

# Summary: Executive Budget Recommendation for Fiscal Year 2017-18 TOTAL GENERAL GOVERNMENT



Analysts: Ben Gielczyk and Michael Cnossen

	FY 2016-17 Year-to-Date as of 2/8/17	FY 2017-18 Executive	Difference: FY 2017-18 Vs. FY 2016-17	
			Amount	%
<b>IDG/IDT</b>	\$760,158,300	\$782,493,800	\$22,335,500	2.9
<b>Federal</b>	826,723,500	807,906,500	(18,817,000)	(2.3)
<b>Local</b>	12,021,000	17,332,700	5,311,700	44.2
<b>Private</b>	6,064,500	6,244,900	180,400	3.0
<b>Restricted</b>	2,127,740,600	2,131,575,000	3,834,400	0.2
<b>GF/GP</b>	1,233,516,700	1,221,654,200	(11,862,500)	(1.0)
<b>Gross</b>	<b>\$4,966,224,600</b>	<b>\$4,967,207,100</b>	<b>\$982,500</b>	<b>0.0</b>
<b>FTEs</b>	8,760.7	8,895.7	135.0	1.5

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

## Overview

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

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

## Major Boilerplate Changes From FY 2016-17

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

The FY 2016-17 pay-in was \$75.0 million, which was appropriated in supplemental appropriations act 2016 PA 340. For FY 2017-18, the Executive Recommendation includes a pay-in of \$175.0 million. In addition, 25% of the unassigned fund balance for FY 2016-17 is required to be deposited in the Budget Stabilization Fund, currently calculated at \$91.5 million.

### Sec. 212. Receipt and Retention of Required Reports – DELETED

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

### Sec. 215. Disciplinary Action Against State Employees – DELETED

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

### Sec. 217. Fund Sourcing Priorities – DELETED

Requires federal or private grant funding to be used prior to General Fund appropriations when available for the same expenditure.

### Sec. 221. Reporting Requirement on Policy Changes – DELETED

Requires departments to report on policy changes made in order to implement enacted legislation.

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

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

### Sec. 235. Federal Funding Contingency Plan – DELETED

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

# Summary: Executive Budget Recommendation for Fiscal Year 2017-18 ATTORNEY GENERAL



Analyst: Michael Cnossen

	FY 2016-17 Year-to-Date as of 2/8/17	FY 2017-18 Executive	Difference: FY 2017-18 Vs. FY 2016-17	
			Amount	%
IDG/IDT	\$28,989,700	\$29,915,300	\$925,600	3.2
Federal	9,476,700	9,518,000	41,300	0.4
Local	0	0	0	--
Private	0	0	0	--
Restricted	20,328,900	21,336,900	1,008,000	5.0
GF/GP	42,840,500	40,298,600	(2,541,900)	(5.9)
<b>Gross</b>	<b>\$101,635,800</b>	<b>\$101,068,800</b>	<b>(\$567,000)</b>	<b>(0.6)</b>
FTEs	534.0	539.0	5.0	0.9

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

## Overview

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

<u>Major Budget Changes From FY 2016-17 Year-to-Date (YTD) Appropriations</u>	<u>FY 2016-17 YTD (as of 2/8/17)</u>		<u>Executive Change from YTD</u>
<b>1. Prescription Drug Abuse Program</b>	<b>Gross</b>	<b>\$700,000</b>	<b>\$0</b>
Provides \$700,000 GF/GP to continue support of the statewide drug enforcement strategy targeting opioid abuse and addiction. This recommendation would shift to ongoing the one-time \$700,000 GF/GP appropriation included in FY 2016-17.	GF/GP	\$700,000	\$0
<b>2. Student Safety – OK2SAY</b>	<b>Gross</b>	<b>NA</b>	<b>\$470,000</b>
Adds \$470,000 state restricted to continue funding the student safety program call center operations. Funding will require a legislative repeal or extension of a sunset placed on the Student Safety Fund on October 1, 2017.	Restricted	NA	470,000
	GF/GP	NA	\$0
<b>3. Prosecuting Attorneys Coordinating Council Juvenile Life Without Parole Cases</b>	<b>Gross</b>	<b>\$700,000</b>	<b>\$50,000</b>
Provides \$750,000 GF/GP one-time funding to local prosecutors for legal services related to the reconsideration of juvenile life without parole case sentences. Represents \$50,000 increase over current-year one-time funding.	GF/GP	\$700,000	\$50,000
<b>4. Implementation of Energy Package PA 341 of 2016</b>	FTE	1.0	0.0
Includes increase of \$67,000 state restricted for additional utility consumer rate advocacy case services and representation. A total of \$150,000 in state restricted funding and 1.0 FTE were included in 2016 PA 341.	<b>Gross</b>	<b>\$150,000</b>	<b>\$67,000</b>
	Restricted	150,000	67,000
	GF/GP	\$0	\$0
<b>5. Implementation of Medical Marijuana Package PA 281-283 of 2016</b>	FTE	0.0	4.0
Provides \$375,000 state restricted and 4.0 FTEs for investigations and enforcement activities related to oversight of medical marijuana facilities.	<b>Gross</b>	<b>\$0</b>	<b>\$375,000</b>
	Restricted	0	375,000
	GF/GP	\$0	\$0
<b>6. Unlicensed Activity Law Enforcement</b>	FTE	0.0	5.5
Appropriates \$732,300 IDG from LARA for 5.5 FTEs and for the investigation and prosecution of unlicensed activities among realtors and accountants in addition to builders.	<b>Gross</b>	<b>\$334,700</b>	<b>\$732,300</b>
	IDG	334,700	732,300
	GF/GP	\$0	\$0

<u>Major Budget Changes From FY 2016-17 Year-to-Date (YTD) Appropriations</u>	<u>FY 2016-17 YTD (as of 2/8/17)</u>	<u>Executive Change from YTD</u>
<b>7. State Defense Costs</b>	FTE	4.5
Removes \$3.0 million GF/GP and 4.5 FTEs for the elimination of one-time funding associated with state defense costs for the Flint Drinking Water Declaration of Emergency.	<b>Gross</b>	<b>\$3,000,000</b>
	GF/GP	\$3,000,000
		(4.5)
		<b>(\$3,000,000)</b>
		(\$3,000,000)
<b>8. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>
Reflects increased costs of \$738,700 Gross (\$408,100 GF/GP) for negotiated salary and wage increases (3.0% ongoing after removing the FY 2016-17 one-time 1.5% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA
	Federal	193,300
	Restricted	41,300
	GF/GP	96,000
		NA
		\$408,100

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

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

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

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

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

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

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

**Sec. 316. Sexual Assault Kit Testing – DELETED**

Specifies that the department test the backlog of sexual assault kits outside of Wayne County, assist local prosecutions and investigations and provide victim services.

