

**FY 2017-18: TOTAL GENERAL GOVERNMENT
Summary: Conference Report
Article VIII, House Bill 4323 (H-1) CR-1**



**Analysts: Ben Gielczyk
Michael Crossen**

	FY 2016-17 YTD as of 2/8/17	FY 2017-18 Executive	FY 2017-18 House	FY 2017-18 Senate	FY 2017-18 Conference	<i>Difference: Conference From FY 2016-17 YTD</i> Amount	%
IDG/IDT	\$760,158,300	\$782,493,800	\$782,493,800	\$782,493,800	\$782,493,800	\$22,335,500	2.9
Federal	826,723,500	807,906,500	807,906,500	870,895,900	807,906,500	(18,817,000)	(2.3)
Local	12,021,000	17,332,700	17,332,700	17,332,700	17,332,700	5,311,700	44.2
Private	6,064,500	6,244,900	6,244,900	6,244,100	6,244,900	180,400	3.0
Restricted	2,127,740,600	2,131,575,000	2,156,587,300	2,157,256,600	2,183,798,700	56,058,100	2.6
GF/GP	1,233,516,700	1,221,654,200	1,125,616,000	1,146,654,200	1,245,629,600	12,112,900	1.0
Gross	\$4,966,224,600	\$4,967,207,100	\$4,896,181,200	\$4,980,877,300	\$5,043,406,200	\$77,181,600	1.6
FTEs	8,760.7	8,895.7	8,898.7	8,090.7	8,591.7	(169.0)	(1.9)

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

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

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

Major Boilerplate Changes From FY 2016-17

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

The FY 2016-17 pay-in was \$75.0 million, which was appropriated in supplemental appropriations act 2016 PA 340. Executive includes a pay-in of \$175.0 million. In addition, 25% of the unassigned fund balance for FY 2016-17 is required to be deposited in the Budget Stabilization Fund, currently calculated at \$91.5 million. Executive pay-in totals \$266.5 million. House includes \$266.5 million pay-in to BSF. Senate does not include a pay-in. Conference includes a pay-in of \$150.0 million.

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

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

Sec. 215. Disciplinary Action Against State Employees – RETAINED

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

Sec. 217. Fund Sourcing Priorities – RETAINED

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

Sec. 221. Reporting Requirement on Policy Changes – RETAINED

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

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

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

Major Boilerplate Changes From FY 2016-17

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

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

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

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

Sec. 235. Federal Funding Contingency Plan – RETAINED

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

FY 2017-18: DEPARTMENT OF ATTORNEY GENERAL
Summary: Conference Report
Article VIII, House Bill 4323 (H-1) CR-1



Analyst: Michael Crossen

IDG/IDT	FY 2016-17 YTD as of 2/8/17	FY 2017-18 Executive	FY 2017-18 House	FY 2017-18 Senate	FY 2017-18 Conference	Difference: Conference From FY 2016-17 YTD	
						Amount	%
	\$28,989,700	\$29,915,300	\$29,915,300	\$29,915,300	\$29,915,300	\$925,600	3.2
Federal	9,476,700	9,518,000	9,518,000	72,507,400	9,518,000	41,300	0.4
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	20,328,900	21,336,900	21,336,900	36,673,900	21,516,900	1,188,000	5.8
GF/GP	42,840,500	40,298,600	40,298,600	40,248,600	40,248,600	(2,591,900)	(6.1)
Gross	\$101,635,800	\$101,068,800	\$101,068,800	\$179,345,200	\$101,198,800	(\$437,000)	(0.4)
FTEs	534.0	539.0	542.0	513.0	536.0	2.0	0.4

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 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 2016-17 YTD Appropriations

		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change
1. Lawsuit Settlements Proceeds Fund			
<u>House</u> reduces \$2.6 million restricted fund authorization for expenses associated with the drinking water Declaration of Emergency by \$450,000.	Gross	\$2,600,000	(\$600,000)
<u>Senate</u> reduces restricted fund authorization by \$600,000. <u>Conference</u> concurs with Senate.	Restricted	2,600,000	(600,000)
	GF/GP	\$0	\$0
2. PACC NextGen IT System Replacement			
<u>House</u> provides \$450,000 of state restricted funds and 3.0 FTEs for support with costs associated with wrongful imprisonment convictions and duties prescribed to the department in 2016 PA 343. <u>Senate</u> adds \$600,000 in restricted funding one-time funding from the Lawsuit Settlement Proceeds Fund to be used by Prosecuting Attorneys Coordination Council to upgrade their legacy case management IT system. <u>Conference</u> concurs with Senate.	Gross	\$0	\$600,000
	Restricted	0	600,000
	GF/GP	\$0	\$0
3. Prescription Drug Abuse Program			
<u>Executive</u> provides \$700,000 GF/GP to continue support of the statewide drug enforcement strategy targeting opioid abuse and addiction. This recommendation would shift the one-time \$700,000 GF/GP appropriation included in FY 2016-17 to ongoing for a \$0 net change and a reduction of 4.5 FTEs. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	FTE	4.5	(4.5)
	Gross	\$700,000	\$0
	GF/GP	\$700,000	\$0
4. Student Safety – OK2SAY			
<u>Executive</u> includes \$470,000 state restricted to continue funding the student safety program call center operations. Funding will require a legislative repeal or extension of a sunset placed on the Student Safety Fund on October 1, 2017. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Gross	\$0	\$470,000
	Restricted	0	470,000
	GF/GP	\$0	\$0

Major Budget Changes From FY 2016-17 YTD Appropriations		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change
5. Prosecuting Attorneys Coordinating Council Juvenile Life Without Parole Cases	Gross	\$700,000	\$0
<u>Executive</u> provides \$750,000 GF/GP one-time funding to local prosecutors for legal services related to the reconsideration of juvenile life without parole case sentences. Represents \$50,000 increase over current-year one-time funding. <u>House</u> concurs. <u>Senate</u> does not include the \$50,000 increase. <u>Conference</u> concurs with Senate.	GF/GP	\$700,000	\$0
6. Implementation of Energy Package PA 341 of 2016	FTE	1.0	0.0
<u>Executive</u> includes increase of \$67,000 state restricted for additional utility consumer rate advocacy case services and representation. A total of \$150,000 in state restricted funding and 1.0 FTE were included in 2016 PA 341. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Gross	\$150,000	\$67,000
	Restricted	150,000	67,000
	GF/GP	\$0	\$0
7. Implementation of Medical Marijuana Package PA 281-283 of 2016	FTE	0.0	4.0
<u>Executive</u> provides \$375,000 state restricted and 4.0 FTEs for investigations and enforcement activities related to oversight of medical marijuana facilities. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Gross	\$0	\$375,000
	Restricted	0	375,000
	GF/GP	\$0	\$0
8. Unlicensed Activity Law Enforcement	FTE	0.0	5.5
<u>Executive</u> appropriates \$732,300 IDG from LARA for 5.5 FTEs and for the investigation and prosecution of unlicensed activities among realtors and accountants in addition to builders. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Gross	\$334,700	\$732,300
	IDG	334,700	732,300
	GF/GP	\$0	\$0
9. State Defense Costs	Gross	\$3,000,000	(\$3,000,000)
<u>Executive</u> removes \$3.0 million GF/GP and 4.5 FTEs for the elimination of one-time funding associated with state defense costs for the Flint Drinking Water Declaration of Emergency. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	GF/GP	\$3,000,000	(\$3,000,000)
10. Crime Victim's Rights	FTE	0.0	0.0
<u>Senate</u> transfers a total of \$78.3 million Gross (\$0.0 GF/GP) and 13.0 FTE positions from the Department of Health and Human Services to the Department of Attorney General. This funding provides services to victims of crime, including compensation, sexual assault forensic exams, and victim rights services through direct payments to victims or survivors as well as grants to service organizations and local governments to provide these services. <u>Conference</u> does not include.	Gross	\$0	\$0
	Federal	0	0
	Restricted	0	0
	GF/GP	\$0	\$0
11. Bad-faith Patent Infringement Claims	Gross	\$0	\$180,000
<u>Conference</u> appropriates \$180,000 restricted from Lawsuit Settlement Proceeds Fund to support costs associated with responsibilities prescribed to the department under 2016 PA 550 related to bad-faith patent infringement claims.	Restricted	0	180,000
	GF/GP	\$0	\$0
12. Economic Adjustments	Gross	NA	\$745,800
<u>Executive</u> includes \$738,700 Gross (\$408,100 GF/GP) for negotiated salary and wage increases (3.0% ongoing after removing the FY 2016-17 one-time 1.5% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>House</u> concurs. <u>Senate</u> concurs.	IDG	NA	193,300
	Federal	NA	41,300
	Restricted	NA	96,000
	GF/GP	NA	\$415,200
13. Technical Baseline Adjustments	Gross	NA	(\$7,100)
<u>Executive</u> included one negative GF/GP adjustment of \$7,100 to the IT line item. <u>House</u> concurs. <u>Senate</u> concurs.	GF/GP	NA	(\$7,100)
14. FTE Adjustment	FTE	528.0	(3.0)
<u>Senate</u> Reduced total number of FTEs throughout the budget by 39.0 to better reflect the number of filled FTE positions based on FTE data from 12/31/16. <u>Conference</u> reduced the number of FTEs from Operations by 3.0, bringing total classified FTEs to 530.0, to better reflect the number of filled FTE positions based on data on filled positions from 12/31/16 and input from the department.	Gross	\$0	\$0
	GF/GP	\$0	\$0

