foundation allowance (equal to \$610) to 6.67% of the minimum foundation allowance (equal to \$488) for each course.

Sec. 31a. At-Risk Program – REVISED

Revises such that to qualify for funding, a district must implement school-wide multi-tiered system of supports (MTSS) for instruction and intervention for at least grades K-3. Revises list of pupils that qualify as at-risk for services to expand pupils who are at risk of not meeting objectives based on local assessments from K-3 to all grades. Adds pupils that qualify for reduced price lunch in addition to free lunch.

Sec. 32d. Great Start Readiness Program – REVISED

Revises cap on GSRP administration from 2% for ISDs and 5% for subrecipients to 4% for both ISDs and subrecipients. Also revises transportation reimbursements from "the lesser of" projected transportation costs or \$150 per slot to "no more than" projected transportation costs or \$150 per slot.

Sec. 61a. CTE Programs – REVISED

Revises priority for which reimbursements are based to change cost of program to capital and program expenditures needed to operate the program and to add the existence of an articulation agreement with at least 1 postsecondary institution for transfer of credit. Adds a requirement that MDE must count 9th graders in the funding formula. Adds that a CTE program may allow Sec. 107 Adult Ed students to enroll in a program operating outside the regular school day.

Sec. 64b. Dual Enrollment Incentive Payments – REVISED

Revises eligibility requirements to add that a district must ensure that a pupil awarded both high school and college credit at any community college or state public university in this state.

Sec. 101. Instructional Days and Hours – REVISED

Revises the number of total allowable snow days from current law, which allows an automatic 6 plus an additional 6 days if they occur after April 1 and if waived by the State Superintendent, to an automatic 6 plus an additional 3 days if they occur anytime during the year if waived by the State Superintendent. Also revises such that the Superintendent "shall" rather than "may" grant seat-time waivers to districts operating department-approved alternative education programs. Revises such that a waiver for a 100% online model of delivery does not have to be renewed annually, as long as it makes available 1,098 hours of instruction and a "pupil is on track for course completion at proficiency level" rather than current law which requires that the pupil participates for at least 1,098 hours.

SCHOOL AID

Major Boilerplate Changes From FY 2014-15

Sec. 104b. Michigan Merit Examination – REVISED

Revises such that MME includes a college entrance exam, work skills exam, and a summative Michigan Student Test of Educational Progress (M-STEP). Revises such that the MME "may" include a writing component instead of "shall". Revises to allow MDE to consider how closely aligned to Michigan state standards a test is in choosing the college entrance exam. Allows MDE to augment the college entrance and work skills components of the MME to develop the assessment, dependent on those components' alignment to Michigan Content Standards.

Sec. 104c. New State Assessments – REVISED

Updates to replace the MEAP with the Michigan Student Test of Education Progress (M-STEP) beginning with 2015-2016 and revises to grades 3-11 instead of grades 3-10. Deletes subsection that required MDE to seek a federal waiver due to changing assessments. Adds that beginning in 2015-2016, MDE shall field test additional components of the assessment to determine a pupil's proficiency level prior to grade 3 to implement in 2016-2017 including:

- (1) Assessments administered in fall and spring to measure English language arts and mathematics in 1st and 2nd grades.
- (2) A kindergarten entry assessment administered in the fall in kindergarten including English language arts and mathematics, and which may also include observational components measuring cognitive, social-emotional, and physical skills.

Sec. 107. Adult Education – REVISED

Adds that ISDs must give special consideration to adult education providers that provide contextualized learning and career pathways and adds that they base awards on past performance and quality indicators identified by MSF in addition to current requirements of location, demand for services, and cost to provide instruction. Freezes the funding allocations method at the FY 2014-15 method with 2/3 of funding based on previous allocations and 1/3 of funding based on the formula factors for one year; revises subsection (11) by changing the funding distribution to be 80% based on enrollment (from 75%) and 20% based on completion (from 25%); and revises subsection (16) to add that a program must agree to pay a CTE program under Sec. 61a the costs of adult basic education provided by the CTE program.

<u>FY 2014-15 Supplemental Appropriations</u>		<u>FY 2014-15 YTD (as of 3/12/15)</u>	<u>FY 2014-15 Supplemental Change</u>
1. Cash Flow Borrowing Costs (Sec. 11m)	Gross	\$3,000,000	(\$3,000,000)
Reduces to \$0 for FY 2014-15 to reflect revised cost estimates based on lower interest rates.	Restricted	3,000,000	(3,000,000)
2. Distressed District Rehabilitation Fund (Sec. 11r)	Gross	\$4,000,000	\$0
Allocates \$178,000 of the funds appropriated for FY 2014-15 to a Strict Discipline Academy that did not receive Title I funds because of a departmental error.	Restricted	4,000,000	0
3. Foundation Allowances (Secs. 22a and 22b)	Gross	\$8,917,000,000	\$3,000,000
Increases FY 2014-15 foundation costs by \$3.0 million to reflect revised consensus cost estimates.	Restricted	8,908,985,300	3,000,000
	GF/GP	\$8,014,700	\$0
4. Special Education (Secs. 51a, 51c, 51d, 53a, 54, 56)	Gross	\$1,358,946,100	(\$13,000,000)
Decreases FY 2014-15 special education costs by \$13.0 million to reflect revised consensus cost estimates.	Federal	444,000,000	0
	Restricted	914,946,100	(13,000,000)
5. Educator and Administrator Evaluations (Sec. 95a)	Gross	\$14,800,000	\$0
Revises boilerplate to delete the provision tying the expense of FY 2014-15 funds to the enactment of HBs 5223 and 5224 of the 2013-2014 legislative session, which were never enacted.	Restricted	12,100,000	0
	GF/GP	\$2,700,000	\$0

DEPARTMENT OF STATE POLICE
Summary of FY 2015-16 Enacted Appropriations
Article XVI, 2015 Public Act 84 (Senate Bill 133)

Analyst: Paul B.A. Holland

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Revised Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	Difference: Enacted From FY 2014-15 YTD	
						Amount	%
IDG/IDT	\$26,233,200	\$26,224,300	\$26,224,300	\$26,224,300	\$26,224,300	(\$8,900)	(0.0)
Federal	99,429,900	87,945,900	87,945,900	87,945,900	87,945,900	(11,484,000)	(11.5)
Local	4,861,700	5,456,700	5,456,700	5,456,700	5,456,700	595,000	12.2
Private	77,200	76,700	76,700	76,700	76,700	(500)	(0.6)
Restricted	127,300,000	123,328,200	120,353,900	121,853,900	124,828,200	(2,471,800)	(1.9)
GF/GP	390,839,900	373,473,700	372,923,700	377,305,700	376,305,600	(14,534,300)	(3.7)
Gross	\$648,741,900	\$616,505,500	\$612,981,200	\$618,863,200	\$620,837,400	(\$27,904,500)	(4.3)
FTEs	3,073.0	3,108.0	3,084.0	3,113.0	3,134.0	61.0	2.0

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Executive figures include Executive Budget Revision 2016-4.