<u>Supplemental Recommendations for FY 2016-17 Appropriations</u>	<u>FY 2016-17 Recommendation</u>
<b>1. Unlicensed Activity Law Enforcement</b>	<b>Gross</b>
Appropriates \$719,300 Gross (\$0 GF/GP) for investigations of unlicensed activities of builders, realtors, and accountants for funding in the current fiscal year.	<b>\$719,300</b>
	IDG
	719,300
	GF/GP
	\$0
<b>2. PACC NextGen Case Management System</b>	<b>Gross</b>
Appropriates \$1.2 million Gross (\$0 GF/GP) for software development, installation, and maintenance for Prosecuting Attorneys Coordinating Council's NextGen Case Management System. Funds would be considered work project appropriations. The tentative completion date is September 30, 2021.	<b>\$1,207,000</b>
	Federal
	677,000
	Local
	530,000
	GF/GP
	\$0

**Summary: Executive Budget Recommendation  
for Fiscal Year 2017-18  
DEPARTMENT OF CIVIL RIGHTS**



**Analyst: Michael Cnossen**

	FY 2016-17 Year-to-Date as of 2/8/17	FY 2017-18 Executive	Difference: FY 2017-18 Vs. FY 2016-17	
			Amount	%
<b>IDG/IDT</b>	\$293,600	\$296,600	\$3,000	1.0
<b>Federal</b>	2,763,000	2,775,800	12,800	0.5
<b>Local</b>	0	0	0	--
<b>Private</b>	18,700	18,700	0	0.0
<b>Restricted</b>	151,900	151,900	0	0.0
<b>GF/GP</b>	13,021,300	12,856,600	(164,700)	(1.3)
<b>Gross</b>	<b>\$16,248,500</b>	<b>\$16,099,600</b>	<b>(\$148,900)</b>	<b>(0.9)</b>
<b>FTEs</b>	135.0	133.0	(2.0)	(1.5)

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

**Overview**

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

<b>Major Budget Changes From FY 2016-17 Year-to-Date (YTD) Appropriations</b>	<b>FY 2016-17 YTD (as of 2/8/17)</b>	<b>Executive Change from YTD</b>
<b>1. Removal of Current Year One-Time Funding</b>	FTE 2.0	(2.0)
Removes \$250,000 GF/GP one-time funding and 2.0 FTEs for the Division on Deaf, Deaf/Blind, and Hard of Hearing.	<b>Gross \$250,000</b> GF/GP \$250,000	<b>(\$250,000)</b> (\$250,000)
<b>2. Economic Adjustments</b>	<b>Gross NA</b>	<b>\$101,100</b>
Reflects increased costs of \$101,100 Gross (\$85,300 GF/GP) for negotiated salary and wage increases (3.0% ongoing after removing the FY 2016-17 one-time 1.5% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG NA Federal NA GF/GP NA	3,000 12,800 \$85,300

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

**Sec. 404. Operations Report – DELETED**

Requires the department to report on various details of department operations.

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

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

## Summary: Executive Budget Recommendation for Fiscal Year 2017-18 EXECUTIVE OFFICE



Analyst: Ben Gielczyk

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

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

### Overview

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

<u>Major Budget Changes From FY 2016-17 Year-to-Date (YTD) Appropriations</u>		FY 2016-17 YTD (as of 2/8/17)	Executive Change from YTD
<b>1. Executive Office Operations</b>	<b>Gross</b>	<b>\$5,636,300</b>	<b>\$200,000</b>
Reflects increased costs of \$200,000 GF/GP related to Executive Office staff and other operations.	GF/GP	\$5,636,300	\$200,000
<b>2. Office of Urban Initiatives</b>	<b>Gross</b>	<b>\$0</b>	<b>\$1,012,200</b>
Includes \$1.0 million GF/GP to reflect transfer of Office of Urban Initiatives from the Department of Technology, Management, and Budget to the Executive Office.	GF/GP	\$0	\$1,012,200

### Major Boilerplate Changes From FY 2016-17

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

# Summary: Executive Budget Recommendation for Fiscal Year 2017-18 LEGISLATURE



Analyst: Ben Gielczyk

	FY 2016-17 Year-to-Date as of 2/8/17	FY 2017-18 Executive	Difference: FY 2017-18 Vs. FY 2016-17	
			Amount	%
IDG/IDT	\$0	\$0	\$0	--
Federal	0	0	0	--
Local	0	0	0	--
Private	400,000	400,000	0	0.0
Restricted	4,275,800	4,277,700	1,900	0.0
GF/GP	143,227,800	150,297,100	7,069,300	4.9
<b>Gross</b>	<b>\$147,903,600</b>	<b>\$154,974,800</b>	<b>\$7,071,200</b>	<b>4.8</b>

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

## Overview

This budget provides funding for the Legislative branch of state government, including the Legislative Council and agencies it governs, the Legislative Retirement System, and Property Management. The Legislature enacts the laws of Michigan, levies taxes, and appropriates funding from revenue collected for the support of public institutions and the administration of the affairs of state government. The Legislative Council provides a wide variety of essential services to members and staff of the Legislature. The Michigan Legislative Retirement System provides retirement allowances, survivors' allowances, and other benefits for members of the Legislature and their spouses, dependents, survivors, and beneficiaries. Property Management employees maintain, operate, and repair the House of Representatives Office Building, and 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 2016-17 Year-to-Date (YTD) Appropriations</u>		<u>FY 2016-17 YTD (as of 2/8/17)</u>	<u>Executive Change from YTD</u>
<b>1. Legislature Operations</b>	<b>Gross</b>	<b>NA</b>	<b>\$10,571,200</b>
Includes \$10.6 million Gross (\$10.6 GF/GP) to reflect increased costs related to legislative staff and other operations.	Restricted	NA	1,900
	GF/GP	NA	\$10,569,300
<b>2. Legislative Information Technology Systems Design Project</b>	<b>Gross</b>	<b>\$6,000,000</b>	<b>(\$3,000,000)</b>
Includes \$3.0 million GF/GP in one-time funding to support the design, development, and implementation of a legislative-wide integrated computer system. This represents a decrease of \$3.0 million GF/GP from current year funding. The funds would supplement a total of \$9.0 million GF/GP appropriated in FYs 2015-16 and 2016-17.	GF/GP	\$6,000,000	(\$3,000,000)
<b>3. Criminal Justice Policy Commission Study</b>	<b>Gross</b>	<b>\$500,000</b>	<b>(\$500,000)</b>
Removes \$500,000 GF/GP in FY 2016-17 one-time appropriations associated with the Criminal Justice Policy Commission study on the costs and savings of redirecting 17-year-olds from the adult court to the family court and juvenile justice systems.	GF/GP	\$500,000	(\$500,000)

## Major Boilerplate Changes From FY 2016-17

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

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

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

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

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

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

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

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

Requires funds appropriated in part 1 for the Michigan Veterans Facility Ombudsman to be used to create a Veterans Facility Ombudsman to address complaints made at the veterans homes of this state.

**Summary: Executive Budget Recommendation  
for Fiscal Year 2017-18  
LEGISLATIVE AUDITOR GENERAL**



**Analyst: Ben Gielczyk**

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

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

**Overview**

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

**Major Budget Changes From FY 2016-17 Year-to-Date (YTD) Appropriations**

**1. Auditor General Operations**

Reflects increased costs of \$634,300 Gross (\$483,700 GF/GP) related to Auditor General staff and other operations.