Major Boilerplate Changes From FY 2016-17

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

Sec. 301. Drug Investigation and Prosecution Unit – NEW

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

Sec. 313. Mortgage Fraud Prosecutions – DELETED

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

Sec. 314. Lawsuit Settlement Proceeds Fund – REVISED

Allows the department to use lawsuit settlement proceeds for associated expenses with the Declaration of Emergency due to drinking water contamination up to a maximum authorization of \$2.6 million. Executive maintains. House reduces the maximum authorization by \$450,000 and requires a quarterly report of how funds authorized in this section and all other currently and previously budgeted funds associated with legal costs pertaining to the flint water declaration of emergency were expended. Senate reduces the authorization for costs and expenses related to the Flint water emergency by \$600,000 and added new language allowing up to \$600,000 to be used for the Prosecuting Attorneys Coordinating Council to upgrade their NextGen IT case management system. Conference appropriates an additional \$180,000 for patent infringement investigations, concurs with Senate's reduction of funds authorized for Flint, its redistribution for PACC NextGen IT software, and concurs with House's reporting requirement.

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

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

Sec. 316. Sexual Assault Kit Testing – REVISED

Specifies that the department test the backlog of sexual assault kits outside of Wayne County, assist local prosecutions and investigations and provide victim services. Executive deletes. House retains. Senate deletes subsections (2) and (3) eliminating requirements for a spending plan to be submitted in order to receive funds and adds new language to require a report on the number of untested kits and a work plan for eliminating remaining untested kits. Conference concurs with Senate and requires the completion of all testing by February 2018 before appropriated funds are authorized for any other sexual assault kit spending priority provided in the boilerplate.

FY 2017-18: DEPARTMENT OF CIVIL RIGHTS
Summary: Conference Report
Article VIII, House Bill 4323 (H-1) CR-1



Analyst: Michael Crossen

	FY 2016-17 YTD as of 2/8/17	FY 2017-18 Executive	FY 2017-18 House	FY 2017-18 Senate	FY 2017-18 Conference	Difference: Conference From FY 2016-17 YTD	
						Amount	%
IDG/IDT	\$293,600	\$296,600	\$296,600	\$296,600	\$296,600	\$3,000	1.0
Federal	2,763,000	2,775,800	2,775,800	2,775,800	2,775,800	12,800	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	13,021,300	12,856,600	12,856,600	13,006,600	13,006,600	(14,700)	(0.1)
Gross	\$16,248,500	\$16,099,600	\$16,099,600	\$16,249,600	\$16,249,600	\$1,100	0.0
FTEs	135.0	133.0	133.0	95.0	116.0	(19.0)	(14.1)

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

		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change
Major Budget Changes From FY 2016-17 YTD Appropriations			
1. Removal of Current Year One-Time Funding	FTE	2.0	(2.0)
<u>Executive</u> removes \$250,000 GF/GP one-time funding and 2.0 FTEs for the Division on Deaf, Deaf/Blind, and Hard of Hearing. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Gross	\$250,000	(\$250,000)
	GF/GP	\$250,000	(\$250,000)
2. Deaf, Deaf/blind, and Hard of Hearing Needs Assessment	Gross	\$0	\$150,000
<u>Senate</u> adds \$150,000 GF/GP in one-time funding to allow the Department to perform an assessment of the needs of the deaf, deafblind, and hard-of-hearing community across the state. <u>Conference</u> concurs with Senate.	GF/GP	\$0	\$150,000
3. Economic Adjustments	Gross	NA	\$101,100
<u>Executive</u> includes \$101,100 Gross (\$85,300 GF/GP) for negotiated salary and wage increases (3.0% ongoing after removing the FY 2016-17 one-time 1.5% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	IDG	NA	3,000
	Federal	NA	12,800
	GF/GP	NA	\$85,300
4. FTE Adjustment	FTE	127.0	(17.0)
<u>Senate</u> reduces total number of FTEs throughout the budget by 40.0 to better reflect the number of filled FTE positions based on FTE data from 12/31/16. <u>Conference</u> reduces total number of FTEs by 17.0 to better reflect the number of filled FTE positions based on FTE data from 12/31/16 and input from the department.	Gross	\$0	\$0
	GF/GP	\$0	\$0

Major Boilerplate Changes From FY 2016-17

Sec. 404. Operations Report – REVISED

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

Sec. 405. Federal Complaint Report – RETAINED

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

Sec. 406. Deaf, Deaf/blind, and Hard of Hearing Needs Assessment – NEW

Appropriates \$150,000 GF/GP to be used by the Department to survey the deaf, deafblind, and hard-of-hearing community in the state to determine its size in order to provide adequate education, employment, and healthcare services to the community. Senate adds. Conference concurs with Senate.

FY 2017-18: EXECUTIVE OFFICE
Summary: Conference Report
Article VIII, House Bill 4323 (H-1) CR-1



Analyst: Ben Gielczyk

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

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

Overview

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

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

Major Boilerplate Changes From FY 2016-17

Sec. 501. Office of Urban Initiatives – NOT INCLUDED

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

FY 2017-18: LEGISLATURE
Summary: Conference Report
Article VIII, House Bill 4323 (H-1) CR-1



Analyst: Ben Gielczyk

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

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

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

Major Budget Changes From FY 2016-17 YTD Appropriations

1. Legislature Operations

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

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

2. Legislative Information Technology Systems Design Project

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

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

3. Criminal Justice Policy Commission Study

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

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

4. Legislative Corrections Ombudsman

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

Gross	\$729,200	\$200,000
GF/GP	\$729,200	\$200,000

5. Michigan Veterans Facility Ombudsman

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

Gross	\$150,000	\$100,000
GF/GP	\$150,000	\$100,000

Major Boilerplate Changes From FY 2016-17

Sec. 603. National Association Dues – REVISED

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

Sec. 610. Criminal Justice Policy Commission Study – DELETED

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

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

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

Sec. 618. Legislative Retirement Administration – DELETED

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

Sec. 619. Michigan Veterans Facility Ombudsman – DELETED

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

FY 2017-18: LEGISLATIVE AUDITOR GENERAL
Summary: Conference Report
Article VIII, House Bill 4323 (H-1) CR-1



Analyst: Ben Gielczyk

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

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

Overview

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

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

Sec. 624. Authorization to Charge and Collect Fees for Subsequent Audit – NEW

Authorizes the Auditor general to charge and collect fees for a subsequent audit conducted pursuant to Section 229. States that fees and charges may not exceed cost of audit. Provides for expenditure of funds. Conference includes as new section.