Overview

The Michigan Department of State Police (MSP) is the state's primary law enforcement and emergency response authority, responsible for criminal law enforcement and investigation, traffic and motor carrier safety, and homeland security; in addition to the administration and implementation of various state programs, technologies, and specialized services intended to enhance the capabilities and coordination of federal, state, and local law enforcement agencies, the criminal justice system, and the entire public safety community.

Budget Structure

The Legislature has significantly and continually altered and rearranged the MSP budget over recent years: condensing appropriation units, combining line items, coalescing fund sources, and generally extending funding flexibility while greatly expanding performance metrics via reporting requirements. Beginning in FY 2011-12, the line items within the budget were variously combined and the quantity was ultimately reduced from nearly 60 ongoing line items to merely five within the FY 2014-15 budget; these five ongoing line items, arranged under four appropriation units, encompassed 20 informational and nonbinding schedules of programs. Furthermore, the budget indicated a schedule of revenues which provided nonbinding budget-wide estimated amounts of specific fund sources, however only fund types (e.g., federal, restricted, GF/GP) were appropriated from and designated to support line items. The FY 2015-16 budget includes eight line items within eight appropriation units and continues to appropriate from fund types, while incorporating the schedules of programs and revenues within boilerplate.

Major Budget Changes From FY 2014-15 YTD Appropriations

	FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
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1. Statutory Fee Sunsets

Assumes revenues generated by the extension of sunsets on statutory fees charged and collected by the MSP for taking and processing fingerprints (\$30) and processing and completing name-based criminal history searches (\$10) and on the \$2.25 regulatory fee levied on various vehicles specified by the Michigan Vehicle Code (1949 PA 300) and expended to enhance traffic law enforcement and safety. These fees are set to expire on September 30, 2015. MSP estimates that the elimination of these fee sunsets will preserve approximately \$30.7 million in restricted revenue during FY 2015-16. House Bills 4443 and 4569 extended sunsets until September 30, 2019.

Gross	\$48,292,400	\$0
Restricted	48,292,200	0

STATE POLICE

Major Budget Changes From FY 2014-15 YTD Appropriations

**FY 2014-15 YTD Enacted Change
(as of 3/12/15) From YTD**

2. 129th Trooper Recruit School (One-Time and Ongoing)

Increases spending and staff authorization for the 129th Trooper Recruit School, which is anticipated to commence on June 5, 2016 and graduate 88 new troopers. Ongoing spending authorization (\$4.5 million) supports personnel, fleet, and ancillary costs incurred throughout and subsequent to the school, while one-time authorization (\$3.2 million) supports the costs of recruiting, boarding, training, and equipping recruits admitted to the school. The MSP estimates an additional increase of \$8.1 million in ongoing spending authorization for FY 2016-17 to annualize the ongoing personnel, fleet, and ancillary costs to account for the portion of FY 2015-16 that preceded commencement of the school.

FTE	NA	88.0
Gross	NA	\$7,700,000
GF/GP	NA	\$7,700,000

3. 20th Motor Carrier Recruit School (Ongoing)

Increases spending authorization for the ongoing personnel and ancillary costs and adjusts staff authorization associated with the 20th Motor Carrier Recruit School, which is anticipated to commence on October 1, 2015 and graduate ten new motor carrier officers. Spending authorization for the one-time costs of recruiting, boarding, training, and equipping recruits admitted to the school is expected to be supported with a forthcoming work project designation of the FY 2014-15 appropriation for one-time costs associated with the school, which was originally planned to occur during FY 2014-15 and graduate 31 new officers, but was subsequently cancelled by MSP resultant from the elimination, via E.O. 2015-5, of the FY 2014-15 ongoing spending authorization associated with the school.

FTE	31.0	(21.0)
Gross	NA	\$1,050,000
GF/GP	NA	\$1,050,000

4. Annualize 128th Trooper Recruit School Costs (Ongoing)

Increases spending authorization to annualize the personnel, fleet, and ancillary costs and decreases staff authorization associated with the 128th Trooper Recruit School, which commenced on March 1, 2015 and is anticipated to graduate 68 new troopers on July 24, 2015. Personnel, fleet, and ancillary costs incurred throughout and subsequent to the school were appropriated for FY 2014-15 and incorporated into ongoing spending authorization for FY 2015-16. This additional ongoing spending authorization annualizes these costs for FY 2015-16 to account for the portion of FY 2014-15 that preceded commencement of the school. MSP initially estimated annualized costs of \$5.4 million; however E.O. 2015-5 reduced the number of anticipated graduates from 100 to 60 troopers (MSP subsequently estimated that the school will graduate 68 troopers), resulting in a reduction of \$2.4 million in annualized costs for FY 2015-16.

FTE	100.0	(40.0)
Gross	\$5,464,400	\$3,005,700
GF/GP	\$5,464,400	\$3,005,700

5. FY 2014-15 One-Time Appropriations

Removes spending authorization for various FY 2014-15 one-time appropriations under Sec. 106 of \$17.9 million Gross (\$16.6 million GF/GP), subsequent to the \$500,000 GF/GP reduction to the Local Public Safety Initiative under E.O. 2015-5. Transfers \$831,900 GF/GP for MSP-provided traffic control at the Michigan International Speedway from one-time to ongoing within Field Services. Also, removes \$16.5 million Gross (\$14.0 million GF/GP) in spending authorization appropriated by 2014 PA 356 for disaster assistance (\$3.0 million GF/GP of which was subsequently transferred to the Disaster and Emergency Contingency Fund by HB 4112), subsequent to the \$16.0 million GF/GP lapse recognized by E.O. 2015-5.