	FY 2016-17 YTD (as of 2/8/17)	Executive Change from YTD
<b>Gross</b>	<b>\$23,651,900</b>	<b>\$634,300</b>
IDG	5,558,600	150,600
Restricted	1,969,400	0
GF/GP	\$16,123,900	\$483,700

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

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



# Summary: Executive Budget Recommendation for Fiscal Year 2017-18 DEPARTMENT OF STATE



Analyst: Michael Cnossen

	FY 2016-17 Year-to-Date as of 2/8/17	FY 2017-18 Executive	Difference: FY 2017-18 Vs. FY 2016-17	
			Amount	%
<b>IDG/IDT</b>	\$20,000,000	\$20,000,000	\$0	0.0
<b>Federal</b>	1,460,000	1,460,000	0	0.0
<b>Local</b>	0	0	0	--
<b>Private</b>	100	50,100	50,000	50,000.0
<b>Restricted</b>	204,745,900	205,709,400	963,500	0.5
<b>GF/GP</b>	22,109,600	22,139,000	29,400	0.1
<b>Gross</b>	<b>\$248,315,600</b>	<b>\$249,358,500</b>	<b>\$1,042,900</b>	<b>0.4</b>
<b>FTEs</b>	1,593.0	1,614.0	21.0	1.3

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

## Overview

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

<b>Major Budget Changes From FY 2016-17 Year-to-Date (YTD) Appropriations</b>	<b>FY 2016-17 YTD (as of 2/8/17)</b>	<b>Executive Change from YTD</b>
<b>1. Office of Investigative Services Expansion</b>	FTE NA	11.0
Provides \$1.4 million GF/GP and 11.0 FTEs to increase investigations and regulatory enforcement of vehicle repair facilities and mechanics. This increase also includes funding for the Breath Alcohol Ignition Interlock Device (BAIID) program to comply with 2016 PA 33.	<b>Gross NA</b>	<b>\$1,420,400</b>
	GF/GP NA	\$1,420,400
<b>2. GF/GP Replacement of Driver Fees</b>	<b>Gross NA</b>	<b>\$0</b>
Includes \$3.0 million GF/GP to replace restricted driver fee revenue lost due to the reduction of licensing fees for limousines and taxi cabs as required in 2016 PA 348.	Restricted NA	(3,000,000)
	GF/GP NA	\$3,000,000
<b>3. Lottery Assistance in Northern Michigan</b>	FTE 0.0	10.0
Increases by \$715,600 state restricted and 10.0 FTEs to cover administration costs associated with the redemption of winning lottery tickets in the Upper Peninsula and northern lower peninsula for tickets valued between \$600 and \$50,000. The Department of State would be authorized to retain one percent of the redeemed winnings (up to \$1.0 million) for costs incurred administering the service. \$300,000 in restricted funds was included in 2016 PA 340.	<b>Gross \$300,000</b>	<b>\$715,800</b>
	Restricted 300,000	715,800
	GF/GP \$0	\$0
<b>4. Mi-Time Line Expansion</b>	<b>Gross \$470,000</b>	<b>\$400,000</b>
Provides \$400,000 GF/GP for the expansion of the cell phone texting notification service which allows branch office customers to leave a branch office while they wait and know when to return. The appropriation would allow the service to expand to 20 additional offices from the current 30.	Restricted 470,000	0
	GF/GP \$0	\$400,000
<b>5. Increase Authorization Credit Card Service Fees</b>	<b>Gross \$6,000,000</b>	<b>\$2,000,000</b>
Increases credit and debit assessment services fees restricted fund authorization by \$2.0 million to provide for the increase in credit card activity and associated fees in branch offices and self-service terminals.	Restricted 6,000,000	2,000,000
	GF/GP \$0	\$0

<u>Major Budget Changes From FY 2016-17 Year-to-Date (YTD) Appropriations</u>		FY 2016-17 YTD (as of 2/8/17)	Executive Change from YTD
<b>6. IT Budget Increase to Support Current Operations</b>		<b>Gross \$36,376,200</b>	<b>\$1,000,000</b>
Appropriates \$1.0 million state restricted to the department's IT service line to adjust for costs related to online support. Current level of services will be maintained.	Restricted	34,788,100	1,000,000
	GF/GP	\$1,588,100	\$0
<b>7. Position Transfer Fund Sourcing Adjustment</b>		<b>Gross \$124,600</b>	<b>\$0</b>
Transfers 1.0 FTE from Department Services to Central Operations. Transfer of position results in fund sourcing realignment that replaces \$2,700 GF/GP with restricted revenues.	Restricted	121,900	2,700
	GF/GP	\$2,700	(\$2,700)
<b>8. Removal of Current Year One-Time Funding</b>		<b>Gross \$5,000,000</b>	<b>(\$5,000,000)</b>
Removes \$5.0 million GF/GP in FY 2016-17 one-time funding for voting machine replacement.	GF/GP	\$5,000,000	(\$5,000,000)
<b>9. Align Fund Sourcing with Revenues</b>		<b>Gross NA</b>	<b>(\$1,000,000)</b>
Reduces by \$1.0 million restricted fund sourcing to align fund sources with actual revenues.	Restricted	NA	(1,000,000)
	GF/GP	NA	\$0
<b>10. Economic Adjustments</b>		<b>Gross NA</b>	<b>\$1,506,700</b>
Reflects increased costs of \$1.5 million Gross (\$211,700 GF/GP) for negotiated salary and wage increases (3.0% ongoing after removing the FY 2016-17 one-time 1.5% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA	0
	Restricted	NA	50,000
	GF/GP	NA	1,245,000
	NA	NA	\$211,700

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

**Sec. 710. Commemorative and Specialty License Plate Programs – DELETED**

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

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

Requires the Department of State to report on funding expended for the BAM project since its inception.

**Sec. 718. Buena Vista Township Branch Office – DELETED**

Requires Department of State to maintain a full-service branch office in Buena Vista Township.

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

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

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

Explains the purpose of the voting machines replacement program.

<u>Supplemental Recommendations for FY 2016-17 Appropriations</u>	FY 2016-17 Recommendation
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<b>1. Funding Increase for Driver Fee Reductions</b>		<b>Gross \$1,500,000</b>
Provides \$1.5 million GF/GP to replace driver fee revenue lost due to the reduction of licensing fees for limousines and taxi cabs as required in PA 348 of 2016 for FY 17.	GF/GP	\$1,500,000

**Summary: Executive Budget Recommendation  
for Fiscal Year 2017-18  
DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT**



Analyst: Ben Gielczyk

	FY 2016-17 Year-to-Date as of 2/8/17	FY 2017-18 Executive	Difference: FY 2017-18 Vs. FY 2016-17	
			Amount	%
IDG/IDT	\$0	\$0	\$0	--
<b>Federal</b>	768,144,800	762,144,800	(6,000,000)	(0.8)
<b>Local</b>	500,000	500,000	0	0.0
<b>Private</b>	5,619,000	5,620,900	1,900	0.0
<b>Restricted</b>	192,341,600	181,556,700	(10,784,900)	(5.6)
<b>GF/GP</b>	182,508,900	193,502,400	10,993,500	6.0
<b>Gross</b>	<b>\$1,149,114,300</b>	<b>\$1,143,324,800</b>	<b>(\$5,789,500)</b>	<b>(0.5)</b>
<b>FTEs</b>	1,615.0	1,615.0	0.0	0.0

