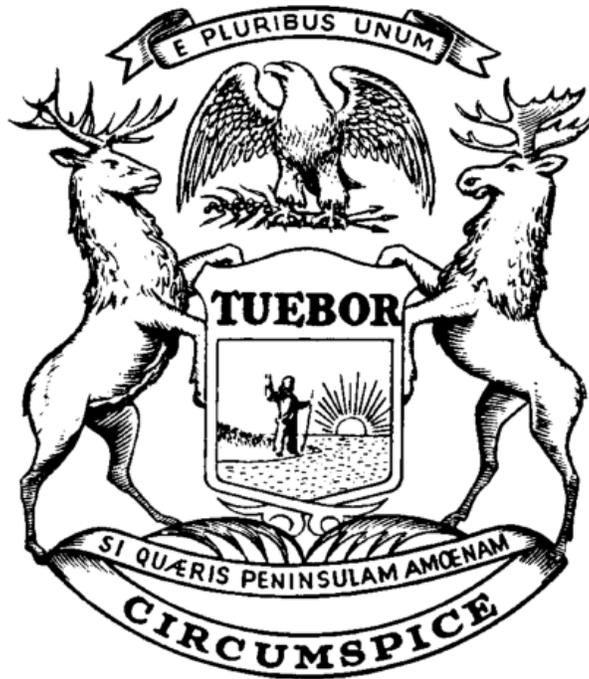


**STATE OF MICHIGAN
FISCAL YEAR 2017-18**

Appropriations Summary and Analysis



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FISCAL
AGENCY**

Mary Ann Cleary, Director

AUGUST 2017

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HOUSE FISCAL AGENCY

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August 2017

TO: Members of the Michigan House of Representatives

FROM: Mary Ann Cleary, Director

This ***FY 2017-18 Appropriations Summary and Analysis*** summarizes the enacted FY 2017-18 state budget. A *Glossary*, following the table of contents, explains terms used throughout this report to describe Michigan's budget. The *Budget Overview* provides information on resources used and major funding changes in the enacted FY 2017-18 budget; summary tables of appropriated funds and fund sources are also included. *Budget Detail* pages note major budget and boilerplate changes for each budget area.

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

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

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

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

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

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GLOSSARY

Frequently Used State Budget Terms

STATE BUDGET TERMS

Line Item

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

Boilerplate

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

Lapse

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

Work Project

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

APPROPRIATION TERMS AND FUND SOURCES

Appropriations

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

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

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

Interdepartmental Grant (IDG) Revenue

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

Intradepartmental Transfer (IDT) Revenue

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

Federal Revenue

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

Local Revenue

Revenue received from local units of government for state services.

Private Revenue

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

State Restricted Revenue

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

General Fund/General Purpose (GF/GP) Revenue

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

MAJOR STATE FUNDS

General Fund

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

School Aid Fund (SAF)

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

Budget Stabilization Fund

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

FY 2017-18 Budget Detail

OVERVIEW

**Budget Overview
Consensus Revenue Estimates
FY 2017-18 Balance Sheets
Summary Tables**

OVERVIEW

**FY 2017-18
BUDGET OVERVIEW**

Mary Ann Cleary, Director, and Bethany Wicksall, Deputy Director

The enacted state budget for Fiscal Year (FY) 2017-18 incorporates the May 2017 Consensus Revenue Estimating Conference (CREC) revenue estimates. In addition to those estimates, the recommendation assumes the following major funding sources for the General Fund/General Purpose (GF/GP) and School Aid Fund (SAF) budgets:

- Beginning balances of \$267.4 million GF/GP and \$271.7 million SAF.
- Continued use of tobacco settlement revenue of \$72.0 million from the new Community District Education Trust Fund.

	FY 2016-17 Year-to-Date as of 7/14/17	FY 2017-18 Enacted	Difference: FY 2017-18 Vs. FY 2016-17	
			Amount	%
Adjusted Gross	\$54,410.7	\$55,623.9	\$1,213.2	2.2%
Federal	\$22,944.3	\$23,112.0	\$167.6	0.7%
Local/Private	\$390.7	\$380.9	(\$9.8)	-2.5%
Restricted	\$21,020.3	\$22,089.3	\$1,069.0	5.1%
GF/GP	\$10,055.3	\$10,041.7	(\$13.6)	-0.1%

Of the \$32,131.1 million in state resources (restricted plus GF/GP) appropriated for FY 2017-18, \$17,967.4 million (55.9% of the total) is designated for payments to local units of government. Article IX, Section 30 of Michigan's Constitution requires that at least 48.97% of spending from state resources must be paid to local governments.

The FY 2017-18 enacted budget bills (HBs 4323 and 4313) include FY 2016-17 supplemental adjustments. These adjustments include:

- Total increase of \$5.0 million Gross, which includes an increase of \$72.5 million in federal funds, an increase of \$17.3 million in SAF funds, a decrease of \$48.7 million in other restricted revenue and a decrease of \$47.2 million in GF/GP appropriations. The bulk of these adjustments are for caseload and other related adjustments for the Medicaid program (including the Healthy Michigan Plan) and foundation allowance cost adjustments in the School Aid budget.
- Capital Outlay appropriations of \$2,400 GF/GP for 11 planning authorizations and 13 construction authorizations.

Additionally the budget includes deposits into four reserve funds totaling \$215.0 million:

- \$150.0 million in the Budget Stabilization Fund.
- \$35.0 million in the Michigan Infrastructure Fund.
- \$25.0 million in the Drinking Water Declaration of Emergency Reserve Fund.
- \$5.0 million in the Disaster and Emergency Contingency Fund.

The FY 2017-18 budget includes both program reductions and increases compared to the FY 2016-17 budget, as well as funding allocations designated as one-time in nature.

Major FY 2017-18 GF/GP program increases include:

- \$32.5 million GF/GP (\$55.8 million Gross) increase for statewide IT projects.
- \$28.0 million for a 2.0% increase in public university operations.
- \$14.2 million GF/GP (\$45.0 million Gross) to provide a \$0.50 per hour increase in wages for direct care workers providing Medicaid behavioral health services.
- \$12.7 million (\$9.3 million one-time) for a State Police trooper school.
- \$11.0 million increase for tuition grants and competitive scholarships at Michigan universities.
- \$8.4 million GF/GP (\$19.4 million Gross) to increase the reimbursement rate for childcare providers delivering services through the Child Development and Care (CDC) program.

- \$8.9 million GF/GP (\$14.2 million Gross) for increases in administrative per diem rates to private foster care agencies and residential service providers.
- \$8.1 million GF/GP (\$11.3 million Gross) increase to hire 95 additional adult services workers.
- \$4.9 million GF/GP (\$7.2 million Gross) increase for additional 72 staff workers at state hospitals and centers.

Major one-time allocations of GF/GP funding for FY 2017-18 include:

- \$12.0 million for state parks repair and maintenance and trail development.
- \$11.0 million for Going Pro program (formerly skilled trades training).
- \$5.0 million for talent marketing to attract out-of-state talent to Michigan.

The FY 2017-18 budget includes the following funding changes for local revenue sharing programs:

- An estimated increase of \$40.2 million from the adjusted FY 2016-17 level in constitutional revenue sharing payments to cities, villages, and townships based on sales tax collections.
- Continued \$5.8 million (one-time) discretionary revenue sharing payments to cities, villages, and townships (CVTs) for the expanded pool of 101 local units.
- \$6.2 million (one-time) supplemental payments to CVTs to receive a payment under Section 952.
- \$2.8 million increase for payments to counties to provide full funding to two additional counties who will have exhausted their reserves funds in FY 2017-18 and a 1.0% increase above full funding.

Major FY 2017-18 School Aid funding changes include:

- \$153.3 million for increases to district foundation allowances ranging from \$60 to \$120 per pupil based on the 2x formula (percent increases range from 1.1% to 1.6%).
- \$120.0 million increase to school districts for at-risk students in addition to expanding the number of eligible students and the number of eligible districts.
- \$11.0 million to provide an additional \$50 per pupil for each high school student in grades 9 to 12.
- \$6.4 million (one-time) for career and technical education (CTE) equipment upgrades.

Retirement changes included in the FY 2017-18 budget include:

- \$200.0 million SAF (one-time) deposit to make additional payments toward reducing the amortization period of the 2010 early retirement incentive costs.
- \$100.0 million SAF to pay for the additional unfunded liability costs from lowering the assumed rate of return (AROR) for MPERS from 8.0% to 7.5% to community colleges, universities, and school districts. (2-year phase-in)
- \$53.0 million SAF to pay the additional MPERS normal cost to community colleges, universities, and school districts resulting from the change in AROR. (2-year phase-in)
- \$43.4 million GF/GP (\$83.7 million Gross) to pay the additional unfunded liability cost from lowering the AROR for state employees, state police, and judges' retirement systems from 8.0% to 7.5%.
- \$23.1 million SAF to reimburse school districts, ISDs, and community colleges for costs of a hybrid plan normal cost.

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

CONSENSUS REVENUE ESTIMATES

Jim Stansell, Senior Economist

This section describes the May 2017 Consensus Revenue Estimating Conference revenue estimates, adjusted for changes enacted, for GF/GP and SAF revenue for FY 2016-17 and FY 2017-18.

For Michigan:

- Wage and salary employment is expected to increase 1.4% in CY 2017 and 0.9% in CY 2018.
- The unemployment rate is expected to be 5.1% in both CY 2017 and CY 2018.
- Personal income is expected to increase 3.5% in CY 2017 and 4.6% in CY 2018.

General Fund/General Purpose Revenue by Source

Personal Income Tax

- Michigan individual income tax revenue is forecast to increase 3.5% in FY 2016-17 and 3.6% in FY 2017-18.
- GF/GP individual income tax revenue is expected to increase 3.5% in FY 2016-17 and 3.6% to \$7,191.7 million in FY 2017-18.

Sales and Use Taxes

- GF/GP sales and use tax revenue is estimated to decrease from \$2,075.1 million in FY 2015-16 to \$1,866.5 million in FY 2016-17. In FY 2016-17, sales and use tax revenue is estimated to further decline to \$1,833.6 million.

Net Business Taxes

- Net business taxes are comprised of the Single Business Tax (SBT), the Michigan Business Tax (MBT), the corporate income tax (CIT), and insurance taxes, all of which accrue to the General Fund.
- Net business taxes were \$373.9 million in FY 2015-16 and are estimated to be \$516.5 million in FY 2016-17. In FY 2017-18, net business taxes are expected to increase to \$603.5 million.

GF/GP Tax Revenue

- Final GF/GP tax revenue totaled \$9,551.5 million in FY 2015-16.
- GF/GP tax revenue is expected to increase to \$9,723.2 million in FY 2016-17 and \$10,035.5 million in FY 2017-18, an increase of 3.2%.

Net GF/GP Revenue

- Total net GF/GP revenue includes tax revenue and non-tax revenue.
- Non-tax revenue includes revenue from the liquor purchase revolving fund, federal aid, licenses and permits, and investment income and borrowing costs.
- Total GF/GP revenue was \$10,018.8 million in FY 2015-16.
- Net GF/GP revenue is expected to increase to \$10,111.3 million in FY 2016-17 and \$10,408.6 million in FY 2017-18, an increase of 2.9%.

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

	Final			FY 2017-18 Over FY 2016-17	
	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>Change</u>	
Individual Income Tax	\$6,706.2	\$6,939.5	\$7,191.7	\$252.2	3.6%
Sales and Use Taxes	2,075.1	1,866.5	1,833.6	(32.9)	(1.8%)
Net Business Taxes	373.9	516.5	603.5	87.0	16.8%
Other Taxes	396.3	400.7	406.7	6.0	1.5%
GF/GP Tax Revenue	\$9,551.5	\$9,723.2	\$10,035.5	\$312.3	3.2%
Non-Tax Revenue	467.3	388.1	373.1	(15.0)	(3.9%)
Net GF/GP Revenue	\$10,018.8	\$10,111.3	\$10,408.6	\$297.3	2.9%

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

<u>Revenue</u>	Final			FY 2017-18 Over FY 2016-17	
	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>Change</u>	
Sales and Use Taxes	\$5,798.7	\$6,121.1	\$6,328.8	\$207.7	3.4%
Individual Income Tax Earmark	2,662.1	2,756.1	2,850.0	93.9	3.4%
Lottery and Casinos	1,001.8	1,001.0	1,002.7	1.7	0.2%
Cigarette Tax	358.4	357.2	352.6	(4.6)	(1.3%)
State Education Tax	1,897.0	1,945.9	2,002.6	56.7	2.9%
Real Estate Transfer Tax	289.3	312.7	315.7	3.0	1.0%
Liquor Excise and Specific Taxes	111.4	115.9	118.1	2.2	1.9%
Net SAF Revenue	\$12,118.7	\$12,609.9	\$12,970.5	\$360.6	2.9%

School Aid Fund Revenue by Source

Sales and Use Taxes

- Combined sales and use tax revenue dedicated to the SAF totaled \$5,798.7 million in FY 2015-16; it is forecast to increase to \$6,121.1 million in FY 2016-17 and \$6,328.8 million in FY 2017-18.

Income Tax

- Approximately 23.8% of gross income tax collections are dedicated to the SAF.
- SAF dedicated income tax revenue is forecast to be \$2,756.1 million in FY 2016-17, and then increase 3.4% to \$2,850.0 million in FY 2017-18.

Lottery/Casinos

- Lottery and casino revenue contributed \$1,001.8 million to the SAF in FY 2015-16.
- Lottery and casino revenue to the SAF is projected to decrease slightly to \$1,001.0 million in FY 2016-17 before increasing 0.2% to 1,002.7 million in FY 2017-18.

Cigarette Tax

- Approximately 41.3% of cigarette tax revenue is dedicated to the SAF.
- The SAF received \$358.4 million from tobacco taxes in FY 2015-16.
- The demand for tobacco products is expected to decline over the duration of the forecast, leading to total SAF tobacco tax revenue of \$357.2 million in FY 2015-16 and \$352.6 million in FY 2017-18.

OVERVIEW

State Education Tax/Real Estate Transfer Tax

- All of the 6-mill state education tax (SET) and the real estate transfer tax (RET) is dedicated to the SAF.
- Revenue from the SET was \$1,897.0 million in FY 2015-16.
- SET revenue is expected to increase to \$1,945.9 million in FY 2016-17, and increase 2.9% to \$2,002.6 million in FY 2017-18.
- RET contributed \$289.3 million to the SAF in FY 2015-16, and is forecast to contribute \$312.7 million in FY 2016-17 and \$315.7 million in FY 2017-18.

Net SAF Revenue

- Net SAF revenue represents revenue available for expenditure each year; it includes tax changes but does not include any GF/GP transfers, federal funds, or year-end balances.
- Net SAF revenue was \$12,118.7 million in FY 2015-16; it is expected to increase 4.1% to \$12,609.9 million in FY 2016-17 and increase 2.9% to \$12,970.5 million in FY 2017-18.

Budget Stabilization Fund Year-End Balances

The following table notes BSF deposits, withdrawals, and interest earnings from FY 1999-2000 to FY 2015-16, and HFA estimates of deposits, expected interest earnings, and year-end balances for FY 2016-17 and FY 2017-18. Deposits include appropriations as well as the provisions enacted in 2014 PA 186, which amended the Michigan Trust Fund Act to require annual \$17.5 million deposits of tobacco settlement revenue to the BSF from FY 2015-16 through FY 2034-35.

The final BSF balance was \$612.4 million for FY 2015-16, which included a deposit of \$112.5 million. For FY 2016-17, \$75.0 million in GF/GP revenue has been appropriated to the BSF in addition to with the required \$17.5 million of tobacco settlement revenue.

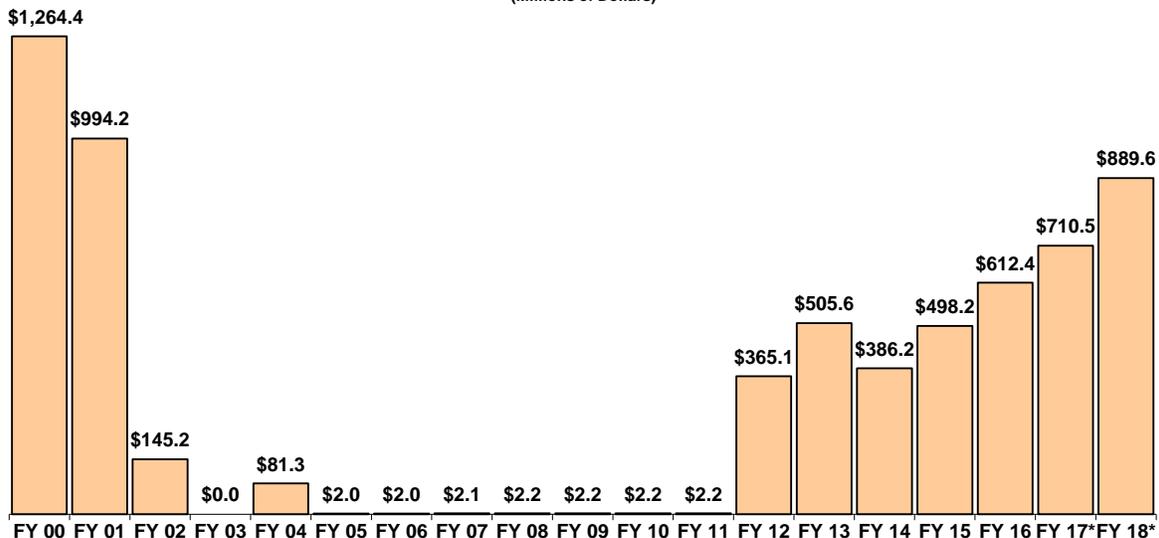
Along with the required \$17.5 million of tobacco settlement revenue, an appropriation of \$150.0 million in GF/GP revenue has been included for FY 2017-18. The final fund balance is forecast to be \$710.5 million for FY 2016-17 and \$889.6 million for FY 2017-18.

**BUDGET STABILIZATION FUND HISTORY
(Millions of Dollars)**

Fiscal Year	Deposits	Withdrawals	Interest Earned	Balance
1999-2000	\$100.0	\$132.0	\$73.9	\$1,264.4
2000-01	0.0	337.0	66.7	994.2
2001-02	0.0	869.8	20.8	145.2
2002-03	0.0	156.1	10.9	0.0
2003-04	81.3	0.0	0.0	81.3
2004-05	0.0	81.3	2.0	2.0
2005-06	0.0	0.0	0.0	2.0
2006-07	0.0	0.0	0.1	2.1
2007-08	0.0	0.0	0.1	2.2
2008-09	0.0	0.0	0.0	2.2
2009-10	0.0	0.0	0.0	2.2
2010-11	0.0	0.0	0.0	2.2
2011-12	362.7	0.0	0.2	365.1
2012-13	140.0	0.0	0.5	505.6
2013-14	75.0	194.8	0.4	386.2
2014-15	111.6	0.0	0.3	498.2
2015-16	112.5	0.0	1.7	612.4
2016-17*	92.5	0.0	5.7	710.5
2017-18*	167.5	0.0	11.5	889.6

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

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



OVERVIEW

Compliance with the State Revenue Limit

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

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

<u>Revenue Limit Calculations</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>
Personal Income	CY 2014	CY 2015	CY 2016
Amount	\$403,726	\$424,807	\$440,292
X Limit Ratio	9.49%	9.49%	9.49%
State Revenue Limit	\$38,313.6	\$40,314.2	\$41,783.7
Total Revenue Subject to Revenue Limit	\$30,188.4	\$31,177.3	\$32,265.6
Amount (Under) Over State Revenue Limit	(\$8,125.2)	(\$9,136.9)	(\$9,518.1)

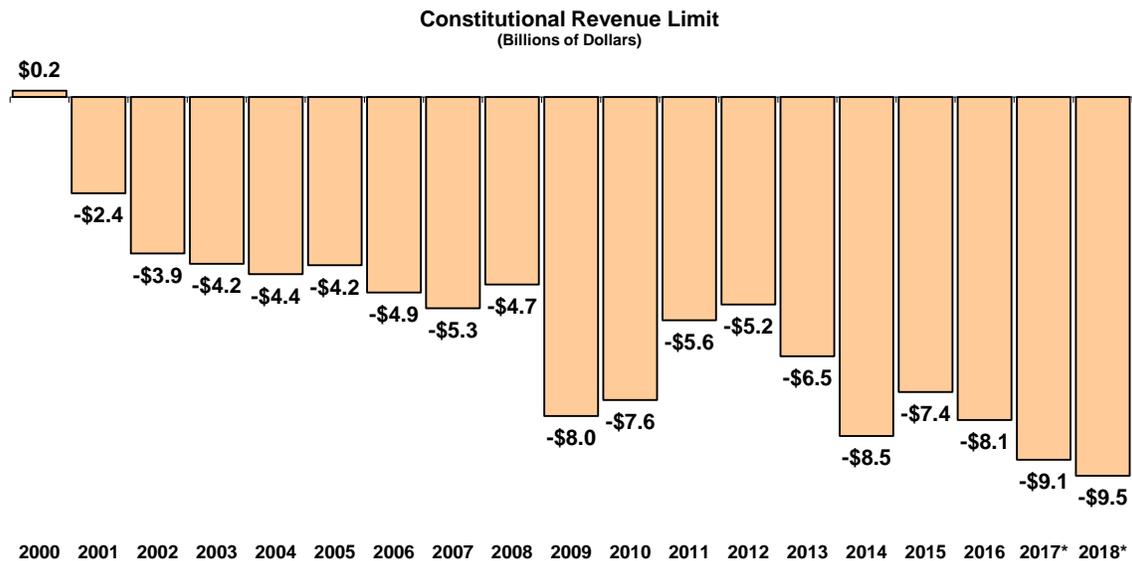
Implications of Exceeding the State Revenue Limit

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

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

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

The FY 2015-16 revenue limit calculation indicates that the state revenue collections will be under the revenue limit by more than \$8.1 billion. For both FY 2016-17 and FY 2017-18, state revenue is estimated to be substantially below the revenue limit by roughly \$9.1 billion and \$9.5 billion, respectively.



*FY 2017 and FY 2018 are consensus estimates

FY 2017-18 BALANCE SHEETS

The balance sheets below summarize estimated General Fund/General Purpose, School Aid Fund, and Merit Award Trust Fund revenues, expenditures, and balance amounts for FY 2017-18 based on the enacted state budget.

FY 2017-18 GENERAL FUND/GENERAL PURPOSE BALANCE SHEET (Millions of Dollars)

Estimated Beginning Fund Balance	\$267.4
Revenues	
May 2017 consensus revenue estimate	\$10,408.6
Lawsuit settlement fund proceeds	(5.8)
Revenue sharing to local units of government	(471.7)
Other revenue adjustments	6.5
Total Estimated Revenues	\$9,937.6
Expenditures	
Enacted appropriations: ongoing	\$9,736.8
Enacted appropriations: one-time	304.9
Deposit to Budget Stabilization Fund	150.0
Total Estimated Expenditures	\$10,191.7
Estimated Change in Balance (Revenues less Expenditures)	(\$254.1)
Estimated Ending Fund Balance	\$13.3

OVERVIEW

**FY 2017-18 SCHOOL AID FUND BALANCE SHEET
(Millions of Dollars)**

Estimated Beginning Fund Balance	\$271.7
Revenues	
May 2017 consensus revenue estimate	\$12,970.5
General Fund/General Purpose (GF/GP) grant	213.7
Community District Education Trust Fund	72.0
MPSERS retirement obligation reform reserve fund	23.1
Federal aid	1,726.9
Total Estimated Revenues	\$15,006.2
Expenditures	
Enacted appropriations: School Aid	\$14,578.9
SAF deposit into MPSERS reserve	55.0
Enacted appropriations: Community Colleges	398.3
Enacted appropriations: Higher Education	238.3
Total Estimated Expenditures	\$15,270.5
Estimated Change in Balance (Revenues less Expenditures)	(\$264.3)
Estimated Ending Fund Balance	\$7.4

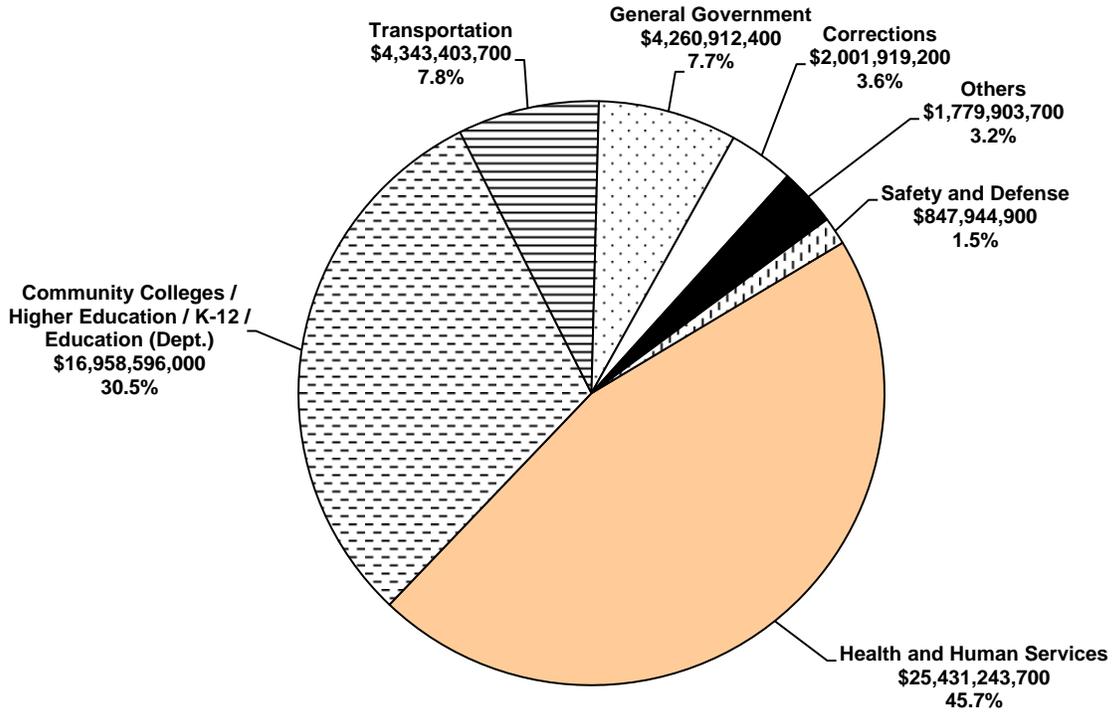
FY 2017-18 MERIT AWARD TRUST FUND BALANCE SHEET
(Millions of Dollars)