Gross	\$35,229,300	(\$34,397,400)
Restricted	3,750,000	(3,750,000)
GF/GP	\$31,479,300	(\$30,647,400)

Major Budget Changes From FY 2014-15 YTD Appropriations	FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
6. Analysis of Sexual Assault Kit Evidence	FTE 292.0	11.0
Increases spending and staff authorization for additional positions within the Forensic Science and Biometrics and Identification Divisions, assigned to the laboratories located in Northville and Sterling Heights, pursuant to 2014 PA 227, which requires law enforcement agencies to submit sexual assault kit evidence to the MSP (or another accredited laboratory) for analysis within 14 days of taking possession and the MSP to analyze the evidence and upload extracted DNA profiles onto MSP-specified databases within 90 days of receiving all necessary evidence. MSP is currently analyzing sexual assault kit evidence within the 90-day standard, excluding time spent creating and uploading DNA profiles, yet anticipates the number of sexual assault kits submitted for analysis to increase consequent to the enactment of 2014 PA 227.	Gross \$48,155,800	\$1,649,600
	Federal 5,126,700	0
	Restricted 13,950,200	0
	GF/GP \$29,078,900	\$1,649,600
7. State Records Management System Fees	Gross NA	\$600,000
Increases spending authorization for the MSP to expend the fees collected from local law enforcement agencies (\$200/officer, \$150/jail bed) utilizing the State Records Management System (SRMS), which facilitates the sharing of certain information between law enforcement agencies and sworn officers. The SRMS was created via a \$3.6 million grant awarded in 2013 by the Department of Treasury under the Competitive Grant Assistance Program to transfer the Area Records Management System (ARMS), then operated by the Saginaw County Sheriff's Office, to the MSP and expand the ARMS (renamed the SRMS) to interested law enforcement agencies statewide. As of October 24, 2014 there were 994 users within 35 agencies utilizing the SRMS and MSP anticipates that there will be 3,000 users by the close of FY 2015-16.	Local NA	600,000
8. Sexual Assault Prevention and Education Initiative (One-Time)	Gross NA	\$500,000
Increases one-time spending authorization for the new Sexual Assault Prevention and Education Initiative proposed by the Governor.	GF/GP NA	\$500,000
9. State Emergency Operations Center IT Costs	FTE 32.0	0.0
Increases spending authorization for information technology (IT) charges incurred by the MSP and collected by the Department of Technology, Management, and Budget for the State Emergency Operations Center (SEOC), overseen by the Emergency Management and Homeland Security Division and responsible for coordinating response and recovery efforts by state agencies and local governmental units.	Gross \$6,438,600	\$152,000
	Federal 3,820,500	0
	GF/GP \$2,618,100	\$152,000
10. Technical Adjustments	FTE 29.0	(4.0)
Includes multiple adjustments to spending and staff authorizations for numerous funds affecting various line items to more accurately reflect available and appropriate revenues and align authorization with actual operations; technical adjustments may involve increasing or decreasing spending or staff authorization or shifting authorization between fund sources within a single line item or transferring spending or staff authorization between line items.	Gross \$18,068,100	(\$15,168,800)
	IDG/IDT 0	6,000
	Federal 11,438,500	(11,431,100)
	Restricted 4,152,600	(3,211,800)
	GF/GP \$2,477,000	(\$531,900)
11. Economic Adjustments	Gross NA	\$530,100
Includes adjustment to reflect net cost increase for negotiated salary and wage amounts (2.0% base increase), insurance rate increases, reductions in actuarially determined retirement rates, and other economic adjustments.	IDG/IDT NA	(14,900)
	Federal NA	(52,900)
	Local NA	(5,000)
	Private NA	(500)
	Restricted NA	15,700
	GF/GP NA	\$587,700

STATE POLICE

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>	<u>FY 2014-15 YTD</u>	<u>Enacted Change</u>
	<u>(as of 3/12/15)</u>	<u>From YTD</u>
12. Concealed Pistol Licensing	FTE 102.0	13.0
Increases spending and staff authorization for implementation and administration of the MSP's revised responsibilities concerning the verification and investigation of concealed pistol license applications pursuant to 2015 PA 3; supported with revenue generated by statutory fees collected from individuals applying for concealed pistol licenses.	Gross \$12,714,600	\$1,500,000
	Restricted 9,637,700	1,500,000
	GF/GP \$3,076,900	\$0
13. Motor Carrier Regulation	FTE NA	14.0
Includes spending and staff authorization related to motor carrier regulation transferred from the Public Service Commission within the Department of Licensing and Regulatory Affairs to the MSP pursuant to E.O. 2015-10.	Gross NA	\$2,974,300
	Restricted NA	2,974,300
14. Salary and Wage Raise for Troopers and Sergeants	Gross NA	\$2,000,000
Increases spending authorization for negotiated salary and wage raises for troopers and sergeants represented by the Michigan State Police Officer's Association pursuant to a collective bargaining agreement between the Association and the State and equivalent to an increase of 2.0% of base pay with a 1.0% lump sum payment for FY 2015-16. The Executive included, and the House and Senate concurred with, authorization to support a raise of 1.5% of base pay with a 0.5% lump sum payment within the FY 2015-16 budget; this authorization supports the additional base and lump sum raises.	GF/GP NA	\$2,000,000

Major Boilerplate Changes From FY 2014-15

Sec. 204. IDG Funding From Other State Departments – REVISED

Lists specific amounts and sources of interdepartmental grant funding received by the MSP. *Revised to update amounts.*

Sec. 204a. (renumbered as Sec. 205.) IDG Funding to Other State Departments – REVISED

Lists specific amounts and sources of interdepartmental grant funding made available by the MSP to other state departments and stipulates that the MSP shall provide \$1.5 million in federal Byrne grants to the state Judiciary. *Revised to update amounts.*

Sec. 205a. Department of Homeland Security Funding – DELETED

Lists the specific programs, by Catalog of Federal Domestic Assistance (CFDA) number, through which the MSP receives federal Department of Homeland Security funds.

Sec. 205b. Department of Justice Funding – DELETED

Lists the specific programs, by Catalog of Federal Domestic Assistance (CFDA) number, through which the MSP receives federal Department of Justice funds.

Sec. 205c. Department of Transportation Funding – DELETED

Lists the specific programs, by Catalog of Federal Domestic Assistance (CFDA) number, through which the MSP receives federal Department of Transportation funds.

Sec. 209. Buy American and Buy Michigan – REVISED

Prohibits the purchase of foreign goods or services if competitively priced and of comparable quality American goods or services are available; requires preference be given to goods and services manufactured by Michigan businesses and Michigan businesses owned and operated by veterans; requires preference to goods and services provided by small business where veterans comprise at least 35% of the total workforce. *Revised to eliminate preference for small businesses owned by veterans.*

Sec. 212. Records Retention – DELETED

Requires the MSP to retain all records in accordance with state and federal guidelines.

