

Revenue Sharing & Incentive Programs FY 2020 & FY 2021 (Proposal)

House Appropriations Subcommittee on General Government

**Michigan Department of Treasury
February 25, 2020**

Revenue Sharing & Incentive Programs FY 2019 & FY 2020 (Projected)

<u>Program</u>	<u>FY 2019 Actual</u>	<u>FY 2020 Projected¹</u>	<u>Difference</u>	<u>Percent Inc/(Dec)</u>
Constitutional Revenue Sharing	\$851,286,793	\$886,158,131	\$34,871,338	4.1%
City, Village, and Township Revenue Sharing (CVTRS)	\$248,816,026	\$260,699,040	\$11,883,014	4.8%
Supplemental CVTRS	\$6,200,002	N/A	(\$6,200,002)	(100.0%)
County Revenue Sharing	\$177,195,845	\$183,182,900	\$5,987,055	3.4%
County Incentive Program (CIP)	\$43,218,403	\$43,308,222	\$89,819	0.2%
Supplemental County Revenue Sharing	\$999,860	N/A	(\$999,860)	(100.0%)
Financially Distressed Cities, Villages, and Townships (FDCVT)	\$2,721,748	\$2,687,323	(\$34,425)	(1.3%)

¹ FY 2020 Constitutional Revenue Sharing is based on the January 2020 Consensus Revenue Estimating Conference.

Revenue Sharing & Incentive Programs FY 2020 & FY 2021 (Proposal)

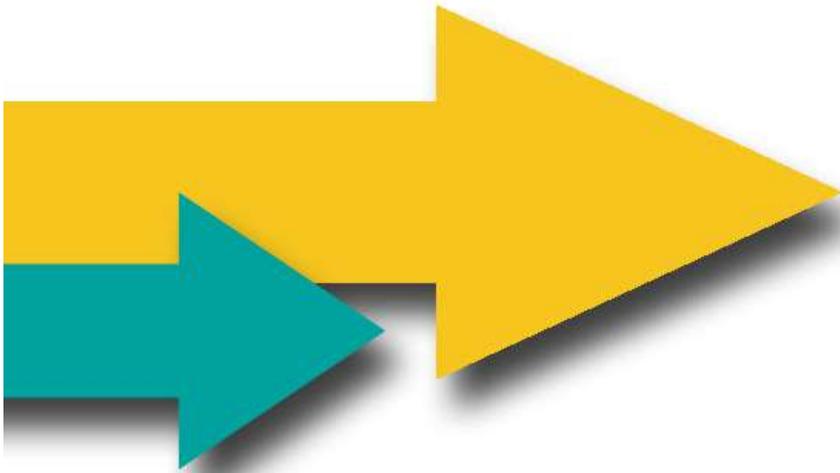
<u>Program</u>	<u>FY 2020 Appropriation¹</u>	<u>FY 2021 Gov. Rec.</u>	<u>Difference</u>	<u>Percent Inc/(Dec)</u>
Constitutional Revenue Sharing	\$886,158,131	\$902,628,100	\$16,469,969	1.9%
City, Village, and Township Revenue Sharing (CVTRS)	\$261,024,600	\$267,550,200	\$6,525,600	2.5%
County Revenue Sharing	\$183,182,900	\$188,863,300	\$5,680,400	3.1%
County Incentive Program (CIP)	\$43,325,200	\$43,329,300	\$4,100	0.0%
Financially Distress Cities, Villages, and Townships (FDCVT)	\$2,500,000	\$2,500,000	\$0	0.0%

¹ FY 2020 Constitutional Revenue Sharing is based on the January 2020 Consensus Revenue Estimating Conference.



Constitutional Revenue Sharing Calculation

- Based on 15% of the 4% sales tax
- Distributed on a per-capita basis
- Distributed to all cities, villages, and townships



City, Village, and Township Revenue Sharing (CVTRS) & County Incentive Program (CIP)

FY 2020 & FY 2021 (Proposal)



Calculation of Projected CVTRS Payments FY 2021 (Proposal)

- Each city, village, or township that received a CVTRS payment in FY 2020 is eligible to receive a maximum payment equal to 102.5% of its total eligible FY 2020 CVTRS payment amount.
- Payments are subject to a city's, village's, or township's fulfillment of the accountability and transparency requirements.
- Payments are rounded to the nearest dollar.