Estimated Beginning Fund Balance	\$3.9
Revenues	
Annual tobacco settlement payment due to Michigan	\$288.0
Debt service payments for prior securitization	(69.4)
Deposit to 21 st Century Jobs Fund	(75.0)
Repayment to Budget Stabilization Fund for Detroit settlement payment	(17.5)
Transfer to Community District Education Trust Fund	(72.0)
Total Estimated Net Revenues	\$54.1
Expenditures	
Attorney General: Administration	\$0.5
Community Health: Medicaid base funding	46.2
Community Health: Aging – Respite care	4.1
State Police: Tobacco settlement enforcement	0.8
Treasury: Tuition Incentive Program administration	1.2
Total Estimated Expenditures	\$52.8
Estimated Ending Fund Balance	\$5.1

OVERVIEW

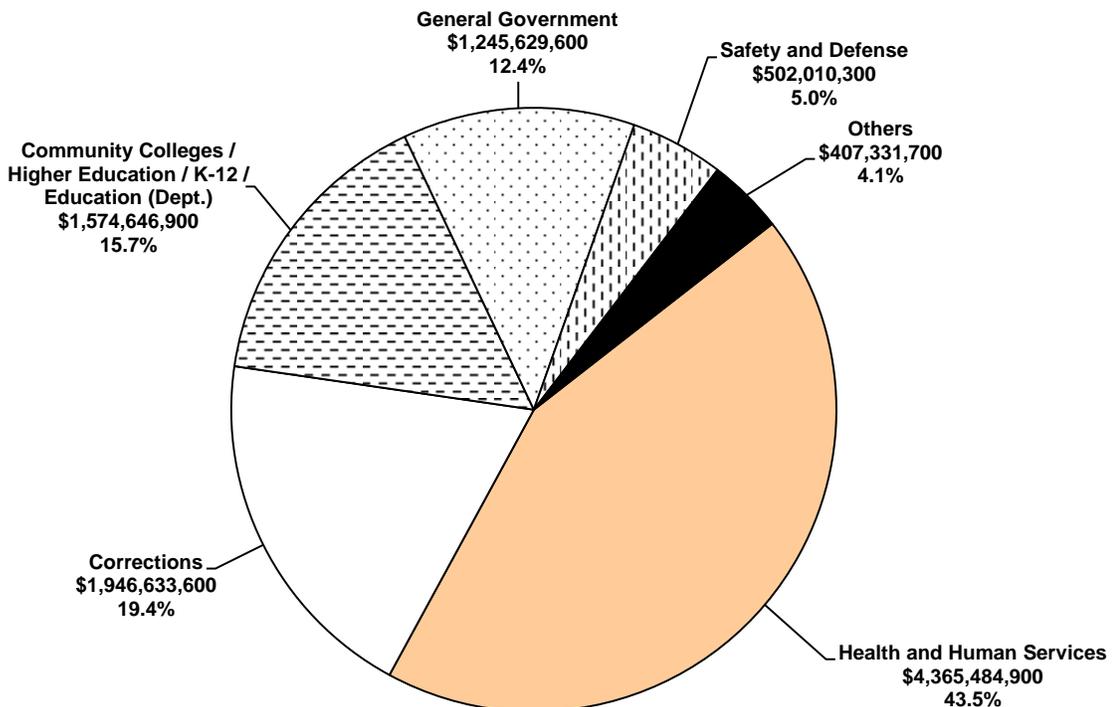
FY 2017-18 Enacted Adjusted Gross Appropriations

Total: \$55,623,923,600

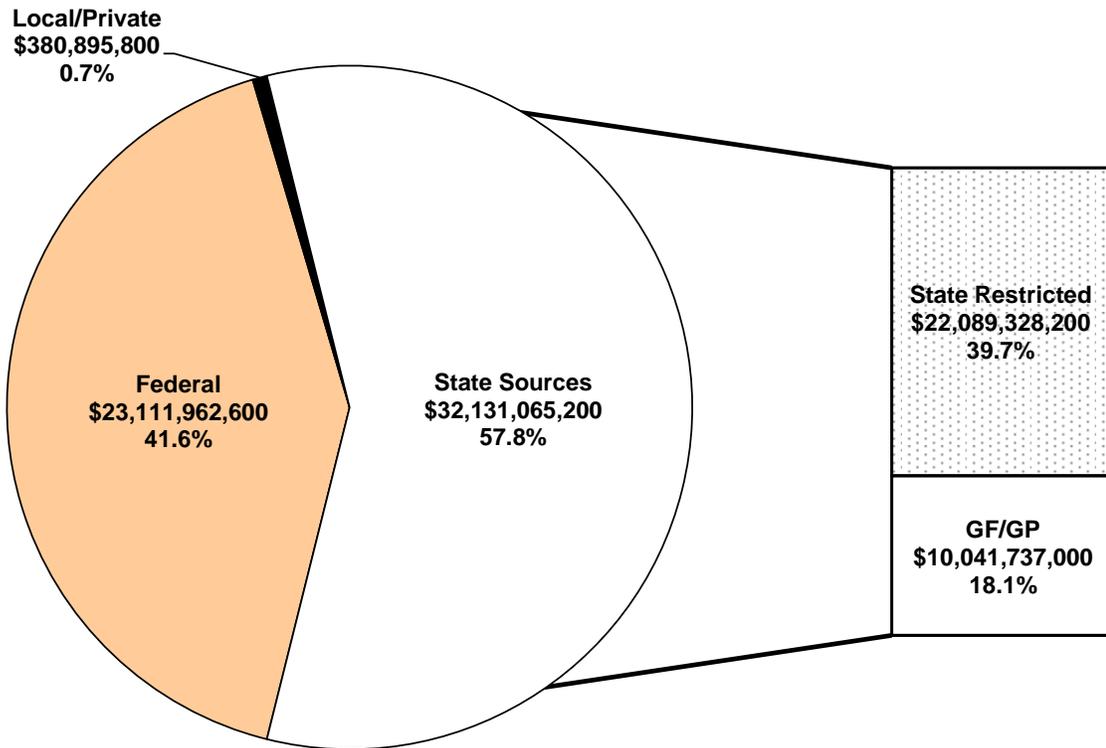


FY 2017-18 Enacted General Fund/General Purpose (GF/GP) Appropriations

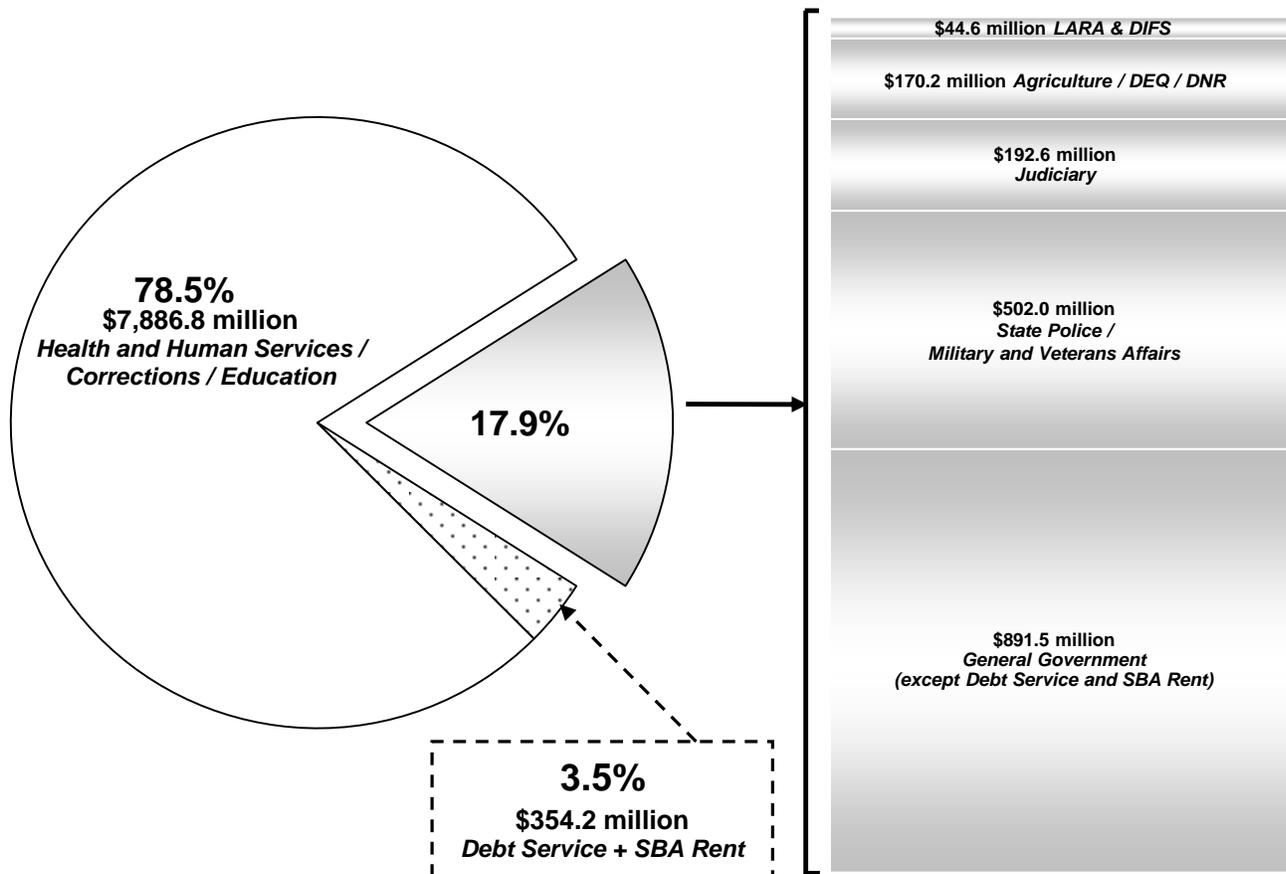
Total: \$10,041,737,000



FY 2017-18 Adjusted Gross Sources = \$55,623,923,600



FY 2017-18 GF/GP Distribution = \$10,041,737,000



SUMMARY TABLES

In the following tables, FY 2016-17 appropriations are year-to-date through July 14, 2017 and FY 2017-18 appropriations are enacted figures.

Table 1 (page 15) details the FY 2017-18 budget by Source of Funds. When interdepartmental grants and intradepartmental transfers are deducted (to avoid double counting), gross appropriations of \$56.5 billion reduce to \$55.6 billion in adjusted gross appropriations.

Table 2 (page 16) and **Table 3** (page 17) compare FY 2016-17 YTD appropriations to FY 2017-18 enacted appropriations.

Adjusted Gross Appropriations increase from \$54.4 billion in FY 2016-17 to \$55.6 billion in FY 2017-18, an increase of \$1,213.2 million or 2.2%.

GF/GP Appropriations decrease from \$10.1 billion in FY 2016-17 to \$10.0 billion in FY 2017-18, a decrease of \$13.6 million or 0.1%.

Table 4 (page 18) compares the number of authorized Full-Time Equated (FTE) Positions (classified and unclassified) for FY 2016-17 YTD to FY 2017-18. An increase of 128.5 FTEs is shown in Table 4—from 52,925.5 in FY 2016-17 to 53,054.0 in FY 2017-18. Each FTE is equivalent to 2,088 hours of employee compensated time (including overtime, annual leave, and used sick leave) during the year.

Table 5 (page 19) shows FY 2017-18 State Spending From State Sources Paid to Local Governments and compares enacted payments to local units of government to the amount of spending from state sources provided in each budget. Pursuant to Article IX, Section 30 of the *Constitution of the State of Michigan of 1963*, at least 48.97% of state spending from state resources must be paid to all units of local government. The enacted FY 2017-18 budget provides for \$18.0 billion in state spending to local units of government, 55.9% of the estimated \$32.1 billion in state spending from state resources—well above the constitutional requirement.

TABLE 1
FY 2017-18 ENACTED APPROPRIATIONS BY SOURCE OF FUNDS

<u>Department/Budget Area</u>	<u>Gross</u>	<u>IDG/IDT</u>	<u>Adjusted Gross</u>	<u>Federal</u>	<u>Local</u>	<u>Private</u>	<u>State Restricted</u>	<u>GF/GP</u>
Agriculture and Rural Development	\$114,448,600	\$310,300	\$114,138,300	\$11,373,900	\$0	\$101,600	\$36,661,000	\$66,001,800
Attorney General	101,198,800	29,915,300	71,283,500	9,518,000	0	0	21,516,900	40,248,600
Capital Outlay	0	0	0	0	0	0	0	0
Civil Rights	16,249,600	296,600	15,953,000	2,775,800	0	18,700	151,900	13,006,600
Community Colleges	399,326,500	0	399,326,500	0	0	0	398,301,500	1,025,000
Corrections	2,001,919,200	0	2,001,919,200	5,293,800	8,842,400	0	41,149,400	1,946,633,600
Education	351,181,200	0	351,181,200	254,084,700	5,817,200	2,034,300	8,567,600	80,677,400
Environmental Quality	508,767,700	3,100,500	505,667,200	170,042,600	0	555,300	287,825,300	47,244,000
Executive Office	6,848,500	0	6,848,500	0	0	0	0	6,848,500
Health and Human Services	25,444,884,600	13,640,900	25,431,243,700	18,364,898,000	116,545,300	149,875,700	2,434,439,800	4,365,484,900
Higher Education	1,629,224,400	0	1,629,224,400	111,526,400	0	0	238,443,500	1,279,254,500
Insurance and Financial Services	66,741,400	707,600	66,033,800	2,014,700	0	0	63,869,100	150,000
Judiciary	300,043,000	1,550,600	298,492,400	6,464,100	5,955,300	969,600	92,529,000	192,574,400
Legislative Auditor General	24,286,200	5,709,200	18,577,000	0	0	0	1,969,400	16,607,600
Legislature	155,274,800	0	155,274,800	0	0	400,000	4,277,700	150,597,100
Licensing and Regulatory Affairs	434,672,000	47,835,100	386,836,900	65,020,900	250,000	111,800	277,037,600	44,416,600
Military and Veterans Affairs	179,504,400	101,800	179,402,600	92,334,100	1,528,400	640,000	22,332,600	62,567,500
Natural Resources	408,967,300	232,200	408,735,100	70,095,700	0	7,446,000	274,248,500	56,944,900
School Aid	14,578,863,900	0	14,578,863,900	1,726,943,500	0	0	12,638,230,400	213,690,000
State	249,358,500	20,000,000	229,358,500	1,460,000	0	50,100	208,709,400	19,139,000
State Police	694,763,900	26,221,600	668,542,300	83,662,500	5,835,200	178,100	139,423,700	439,442,800
Talent and Economic Development	1,179,421,800	0	1,179,421,800	762,144,800	500,000	5,620,900	206,056,700	205,099,400
Tech., Mgmt. and Budget: Operations	1,165,972,600	713,959,000	452,013,600	4,985,300	2,316,700	127,700	111,399,300	333,184,600
Tech., Mgmt. and Budget: SBA Rent	246,570,600	0	246,570,600	0	0	0	0	246,570,600
Transportation	4,347,443,000	4,039,300	4,343,403,700	1,340,301,200	50,532,000	100,000	2,952,470,500	0
Treasury: Operations	512,429,800	12,613,700	499,816,100	27,022,600	14,516,000	27,500	359,881,500	98,368,500
Treasury: Debt Service	107,580,000	0	107,580,000	0	0	0	0	107,580,000
Treasury: Revenue Sharing	1,278,215,000	0	1,278,215,000	0	0	0	1,269,835,900	8,379,100
TOTAL APPROPRIATIONS	\$56,504,157,300	\$880,233,700	\$55,623,923,600	\$23,111,962,600	\$212,638,500	\$168,257,300	\$22,089,328,200	\$10,041,737,000

Note: FY 2017-18 enacted amounts include \$310.1 million Gross (\$254.0 million GF/GP) in appropriations designated as one-time only.

OVERVIEW

TABLE 2
ADJUSTED GROSS APPROPRIATIONS
FY 2017-18 Enacted Compared with FY 2016-17 Year-to-Date

<u>Department/Budget Area</u>	<u>FY 2016-17 YTD*</u>	<u>Enacted FY 2017-18</u>	<u>FY 2017-18 vs. FY 2016-17 Difference</u>	
Agriculture and Rural Development	\$95,583,700	\$114,138,300	\$18,554,600	19.4%
Attorney General	75,653,100	71,283,500	(4,369,600)	(5.8%)
Capital Outlay	2,600	0	(2,600)	(100.0%)
Civil Rights	15,954,900	15,953,000	(1,900)	(0.0%)
Community Colleges	395,925,600	399,326,500	3,400,900	0.9%
Corrections	2,013,479,000	2,001,919,200	(11,559,800)	(0.6%)
Education	346,501,400	351,181,200	4,679,800	1.4%
Environmental Quality	611,110,700	505,667,200	(105,443,500)	(17.3%)
Executive Office	5,636,300	6,848,500	1,212,200	21.5%
Health and Human Services	24,966,040,700	25,431,243,700	465,203,000	1.9%
Higher Education	1,587,640,400	1,629,224,400	41,584,000	2.6%
Insurance and Financial Services	65,549,600	66,033,800	484,200	0.7%
Judiciary	297,184,000	298,492,400	1,308,400	0.4%
Legislative Auditor General	18,093,300	18,577,000	483,700	2.7%
Legislature	148,903,600	155,274,800	6,371,200	4.3%
Licensing and Regulatory Affairs	382,678,300	386,836,900	4,158,600	1.1%
Military and Veterans Affairs	178,218,200	179,402,600	1,184,400	0.7%
Natural Resources	419,992,200	408,735,100	(11,257,100)	(2.7%)
School Aid	14,053,904,600	14,578,863,900	524,959,300	3.7%
State	230,315,600	229,358,500	(957,100)	(0.4%)
State Police	642,028,000	668,542,300	26,514,300	4.1%
Talent and Economic Development (MSF)	1,156,450,300	1,179,421,800	22,971,500	2.0%
Tech., Mgmt. and Budget: Operations	450,132,000	452,013,600	1,881,600	0.4%
Tech., Mgmt. and Budget: SBA Rent	246,570,600	246,570,600	0	0.0%
Transportation	4,116,050,200	4,343,403,700	227,353,500	5.5%
Treasury: Operations	525,060,900	499,816,100	(25,244,800)	(4.8%)
Treasury: Debt Service	137,037,000	107,580,000	(29,457,000)	(21.5%)
Treasury: Revenue Sharing	1,228,982,700	1,278,215,000	49,232,300	4.0%
TOTAL APPROPRIATIONS	\$54,410,679,500	\$55,623,923,600	\$1,213,244,100	2.2%

* As of 7/14/2017

Note: FY 2016-17 figures include supplemental appropriations contained in FY 2017-18 budget acts.

TABLE 3
GENERAL FUND/GENERAL PURPOSE APPROPRIATIONS
FY 2017-18 Enacted Compared with FY 2016-17 Year-to-Date

<u>Department/Budget Area</u>	<u>FY 2016-17 YTD*</u>	<u>Enacted FY 2017-18</u>	<u>FY 2017-18 vs. FY 2016-17 Difference</u>	
Agriculture and Rural Development	\$49,926,900	\$66,001,800	\$16,074,900	32.2%
Attorney General	42,840,500	40,248,600	(2,591,900)	(6.1%)
Capital Outlay	2,600	0	(2,600)	(100.0%)
Civil Rights	13,021,300	13,006,600	(14,700)	(0.1%)
Community Colleges	135,510,800	1,025,000	(134,485,800)	(99.2%)
Corrections	1,962,707,900	1,946,633,600	(16,074,300)	(0.8%)
Education	78,281,200	80,677,400	2,396,200	3.1%
Environmental Quality	49,273,400	47,244,000	(2,029,400)	(4.1%)
Executive Office	5,636,300	6,848,500	1,212,200	21.5%
Health and Human Services	4,342,888,900	4,365,484,900	22,596,000	0.5%
Higher Education	1,243,904,500	1,279,254,500	35,350,000	2.8%
Insurance and Financial Services	150,000	150,000	0	0.0%
Judiciary	189,657,400	192,574,400	2,917,000	1.5%
Legislative Auditor General	16,123,900	16,607,600	483,700	3.0%
Legislature	144,227,800	150,597,100	6,369,300	4.4%
Licensing and Regulatory Affairs	48,721,100	44,416,600	(4,304,500)	(8.8%)
Military and Veterans Affairs	59,043,600	62,567,500	3,523,900	6.0%
Natural Resources	47,260,000	56,944,900	9,684,900	20.5%
School Aid	179,040,000	213,690,000	34,650,000	19.4%
State	22,109,600	19,139,000	(2,970,600)	(13.4%)
State Police	409,312,800	439,442,800	30,130,000	7.4%
Talent and Economic Development (MSF)	189,844,900	205,099,400	15,254,500	8.0%
Tech., Mgmt. and Budget: Operations	326,013,000	333,184,600	7,171,600	2.2%
Tech., Mgmt. and Budget: SBA Rent	246,570,600	246,570,600	0	0.0%
Transportation	9,750,000	0	(9,750,000)	(100.0%)
Treasury: Operations	106,458,800	98,368,500	(8,090,300)	(7.6%)
Treasury: Debt Service	137,037,000	107,580,000	(29,457,000)	(21.5%)
Treasury: Revenue Sharing	0	8,379,100	8,379,100	--
TOTAL APPROPRIATIONS	\$10,055,314,800	\$10,041,737,000	(\$13,577,800)	(0.1%)

* As of 7/14/2017

Note: FY 2016-17 figures include supplemental appropriations contained in FY 2017-18 budget acts.

OVERVIEW

TABLE 4
AUTHORIZED FULL-TIME EQUATED (FTE) POSITIONS*
FY 2017-18 Enacted Compared with FY 2016-17 Year-to-Date

<u>Department/Budget Area</u>	<u>FY 2016-17 YTD</u>	<u>Enacted FY 2017-18</u>	<u>FY 2017-18 vs. FY 2016-17 Difference</u>	
Agriculture and Rural Development	482.0	499.5	17.5	3.6%
Attorney General	537.0	536.0	(1.0)	(0.2%)
Capital Outlay	0.0	0.0	0.0	--
Civil Rights	135.0	116.0	(19.0)	(14.1%)
Community Colleges	0.0	0.0	0.0	--
Corrections	13,819.9	13,819.9	0.0	0.0%
Education	603.5	609.5	6.0	1.0%
Environmental Quality	1,243.0	1,245.0	2.0	0.2%
Executive Office	84.2	89.2	5.0	5.9%
Health and Human Services	15,603.5	15,617.5	14.0	0.1%
Higher Education	0.0	0.0	0.0	--
Insurance and Financial Services	342.5	342.5	0.0	0.0%
Judiciary	510.0	501.0	(9.0)	(1.8%)
Legislative Auditor General	0.0	0.0	0.0	--
Legislature	0.0	0.0	0.0	--
Licensing and Regulatory Affairs	2,251.8	2,379.8	128.0	5.7%
Military and Veterans Affairs	907.5	913.5	6.0	0.7%
Natural Resources	2,243.8	2,267.8	24.0	1.1%
School Aid	0.0	0.0	0.0	--
State	1,593.0	1,592.0	(1.0)	(0.1%)
State Police	3,229.0	3,440.0	211.0	6.5%
Talent and Economic Development (MSF)	1,615.0	1,453.0	(162.0)	(10.0%)
Tech., Mgmt. and Budget: Operations	2,883.0	2,943.0	60.0	2.1%
Tech., Mgmt. and Budget: SBA Rent	0.0	0.0	0.0	--
Transportation	2,918.3	2,826.3	(92.0)	(3.2%)
Treasury: Operations	1,923.5	1,862.5	(61.0)	(3.2%)
Treasury: Debt Service	0.0	0.0	0.0	--
Treasury: Revenue Sharing	0.0	0.0	0.0	--
TOTAL FTE POSITIONS	52,925.5	53,054.0	128.5	0.2%

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

Note: FY 2016-17 figures include supplemental appropriations contained in FY 2017-18 budget acts.

**TABLE 5
STATE SPENDING FROM STATE SOURCES PAID TO LOCAL GOVERNMENTS
FY 2017-18 Enacted**

<u>Department/Budget Area</u>	<u>Spending From State Sources</u>	<u>State Spending to Local Government Units</u>	<u>% of State Spending From State Sources as Payment to Locals</u>
Agriculture and Rural Development	\$102,662,800	\$7,350,000	7.2%
Attorney General	61,765,500	0	0.0%
Civil Rights	13,158,500	0	0.0%
Community Colleges	399,326,500	399,326,500	100.0%
Corrections	1,987,783,000	113,888,800	5.7%
Education	89,245,000	14,367,700	16.1%
Environmental Quality	335,069,300	4,531,000	1.4%
Executive Office	6,848,500	0	0.0%
Health and Human Services	6,799,924,700	1,356,864,000	20.0%
Higher Education	1,517,698,000	0	0.0%
Insurance and Financial Services	64,019,100	0	0.0%
Judiciary	285,103,400	147,230,400	51.6%
Legislative Auditor General	18,577,000	0	0.0%
Legislature	154,874,800	0	0.0%
Licensing and Regulatory Affairs	321,454,200	30,625,700	9.5%
Military and Veterans Affairs	84,900,100	142,400	0.2%
Natural Resources	331,193,400	7,254,300	2.2%
School Aid	12,851,920,400	12,677,072,800	98.6%
State	227,848,400	1,215,900	0.5%
State Police	578,866,500	14,113,200	2.4%
Talent and Economic Development (MSF)	411,156,100	11,300,000	2.7%
Tech., Mgmt. and Budget: Operations	444,583,900	0	0.0%
Tech., Mgmt. and Budget: SBA Rent	246,570,600	0	0.0%
Transportation	2,952,470,500	1,717,843,100	58.2%
Treasury: Operations	458,250,000	186,083,500	40.6%
Treasury: Debt Service	107,580,000	0	0.0%
Treasury: Revenue Sharing	1,278,215,000	1,278,215,000	100.0%
TOTALS	\$32,131,065,200	\$17,967,424,300	55.9%

FY 2017-18

Budget Detail

CAPITAL OUTLAY

**CAPITAL OUTLAY
Summary of FY 2016-17 Supplemental Appropriations
Article I, 2017 Public Act 107 (House Bill 4323)**

Analyst: Ben Gielczyk

Budget Area	Gross	GF/GP
Capital Outlay – Planning Authorizations	\$1,100	\$1,100
Capital Outlay – Construction Authorizations	1,300	1,300
TOTAL	\$2,400	\$2,400

Overview

House Bill 4323, Article II contains \$1,100 GF/GP for 11 planning authorizations and \$1,300 GF/GP for 13 construction authorizations. Traditionally, universities finance 25% of a project's costs and the state finances 75%; community colleges finance 50% of a project's costs and the state finances 50%. State agency projects are covered 100% from state resources. In recent years, the state share has been capped at \$30.0 million for university and community college capital outlay projects.