FY 2017-18: DEPARTMENT OF STATE
Summary: Conference Report
Article VIII, House Bill 4323 (H-1) CR-1



Analyst: Michael Crossen

	FY 2016-17 YTD as of 2/8/17	FY 2017-18 Executive	FY 2017-18 House	FY 2017-18 Senate	FY 2017-18 Conference	Difference: Conference From FY 2016-17 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	50,100	50,100	50,100	50,100	50,000	50,000.0
Restricted	204,745,900	205,709,400	205,915,000	205,709,400	208,709,400	3,963,500	1.9
GF/GP	22,109,600	22,139,000	21,229,000	21,082,900	19,139,000	(2,970,600)	(13.4)
Gross	\$248,315,600	\$249,358,500	\$248,654,100	\$248,302,400	\$249,358,500	\$1,042,900	0.4
FTEs	1,593.0	1,614.0	1,614.0	1,464.0	1,592.0	(1.0)	(0.1)

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

Overview

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

Major Budget Changes From FY 2016-17 YTD Appropriations

1. Office of Investigative Services Expansion

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

	FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change
FTE	NA	11.0
Gross	NA	\$1,420,400
GF/GP	NA	\$1,420,400

2. GF/GP Replacement of Driver Fees

Executive authorizes \$3.0 million GF/GP to replace anticipated restricted driver fee revenue lost due to the reduction of licensing fees for limousines and taxi cabs as required in 2016 PA 348. House replaces \$2.8 million restricted with corresponding GF/GP amount. Senate reduces GF/GP replacement by \$1,056,100. Conference does not include.

	FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change
Gross	NA	\$0
Restricted	NA	0
GF/GP	NA	\$0

3. Lottery Assistance in Northern Michigan

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

	FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change
FTE	0.0	10.0
Gross	\$300,000	\$715,800
Restricted	300,000	715,800
GF/GP	\$0	\$0

4. Mi-Time Line Expansion

Executive provides \$400,000 GF/GP for the expansion of the branch office reservation and cell phone texting notification service which allows customers to minimize their waiting time at the branch office. The appropriation would allow the service to expand to 20 additional offices from the current 30. House concurs. Senate concurs. Conference concurs.

	FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change
Gross	\$470,000	\$400,000
Restricted	470,000	0
GF/GP	\$0	\$400,000

Major Budget Changes From FY 2016-17 YTD Appropriations		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change
5. Increase in Credit Card Service Fees	Gross	\$6,000,000	\$2,000,000
<u>Executive</u> increases credit and debit assessment services fees restricted fund authorization by \$2.0 million to provide for the fees associated with the increase in credit card payments in branch offices and self-service terminals. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Restricted	6,000,000	2,000,000
	GF/GP	\$0	\$0
6. IT Budget Increase to Support Current Operations	Gross	\$36,376,200	\$1,000,000
<u>Executive</u> appropriates \$1.0 million state restricted to the department's IT service line to adjust for costs related to online support. Current level of services will be maintained. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Restricted	34,788,100	1,000,000
	GF/GP	\$1,588,100	\$0
7. Position Transfer Fund Sourcing Adjustment	Gross	\$124,600	\$0
<u>Executive</u> transfers 1.0 FTE from Department Services to Central Operations. Transfer of position results in fund sourcing realignment that replaces \$2,700 GF/GP with restricted revenues. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs. <u>Conference</u> concurs.	Restricted	121,900	2,700
	GF/GP	\$2,700	(\$2,700)
8. Removal of Current Year One-Time Funding	Gross	\$5,000,000	(\$5,000,000)
<u>Executive</u> removes \$5.0 million GF/GP in FY 2016-17 one-time funding for voting machine replacement. <u>Senate</u> concurs. <u>Conference</u> concurs.	GF/GP	\$5,000,000	(\$5,000,000)
9. Align Fund Sourcing with Revenues	Gross	NA	(\$1,000,000)
<u>Executive</u> reduces \$1.0 million restricted fund sourcing to align fund sources with actual revenues. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Restricted	NA	(1,000,000)
	GF/GP	NA	\$0
10. Economic Adjustments	Gross	NA	\$1,506,700
<u>Executive</u> recognizes increased costs of \$1.5 million Gross (\$211,700 GF/GP) for negotiated salary and wage increases (3.0% ongoing after removing the FY 2016-17 one-time 1.5% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	IDG	NA	0
	Private	NA	50,000
	Restricted	NA	1,245,000
	GF/GP	NA	\$211,700

Major Boilerplate Changes From FY 2016-17

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

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. Executive deletes. House retains. Senate concurs with Executive. Conference concurs with Executive.

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

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

Sec. 718. Buena Vista Township Branch Office – RETAINED

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

Sec. 719. Election Oversight – NEW

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

Sec. 721. ATM Commission Fees – DELETED

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

Sec. 723. Voting Machines Replacement Program – DELETED

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

**FY 2017-18: DEPARTMENT OF TECHNOLOGY,
MANAGEMENT, AND BUDGET**
Summary: Conference Report
Article VIII, House Bill 4323 (H-1) CR-1



Analyst: Michael Cnossen

	FY 2016-17 YTD as of 2/8/17	FY 2017-18 Executive	FY 2017-18 House	FY 2017-18 Senate	FY 2017-18 Conference	Difference: Conference From FY 2016-17 YTD	
						Amount	%
IDG/IDT	\$694,054,100	\$713,959,000	\$713,959,000	\$713,959,000	\$713,959,000	\$19,904,900	2.9
Federal	4,958,200	4,985,300	4,985,300	4,985,300	4,985,300	27,100	0.5
Local	2,320,000	2,316,700	2,316,700	2,316,700	2,316,700	(3,300)	(0.1)
Private	0	127,700	127,700	127,700	127,700	127,700	--
Restricted	114,340,800	111,399,300	111,399,300	111,399,300	111,399,300	(2,941,500)	(2.6)
GF/GP	569,552,600	572,755,900	536,522,000	495,217,200	579,755,200	10,202,600	1.8
Gross	\$1,385,225,700	\$1,405,543,900	\$1,369,310,000	\$1,328,005,200	\$1,412,543,200	\$27,317,500	2.0
FTEs	2,883.0	2,943.0	2,943.0	2,906.0	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 YTD Appropriations		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change
1. Drinking Water Declaration of Emergency Reserve Fund	Gross	\$10,000,000	\$15,000,000
<u>Executive</u> provides \$25.0 million GF/GP in one-time funding to support services and programs for Flint residents related to the Flint Water Declaration of Emergency. Use of these funds are subject to subsequent appropriations. These funds would be used as additional needs are identified in addition to augmenting existing appropriations. \$10.0 million GF/GP was included in 2016 PA 340. <u>House</u> concurs. <u>Senate</u> does not include. <u>Conference</u> concurs with Executive.	GF/GP	\$10,000,000	\$15,000,000
2. Michigan Infrastructure Fund	Gross	\$0	\$35,000,000
<u>Executive</u> provides \$20.0 million GF/GP in one-time funding for deposit into the Michigan Infrastructure Fund, created in 2016, PA 223 in support of anticipated infrastructure projects. Use of these funds would be subject to appropriation. <u>House</u> includes \$5.0 million GF/GP for deposit. <u>Senate</u> does not include. <u>Conference</u> provides \$35.0 million GF/GP.	GF/GP	\$0	\$35,000,000