County Revenue Sharing & County Incentive Program (CIP)

Fiscal Year	Eligible Counties	Projected Full Funding	Appropriation	Percent Funded
2010	20	\$62.0M	\$55.3M	89.1%
2011	36	\$112.4M	\$114.7M	100.0%
2012	50	\$151.9M	\$115.0M	75.7%
2013	62	\$171.0M	\$130.6M	76.4%
2014	63	\$182.3M	\$145.8M	80.0%
2015	74	\$211.6M	\$211.2M	99.8%
2016	76	\$214.7M	\$214.7M	100.0%
2017	78	\$215.1M	\$217.3M	101.0% ²
2018	78	\$215.8M	\$220.1M	102.0% ²
2019	81	\$216.1M	\$221.4M	102.5% ²
2020	81	\$216.6M	\$226.5M	104.6% ²
2021	82	\$216.6M	\$232.2M ¹	107.2% ²

¹ FY 2021 appropriation amount is based on the Governor's Executive Budget Recommendation.

² For FY 2017, FY 2018, FY 2019, FY 2020, and FY 2021, the appropriation amount provides for funding at 100.976%, 101.986%, 102.462%, 104.5619%, and 107.176%, respectively.



CVTRS/CIP

Requirements to Qualify for Payments

NO CHANGES

1. A completed Certification Form (form # 4886) signed by the Chief Administrative Officer
2. Citizen's Guide
 - Most recent finances, including a recognition of unfunded liability
3. Performance Dashboard
4. Debt Service Report
 - Including a listing of issuance dates, issuance amounts, type of debt instrument, a listing of all revenues pledged to finance debt, and a listing of annual payment amounts until maturity
5. Projected Budget Report
 - Projection of revenues and expenditures for current fiscal year and next fiscal year, including assumptions



CVTRS/CIP Requirement

NO CHANGES

- Local units must include in any mailing of general information the Internet website address or physical location where required documents are available for public viewing



CVTRS/CIP

When Documentation is Due to Treasury

NO CHANGES

- All eligible local units receive the October payment
- If required documents are submitted on or before December 1st;
 - Receive 1/6 of the payment in December, February, April, June, and August
- If required documents are submitted after December 1st, but by the first day of a payment month (February, April, June, and August);
 - Receive that month's and future payment(s) but will forfeit prior payment(s) (December payment forfeited)



CVTRS Certifications By December 1st

<u>Fiscal Year</u>	<u>Qualified</u>	<u>Non-Qualified</u>	<u>Total</u>
2015	568	19	587
2016	576	11	587
2017	567	20	587
2018	559	28	587
2019	567	69	636
2020	580	56	636

Non-Qualified: eligible local units that did not submit the required documentation.

CVTRS

Non-Qualified Eligible Local Units

<u>Local Unit Name</u>	<u>County</u>	<u>FY 2019 Forfeited</u>	<u>FY 2020 YTD Forfeited</u>	<u>FY 2020 Projected Forfeited</u>	<u>FY 2020 Projected # of Payments Forfeiting</u>
Allegan City	Allegan	\$0	\$20,170	\$20,170	1
Applegate Village	Sanilac	\$70	\$0	\$0	0
Ashley Village	Gratiot	\$0	\$3,710	\$9,275	5
Bangor Township	Van Buren	\$2,186	\$2,828	\$7,070	5
Barryton Village	Mecosta	\$2,110	\$0	\$0	0
Belding City	Ionia	\$3,114	\$0	\$0	0
Benzonia Village	Benzie	\$0	\$1,560	\$3,900	5
Beulah Village	Benzie	\$1,240	\$594	\$1,487	5
Bloomington Village	Van Buren	\$280	\$0	\$0	0
Boyne Falls Village	Charlevoix	\$0	\$996	\$996	1
Brighton Township	Livingston	\$786	\$0	\$0	0
Britton Village	Lenawee	\$0	\$2,908	\$7,273	5
Buckley Village	Wexford	\$3,186	\$1,494	\$3,739	5
Burlington Village	Calhoun	\$0	\$1,417	\$1,417	1
Byron Township	Kent	\$0	\$11,972	\$11,972	1
Camden Village	Hillsdale	\$7,921	\$0	\$0	0
Champion Township	Marquette	\$1,565	\$722	\$1,805	5
Chatham Village	Alger	\$809	\$612	\$1,531	5
Climax Village	Kalamazoo	\$132	\$0	\$0	0
Dansville Village	Ingham	\$2,585	\$1,212	\$3,032	5
Dimondale Village	Eaton	\$47	\$0	\$0	0
Eastlake Village	Manistee	\$783	\$460	\$1,154	5
Eau Claire Village	Berrien	\$308	\$0	\$0	0

Note: FY 2020 forfeited amounts are based on submissions as of February 1, 2020.