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

**Overview**

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

<b>Major Budget Changes From FY 2016-17 Year-to-Date (YTD) Appropriations</b>		<b>FY 2016-17 YTD (as of 2/8/17)</b>	<b>Executive Change from YTD</b>
<b>1. Business Attraction and Community Revitalization</b>	<b>Gross</b>	<b>\$115,499,900</b>	<b>\$10,000,100</b>
Includes \$10.0 million GF/GP in one-time appropriations for Michigan Business Development Program grants and loans and Community Revitalization Program grants and loans. Shifts \$14.0 million GF/GP that was considered one-time in FY 2016-17 to ongoing appropriations.	Restricted	21,600,000	0
	GF/GP	\$93,899,900	\$10,000,100
<b>2. Going Pro (Formerly Skilled Trades Training Program)</b>	<b>Gross</b>	<b>\$30,900,000</b>	<b>\$10,000,000</b>
Provides \$10.0 million GF/GP in one-time appropriations to expand Going Pro program. Program funding supports grants to employers to assist in training, developing, and retaining current employees and individuals to be hired.	Restricted	25,600,000	0
	GF/GP	\$5,300,000	\$10,000,000
<b>3. Talent Marketing</b>	<b>Gross</b>	<b>\$0</b>	<b>\$5,000,000</b>
Includes \$5.0 million GF/GP in one-time appropriations for a marketing program to attract individuals to live and work in Michigan.	GF/GP	\$0	\$5,000,000
	<b>Gross</b>	<b>\$0</b>	<b>\$2,000,000</b>
<b>4. Project Rising Tide</b>	GF/GP	\$0	\$2,000,000
	<b>Gross</b>	<b>\$10,150,000</b>	<b>\$1,000,000</b>
<b>5. Arts and Cultural Grants</b>	Federal	1,050,000	0
	Private	100,000	0
	GF/GP	\$9,000,000	\$1,000,000

<b>Major Budget Changes From FY 2016-17 Year-to-Date (YTD) Appropriations</b>		<b>FY 2016-17 YTD (as of 2/8/17)</b>	<b>Executive Change from YTD</b>
<b>6. Protect and Grow</b>	<b>Gross</b>	<b>\$3,000,000</b>	<b>(\$2,000,000)</b>
Includes \$1.0 million GF/GP in one-time appropriations for Protect and Grow. The program focuses on retaining and growing the defense industry strategic investments in Michigan. The FY 2016-17 budget act included \$3.0 million GF/GP in one-time appropriations to support this program.	GF/GP	\$3,000,000	(\$2,000,000)
<b>7. TANF Funding</b>	<b>Gross</b>	<b>\$64,898,800</b>	<b>(\$1,200,000)</b>
Removes \$1.2 million TANF authorization for workforce development programs.	Federal	64,898,800	(1,200,000)
	GF/GP	\$0	\$0
<b>8. Michigan State Housing Development Authority Revenue Adjustments</b>	FTE	316.0	0.0
Reduces MSHDA restricted funds by \$7.1 million to align fund source with actual revenues. Downward adjustment does not affect programming.	<b>Gross</b>	<b>\$54,833,700</b>	<b>(\$7,111,500)</b>
	Restricted	54,833,700	(7,111,500)
	GF/GP	\$0	\$0
<b>9. Removal of Other One-Time Appropriations</b>	<b>Gross</b>	<b>\$23,898,600</b>	<b>(\$23,898,600)</b>
Removes \$23.9 million Gross (\$15.0 million GF/GP) in FY 2016-17 one-time appropriations. Appropriations include Special Grants (\$12.0 million), Statewide Data System Integration (\$8.8 million Gross), Kalamazoo Valley Community College – Healthy Living Campus (\$2.0 million GF/GP), Grant to St. Louis Center (\$120,000 GF/GP), and Sustainable Employment Pilot Program (\$1.0 million GF/GP).	Federal	4,800,000	(4,800,000)
	Restricted	3,978,500	(3,978,500)
	GF/GP	\$15,120,100	(\$15,120,100)
<b>10. Economics Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$420,500</b>
Reflects increased costs of \$420,500 Gross (\$113,500 GF/GP) for negotiated salary and wage increases (3.0% ongoing after removing the FY 2016-17 one-time 1.5% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	Private	NA	1,900
	Restricted	NA	305,100
	GF/GP	NA	\$113,500

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

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

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

**Sec. 1007. Program Reporting Requirements – DELETED**

Requires report on grants, investments, and activities of each program administered by MSF or MEDC, including spending and FTEs; requires report on tourism promotion and business marketing expenditures and revenues by source. Requires performance metrics report on the Michigan Business Development Program and the Community Revitalization program. Authorizes requirements to be met if the report under Section 9 of the MSF Act is provided by March 15.

**Sec. 1010. Jobs for Michigan Investment Fund Report – DELETED**

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

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

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

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

Requires MCACA to administer an arts and cultural grant program that maintains an equitable geographic distribution of funding and utilizes past arts and cultural grant programs as a guideline; requires MCACA to publish application criteria; authorizes MCACA to charge a non-refundable application fee to be used for expenses necessary to administer the programs; requires a report to the legislature. Revises by striking subsection prohibiting funds appropriated for expenses necessary to administer the program.

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

Requires MSF to request not more than 60% of the funds appropriated for Business Attraction and Community Revitalization prior to April 1.

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

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

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

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

Requires department to identify specific performance measures for the Business Attraction and Community Revitalization appropriations; provides two performance measures.

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

Requires department to identify specific performance measures for the Talent Marketing appropriations; provides two performance measures.

**Sec. 1052. Project Rising Performance Measures – NEW**

Requires department to identify specific performance measures for the Project Rising appropriations; provides two performance measures.

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

Requires department to identify specific performance measures for the Arts and Cultural Grants appropriations; provides three performance measures.

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

Requires department to identify specific performance measures for the Protect and Grow appropriations; provides two performance measures.

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

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

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

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

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

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

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

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

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

Requires the Department to identify specific outcomes and performance metrics for the increased funds in part 1 associated with the Statewide Data System Integration line item. Provides nonexclusive list of performance metrics to be used.

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

Requires the Department to develop or contract with another entity to provide a pilot program that focuses on moving individuals off of government assistance programs and measuring the corresponding savings to the state of Michigan. Requires the pilot program to work with local community and workforce development agencies and focus on long-term results.

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

Requires department to identify specific performance measures for the Going Pro appropriations; provides three performance measures.