Major Budget Changes From FY 2016-17 YTD Appropriations		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change
3. SIGMA – Permanent Organizational Structure Appropriations	FTE	0.0	36.0
<u>Executive</u> provides a total of \$21.7 million (\$13.1 million GF/GP) and 36.0 FTEs to transition the state's new enterprise resource planning tool (SIGMA) into permanent and ongoing administration of the system. \$4.5 million and 10.0 limited term FTEs are included in this total as a one-time appropriation. Represents a net increase of \$13.1 million GF/GP from FY 2016-17. A total of \$8.6 million Gross ongoing (\$3.8 million GF/GP) is transferred from other line items. <u>House</u> includes \$10.0 million GF/GP for deposit. <u>Senate</u> reduces the \$8.6 million ongoing transfer authorization amount by \$40,400 GF/GP, does not include new funding of \$13.1 GF/GP (\$4.5 million GF/GP one-time), and 21.0 FTEs. <u>Conference</u> concurs with Executive.	Gross	\$0	\$13,060,400
	GF/GP	\$0	\$13,060,400
4. Michigan.gov Content Management System Rewrite	Gross	NA	\$6,171,300
<u>Executive</u> provides \$9.1 million GF/GP in one-time funding to support the establishment and modernization of a new content management system to support 130 State of Michigan websites. Funding will be used for the procurement and set-up of the system and migration of the websites. <u>House</u> includes \$4.0 million GF/GP. <u>Senate</u> does not include. <u>Conference</u> includes \$6.2 million GF/GP.	GF/GP	NA	\$6,171,300
5. Cyber Security Appropriations	FTE	13.0	12.0
<u>Executive</u> provides \$7.0 million GF/GP (\$4.0 million one-time) and 12.0 FTEs to support the Cybersecurity Continuous Improvement Program. Supports centralized coordination for enterprisewide cybersecurity activities. <u>House</u> concurs. <u>Senate</u> reduces one-time funding by \$2.0 million and ongoing by \$1.5 million and removes 6.0 FTEs. <u>Conference</u> includes \$6.7 million GF/GP.	Gross	\$13,118,200	\$6,744,600
	GF/GP	\$13,118,200	\$6,744,600
6. Citizen Centric IT Initiatives	Gross	NA	\$3,000,000
<u>Executive</u> provides \$6.5 million GF/GP (\$5.5 million in one-time funding) for projects designed for mobile phone use by Michigan citizens interacting with State government. Project services include mobile applications, individualized log-in portals, and system integrations. Integrations are planned across at least 10 systems. <u>House</u> includes \$1.0 million GF/GP in ongoing appropriations for Citizen Centric IT Initiatives. <u>Senate</u> includes \$1.0 million GF/GP in ongoing appropriations for Citizen Centric IT Initiatives. <u>Conference</u> includes \$3.0 million GF/GP (\$2.0 million one-time).	GF/GP	NA	\$3,000,000
7. Information Technology Investment Fund (ITIF)	Gross	\$69,500,000	\$3,000,000
<u>Executive</u> provides a net increase of \$3.0 million GF/GP in one-time funding to ITIF for enterprise-wide IT upgrade projects. This one-time funding augments \$65.0 million in ongoing ITIF appropriations. <u>House</u> maintains FY 2016-17 appropriation level with \$65.0 million GF/GP ongoing and \$4.5 million GF/GP in one-time appropriations. <u>Senate</u> concurs with Executive. <u>Conference</u> concurs with Executive.	GF/GP	\$69,500,000	\$3,000,000
8. Technology Services IT IDG Alignment Adjustments	Gross	\$501,961,500	\$23,296,300
<u>Executive</u> adjusts the DTMB IT Inter-departmental Grant line by \$23.3 million IDG to reflect projects and service adjustments in other agency budgets. Technology Service appropriation lines are prorated by department based on their total IT budget. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	IDG	501,961,500	23,296,300
	GF/GP	\$0	\$0
9. Office of Performance and Transformation Enhancements	Gross	\$0	\$500,000
<u>Executive</u> provides \$500,000 GF/GP to support Socrata transparency website to increase government data accessibility, dashboards, and enhance the Operational Excellence Program focused on continuous improvement. <u>House</u> concurs. <u>Senate</u> does not include. <u>Conference</u> concurs with Executive.	GF/GP	\$0	\$500,000

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

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

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

Major Boilerplate Changes From FY 2016-17

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

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

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

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

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

Sec. 816. Privatization RFPs – RETAINED

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

Sec. 821. Space Consolidation Plan – DELETED

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

Sec. 822. Report on Unclassified Salaries – RETAINED

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

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

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

Sec. 822g. Legal Services Fund – REVISED

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

Sec. 822h. Office of Urban Initiatives – DELETED

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

Sec. 822j. Office of Good Government – DELETED

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

Sec. 822k. Hawthorn Center Appraisal – DELETED

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

Sec. 822m. Vendor Performance Tracking – RETAINED

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

Sec. 822n. Request for Proposals Website – RETAINED

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

Major Boilerplate Changes From FY 2016-17

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

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

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

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

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

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

Sec. 830. IT Contract Change Orders – RETAINED

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

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

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

Sec. 832. Child Support Enforcement System – RETAINED

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

Sec. 836. Information Technology Investment Fund – RETAINED

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

Sec. 836a. Cybersecurity Use of Funding – NEW

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

Sec. 837. Cyber Security Investment Projects – REVISED

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

Sec. 837. Citizen Centric Government – NEW

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

Sec. 838. Enterprise Identity Management Program – DELETED

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

Sec. 838. MiPage Mobile Center for Excellence Performance Metrics – NOT INCLUDED

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

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

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

Sec. 862. Required Reports – RETAINED

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

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

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

Major Boilerplate Changes From FY 2016-17

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

Provides information on the Drinking water declaration of emergency reserve fund. Requires funds to only be expended upon appropriation and authorizes the end of year balance to be carried forward. Executive adds. House revises \$20.0 million deposit to \$25.0 million, which matches the Executive recommended appropriation, and renumbers as Sec. 880. Senate does not include. Conference concurs with House.

FY 2017-18: DEPARTMENT OF TREASURY
Summary: Conference Report
Article VIII, House Bill 4323 (H-1) CR-1



Analyst: Ben Gielczyk

	FY 2016-17 YTD as of 2/8/17	FY 2017-18 Executive	FY 2017-18 House	FY 2017-18 Senate	FY 2017-18 Conference	<i>Difference: Conference From FY 2016-17 YTD</i>	
						<i>Amount</i>	<i>%</i>
IDG/IDT	\$11,262,300	\$12,613,700	\$12,613,700	\$12,613,700	\$12,613,700	\$1,351,400	12.0
Federal	39,920,800	27,022,600	27,022,600	27,022,600	27,022,600	(12,898,200)	(32.3)
Local	9,201,000	14,516,000	14,516,000	14,516,000	14,516,000	5,315,000	57.8
Private	26,700	27,500	27,500	26,700	27,500	800	3.0
Restricted	1,589,586,300	1,605,173,700	1,605,173,700	1,610,018,300	1,629,717,400	40,131,100	2.5
GF/GP	238,495,800	206,348,500	214,748,500	205,919,600	214,327,600	(24,168,200)	(10.1)
Gross	\$1,888,492,900	\$1,865,702,000	\$1,874,102,000	\$1,870,116,900	\$1,898,224,800	\$9,731,900	0.5
FTEs	1,916.5	1,962.5	1,962.5	1,750.5	1,862.5	(54.0)	(2.8)

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

Overview

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

Major Budget Changes From FY 2016-17 YTD Appropriations

1. Constitutional Revenue Sharing

Executive increases Constitutional revenue sharing by \$15.7 million in restricted sales tax revenue relative to the FY 2016-17 budget act appropriated amount (2.3% increase from the January CREC estimate for FY 2016-17). House and Senate concur. Conference updates to reflect May CREC estimates. Increases Constitutional revenue sharing by \$40.2 million in restricted sales tax revenue relative to the FY 2016-17 budget act appropriated amount (1.2% increase from the May CREC estimate for FY 2016-17).

	FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change
Gross	\$757,875,200	\$40,212,600
Restricted	757,875,200	40,212,600
GF/GP	\$0	\$0

2. City, Village, and Township Revenue Sharing

Executive 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. House concurs. Senate includes 1% increase, or \$2.5 million GF/GP. Conference concurs with Executive and House.