The total cost of the 11 planning authorizations (3 universities, 7 community colleges, and 1 state agency) contained within House Bill 4323, Article II is \$187.6 million, with a state share of \$88.5 million and an institution share of \$99.2 million (See Table A). The current available capacity below the statutory bond cap is approximately \$630.5 million as of March 2017. Annual rental rates are typically between 6.5% and 8.5% of the total state share per year. With the total state share being \$88.5 million, the annual debt service payments for these projects is estimated to be between \$5.8 million and \$7.5 million GF/GP over 15 to 17 years. To proceed with state financing, the projects would need to receive construction authorization in a subsequent appropriation act. Institutions have 2 years following the fiscal year in which the project received planning authorization to receive construction authorization.

The total cost of the 13 construction authorizations (6 universities, 5 community colleges, and 2 state agencies) contained within House Bill 4323, Article II is \$642.3 million, with a state share of \$376.8 million and an institution share of \$265.4 million (See Table B). Annual debt service payments for these projects are estimated to be between \$24.5 million and \$32.0 million GF/GP over 15 to 17 years.

**FY 2016-17
Supplemental
Change**

FY 2016-17 Supplemental Appropriations

CAPITAL OUTLAY – PLANNING AUTHORIZATIONS

1. Michigan State University – STEM Teaching and Learning Facility

Gross \$100
GF/GP \$100

The STEM Teaching and Learning Facility project at Michigan State University has a total project cost of \$72.5 million; a total state share of \$29.9 million; and a total university share of \$42.6 million. The project would involve the construction of a new 120,000 sq. ft. facility that would primarily provide laboratory-based instruction associated with undergraduate courses in science, technology, engineering, and mathematics. The labs would be modular and flexible in design and include modern building systems and technology. In addition to the wet labs, the new building will contain computer labs, informal study areas, breakout spaces, and potentially a campus-wide computerized testing center. The new facility would centralize dispersed teaching labs and provide the necessary space and technology for changing curriculum and teaching methods associated with STEM.

CAPITAL OUTLAY

**FY 2016-17
Supplemental
Change**

FY 2016-17 Supplemental Appropriations

2. Saginaw Valley State University – College of Business and Management Expansion

**Gross \$100
GF/GP \$100**

The College of Business and Management expansion project at Saginaw Valley State University has a total project cost of \$17.5 million; a total state share of \$9.8 million; and a total university share of \$7.7 million. The project would involve a 40,000 sq. ft. addition to the Business and Professional Development Center to provide various academic, experiential, and active learning lab enhancements; academic centers (Dow Entrepreneurship Institute, Stevens Center for Family Business, and Business Resource Development Center); gathering spaces; and department offices. The addition of a finance laboratory/Bloomberg Trading Room, innovation laboratory, and consumer behavior lab would provide the necessary state-of-the-art labs to support integrative learning and team project environments. The university has requested a 56% state share which is below the eligible state share of 75%.

3. Wayne State University – STEM Innovation Learning Center

**Gross \$100
GF/GP \$100**

The STEM Innovation Learning Center project at Wayne State University has a total project cost of \$29.5 million; a total state share of \$14.8 million; and a total university share of \$14.8 million. The project would involve the renovation and repurposing of approximately 100,000 sq. ft. of the existing Science and Engineering Library into a new STEM Innovation Learning Center. The Science and Engineering Laboratory was closed in January 2014. Planned uses of the space include general purpose classrooms and instructional laboratories, living room spaces for student congregation, maker hacker labs for interdisciplinary exposure not possible in most instructional settings, and dedicated classroom and office space to a specific department to oversee building maintenance and operation. The renovations would allow for advanced technology and new teaching capabilities, in addition to advancing STEM course offerings that are currently offered in old buildings lacking newer technology. The university has requested 50% state share which is below the eligible state share of 75%.

4. Alpena Community College – Center for Health Sciences and Student Success

**Gross \$100
GF/GP \$100**

The Center for Health Sciences and Student Success project at Alpena Community College has a total project cost of \$6.7 million; a total state share of \$3.4 million; and a total community college share of \$3.4 million. The project would include the renovation of the 37,000 sq. ft. Van Lare Hall which was built in 1952 and the addition of a second floor totaling approximately 10,000 sq. ft. The renovation will include replacement of HVAC, installation of ADA-compliant elevator for access to new 2nd floor, redesign of main entrance and outdoor courtyard, renovation of restrooms throughout the building, installation of smart rooms and technology throughout building, furnishing and equipping of new Center for Student Success, removal of non-functioning chimney, and update of signage. Increase in classrooms, labs, technology, and office space will allow for a doubling of the nursing program currently housed in Van Lare Hall. Lastly, the project will include space for an Alumni Center and Foundation.

5. Grand Rapids Community College – Applied Technology Center Renovation and Expansion

**Gross \$100
GF/GP \$100**

The Applied Technology Center Renovation and Expansion at Grand Rapids Community College has a total project cost of \$12.7 million; a total state share of \$6.4 million; and a total community college share of \$6.4 million. The project would involve the renovation of approximately 20,000 sq. ft. of the 25 year-old Applied Technology Center and addition of approximately 20,000 sq. ft. solely devoted to instructional spaces. Recent upgrades have been made to the existing Applied Technology Center that addressed life-safety issues, replaced the atrium skylight, and replaced the elevators. Upgrades would involve enhancing the space devoted to manufacturing and information technology disciplines. The addition of new lab space and upgraded equipment will expand capacity for the tooling and manufacturing technology program, thereby increasing the number of students obtaining credentials. Classrooms and labs would be reconfigured to address needs of new technology and teaching methodologies in manufacturing and IT.

CAPITAL OUTLAY

**FY 2016-17
Supplemental
Change**

FY 2016-17 Supplemental Appropriations

**6. Mott Community College – Southern Lakes Branch Center Rehabilitation/
Renovation**

**Gross \$100
GF/GP \$100**

The Southern Lakes Branch Center Rehabilitation and Renovation project at Mott Community College has a total cost of \$8.1 million; a total state share of \$4.1 million; and a total community college share of \$4.1 million. The project would involve the overall renovation, replacement, and repurposing of 57,725 sq. ft. of the Southern Lakes facility. Specifically, the renovation would include replacement of the fire suppression system and all controls including a new fire suppression water well, replacement of the fire alarms system, replacement of domestic water well and water treatment system, replacement of emergency power generators, replacement of all HVAC systems in the north wing, and boiler and chiller replacements in the east and west wings and site safety lighting replacements. Exterior walls, doors, and windows also need to be replaced. The facility houses general education academic classrooms, occupational therapy and physical therapy programs, fire technology, continuing education programs, and police training through the Law Enforcement Regional Training Academy (LERTA). LERTA-specific upgrades would include upgrades to toilet rooms, addition of shower and locker facilities for both men and women, the addition of a muster room/entrance lobby, repaving the driver training area, and construction of a shooting range and obstacle course. With the renovation, Mott has indicated that they would seek a Fire Training Academy.

**7. North Central Michigan College – AD/CL Classroom Renovation and Expanded
Learning Space**

**Gross \$100
GF/GP \$100**

The AD/CL Classroom Renovation and Expanded Learning Space project at North Central Michigan College has a total cost of \$6.8 million; a total state share of \$3.4 million; and a total college share of \$3.4 million. The project would involve the renovation of approximately 15,000 sq. ft. and the addition of approximately 3,000 sq. ft. The useful life of the AD/CL building would be extended through renovation and upgrades to instructional space, overall technology improvements, and the addition of collaborative space for students and faculty. The addition will be an extension of the classroom and is designed for faculty to tutor small groups of students. With the extended classroom learning space, the current faculty workroom would be repurposed and upgraded to create a new, state-of-the-art classroom. The building would also receive overall technology upgrades throughout and the inclusion of a one-stop shop for all student services and cashier functions. The project would also address significant maintenance and repair through new mechanical and plumbing upgrades.

8. Schoolcraft College – Applied Science Renovation and Expansion

**Gross \$100
GF/GP \$100**

The Applied Science Renovation and Expansion at Schoolcraft College has a total cost of \$20.0 million; a total state share of \$10.0 million; and a total college share of \$10.0 million. The project would involve the renovation of the Applied Science Building (74,109 sq. ft.) originally constructed in 1965 and the addition of 34,200 sq. ft. of new space. The Applied Science Building currently houses STEM disciplines and has outgrown the space. The building would be renovated, repurposed, and expanded to transition to the allied health fields. The STEM curriculum would move to a new building to be determined by the college. The renovated space would include the addition of two biology/anatomy/physiology labs, new lecture space, and social spaces for students to lounge and study.

CAPITAL OUTLAY

**FY 2016-17
Supplemental
Change**

FY 2016-17 Supplemental Appropriations

9. St. Clair County Community College – Health Sciences – AJT Building Renovation **Gross \$100**
The Health Sciences – AJ Theisen Building Renovation project at St. Clair County Community College has a total cost of \$9.8 million; a total state share of \$4.9 million; and a total community college share of \$4.9 million. The project would involve the renovation and remodeling of 41,750 sq. ft. of existing space in the AJ Theisen Building. Originally constructed as an industrial technology learning center in 1969, the building currently has low utilization. The renovation project would convert the building into a state-of-the-art instructional space with simulation labs that replicate clinical environments for training medical professionals in nursing and health science-related programs. These simulation spaces would include examination rooms, ambulance staging and scenario space, and a medical records office. In addition, the renovation would include skills labs adjacent to the simulation labs, a new computer lab, modern lecture halls, and a multi-purpose student hall for group learning or training events. Mechanical systems and energy efficiency upgrades would also be included. **GF/GP \$100**

10. Washtenaw Community College – Advanced Transportation Center Addition and Remodeling **Gross \$100**
The Advanced Transportation Center Addition and Remodeling project at Washtenaw Community College has a total cost of \$4.0 million; a total state share of \$2.0 million; and a total community college share of \$2.0 million. The project would involve the construction of a 12,000 sq. ft. addition to the existing Larry L. Whitworth Occupational Education Building coupled with minor renovations to the existing building. The new addition would be dedicated to STEM, additive manufacturing, genetics, robotics, information technology, advanced manufacturing, advanced transportation, and nano-technology courses in a laboratory setting. Specifically, the project would include 1 testing and development lab; 2 convening, meeting rooms and event space; 1 large flexible multi-discipline clean vehicle laboratory; 3 large active-learning classrooms; and an interactive display and lobby space. **GF/GP \$100**

11. Department of Health and Human Services – Northern Satellite Psychiatric Facility **Gross \$100**
The DHHS – Northern Satellite Psychiatric Facility is a newly proposed facility that would serve as a satellite psychiatric facility in northern Michigan. At this time, no location or schematic design plan exists. The department and DTMB would be authorized to begin the search for a location and to begin creating design plans. **GF/GP \$100**

CAPITAL OUTLAY – CONSTRUCTION AUTHORIZATIONS

1. Central Michigan University – Center for Integrated Health Studies **Gross \$100**
Total project cost is \$26.0 million. University share is \$6.5 million; state share is \$19.5 million. The project will provide approximately 57,500 sq. ft. of new facilities as an addition to the existing Health Professions building. The focus of the addition will be on increasing health care industry graduates and enhance their educational opportunities. The new space will allow for enhanced simulation teaching, flexible and adaptable space to allow for future changes in the industry, increase technology offerings, provide interdisciplinary opportunities through the efficient use of the new space. In addition, the new facility will maximize common and collaborative space, utilize sustainable design principles, include simple systems that are easy to maintain, and achieve a cohesive aesthetic so that it blends with the existing building. **GF/GP \$100**

2. Eastern Michigan University – Strong Hall Renovation **Gross \$100**
Total project cost is \$39.5 million. University share is \$9.9 million; state share is \$29.7 million. The project would replace outdated building systems (building envelope, mechanical, plumbing, electrical, interior systems, fire suppression, ADA accessibility, equipment, and other issues) in Strong Hall which was constructed in 1957. The 80,713 sq. ft. renovation would also provide additional instruction and research laboratories, modernized classrooms and lecture halls, and informal learning areas for physics, astronomy, geography, geology, global mapping/GIS, and geo-tourism disciplines. The project would also include the addition of approximately 10,000 sq. ft. of space to augment the existing structure. **GF/GP \$100**

CAPITAL OUTLAY

**FY 2016-17
Supplemental
Change**

FY 2016-17 Supplemental Appropriations

3. Grand Valley State University – Health and Medical Sciences Laboratory and Classroom Building

**Gross \$100
GF/GP \$100**

Total project cost is \$70.0 million. University share is \$41.0 million; state share is \$29.0 million. The project would consist of the construction of a 160,960 sq. ft. laboratory, classroom, and faculty office building on the GVSU Pew Grand Rapids campus. The facility would allow the university to grow current health care-related disciplines and bring online new academic programs in clinical dietetics, genetic counseling, aquatic therapy, and gross anatomy. The project would include active learning labs and classrooms, faculty and staff offices, equipment storage and support space, conference and meeting rooms, small project rooms, research areas, and student study and support spaces. The new facility will have multi-floor connections to the existing CHS building to provide convenient access.

4. University of Michigan – Ann Arbor – School of Dentistry Renovation and Addition

**Gross \$100
GF/GP \$100**

Total project cost is \$140.0 million. University share is \$110.0 million; state share is \$30.0 million. The project would include the renovation of 159,559 sq. ft. and the addition of 43,265 sq. ft. to accommodate the school's programmatic needs. The project would upgrade outdated lab space, provide adaptable and flexible space for clinical education, and expand and improve accessibility to patient care services. The project would also include a new special needs/interprofessional care clinic with specialized facilities to treat patients with disabilities and complex medical conditions. In addition to the teaching/educational side, the project would provide upgrades to the HVAC, electrical, existing structure, insulation, and energy efficiency.

5. University of Michigan – Dearborn – Engineering Laboratory Building Replacement

**Gross \$100
GF/GP \$100**

Total project cost is \$90.0 million. University share is \$60.0 million; state share is \$30.0 million. The project would replace the existing 92,125 sq. ft. structure constructed in 1959. The structure would house electrical and computer engineering, industrial and manufacturing systems engineering, and mechanical engineering. A new facility would provide active learning studios, teaching laboratories, universal lecture capture, flipped classrooms, and spaces for student collaboration, among other state-of-the-art upgrades. The new facility would more than double the number of classroom seats, increase the number of teaching lab seats by 38%, and more than double the number of office workstations.

6. University of Michigan – Flint – Murchie Science Building Expansion

**Gross \$100
GF/GP \$100**

Total project cost is \$39.0 million. University share is \$9.8 million; state share is \$29.3 million. The project includes the design and construction of a 61,345 sq. ft. expansion to the Murchie Science Building. The design will ensure the creation of a flexible learning platform that supports high-impact pedagogical practices and interdisciplinary collaboration for all of our STEM disciplines, as well as ensure optimal learning spaces for the engineering program. The project will feature flexible spaces designed to support interactive learning. The expansion will allow for new technology upgrades, interactive facilities, and interdisciplinary collaboration. This will be accomplished through the creation of new teaching labs, research labs, lab support space, classrooms, student spaces, and faculty spaces.

7. Delta College – Saginaw Center

**Gross \$100
GF/GP \$100**

Total project cost is \$12.7 million. College share is \$6.4 million; state share is \$6.4 million. The project would include the construction of a new 37,520 sq. ft. facility to provide educational programming to the City of Saginaw and southeastern Saginaw County. The college currently leases a 21,500 sq. ft., 1950s era elementary school in Buena Vista. Programmatically, the facility would support general education classes, skilled trades, health care, and classes offering entry point career options through certification. The building would provide improved technology, special use training rooms, 8-10 classrooms, science labs, and computer labs. The building would also include multipurpose rooms/labs, student services, and administrative support space.

CAPITAL OUTLAY

**FY 2016-17
Supplemental
Change**

FY 2016-17 Supplemental Appropriations

8. Kirtland Community College – Michigan Forest Products Institute Building

The Michigan Forest Products Institute Building project at Kirtland Community College has a total cost of \$6.1 million; a total state share of \$3.1 million; and a total community college share of \$3.1 million. The project would involve the construction of a new 37,800 sq. ft. facility in Grayling located on 188 acres of land. The new building would include new labs, classrooms, office space, and a new shop with equipment to train heavy equipment/diesel mechanic technicians. The project will focus on training individuals for careers in the forest and wood products industries of Michigan. Additionally, the project would provide the space needed to train a workforce and build an industry that will support the furniture construction industry. Kirtland also indicates that the project would provide training for the 250 or more employees needed by ARAUCO/North America located adjacent to Kirtland's Grayling campus. This project is advanced directly to construction authorization.

Gross \$100
GF/GP \$100

9. Muskegon Community College – Health and Wellness Center

Total project cost is \$14.1 million. Community college share is \$8.5 million; state share is \$5.6 million. The project has changed since receiving planning authorization from a renovation/addition to the construction of a new 52,498 sq. ft. stand-alone facility. There was no cost change to the project as a result of this design change. The new facility will function as the primary location for the college's health, physical education, and recreation department, which focuses on health and wellness of all students and is a component of the core curriculum. Structurally, the facility will contain collaborative learning spaces; large and small classrooms; a state-of-the-art health simulation lab for students in nursing, respiratory therapy, and medical assistance programs; and the Mercy Health Partners Primary Care Center (collaboration between the college, Mercy Health, and GVSU) to provide nursing students with clinical hours. The design of the building would be one contiguous floor.

Gross \$100
GF/GP \$100

10. Northwestern Michigan College – West Hall Innovation Center Renovation and Expansion

Total project cost is \$14.4 million. College share is \$7.2 million; state share is \$7.2 million. The project would include the renovation of 13,000 sq. ft. of an existing 50 year-old building and the addition of 25,000 sq. ft. of new space. The project includes additional learning lab classrooms, large simulation/adaptable learning labs, adaptable learning/simulation labs, a technology enhanced lab, a team-based learning classroom, a tech help desk, and office space. Specifically, the project includes 11 additional learning spaces and 18 informal small group learning spaces in a variety of configuration levels. The renovation includes upgrades to the emergency management notification system, additional barrier free restrooms, HVAC heating and cooling upgrades, and window replacements.

Gross \$100
GF/GP \$100

11. West Shore Community College – Technical Center Renovation and Addition

Total project cost is \$5.4 million. College share is \$3.2 million; state share is \$2.2 million. The project increase by \$1.1 million from original planning authorization estimates and will be entirely covered by the college. Overall, the project includes the renovation of approximately 72,434 sq. ft. of space and the addition of 2,811 sq. ft. The project includes a general updating of the entire Technical Center (restrooms, electrical, mechanical, technology, and general building upgrades). A focus of the project is the addition of more high-bay welding space as it is currently at capacity much of the year. Included in the project is simulation lab space for nursing and a new nursing lab.

Gross \$100
GF/GP \$100

12. Michigan State Capitol Commission – Capitol Renovation and Restoration

The Capitol Renovation and Restoration project has a total project cost of \$70.0 million. The scope of the project includes the renovation, replacement, or upgrade of the following systems: mechanical, electrical, plumbing, sanitary, fire protection, and water. As a way to reduce overall energy consumption, the project also includes the installation of a geothermal field on the west side of the Capitol Square. In addition, the parking lot on the west side of the Capitol Square will be replaced. The estimated duration of the project is between 24 and 30 months.

Gross \$100
GF/GP \$100

CAPITAL OUTLAY

**FY 2016-17
Supplemental
Change**

FY 2016-17 Supplemental Appropriations

13. Department of Health and Human Services – Caro Center Modernization

The Caro Center Replacement project has a total estimated cost of \$115.0 million. As proposed, the new facility would be approximately 250,000 sq. ft. and include space for 200 beds, which is a 50-bed capacity increase over the current facility. The capacity increase would require an additional 130 staff and operational cost increases of \$15 to \$18 million per year to cover operational and staffing needs. The current facility has experienced deterioration and has created an increasingly hazardous environment for patients and staff. Maintaining physical infrastructure is key to retaining accreditation from the Joint Commission and Centers for Medicare and Medicaid and the Caro Center's disproportionate share of hospital federal funding.

Gross	\$100
GF/GP	\$100

FY 2016-17 Supplemental Boilerplate Items

GENERAL SECTIONS

1. Total State Spending

Specifies total state spending and state spending from state resources to be paid to local units of government.

2. Appropriations Subject to PA 431

Subjects appropriations to the Management and Budget Act, 1984 PA 431.

CAPITAL OUTLAY

3. Public Purpose, Lease and Conveyance, and Annual Appropriation

States that the Legislature determines the leasing of SBA-financed facilities are for a public purpose under the State Building Authority Act of 1964, approves and authorizes the lease and conveyance of property to the SBA and from the SBA to state and educational institutions, as applicable, executed by the Governor and Secretary of State on behalf of the state, and specifies intent of the Legislature to annually appropriate sufficient amounts to pay rent obligations pursuant to the lease.

CAPITAL OUTLAY**Table A: FY 2016-17 Planning Authorizations**

	<u>TOTAL</u>	<u>State Share</u>	<u>Inst. Share</u>	<u>Estimated Debt Service</u>
<u>Universities</u>				
Michigan State - STEM Teaching and Learning Facility	\$72,500,000	\$29,870,000	\$42,630,000	\$2,240,300
Saginaw Valley State - College of Business & Management Expansion	17,500,000	9,800,000	7,700,000	735,000
Wayne State - STEM Innovation Learning Center	29,500,000	14,750,000	14,750,000	1,106,300
University Total	\$119,500,000	\$54,420,000	\$65,080,000	\$4,081,600
<u>Community Colleges</u>				
Alpena - Center for Health Sciences and Student Success	\$6,700,000	\$3,350,000	\$3,350,000	\$251,300
Grand Rapids - Applied Technology Center Renovation and Expansion	12,734,500	6,367,200	6,367,300	477,500
Mott - Southern Lakes Branch Center Rehab/Renovation	8,112,200	4,056,100	4,056,100	304,200
North Central - AD/CL Classroom Renovation and Expanded Learning Space	6,800,000	3,400,000	3,400,000	255,000
Schoolcraft - Applied Science Renovation and Expansion	20,000,000	10,000,000	10,000,000	750,000
St. Clair County - Health Sciences - AJT Building Renovation	9,800,000	4,900,000	4,900,000	367,500
Washtenaw - Advanced Transportation Center Addition and Remodeling	4,000,000	2,000,000	2,000,000	150,000
Community College Total	\$68,146,700	\$34,073,300	\$34,073,400	\$2,555,500
<u>State Agencies</u>				
DHHS - Northern Satellite Psychiatric Facility	TBD	TBD	NA	TBD
State Agency Total	TBD	TBD	NA	TBD
TOTAL PLANNING AUTHORIZATIONS	\$187,646,700	\$88,493,300	\$99,153,400	\$6,637,100

Table B: FY 2016-17 Construction Authorizations

	<u>TOTAL</u>	<u>State Share</u>	<u>Inst. Share</u>	<u>Estimated Debt Service</u>
<u>Universities</u>				
Central Michigan - Center for Integrated Health Studies	\$26,000,000	\$19,500,000	\$6,500,000	\$1,462,500
Eastern Michigan - Strong Hall Renovation	39,536,000	29,652,000	9,884,000	2,223,900
Grand Valley State - Health and Medical Sciences Lab/Classroom	70,000,000	29,000,000	41,000,000	2,175,000
UM - Ann Arbor - School of Dentistry Renovation and Addition	139,998,000	30,000,000	109,998,000	2,250,000
UM - Dearborn - Engineering Lab Building Replacement	90,000,000	30,000,000	60,000,000	2,250,000
UM - Flint - Murchie Science Building Expansion	39,000,000	29,250,000	9,750,000	2,193,800
University Total	\$378,534,000	\$147,902,000	\$230,632,000	\$11,092,700
<u>Community Colleges</u>				
Delta - Saginaw Center	\$12,739,000	\$6,369,500	\$6,369,500	\$477,700
Kirtland - Michigan Forest Products Institute Building	6,100,000	3,050,000	3,050,000	228,800
Muskegon Community College - Health and Wellness Center	14,100,000	5,640,000	8,460,000	423,000
Northwestern MI - West Hall Innovation Center Renovation/Addition	14,398,000	7,199,000	7,199,000	539,900
West Shore - Technical Center Renovation and Upgrades	5,378,800	2,151,300	3,227,500	161,300
Community College Total	\$52,715,800	\$24,409,800	\$28,306,000	\$1,830,700
<u>State Agencies</u>				
DHHS - Caro Center Replacement - New Psychiatric Hospital	\$115,000,000	\$115,000,000	NA	\$8,625,000
MSCC - Capitol Restoration/Infrastructure Upgrade	70,009,400	70,009,400	NA	5,250,700
State Agency Total	\$185,009,400	\$185,009,400	NA	\$13,875,700
TOTAL CONSTRUCTION AUTHORIZATIONS	\$616,259,200	\$357,321,200	\$258,938,000	\$26,799,100

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
Summary of FY 2017-18 Enacted Appropriations with Vetoes
Article I, 2017 Public Act 107 (House Bill 4323)**

Analyst: William E. Hamilton

	FY 2016-17 YTD as of 2/8/17	FY 2017-18 Executive	FY 2017-18 House	FY 2017-18 Senate	FY 2017-18 Enacted	Difference: Enacted From FY 2016-17 YTD	
						Amount	%
IDG/IDT	\$323,200	\$310,300	\$310,300	\$310,300	\$310,300	(\$12,900)	(4.0)
Federal	10,471,200	11,273,900	11,273,900	11,273,900	11,373,900	902,700	8.6
Local	0	0	0	0	0	0	--
Private	130,700	101,600	101,600	101,600	101,600	(29,100)	(22.3)
Restricted	35,054,900	36,661,000	36,661,000	36,660,900	36,661,000	1,606,100	4.6
GF/GP	49,926,900	56,582,000	57,682,000	61,397,900	66,001,800	16,074,900	32.2
Gross	\$95,906,900	\$104,928,800	\$106,028,800	\$109,744,600	\$114,448,600	\$18,541,700	19.3
FTEs	482.0	499.5	497.5	499.5	499.5	17.5	3.6

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." (3) FY 2017-18 Enacted figures reflect Governor's vetoes totaling \$250,000 GF/GP.