Major Boilerplate Changes From FY 2014-15

Sec. 216. Schedule of Programs and Revenues – REVISED

Specifies that the schedule of programs is a list of programs which may be, but is not required to be, funded; specifies that the schedule of revenue sources may or may not be received from the entities listed; specifies that Secondary Road Patrol funding is not subject to funding flexibility and the program will be funded in accordance with law; specifies that funding required by statute is not subject to funding flexibility. *Revised substantially to incorporate the schedule of programs for each line item and the schedule of revenues for the entire budget.*

Sec. 217. Budgetary Efficiency – DELETED

Requires the MSP to improve its budgetary efficiency by prioritizing personnel over buildings, pursuing consolidation of support services, seeking expenditure reductions, and identifying efficiencies that can be gained via the reduction or elimination of programs.

Sec. 219. Quarterly Reporting on Achieving Requirements – REVISED

Requires the MSP to provide quarterly reports on its performance against the metrics cited in the article, status of work projects, financial status, information which validates that all requirements of Part 2 have been achieved, corrective action plans for requirements not achieved, and summary of fund shifts. *Revised to eliminate requirements that the MSP provide information to validate that the requirements have been achieved and provide corrective action plans for unachieved requirements.*

Sec. 232. Michigan Public Safety Communications System – REVISED

Requires the MSP to act as a liaison between DTMB and local public safety agencies to facilitate the use of MPSCS towers and to establish interoperability standards among communications systems. *Revised to remove requirement to establish interoperability standards and facilitate the use of towers.*

Sec. 235. Wayland Post and Report – REVISED

Requires the MSP to begin discussions with the City of Wayland on moving the current MSP post in Wayland into a new joint public safety building in Wayland. MSP would have to report on the feasibility of moving the post. *Revised to remove requirement to examine the feasibility and provide report.*

Sec. 238. Authorization to Expend Private Donations – NEW

Appropriates money privately donated to the MSP for the purposes designated by the donor. *Language transferred from Sec. 601(3).*

Sec. 240. Benchmarks for New Programs or Program Enhancements – NEW

Requires MSP to submit reports to the Legislature identifying program-specific metrics intended to measure the performance based on a return on taxpayer investment of new programs or program enhancements and updating the Legislature on the progress in tracking metrics and the status of program success.

Sec. 250. Participation in MIBridges Fraud Work Group – NEW

Requires the MSP to participate in a multidepartment work group charged with investigating and making recommendations pertaining to methods of minimizing fraud within the MIBridges program administered by the Department of Health and Human Services.

Sec. 300. Unclassified Positions – DELETED

Lists titles of unclassified positions currently in the MSP; requires the MSP to notify the subcommittees prior to submitting requests for additional unclassified positions or requests for substantive changes to the duties of existing unclassified positions.

Sec. 301. Executive Direction – DELETED

Requires the MSP to provide executive administration of the department as provided under 1935 PA 59 and Chapter 7 of the Executive Organization Act, 1965 PA 380.

Sec. 302. State Executive Security – DELETED

Requires the MSP to provide effective protection for the governor and visiting dignitaries.

Sec. 303. Capitol and Secondary Complex Security – REVISED

Requires the MSP to maintain proper levels of staffing and resources for providing security services at the state Capitol Building and surrounding building, as provided under 1935 PA 59; requires the MSP to pursue federal grants to improve security services; requires at least 35,000 patrol hours. *Revised to eliminate statutory citations, include State Secondary Complex in areas to be secured and reduce required patrol hours to a minimum of 27,000.*

STATE POLICE

Major Boilerplate Changes From FY 2014-15

Sec. 304. Departmental Services – REVISED

Requires the MSP to provide administrative support for MSP operations, ensure proper accountability of funds, and adhere to financial and administrative guides; requires the MSP to provide grant and community service support functions; requires MSP to provide for the statewide administration of 911 service; states the purpose of funding for information technology services and projects. *Revised to eliminate requirements except those specifically pertaining to the Automobile Theft Prevention Authority, Byrne Memorial Justice Assistance Program, asset forfeiture reporting, and statewide 9-1-1 operations.*

Sec. 401. Training – REVISED

Requires the MSP to maintain proper levels of staffing and resources for providing training and educational opportunities that support enforcement and public safety efforts of the criminal justice community; specifies training program metrics; requires post-recruit school report on recruiting efforts and assignments of recent graduates. Lists the specific authority under which the Training Division, Traffic Services Section operates. *Revised to eliminate statutory citations and requirements to recruit MCOLES-certified police officers for recruit schools and provide specialized traffic safety support services and to modify performance data and recruit school reporting requirements.*

Sec. 404. (remembered as Sec. 501.) Commission on Law Enforcement Standards – REVISED

Requires MCOLES to provide standards for law enforcement officers and to maintain staffing and resources to provide basic law enforcement training for regional academies; lists the specific authority under which MCOLES operates; requires annual licensure data; requires semi-annual data on Justice Training Fund allocations. *Revised to eliminate statutory citations and MCOLES licensure and justice training fund grant reporting requirements.*

Sec. 405. (remembered as Sec. 402.) Criminal Justice Information Systems – REVISED

Requires the MSP to maintain criminal justice information systems in support of the public safety and law enforcement community under listed legal authorities. Requires MSP to conduct at least 30 outreach services to improve submission of criminal history information; requires report on reducing the Law Enforcement Information Network budget. Lists the specific legal authority for the reporting of crime information and the compilation of crime statistics; requires annual report on Michigan crime statistics. Requires the MSP to comply with the Freedom of Information Act; requires submission of an annual report on the number of requests for public records received, fulfilled, or denied, and the total amount of fees received. Requires traffic crash reports to be provided at a reasonable cost; lists the legal authority for the reporting and compilation of traffic crash records; requires quarterly reports on the number of copies of traffic crash reports provided to the public via the Traffic Crash Purchasing System. Lists the specific legal authority for maintaining criminal history records; requires the MSP to provide fingerprint and criminal history records check services to law enforcement agencies, with a capacity equal to the FY 2010-11 level; requires quarterly information on the number of fingerprint and name-based criminal records checks. Lists the specific legal authorities under which MSP maintains firearms records. Requires a report on CPL fee revenues and expenditures, the cost of administering selected sections of 1927 PA 372 (itemized per section), and revenues and expenditures from the Concealed Weapons Enforcement Fund. Lists the specific legal authority under which the MSP maintains the sex offender registry; requires MSP to follow up on tips assigned to law enforcement agencies within 10 working days; requires quarterly information on the number of individuals in the law enforcement and public sex offender databases. *Revised to eliminate statutory citations, LEIN budget reduction reporting requirement, requirement concerning compilation of crime statistics and reporting, requirement to process FOIA requests and associated reporting requirements, traffic crash reports reporting requirement, fingerprinting reporting requirements, sex offender registry reporting requirements and to add carryforward authorization for revenues deposited within the Criminal Justice Information Center Service Fees fund and collected for the Statewide Records Management System.*