CVTRS

Non-Qualified Eligible Local Units (continued)

<u>Local Unit Name</u>	<u>County</u>	<u>FY 2019 Forfeited</u>	<u>FY 2020 YTD Forfeited</u>	<u>FY 2020 Projected Forfeited</u>	<u>FY 2020 Projected # of Payments Forfeiting</u>
Elsie Village	Clinton	\$365	\$3,868	\$3,868	1
Erwin Township	Gogebic	\$44	\$487	\$487	1
Freeport Village	Barry	\$0	\$1,352	\$3,384	5
Galien Village	Berrien	\$104	\$1,126	\$1,126	1
Garden Village	Delta	\$1,992	\$876	\$2,190	5
Garden City City	Wayne	\$11,056	\$0	\$0	0
Geneva Township	Van Buren	\$5,565	\$0	\$0	0
Gibraltar City	Wayne	\$0	\$23,276	\$58,191	5
Gladwin City	Gladwin	\$1,216	\$0	\$0	0
Grass Lake Village	Jackson	\$86	\$0	\$0	0
Grayling City	Crawford	\$874	\$0	\$0	0
Greenville City	Montcalm	\$1,814	\$0	\$0	0
Harrisville City	Alcona	\$2,714	\$621	\$621	1
Hart City	Oceana	\$516	\$0	\$0	0
Hartford Township	Van Buren	\$1,259	\$1,416	\$3,542	5
Hersey Village	Osceola	\$1,794	\$0	\$0	0
Hopkins Village	Allegan	\$100	\$0	\$0	0
Kaleva Village	Manistee	\$2,532	\$1,164	\$2,914	5
Kimball Township	Saint Clair	\$414	\$0	\$0	0
Lake Orion Village	Oakland	\$265	\$3,109	\$3,109	1
Lakewood Club Village	Muskegon	\$0	\$1,437	\$1,437	1
Lennon Village	Shiawassee	\$76	\$0	\$0	0
LeRoy Village	Osceola	\$804	\$240	\$240	1

Note: FY 2020 forfeited amounts are based on submissions as of February 1, 2020.

CVTRS

Non-Qualified Eligible Local Units (continued)

<u>Local Unit Name</u>	<u>County</u>	<u>FY 2019 Forfeited</u>	<u>FY 2020 YTD Forfeited</u>	<u>FY 2020 Projected Forfeited</u>	<u>FY 2020 Projected # of Payments Forfeiting</u>
Luther Village	Lake	\$0	\$2,136	\$5,341	5
Marion Township	Saginaw	\$2,350	\$1,214	\$3,039	5
Marion Village	Osceola	\$532	\$0	\$0	0
Maybee Village	Monroe	\$2,088	\$1,008	\$2,523	5
Mayfield Township	Lapeer	\$352	\$0	\$0	0
McMillan Township	Ontonagon	\$0	\$480	\$1,205	5
Mecosta Village	Mecosta	\$1,861	\$1,076	\$2,694	5
Melvin Village	Sanilac	\$718	\$342	\$858	5
Millington Village	Tuscola	\$362	\$0	\$0	0
Montgomery Village	Hillsdale	\$6,205	\$2,632	\$6,582	5
Muskegon City	Muskegon	\$18,613	\$0	\$0	0
New Era Village	Oceana	\$1,953	\$922	\$2,308	5
Oliver Township	Huron	\$663	\$0	\$0	0
Orchard Lake City	Oakland	\$57	\$0	\$0	0
Osceola Township	Houghton	\$0	\$415	\$415	1
Otisville Village	Genesee	\$289	\$6,124	\$15,310	5
Parma Village	Jackson	\$0	\$902	\$902	1
Perry City	Shiawassee	\$641	\$6,844	\$6,844	1
Pierson Village	Montcalm	\$57	\$1,220	\$3,055	5
Pinconning City	Bay	\$471	\$9,976	\$24,942	5
Pine Grove Township	Van Buren	\$897	\$1,178	\$2,949	5
Port Hope Village	Huron	\$0	\$440	\$440	1
Port Huron Township	Saint Clair	\$0	\$6,155	\$6,155	1

CVTRS

Non-Qualified Eligible Local Units (continued)