Overview

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

Major Budget Changes from FY 2016-17 YTD Appropriations

1. Emergency Management

Increases funding by \$359,700 GF/GP with 1.0 additional FTE position for program that coordinates preparation for and response to emergencies that affect the state's food and agriculture industries. Also includes additional \$100,000 in federal funds to recognize Department of Health and Human Services/Food and Drug Administration grant.

	FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
FTE	3.0	1.0
Gross	\$614,600	\$459,700
Federal	331,900	100,000
GF/GP	\$282,700	\$359,700

2. Operational Services/Central Licensing

Provides \$2.0 million (\$1.2 million GF/GP) for functions that had been included in the Operations Services/Central Licensing line item, an increase of \$107,700 GF/GP with 1.0 additional FTE position. However, the enacted budget shifts funding within budget to reflect department reorganization: the Operations Services/Central Licensing line item is eliminated; \$1.2 million (\$422,300 GF/GP) is shifted to a new Central Licensing/Call Center line item in the Laboratory Program appropriation unit; and \$780,000 GF/GP is reallocated to Executive Direction.

	FTE	FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
FTE	19.0		1.0
Gross		\$1,882,700	\$107,700
Restricted		792,600	0
GF/GP		\$1,090,100	\$107,700

3. Statistical Reporting Service

Increases support by \$80,000 GF/GP; recognizes decline in private revenue. Moves to the Agriculture Development appropriation unit to recognize a department reorganization.

	FTE	FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
FTE	1.0		0.0
Gross		\$153,600	\$50,700
Private		79,100	(29,300)
GF/GP		\$74,500	\$80,000

AGRICULTURE AND RURAL DEVELOPMENT

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>		FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
4. Food Safety Quality Assurance – PARTIAL VETO	FTE	93.0	1.0
Provides \$671,300 GF/GP increase with 1.0 additional FTE position to assist producers in implementing federal Food Safety Modernization Act (FSMA) requirements. The Governor vetoed a boilerplate earmark (Section 402) that would have provided \$150,000 GF/GP for an education/training program related to proper management of draft beer delivery systems.	Gross	\$14,006,400	\$671,300
	Federal	1,274,100	0
	Restricted	4,690,600	0
	GF/GP	\$8,041,700	\$671,300
5. Food and Dairy – Milk Safety Quality Assurance	FTE	30.0	1.0
Increases by \$166,600 GF/GP with 1.0 additional FTE position to reflect increased workload due to changes in federal re-inspection requirements; this program is necessary to ensure compliance with the Pasteurized Milk Ordinance.	Gross	\$4,260,100	\$166,600
	Federal	56,000	0
	Restricted	219,300	0
	GF/GP	\$3,984,800	\$166,600
6. Animal Industry – Animal Health and Disease Response	FTE	60.0	1.0
Increases by \$164,700 GF/GP increase with 1.0 additional FTE position.	Gross	\$9,054,500	\$164,700
	Federal	625,300	0
	Private	30,500	0
	Restricted	252,600	0
	GF/GP	\$8,146,100	\$164,700
7. Animal Agriculture Initiative	Gross	\$899,000	\$1,601,000
Increase of \$1.6 million GF/GP brings total GF/GP support to \$2.5 million. This program is earmarked in boilerplate Sec. 901, as part of the new \$8.4 million Agriculture Industry Research and Development line.	GF/GP	\$899,000	\$1,601,000
The Animal Agriculture Initiative, new in FY 2016-17, supports the Michigan Alliance for Animal Agriculture, a consortium of animal industry organizations, the Michigan Farm Bureau, Michigan State University (MSU) AgBioResearch, and MDARD. Funding is to be used for applied research and Ag. Extension projects related to animal agriculture.			
8. Bovine Tuberculosis (TB) Wildlife Risk Mitigation (One-Time)	Gross	\$0	\$1,000,000
Includes \$1.0 million GF/GP, identified as one-time, for a cost-share program, carried out through local conservation districts, to assist livestock producers in identifying and implementing practices to reduce the spread of Bovine TB. The program is defined in boilerplate, Sec. 461.	GF/GP	\$0	\$1,000,000
9. Pesticide and Plant Pest Management (PPPM)	FTE	92.0	2.0
Increases GF/GP and restricted Commodity inspection fee support by \$284,400 Gross (\$142,200 GF/GP) with 2.0 additional FTE positions, to assist producers in implementing FSMA requirements and Good Agricultural Practices (GAP) and Good Handling Practices (GHP) audits.	Gross	\$13,672,000	\$284,400
	Federal	1,803,600	0
	Private	21,100	0
	Restricted	6,224,500	142,200
	GF/GP	\$5,622,800	\$142,200
10. Environmental Stewardship/MAEAP	FTE	23.0	2.0
Reduces GF/GP support by \$259,000 but also recognizes 2.0 additional FTE positions. [An additional \$1.5 million in restricted Freshwater Protection Fund revenue was added to the FY 2016-17 budget through supplemental appropriation act, Public Act 340 of 2016.]	Gross	\$10,646,800	(\$259,000)
	Federal	1,651,900	0
	Restricted	7,679,800	0
	GF/GP	\$1,315,100	(\$259,000)
11. Farmland and Open Space Preservation	FTE	10.0	0.0
Reduces GF/GP support by \$120,000. [An additional \$305,600 in restricted Agriculture Preservation Fund revenue, as well as 3.0 FTE positions, were added to the FY 2016-17 budget in supplemental appropriation act, Public Act 340 of 2016.]	Gross	\$1,727,700	(\$120,000)
	Restricted	1,400,000	0
	GF/GP	\$327,700	(\$120,000)

This program, commonly referred to as the PA 116 program, provides tax credits to qualified farmers and landowners who agree to restrictions on development rights.

AGRICULTURE AND RURAL DEVELOPMENT

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>		FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
12. Intercounty Drain	FTE	4.0	1.0
Increases by \$315,100 GF/GP, with 2.0 additional FTE positions, for ongoing intercounty drain program.	Gross	\$484,400	\$315,100
	GF/GP	\$484,400	\$315,100
13. Intercounty Drain Mapping Project (One-Time)	Gross	\$0	\$250,000
Includes \$250,000 GF/GP to help establish state standard drainage infrastructure mapping tool.	GF/GP	\$0	\$250,000
14. Qualified Forest Program	FTE	9.0	0.0
Offsets a \$90,000 GF/GP decrease with recognition of \$190,000 increase in restricted Private Forestland Enhancement Fund revenue.	Gross	\$2,582,700	\$100,000
	Restricted	288,200	190,000
	GF/GP	\$2,294,500	(\$90,000)
15. Right to Farm	FTE	3.0	2.5
Adds \$384,000 GF/GP with 3.5 additional FTE positions in anticipation of increased workload related to siting of new or expanded livestock operations in Michigan.	Gross	\$577,600	\$384,000
	IDG	103,100	0
	GF/GP	\$474,500	\$384,000
16. Agriculture Development	FTE	11.0	1.0
Increases GF/GP support by \$408,500 with 1.0 additional FTE position.	Gross	\$3,604,300	\$408,500
	Federal	2,316,000	0
	Restricted	87,200	0
	GF/GP	\$1,201,100	\$408,500
17. Grape and Wine Council	FTE	3.0	0.0
Eliminates \$170,000 GF/GP that had been identified as one-time in the FY 2016-17 budget; retains \$921,000 in ongoing restricted funding.	Gross	\$1,091,000	(\$170,000)
	Restricted	921,000	0
	GF/GP	\$170,000	(\$170,000)
18. Food and Agriculture Investment Program	Gross	\$1,500,000	\$3,243,900
Includes \$4.7 million GF/GP for the Food and Agriculture Investment Program, a grant program defined and governed by boilerplate, Sec. 701.	GF/GP	\$1,500,000	\$3,243,900
19. Rural Development Fund Grant Program	FTE	1.0	0.0
Retains this statutory grant program which was new in the FY 2016-17 budget. The program is supported with restricted revenue from a non-ferrous metals extraction tax established in Public Act 410 of 2012.	Gross	\$2,000,000	\$0
	Restricted	2,000,000	0
	GF/GP	\$0	\$0
20. County Fairs, Shows, Expositions Grants	Gross	\$470,000	\$178,800
Increase of \$178,800 GF/GP brings total support to \$649,300 GF/GP for program that provides matching capital grants to eligible county fairs, shows, and expositions.	GF/GP	\$470,000	\$178,800
21. Tree Fruit Research/Commission	Gross	\$500,000	\$1,000,000
Adds \$1.0 million GF/GP bringing total support to \$1.5 million GF/GP. This program is earmarked for the Michigan Tree Fruit Commission in boilerplate, Sec. 901, as part of the new \$8.4 million Agriculture Industry Research and Development line. Funds are intended for capital improvements to MSU tree fruit research facilities.	GF/GP	\$500,000	\$1,000,000
22. Vital Agriculture Infrastructure Grant (One-Time)	Gross	\$220,000	(\$220,000)
Eliminates one-time earmark for local capital construction project.	GF/GP	\$220,000	(\$220,000)
23. Drinking Water Declaration of Emergency (One-Time)	Gross	\$0	\$100
Includes \$100 placeholder from restricted Drinking Water Declaration of Emergency Reserve Fund. [The related Double Up Food Bucks program is included in DHHS FY 2016-17 supplemental appropriations.]	Restricted	0	100
	GF/GP	\$0	\$0

AGRICULTURE AND RURAL DEVELOPMENT

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>		FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
24. MSU Mobile Fruit and Vegetable Processing Units (One-Time)	Gross	\$0	\$4,400,000
Includes \$4.4 million, earmarked in boilerplate, Sec. 901, as part of the new \$8.4 million Agriculture Industry Research and Development line. Of the \$4.4 million, \$3.2 million is for both on-campus and mobile fruit and vegetable processing units; \$1.2 million is earmarked for a related workforce development initiative. The mobile fruit and vegetable processing units will be used by MSU, in coordination with participating community colleges, to help train students in food processing industry.	GF/GP	\$0	\$4,400,000
25. Albion Equestrian Center – VETOED	Gross	\$0	\$0
Governor vetoed a \$100,000 grant for the Albion Equestrian Center.	GF/GP	\$0	\$0
26. Food Bank Council of Michigan	Gross	\$0	\$2,000,000
Includes \$2.0 million GF/GP for the Food Bank Council of Michigan.	GF/GP	\$0	\$2,000,000
27. Technical and Revenue Adjustments	Gross	NA	\$1,848,500
Includes various technical and revenue adjustments so that appropriated revenue better reflects anticipated revenue sources.	Federal	NA	775,000
	IDG	NA	(15,000)
	Restricted	NA	1,101,400
	GF/GP	NA	(\$12,900)
28. Economics	Gross	NA	\$676,200
Reflects increased costs of \$676,200 Gross (\$473,800 GF/GP) for negotiated salary and wage increases (3.0% ongoing after removing the FY 2016-17 one-time 1.5% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA	2,100
	Federal	NA	27,700
	Private	NA	200
	Restricted	NA	172,400
	GF/GP	NA	\$473,800

Major Boilerplate Changes from FY 2016-17

Sec. 402. Education and Training for Beer Delivery Systems – VETOED
Governor vetoed this section which had earmarked \$150,000 GF/GP in the Food Safety and Quality Assurance line for a new education and training program related to proper management of beer delivery systems authorized under Public Act 514 of 2016.

Sec. 453. Indemnification/Depredation Payments – REVISED
Requires specific appropriation for indemnification payments that exceed \$100,000; provides reporting requirements; eliminates requirement that report identify persons to whom indemnification is paid, and allows depredation report as part of annual Animal Industry Division report. Revised to require report on a calendar year basis, rather than fiscal year.

Sec. 461. Bovine TB Risk Mitigation – NEW
Describes the Bovine TB risk mitigation program; establishes \$20,000 earmark for apiary protection program.

Sec. 701. Food and Agriculture Investment Program – REVISED
Revises section to rename the former Valued-Added Grant Program as the Food and Agriculture Investment Program. Establishes the program as a grant program intended to expand Michigan's food and agriculture sector; establishes grant criteria and reporting requirements.

Sec. 805. County Fairs, Shows, Expositions Capital Grant Program – REVISED
Provides for matching program for county fairs, shows, and expositions capital grant program. Deletes special project earmarks made in FY 2016-17.

Sec. 901. Agriculture Industry Research and Development (AIRD) – NEW
Includes new section which earmarks specific uses of the \$8.4 million GF/GP AIRD appropriation; \$2.5 million for the Animal Agriculture Initiative; \$3.2 million for fruit and vegetable campus/mobile labs; \$1.2 million for fruit and vegetable processing workforce development; \$1.5 million for the Tree Fruit Commission.

**COMMUNITY COLLEGES
Summary of FY 2017-18 Enacted Appropriations
Article II, 2017 Public Act 108 (House Bill 4313)**

Analyst: Perry Zielak

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 Enacted	Difference: Enacted 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	260,414,800	395,142,600	395,142,600	395,142,600	398,301,500	137,886,700	52.9
GF/GP	135,510,800	3,025,000	0	6,183,900	1,025,000	(134,485,800)	(99.2)
Gross	\$395,925,600	\$398,167,600	\$395,142,600	\$401,326,500	\$399,326,500	\$3,400,900	0.9

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

Overview

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

Major Budget Changes from FY 2016-17 YTD Appropriations

	FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
1. Community College Operations Grants	Gross \$315,892,000	\$3,158,900
Increases funding by \$3.2 million School Aid Fund (SAF), a 1.0% increase. Shifts funding by \$130.4 million from GF/GP to SAF, as the entirety of operations grants are funded through SAF. Funding for Operations grants would total \$319.1 million SAF. Projected funding increases for individual community colleges range from 0.5 to 3.2%.	Restricted 185,481,200	133,569,700
	GF/GP \$130,410,800	(\$130,410,800)
2. Michigan Public School Employee Retirement System (MPERS)	Gross \$73,200,000	(\$2,395,000)
Reduces funding by \$2.4 million SAF for MPERS. This includes a reduction of \$9.1 million SAF for the state's share of colleges' unfunded liability to MPERS and a \$6.7 million SAF increase to cover the reduction in the assumed rate of return for MPERS from 8% to 7.5%. The state's share is the difference between the actuarial accrued liability to the system and the employer contribution cap of 20.96% of payroll set by the Public School Employees Retirement act (MCL 38.1341). Total funding for the state share of MPERS would be \$70.8 million SAF.	Restricted 73,200,000	(2,395,000)
	GF/GP \$0	\$0
3. MPERS Normal Cost Offset	Gross \$0	\$3,612,000
Adds \$3.6 million SAF to reimburse community colleges for their normal cost portion to reduce the assumed rate of return for MPERS from 8% to 7.5%.	Restricted 0	3,612,000
	GF/GP \$0	\$0
4. Renaissance Zone Reimbursements	Gross \$5,100,000	(\$2,000,000)
Reduces funding by \$2.0 million GF/GP for Renaissance Zone reimbursements to community colleges. Estimated reimbursement payments required by statute have decreased due to recent Personal Property Tax reforms. Also includes funding shift of \$3.1 million from GF/GP to SAF, bringing total funding to \$3.1 million SAF.	Restricted 0	3,100,000
	GF/GP \$5,100,000	(\$5,100,000)

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>	<u>FY 2016-17 YTD (as of 2/8/17)</u>	<u>Enacted Change From YTD</u>
5. Michigan Transfer Network	Gross	\$0
Adds \$1.0 million GF/GP in one-time funds to support the enhancement of the Michigan Transfer Network website. The new site will better assist students in transferring credits between different institutions of Higher Education within the state.	GF/GP	\$1,025,000
		\$0
		\$1,025,000

Major Boilerplate Changes from FY 2016-17

Sec. 201(7). Michigan Transfer Network – NEW

Specifies that the \$1,025,000 appropriation to the Michigan Community College Association (MCCA) is to enhance the transfer network website. Requires MCCA to update appropriations committees, fiscal agencies and State Budget Office on project status until completion.

Sec. 206. Community Colleges Activities Classification Structure (ACS) Data – REVISED

Adds details on the required information and datasets that community colleges must report to the Center of Educational Performance and Information (CEPI) by November 1.

Sec. 209. Community College Transparency – REVISED

Deletes from college transparency reporting requirements a requirement to post the estimated cost resulting from the Affordable Care Act and makes minor technical changes.

Sec. 210b. Colleges and Universities Transfer Agreement – REVISED

Adds language that clarifies reporting requirements for the Michigan Community College Association and the Michigan Association of State Universities on course transfer agreements between community colleges and state universities. Adds progress report on implementation of the Michigan transfer agreement.

Sec. 210e. Academic Program Partnerships – DELETED

Deletes section requiring a report on the number of academic program partnerships between community colleges, public universities and private colleges and universities.

Sec. 217. Activities Classification Structure (ACS) Data – REVISED

Deletes language requiring CEPI to assist community colleges in complying with state and federal audits.

Sec. 222. Financial Statements – REVISED

Revises language requiring community colleges to submit annual audits to CEPI by November 15 in place of the House and Senate subcommittees on Community Colleges, the House and Senate fiscal agencies and the State Budget Director. Adds that CEPI shall provide the information to the House and Senate subcommittees on Community Colleges, the House and Senate fiscal agencies and the State Budget Director.

Sec. 223. North American Indian Tuition Waiver – REVISED

Revises reporting requirement for community colleges from prior fiscal year to prior academic year.

Sec. 224. Aggregate Academic Status – REVISED

Adds language that CEPI will use reported community college data in its P-20 longitudinal data system to inform high schools and the public of the aggregate academic status of each institution's students for the previous academic year.

Sec. 225. Tuition Rate Reports – REVISED

Revises language that states community colleges will submit tuition and fee reports to CEPI in place of the fiscal agencies and the State Budget Office (SBO), by August 31 and CEPI shall provide the information to the fiscal agencies and SBO.

COMMUNITY COLLEGES

FY 2017-18 Community Colleges Operations Appropriations

	30%	10%	10%	10%	30%	5%	5%	100%					
			Performance-Improvement	Performance-Completion Number	Performance-Completion Rate	Contact Hours	Administrative	Local Strategic Value	Total Formula Distribution	PPT Related Adjustments	Total Adjustments	% Change	FY 2017-18 Appropriation
	FY 2016-17 Base	Sustainability											
Alpena	\$5,544,700	\$9,469	\$6,122	\$1,933	\$4,769	\$4,588	\$2,864	\$1,578	\$31,300	\$51,500	\$82,800	1.5%	\$5,627,500
Bay de Noc	5,560,900	9,497	2,532	2,293	4,808	4,883	2,479	1,583	28,100	0	28,100	0.5%	5,589,000
Delta	14,907,700	25,458	7,847	10,531	6,789	24,225	3,902	4,243	83,000	0	83,000	0.6%	14,990,700
Glen Oaks	2,586,900	4,418	1,178	1,438	3,517	3,040	191	736	14,500	0	14,500	0.6%	2,601,400
Gogebic	4,577,800	7,818	2,085	1,263	4,998	3,573	2,127	1,303	23,200	114,400	137,600	3.0%	4,715,400
Grand Rapids	18,450,500	31,509	9,426	10,044	8,402	37,853	3,814	5,251	106,300	0	106,300	0.6%	18,556,800
Henry Ford	22,176,000	37,871	15,993	8,167	12,698	37,897	4,272	6,312	123,200	0	123,200	0.6%	22,299,200
Jackson	12,397,600	21,172	5,646	5,200	7,986	15,322	3,809	3,529	62,700	129,800	192,500	1.6%	12,590,100
Kalamazoo Valley	12,873,900	21,985	5,863	7,484	8,133	23,507	4,117	3,664	74,800	0	74,800	0.6%	12,948,700
Kellogg	10,087,500	17,227	6,626	4,785	6,946	13,415	4,223	2,871	56,100	0	56,100	0.6%	10,143,600
Kirtland	3,270,000	5,584	1,489	1,880	1,489	4,723	3,268	931	19,400	0	19,400	0.6%	3,289,400
Lake Michigan	5,492,800	9,380	2,501	2,340	2,501	10,445	2,117	1,563	30,800	0	30,800	0.6%	5,523,600
Lansing	31,677,300	54,096	15,362	17,040	16,746	42,842	3,627	9,016	158,600	488,300	646,900	2.0%	32,324,200
Macomb	33,681,800	57,520	15,339	15,950	17,594	62,111	3,718	9,587	181,800	0	181,800	0.5%	33,863,600
Mid-Michigan	4,834,100	8,255	2,201	4,002	2,201	10,789	2,653	1,376	31,500	103,300	134,800	2.8%	4,968,900
Monroe County	4,636,700	7,918	2,444	2,631	2,112	8,512	3,876	1,320	28,800	0	28,800	0.6%	4,665,500
Montcalm	3,343,100	5,709	1,522	1,985	1,522	3,957	3,911	952	19,600	83,600	103,200	3.1%	3,446,300
Mott	16,115,500	27,521	8,903	10,837	9,621	25,873	3,535	4,587	90,900	51,700	142,600	0.9%	16,258,100
Muskegon	9,150,600	15,627	11,393	2,935	4,167	11,407	4,242	2,604	52,400	0	52,400	0.6%	9,203,000
North Central	3,290,400	5,619	1,498	1,700	3,991	5,708	3,576	937	23,000	39,800	62,800	1.9%	3,353,200
Northwestern	9,318,000	15,913	5,882	4,196	4,243	12,933	3,322	2,652	49,100	141,800	190,900	2.0%	9,508,900
Oakland	21,770,900	37,179	9,914	15,052	9,914	53,114	3,437	6,196	134,800	0	134,800	0.6%	21,905,700
Schoolcraft	12,909,300	22,046	5,879	9,333	8,322	28,626	4,096	3,674	82,000	0	82,000	0.6%	12,991,300
Southwestern	6,732,500	11,497	5,511	2,979	3,066	6,910	1,871	1,916	33,700	94,500	128,200	1.9%	6,860,700
St. Clair	7,259,300	12,397	3,306	3,344	5,800	10,823	3,030	2,066	40,800	0	40,800	0.6%	7,300,100
Washtenaw	13,534,000	23,112	8,839	14,544	8,507	34,798	3,713	3,852	97,400	0	97,400	0.7%	13,631,400
Wayne County	17,234,200	29,431	9,494	14,919	7,848	34,323	3,165	4,905	104,100	0	104,100	0.6%	17,338,300
West Shore	2,478,000	4,232	5,024	1,015	1,128	3,264	952	705	16,300	62,000	78,300	3.2%	2,556,300
TOTAL	\$315,892,000	\$539,460	\$179,820	\$179,820	\$179,820	\$539,460	\$89,910	\$89,910	\$1,798,200	\$1,360,700	\$3,158,900	1.0%	\$319,050,900

- Notes:**
1. The performance improvement metric utilizes improvements in six-year average rates completions for each college from 2007, 2008, and 2009 cohorts. Completions metric includes certificates, degrees and transfers.
 2. Calculations for performance completion number are based on data from IPEDS.
 3. Calculations for performance completion rate are based on data provided to the Governor's dashboard on completion rates and utilizes six-year completions for each college from 2007, 2008, and 2009 cohorts.
 4. Calculations for weighted contact hours are based on data provided by the Activities Classification Structure (ACS) Report from FY 2016.
 5. Adjusted Administrative Cost data are based on data provided by the ACS Report.

DEPARTMENT OF CORRECTIONS
Summary of FY 2017-18 Enacted Appropriations
Article V, 2017 Public Act 107 (House Bill 4323)

Analyst: Robin R. Risko

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 Enacted	Difference: Enacted From FY 2016-17 YTD	
						Amount	%
	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	5,523,700	5,293,800	5,293,800	5,293,800	5,293,800	(229,900)	(4.2)
Local	8,692,800	8,842,400	8,842,400	8,842,400	8,842,400	149,600	1.7
Private	0	0	0	0	0	0	--
Restricted	36,554,600	36,149,400	39,649,400	36,149,400	41,149,400	4,594,800	12.6
GF/GP	1,951,957,900	1,964,133,600	1,954,133,600	1,924,133,600	1,946,633,600	(5,324,300)	(0.3)
Gross	\$2,002,729,000	\$2,014,419,200	\$2,007,919,200	\$1,974,419,200	\$2,001,919,200	(\$809,800)	(0.0)
FTEs	13,819.9	13,819.9	13,819.9	13,819.9	13,819.9	0.0	0.0

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

Overview

The Michigan Department of Corrections (MDOC) is responsible for the operation and maintenance of the state's 31 correctional facilities that house felony offenders sentenced to prison. This includes the provision of physical and mental health care, education, food service, transportation, and reintegration programs. The department is also responsible for the supervision of all parolees and probationers under department jurisdiction and has oversight over community corrections programs and other programs designed to encourage alternatives to prison placement for appropriate offenders. As of July 1, 2017, the department was responsible for 100,179 Michigan offenders: 40,427 prisoners, 44,044 probationers, and 15,708 parolees.