Sec. 412. (remembered as Sec. 403.) Laboratory Operations – REVISED

Requires the MSP to provide forensic testing services and to maintain third-party accreditation; lists legal authorities under which MSP provides forensic testing services. Requires the MSP to maintain an average 55-day turnaround time for processing evidence, to develop a plan to reach an average 30-day turnaround time, and to provide quarterly information on the backlog of cases and staffing information. Establishes goal of reducing firearms backlog by 20% and the toxicology backlog by 15%. *Revised to eliminate statutory citations, remove specification of forensic disciplines, add stipulations pertaining to the design and deployment of an information technology interface between the Forensic Science Division and the judiciary, and incorporates revised subsections transferred from Sec. 413.*

Sec. 413. (transferred to Sec. 403.) DNA Analysis Program – REVISED

Requires the MSP to post a copy of changes to its DNA sampling and records retention protocol; lists specific legal authority under which the MSP provide DNA analysis services; establishes a goal of reducing the DNA analysis backlog by 15% annually. *Revised to eliminate statutory citations, adds stipulation and reporting requirement pertaining to the Sexual Assault Kit Initiative, and transfer revised subsections to Sec. 403.*

Major Boilerplate Changes From FY 2014-15**Sec. 404. (remembered as Sec. 403.) Biometrics and Identification – REVISED**

Lists the specific legal authority under which the MSP operates the automated fingerprint identification system (AFIS), the statewide agency of network photographs (SNAP), the Combined DNA Index System (CODIS), and other biometric databases. Requires quarterly reports on the number of 10-print and palm-print submissions (with a 97% electronic submission goal), requires the MSP to maintain a 28-day average wait time for scheduling polygraph examinations, with a goal of achieving a 15-day average. *Revised to eliminate statutory citations and language specifying division purposes and to add reporting requirement pertaining to processed fingerprint checks.*

Sec. 501. (remembered as Sec. 601.) General Law Enforcement and Traffic Safety – REVISED

Requires the MSP to provide general law enforcement and traffic safety, including service as the law enforcement agency of last resort in communities unable to provide law enforcement; requires enlisted personnel enforcing traffic laws to respond to crimes in process and other emergency situations. Requires report on activities under the Secure Cities Initiative; requires at least 93% compliance rate for reporting by sex offenders, and requires the MSP to provide 315,000 statewide patrol hours, including 24,000 patrol hours in distressed cities and 4,000 patrol hours. *Revised to eliminate statutory citations, Secure Cities Partnership reporting requirement specifications, general stipulation about the MSP's law enforcement duties, standards for traffic contacts per hour and degradation of road patrol, and language pertaining to the MSP as the law enforcement agency of last resort and to increase goal to 30,000 patrol hours in distressed cities.*

Sec. 502. Security at Events – DELETED

Requires the MSP to respond to potential and imminent threats to the state's facilities, systems, and property, and to large-scale recreational and public events.

Sec. 503. (remembered as Sec. 602.) Criminal Investigations – REVISED

Requires the MSP to provide criminal investigative services, providing the number or investigation hours comparable to the number of hours in FY 2012-13 and maintains a clearance rate of 56% (with a goal of achieving a 60% rate by the end of FY 2015-16). Also requires the MSP to provide at least 4 training sessions to local law enforcement agencies on gambling issues. *Revised to eliminate statutory citations and reference to FY 2014-15 clearance rate goal.*

Sec. 505. (remembered as Sec. 604.) Fire Investigations – REVISED

Requires the MSP to provide fire investigation services, maintaining services at a level equal to the FY 2010-11 performance level and be available for service 100% of the time. *Revised to eliminate statutory citation.*

Sec. 601. (remembered as Sec. 701.) Special Operations – REVISED

Requires the MSP to maintain proper levels of staffing and resources for providing specialized law enforcement services, such as canine unit, bomb squad, emergency support teams, underwater recovery, and aviation services; requires MSP to operate the Michigan Intelligence Operations Center (MIOC) for Homeland Security as the state's primary federally recognized fusion center, requiring MIOC to increase the number of contacts that receive homeland security and intelligence information. *Revised to eliminate requirements to seek to increase contact receiving homeland security information, add stipulation for MSP to maintain support for the Cyber Section and transfers language pertaining to private donations to Sec. 238.*

Sec. 602. (remembered as Sec. 702.) Commercial Vehicle Enforcement – REVISED

Requires the MSP to enforce state and federal motor carrier regulations, as provided under listed legal authorities, including size/weight requirements, fuel tax requirements, safety requirements, vehicle registration/certificate of authority requirements, and pupil transportation safety requirements; requires quarterly reports on commercial vehicle size and weight enforcement efforts, border enforcement grant activities, and new entrant audits; requires the MSP to maintain resources to annually inspect 57,000 commercial motor vehicles; and requires the MSP to submit annual report on school bus inspections. Requires MSP to enforce motor carrier safety regulations, maintain the staffing to annually inspect 57,000 commercial motor vehicles, and provide quarterly reports on border enforcement grant activities and new entrant safety audits. Requires the MSP to annually inspect public and private school buses, as provided under listed legal authorities, and to submit an annual report on the result of school bus inspections. *Revised to eliminate statutory citations and certain commercial vehicle enforcement reporting requirements, add reference to commercial vehicle regulation and requirement to train at least 10 new motor carrier officers, and reduce annual inspection goal to 50,000 commercial vehicles.*

STATE POLICE

Major Boilerplate Changes From FY 2014-15

Sec. 606. (remembered as Sec. 703.) Emergency Management and Homeland Security – REVISED

Requires the MSP to coordinate emergency management efforts within the state under listed statutory/regulatory authorities; authorizes the MSP to expend appropriated funds to call upon any agency or department to protect life or property or to protect the health or safety of any area under a state of emergency or state of disaster; provides authority to expend funds received above the amounts appropriated in Part 1 for any federal, private, local, or state resource to provide emergency management training or emergency preparedness, response, recovery, or mitigation. Requires the MSP to respond to civil disorders and natural disasters; to maintain readiness, including training and equipment; requires the MSP to foster partnerships to protect against hazards and emergencies, maintain local emergency management preparedness programs, operate the State Emergency Operations Center (SEOC); and provide training in responding to civil disorders, natural disasters, hazardous materials, and other emergencies, disasters, and incidents. Authorizes expenditure of up to \$800,000 from the Disaster and Emergency Contingency Fund upon approval of the State Budget Director and notification to the legislature; requires annual report on fund activities. Allocates up to \$500,000 to the urban search and rescue task force, requires the task force to provide reports on FY 2013-14 revenues and expenditures, proposed FY 2014-15 grant expenditures, and a final report on FY 2014-15 grant expenditures. *Revised to eliminate statutory citations and \$500,000 earmark and reporting requirements for the Urban Search and Rescue Task Force and to replace \$800,000 appropriation from the Disaster and Emergency Contingency Fund to an amount necessary to cover costs.*