**Summary: Executive Budget Recommendation  
for Fiscal Year 2017-18  
DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET**



Analyst: Michael Cnossen

	FY 2016-17 Year-to-Date as of 2/8/17	FY 2017-18 Executive	Difference: FY 2017-18 Vs. FY 2016-17	
			Amount	%
<b>IDG/IDT</b>	\$694,054,100	\$713,959,000	\$19,904,900	2.9
<b>Federal</b>	4,958,200	4,985,300	27,100	0.5
<b>Local</b>	2,320,000	2,316,700	(3,300)	(0.1)
<b>Private</b>	0	127,700	127,700	--
<b>Restricted</b>	114,340,800	111,399,300	(2,941,500)	(2.6)
<b>GF/GP</b>	569,552,600	572,755,900	3,203,300	0.6
<b>Gross</b>	<b>\$1,385,225,700</b>	<b>\$1,405,543,900</b>	<b>\$20,318,200</b>	<b>1.5</b>
<b>FTEs</b>	2,883.0	2,943.0	60.0	2.1

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

**Overview**

The Department of 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 2016-17 Year-to-Date (YTD) Appropriations**

	FY 2016-17 YTD (as of 2/8/17)	Executive Change from YTD
<b>1. Drinking Water Declaration of Emergency Reserve Fund</b>	<b>Gross</b> \$10,000,000	<b>\$15,000,000</b>
Provides \$25.0 million GF/GP in one-time funding to support services and programs for Flint residents related to the Flint Water Declaration of Emergency. Use of these funds are subject to subsequent appropriations. These funds would be used as additional needs are identified in addition to augmenting existing appropriations. \$10.0 million GF/GP was included in 2016 PA 340.	GF/GP \$10,000,000	\$15,000,000
<b>2. Michigan Infrastructure Fund</b>	<b>Gross</b> \$0	<b>\$20,000,000</b>
Provides \$20.0 million GF/GP in one-time funding for deposit into the Michigan Infrastructure Fund, created in 2016 PA 223, in support of anticipated infrastructure projects. Use of these funds would be subject to appropriation.	GF/GP \$0	\$20,000,000
<b>3. SIGMA – Permanent Organizational Structure Appropriations</b>	FTE 0.0	36.0
Provides a total of \$21.7 million Gross (\$13.1 million GF/GP) and 36.0 FTEs to transition the state's new enterprise resource planning tool (SIGMA) into permanent and ongoing administration of the system. \$4.5 million GF/GP and 10.0 limited term FTEs are included in this total as a one-time appropriation. Represents a net increase of \$13.1 million GF/GP. A total of \$8.6 million Gross (\$3.8 million GF/GP) is transferred from other line items.	<b>Gross</b> \$0	<b>\$13,060,400</b>
	GF/GP \$0	\$13,060,400
<b>4. Michigan.gov Content Management System Rewrite</b>	<b>Gross</b> \$0	<b>\$9,050,000</b>
Provides \$9.1 million GF/GP in one-time funding to support the establishment and modernization of a new content management system to support 130 State of Michigan websites. Funding will be used for the procurement and set-up of the system and migration of the websites.	GF/GP \$0	\$9,050,000

<b>Major Budget Changes From FY 2016-17 Year-to-Date (YTD) Appropriations</b>		<b>FY 2016-17 YTD (as of 2/8/17)</b>	<b>Executive Change from YTD</b>
<b>5. Cyber Security Appropriations</b>	FTE	13.0	12.0
Provides \$7.0 million GF/GP (\$4.0 million considered one-time) and 12.0 FTEs to support the Cybersecurity Continuous Improvement Program. Supports centralized coordination for enterprisewide cybersecurity activities.	<b>Gross</b>	<b>\$13,118,200</b>	<b>\$7,044,600</b>
	GF/GP	\$13,118,200	\$7,044,600
<b>6. Citizen Centric IT Initiatives</b>	<b>Gross</b>	<b>NA</b>	<b>\$6,534,300</b>
Provides \$6.5 million GF/GP (\$5.5 million in one-time funding) for projects designed for use by Michigan citizens interacting with State government. Project services include mobile applications, individualized log-in portals, and system integrations. Integrations are planned across 10 systems.	GF/GP	NA	\$6,534,300
<b>7. Information Technology Investment Fund (ITIF) Increased Funding</b>	<b>Gross</b>	<b>\$69,500,000</b>	<b>\$3,000,000</b>
Provides a net increase of \$3.0 million GF/GP in one-time funding to ITIF for enterprise-wide IT upgrade projects. This one-time funding augments \$65.0 million in ongoing ITIF appropriations.	GF/GP	\$69,500,000	\$3,000,000
<b>8. Technology Services IT IDG Alignment Adjustments</b>	<b>Gross</b>	<b>\$501,961,500</b>	<b>\$16,975,300</b>
Adjusts the DTMB IT Inter-departmental Grant line by \$17.0 million IDG to reflect projects and service adjustments in other agency budgets. Technology Service appropriation lines are prorated by department based on their total IT budget.	IDG	501,961,500	16,975,300
	GF/GP	\$0	\$0
<b>9. Office of Performance and Transformation Enhancements</b>	<b>Gross</b>	<b>NA</b>	<b>\$500,000</b>
Provides \$500,000 GF/GP to support Socrata transparency website to increase government data accessibility and the Operational Excellence Program focused on continuous improvement.	GF/GP	NA	\$500,000
<b>10. School Reform Office Investments</b>	FTE	11.0	2.0
Includes a total of \$782,000 GF/GP and 2.0 FTEs for new School Reform Office initiatives. Includes \$280,000 to assist families' transition to new schools through a partnership with a third-party vendor; \$252,000 and 2.0 FTEs to support a pilot program for measuring deferred maintenance costs to replacement value of priority schools by utilizing a Facility Condition Index (FCI) Process for chronically failing schools; and \$250,000 for student and parent satisfaction surveys for accountability measurement to comply with 2016 PA 192.	<b>Gross</b>	<b>\$2,318,300</b>	<b>\$782,000</b>
	GF/GP	\$2,318,300	\$782,000
<b>11. School Reform Office Performance Information System (PERIS) Upgrade</b>	FTE	11.0	0.0
Adds \$353,000 GF/GP for the automation of Priority School District student data for real-time performance review and analysis.	<b>Gross</b>	<b>\$2,318,300</b>	<b>\$353,000</b>
	GF/GP	\$2,318,300	\$353,000
<b>12. MiPage-Mobile Center of Excellence Permanent Operating Support</b>	<b>Gross</b>	<b>NA</b>	<b>\$1,587,000</b>
Provides \$1.6 million GF/GP to support continued operations of the MiPage, Mobile Center of Excellence (MCOLE) and the State's mobility efforts. Staff costs currently paid out of ITIF.	GF/GP	NA	\$1,587,000
<b>13. Michigan Public Safety Communications Lifecycle Replacement Funding</b>	<b>Gross</b>	<b>\$0</b>	<b>\$5,000,000</b>
Appropriates \$5.0 million GF/GP in one-time funding to help replace the mobile radios among users of the Michigan Public Safety Communication System (MPSCS).	GF/GP	\$0	\$5,000,000
<b>14. Labor Market Information Population and Labor Force Projections</b>	FTE	42.0	2.0
Provides \$268,300 GF/GP and 2.0 FTEs to produce population projections for the state and all counties for use by other State offices. It will provide a more detailed projection than currently available.	<b>Gross</b>	<b>\$5,475,100</b>	<b>\$268,300</b>
	Federal	4,840,100	0
	Local	35,000	0
	GF/GP	\$600,000	\$268,300
<b>15. Michigan Master Computing Contract (MMCC)</b>	FTE	NA	3.0
Provides \$373,500 in state restricted funds and 3.0 FTEs to support the MMCC to improve IT procurement processes for the State of Michigan.	<b>Gross</b>	<b>NA</b>	<b>\$373,500</b>
	Restricted	NA	373,500
	GF/GP	NA	\$0
<b>16. Additional Accounting Service Center Staffing, DMVA Grand Rapids Home</b>	<b>Gross</b>	<b>NA</b>	<b>\$1,206,300</b>
Authorizes \$1.2 million IDG increase to reflect DTMB Accounting Service Center operations at the Grand Rapids Veterans Home.	IDG	NA	1,206,300
	GF/GP	NA	\$0