Major Budget Changes from FY 2016-17 YTD Appropriations	FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
1. One-Time Funding for Training New Custody Staff	Gross \$9,216,500	\$4,359,000
Includes \$4.4 million in one-time funding to train 177 corrections officers to meet projected attrition needs. Funding supports salary and payroll costs of new officers while they participate in training, as well as costs for uniforms, training materials, certifications, food, travel, and lodging. With the additional funding added to the FY 2016-17 base of \$9.2 million, the department will be able to train roughly 550 new officers in FY 2017-18.	GF/GP \$9,216,500	\$4,359,000
2. Trinity Food Service Contract Adjustment	Gross \$54,455,900	\$2,707,600
Includes \$2.7 million to cover the required contract rate adjustment and an increase in the projected cost of food service utilizing a census-based billing model with prices per meal based on prisoner population levels.	GF/GP \$54,455,900	\$2,707,600
3. Increased Oncology Costs	Gross NA	\$2,328,300
Includes \$2.3 million to cover increased cancer treatment-related costs (e.g. costs for chemo/radiation, surgeries, observation, and office visits).	GF/GP NA	\$2,328,300
4. Westside Residential Alternative to Prison Program	Gross NA	\$1,500,000
Includes \$1.5 million to expand the current Wayne Residential Alternative to Prison program to thirteen counties on the west side of the state. The program provides new and additional sentencing options for probation violators who may otherwise be sentenced to prison, including vocational, educational, and cognitive programming in a secure, highly structured setting.	GF/GP NA	\$1,500,000

CORRECTIONS

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>	<u>FY 2016-17 YTD (as of 2/8/17)</u>	<u>Enacted Change From YTD</u>
5. DTMB Rate Adjustments Includes \$1.5 million to cover costs of service rate changes that DTMB will make in FY 2017-18. DTMB will be making statewide changes in the billing methodology for desktop services from a bundled rate per desktop to a rate based on the number of users and devices. This change will result in increased billings to the department.	Gross NA GF/GP NA	\$1,500,000 \$1,500,000
6. Online Career High School Education Pilot Program Includes \$1.0 million for a new online career high school education pilot program to serve up to 400 prisoners through a regionally accredited public or private school district that offers career-based online high school diplomas.	Gross NA GF/GP NA	\$1,000,000 \$1,000,000
7. Future Correctional Facility Includes an additional \$999,900, for a total appropriation of \$1.0 million, for the Future Facility and Staff Transition Costs line item.	Gross \$100 GF/GP \$100	\$999,900 \$999,900
8. Criminal Justice Reinvestment Includes an additional \$925,100 for criminal justice reinvestment. Funding is used to pay for contracts with providers of reentry services, including specialized reentry services for parolees who are medically frail or who have mental health needs, and for substance abuse and sex offender treatment programming.	Gross \$4,573,300 GF/GP \$4,573,300	\$925,100 \$925,100
9. Federally Qualified Health Center Pilot Program Includes \$75,000 for the department to work with the organization that represents federally qualified health centers to implement a pilot project to ensure that behavioral and physical health needs of parolees and probationers are met.	Gross NA GF/GP NA	\$75,000 \$75,000
10. Removal of One-Time Funding Eliminates \$9.5 million in one-time funding that was included in the FY 2016-17 budget. One-time funding was appropriated for training new custody staff (\$8.5 million), ballistic vests (\$481,300), and the Supervising Region Incentive program (\$481,300).	Gross \$9,468,700 Restricted 481,300 GF/GP \$8,987,400	(\$9,468,700) (481,300) (\$8,987,400)
11. Hepatitis C Funding Adjustment Reflects a savings of \$8.2 million GF/GP to align FY 2017-18 base funding for Hepatitis C treatment with anticipated caseload needs and to reflect lower than anticipated costs for treatment drugs.	Gross \$14,935,000 GF/GP \$14,935,000	(\$8,199,500) (\$8,199,500)
12. Correctional Facilities Operations Reduces funding by \$6.5 million to be achieved by permanently closing housing units at the Carson City, Gus Harrison, G. Robert Cotton, Marquette, and Michigan Reformatory correctional facilities.	Gross \$1,057,288,700 Federal 1,034,800 Restricted 102,100 GF/GP \$1,056,151,800	(\$6,500,700) 0 0 (\$6,500,700)
13. Program and Special Equipment Fund Source Adjustment Reduces GF/GP funding used for prisoner education and for reentry programs by \$5.0 million and replaces the GF/GP with state restricted Program and Special Equipment Fund (SEF) revenue.	Gross \$6,134,600 Restricted 6,134,600 GF/GP \$0	\$0 5,000,000 (\$5,000,000)
14. Supervising Region Incentive Program Reduces funding for the Supervising Region Incentive program by \$1.5 million, leaving a \$1.0 million appropriation.	Gross \$2,518,600 GF/GP \$2,518,600	(\$1,518,600) (\$1,518,600)
15. Prisoner Health Care Reduces funding for prisoner physical and mental health care services by \$1.2 million based on a projected reduction in prison population.	Gross NA GF/GP NA	(\$1,159,100) (\$1,159,100)

CORRECTIONS

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>	FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
16. Pugsley Facility Closure Eliminates \$800,000 that was included in the FY 2016-17 budget to assist with closure costs at the Pugsley Correctional Facility. The facility closed in September 2016.	Gross \$800,000 GF/GP \$800,000	(\$800,000) (\$800,000)
17. Public Safety Initiative Reduces funding for the Public Safety Initiative line item by \$500,000, leaving a \$4.0 million appropriation.	Gross \$4,500,000 GF/GP \$4,500,000	(\$500,000) (\$500,000)
18. Funding Adjustment for Administrative Hearings Officers Reduces funding for the Administrative Hearings Officers line item by \$200,000 based on projected caseloads. Due to the declining prison population, the level of services provided to the department by DLARA, through the Michigan Administrative Hearings Services unit, has also declined.	Gross \$3,407,100 GF/GP \$3,407,100	(\$200,000) (\$200,000)
19. Funding Adjustment for Inmate Legal Services Reduces funding for the Inmate Legal Services line item by \$200,000 due to lower contract costs. Pursuant to a 1996 court order, the department contracts out to provide eligible prisoners with legal assistance in matters relating to their criminal conviction and/or conditions of confinement.	Gross \$790,900 GF/GP \$790,900	(\$200,000) (\$200,000)
20. Program and Fund Source Adjustments Makes the following program and fund source adjustments: <ul style="list-style-type: none">Reduces federal education fund source authorization to reflect the amount of federal revenue the department expects to receive (\$237,100)Increases local community tether reimbursement fund source authorization to reflect increased participation in the program by local entities (\$69,600)Increases the appropriation for DHHS eligibility specialists to cover increased payroll costs charged to MDOC by DHHS (\$16,000)Reduces state restricted reentry center offender reimbursement fund source authorization to reflect the amount of revenue the department anticipates collecting (\$14,300)Increases the appropriation for judicial data warehouse user fees to cover costs charged to MDOC by the Judicial branch for the department's access to the data warehouse (\$600)Eliminates the placeholder for the Cost-Effective Housing Initiative line item (\$100).	Gross NA Federal NA Local NA Restricted NA GF/GP NA	(\$165,300) (237,100) 69,600 (14,300) \$16,500
21. Economic Adjustments Reflects a net increase of \$12.5 million Gross (\$12.3 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, private rent, food, and utilities.	Gross NA Federal NA Local NA Restricted NA GF/GP NA	\$12,507,200 7,200 80,000 90,400 \$12,329,600

Major Boilerplate Changes from FY 2016-17

GENERAL SECTIONS

Sec. 247. Compilation of Data for Swift and Sure Sanctions Program – NEW

Requires MDOC to assist the State Court Administrative Office with data compilation for the Swift and Sure Sanctions program.

CORRECTIONS

Major Boilerplate Changes from FY 2016-17

Sec. 248. Consensus Revenue Estimating Conference – NEW

Requires the Senate and House Fiscal Agencies and the State Budget Director, or State Treasurer, to establish a projected prisoner population and a projected number of available beds based on the population projection at the May 2018 Consensus Revenue Estimating Conference.

DEPARTMENTAL ADMINISTRATION AND SUPPORT

Sec. 307. Vendor Contracts – REVISED

Requires MDOC to issue biannual reports on all vendor contracts, including the contract start and expiration dates, the number of site visits completed by the department, and the number and amount of fines for service-level agreement noncompliance. Revised to require reports on all vendor contracts with a value of \$500,000 or more and to specify that site visits are contract compliance monitoring site visits.

Sec. 311. Michigan State Industries Program – NEW

Requires MDOC to report on the MSI program, including program locations, number of participants at each location, job duty descriptions and work schedules, products produced, and how programs provide marketable skills that lead to employable outcomes.

PRISONER REENTRY AND COMMUNITY SUPPORT

Sec. 403. Partnering for Providing Reentry Services – NEW

Requires MDOC to partner with nonprofit faith-based, business and professional, civic and community organizations for the purpose of providing prisoner reentry services.

Sec. 404. Matching Parolees with Potential Employers – NEW

Requires MDOC to ensure, when reasonably possible, that all prisoners have a potential employer match in the communities to which they will return, prior to each prisoner's initial parole hearing.

Sec. 406. Federally Qualified Health Centers (FQHCs) – NEW

Requires MDOC to work with the organization that represents federally qualified health centers to implement a pilot project to ensure that behavioral and physical health needs of parolees and probationers are met; requires the pilot project to position FQHCs to ensure that parolees and probationers are enrolled in and maintain access to benefits that they qualify for, are linked to health care services they need, follow up with providers, stay on their medications, are engaged in services, and have barriers to care addressed; requires MDOC to make necessary accommodations to perform transition planning to allow for direct referral to the FQHC organization to patients in relevant areas; authorizes FQHCs to submit annual reports.

Sec. 409. Workforce Development Program – REVISED

Requires MDOC to work with the Talent Investment Agency within DTED and local entities to design services and to coordinate reentry and vocational education programs for prisoners in an effort to encourage employment of prisoners upon release from prison; requires reporting on the results of workforce development programs. Revised to require MDOC to offer workforce development programming through the entire duration of prisoners' incarceration.

Sec. 425. Medication-Assisted Treatment Reentry Pilot Program – REVISED

Requires MDOC to establish a medication-assisted treatment reentry pilot program to provide prerelease treatment and post-release referral for opioid-addicted and alcohol-addicted offenders; requires MDOC to collaborate with residential and non-residential substance abuse treatment providers and with community-based clinics to provide post-release treatment; authorizes the manufacturer to provide MDOC with samples of medication at no cost to the department; requires MDOC to provide participating offenders with one injection prior to release from custody and to connect offenders with an aftercare plan; requires MDOC to report follow-up information on offenders who receive injections. Revised to specify coordination of direct and indirect services through federally qualified health centers in Wayne, Washtenaw, Genesee, Berrien, Van Buren, and Allegan counties.

Sec. 426. Mental Health Services for Prisoners Upon Release – NEW

Requires MDOC to ensure prisoners diagnosed with mental illness are referred to local mental health care providers that are able and willing to treat inmates upon release from prison; requires MDOC to inform providers of prisoners' treatment plans, to include medications.

FIELD OPERATIONS ADMINISTRATION

Sec. 604.(2) Programming for County Jail Inmates – NEW

Requires MDOC to allocate \$600,000 of the appropriation for Criminal Justice Reinvestment to an organization that provides county jail inmates with programming and services to prepare them for obtaining and retaining employment.

Major Boilerplate Changes from FY 2016-17

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

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

Sec. 617. Residential Alternative to Prison Program – NEW

Requires MDOC to provide vocational, educational, and cognitive programming in a secure environment to enhance existing alternative sentencing options, increase employment readiness and successful placement rates, and reduce new criminal behavior for the West Michigan probation violator population.

HEALTH CARE

Sec. 806. Mental Health and Sex Offender Programming – DELETED

Deletes language that requires funding appropriated for expanded mental health and sex offender programming to be used to address increased caseloads, reduce the number of prisoners on waiting lists who are past their earliest release dates, and reduce the percentage of prisoners readmitted to mental health programs at their previous level of care.

CORRECTIONAL FACILITIES ADMINISTRATION

Sec. 901. Leasing of Facilities, Purchasing Private Facilities, and Reopening Closed Facilities – DELETED

Deletes language that requires MDOC to work with DTMB on determining the costs of entering into an agreement to lease or purchase, a private facility to be operated by the department, as well as the costs of reopening closed facilities already owned by the department, to determine if it would be in the best interests of citizens to house prisoners in one of those settings, rather than in a facility currently operated by the department; requires an annual report on acquisition, lease, reopening, and modernization costs, taxes, utilities, and expected future capital repair and upgrades at facilities.

Sec. 902. Vocational Village – DELETED

Deletes language that requires MDOC to expend \$2.0 million of the appropriation for education programs on expansion of the vocational village program.

Sec. 902. Future Facility Staff Transition – NEW

Requires the \$1.0 million appropriation for the future facility and staff transition costs to be used for staff transition costs.

Sec. 905. Leased Beds and Alternatives to Leased Beds – NEW

Authorizes MDOC to implement a county jail bed program to house eligible prisoners in county jails rather than in state correctional facilities; authorizes counties to volunteer to participate in the program; specifies criteria that prisoners must meet in order to be eligible to participate in the program.

Sec. 908. High School Diploma in Lieu of High School Equivalency – DELETED

Deletes language that requires MDOC to explore the feasibility of establishing an online career high school education pilot program, or other alternatives for providing prisoners with a high school diploma instead of a high school equivalency; requires MDOC to explore establishing outside partnerships to assist with providing high school diplomas; requires MDOC to report on steps the department would have to take, resources needed, and organizational changes required to provide prisoners with a high school diploma instead of a high school equivalency.

Sec. 908. Online Career High School Education Program – NEW

Requires MDOC to establish an online career high school education pilot program to serve up to 400 prisoners through a regionally accredited public or private school district that offers career-based online high school diplomas; requires the school district chosen for the pilot program to be paid a specified amount per prisoner per course that is successfully completed; authorizes MDOC to use federal funds to expand the program beyond 400 prisoners; requires MDOC to report on the progress of prisoners in the program.

Sec. 909. Educational Programming – DELETED

Deletes language that requires MDOC to focus on providing career-based educational programming for prisoners, to include vocational trade programs and employment readiness programs.

Sec. 912. Institutional Staffing – REVISED

Requires MDOC to report annually on the ratios of corrections officers to prisoners, shift command staff to line custody staff, and noncustody institutional staff to prisoners, for each correctional institution. Revised to require monthly reporting.

Sec. 930. Youth in Prison – NEW

Requires MDOC to submit quarterly reports on the number of youth in prison, including the number of prisoners under age 18 not on HYTA status, the number of prisoners under age 18 on HYTA status, and the number of prisoners aged 18-23 on HYTA status.

CORRECTIONS

Major Boilerplate Changes from FY 2016-17

Sec. 943. Savings from Prison Closures – NEW

Requires MDOC to submit a report on actual and projected savings amounts achieved by closing correctional facilities.

Sec. 944. Economic Impact of Prison Closures – NEW

Requires MDOC to consider the potential economic impact of a prison closure on the community where the facility is located.

Sec. 945. Notice on Intent to Renew or Rebid Food Service Contract – NEW

Requires MDOC to provide notice to the legislature and to the fiscal agencies of its intent to renew or rebid the prisoner food service contract.

Sec. 1000. Increased Information Technology Bandwidth – DELETED

Deletes language that requires one-time funding appropriated for increasing information technology bandwidth to be used to support critical information technology systems that provide platforms for several mandated programs and department cost savings efforts.

Sec. 1013. Faith-Based Reentry Programs – NEW

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

ONE-TIME APPROPRIATIONS

Sec. 1100. New Custody Staff Training – REVISED

Requires MDOC to use funding appropriated to increase the training capacity for new custody staff by 350 officers in order to address higher than normal attrition and to decrease overtime. Revised to reflect the reduced appropriation covering costs for training 177 new custody staff.

<u>FY 2016-17 Supplemental Appropriations (Article XX)</u>		<u>FY 2016-17 YTD (as of 2/8/17)</u>	<u>FY 2016-17 Supplemental Change</u>
1. Expanded Treatment for Prisoners with Hepatitis C	Gross	\$14,935,000	\$10,000,000
Includes \$10.0 million GF/GP to cover increased costs of the expanded drug treatment protocol for treatment of prisoners with Hepatitis C to align with the community standard of care set by Medicaid. The new treatment protocol is to treat prisoners that have Hepatitis C with metavir scores of F2, F3, and F4. This funding will enable the department to eliminate the backlog of prisoners with metavir scores of F3 and F4 and to treat prisoners with metavir scores of F2. The total number of prisoners that can be treated is determined based on individual treatment plans and costs to provide the treatment.	GF/GP	\$14,935,000	\$10,000,000
2. Residential Services	Gross	\$15,475,500	\$750,000
Includes \$750,000 GF/GP to cover costs of community residential and support services provided to eligible felony probationers and parole and probation violators. The state contracts with private providers for these services.	GF/GP	\$15,475,500	\$750,000
3. Supervising Region Incentive Program	Gross	\$2,518,600	\$0
Includes a net \$0 re-appropriation of line item funding in order to include boilerplate authorizing work project status.	GF/GP	\$2,518,600	\$0

FY 2016-17 Supplemental Boilerplate Changes (Article XX)

Sec. 351. Supervising Region Incentive Program – NEW

Establishes the appropriation for the Supervising Region Incentive program as a work project account.

DEPARTMENT OF EDUCATION
Summary of FY 2017-18 Enacted Appropriations
Article VI, 2017 Public Act 107 (House Bill 4323)

Analyst: Samuel Christensen

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 Enacted	Difference: Enacted From FY 2016-17 YTD	
						Amount	%
	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	239,821,900	251,854,700	251,854,700	255,554,700	254,084,700	14,262,800	5.9
Local	5,557,200	5,817,200	5,817,200	5,817,200	5,817,200	260,000	4.7
Private	2,034,200	2,034,300	2,034,300	2,034,300	2,034,300	100	0.0
Restricted	8,380,700	8,567,600	8,567,600	8,567,600	8,567,600	186,900	2.2
GF/GP	76,181,200	81,035,700	79,118,900	81,035,700	80,677,400	4,496,200	5.9
Gross	\$331,975,200	\$349,309,500	\$347,392,700	\$353,009,500	\$351,181,200	\$19,206,000	5.8
FTEs	603.5	609.5	605.5	609.5	609.5	6.0	1.0

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

Major Budget Changes from FY 2016-17 YTD Appropriations		FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
1. Child Development and Care (CDC) – Provider Reimbursement Rate Increase	Gross	\$133,966,100	\$19,430,000
Provides \$19.4 million Gross (\$11.0 million federal CCDF and \$8.4 million GF/GP) to increase the reimbursement rate for childcare providers. Boilerplate section 1002 provides more detail on this increase.	Federal	108,185,400	11,030,000
	GF/GP	\$25,780,700	\$8,400,000
2. CDC – Increase Entrance Threshold	Gross	\$133,966,100	\$5,500,000
Provides \$5.5 million federal CCDF to increase the CDC program's entrance threshold from 125% of the federal poverty guidelines to 130% of the federal poverty guidelines.	Federal	108,185,400	5,500,000
	GF/GP	\$25,780,700	\$0
3. CDC – Licenses-Exempt Monitoring	Gross	\$23,177,400	\$1,365,500
Provides \$1.4 million federal CCDF to ensure that license-exempt providers – providers offering care in their own home to a related child or providers unrelated to the child but offering care in the child's own home – are offering care that meets health and safety requirements.	Federal	15,814,900	1,365,500
	Private	250,000	0
	Restricted	64,600	0
	GF/GP	\$7,047,900	\$0
4. CDC – TEACH Scholarship	Gross	\$23,177,400	\$1,000,000
Provides \$1.0 million federal CCDF for the Office of Great Start for TEACH scholarships to increase credit-based educational opportunities for child care providers trying to increase their great start to quality star rating.	Federal	15,814,900	1,000,000
	Private	250,000	0
	Restricted	64,600	0
	GF/GP	\$7,047,900	\$0
5. CDC – Background Checks	Gross	\$27,374,500	\$800,000
Provides \$800,000 federal CCDF for staff in LARA to implement a new federally required background check and fingerprinting process and to notify providers of any employee ineligible to work in childcare settings.	Federal	27,374,500	800,000
	GF/GP	\$0	\$0

EDUCATION (DEPARTMENT)

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>		<u>FY 2016-17 YTD (as of 2/8/17)</u>	<u>Enacted Change From YTD</u>
6. CDC – FY 2017-18 Caseload Consensus	Gross	\$133,966,100	\$3,500,000
Increases gross appropriation by \$3.5 million federal CCDF to align with consensus caseload estimates and consensus cost per case estimates.	Federal	108,185,400	3,500,000
	GF/GP	\$25,780,700	\$0
7. State Aid to Libraries Increase	Gross	\$9,876,000	\$1,191,700
Increases state aid to libraries by \$1.2 million to a total of \$11.1 million.	GF/GP	\$9,876,000	\$1,191,700
8. State Assessments Staffing	Gross	\$14,619,400	\$0
Provides \$1.0 million GF/GP to offset the loss of Federal Title VI assessment funds in the Accountability Services Unit.	Federal	13,476,200	(1,000,000)
	GF/GP	\$1,143,200	\$1,000,000
9. Partnership Model with Districts	FTE	NA	4.0
Creates a new unit Partnership District Support and provides \$641,800 GF/GP and 4.0 FTEs (along with \$6.0 million for eligible districts in the School Aid budget) to work with other education stakeholders to assist districts struggling with poor student academic performance that are not under the authority of the School Reform Office (SRO).	Gross	NA	\$641,800
	GF/GP	NA	\$641,800
10. Field Services – Every Student Succeeds Act (ESSA) Required Staffing	FTE	45.0	2.0
Authorizes 2.0 FTEs to the Field Services Unit for new ESSA staffing requirements: 1) 1.0 FTE for a nonpublic schools ombudsman to ensure equity of Title I and Title VIII funds of ESSA for private schools; 2) 1.0 FTE for a foster care liaison to act as a point of contact for child welfare agencies and to oversee the stability of children in foster care.	Gross	\$9,349,200	\$0
	Federal	8,599,200	0
	Restricted	37,300	0
	GF/GP	\$712,700	\$0
11. Michigan Schools for the Deaf and Blind	FTE	NA	0.0
Shifts 5.0 FTEs and \$712,900 from the Office of Education Improvement and Innovation to the Michigan Schools for the Deaf and Blind but offsets half the federal funds with \$347,000 in local cost sharing funds. The transfer is due to the increased enrollment at the Michigan School for the Deaf.	Gross	NA	\$0
	Federal	NA	(347,000)
	Local	NA	347,000
	Restricted	NA	0
	GF/GP	NA	\$0
12. Michigan Schools for the Deaf and Blind Operations	Gross	\$12,812,700	(\$150,000)
Reflects a reduction of \$312,500 in local school district service fees, which is partially offset by an increase of \$162,500 in local cost sharing for the Schools for the Deaf and Blind.	Federal	7,048,600	0
	Local	5,545,500	(150,000)
	Restricted	218,600	0
	GF/GP	\$0	\$0
13. Low Incidence Outreach Program	Gross	\$300,000	\$150,000
Recognizes \$150,000 in restricted funds for the Low Incidence Outreach program primarily from the sale of Braille books produced by the program. The funds will be used to increase professional development for staff, parents, and students and the ability to upgrade equipment.	Restricted	300,000	150,000
	GF/GP	\$0	\$0
14. Renaissance Zones Adjustment	Gross	\$5,300,000	(\$2,000,000)
Reduces reimbursements to libraries for local revenue lost due to renaissance zones by \$2.0 million GF/GP to reflect the expiration of existing zones.	GF/GP	\$5,300,000	(\$2,000,000)
15. One-Time Appropriation – Drinking Water Declaration of Emergency	Gross	NA	\$100
Provides a \$100 restricted fund placeholder for the Drinking Water Declaration of Emergency.	Restricted	NA	100
	GF/GP	NA	\$0
16. Economic Adjustments	Gross	NA	\$827,000
Reflects increased costs of \$827,000 Gross (\$206,000 GF/GP) for negotiated salary and wage increase (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.	Federal	NA	516,000
	Local	NA	63,000
	Private	NA	100
	Restricted	NA	41,900
	GF/GP	NA	\$206,000

Major Boilerplate Changes from FY 2016-17

Sec. 225. Grant Application Penalty – NEW

Requires that MDE send districts a list of grants available in the School Aid Budget by October 1, 2017, and open the grant application process by December 1, 2017. Reduces state funding for state board/superintendent operations by 1% if the department fails to comply.

Sec. 228. Requests for Proposals – DELETED

Deletes language prohibiting the Department from issuing a request for proposal for a contract exceeding \$1.0 million unless it first considers issuing a request for information or request for qualification.

Sec. 503. Professional Development Coordination – REVISED

Revises to require that MDE consult with Michigan Virtual University (MVU) and external stakeholders regarding professional development upon request rather than requiring obligatory coordination between MDE and MVU.

Sec. 701. MTSS K-3 At-Risk Funding Report – REVISED

Expands report of district progress in implementing Multi-Tiered Systems of Supports (MTSS) as part of At Risk programs from grades K to 3 to include grades 4 to 8 and to include progress in providing reading intervention services required under section 1280f of the Revised School Code for pupils in grades K to 3.

Sec. 1001. Number of Childcare Providers – REVISED

Revises from requiring a report on the number of childcare providers on the first day of the fiscal year to requiring the average number of childcare providers for the previous fiscal year.

Sec. 1002. CDC Provider Reimbursement Rate Increase – NEW

Requires the Department to increase the provider reimbursement rates for child care centers, group homes, and registered family homes under the following guidelines: by \$0.25 per hour for each child for empty star, 1-star, and 2-star; by \$0.50 per hour for each child for 3-star and 4-star; and by \$0.75 for 5-star. For unlicensed providers, the provider reimbursement rate would increase by \$0.25 per hour for each child for tier 1 and \$0.75 per hour for each child for tier 2. Requires MDE to publish the new final reimbursement rates on its and the great start to quality webpages by the date that the new rates take effect.

Sec. 1004. CDC TEACH Scholarship – NEW

Requires MDE to use \$1.0 million federal CCDF for TEACH Scholarships for credit-based educational opportunities for child care providers, with preference given to providers trying to increase their great start to quality star rating.

Sec. 1005. CDC Childcare Monitoring – NEW

Requires MDE to coordinate with LARA to provide fingerprint services and background checks of employees of childcare providers as required by the federal Child Care and Development Block Grant.

Sec. 1007. CDC Progress Reports – REVISED

Revises the child care licensor's progress reports to report the number of providers that have improved their quality rating by regional prosperity zone rather than a total for the state.