<u>Local Unit Name</u>	<u>County</u>	<u>FY 2019 Forfeited</u>	<u>FY 2020 YTD Forfeited</u>	<u>FY 2020 Projected Forfeited</u>	<u>FY 2020 Projected # of Payments Forfeiting</u>
Powers Village	Menominee	\$50	\$0	\$0	0
Prescott Village	Ogemaw	\$1,376	\$636	\$1,590	5
Redford Township	Wayne	\$19,694	\$0	\$0	0
Reese Village	Tuscola	\$384	\$0	\$0	0
Richfield Township	Genesee	\$0	\$5,144	\$5,144	1
Richmond Township	Marquette	\$1,762	\$964	\$2,410	5
Sand Lake Village	Kent	\$6,696	\$3,562	\$8,907	5
Scio Township	Washtenaw	\$0	\$9,705	\$9,705	1
Sebewaing Township	Huron	\$1,160	\$740	\$1,851	5
Sherwood Village	Branch	\$71	\$0	\$0	0
Skandia Township	Marquette	\$1,009	\$640	\$1,600	5
Stanwood Village	Mecosta	\$0	\$558	\$558	1
Springport Village	Jackson	\$393	\$0	\$0	0
Sterling Village	Arenac	\$1,720	\$848	\$2,125	5
Stockbridge Village	Ingham	\$0	\$4,692	\$11,732	5
Turner Village	Arenac	\$2,855	\$1,198	\$2,998	5
Twining Village	Arenac	\$3,527	\$1,492	\$3,732	5
Walkerville Village	Oceana	\$90	\$1,892	\$4,730	5
Webberville Village	Ingham	\$341	\$0	\$0	0
Westphalia Village	Clinton	\$23	\$0	\$0	0
		<u>\$139,972</u>	<u>\$164,762</u>	<u>\$298,574</u>	



CIP Certifications By December 1st

<u>Fiscal Year</u>	<u>Qualified</u>	<u>Non-Qualified</u>	<u>Total</u>
2015	74	0	74
2016	76	0	76
2017	78	0	78
2018	77	1	78
2019	80	1	81
2020	79	2	81

Non-Qualified: eligible county that did not submit the required documentation.

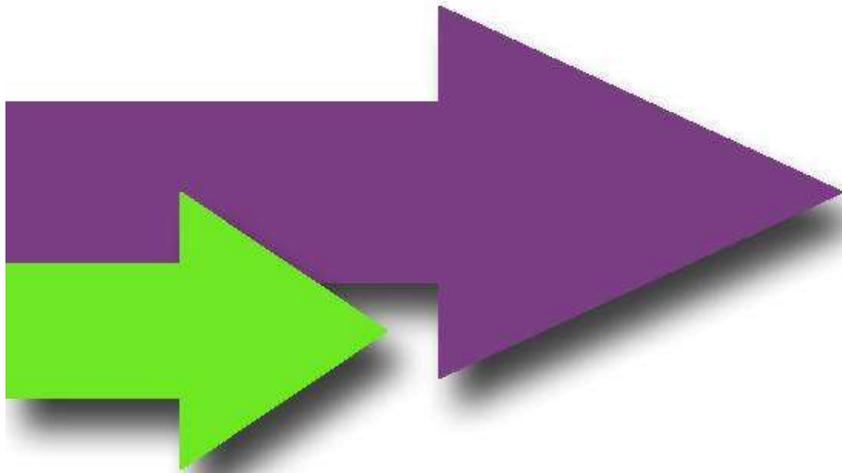
FY 2019 & FY 2020 CIP Non-Qualified Eligible Counties

<u>County</u>	<u>FY 2019 Forfeited</u>	<u>FY 2020 YTD Forfeited</u>	<u>FY 2020 Projected Forfeited</u>	<u>FY 2020 Projected # of Payments Forfeited</u>
Keweenaw	\$97	\$1,636	\$1,636	1
Ogemaw	\$0	\$15,342	\$15,342	1
Total	\$97	\$16,978	\$16,978	



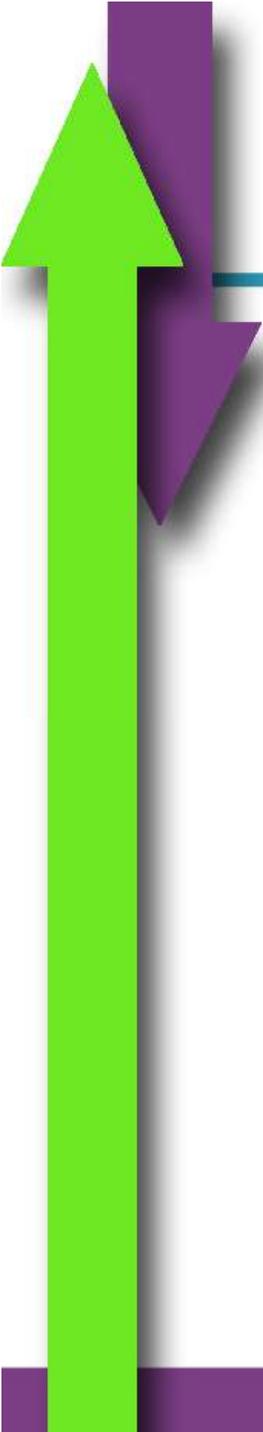
Return Date for Remaining Counties & Projected Full Funding