<b>Major Budget Changes From FY 2016-17 Year-to-Date (YTD) Appropriations</b>	<b>FY 2016-17 YTD (as of 2/8/17)</b>	<b>Executive Change from YTD</b>
<b>17. Michigan Military Retirement System (MMRS) Administration</b>	<b>Gross</b>	<b>NA</b>
Provides \$380,000 in state restricted funds for administrative support for the Office of Retirement Services management of Military Retirement Services.	Restricted	NA
	GF/GP	NA
		<b>\$380,000</b>
<b>18. MSP Cyber Crimes Unit</b>	FTE	154.5
Adds \$137,900 IDG and 1.0 FTE for IT support for the Michigan Intelligence Operations Center, specifically the Computer Crimes Unit.	<b>Gross</b>	<b>\$55,832,600</b>
	IDG	55,832,600
	GF/GP	\$0
		<b>\$137,900</b>
<b>19. Office of Financial Management MEDC Payroll Position</b>	FTE	0.0
Provides \$127,700 in private funds and 1.0 FTE to administer MEDC corporate payroll in the Human Resources Management Network (HRMN) per a Memorandum of Understanding between the agencies.	<b>Gross</b>	<b>\$0</b>
	Private	0
	GF/GP	\$0
		<b>\$127,700</b>
<b>20. Michigan State Police Retirement Supplemental Funding</b>	<b>Gross</b>	<b>\$0</b>
Adds \$27,000 GF/GP for supplemental payments for two individuals that were inadvertently excluded in FY 2015-16 and FY 2016-17 payouts.	GF/GP	\$0
		<b>\$27,000</b>
<b>21. Civil Service Financing Source Adjustment</b>	<b>Gross</b>	<b>NA</b>
Replaces \$1.8 million restricted with equal amount of GF/GP as a fund source realignment related to the Civil Service 1% charge on aggregate payroll to cover administration. Replaces restricted fund dollars with equivalent GF/GP to more accurately reflect payroll charges.	Restricted	NA
	GF/GP	NA
		<b>\$0</b>
		(1,800,000)
		\$1,800,000
<b>22. Office of Urban Initiatives Transfer</b>	<b>Gross</b>	<b>\$1,012,200</b>
Removes \$1.0 million GF/GP (entire appropriation) to reflect the transfer of the Office of Urban Initiatives to the Executive Office.	GF/GP	\$1,012,200
		<b>(\$1,012,200)</b>
<b>23. Removal of Current Year One-Time Funding</b>	<b>Gross</b>	<b>\$83,734,900</b>
Removes \$83.7 million Gross (\$80.9 million GF/GP) of one-time funding from five items. These items include \$1.6 million GF/GP for special state facilities maintenance, \$2.9 million restricted for the Office of Retirement Services, \$5.0 million for the Legal Services Fund, \$250,000 for special projects, \$500,000 GF/GP for Public Safety Officer Survivor Benefits, \$72.0 million GF/GP for Venture Michigan I pay-off, and \$1.5 million GF/GP for Venture Michigan I contingency payments.	Restricted	2,850,000
	GF/GP	\$80,884,900
		<b>(\$83,734,900)</b>
		(2,850,000)
		(\$80,884,900)
<b>24. Capital Outlay Planning Authorizations</b>	<b>Gross</b>	<b>NA</b>
Includes \$700 GF/GP for three university, two community college, and two state agency capital outlay planning authorizations: Michigan Technical University – H-STEM engineering and health technologies complex, phase 1; Saginaw Valley State University – College of Business and Management expansion; Wayne State University – STEM Innovation Learning Center; St. Clair County Community College – AJ Theisen building renovation; Henry Ford College – entrepreneur and Innovation institute/technology building renovation and addition; Caro Center Replacement – new state psychiatric hospital; DTMB – Secondary Complex for Secretary of State building addition.	GF/GP	NA
		<b>\$700</b>
		\$700
<b>25. CSB Technical Fund Source Realignment</b>	<b>Gross</b>	<b>NA</b>
Replaces \$203,200 IDG with \$155,400 restricted and \$47,800 GF/GP to properly account for fund sourcing associated with DTMB indirect charges and the Statewide Cost Allocation Plan.	IDG	NA
	Restricted	NA
	GF/GP	NA
		<b>\$0</b>
		(203,200)
		155,400
		\$47,800
<b>26. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>
Reflects increased costs of \$3.7 million Gross (\$1.0 million GF/GP) for negotiated salary and wage increases (3.0% ongoing after removing the FY 2016-17 one-time 1.5% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA
	Federal	NA
	Local	NA
	Restricted	NA
	GF/GP	NA
		<b>\$3,657,300</b>
		1,788,600
		27,100
		(3,300)
		799,600
		\$1,045,300



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

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

Requires DTMB to maintain website with notice of all ITBs and RFPs over \$50,000; generally required ITBs and RFPs to be posted for at least 14 days prior to bid deadline.

**Sec. 816. Privatization RFPs – DELETED**

Requires RFP issued for purpose of privatization to include all factors to be used in evaluating and determining price.

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

Requires the DTMB to annually update the office space consolidation plan and provide a report on space consolidation by February 15.

**Sec. 822. Report on Unclassified Salaries – DELETED**

Requires a report on individual appointee and unclassified salaries by January 1<sup>st</sup>.

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

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

**Sec. 822g. Legal Services Fund – DELETED**

Requires itemized report on Legal Services Fund expenditures.

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

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

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

Explains the purpose of the Office of Good Government.

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

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

**Sec. 822m. Vendor Performance Tracking – DELETED**

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

**Sec. 822n. Request for Proposals Website – DELETED**

Requires the DTMB to establish a request for proposals website that is searchable buy department and agency.

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

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

**Sec. 828. Information Technology Related Appropriations and Expenditures – DELETED**

Requires detailed report on funding and expenditures for IT services and projects.

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

Requires report that analyzes and makes recommendations on life-cycle of IT hardware and software.

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

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

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

Provides for administration and expenditure of ICT Innovation Fund created under prior-year budget acts.

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

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

**Sec. 836. Information Technology Investment Fund – REVISED**

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

**Sec. 837. Cyber Security Investment Projects – DELETED**

Explains the purpose of cyber security investment projects.

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

**Sec. 837. Citizen-centric Government Performance Metrics – NEW**

Requires the department to identify specific performance measures for funds related to citizen-centric government initiatives.

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

Explains the purpose of the Enterprise Identity Management Program.

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

Requires the department to identify specific performance measures for funds related to MiPage Mobile Center for Excellence.

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

Explains the purpose of the Office of Retirement Services' upgrades in information technology.