Sec. 608. (remembered as Sec. 704.) Highway Safety Planning – REVISED

Requires the MSP to maintain staffing and resources to carry out highway safety programs under listed statutory/regulatory authorities; requires the MSP to publish annual traffic crash data. *Revised to eliminate statutory citations and annual traffic crash reports reporting requirement.*

Sec. 610. (remembered as Sec. 801.) Secondary Road Patrol Program – REVISED

Describes the purpose of the secondary road patrol (SRP) program and sheriff's department responsibilities; requires quarterly data (reported biannually) on the number of full-time equivalent SRP deputies and number of patrol hours, with a goal of at least 178,000 hours. *Revised to eliminate statutory citations and add stipulation that MSP request patrol budgets from counties receiving grants.*

Sec. 701. Trooper Recruit School – DELETED

Requires the MSP to maintain staffing and resources to train at least 100 trooper recruits.

Sec. 702. Emergency Support Team (EST) Vehicle – DELETED

Requires the MSP to use the one-time funds to purchase one EST vehicle.

Sec. 703. Motor Carrier Recruit School – DELETED

Requires the MSP to maintain staffing and resources to train at least 31 motor carrier officer recruits.

Sec. 704. Aviation Support – DELETED

Specifies the helicopter purchased with one-time funds would be used to provide patrols over Detroit, allowing the two existing helicopters to be used in other areas of the state, and to reduce the number of times when the MSP has to deny requests for service for air support.

Sec. 705. LEIN Language Conversion – DELETED

Requires the one-time funds to be expended on updating the programming language that supports the Law Enforcement Information Network (LEIN).

Sec. 706. Electronic Warrant System – DELETED

Requires the one-time funds to be expended in support of the development of an electronic warrant reporting system.

Sec. 707. MIS Traffic Control – DELETED

Requires the MSP to provide traffic control for events at Michigan International Speedway.

Sec. 708. Local Public Safety Initiative – DELETED

Requires the one-time funds to be expended in support of a grant program, in collaboration with the Council on Law Enforcement and Reinvention (CLEAR), in support of school security needs, directing that 80% of the funds be allocated to public and private schools (K-12) for safety-related improvements and 20% be allocated to county sheriff's departments for equipment, technologies, or officer training that enhances school safety and the department's ability to respond to incidents at schools.

Major Boilerplate Changes From FY 2014-15

Sec. 709. Marshall Post Lease Costs – DELETED

Specifies that funds be expended to buy down a portion of the MSP's share of construction and operating costs for the Marshall regional law enforcement center. Lease terms shall be subject to a market analysis performed by the Department of Technology, Management and Budget to substantiate the rental amount.

Sec. 901. One-Time Appropriations Spending Restrictions – NEW

Requires that MSP shall only expend the funds appropriated for the One-Time Appropriations line item as follows: \$3.2 million to train at least 88 new troopers and \$500,000 to implement the Sexual Assault Prevention and Education Initiative.

Sec. 1202. FY 2015-16 Performance Metrics – DELETED

States legislative intent that, with the funds appropriated in FYs 2014-15 and 2015-16:

- Trooper patrol hours should increase by at least 9% from FY 2014-15 to FY 2015-16.
- Aviation patrol hours should increase by 30%, the helicopter should patrol over Detroit 5 days/week, allowing patrols over other areas of the state (including the distressed cities), and the number of times MSP is unable to provide air support declines to less than 50 (from 72 in FY 2013).
- Commercial vehicle inspections should increase by 12%.
- LEIN services should improve.
- Warrant entry and processing should improve throughout the criminal justice community.

FY 2014-15 Supplemental Appropriations

	<u>FY 2014-15 YTD (as of 3/12/15)</u>	<u>FY 2014-15 Supplemental Change</u>
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1. Salary and Wage Raise for Troopers and Sergeants

Increases spending authorization for negotiated salary and wage raises for troopers and sergeants represented by the Michigan State Police Officer's Association pursuant to a collective bargaining agreement between the Association and the State and equivalent to an increase of 2.0% of base pay with a 1.0% lump sum payment for FY 2014-15. The FY 2014-15 YTD budget includes authorization to support a raise of 2.0% of base pay with a 0.5% lump sum payment; this authorization supports the additional lump sum raise.

Gross	NA	\$1,000,000
GF/GP	NA	\$1,000,000

TRANSPORTATION

**DEPARTMENT OF TRANSPORTATION
Summary of FY 2015-16 Enacted Appropriations
Article XVII, 2015 Public Act 84 (Senate Bill 133)**

Analyst: William E. Hamilton

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Revised Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	Difference: Enacted From FY 2014-15 YTD	
						Amount	%
IDG/IDT	\$3,786,900	\$3,928,500	\$3,928,500	\$3,928,500	\$3,928,500	\$141,600	3.7
Federal	1,223,599,500	1,257,488,000	1,257,488,000	1,257,488,000	1,257,488,000	33,888,500	2.8
Local	50,177,100	50,293,500	50,293,500	50,293,500	50,293,500	116,400	0.2
Private	7,866,000	100,000	100,000	100,000	100,000	(7,766,000)	(98.7)
Restricted	2,154,985,200	2,184,391,400	2,184,391,400	2,184,391,400	2,184,391,400	29,406,200	1.4
GF/GP	284,647,900	139,521,100	159,521,100	139,521,100	400,000,000	115,352,100	40.5
Gross	\$3,725,062,600	\$3,635,722,500	\$3,655,722,500	\$3,635,722,500	\$3,896,201,400	\$171,138,800	4.6
FTEs	2,918.3	2,918.3	2,918.3	2,918.3	2,918.3	0.0	0.0

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including House Bill 4112). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Transportation budget supports state and local highway programs, public transportation programs, aeronautics programs, and administration of the Michigan Department of Transportation (MDOT). Approximately two-thirds of the revenue in this budget comes from state restricted revenue, with approximately one-third from federal sources. Most of the state restricted revenue in this budget is constitutionally restricted – from motor fuel taxes and vehicle registration taxes – and is first credited to the Michigan Transportation Fund (MTF) and then distributed in accordance with 1951 PA 51 (Act 51) to other state transportation funds and programs, including the State Trunkline Fund (STF) and the Comprehensive Transportation Fund (CTF), and to local road agencies. Revenue related to taxes on aviation fuel and aircraft registrations is credited to the State Aeronautics Fund for aeronautics programs.