Sec. 1009. CDC Increase to Eligibility Entrance Threshold – REVISED

Revises to increase the entrance threshold for the CDC program from 125% to 130% of the federal poverty guidelines and requires MDE to use \$5.5 million federal CCDF to implement the policy change.

Sec. 1010. Drinking Water Declaration of Emergency Work Project – DELETED

Deletes work project authorization for prior year funding for the drinking water declaration of emergency.

Sec. 1101. Drinking Water Declaration of Emergency CDC Pilot – REVISED

Revises the Drinking Water Declaration of Emergency CDC Pilot report to be continued until all of the funding for the CDC pilot has been spent rather than until the drinking water declaration of emergency has been lifted.

EDUCATION (DEPARTMENT)

<u>FY 2016-17 Supplemental Appropriations (Article XX)</u>	FY 2016-17 YTD (as of 2/8/17)	FY 2016-17 Supplemental Change
1. Child Development and Care (CDC) – Provider Reimbursement Rate Increase	Gross \$133,966,100	\$4,900,000
Provides \$4.9 million Gross (\$2.8 million federal CCDF and \$2.1 million GF/GP) to increase the reimbursement rate for childcare providers delivering services through the CDC program. Increased funding is intended to closer match the federal recommendation that reimbursement rates equal the 75th percentile of market rates.	Federal 108,185,400	2,800,000
	GF/GP \$25,780,700	\$2,100,000
2. Child Development and Care – Childcare Monitoring and Technology Improvements/ System Maintenance	Gross \$27,374,500	\$8,592,300
Provides \$8.6 million federal CCDF to Michigan Office of Great Start for the CDC External Support line item, which brings the total appropriation to \$36.0 million federal CCDF. Funding will be used for the following activities:	Federal 27,374,500	8,592,300
	GF/GP \$0	\$0
<ul style="list-style-type: none"> • \$7.1 million federal CCDF to LARA for comprehensive fingerprinting (\$5.5 million) and background checks (\$1.6 million) of all childcare providers, staff, and individuals with unsupervised access to children in Michigan childcare settings. This funding directive would bring the MDE into compliance with federal regulations and would cover an estimated 85,000 people employed in childcare settings. • \$1.5 million federal CCDF to DHHS for technology improvements to implement the provider rate increase and to perform other needed system maintenance on Bridges. 		
3. Child Development and Care – Caseload Adjustment	Gross \$133,966,100	\$1,033,900
Increases the CDC subsidy by \$1.0 million federal CCDF based on consensus caseload estimates.	Federal 108,185,400	1,033,900
	GF/GP \$25,780,700	\$0

FY 2016-17 Supplemental Boilerplate Changes (Article XX)

Sec. 401. Child Development and Care External Support

Establishes the appropriation for Child Development and Care External Support as a work project account.

**DEPARTMENT OF ENVIRONMENTAL QUALITY
Summary of FY 2017-18 Enacted Appropriations with Vetoes
Article VII, 2017 Public Act 107 (House Bill 4323)**

Analyst: Austin Scott

	FY 2016-17 YTD as of 2/8/17	FY 2017-18 Executive	FY 2017-18 House	FY 2017-18 Senate	FY 2017-18 Enacted	Difference: Enacted From FY 2016-17 YTD	
						Amount	%
IDG/IDT	\$9,225,700	\$3,100,500	\$3,100,500	\$3,100,500	\$3,100,500	(\$6,125,200)	(66.4)
Federal	139,022,800	170,042,600	170,042,600	170,042,600	170,042,600	31,019,800	22.3
Local	0	0	0	0	0	0	--
Private	555,300	555,300	555,300	555,300	555,300	0	0.0
Restricted	318,959,200	285,825,300	285,825,300	269,802,400	287,825,300	(31,133,900)	(9.8)
GF/GP	49,273,400	51,318,300	43,976,600	46,502,400	47,244,000	(2,029,400)	(4.1)
Gross	\$517,036,400	\$510,842,000	\$503,500,300	\$490,003,200	\$508,767,700	(\$8,268,700)	(1.6)
FTEs	1,243.0	1,260.0	1,233.0	1,236.0	1,245.0	2.0	0.2

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." (3) FY 2017-18 Enacted figures reflect Governor's vetoes totaling \$500,000 GF/GP.

Overview

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

Major Budget Changes from FY 2016-17 YTD Appropriations

1. Elimination of Fee Sunsets

Recognizes the extension of sunsets on eight DEQ fees from October 1, 2017 to October 1, 2021 as enacted in House Bills 4540 and 4541 to maintain \$1.6 million in revenue for DEQ annually.

Fee	Annual Revenue
Liquid industrial by-product transporter site identification number	
Liquid industrial by-product facility site identification number	\$3,900
Hazardous waste manifest	
Hazardous waste handler user charge	1,052,300
Hazardous waste generator, transporter, or treatment, storage or disposal facility user charge	43,800
Wastewater operator training and certification fees	242,000
Drinking water operator training and certification fees	220,000
Sewage operator training and certification fees	0
Total	\$1,562,000

	FY 2016-17 YTD (as of 2/8/17)	Enacted	Change From YTD
Gross		NA	NA
GF/GP		NA	NA

2. Environmental Cleanup and Redevelopment Program

Reduces funding to reflect the loss of Clean Michigan Initiative (CMI) – response activities funding, due to the depletion of CMI bond revenue.

Gross	\$29,900,000	(\$14,900,000)
Restricted	29,900,000	(14,900,000)
GF/GP	\$0	\$0

ENVIRONMENTAL QUALITY

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>		FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
3. Contaminated Site Investigations, Cleanup, and Revitalization – Vapor Intrusion	FTE	131.0	1.0
	Gross	\$15,171,200	\$300,000
Increases by 1.0 FTE and \$300,000 GF/GP funding for the vapor intrusion program, bringing the total program funding to 5.0 FTEs and \$1.6 million Gross. Vapor intrusion is the migration of chemical vapors from contaminated groundwater or soil into the buildings above. This funding will be used to identify and investigate at-risk sites.	Private	191,100	0
	Restricted	13,668,100	0
	GF/GP	\$1,312,000	\$300,000
4. Laboratory Services – Vapor Intrusion	FTE	39.0	0.0
	Gross	\$6,175,300	\$122,800
Provides \$122,800 from laboratory services fees to support the vapor intrusion program. Vapor intrusion is the migration of chemical vapors from contaminated groundwater or soil into the buildings above. This funding will be used for site sampling costs.	IDG	3,858,800	0
	Restricted	2,316,500	122,800
	GF/GP	\$0	\$0
5. Drinking Water and Environmental Health – Lead and Copper Rule Program	FTE	106.0	9.0
	Gross	\$14,901,900	\$1,300,000
Adds 9.0 FTEs and \$1.3 million GF/GP funding to expand the Lead and Copper Rule Program which regulates these elements in public drinking water.	Federal	9,237,600	0
	Restricted	4,356,900	0
	GF/GP	\$1,307,400	\$1,300,000
6. Communications and Community Outreach – Communications and Public Affairs Staff	FTE	NA	4.0
	Gross	NA	\$655,400
Provides 4.0 FTEs and \$655,400 GF/GP funding to help create a communications and public affairs office for the department.	GF/GP	NA	\$655,400
7. Office of the Great Lakes – Communications and Public Affairs Staff	FTE	12.0	(1.0)
	Gross	\$2,170,700	(\$152,700)
Transfers 1.0 FTE and \$152,700 GF/GP funding to the new communications and public affairs office for the department.	Federal	787,900	0
	Restricted	483,100	0
	GF/GP	\$899,700	(\$152,700)
8. Office of Environmental Assistance – Communications and Public Affairs Staff	FTE	38.0	(1.0)
	Gross	\$6,257,700	(\$152,700)
Transfers 1.0 FTE and \$152,700 GF/GP funding to the new communications and public affairs office for the department.	Private	364,200	0
	Federal	704,800	0
	Restricted	2,321,200	0
	GF/GP	\$2,867,500	(\$152,700)
9. Air Quality Programs Fund Shift	FTE	188.0	0.0
	Gross	\$27,231,500	\$0
Replaces \$1.4 million funding from the environmental pollution prevention fund with \$1.4 million GF/GP funding to help offset a loss of fee revenue that supports air quality monitoring and regulation.	Federal	7,450,200	0
	Restricted	15,377,000	(1,362,000)
	GF/GP	\$4,404,300	\$1,362,000
10. Water State Revolving Funds (One-Time)	Gross	\$84,993,000	\$2,950,000
Provides \$3.0 million GF/GP to meet the state match requirement for water suppliers to qualify for federal safe drinking water infrastructure grants.	Federal	71,543,000	0
	Restricted	11,400,000	0
	GF/GP	\$2,050,000	\$2,950,000
11. Refined Petroleum Product Cleanup Program (One-Time)	FTE	85.0	0.0
	Gross	\$34,475,700	\$14,900,000
Adds \$14.9 million in one-time funding from the refined petroleum fund to the refined petroleum product cleanup program.	Federal	2,013,100	0
	Restricted	32,462,600	14,900,000
	GF/GP	\$0	\$0
12. Drill Core Storage Facility (One-Time) – VETOED	Gross	NA	\$0
Governor vetoed \$500,000 GF/GP to replace a drill core sample storage facility in northern Michigan.	GF/GP	NA	\$0

ENVIRONMENTAL QUALITY

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>		<u>FY 2016-17 YTD (as of 2/8/17)</u>	<u>Enacted Change From YTD</u>
13. Emergency Cleanup Actions	Gross	\$4,000,000	(\$1,000,000)
Reduces funding by \$1.0 million in restricted funding to remove refined petroleum fund support from the program.	Restricted	4,000,000	(1,000,000)
	GF/GP	\$0	\$0
14. Central Support Services – Legal Costs	FTE	34.0	0.0
Adds \$3.0 million from the lawsuit settlement proceeds fund to help fund departmental legal costs.	Gross	\$4,147,800	\$3,000,000
	IDG/IDT	169,000	0
	Restricted	3,582,800	3,000,000
	GF/GP	\$396,000	\$0
15. Drinking Water Declaration of Emergency One-Time Funding	Gross	NA	\$100
Includes a \$100 placeholder from the Drinking Water Declaration of Emergency Reserve Fund to allow for funds to be transferred during the fiscal year to address the drinking water declaration of emergency.	Restricted	NA	100
	GF/GP	NA	\$0
16. Removal of FY 2016-17 Supplemental Funding	FTE	1.0	(1.0)
Removes \$2.2 million Gross (\$225,000 GF/GP) for FY 2016-17 supplemental appropriations included Public Acts 340 and 341 of 2016. Appropriations included support for the drinking water declaration of emergency and dredging in the Saginaw River (PA 340) as well as funding to implement public utility reforms (PA 341).	Gross	\$2,175,000	(\$2,175,000)
	Federal	335,600	(335,600)
	Restricted	1,614,400	(1,614,400)
	GF/GP	\$225,000	(\$225,000)
17. Removal of FY 2016-17 One-Time Funding	FTE	10.0	(10.0)
Removes \$9.1 million Gross (\$8.4 million GF/GP) for one-time projects included in the previous fiscal year's budget. Projects included contaminated lake and river sediment cleanups, support for the drinking water declaration of emergency, dredging in the Saginaw River, and drinking water revolving fund GF/GP match.	Gross	\$9,100,100	(\$9,100,100)
	Restricted	700,100	(700,100)
	GF/GP	\$8,400,000	(\$8,400,000)
18. Technical Adjustments	FTE	NA	1.0
Reduces IDG/IDT and restricted authorization while increasing federal and GF/GP authorization for a net decrease of \$20.5 million Gross to reflect available funds. Adjustments include realignment of appropriation authority for over-appropriated funds, fund shifts to reflect expenditures, and the reclassification of interdepartmental grants as restricted funding where necessary.	Gross	NA	(\$20,511,400)
	IDG/IDT	NA	(6,168,500)
	Federal	NA	31,048,300
	Restricted	NA	(45,411,800)
	GF/GP	NA	\$20,600
19. Economic Adjustments	Gross	NA	\$1,594,900
Reflects increased costs of \$1.6 million Gross (\$313,000 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.	IDG/IDT	NA	43,300
	Federal	NA	307,100
	Restricted	NA	931,500
	GF/GP	NA	\$313,000

Major Boilerplate Changes from FY 2016-17

Sec. 235. Clean Michigan Initiative Report – REVISED

Requires DEQ to prepare an annual report on projects funded by Clean Michigan Initiative (CMI) funds and remaining CMI fund balances. Revised to include total debt obligation on all CMI bonds and a January 1, 2018 report deadline.

Sec. 236. Flint Supplemental Funding Report – REVISED

Requires a report on the use of the supplemental funds appropriated in FY 2015-16 for the Flint declaration of emergency. Revised to include funds appropriated in FY 2016-17 (formerly Sec. 803).

Sec. 237. Employee Legal Costs related to Drinking Water Declaration of Emergency – NEW

Requires DEQ to be responsible for payment of current and former department employees' legal costs from legal actions taken related to the drinking water declaration of emergency.

ENVIRONMENTAL QUALITY

Major Boilerplate Changes from FY 2016-17

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

Lists cleanup projects funded through the Refined Petroleum Product Cleanup Program; requires report on amount spent at each site and work performed. Revised to require cleanup site list for the new fiscal year and closed sites from the preceding fiscal year by November 1.

Sec. 312. Perfluorinated Compounds Study and Workgroup – DELETED

Deletes requirement that DEQ conduct a study on the effects of long-term exposure to perfluorinated compounds and to conduct a workgroup to establish cleanup criteria for perfluorinated compounds under part 201 of the Natural Resources and Environmental Protection Act.

Sec. 313. Vapor Intrusion – NEW

Requires DEQ to use the funds appropriated in part 1 for vapor intrusion to investigate potential vapor intrusion sites.

Sec. 314. Refined Petroleum Fund Reimbursements to Owners/Operators of Legacy Releases – NEW

Requires DEQ to expend not more than \$36.0 million of the funds appropriated in part 1 for the refined petroleum product cleanup program to reimburse owners and operators of underground storage tanks who have taken remediation actions to cleanup releases that predate the establishment of the Underground Storage Tank Cleanup Authority in 2014.

Sec. 402. Water Quality and Use Initiative – DELETED

Deletes report on plan for use of Water Quality Use Initiative funding and the amount of expenditures made for the Water Quality and Use Initiative Program, the Real-Time Beach Monitoring Program, and the Wetlands Program.

Sec. 410. Lake Erie Report – REVISED

Requires DEQ to compile a report on the status of the implementation plan for the western Lake Erie basin collaborative agreement. Revised to include an estimated cost of removal of total phosphorus per pound at the four major wastewater treatment plants; a description of the grants that have been awarded; a description of the work that has commenced on the issue of dissolved reactive phosphorus, the expected objectives and outcomes of that work, and a list of the parties involved in that effort; and a description of the efforts and outcomes aimed at the total phosphorus reduction for the River Raisin watershed.

Sec. 411. Kalamazoo River Superfund Site Study – NEW

Sets aside \$150,000 of FY 2017-18 CMI contaminated sediments funding for an engineering study pertaining to the Kalamazoo River Superfund site and allows the study to be conducted by a private engineering firm.

Sec. 604. Lead and Copper Rule – NEW

Requires DEQ to use the funds appropriated in part 1 for the lead and copper rule program to host training sessions for public water supply owners and operators to provide technical assistance on the federal lead and copper rule.

Sec. 801. Drinking Water Declaration of Emergency – DELETED

Deletes section that allows the funds appropriated for the drinking water declaration of emergency to be expended for water treatment plant operation training expenses and water system needs.

<u>FY 2016-17 Supplemental Appropriations (Article XX)</u>		<u>FY 2016-17 YTD (as of 2/8/17)</u>	<u>FY 2016-17 Supplemental Change</u>
1. Drinking Water Declaration of Emergency	FTE	10.0	0.0
Provides \$3.3 million from the Drinking Water Declaration of Emergency Reserve Fund to install a water main to connect treated water from the Great Lakes Water Authority (GLWA) to Genesee County Drain Commission (GCDC) customers and the City of Flint. This water main will enable GCDC customers to receive treated water from the Genesee County water treatment plant and allow the City of Flint to continue receiving treated water from GLWA.	Gross	\$7,200,100	\$3,300,000
	Federal	335,600	0
	Restricted	1,464,500	3,300,000
	GF/GP	\$5,400,000	\$0

FY 2016-17 Supplemental Boilerplate Changes (Article XX)

Sec. 451. Drinking Water Declaration of Emergency

Establishes the appropriation for Drinking Water Declaration of Emergency as a work project account.

GENERAL GOVERNMENT TOTALS

Summary of FY 2017-18 Enacted Appropriations

Article VIII, 2017 Public Act 107 (House Bill 4323)

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 Enacted	Difference: Enacted From FY 2016-17 YTD	
						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 of All General Government Departments

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

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 and revised in the FY 2016-17 supplemental associated with the FY 2017-18 budget. The FY 2017-18 budget includes a pay-in of \$150.0 million.

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. 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.

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

Deletes section that 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.

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

Deletes section that 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.

DEPARTMENT OF ATTORNEY GENERAL
Summary of FY 2017-18 Enacted Appropriations
Article VIII, 2017 Public Act 107 (House Bill 4323)

Analyst: Michael Cnossen

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 Enacted	Difference: Enacted 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 YTD (as of 2/8/17)	Enacted Change From YTD
1. Lawsuit Settlement Proceeds Fund	Gross	\$2,600,000	(\$600,000)
Reduces \$2.6 million restricted fund authorization for expenses associated with the Flint Drinking Water Declaration of Emergency by \$600,000.	Restricted	2,600,000	(600,000)
	GF/GP	\$0	\$0
2. PACC NextGen IT System Replacement	Gross	NA	\$600,000
Adds \$600,000 in restricted, one-time funding from Lawsuit Settlement Proceeds Fund to be used by the Prosecuting Attorneys Coordination Council to upgrade their legacy case management IT system.	Restricted	NA	600,000
	GF/GP	NA	\$0
3. Prescription Drug Abuse Program	FTE	4.5	(4.5)
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.	Gross	\$700,000	\$0
	GF/GP	\$700,000	\$0
4. Student Safety – OK2SAY	Gross	NA	\$470,000
Includes \$470,000 state restricted funds to continue funding the administration of the student safety reporting program.	Restricted	NA	470,000
	GF/GP	NA	\$0
5. Implementation of Energy Package	FTE	1.0	0.0
Includes an increase of \$67,000 state restricted funds 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.	Gross	\$150,000	\$67,000
	Restricted	150,000	67,000
	GF/GP	\$0	\$0

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>		FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
6. Implementation of Medical Marihuana Package	FTE	NA	4.0
Provides \$375,000 state restricted funds and 4.0 FTEs for investigations and enforcement activities related to oversight of medical marihuana facilities included in 2016 PAs 281-283.	Gross	NA	\$375,000
	Restricted	NA	375,000
	GF/GP	NA	\$0
7. Unlicensed Activity Law Enforcement	FTE	0.0	5.5
Appropriates \$732,300 IDG from LARA for 5.5 FTEs and for the investigation and prosecution of unlicensed activities among realtors and accountants in addition to builders.	Gross	\$334,700	\$732,300
	IDG	334,700	732,300
	GF/GP	\$0	\$0
8. State Defense Costs	Gross	\$3,000,000	(\$3,000,000)
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.	GF/GP	\$3,000,000	(\$3,000,000)
9. Bad-Faith Patent Infringement Claims	Gross	NA	\$180,000
Appropriates \$180,000 restricted funds 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	NA	180,000
	GF/GP	NA	\$0
10. Economic Adjustments	Gross	NA	\$745,800
Includes \$745,800 Gross (\$415,200 GF/GP) for negotiated salary and wage increases (3.0% ongoing after removing the FY 2016-17 one-time 1.5% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA	193,300
	Federal	NA	41,300
	Restricted	NA	96,000
	GF/GP	NA	\$415,200
11. Technical Baseline Adjustments	Gross	NA	(\$7,100)
Includes negative GF/GP adjustment of \$7,100 to the IT line.	GF/GP	NA	(\$7,100)
12. FTE Adjustment	FTE	528.0	(3.0)
Reduces the number of FTEs from Operations by 3.0, bringing total classified FTEs to 530.0, to better reflect the number of filled positions.	Gross	NA	NA
	GF/GP	NA	NA

Major Boilerplate Changes from FY 2016-17

Sec. 301. Drug Investigation and Prosecution Unit – NEW

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

Sec. 313. Mortgage Fraud Prosecutions – DELETED

Deletes \$600,000 allocation for the investigation and prosecution of mortgage fraud.

Sec. 314. Lawsuit Settlement Proceeds Fund – REVISED

Allows the department the use of lawsuit settlement proceeds for expenses associated with the Flint Declaration of Emergency due to drinking water contamination up to a maximum authorization of \$2.0 million and requires a quarterly expenditures report itemized by case, purpose, and department involved. Revises the authorization for Flint by reducing it by \$600,000, from \$2.6 million to \$2.0 million, and authorizes \$600,000 to be used by the Prosecuting Attorneys Coordinating Council to upgrade its information technology cases management system. Also revises by authorizing an additional \$180,000 of lawsuit settlement proceeds to support the costs of a full-time equivalent associated with implementing the duties prescribed to the department under PA 550 2016, The Bad-Faith Patent Infringement Claims Act.

Sec. 316. Sexual Assault Kit Testing – REVISED

Specifies that the department test the backlog of sexual assault kits across the state, assist local prosecutions and investigations and provide victim services. Revises by requiring a report by February 1 that includes the number of untested kits across the state as of January 31, a work plan for eliminating untested kits and a spending plan outlining anticipated actions from test findings and authorizes the use of funds for retesting kits for DNA that had not been tested for DNA and prohibits the use of funds for any purpose other than testing if untested kits remain on January 31.

GENERAL GOVERNMENT: ATTORNEY GENERAL

<u>FY 2016-17 Supplemental Appropriations (Article XX)</u>	FY 2016-17 YTD (as of 2/8/17)	FY 2016-17 Supplemental Change	
1. <i>Unlicensed Activity Law Enforcement</i>	Gross	\$334,700	\$719,300
Includes \$719,300 IDG for investigations of unlicensed activities of builders, accountants, and real estate brokers and salespersons.	IDG	334,700	719,300
	GF/GP	\$0	\$0
2. <i>PACC NextGen Case Management System</i>	Gross	NA	\$1,207,000
Includes \$1.2 million Gross (\$0 GF/GP) for software development, installation, and maintenance for the Prosecuting Attorneys Coordinating Council's NextGen Case Management System. Funds would be considered work project appropriations. The tentative completion date of the project is September 30, 2021.	Federal	NA	677,000
	Local	NA	530,000
	GF/GP	NA	\$0
3. <i>Wrongful Convictions Administration</i>	FTE	NA	3.0
Provides \$1.8 million in restricted Lawsuit Settlement Proceeds and 3.0 FTE positions to support costs associated with the review of wrongful imprisonment claims against the state and duties prescribed to the department in 2016 PA 343. Lawsuit Settlement Proceeds are considered unobligated general funds until they are captured by the department. Unexpended funds would be considered work project appropriations with a tentative completion date of September 30, 2021.	Gross	NA	\$1,800,000
	Restricted	NA	1,800,000
	GF/GP	NA	\$0

FY 2016-17 Supplemental Boilerplate Changes (Article XX)

Sec. 301. Wrongful Convictions Administration – NEW

Establishes the appropriation for wrongful convictions administration as a work project account.

Sec. 302. PACC NextGen Case Management System – NEW

Establishes the appropriation for the Prosecuting Attorneys Coordinating Council's NextGen Case Management System as a work project account.

DEPARTMENT OF CIVIL RIGHTS
Summary of FY 2017-18 Enacted Appropriations
Article VIII, 2017 Public Act 107 (House Bill 4323)

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 Enacted	Difference: Enacted 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.

Major Budget Changes from FY 2016-17 YTD Appropriations	FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
1. Removal of Current Year One-Time Funding	FTE	2.0
Removes \$250,000 GF/GP one-time funding and 2.0 FTEs for the Division on Deaf, Deaf/Blind, and Hard of Hearing.	Gross	\$250,000
	GF/GP	\$250,000
		(2.0)
		(\$250,000)
2. Deaf, Deaf/blind, and Hard of Hearing Needs Assessment	Gross	NA
Adds \$150,000 GF/GP in one-time funding to enable the Department to perform an assessment of the needs of the deaf, deaf/blind, and hard-of-hearing community across the state.	GF/GP	NA
		\$150,000
3. Economic Adjustments	Gross	NA
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.	IDG	NA
	Federal	NA
	GF/GP	NA
		3,000
		12,800
		\$85,300
4. FTE Adjustment	FTE	127.0
Reduces the total number of authorized FTEs by 17.0 to better reflect the number of filled positions.	Gross	\$0
	GF/GP	\$0
		(17.0)
		\$0

Major Boilerplate Changes from FY 2016-17**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, deaf/blind, and hard-of-hearing community in the state to determine its size and service needs for adequate education, employment, and healthcare services.

**EXECUTIVE OFFICE
Summary of FY 2017-18 Enacted Appropriations
Article VIII, 2017 Public Act 107 (House Bill 4323)**

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 Enacted	Difference: Enacted From FY 2016-17 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	0	0	0	0	0	0	--
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	0	0	0	0	0	0	--
GF/GP	5,636,300	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.