**Sec. 862. Required Reports – DELETED**

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

**Sec. 868. Revised Planning Scope Authorization of Caro Center – NEW**

Authorizes the scope of planning for facility modernization of the Caro Center to facility replacement with a total estimated cost of \$115,000,000.

**Sec. 900. Drinking Water Declaration of Emergency Reserve Fund – NEW**

Provides information on the Drinking water declaration of emergency reserve fund.

**Supplemental Recommendations for FY 2016-17 Appropriations**

**FY 2016-17  
Recommendation**

**1. Citizen Centric Government IT Project**

Appropriates \$3.0 million GF/GP to initiate the citizen centric government IT project in the current fiscal year.

**Gross \$3,000,000**  
GF/GP \$3,000,000

**2. Regional Infrastructure Asset Management Pilot**

Appropriates \$2.0 million state restricted for a regional infrastructure asset management pilot for the purpose of developing a replicable model for the statewide asset management system.

**Gross \$2,000,000**  
Restricted 2,000,000  
GF/GP \$0

# Summary: Executive Budget Recommendation for Fiscal Year 2017-18 DEPARTMENT OF TREASURY



Analyst: Ben Gielczyk

	FY 2016-17 Year-to-Date as of 2/8/17	FY 2017-18 Executive	Difference: FY 2017-18 Vs. FY 2016-17	
			Amount	%
<b>IDG/IDT</b>	\$11,262,300	\$12,613,700	\$1,351,400	12.0
<b>Federal</b>	39,920,800	27,022,600	(12,898,200)	(32.3)
<b>Local</b>	9,201,000	14,516,000	5,315,000	57.8
<b>Private</b>	26,700	27,500	800	3.0
<b>Restricted</b>	1,589,586,300	1,605,173,700	15,587,400	1.0
<b>GF/GP</b>	238,495,800	206,348,500	(32,147,300)	(13.5)
<b>Gross</b>	<b>\$1,888,492,900</b>	<b>\$1,865,702,000</b>	<b>(\$22,790,900)</b>	<b>(1.2)</b>
<b>FTEs</b>	1,916.5	1,962.5	46.0	2.4

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

## Overview

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

<b>Major Budget Changes From FY 2016-17 Year-to-Date (YTD) Appropriations</b>	<b>FY 2016-17 YTD (as of 2/8/17)</b>	<b>Executive Change from YTD</b>
<b>1. Constitutional Revenue Sharing</b>	<b>Gross \$757,875,200</b>	<b>\$15,668,900</b>
Increase Constitutional revenue sharing by \$15.7 million in restricted sales tax revenue relative to the FY 2016-17 budget act appropriated amount (2.3% increase from the January CREC estimate for FY 2016-17).	Restricted 757,875,200	15,668,900
	GF/GP \$0	\$0
<b>2. City, Village, and Township Revenue Sharing</b>	<b>Gross \$248,850,000</b>	<b>\$0</b>
Maintains City, Village, and Township Revenue Sharing at \$248.8 million in restricted sales tax revenue which reflects no change from FY 2016-17. \$5.8 million is considered one-time appropriations.	Restricted 248,850,000	0
	GF/GP \$0	\$0
<b>3. County Revenue Sharing/County Incentive Program</b>	<b>Gross \$217,267,500</b>	<b>\$640,600</b>
Increase county revenue sharing by \$640,600 in restricted sales tax revenue to accommodate full payments for the two counties (Alcona and Charlevoix) that came online mid-year FY 2016-17. Maintains 1.0% increase above full-funding. A total of \$513,700 is included in County Revenue Sharing and \$126,900 is included in the County Incentive Program. Of the total for FY 2017-18, 80.2% would be distributed through County Revenue Sharing and 19.8% would be distributed through the County Incentive Program.	Restricted 217,267,500	640,600
	GF/GP \$0	\$0
<b>4. Debt Service</b>	<b>Gross \$137,037,000</b>	<b>(\$29,457,000)</b>
Reduces debt service by \$29.5 million GF/GP to reflect lower debt service costs due to refundings and refinancing.	GF/GP \$137,037,000	(\$29,457,000)
<b>5. Dual Enrollment Payments</b>	<b>Gross \$1,507,600</b>	<b>\$500,000</b>
Increases by \$500,000 GF/GP to accommodate increased participation in the dual enrollment program. Grants cover tuition costs of eligible nonpublic school students enrolled in postsecondary institutions.	GF/GP \$1,507,600	\$500,000

<b>Major Budget Changes From FY 2016-17 Year-to-Date (YTD) Appropriations</b>		<b>FY 2016-17 YTD (as of 2/8/17)</b>	<b>Executive Change from YTD</b>
<b>6. Payments in Lieu of Taxes</b>	<b>Gross</b>	<b>\$27,398,800</b>	<b>\$252,800</b>
Increases by \$252,800 Gross (\$96,600 GF/GP) to accommodate new statutorily required PILT payments.	Private	26,700	800
	Restricted	5,177,500	155,400
	GF/GP	\$22,194,600	\$96,600
<b>7. Senior Citizen Cooperative Housing Tax Exemption</b>	<b>Gross</b>	<b>\$10,520,000</b>	<b>\$200,000</b>
Increases by \$200,000 GF/GP to accommodate 2016 PA 78. The act authorized an exemption, effective December 31, 2011, for property that would have qualified for the exemption if an application had been timely filed in 2011.	GF/GP	\$10,520,000	\$200,000
<b>8. Align Appropriation Authorizations with Actual Revenues</b>	<b>Gross</b>	<b>NA</b>	<b>(\$20,455,700)</b>
Provides the following adjustments to align appropriation authorizations with actual revenues:	Federal	NA	(12,955,700)
• Decreases Federal Department of Education Resources that support administration of outstanding federal and state postsecondary education loans by \$13.0 million in federal funds to align with receipt of revenues.	Restricted	NA	(7,500,000)
• Decreases Health and Safety Fund grants line item by \$7.5 million Gross (\$0 GF/GP) to align with actual expenditures.	GF/GP	NA	\$0
<b>9. Medical Marijuana Regulatory and Licensing Framework</b>	FTE	0.0	4.0
Includes \$4.6 million (\$0 GF/GP) and 4.0 FTEs for medical marijuana regulatory activities. Of this amount, \$4.0 million supports grants to municipalities, counties, and county sheriffs. The remainder, \$675,000 and 4.0 FTEs, would support staff funding for administration of payments to local by the department.	<b>Gross</b>	<b>\$0</b>	<b>\$4,635,000</b>
	Restricted	0	4,635,000
	GF/GP	\$0	\$0
<b>10. Grant Removal</b>	<b>Gross</b>	<b>\$521,600</b>	<b>(\$521,600)</b>
Removes \$521,600 GF/GP that supported the following FY 2016-17 grants:	GF/GP	\$521,600	(\$521,600)
• Lenawee Intermediate School District Plasma Cutting Machine Matching Grant (\$76,000 GF/GP)			
• Gianna House Grant (\$100,000 GF/GP)			
• Student Loan Delinquency Pilot Program (\$345,600 GF/GP)			
<b>11. Tax Processing Bureau</b>	FTE	331.0	9.0
Includes \$992,200 GF/GP and 9.0 FTEs to decrease telephone wait times and reduce processing time of individual income tax returns.	<b>Gross</b>	<b>\$37,376,900</b>	<b>\$992,200</b>
	IDG	2,356,300	0
	Restricted	25,072,200	0
	GF/GP	\$9,948,400	\$992,200
<b>12. Office of Collections Lien Fee Increases</b>	FTE	202.0	0.0
Includes \$1.3 million IDG to accommodate recently enacted increases in lien filing fees from \$10 to \$30. The department files liens against taxpayers for delinquent taxes owed to the state.	<b>Gross</b>	<b>\$26,255,100</b>	<b>\$1,300,000</b>
	IDG	5,890,400	1,300,000
	Restricted	19,851,200	0
	GF/GP	\$513,500	\$0
<b>13. City Income Tax Administration</b>	FTE	49.0	23.0
Provides \$5.3 million local funds to support expansion of Treasury city income tax collection program for Detroit (corporate and flow-through withholding) and the potential expansion into an additional city. \$1.5 million is considered one-time appropriations.	<b>Gross</b>	<b>\$5,879,100</b>	<b>\$5,282,100</b>
	Local	5,879,100	5,282,100
	GF/GP	\$0	\$0
<b>14. Casino Gaming Information Technology System Review Enhancement</b>	FTE	132.0	1.0
Includes \$149,900 in State Services Fee Fund and 1.0 FTE to support IT system review enhancement to help ensure security and accuracy of revenue reporting through increased internal controls.	<b>Gross</b>	<b>\$26,196,700</b>	<b>\$149,900</b>
	Restricted	26,196,700	149,900
	GF/GP	\$0	\$0
<b>15. Bureau of State Lottery iLottery Staffing</b>	FTE	183.0	8.0
Includes \$716,300 State Lottery Fund and 8.0 FTEs to support iLottery oversight and continued expansion.	<b>Gross</b>	<b>\$24,760,300</b>	<b>\$716,300</b>
	Restricted	24,760,300	716,300
	GF/GP	\$0	\$0