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>		<u>FY 2014-15 YTD (as of 3/12/15)</u>	<u>Enacted Change From YTD</u>
1. Debt Service	Gross	\$242,318,300	(\$3,457,500)
Appropriated debt service of \$238.9 million reflects anticipated debt service schedules. [Total outstanding transportation-related debt at September 30, 2014, was \$1,960.4 million.]	Federal	45,726,400	40,500
	Restricted	196,591,900	(3,498,000)
2. Support Services by Other State Departments	Gross	\$46,932,800	(\$425,900)
Interdepartmental grants (IDGs) authorize the reimbursement of other state departments from restricted transportation funds for services provided to those transportation funds.	Restricted	46,932,800	(425,900)
Enacted budget includes \$20.0 million MTF for Department of State vehicle registration tax collection program, and \$2.7 million MTF for Department of Treasury motor fuel tax collection program – both the same as current-year funding. Budget reflects \$414,800 in reductions related to agency cost allocation adjustments, and \$11,100 reductions related to economic adjustments.	FTEs	747.7	(4.0)
3. State Trunkline Maintenance	Gross	\$310,440,500	\$251,500
Enacted budget does not change baseline support; the increase reflects the net of positions transfers and economic adjustments only.	Restricted	310,440,500	251,500

TRANSPORTATION

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>		<u>FY 2014-15 YTD (as of 3/12/15)</u>	<u>Enacted Change From YTD</u>
4. State Trunkline Road and Bridge Construction	Gross	\$824,646,200	\$15,017,200
Enacted budget includes \$839.7 million – \$15.0 million more than the current year – for the capital road and bridge construction/preservation program. This reflects a net increase of \$28.8 million in available STF revenue, less a \$14.1 million reduction in appropriated Blue Water Bridge Fund revenue – FYs 2013-14 and 2014-15 had appropriated additional Blue Water Bridge Fund revenue for the Blue Water Bridge Plaza project.	Federal	742,277,800	0
	Local	30,000,000	0
	Restricted	52,368,400	15,017,200
<p>[Budget also includes a separate one-time appropriation of \$113.0 million GF/GP to match federal aid for state trunkline road and bridge construction. See item #13 below.]</p>			
5. Local Bridge Program	Gross	\$26,477,400	\$351,200
Reflects Act 51 earmarks to this program, including dedication of one-half cent of revenue raised by the motor fuel tax on gasoline.	Restricted	26,477,400	351,200
6. MTF to Local Road Agencies	Gross	\$930,801,500	\$28,231,800
MTF distribution to local road agencies, \$615.7 million to county road commissions, and \$343.3 million to cities/villages reflects estimated MTF revenue and Act 51 statutory distribution.	Restricted	930,801,500	28,231,800
7. Transportation Economic Development Fund (TEDF)	Gross	\$41,515,800	(\$2,745,300)
Includes \$30.8 million for TEDF programs. This reflects the proposed transfer of \$4.0 million from the TEDF – \$2.0 million to the STF, and \$2.0 million to the State Aeronautics Fund. These proposed transfers would be made in House Bill 4440, a bill to amend Public Act 231 of 1987.	Restricted	41,515,800	(2,745,300)
<p>The \$4.0 million reduction in available TEDF revenue caused by the proposed transfers would be partially offset by an anticipated \$1.3 million increase in interest earnings on the TEDF fund balance.</p>			
8. Aeronautics Services	FTEs	54.0	0.0
Budget for the Office of Aeronautics reflects economic adjustments and reductions to better reflect estimated State Aeronautics Fund revenue; budget eliminates <i>Air service</i> grant program, funded in the current year at \$289,300.	Gross	\$7,720,300	(\$681,000)
	Restricted	7,720,300	(681,000)
9. Bus Transit - Local Bus Operating Assistance	Gross	\$167,400,000	\$0
Maintains CTF support for local bus operating assistance at current year funding levels.	Restricted	167,400,000	0
10. Rail Operations and Infrastructure	Gross	\$57,022,400	\$46,068,000
Provides capital and operating assistance for three Amtrak-operated rail passenger service routes in Michigan, including the Detroit-Chicago high-speed rail corridor. Also supports rail freight preservation capital projects on state-owned rail properties and rail economic development projects.	Federal	10,100,000	50,000,000
	Local	100,000	0
	Private	100,000	0
	Restricted	46,722,400	(3,932,000)

Budget recognizes \$50.0 million Federal Railroad Administration grant for capital improvement along the Detroit-Chicago Accelerated Rail Corridor. Budget reduces baseline CTF support to balance to anticipated CTF revenue.

[Budget also includes a separate GF/GP appropriation of \$25.0 million transit capital and rail infrastructure; see item #15 below.]

TRANSPORTATION

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>	FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
11. Transit Capital	Gross \$57,689,300	(\$26,528,500)
This line item recognizes anticipated federal pass-through grants to local transit agencies and related state and local matching funds.	Federal 22,778,000	(17,478,000)
	Local 1,250,000	0
	Private 7,766,000	(7,766,000)
	Restricted 25,895,300	(1,284,500)
<p>The large reduction in FY 2015-16 as compared to the current-year budget is primarily due to the inclusion in the current year of \$25.5 million related to the M-1 rail project in Detroit – \$17.8 million federal and \$7.7 million in associated private funds. These funds, added to the current year in a supplemental appropriation bill (House Bill 4112, enacted as 2015 PA 6), are not carried into FY 2015-16. The budget also reflects a \$1.3 million reduction in baseline CTF support to balance to anticipated CTF revenue.</p> <p>[The proposed FY 2015-16 budget also includes a separate one-time appropriation of \$25.0 million GF/GP for transit capital and rail infrastructure. See item #15 below.]</p>		
12. Airport Improvement Program	Gross \$91,978,000	\$3,065,200
Reflects anticipated federal funding, related local matching funds, and available state restricted State Aeronautics Fund revenue for the federal Airport Improvement Program. Includes \$2.0 million in restricted State Aeronautics Fund anticipating the redirection of TEDF revenue to the State Aeronautics Fund in House Bill 4440.	Federal 78,578,000	422,000
	Local 12,392,100	116,400
	Restricted 1,007,900	2,526,800
13. State Trunkline Road and Bridge Construction [General Fund/General Purpose]	Gross \$127,000,000	(\$14,000,000)
Includes \$113.0 million in GF/GP funding to ensure that the state match all available federal-aid highway funds. This GF/GP appropriation, which had been designated "one-time" in the current year, is shown as "ongoing state general fund appropriations" in the enacted FY 2015-16 budget.	GF/GP \$127,000,000	(\$14,000,000)
14. State and Local Road and Bridge Programs [General Fund/General Purpose]	Gross \$144,500,000	\$115,978,900
Includes \$260.5 million GF/GP for distribution to MDOT, county road commissions, and cities/villages according to the Act 51 formula. Of the \$260.5 million, \$2.5 million is designated as "Ongoing general fund appropriations"; and \$258.0 million designated as "One-time basis only."	GF/GP \$144,500,000	\$115,978,900
<p>From the \$260.5 million distribution, the STF would receive \$101.8 million; county road commissions, \$101.8 million; cities and villages, \$56.8 million.</p>		
15. Transit Capital and Rail Infrastructure [General Fund/General Purpose]	Gross \$10,000,000	\$15,000,000
Provides \$25.0 million one-time GF/GP support to match federal transit and rail infrastructure grants. This GF/GP appropriation, which had been designated "one-time" in the current year, is shown as "ongoing state general fund appropriations" in the enacted FY 2015-16 budget.	GF/GP \$10,000,000	\$15,000,000
16. Airport Safety, Security, and Improvement Program [General Fund/General Purpose]	Gross \$2,047,900	(\$526,800)
Provides \$1.5 million one-time GF/GP support to match federal Airport Improvement Program funds. This GF/GP appropriation, which had been designated "one-time" in the current year, is shown as "ongoing state general fund appropriations" in the enacted FY 2015-16 budget.	GF/GP \$2,047,900	(\$526,800)
17. Regional Transit Authority (One-Time)	Gross \$1,100,000	(\$1,100,000)
Eliminates current GF/GP line item that provided start-up funding for the Southeast Michigan Regional Transit Authority.	GF/GP \$1,100,000	(\$1,100,000)