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>		<u>FY 2016-17 YTD</u> <u>(as of 2/8/17)</u>	<u>Enacted Change</u> <u>From YTD</u>
1. Executive Office Operations	Gross	\$5,636,300	\$200,000
Includes funding to support increased costs of \$200,000 GF/GP related to Executive Office staff and other operations.	GF/GP	\$5,636,300	\$200,000
2. Office of Urban Initiatives	FTE	NA	5.0
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.	Gross	NA	\$1,012,200
	GF/GP	NA	\$1,012,200

Major Boilerplate Changes from FY 2016-17

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

LEGISLATURE

Summary of FY 2017-18 Enacted Appropriations

Article VIII, 2017 Public Act 107 (House Bill 4323)

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 Enacted	Difference: Enacted 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		FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
1. Legislature Operations	Gross	\$147,903,600	\$10,492,000
Includes \$10.5 million Gross (\$10.5 million GF/GP) to reflect increased costs related to legislative staff and other operations.	Private	400,000	0
	Restricted	4,275,800	1,900
	GF/GP	\$143,227,800	\$10,490,100
2. Legislative Information Technology Systems Design Project	Gross	\$6,000,000	(\$3,000,000)
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 supplement a total of \$9.0 million GF/GP appropriated in FYs 2015-16 and 2016-17.	GF/GP	\$6,000,000	(\$3,000,000)
3. Criminal Justice Policy Commission Study	Gross	\$500,000	(\$500,000)
Removes \$500,000 GF/GP in FY 2016-17 one-time appropriations associated with the Criminal Justice Policy Commission study on the costs and savings of redirecting 17-year-olds from the adult court to the family court and juvenile justice systems.	GF/GP	\$500,000	(\$500,000)
4. Legislative Corrections Ombudsman	Gross	\$729,200	\$229,200
Includes \$229,200 GF/GP increase in ongoing funding to augment current Ombudsman operations.	GF/GP	\$729,200	\$229,200
5. Michigan Veterans Facility Ombudsman	Gross	\$150,000	\$150,000
Includes \$150,000 GF/GP increase to augment Michigan Veterans Facility Ombudsman operations.	GF/GP	\$150,000	\$150,000

GENERAL GOVERNMENT: LEGISLATURE

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. Revises to include new subsection stating 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.

Sec. 610. Criminal Justice Policy Commission Study – DELETED

Deletes section that requires \$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.

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

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

Sec. 618. Legislative Retirement Administration – DELETED

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

Sec. 619. Michigan Veterans Facility Ombudsman – DELETED

Deletes section that 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.

**LEGISLATIVE AUDITOR GENERAL
Summary of FY 2017-18 Enacted Appropriations
Article VIII, 2017 Public Act 107 (House Bill 4323)**

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 Enacted	Difference: Enacted 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.

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>	FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
1. Auditor General Operations	Gross	\$23,651,900
Reflects increased costs of \$634,300 Gross (\$483,700 GF/GP) related to Auditor General staff and other operations.	IDG	150,600
	Restricted	0
	GF/GP	\$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.

DEPARTMENT OF STATE
Summary of FY 2017-18 Enacted Appropriations
Article VIII, 2017 Public Act 107 (House Bill 4323)

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 Enacted	Difference: Enacted From FY 2016-17 YTD	
						Amount	%
	\$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.

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>		<u>FY 2016-17 YTD (as of 2/8/17)</u>	<u>Enacted Change From YTD</u>
1. Office of Investigative Services Expansion	FTE	NA	11.0
Provides \$1.4 million GF/GP and 11.0 FTEs to increase investigations and regulatory enforcement of vehicle repair facilities and mechanics. This increase also includes funding for the Breath Alcohol Ignition Interlock Device (BAIID) program to comply with 2016 PA 33.	Gross	NA	\$1,420,400
	GF/GP	NA	\$1,420,400
2. Lottery Assistance in Northern Michigan	FTE	0.0	10.0
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.	Gross	\$300,000	\$715,800
	Restricted	300,000	715,800
	GF/GP	\$0	\$0
3. Mi-Time Line Expansion	Gross	\$470,000	\$400,000
Provides \$400,000 GF/GP for the expansion of the branch office reservation and cell phone text notification service which allows customers to minimize waiting times at branch offices. The appropriation would allow the service to expand to 20 additional offices from the current 30.	Restricted	470,000	0
	GF/GP	\$0	\$400,000
4. Increase in Credit Card Service Fees	Gross	\$6,000,000	\$2,000,000
Increases the authorized use of the restricted credit and debit assessment services fees fund by \$2.0 million to provide for the fees assessed by credit card companies for credit and debit card payments in branch offices and self-service terminals.	Restricted	6,000,000	2,000,000
	GF/GP	\$0	\$0

GENERAL GOVERNMENT: STATE (DEPARTMENT)

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>		<u>FY 2016-17 YTD (as of 2/8/17)</u>	<u>Enacted Change From YTD</u>
5. IT Budget Increase to Support Current Operations	Gross	\$36,376,200	\$1,000,000
Appropriates \$1.0 million state restricted to the department's IT service line to adjust for costs related to online support. Current level of services will be maintained.	Restricted	34,788,100	1,000,000
	GF/GP	\$1,588,100	\$0
6. Position Transfer Fund Sourcing Adjustment	Gross	\$124,600	\$0
Transfers 1.0 FTE from Department Services to Central Operations. Transfer of position results in fund sourcing realignment that replaces \$2,700 GF/GP with restricted revenues.	Restricted	121,900	2,700
	GF/GP	\$2,700	(\$2,700)
7. Removal of Current Year One-Time Funding	Gross	\$5,000,000	(\$5,000,000)
Removes \$5.0 million GF/GP in FY 2016-17 one-time funding for voting machine replacement.	GF/GP	\$5,000,000	(\$5,000,000)
8. Align Fund Sourcing with Revenues	Gross	NA	(\$1,000,000)
Reduces \$1.0 million restricted fund sourcing to align fund sources with actual revenues.	Restricted	NA	(1,000,000)
	GF/GP	NA	\$0
9. Economic Adjustments	Gross	NA	\$1,506,700
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.	IDG	NA	0
	Private	NA	50,000
	Restricted	NA	1,245,000
	GF/GP	NA	\$211,700

Major Boilerplate Changes from FY 2016-17

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

Deletes the provision for expenditure and carry-forward of revenue deriving from commemorative and specialty license plates and limitation of administrative expenditures.

Sec. 719. Election Oversight – NEW

Authorizes the use of funds appropriated in part 1 by the Office of Investigative Services to conduct investigations of any reported irregularities in a local, state, or national election.

Sec. 721. ATM Commission Fees – DELETED

Deletes allowance for the Department of State to collect ATM commission fees from companies that have ATMs located in Secretary of State branch offices and requirement of the revenue to be deposited in the Transportation Administration Collection Fund.

Sec. 723. Voting Machines Replacement Program – DELETED

Deletes explanation for the purpose of the voting machines replacement program.

<u>FY 2016-17 Supplemental Appropriations (Article XX)</u>		<u>FY 2016-17 YTD (as of 2/8/17)</u>	<u>FY 2016-17 Supplemental Change</u>
1. Help America Vote Act	Gross	NA	\$0
Includes a net \$0 re-appropriation of line item funding in order to include boilerplate that authorizes work project status (Sec. 651).	GF/GP	NA	\$0

FY 2016-17 Supplemental Boilerplate Changes (Article XX)

Sec. 651. Help America Vote Act – NEW

Establishes the appropriation for the Help America Vote Act as a work project account.

DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET
Summary of FY 2017-18 Enacted Appropriations
Article VIII, 2017 Public Act 107 (House Bill 4323)

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 Enacted	Difference: Enacted 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.

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>		FY 2016-17 YTD (as of 2/10/16)	Enacted Change From YTD
1. Drinking Water Declaration of Emergency Reserve Fund	Gross	\$10,000,000	\$15,000,000
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 will be used as additional needs are identified in addition to augmenting existing appropriations. \$10.0 million GF/GP was included in 2016 PA 340.	GF/GP	\$10,000,000	\$15,000,000
2. Michigan Infrastructure Fund	Gross	\$0	\$35,000,000
Provides \$35.0 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 are subject to appropriation.	GF/GP	\$0	\$35,000,000

GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>	FY 2016-17 YTD (as of 2/10/16)	Enacted Change From YTD
3. SIGMA – Permanent Organizational Structure Appropriations	FTE	NA
Provides a total of \$21.7 million (\$13.1 million GF/GP) and 36.0 FTEs in Gross new authorization to transition the state's new enterprise resource planning tool (SIGMA) into permanent and ongoing administration of the system. \$13.1 million GF/GP is realized as new, net increase in appropriated funding to the department. \$4.5 million and 10.0 limited term FTEs are included in this total as a one-time appropriation. A total of \$8.6 million Gross ongoing (\$3.8 million GF/GP) in existing ongoing funding is transferred from other line items. This appropriation marks the first year of funding for administration of SIGMA's permanent organizational structure. Prior fiscal years' funding has been dedicated to development and testing of the system.	36.0	
	Gross	NA
	GF/GP	\$13,060,400
		\$13,060,400
4. Michigan.gov Content Management System Rewrite	Gross	NA
Provides \$6.2 million GF/GP in one-time funding to support the establishment of a new content management system to support 130 State of Michigan websites. Funding will be used for the procurement and set-up of the system and migration of the websites.	GF/GP	NA
		\$6,171,300
		\$6,171,300
5. Cybersecurity Continuous Improvement Program	FTE	13.0
Provides \$6.7 million GF/GP (\$3.7 million one-time) and 12.0 FTEs to support the Cybersecurity Continuous Improvement Program. Supports centralized coordination for enterprisewide cybersecurity activities.	12.0	
	Gross	\$13,118,200
	GF/GP	\$13,118,200
		\$6,744,600
		\$6,744,600
6. Citizen Centric IT Initiatives	Gross	NA
Provides \$3.0 million GF/GP (\$2.0 million one-time) for projects designed for mobile devices to modernize interactions between Michigan citizens the State government. Project services include mobile applications, individualized log-in portals, and system integrations. Integrations are planned across at least 10 systems.	GF/GP	NA
		\$3,000,000
		\$3,000,000
7. Information Technology Investment Fund (ITIF)	Gross	\$69,500,000
Provides a net increase of \$3.0 million GF/GP in one-time funding to ITIF for enterprise-wide IT upgrade projects for a total of \$7.5 million one-time. This one-time funding augments ongoing funding of \$65.0 million in ITIF appropriations.	GF/GP	\$69,500,000
		\$3,000,000
		\$3,000,000
8. Technology Services IT IDG Alignment Adjustments	Gross	\$501,961,500
Adjusts DTMB Technology Services line items 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.	IDG	501,961,500
	GF/GP	\$0
		\$23,296,300
		\$23,296,300
9. Office of Performance and Transformation Enhancements	Gross	NA
Provides \$500,000 GF/GP for Socrata transparency website and software to increase government data accessibility, dashboards, and support the Operational Excellence Program's focus on continuous improvement.	GF/GP	NA
		\$500,000
		\$500,000
10. School Reform Office Investments	FTE	11.0
Includes a total of \$782,000 GF/GP and 2.0 FTEs for new School Reform Office initiatives. Includes \$280,000 to assist families' transition to new schools through a partnership with a third-party vendor; \$252,000 and 2.0 FTEs to support a pilot program for measuring deferred maintenance costs to replacement value of priority schools by utilizing a Facility Condition Index (FCI) Process for chronically failing schools; and \$250,000 for student and parent satisfaction surveys for accountability measurement to comply with 2016 PA 192.	2.0	
	Gross	\$2,318,300
	GF/GP	\$2,318,300
		\$782,000
		\$782,000

GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>		<u>FY 2016-17 YTD (as of 2/10/16)</u>	<u>Enacted Change From YTD</u>
11. School Reform Office Performance Information System (PERIS) Upgrade	Gross	NA	\$353,000
Adds \$353,000 GF/GP for the automation of Priority School District student data for real-time performance review and analysis.	GF/GP	NA	\$353,000
12. Michigan Public Safety Communications Lifecycle Replacement Funding	Gross	NA	\$5,000,000
Appropriates \$5.0 million GF/GP in one-time funding to help replace the mobile radios among users of the Michigan Public Safety Communication System (MPSCS).	GF/GP	NA	\$5,000,000
13. Labor Market Information Population and Labor Force Projections	FTE	42.0	2.0
Provides \$268,300 GF/GP and 2.0 FTEs to produce population projections for the state and all counties for use by other State offices. It will provide a more detailed projection than currently available.	Gross	\$5,475,100	\$268,300
	Federal	4,840,100	0
	Local	35,000	0
	GF/GP	\$600,000	\$268,300
14. Michigan Master Computing Contract (MMCC)	FTE	NA	3.0
Provides \$373,500 in state restricted funds and 3.0 FTEs to support the MMCC to improve IT procurement processes for the State of Michigan.	Gross	NA	\$373,500
	Restricted	NA	373,500
	GF/GP	NA	\$0
15. Additional Accounting Service Center Staffing, DMVA Grand Rapids Home	FTE	NA	8.0
Authorizes \$1.2 million IDG increase and 8.0 FTEs to reflect DTMB Accounting Service Center services to the Grand Rapids Veterans Home.	Gross	NA	\$1,206,300
	IDG	NA	1,206,300
	GF/GP	NA	\$0
16. Michigan Military Retirement System (MMRS) Administration	Gross	NA	\$380,000
Provides \$380,000 in state restricted funds for administrative support for the Office of Retirement Services management of Military Retirement Services.	Restricted	NA	380,000
	GF/GP	NA	\$0
17. MSP Cyber Crimes Unit	FTE	NA	1.0
Adds \$137,900 IDG and 1.0 FTE for IT support for the Michigan Intelligence Operations Center, specifically the Computer Crimes Unit.	Gross	NA	\$137,900
	IDG	NA	137,900
	GF/GP	NA	\$0
18. Office of Financial Management MEDC Payroll Position	FTE	NA	1.0
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.	Gross	NA	\$127,700
	Private	NA	127,700
	GF/GP	NA	\$0
19. Michigan State Police Retirement Supplemental Funding	Gross	NA	\$27,000
Adds \$27,000 GF/GP for supplemental payments for two individuals that were inadvertently excluded in FY 2015-16 and FY 2016-17 payouts.	GF/GP	NA	\$27,000
20. Civil Service Financing Source Adjustment	Gross	NA	\$0
Authorizes the replacement of \$1.8 million restricted funds with GF/GP as a fund source realignment related to the Civil Service 1% charge on aggregate payroll to cover administration costs.	Restricted	NA	(1,800,000)
	GF/GP	NA	\$1,800,000
21. Office of Urban Initiatives Transfer	FTE	5.0	(5.0)
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.	Gross	\$1,012,200	(\$1,012,200)
	GF/GP	\$1,012,200	(\$1,012,200)
22. State Vendor Data Tracking Pilot Program	Gross	NA	\$300,000
Includes \$300,000 GF/GP one-time to be used to contract with a company to provide and track various data and metrics on state vendors for the agencies' review throughout the contracting process.	GF/GP	NA	\$300,000

GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>		FY 2016-17 YTD (as of 2/10/16)	Enacted Change From YTD
23. Removal of Current Year One-Time Funding	Gross	\$82,234,900	(\$82,234,900)
Removes \$82.2 million Gross (\$79.4 million GF/GP) of one-time funding for six items. These items are \$1.6 million GF/GP for special state facilities maintenance, \$2.9 million restricted for the Office of Retirement Services, \$5.0 million GF/GP 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.	Restricted	2,850,000	(2,850,000)
	GF/GP	\$79,384,900	(\$79,384,900)
24. CSB Technical Fund Source Realignment	Gross	NA	\$0
Replaces \$203,200 IDG with \$155,400 restricted funds and \$47,800 GF/GP to properly account for fund sourcing associated with DTMB indirect charges and the Statewide Cost Allocation Plan.	IDG	NA	(203,200)
	Restricted	NA	155,400
	GF/GP	NA	\$47,800
25. SIGMA Technical Reduction	Gross	NA	(\$6,321,000)
Shifts \$6.3 million IDG in Technology Services to reallocate to the Budget and Financial Management line item to offset increased costs of the SIGMA Permanent Organizational Structure program.	IDG	NA	(6,321,000)
	GF/GP	NA	\$0
26. Economic Adjustments	Gross	\$8,891,800	\$3,657,300
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.	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

Sec. 809. Computer Contract Adjustments – REVISED

Requires quarterly notifications on single computer contract revisions that increase or decrease current contracts by more than \$500,000. Revises to require notifications for aggregate changes of more than \$500,000 in addition to single changes.

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 vendors with which the State conducts business.

Sec. 821. Space Consolidation Plan – DELETED

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

Sec. 822g. Legal Services Fund – REVISED

Requires an annual itemized report on Legal Services Fund expenditures. Revises report to be provided quarterly and to include expenditures from authorized funds appropriated in prior fiscal years.

Sec. 822h. Office of Urban Initiatives – DELETED

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

Sec. 822j. Office of Good Government – DELETED

Deletes explanation of the purpose of the Office of Good Government.

Sec. 822k. Hawthorn Center Appraisal – DELETED

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

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

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

GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET

Major Boilerplate Changes from FY 2016-17

Sec. 836a. Cybersecurity Use of Funding – NEW

Adds language specifying metrics to be developed and used for cybersecurity activities and requires an annual report.

Sec. 837. Cyber Security Investment Projects – DELETED

Deletes explanation for the purpose of cybersecurity investment projects and requires a report.

Sec. 837. Citizen Centric Government – NEW

Adds language specifying metrics to be developed and used for cybersecurity activities and requires an annual report.

Sec. 838. Enterprise Identity Management Program – DELETED

Deletes explanation for the purpose of the Enterprise Identity Management Program.

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

Deletes explanation for the purpose of the Office of Retirement Services' upgrades in information technology.

Sec. 880. 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.

<u>FY 2016-17 Supplemental Appropriations (Article XX)</u>		<u>FY 2016-17 YTD (as of 2/10/16)</u>	<u>FY 2016-17 Supplemental Change</u>
1. Citizen Centric Government IT Project	Gross	NA	\$3,031,000
Includes \$3.0 million GF/GP to initiate the citizen centric government IT project. Project includes mobile applications, individual login portals, and system-wide integrations.	GF/GP	NA	\$3,031,000
2. Regional Infrastructure Asset Management Pilot	Gross	NA	\$2,000,000
Includes \$2.0 million from Michigan Infrastructure Fund revenue for a regional infrastructure asset management pilot for developing a replicable model for the statewide asset management system.	Restricted GF/GP	NA NA	2,000,000 \$0
3. Flint Integrity Monitoring	Gross	NA	\$500,000
Provides \$500,000 from the Drinking Water Declaration of Emergency Reserve Fund for monitoring expenditures related to water pipe replacement.	Restricted GF/GP	NA NA	500,000 \$0

FY 2016-17 Supplemental Boilerplate Changes (Article XX)

Sec. 701. Flint Integrity Monitoring – NEW

Requires appropriated funds to be used to contract with an integrity oversight monitor to oversee legal compliance, detect misconduct, and to promote best practices in regards to expenditures for replacing water pipes.

Sec. 702. BSF Deposit – REVISED

Specifies that the BSF deposit is \$75.0 million for FY 2016-17. This is consistent with current year language. Deletes current year language that requires 25% of the FY 2016-17 unassigned fund balance to be deposited along with the repeal of current year language. The repealer is included in Enacting Section 1.

DEPARTMENT OF TREASURY
Summary of FY 2017-18 Enacted Appropriations
Article VIII, 2017 Public Act 107 (House Bill 4323)

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 Enacted	Difference: Enacted From FY 2016-17 YTD	
						Amount	%
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		FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
1. Constitutional Revenue Sharing	Gross	\$757,875,200	\$40,212,600
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).	Restricted	757,875,200	40,212,600
	GF/GP	\$0	\$0
2. City, Village, and Township Revenue Sharing	Gross	\$248,850,000	\$0
Maintains City, Village, and Township Revenue Sharing at \$248.8 million in restricted sales tax revenue which reflects no change from FY 2016-17. \$5.8 million is considered one-time appropriations.	Restricted	248,850,000	0
	GF/GP	\$0	\$0
3. Supplemental City, Village, and Township Revenue Sharing	Gross	NA	\$6,200,000
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 to \$0.81198 per person.	GF/GP	NA	\$6,200,000
4. County Revenue Sharing/County Incentive Program	Gross	\$217,267,500	\$2,819,700
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. Includes additional 1% (\$2.2 million GF/GP) increase for all eligible counties. Entire 1% increase is placed in County Revenue Sharing and is not subject to incentive requirements. Total payment equals 101.986% of full-funding.	Restricted	217,267,500	640,600
	GF/GP	\$0	\$2,179,100

GENERAL GOVERNMENT: TREASURY

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>	<u>FY 2016-17 YTD</u>	<u>Enacted Change</u>
	<u>(as of 2/8/17)</u>	<u>From YTD</u>
5. Debt Service	Gross	\$137,037,000
Reduces debt service by \$29.5 million GF/GP to reflect lower debt service costs due to refundings and refinancing.	GF/GP	(\$29,457,000)
		(\$29,457,000)
6. Dual Enrollment Payments	Gross	\$1,507,600
Increases by \$500,000 GF/GP to accommodate increased participation in the dual enrollment program. Grants cover tuition costs of eligible nonpublic school students enrolled in postsecondary institutions.	GF/GP	\$500,000
		\$500,000
7. Payments in Lieu of Taxes (PILT)	Gross	\$27,398,800
Includes a net reduction of \$47,200 Gross (\$203,400 GF/GP) by increasing PILT lines by \$252,800 Gross (\$96,600 GF/GP) to accommodate new PILT payments and reducing Swamp and Tax Reverted PILT by \$300,000 GF/GP.	Private	26,700
	Restricted	5,177,500
	GF/GP	\$22,194,600
		(\$47,200)
		0
		156,200
		(\$203,400)
8. Senior Citizen Cooperative Housing Tax Exemption	Gross	\$10,520,000
Increases by \$200,000 GF/GP to accommodate 2016 PA 78. The act authorized an exemption, effective December 31, 2011, for property that would have qualified for the exemption if an application had been timely filed in 2011.	GF/GP	\$200,000
		\$200,000
9. Align Appropriation Authorizations with Actual Revenues	Gross	NA
Provides the following adjustments to align appropriation authorizations with actual revenues: <ul style="list-style-type: none"> 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. Decreases Health and Safety Fund grants line item by \$7.5 million Gross (\$0 GF/GP) to align with actual expenditures. 	Federal	NA
	Restricted	NA
	GF/GP	NA
		(12,955,700)
		(7,500,000)
		\$0
10. Medical Marijuana Regulatory and Licensing Framework	FTE	NA
Includes \$4.6 million Gross (\$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 units by the department.	Gross	NA
	Restricted	NA
	GF/GP	NA
		\$4,635,000
		4,635,000
		\$0
11. Grant Removal	Gross	\$521,600
Removes \$521,600 GF/GP that supported the following FY 2016-17 grants: <ul style="list-style-type: none"> 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) 	GF/GP	\$521,600
		(\$521,600)
12. Tax Processing Bureau	FTE	331.0
Includes \$992,200 GF/GP and 9.0 FTEs to decrease telephone wait times and reduce processing time of individual income tax returns.	Gross	\$37,376,900
	IDG	2,356,300
	Restricted	25,072,200
	GF/GP	\$9,948,400
		9.0
		\$992,200
		0
		0
		\$992,200
13. Office of Collections Lien Fee Increase	FTE	202.0
Includes \$1.3 million IDG to accommodate recently enacted increases in lien filing fees from \$10 to \$30. The department files liens against taxpayers for delinquent taxes owed to the state and is reimbursed for costs associated with filing the liens by requesting entity.	Gross	\$26,255,100
	IDG	5,890,400
	Restricted	19,851,200
	GF/GP	\$513,500
		0.0
		\$1,300,000
		1,300,000
		0
		\$0

GENERAL GOVERNMENT: TREASURY

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>		FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
14. City Income Tax Administration	FTE	49.0	23.0
Provides \$5.3 million local funds to support expansion of Treasury city income tax collection program for Detroit (corporate and flow-through withholding) and the potential expansion into an additional city. \$1.5 million is considered one-time appropriations.	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)	Gross	NA	\$2,000,000
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.	GF/GP	NA	\$2,000,000
16. Supervision of General Property Tax Law	Gross	\$17,590,200	(\$500,000)
Reduces line item by \$500,000 GF/GP.	Local	140,000	0
	Restricted	3,558,700	0
	GF/GP	\$13,891,500	(\$500,000)
17. Financial Independence Teams	Gross	\$3,729,500	(\$1,000,000)
Reduces by \$1.0 million GF/GP.	GF/GP	\$3,729,500	(\$1,000,000)
18. Removal of One-Time Appropriations	Gross	\$6,192,600	(\$6,192,600)
Removes \$5.8 million Gross (\$5.5 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), and Drinking Water Declaration of Emergency (\$300,100 Restricted).	Restricted	300,100	(300,100)
	GF/GP	\$5,892,500	(\$5,892,500)
19. Urban Search and Rescue	Gross	\$500,000	\$400,000
Increases by \$400,000 GF/GP to support enhanced operations.	GF/GP	\$500,000	\$400,000
20. Financial Data Analytic Tool Reimbursement Program	Gross	NA	\$500,000
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.	GF/GP	NA	\$500,000
21. FTE Removal	FTE	1,916.5	(54.0)
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
22. Casino Gaming Information Technology System Review Enhancement	FTE	132.0	1.0
Includes \$149,900 in State Services Fee Fund and 1.0 FTE to support IT system review enhancement to help ensure security and accuracy of revenue reporting through increased internal controls.	Gross	\$26,196,700	\$149,900
	Restricted	26,196,700	149,900
	GF/GP	\$0	\$0
23. Bureau of State Lottery iLottery Staffing	FTE	183.0	8.0
Includes \$716,300 State Lottery Fund and 8.0 FTEs to support iLottery oversight and continued expansion.	Gross	\$24,760,300	\$716,300
	Restricted	24,760,300	716,300
	GF/GP	\$0	\$0
24. 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.	IDG	NA	51,400
	Federal	NA	57,500
	Local	NA	32,900
	Restricted	NA	1,421,400
	GF/GP	NA	\$435,000

GENERAL GOVERNMENT: TREASURY

Major Boilerplate Changes from FY 2016-17

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. Includes new subsection requiring the department to issue an RFP for a secondary placement collections program. Allows for a multiple contract approach for a bidder to bid on a part or the entirety of the contract for primary and secondary collections.

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.

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

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

Sec. 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.

Sec. 938. State Capitol Historic Site Payments – DELETED

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

Sec. 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 under the Supervision of General Property Tax Law line item.

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.

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. Revises to include a notification when a pension plan consultant was used and a rationale for the retention of a pension plan consultant.

Sec. 945. Audit of Minimal Assessing Requirements – REVISED

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

Sec. 949a. City Income Tax Expansion – NEW

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

Sec. 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. Retains base language, updates years, and updates amount to match line item appropriation of \$900,000 GF/GP.