<u>Major Budget Changes From FY 2016-17 Year-to-Date (YTD) Appropriations</u>	<u>FY 2016-17 YTD (as of 2/8/17)</u>	<u>Executive Change from YTD</u>
<b>16. Information Technology for Systems, Applications, and Products (SAP)</b> Provides \$2.0 million GF/GP one-time to support implementation of SAP, an enterprise resource planning software. Funds would allow contract staff to continue through FY 2017-18 to support operations and allow permanent state staff to obtain self-sufficiency in the software.	<b>Gross</b> GF/GP	<b>\$0</b> \$0
		<b>\$2,000,000</b> \$2,000,000
<b>17. Removal of One-Time Appropriations</b> Removes \$6.4 million Gross (\$6.4 million GF/GP) in one-time funds appropriated for Free individual E-File (\$2.8 million GF/GP), Supervision of the General Property Tax Law (\$3.0 million GF/GP), School District Millage Renewal Election Reimbursements (\$50,000 GF/GP), Drinking Water Declaration of Emergency (\$300,100 Restricted), and Urban Search and Rescue (\$500,000 GF/GP).	<b>Gross</b> Restricted GF/GP	<b>\$6,692,600</b> 300,100 \$6,392,500
		<b>(\$6,692,600)</b> (300,100) (\$6,392,500)
<b>18. Economic Adjustments</b> Reflects increased costs of \$2.0 million Gross (\$435,000 GF/GP) for negotiated salary and wage increases (3.0% ongoing after removing the FY 2016-17 one-time 1.5% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	<b>Gross</b> IDG Federal Local Restricted GF/GP	<b>NA</b> NA NA NA NA NA
		<b>\$1,998,200</b> 51,400 57,500 32,900 1,421,400 \$435,000

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

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

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

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

Requires the Department of Treasury to submit annual progress reports regarding personal property tax audits.

**Sec. 934. Expending of Authority Revenues – REVISED**

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

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

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

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

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

**Sec. 944. Pension Plan Consultant Report – DELETED**

Requires Treasury to retain a copy of any report received from a pension plan consultant and make available upon request.

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

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

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

Allocates \$500,000 to the urban search and rescue task force. Requires the task force to provide reports on FY 2015-16 revenues and expenditures, proposed FY 2016-17 grant expenditures, and a final report on FY 2016-17 grant expenditures.

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

Provides that revenue from the Medical Marijuana Facilities Licensing Act is appropriated and shall be distributed in accordance with the provisions of the act.

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

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

Requires funds appropriated for the city income tax administration to be used for expansion of individual income tax returns to one additional city.

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

Provides that all funds in the Wrongful Imprisonment Compensation Fund are appropriated and available for expenditure for support of wrongful imprisonment compensation payments pursuant to provisions of the act.

**REVENUE SHARING**

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

Specifies distribution of \$248.8 million to all CVTs with a population of 7,500 or more by providing an eligible payment equal to 100% of the FY 2015-16 payment to all CVTs that were eligible for a payment in FY 2015-16. In order to qualify for its eligible payment, a CVT is required to comply with the items listed under accountability and transparency. To qualify for county incentive payment, counties are required to comply with the items listed under accountability and transparency. Any unexpended funds are directed to be deposited in the Financial Distressed CVTs program in Sec. 956. Revises to allow include new language allowing an entity that does not comply with the accountability and transparency by December 1 to comply by April 1 and still receive full payments. Payments that were ultimately qualified for after December 1 would be deferred and paid in the August revenue sharing payment.

**LOTTERY**

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

Requires Lottery to notify lottery retailers that DHHS bridge cards are not to be used to purchase lottery tickets.

**CASINO GAMING**

**Sec. 978. Racing Commission Regulatory Changes – REVISED**

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

**Supplemental Recommendations for FY 2016-17 Appropriations**

		<b>FY 2016-17 Recommendation</b>
<b>1. Wrongful Imprisonment Compensation Fund</b>	<b>Gross</b>	<b>\$15,000,000</b>
Provides \$15.0 million GF/GP for deposit in the Wrongful Imprisonment Compensation Fund created in 2016 PA 343. Funds are considered appropriated and available for expenditure to support wrongful imprisonment compensation payments.	GF/GP	\$15,000,000
<b>2. City Income Tax Administration</b>	<b>Gross</b>	<b>\$2,050,000</b>
Includes \$2.1 million in local funds to allow the department to begin implementation of corporate and flow-through withholding tax program development and expansion of the city income tax program.	Local	2,050,000
	GF/GP	\$0
<b>3. Lien Filing Fee Increases</b>	<b>Gross</b>	<b>\$1,300,000</b>
Includes \$1.3 million IDG to cover recently enacted increases in lien filing fees from \$10 to \$30. The department files liens against taxpayers for delinquent taxes owed to the state.	IDG	1,300,000
	GF/GP	\$0
<b>4. Tax Processing Bureau</b>	FTE	5.0
Includes \$487,500 GF/GP and 5.0 FTEs to replace limited-term employees with permanent staff to provide assistance in decreasing telephone wait times and reduce the processing time of individual income tax correspondence.	<b>Gross</b>	<b>\$487,500</b>
	GF/GP	\$487,500