Gross	\$248,850,000	\$0
Restricted	248,850,000	0
GF/GP	\$0	\$0

3. Supplemental City, Village, and Township Revenue Sharing

House includes \$12.4 million GF/GP in one-time appropriations to support supplemental revenue sharing payments. Payments would be distributed to all cities, villages, and townships eligible to receive a City, Village, and Township Revenue Sharing payment under Section 952. Payments would be distributed on a per capita basis equal \$1.62396 per person. Senate does not include. Conference includes \$6.2 million GF/GP in one-time appropriations. Payments would be distributed to all cities, villages, and townships eligible to receive a City, Village, and Township Revenue Sharing payment under Section 952. Payments would be distributed on a per capita basis equal \$0.81198 per person.

Gross	\$0	\$6,200,000
GF/GP	\$0	\$6,200,000

Major Budget Changes From FY 2016-17 YTD Appropriations		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change
4. County Revenue Sharing/County Incentive Program	Gross	\$217,267,500	\$2,819,700
<u>Executive</u> increases county revenue sharing by \$640,600 in restricted sales tax revenue to accommodate full payments for the two counties (Alcona and Charlevoix) that came online mid-year FY 2016-17. Maintains 1.0% increase above full-funding. A total of \$513,700 is included in County Revenue Sharing and \$126,900 is included in the County Incentive Program. Of the total for FY 2017-18, 80.2% would be distributed through County Revenue Sharing and 19.8% would be distributed through the County Incentive Program. <u>House</u> concurs. <u>Senate</u> includes concurs with Executive and House; includes additional 1% increase for all counties, or an additional \$2.2 million GF/GP. Entire amount is placed in County Revenue Sharing and is not subject to incentive requirements. <u>Conference</u> concurs with Senate.	Restricted	217,267,500	640,600
	GF/GP	\$0	\$2,179,100
5. Debt Service	Gross	\$137,037,000	(\$29,457,000)
<u>Executive</u> reduces debt service by \$29.5 million GF/GP to reflect lower debt service costs due to refundings and refinancing. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	GF/GP	\$137,037,000	(\$29,457,000)
6. Dual Enrollment Payments	Gross	\$1,507,600	\$500,000
<u>Executive</u> increases by \$500,000 GF/GP to accommodate increased participation in the dual enrollment program. Grants cover tuition costs of eligible nonpublic school students enrolled in postsecondary institutions. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	GF/GP	\$1,507,600	\$500,000
7. Payments in Lieu of Taxes (PILT)	Gross	\$27,398,800	(\$47,200)
<u>Executive</u> increases by \$252,800 Gross (\$96,600 GF/GP) to accommodate PILT payments. <u>House</u> concurs. <u>Senate</u> did not include increases. <u>Conference</u> concurs with Executive increase and then reduces Swamp and Tax Reverted PILT by \$300,000 GF/GP.	Private	26,700	0
	Restricted	5,177,500	156,200
	GF/GP	\$22,194,600	(\$203,400)
8. Senior Citizen Cooperative Housing Tax Exemption	Gross	\$10,520,000	\$200,000
<u>Executive</u> increases by \$200,000 GF/GP to accommodate 2016 PA 78. The act authorized an exemption, effective December 31, 2011, for property that would have qualified for the exemption if an application had been timely filed in 2011. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	GF/GP	\$10,520,000	\$200,000
9. Align Appropriation Authorizations with Actual Revenues	Gross	NA	(\$20,455,700)
<u>Executive</u> provides the following adjustments to align appropriation authorizations with actual revenues:	Federal	NA	(12,955,700)
• Decreases Federal Department of Education Resources that support administration of outstanding federal and state postsecondary education loans by \$13.0 million in federal funds to align with receipt of revenues.	Restricted	NA	(7,500,000)
• Decreases Health and Safety Fund grants line item by \$7.5 million Gross (\$0 GF/GP) to align with actual expenditures.	GF/GP	NA	\$0
<u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.			
10. Medical Marijuana Regulatory and Licensing Framework	FTE	0.0	4.0
<u>Executive</u> 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. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	Gross	\$0	\$4,635,000
	Restricted	0	4,635,000
	GF/GP	\$0	\$0
11. Grant Removal	Gross	\$521,600	(\$521,600)
<u>Executive</u> removes \$521,600 GF/GP that supported the following FY 2016-17 grants:	GF/GP	\$521,600	(\$521,600)
• Lenawee Intermediate School District Plasma Cutting Machine Matching Grant (\$76,000 GF/GP)			
• Gianna House Grant (\$100,000 GF/GP)			
• Student Loan Delinquency Pilot Program (\$345,600 GF/GP)			
<u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.			

		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change
Major Budget Changes From FY 2016-17 YTD Appropriations			
12. Tax Processing Bureau			
<u>Executive</u> includes \$992,200 GF/GP and 9.0 FTEs to decrease telephone wait times and reduce processing time of individual income tax returns. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	FTE	331.0	9.0
	Gross	\$37,376,900	\$992,200
	IDG	2,356,300	0
	Restricted	25,072,200	0
	GF/GP	\$9,948,400	\$992,200
13. Office of Collections Lien Fee Increase			
<u>Executive</u> includes \$1.3 million IDG to accommodate recently enacted increases in lien filing fees from \$10 to \$30. The department files liens against taxpayers for delinquent taxes owed to the state and is reimbursed for costs associated with filing the liens. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	FTE	202.0	0.0
	Gross	\$26,255,100	\$1,300,000
	IDG	5,890,400	1,300,000
	Restricted	19,851,200	0
	GF/GP	\$513,500	\$0
14. City Income Tax Administration			
<u>Executive</u> provides \$5.3 million local funds to support expansion of Treasury city income tax collection program for Detroit (corporate and flow-through withholding) and the potential expansion into an additional city. \$1.5 million is considered one-time appropriations. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	FTE	49.0	23.0
	Gross	\$5,879,100	\$5,282,100
	Local	5,879,100	5,282,100
	GF/GP	\$0	\$0
15. Information Technology for Systems, Applications, and Products (SAP)			
<u>Executive</u> provides \$2.0 million GF/GP to support implementation of SAP, an enterprise resource planning software. Funds would allow contract staff to continue through FY 2017-18 to support operations and allow permanent state staff to obtain self-sufficiency in the software. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	Gross	\$0	\$2,000,000
	GF/GP	\$0	\$2,000,000
16. Supervision of General Property Tax Law			
<u>House</u> removes \$4.5 million GF/GP which equals the amount of funding included to support the Office of Fiscal Responsibility. <u>Senate</u> did not include funding reduction. <u>Conference</u> reduces by \$500,000 GF/GP.	Gross	\$17,590,200	(\$500,000)
	Local	140,000	0
	Restricted	3,558,700	0
	GF/GP	\$13,891,500	(\$500,000)
17. Financial Independence Teams			
<u>Conference</u> reduces by \$1.0 million GF/GP.	Gross	\$3,729,500	(\$1,000,000)
	GF/GP	\$3,729,500	(\$1,000,000)
18. Removal of One-Time Appropriations			
<u>Executive</u> removes \$6.4 million Gross (\$6.4 million GF/GP) in one-time funds appropriated for Free individual E-File (\$2.8 million GF/GP), Supervision of the General Property Tax Law (\$3.0 million GF/GP), School District Millage Renewal Election Reimbursements (\$50,000 GF/GP), Drinking Water Declaration of Emergency (\$300,100 Restricted), and Urban Search and Rescue (\$500,000 GF/GP). <u>House</u> concurs with the removal of all but Urban Search and Rescue. <u>House</u> retains \$500,000 GF/GP in one-time funding to support Urban Search and Rescue. <u>Senate</u> concurs with <u>Executive</u> . <u>Conference</u> concurs with <u>House</u> and retains Urban Search and Rescue; increases Urban Search and Rescue to \$900,000 GF/GP.	Gross	\$6,692,600	(\$5,792,600)
	Restricted	300,100	(300,100)
	GF/GP	\$6,392,500	(\$5,492,500)
19. Grant Placeholders			
<u>Senate</u> includes two \$100 GF/GP placeholders. One placeholder is for reimbursements to local units of government for the costs of financial data analytical tools. The other placeholder is for NextGen 911 improvements. <u>Conference</u> does not include.	Gross	\$0	\$0
	GF/GP	\$0	\$0
20. Financial Data Analytic Tool Reimbursement Program			
<u>Conference</u> includes \$500,000 GF/GP to support new reimbursement program for local units of government that elect to implement a financial data analytic tool authorized by DTMB.	Gross	\$0	\$500,000
	GF/GP	\$0	\$500,000
21. GF/GP Fund Shift Offset with Delinquent Tax Collection Revenue			
<u>Senate</u> replaces \$5.0 million GF/GP with corresponding amount of delinquent tax collection revenue for a net \$0 Gross change to realize GF/GP savings. <u>Conference</u> does not include.	Gross	NA	\$0
	Restricted	NA	0
	GF/GP	NA	\$0