<u>Major Budget Changes From FY 2014-15 YTD Appropriations</u>	FY 2014-15 YTD (as of 3/12/15)	Enacted Change From YTD
18. Economics	Gross	NA (\$1,548,700)
Budget reflects net cost reduction of \$1.5 million Gross (\$0 GF/GP) for negotiated salary and wage amounts (2.0% base increase), insurance rate increases, reductions in actuarially determined retirement rates, and other economic adjustments.	IDG	(8,400)
	Restricted	(1,540,300)

Major Boilerplate Changes From FY 2014-15

Sec. 204. Report on Program-Specific Metrics – REVISED

Includes standard language regarding metrics for new or expanded programs.

Sec. 205. Notification of Changes in Federal Rules – NEW

Includes new language requiring notification of changes in federal rules that impact the department or require amendment of state laws.

Sec. 303. Report on Money Received by County Road Commissions/Cities and Villages – DELETED

Deletes current reporting requirement – information is available on department website.

Sec. 312. Workgroup on Transportation Coordination Between Departments – DELETED

This section had required the department and the departments of Community Health, Human Services, Corrections, Treasury/Michigan Strategic Fund, along with one member of both the House and Senate to form a work group to study consolidation of transportation services. The one-time report, due March 1, 2015, is currently on the department website.

Sec. 376. Prohibition on Studies of Highway Signs and Motorist Behavior – NEW

Prohibits the department from studying the association between highway signs and motorist behavior.

Sec. 382. Finalize Local Agency Cost-Sharing Agreements – RETAINED

Requires the department to submit a final bill to the local agency within two years of final payment to construction contractor. In his signing letter dated June 17, 2015, the Governor indicated that he considered this boilerplate section to be unenforceable; in signing letters to prior budgets the Governor indicated that the section was in conflict with the local cost-sharing requirements of Public Act 51 of 1951.

Sec. 383. Report on Use of State Airfleet – REVISED

Requires quarterly report on use of MDOT-owned aircraft; recovery of department costs. No change from current year other than date reference and deletion of "purpose of travel" requirement – department does not have access to purpose of travel information for other state agencies.

Sec. 384. Detroit River International Crossing (DRIC) – RETAINED

Restricts the department's ability to obligate the state to expend state transportation revenue on the project, referenced by the Executive as the *New International Trade Crossing* (NITC). The current-year budget states that "an expenditure for staff resources used in connection with project activities, which expenditure is subject to full and prompt reimbursement from Canada, shall not be considered an expenditure of state transportation resources."

Sec. 385. Detroit River International Crossing (DRIC) – RETAINED

Provides reporting requirements.

Sec. 401. Federal Aid Distribution Report – DELETED

Deletes current requirement that department notify local agencies, Legislature, and state budget director on proposed distribution of federal funds between state and local units. Department indicates there is no longer a single announcement of federal aid.

Sec. 601. Road Construction Warranties – REVISED

Adopts new directives and reporting requirements with respect to warranty program.

Sec. 712. Rail Passenger Feasibility Study – DELETED

Current-year language directed the department to study feasibility of rail passenger service between Holland and Detroit, by way of Grand Rapids and Lansing; provides for report due date of May 1, 2015. This appears to be a one-time report.

Sec. 713. Commuter Rail Report – NEW

Directs the department to report on status of commuter rail demonstration projects on or before November 1, 2015, including on the disposition of rail cars leased by the department.

TRANSPORTATION

Major Boilerplate Changes From FY 2014-15

Sec. 741. Transit Buses - Safety Standard Report – DELETED

Current-year budget directs the department to study need, feasibility, and costs of increasing safety standard of transit buses; rollover test standard; provides for report due date of December 1, 2014. This is a one-time report and is currently on the department's website.

Sec. 902. Report on Airport Improvement Projects – DELETED

Deletes a current reporting requirement. Information is available from the department website.

Sec. 1001. Matching Federal-Aid Highway Funds – REVISED

Indicates that the GF/GP appropriation for state trunkline road and bridge construction shall be used to ensure that the state is able to match all available federal-aid highway funds.

Sec. 1002. State and Local Road and Bridge Programs – REVISED

Directs use of GF/GP appropriation to STF, county road commissions, and cities/villages in accordance with Act 51 formula.

Sec. 1003. Bus Capital/Rail Infrastructure – RETAINED

Retains reporting requirement on use of GF/GP appropriation for transit capital and rail infrastructure.

Sec. 1005. Regional Transit Authority – DELETED

Current-year budget includes boilerplate description of \$1.1 million appropriation to the RTA. The enacted FY 2015-16 budget does not include this one-time line item.

Sec. 1006. Detroit/Windsor Rail Tunnel – REVISED

Current-year boilerplate included appropriation of \$10.0 million to the department to help facilitate the construction of a new rail tunnel under the Detroit River between Detroit and Windsor Ontario. Enacted budget retains reporting requirement.



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Community Colleges Marilyn Peterson

Corrections Robin R. Risko

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