<u>County</u>	<u>Projected FY Return</u>	<u>Projected Full Funding</u>
Emmet	2023	\$778,080
Leelanau	2021	\$485,098



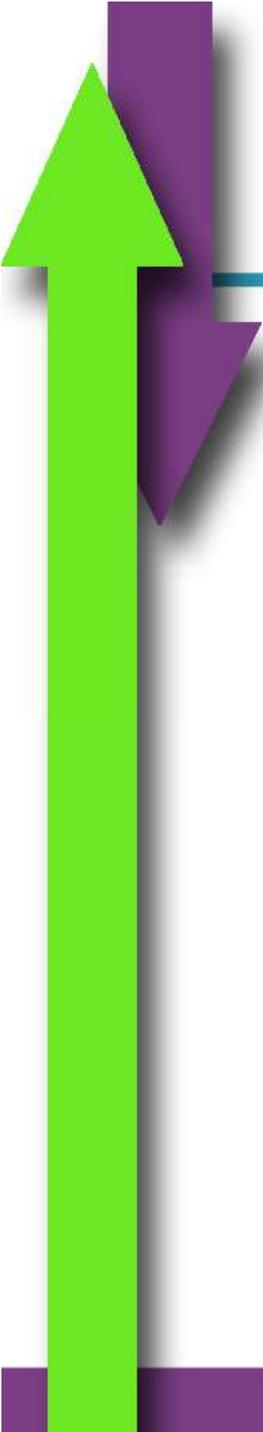
Financially Distressed Cities, Villages, and Townships (FDCVT) Grant Program

FY 2021 (Proposal)



Financially Distressed Cities, Villages, and Townships (FDCVT) FY 2021 (Proposal)

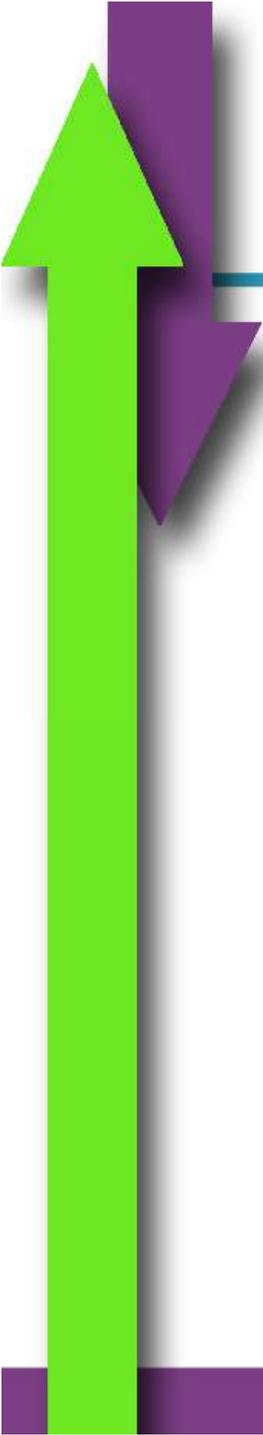
- Available to all cities, villages, and townships that have one or more conditions that indicate probable financial distress
- To offset costs associated with specific projects or services that move the city, village, or township toward financial stability
- \$2.5M recommended in FY 2021; FDCVT: \$2.5M appropriated in FY 2019 and \$2.5M appropriated in FY 2020
 - No more than \$2.0M may be awarded to any city, village, or township in a fiscal year



Financially Distressed Cities, Villages, and Townships (FDCVT)

<u>Application Round</u>	<u># of Applications</u>	<u>Requested Funding</u>	<u>Awarded</u>	<u>Awarded Funding¹</u>
FY 2015	49	\$30.5M	21	\$8.0M
FY 2016	51	\$29.3M	14	\$5.4M
FY 2017	50	\$33.8M	13	\$5.1M
FY 2018	54	\$39.0M	14	\$5.4M
FY 2019	38	\$25.9M	16	\$2.7M
FY 2020	38	\$20.4M	N/A	N/A

¹ Awarded funding exceeded the appropriation due to prior funding lapses.



For Further Information

Revenue Sharing and Grants Division
Michigan Department of Treasury

517-335-7484

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