Major Budget Changes From FY 2016-17 YTD Appropriations		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change
22. FTE Removal	FTE	1,916.5	(54.0)
<u>Senate</u> removes a total of 166.0 authorized FTEs from various line items. A total of 212.0 FTEs were removed relative to the <u>Executive</u> and <u>House</u> . <u>Conference</u> removes a total of 54.0 FTEs from various line items relative to FY 2016-17 FTE levels.	Gross	NA	\$0
	GF/GP	NA	\$0
23. Casino Gaming Information Technology System Review Enhancement	FTE	132.0	1.0
<u>Executive</u> includes \$149,900 in State Services Fee Fund and 1.0 FTE to support IT system review enhancement to help ensure security and accuracy of revenue reporting through increased internal controls. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	Gross	\$26,196,700	\$149,900
	Restricted	26,196,700	149,900
	GF/GP	\$0	\$0
24. Bureau of State Lottery iLottery Staffing	FTE	183.0	8.0
<u>Executive</u> includes \$716,300 State Lottery Fund and 8.0 FTEs to support iLottery oversight and continued expansion. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	Gross	\$24,760,300	\$716,300
	Restricted	24,760,300	716,300
	GF/GP	\$0	\$0
25. Economic Adjustments	Gross	NA	\$1,998,200
Reflects increased costs of \$2.0 million Gross (\$435,000 GF/GP) for negotiated salary and wage increases (3.0% ongoing after removing the FY 2016-17 one-time 1.5% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	IDG	NA	51,400
	Federal	NA	57,500
	Local	NA	32,900
	Restricted	NA	1,421,400
	GF/GP	NA	\$435,000

Major Boilerplate Changes From FY 2016-17

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

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

Sec. 903. Tax Collection Contracts – REVISED

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

Sec. 920. Personal Property Tax Reimbursement Reporting – NEW

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

Sec. 927. Personal Property Tax Audits – RETAINED

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

Sec. 934. Expenditure of Authority Revenues – RETAINED

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

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

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

Major Boilerplate Changes From FY 2016-17

Sec. 936. Financial Data Analytical Tool Guidance – NEW

Requires funds appropriated in part 1 to be for reimbursement to counties, cities, villages, and townships for the cost of a data analytical tool that provides financial data analysis and early warning analysis. Requires DTMB to provide between 2 and 4 approved vendors by October 15, 2017. Senate includes as new section. Conference concurs with Senate and updates to reflect funding level and program requirements regarding reimbursements.

Sec. 938. State Capitol Historic Site Payments – DELETED

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

Sec. 938. NextGen 911 System Funding Guidance – NOT INCLUDED

Requires funds appropriated in part 1 for NextGen 911 to be used for funding NextGen 911 projects that are approved by the public service commission. Senate includes as new section. Conference does not include.

Sec. 942. Maintenance of Existing Contracts – NEW

Requires Department of Treasury to prioritize maintaining existing contracts associated with the property services division as a condition of receiving funds for Supervision of General Property Tax Law. Conference includes as new.

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

Authorizes the Department of Treasury to establish a closed-loop payment processing and digital patient identification delivery and authentication system under which the department creates accounts to be used only by registered participants. Conference includes as new section.

Sec. 944. Pension Plan Consultant Report – REVISED

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

Sec. 945. Audit of Minimal Assessing Requirements – REVISED

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

Sec. 949. Fraud Prevention Appropriation – RETAINED

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

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

Allocates \$500,000 to the urban search and rescue task force. Requires the task force to provide reports on FY 2015-16 revenues and expenditures, proposed FY 2016-17 grant expenditures, and a final report on FY 2016-17 grant expenditures. Executive and Senate delete due to removal of funds. House retains. Conference retains; updates amount to match line item appropriation of \$900,000 GF/GP.

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

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

Sec. 949i. City Income Tax Expansion – NEW

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

Sec. 949j. Wrongful Imprisonment Compensation Fund – NEW

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

Major Boilerplate Changes From FY 2016-17

REVENUE SHARING

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

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

Sec. 955. County Revenue Sharing – REVISED

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

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

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

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

Specifies distribution of \$12.4 million GF/GP appropriated in part 1 to support supplemental revenue sharing payments. Payments would be provided to CVTs on a per capita basis equal to \$1.62396 per person. House includes as new section. Senate does not include. Conference concurs with House but revises amount to \$6.2 million and \$0.81198 per person to the 587 local units eligible to receive CVT Revenue Sharing.

LOTTERY

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

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

Sec. 964. Promotion and Advertising Appropriation – REVISED

Appropriates 1% of the Bureau of State Lottery's prior fiscal year's gross sales or \$25.0 million, whichever is less, for promotion and advertising. Executive and House retain current law. Senate revises to authorize 1% of the prior fiscal year's gross sales and eliminates cap at \$25.0 million. Conference revises to authorize 1% of the prior fiscal year's gross sales or \$30.0 million, whichever is less, for promotion and advertising.

CASINO GAMING

Sec. 977. Michigan Agriculture Equine Industry Development Fund – REVISED

Requires proration of all appropriations from the MAEIDF if revenues to the fund decline during the fiscal year. The language exempts the racing commission and laboratory analysis program appropriations. Executive strikes laboratory analysis program as exempt from proration. House retains current law. Senate and Conference concur with Executive.

Sec. 978. Racing Commission Regulatory Changes – RETAINED

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

Sec. 979. Millionaire Party Regulation – REVISED

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

FY 2017-18: DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT



Summary: Conference Report

Article VIII, House Bill 4323 (H-1) CR-1

Analyst: Ben Gielczyk

	FY 2016-17 YTD as of 2/8/17	FY 2017-18 Executive	FY 2017-18 House	FY 2017-18 Senate	FY 2017-18 Conference	Difference: Conference From FY 2016-17 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	768,144,800	762,144,800	762,144,800	762,144,800	762,144,800	(6,000,000)	(0.8)
Local	500,000	500,000	500,000	500,000	500,000	0	0.0
Private	5,619,000	5,620,900	5,620,900	5,620,900	5,620,900	1,900	0.0
Restricted	192,341,600	181,556,700	206,363,400	187,056,700	206,056,700	13,715,100	7.1
GF/GP	182,508,900	193,502,400	127,608,100	197,126,100	205,099,400	22,590,500	12.4
Gross	\$1,149,114,300	\$1,143,324,800	\$1,102,237,200	\$1,152,448,500	\$1,179,421,800	\$30,307,500	2.6
FTEs	1,615.0	1,615.0	1,615.0	1,273.0	1,453.0	(162.0)	(10.0)

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.

Major Budget Changes From FY 2016-17 YTD Appropriations

1. Business Attraction and Community Revitalization

Executive includes \$10.0 million GF/GP in one-time appropriations for Michigan Business Development Program grants and loans and Community Revitalization Program grants and loans. Shifts \$14.0 million GF/GP that was considered one-time in FY 2016-17 to ongoing appropriations. House reduces by \$15.5 million for a total of \$100.0 million Gross (\$67.2 million GF/GP). Of that amount, \$10.8 million GF/GP is considered one-time appropriations. Senate includes \$7.3 million GF/GP in one-time appropriations. Concurs with Executive in shift of \$14.0 million GF/GP that was considered one-time in FY 2016-17 to ongoing appropriations. Conference effectively maintains current-year funding level of \$115.5 million Gross (\$93.9 million GF/GP).

	FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change
Gross	\$115,499,900	\$100
Restricted	21,600,000	0
GF/GP	\$93,899,900	\$100

2. Going Pro (Formerly Skilled Trades Training Program)

Executive provides \$10.0 million GF/GP in one-time appropriations to expand Going Pro program. Program funding supports grants to employers to assist in training, developing, and retaining current employees and individuals to be hired. House concurs with Executive appropriation of \$40.9 million. However, House funds entire appropriation with Contingent Fund, Penalty and Interest to realize GF/GP savings. Senate concurs with Executive Gross appropriation of \$40.9 million. However, Senate replaces \$5.0 million GF/GP with Contingent Fund, Penalty and Interest to realize GF/GP savings. Conference concurs with House offset and increases by \$1.0 million GF/GP to support enhanced programming. (See also #16 and #17 below.)

	FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change
Gross	\$30,900,000	\$11,000,000
Restricted	25,900,000	15,000,000
GF/GP	\$5,000,000	(\$4,000,000)

Major Budget Changes From FY 2016-17 YTD Appropriations		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change
3. Talent Marketing	Gross	\$0	\$5,000,000
<u>Executive</u> includes \$5.0 million GF/GP in one-time appropriations for a marketing program to attract individuals to live and work in Michigan. <u>House</u> does not include. <u>Senate</u> does not include separate line item; includes \$5.0 million in Pure Michigan and designates up to \$5.0 million to support Talent Marketing in boilerplate (see item #8 below). <u>Conference</u> concurs with Executive.	GF/GP	\$0	\$5,000,000
4. Project Rising Tide	Gross	\$0	\$2,000,000
<u>Executive</u> includes \$2.0 million GF/GP in one-time appropriations for Project Rising Tide. The funds would support program expansion beyond the initial 10 communities. Project Rising Tide provides technical assistance to communities regarding planning, zoning, and economic development to attract new business and help existing businesses. Current year funding comes from MSHDA and MEDC Corporate revenues. <u>House</u> and <u>Senate</u> do not include. <u>Conference</u> concurs with Executive.	GF/GP	\$0	\$2,000,000
5. Arts and Cultural Grants	Gross	\$10,150,000	\$1,000,000
<u>Executive</u> increases Arts and Cultural Grants by \$1.0 million GF/GP in one-time appropriations. Funding would provide additional grant opportunities to local arts and cultural organizations. Removes boilerplate prohibiting administration as an authorized use of funds. <u>House</u> does not include. <u>House</u> maintains current-year funding, but includes boilerplate prohibition on use of funds for administration. <u>Senate</u> concurs with Executive inclusion of additional \$1.0 million GF/GP; retains boilerplate prohibiting administration as an authorized use of funds. <u>Conference</u> concurs with Senate.	Federal	1,050,000	0
	Private	100,000	0
	GF/GP	\$9,000,000	\$1,000,000
6. Protect and Grow	Gross	\$3,000,000	(\$2,000,000)
<u>Executive</u> includes \$1.0 million GF/GP in one-time appropriations for Protect and Grow. The program focuses on retaining and growing the defense industry strategic investments in Michigan. The FY 2016-17 budget act included \$3.0 million GF/GP in one-time appropriations to support this program. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	GF/GP	\$3,000,000	(\$2,000,000)
7. Entrepreneurship Eco-System	Gross	\$19,400,000	\$1,000,000
<u>House</u> reduces funding by \$2.7 million in 21 st Century Jobs Trust Fund. Shifts funding to Business Attraction and Community Revitalization to realize GF/GP savings. <u>Senate</u> reduces funding by \$1.0 million and shifts funding to Pure Michigan. <u>Conference</u> concurs with Senate transfer of \$1.0 million 21 st Century Jobs Trust Fund to Pure Michigan, but replaces with \$1.0 million GF/GP for net change of \$0. Includes additional \$1.0 million GF/GP to support Van Andel Institute grant for a net change of \$0 Gross (funding is directed to Van Andel in boilerplate Section 1048).	Restricted	19,400,000	(1,000,000)
	GF/GP	\$0	\$2,000,000
8. Pure Michigan	Gross	\$34,000,000	\$1,000,000
<u>Executive</u> and <u>House</u> maintain FY 2016-17 funding levels for Pure Michigan. <u>Senate</u> increases by \$6.0 million Gross (\$5.0 million GF/GP). Shifted \$1.0 million restricted from Entrepreneurship Eco-System and includes additional \$5.0 million GF/GP dedicated to talent marketing. <u>Conference</u> includes \$1.0 million 21 st Century Jobs Trust Fund increase.	Restricted	34,000,000	1,000,000
	GF/GP	\$0	\$0
9. Job Creation Services	Gross	\$22,198,400	\$0
<u>House</u> reduces line item by \$4.9 million GF/GP for a reduction in administration appropriations. <u>Executive</u> , <u>Senate</u> , and <u>Conference</u> does not reduce; includes economic adjustments (included in #16 below).	Federal	2,773,300	0
	Private	250,000	0
	Restricted	4,961,300	0
	GF/GP	\$14,213,800	0
10. Community Ventures	Gross	\$9,800,000	\$0
<u>House</u> replaces entire \$9.8 million in GF/GP appropriation for Community Ventures with Contingent Fund, Penalty and Interest to realize GF/GP savings. <u>Executive</u> and <u>Senate</u> retains funding level with GF/GP. <u>Conference</u> replaces \$9.5 million GF/GP with equivalent amount of Contingent Fund, Penalty and Interest.	Restricted	0	9,500,000
	GF/GP	\$9,800,000	(\$9,500,000)

Major Budget Changes From FY 2016-17 YTD Appropriations		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change
11. TANF Funding	Gross	\$64,898,800	(\$1,200,000)
<u>Executive</u> and <u>House</u> remove \$1.2 million TANF authorization for workforce development programs. <u>Senate</u> concurs with Governor and includes additional transfer for \$2.0 million to MSF to support Michigan Enhancement Grants. Reduces by a total of \$3.2 million Federal. <u>Conference</u> concurs with <u>House</u> .	Federal	64,898,800	(1,200,000)
	GF/GP	\$0	\$0
12. DTED – Grants	Gross	\$0	\$2,700,000
<u>Conference</u> includes the following grant awards in the DTED – grants line item:	GF/GP	\$0	\$2,700,000
<ul style="list-style-type: none"> \$2.0 million GF/GP for grant to Focus: Hope (See also Sec. 1069). \$500,000 GF/GP to support a grant to Riverbend Park (Rochester Hills) for infrastructure improvements (See also Sec. 1055). \$200,000 GF/GP to support grant for Helmets to Hardhats program (See also Sec. 1067). 			
13. Michigan State Housing Development Authority Revenue Adjustments	FTE	316.0	0.0
<u>Executive</u> reduces MSHDA restricted funds by \$7.1 million to align fund source with actual revenues. Downward adjustment does not affect programming. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	Gross	\$54,833,700	(\$7,111,500)
	Restricted	54,833,700	(7,111,500)
	GF/GP	\$0	\$0
14. Removal of Other One-Time Appropriations	Gross	\$23,898,600	(\$23,898,600)
<u>Executive</u> removes \$21.8 million Gross (\$12.0 million GF/GP) in FY 2016-17 one-time appropriations. Appropriations include Special Grants (\$12.0 million), Statewide Data System Integration (\$8.8 million Gross), Kalamazoo Valley Community College – Healthy Living Campus (\$2.0 million GF/GP), Grant to St. Louis Center (\$120,000 GF/GP), and Sustainable Employment Pilot Program (\$1.0 million GF/GP). <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	Federal	4,800,000	(4,800,000)
	Restricted	3,978,500	(3,978,500)
	GF/GP	\$15,120,100	(\$15,120,100)
15. UIA Information Technology	Gross	\$0	\$0
<u>Senate</u> includes \$100 placeholder to support an electronic ID system in the UIA. Includes boilerplate that outlines requirements for an electronic ID system in the UIA (Sec. 1047). <u>Conference</u> does not include.	GF/GP	\$0	\$0
16. Michigan Enhancement Grants	Gross	\$0	\$35,897,000
<u>Senate</u> includes \$15.7 million Gross (\$13.3 million GF/GP) to support 20 enhancement grants to programs and projects throughout the state of Michigan. <u>Conference</u> includes \$35.9 million for enhancement grants (See. Section 1047 below).	Federal	0	0
	Restricted	0	0
	GF/GP	\$0	\$35,897,000
17. Jobs for Michigan's Graduates Program	Gross	\$0	\$3,000,000
<u>Conference</u> includes \$3.0 million GF/GP to support program. Funding is included in Skilled Trades Training Program (Going Pro).	GF/GP	\$0	\$3,000,000
18. Dropout Prevention Program	Gross	\$0	\$1,500,000
<u>Conference</u> includes \$1.5 million GF/GP to support dropout prevention program for individuals 23 and older. Funding is included in Skilled Trades Training Program (Going Pro).	GF/GP	\$0	\$1,500,000
19. FTE Removal	FTE	1,615.0	(162.0)
<u>Senate</u> reduces total FTEs across department by 342.0 FTEs relative to FY 2016-17 and <u>Executive</u> and <u>House</u> proposed FY 2017-18. <u>Conference</u> removes 162.0 FTE positions relative to the current FY 2016-17 amount.	Gross	\$0	\$0
	GF/GP	\$0	\$0
20. Economics Adjustments	Gross	NA	\$420,500
<u>Executive</u> includes funding to support increased costs of \$420,500 Gross (\$113,500 GF/GP) for negotiated salary and wage increases (3.0% ongoing after removing the FY 2016-17 one-time 1.5% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>House</u> concurs with Gross amount, but replaces \$6,700 GF/GP associated with Community Ventures and Going Pro economics with restricted Contingent Fund, Penalty and Interest to realize GF/GP savings in that line item. <u>Senate</u> and <u>Conference</u> concurs with <u>Executive</u> .	Federal	NA	0
	Private	NA	1,900
	Restricted	NA	305,100
	GF/GP	NA	\$113,500

Major Boilerplate Changes From FY 2016-17

NOTE: In general, House includes additional reporting requirements where appropriate in an effort to support transparency and facilitate information sharing. Conference concurred with most reporting requirement changes.

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

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

Sec. 1007. Program Reporting Requirements – REVISED

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

Sec. 1009. Land Purchase Provisions – REVISED

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

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

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

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

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

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. Executive revises by striking subsection prohibiting funds appropriated for expenses necessary to administer the program. House retains subsection prohibiting funds appropriated for expenses necessary to administer the program. Includes new reporting required regarding number of applications and total dollar amount of grants requested. Senate retains current law. Conference concurs with House.

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

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

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

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

Sec. 1044. Previously Authorized Tax Credit Transfer Notification – NEW

Requires notification to the legislature, fiscal agencies, and state budget office 30 days prior to authorizing the transfer of any previously authorized tax credit that would increase the liability to the state. Conference includes as new section.

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). Executive, House, Senate, and Conference delete.

Sec. 1047. Michigan Enhancement Grants – NEW

Specifies individual grants included in the Michigan Enhancement Grant line item. Includes 20 projects. Senate includes as new section. Conference includes section and identifying the following grants totaling \$35.9 million GF/GP: playground project in Commerce Township (\$100,000); Sanilac FFA "miracle of life" barn (\$35,000); St. Clair River seawall (\$500,000); St. Clair highway bridge (\$2,700,000); Oakland Hope (\$100,000); Michigan Works! retirement shortfall (\$800,000); Sault Sainte Marie Carbide Docks (\$1,000,000); Hillsdale Veteran Affairs Scholarship Program (\$12,000); Plymouth Township intersection upgrade (\$1,000,000); Albion Water Tower Upgrade (\$500,000); Holy Cross Services (\$1,500,000); Gianna House (\$100,000); Livonia Rotary Park accessible playground (\$300,000); Botsford Park upgrade to outdoor pool (\$70,000); Child Restraint Safety Program Awareness Campaign (\$300,000); Former Detroit House of Corrections demolition and cleanup (\$1,500,000); No Wrong Door Program – Wayne County (\$250,000); South Michigan Center for Science and Industry (\$800,000); Voss Park – baseball diamonds upgrades (\$300,000); Salem Township Urban Services District (\$10.0 million); Harvey Street woonerf project (\$1,000,000); Grand Rapids Civic Theatre (\$1,000,000); Lowell Showboat Replacement (\$1,000,000); Dixie Highway Federal Match (\$1,000,000); KVCC Healthy Living Campus (\$2,000,000); White Lake Township Road Infrastructure Improvement (\$750,000); Muskegon County/Coopersville Wastewater Treatment Improvement (\$2,500,000); Monroe County ISD Career Tech Equipment (\$40,000); Ida School District CAD equipment (\$70,000); Whites Bridge Rebuild – Ionia County (\$350,000); Village of Lexington Master Plan Study (\$120,000); Grand Rapids Dam Removal (\$1,500,000); Mackinaw Cutter Repainting (\$300,000); LSSU power grid improvements (\$300,000); Zeeland Interchange Upgrade (\$2,000,000); National Sportsman Caucus National Meeting – Traverse City (\$100,000).

Sec. 1048. Van Andel Institute Grant – NEW

Appropriates \$1.0 million of funding appropriated for Entrepreneurship Eco-System in part 1 to the Van Andel Institute. Conference includes as new section.

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

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

Sec. 1051. Talent Marketing Performance Measures – NEW

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

Sec. 1052. Project Rising Tide Performance Measures – NEW

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

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

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

Sec. 1054. Protect and Grow Performance Measures – NEW

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

Sec. 1055. City Park Development Project – NEW

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

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

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

Major Boilerplate Changes From FY 2016-17

Sec. 1066. Skilled Trades Training Program Administration – REVISED

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

Sec. 1067. Helmets to Hardhats Program Grant – NEW

Requires \$200,000 GF/GP appropriated in part 1 for DTED - grants to be awarded to a national, nonprofit organization that connects National Guard, Reserve, retired, and transitioning active-duty military service members with skilled training and quality career opportunities in the construction industry. Funds must be used to recruit and assist military veterans transition into apprenticeship programs in the state of Michigan. Conference includes as new section.

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

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

Sec. 1069. Focus: Hope Grant – NEW

Requires \$2.0 million GF/GP appropriated in part 1 for DTED - grants to be awarded to Focus: Hope for programming needs. Conference includes as new section.

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

Requires \$1.0 million of the funds appropriated for Going Pro to support a pilot program to assist adults over the age of 23 in obtaining high school diplomas and placement in career training programs. Provides requirements to qualify as an eligible program provider. Provides detailed reimbursement rates for certain performance measures. House includes as new section. Senate does not include. Conference concurs with House but revises amount to \$1.5 million.

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

Requires \$2.5 million from the funds appropriated for Going Pro to be awarded to an existing dropout prevention and recover program for Michigan youth. House includes as new section. Senate does not include. Conference concurs with House but revises amount to \$3.0 million.

Sec. 1075. UIA Electronic ID System – NOT INCLUDED

Requires TIA and UIA to issue RFP to provide an electronic identification system for the UIA's internet Michigan Web Account System. Requires system to allow mobile authentication, login, and navigation of the web account system; credential and authentication for transactions connected to the online system; and that the provider must be a member in full compliance with the identity ecosystem framework registry. Senate includes as new section. Conference does not include.

Sec. 1076. UIA Computer System Report – DELETED

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

Sec. 1076. UIA Fraudulent Cases Report – NEW

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

Sec. 1077. UIA Internet Claims Report – DELETED

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

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

Requires the Department to identify specific outcomes and performance metrics for the increased funds in part 1 associated with the Statewide Data System Integration line item. Provides nonexclusive list of performance metrics to be used. Executive and Senate delete. House revises to require status report update. Conference concurs with House; revises reporting date to March 15.

Major Boilerplate Changes From FY 2016-17

Sec. 1083. Sustainable Employment Pilot Program – REVISED

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

Sec. 1084. Going Pro Performance Measures – NEW

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