Major Boilerplate Changes from FY 2016-17

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

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

Sec. 949j. Wrongful Imprisonment Compensation Fund – NEW

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

REVENUE SHARING

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

Specifies distribution of \$248.8 million to all CVTs with a population of 7,500 or more by providing an eligible payment equal to 100% of the FY 2015-16 payment to all CVTs that were eligible for a payment in FY 2015-16. In order to qualify for its eligible payment, a CVT is required to comply with the items listed under accountability and transparency. To qualify for county incentive payment, counties are required to comply with the items listed under accountability and transparency. Any unexpended funds are directed to be deposited in the Financial Distressed CVTs program in Sec. 956. 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.

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. Revises payment to 101.986% to reflect 1% increase.

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. 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.

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

Specifies distribution of \$6.2 million GF/GP appropriated in part 1 to support supplemental revenue sharing payments. Payments would be provided to CVTs on a per capita basis equal to \$0.81198 per person.

LOTTERY

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

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

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. 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. Revises by striking laboratory analysis program as exempt from proration.

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. Revises amount available for expenditure to \$3.0 million to align with actual reported expenditures.

GENERAL GOVERNMENT: TREASURY

<u>FY 2016-17 Supplemental Appropriations (Article XX)</u>	<u>FY 2016-17 YTD (as of 2/8/17)</u>		<u>FY 2016-17 Supplemental Change</u>
1. Wrongful Imprisonment Compensation Fund	Gross	NA	\$5,000,000
Provides \$5.0 million GF/GP for deposit in the Wrongful Imprisonment Compensation Fund created in 2016 PA 343. Funds are considered appropriated and available for expenditure to support wrongful imprisonment compensation payments.	GF/GP	NA	\$5,000,000
2. City Income Tax Administration	FTE	49.0	7.0
Includes \$2.1 million in local funds and 7.0 FTE positions to allow the department to begin implementation of corporate and flow-through withholding tax program development for the City of Detroit and expansion of the city income tax program.	Gross	\$5,879,100	\$2,050,000
	Local	5,879,100	2,050,000
	GF/GP	\$0	\$0
3. Office of Collections – Lien Filing Fee Increases	FTE	202.0	0.0
Includes \$1.3 million IDG to cover recently enacted increases in lien filing fees from \$10 to \$30. The department files liens against taxpayers for delinquent taxes owed to the state. The department is reimbursed by the entity requesting the lien once the debt is satisfied.	Gross	\$26,255,100	\$1,300,000
	IDG	5,890,400	1,300,000
	Restricted	19,851,200	0
	GF/GP	\$513,500	\$0
4. Drinking Water Declaration of Emergency – Bottled Water Purchases	Gross	NA	\$4,000,000
Includes \$4.0 million from the Drinking Water Declaration of Emergency Reserve Fund to support continued bottled water purchases by the Michigan State Police for the final quarter of FY 2016-17. Under the terms of the recently announced settlement, distribution of bottled water will continue through September 1, 2017.	Restricted	NA	4,000,000
	GF/GP	NA	\$0
5. University of Michigan – Flint – Flint Water Emergency Costs Reimbursement	Gross	NA	\$400,000
Provides \$400,000 from the Drinking Water Declaration of Emergency Reserve Fund to cover approximately 50% of direct costs incurred by the University to address impacts related to the Drinking Water Declaration of Emergency. Costs incurred by the University include the purchase of filters, faucets, water fountains, and bottled water; water quality monitoring, inspections and analysis; meetings and communication; and labor costs.	Restricted	NA	400,000
	GF/GP	NA	\$0

FY 2016-17 Supplemental Boilerplate Changes (Article XX)

Sec. 751. Wrongful Imprisonment Compensation Fund – NEW

Requires appropriated funding to be deposited into the state restricted Wrongful Imprisonment Compensation Fund.

Sec. 752. University of Michigan – Flint – Flint Water Emergency Costs Reimbursements – NEW

Requires \$400,000 to be allocated to the University of Michigan – Flint for costs related to the Drinking Water Declaration of Emergency.

DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT
Summary of FY 2017-18 Enacted Appropriations
Article VIII, 2017 Public Act 107 (House Bill 4323)

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 Enacted	Difference: Enacted From FY 2016-17 YTD	
						Amount	%
	\$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

		FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
1. Business Attraction and Community Revitalization	Gross	\$115,499,900	\$100
Maintains current-year funding level of \$115.5 million Gross (\$93.9 million GF/GP).	Restricted	21,600,000	0
	GF/GP	\$93,899,900	\$100
2. Going Pro (Formerly Skilled Trades Training Program)	Gross	\$30,900,000	\$11,000,000
Provides net increase of \$11.0 million Gross (\$1.0 million GF/GP), \$10.0 million of which is considered 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. Replaces current year GF/GP funding (\$5.0 million) with equivalent amount of Contingent Fund, Penalty and Interest. \$10.0 million of increased funding is also from Contingent Fund, Penalty and Interest. (See also #16 and #17 below.)	Restricted	25,900,000	15,000,000
	GF/GP	\$5,000,000	(\$4,000,000)
3. Talent Marketing	Gross	NA	\$5,000,000
Includes \$5.0 million GF/GP in one-time appropriations for a marketing program to attract individuals to live and work in Michigan.	GF/GP	NA	\$5,000,000
4. Project Rising Tide	Gross	NA	\$2,000,000
Includes \$2.0 million GF/GP in one-time appropriations for Project Rising Tide. The funds will 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.	GF/GP	NA	\$2,000,000

GENERAL GOVERNMENT: TALENT AND ECONOMIC DEVELOPMENT

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>		FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
5. Arts and Cultural Grants	Gross	\$10,150,000	\$1,000,000
Increases Arts and Cultural Grants by \$1.0 million GF/GP in one-time appropriations. Funding will provide additional grant opportunities to local arts and cultural organizations.	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)
Reduces Protect and Grow by \$2.0 million GF/GP in one-time appropriations. The program focuses on retaining and growing the defense industry strategic investments in Michigan.	GF/GP	\$3,000,000	(\$2,000,000)
7. Entrepreneurship Eco-System	Gross	\$19,400,000	\$0
Offsets \$1.0 million 21 st Century Jobs Trust Fund with equal amount of GF/GP for net change of \$0 Gross. \$1.0 million 21 st Century Jobs Trust Fund transferred to Pure Michigan (See #9).	Restricted	19,400,000	(1,000,000)
	GF/GP	\$0	\$1,000,000
8. Van Andel Institute	Gross	\$1,000,000	\$0
Includes \$1.0 million GF/GP to support ongoing grant to Van Andel Institute. Appropriation is included in Entrepreneurship Eco-System line item (funding is directed to Van Andel in boilerplate Section 1048). FY 2016-17 funding for Van Andel Institute was included in one-time special grants line item.	GF/GP	\$1,000,000	\$0
9. Pure Michigan	Gross	\$34,000,000	\$1,000,000
Includes \$1.0 million 21 st Century Jobs Trust Fund increase. Funding was shifted from Entrepreneurship Eco-System line item.	Restricted	34,000,000	1,000,000
	GF/GP	\$0	\$0
10. Community Ventures	Gross	\$9,800,000	\$0
Replaces \$9.5 million GF/GP with equivalent amount of Contingent Fund, Penalty and Interest for a net change of \$0 Gross.	Restricted	0	9,500,000
	GF/GP	\$9,800,000	(\$9,500,000)
11. TANF Funding	Gross	\$64,898,800	(\$1,200,000)
Removes \$1.2 million TANF authorization for workforce development programs.	Federal	64,898,800	(1,200,000)
	GF/GP	\$0	\$0
12. DTED – Grants	Gross	NA	\$2,700,000
Includes the following grant awards in the DTED – grants line item:	GF/GP	NA	\$2,700,000
• \$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
Reduces MSHDA restricted funds by \$7.1 million to align fund source with actual revenues. Downward adjustment does not affect programming.	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	\$22,898,600	(\$22,898,600)
Removes \$22.9 million Gross (\$14.1 million GF/GP) in FY 2016-17 one-time appropriations. Appropriations include Special Grants (\$11.0 million), Statewide Data System Integration (\$8.8 million Gross), Kalamazoo Valley Community College – Healthy Living Campus (\$2.0 million GF/GP), Grant to St. Louis Center (\$120,000 GF/GP), and Sustainable Employment Pilot Program (\$1.0 million GF/GP).	Federal	4,800,000	(4,800,000)
	Restricted	3,978,500	(3,978,500)
	GF/GP	\$14,120,100	(\$14,120,100)
15. Michigan Enhancement Grants	Gross	NA	\$35,897,000
Includes \$35.9 million for enhancement grants (See Sec. 1047 below).	Federal	NA	0
	Restricted	NA	0
	GF/GP	NA	\$35,897,000

GENERAL GOVERNMENT: TALENT AND ECONOMIC DEVELOPMENT

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>		FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
16. Jobs for Michigan's Graduates Program	Gross	NA	\$3,000,000
Includes \$3.0 million GF/GP to support program. Funding is included in Skilled Trades Training Program (Going Pro) line item.	GF/GP	NA	\$3,000,000
17. Dropout Prevention Program	Gross	NA	\$1,500,000
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) line item.	GF/GP	NA	\$1,500,000
18. FTE Removal	FTE	1,615.0	(162.0)
Removes 162.0 FTE positions relative to the current FY 2016-17 amount.	Gross	NA	\$0
	GF/GP	NA	\$0
19. Economics Adjustments	Gross	NA	\$420,500
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.	Federal	NA	0
	Private	NA	1,900
	Restricted	NA	305,100
	GF/GP	NA	\$113,500

Major Boilerplate Changes from FY 2016-17

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. Revises by removing phrase allowing for statutory report to count for boilerplate report if submitted by March 15 and 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. Revises to include new subsection requiring report on land purchased, all options on land purchased, the location of the purchase, and the purchase price if any of the aforementioned actions happen.

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

Requires MCACA to administer an arts and cultural grant program that maintains an equitable geographic distribution of funding and utilizes past arts and cultural grant programs as a guideline; requires MCACA to publish application criteria; authorizes MCACA to charge a non-refundable application fee to be used for expenses necessary to administer the programs; requires a report to the legislature. Revises to include new reporting requirement regarding number of applications and total dollar amount of grants requested.

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.

GENERAL GOVERNMENT: TALENT AND ECONOMIC DEVELOPMENT

Major Boilerplate Changes from FY 2016-17

Sec. 1046. Special Grants Award Listing – DELETED

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

Sec. 1047. Michigan Enhancement Grants – NEW

Specifies individual grants included in the Michigan Enhancement Grant line item totaling \$35.9 million GF/GP: playground project in Commerce Township (\$100,000); Sanilac FFA "miracle of life" barn (\$35,000); St. Clair River seawall (\$500,000); St. Clair highway bridge (\$2,700,000); Oakland Hope (\$100,000); Michigan Works! retirement shortfall (\$800,000); Sault Ste. 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.

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; includes reporting requirement.

Sec. 1051. Talent Marketing Performance Measures – NEW

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

Sec. 1052. Project Rising Tide Performance Measures – NEW

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

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

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

Sec. 1054. Protect and Grow Performance Measures – NEW

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

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.

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

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

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. 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.

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.

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.

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

Requires \$1.5 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.

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

Requires \$3.0 million from the funds appropriated for Going Pro to be awarded to an existing dropout prevention and recover program for Michigan youth.

Sec. 1076. UIA Computer System Report – DELETED

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

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.

Sec. 1077. UIA Internet Claims Report – DELETED

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

Sec. 1081. Statewide Data System Integration Performance Metrics – 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. Revises to require status report update by March 15.

Sec. 1082. 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. Revises language to require a status update on the usage of the funds appropriated for the Sustainable Employment Pilot Program. Provides requested reporting metrics.

Sec. 1084. Going Pro Performance Measures – NEW

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

GENERAL GOVERNMENT: TALENT AND ECONOMIC DEVELOPMENT

<u>FY 2016-17 Supplemental Appropriations (Article XX)</u>	FY 2016-17 YTD (as of 2/8/17)	FY 2016-17 Supplemental Change
1. Special Grants	Gross \$12,000,000	\$7,336,000
Provides \$7.3 million GF/GP to support grants (See Sec. 801).	GF/GP \$12,000,000	\$7,336,000

FY 2016-17 Supplemental Boilerplate Changes (Article XX)

Sec. 801. Special Grants – NEW

Specifies that of the \$7.3 million appropriated in part 1 for special grants, \$3.3 million is allocated for the Dort Highway infrastructure project in Genesee County; \$200,000 is allocated for a river dredging project in Kent County; \$386,000 is allocated for a highway project in Ottawa County; \$750,000 is allocated for road projects in Oakland County; \$1.0 million is allocated for infrastructure repair projects in Gogebic County; and \$1.7 million for water and sewer system improvements for the City of Standish.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Summary of FY 2017-18 Enacted Appropriations with Vetoes
Article X, 2017 Public Act 107 (House Bill 4323)

Analysts: Susan Frey, Kevin Koorstra, and Viola Wild

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 Enacted	Difference: Enacted From FY 2016-17 YTD	
						Amount	%
	\$13,513,700	\$13,640,900	\$13,640,900	\$13,640,900	\$13,640,900	\$127,200	0.9
Federal	17,905,772,200	18,351,244,100	18,105,315,100	18,346,518,000	18,364,898,000	459,125,800	2.6
Local	124,445,800	118,751,000	117,033,600	113,270,900	116,545,300	(7,900,500)	(6.3)
Private	154,259,300	149,873,300	149,873,300	149,873,300	149,875,700	(4,383,600)	(2.8)
Restricted	2,294,167,500	2,442,169,800	2,442,169,800	2,426,832,800	2,434,439,800	140,272,300	6.1
GF/GP	4,392,732,800	4,461,735,400	4,343,714,300	4,351,065,600	4,365,484,900	(27,247,900)	(0.6)
Gross	\$24,884,891,300	\$25,537,414,500	\$25,171,747,000	\$25,401,201,500	\$25,444,884,600	\$559,993,300	2.3
FTEs	15,600.5	15,620.5	15,472.0	15,345.4	15,617.5	17.0	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." (3) FY 2017-18 Enacted figures reflect Governor's vetoes totaling \$2.7 million Gross (\$1.9 million GF/GP).

Overview

The Department of Health and Human Services (DHHS) includes programs and services to assist Michigan's most vulnerable families, including public assistance programs, protecting children and assisting families by administering foster care, adoption, and family preservation programs, and by enforcing child support laws, funding for behavioral health (mental health and substance use disorder), population health, aging, crime victim, and medical services programs, including Medicaid and the Healthy Michigan Plan.

Major Budget Changes from FY 2016-17 YTD Appropriations	FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
MEDICAID AND BEHAVIORAL HEALTH - GENERAL		
1. Traditional Medicaid Cost Adjustments		
Provides an increase of \$86.7 million Gross (\$45.3 million GF/GP) for traditional Medicaid program caseload, utilization, inflation, and financing adjustments. Total includes \$43.1 million GF/GP to offset decline in federal match rate from 65.15% to 64.78% due to relative growth in state's personal income. Also includes cost adjustment for the federal Medicare pharmaceutical clawback. These adjustments are based on the May caseload consensus between the State Budget Office, Senate Fiscal Agency, and House Fiscal Agency that forecasts an annual increase from FY 2016-17 to FY 2017-18 in traditional Medicaid costs of 2.6%.	Gross \$13,420,787,900	\$86,655,500
	Federal 8,713,156,200	48,342,900
	Local 47,005,700	241,400
	Private 2,100,000	0
	Restricted 1,884,179,700	(7,245,300)
	GF/GP \$2,774,346,300	\$45,316,500
2. Healthy Michigan Plan Cost Adjustments		
Provides an increase of \$519.6 million Gross (\$85.1 million GF/GP) for Healthy Michigan Plan caseload, utilization, inflation, and financing adjustments. Total includes \$55.2 million GF/GP to offset the decline in the federal match rate from 96.25% to 94.25%. These adjustments are based on the May caseload consensus between the State Budget Office, Senate Fiscal Agency, and House Fiscal Agency that forecasts an annual increase from FY 2016-17 to FY 2017-18 in Healthy Michigan Plan costs of 5.3%.	Gross \$3,519,320,900	\$519,587,400
	Federal 3,388,487,600	422,304,500
	Local 633,100	0
	Restricted 119,599,800	12,191,200
	GF/GP \$10,600,400	\$85,091,700

HEALTH AND HUMAN SERVICES

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>	FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
3. Actuarial Soundness Adjustments	Gross \$11,107,957,000	\$86,600,800
Includes \$86.6 million Gross (\$23.5 million GF/GP) to provide a 1% actuarial soundness adjustment for Medicaid health plans, prepaid inpatient health plans (PIHPs), and Healthy Kids Dental.	Federal 8,441,473,400	63,131,900
	Local 40,773,100	0
	Restricted 1,352,921,900	0
	GF/GP \$1,272,788,600	\$23,468,900
4. Medicaid Managed Care Use Tax Adjustments	Gross NA	(\$157,891,000)
Reduces \$157.9 million Gross (\$62.2 million GF/GP) to reflect, beginning January 1, 2017, discontinuation of Use Tax on Medicaid Managed Care Organizations (MCOs), associated actuarial soundness reimbursement payments to MCOs, and the Health Insurance Claims Assessment (HICA) increasing from 0.75% to 1.0%.	Federal NA	(116,240,400)
	HICA NA	20,572,500
	GF/GP NA	(\$62,223,100)
5. Health Insurance Claims Assessment Adjustments	Gross \$249,541,300	\$0
Offsets \$120.0 million GF/GP with available HICA, of which \$59.0 million is from forecasted annual revenues, including not having a HICA rebate to be paid out during FY 2017-18. The other \$61.0 million utilizes available year-end fund balance to offset GF/GP. The projected FY 2016-17 year-end HICA fund balance is \$70.9 million. Revenues are in addition to the \$20.6 million in HICA revenue from increasing the rate from 0.75% to 1.0% related to the discontinuation of the MCO Use Tax described in item #4. Total forecasted FY 2017-18 annual HICA revenue is \$331.3 million.	HICA 249,541,300	120,030,100
	GF/GP \$0	(\$120,030,100)
DEPARTMENTAL ADMINISTRATION AND SUPPORT		
6. Integrated Service Delivery Project	FTEs 15.0	27.0
Provides net increase of 27.0 FTEs and \$8.2 million Gross (reduction of \$177,700 GF/GP) to support Phase 2 of the Integrated Service Delivery information system project, including an additional \$45.1 million Gross (\$3.5 million GF/GP) in ongoing funding and removal of \$36.9 million Gross (\$3.7 million GF/GP) in one-time funding.	Gross \$43,230,500	\$8,167,300
	Federal 38,907,500	8,345,000
	GF/GP \$4,323,000	(\$177,700)
7. Financial Operations Administration Staffing	FTEs 494.0	19.0
Includes increase of \$1.8 million Gross (\$912,500 GF/GP) to add 19.0 FTEs to the Department's financial operations administration, including 9.0 FTEs for finance, accounting, budget, and grants, and 10.0 FTEs for SIGMA coordination and support. SIGMA is the Statewide Integrated Governmental Management Applications project underway to replace and improve the state's financial data system.	Gross \$57,728,700	\$1,824,900
	TANF 9,090,400	0
	Federal 24,527,200	912,400
	Restricted 1,129,000	0
	GF/GP \$22,982,100	\$912,500
8. Economic Adjustments	Gross NA	\$16,186,500
Reflects increased costs of \$16.2 million Gross (\$9.0 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, building occupancy charges, food, fuel and utilities for facilities, other economic adjustments, and reduced costs for worker's compensation. Total includes economics increases of \$27.9 million Gross (\$13.8 million GF/GP) and removal of one-time lump sum payment totaling \$11.7 million Gross (\$4.8 million GF/GP).	IDG NA	112,400
	TANF NA	1,852,700
	Federal NA	4,696,800
	Local NA	204,500
	Private NA	21,400
	Restricted NA	312,900
	GF/GP NA	\$8,985,800
9. Worker's Compensation Fund Source Adjustment	Gross \$7,956,500	\$0
Includes \$1.0 million GF/GP savings in Worker's Compensation program, offset by a federal funding increase of the same amount.	TANF 467,700	0
	Federal 1,116,900	1,000,000
	GF/GP \$6,371,900	(\$1,000,000)

HEALTH AND HUMAN SERVICES

Major Budget Changes from FY 2016-17 YTD Appropriations

**FY 2016-17 YTD
(as of 2/8/17)** **Enacted Change
From YTD**

10. Employment First

Includes \$500,000 to provide technical assistance related to the objectives of Executive Order 2015-15 for community rehabilitation and employment, and transition from education to employment for individuals with disabilities. Sec. 315 is related new boilerplate.

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

11. MiSACWIS Information Technology – One-Time Funding

Eliminates one-time funding of \$11.5 million Gross (\$5.8 million GF/GP) for improvements to the Statewide Automated Child Welfare Information System (MiSACWIS). Ongoing funding is maintained for the system and for continued implementation of court-ordered improvements for child welfare case monitoring.

Gross	\$11,538,600	(\$11,538,600)
Federal	5,769,300	(5,769,300)
GF/GP	\$5,769,300	(\$5,769,300)

HUMAN SERVICES

12. Public Assistance Caseload Adjustments

Reduces funding for public assistance programs based on the May caseload consensus between the State Budget Office, Senate Fiscal Agency, and House Fiscal Agency by \$19.0 million Gross (\$7.0 million GF/GP) as follows:

Gross	\$171,482,200	(\$19,032,200)
Federal	54,285,100	(11,183,600)
Restricted	16,269,600	(857,900)
GF/GP	\$100,927,500	(\$6,990,700)

- Family Independence Program (FIP) is reduced \$15.1 million Gross (\$4.0 million GF/GP) adjusting the monthly caseload estimate from 21,600 cases at \$352.62 per month to 18,200 cases at \$349.50 per month.
- State Disability Assistance (SDA) is reduced by \$2.2 million Gross (\$1.2 million GF/GP) adjusting the monthly caseload estimate from 4,500 cases at \$213.96 per month to 3,600 cases at \$216.67 per month.
- State Supplementation is reduced by \$1.8 million GF/GP adjusting the monthly caseload estimate from 274,077 cases at \$18.93 per month to 269,796 cases at \$18.82 per month.

13. Child Welfare Caseload Adjustments

Reduces funding for child welfare programs by \$8.0 million Gross (increase of \$707,600 GF/GP) as follows:

Gross	\$619,918,000	(\$8,010,500)
Federal	312,887,400	(9,274,800)
Private	2,424,000	505,800
Local	14,194,000	50,900
GF/GP	\$290,412,600	\$707,600

- Foster care payments are reduced by \$17,000 Gross (increase of \$2.2 million GF/GP) from 5,907 cases at \$28,351 per year to 5,800 cases at \$29,933 per year.
- Adoption subsidies are reduced \$13.2 million Gross (\$6.3 million GF/GP) from 24,637 cases at \$735.83 per month to 23,408 cases at \$732.07 per month.
- The Child Care Fund is increased by \$4.9 million GF/GP.
- Guardianship assistance payments are increased by \$351,700 Gross (reduction of \$40,600 GF/GP) from 1,162 cases at \$778.15 per month to 1,200 cases at \$778.15 per month.
- Family Support Subsidies remain funded at same level as FY 2016-17 with 6,360 cases at the same monthly rate of \$222.11.

14. Homeless Emergency Shelter Per Diem Rate

Increases funding by \$3.7 million GF/GP to fund an increase to the per diem rate provided to emergency shelters from \$12 to \$16 per bed night. Adds boilerplate Sec. 453 directing that additional funding support the increase in the capacity of shelters to assist clients in applying for permanent housing and other social services.

Gross	\$15,721,900	\$3,744,800
TANF	7,102,600	1,497,900
GF/GP	\$8,619,300	\$2,246,900

HEALTH AND HUMAN SERVICES

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>	<u>FY 2016-17 YTD (as of 2/8/17)</u>	<u>Enacted Change From YTD</u>
15. Pathways to Potential Expansion	FTE	NA
Includes additional 45.0 FTEs and \$4.9 million Gross (\$2.9 million GF/GP) to expand the Pathways to Potential program to additional school districts. The program places caseworkers in certain schools to help reduce absenteeism and help families obtain community resources.	Gross	NA
	Federal	2,022,500
	GF/GP	NA
		45.0
		\$4,919,100
16. Nutrition Education	FTE	2.0
Includes additional \$10.0 million federal funding authorization for nutrition education programs that provide educational services to help persons eligible to receive food assistance improve their eating and lifestyle behaviors.	Gross	\$23,042,700
	Federal	23,042,700
	GF/GP	\$0
		0.0
		\$10,000,000
17. Adult Services Staffing Increase	FTE	425.0
Includes additional 95.0 FTE positions and \$11.3 million Gross (\$8.1 million GF/GP) in response to rising adult services caseloads. Adds boilerplate Sec. 851 directing that staffing ratios of adult protective services programs be improved to increase response times to help reduce risks for elderly and disabled adults.	Gross	\$44,864,400
	Federal	30,579,700
	GF/GP	\$14,284,700
		95.0
		\$11,286,700
18. Heat and Eat Program Continuance	Gross	\$6,766,800
Reduces GF/GP funding by \$4.3 million for the Heat and Eat program, which provides energy assistance payments of \$20.01 to an estimated 338,173 Food Assistance Program (FAP) cases making them potentially eligible for additional FAP benefits. The intention is to use a similar amount of FY 2016-17 GF/GP carry-forward funding to fund the program at FY 2016-17 level.	GF/GP	\$6,766,800
		(\$4,266,800)
		(\$4,266,800)
19. Multicultural Integration Funding	Gross	\$13,303,800
Increases funding by \$2.0 million GF/GP to various multicultural organizations that provide social services programs to specific populations. Organizations receiving additional funding include: Arab Community Center for Economic and Social Services (ACCESS), Arab Chaldean Council (ACC), the Jewish Federation, and the Chaldean Community Foundation (CCF).	Federal	1,115,500
	GF/GP	\$12,188,300
		0
		\$2,000,000
20. Foster Care Administrative and Residential Rates Increase	Gross	NA
Increases funding by \$14.2 million Gross (\$8.9 million GF/GP) to increase administrative per diem rates paid to private foster care placing agencies and rates to residential service providers. The current general foster care rate would increase from \$45.00 to \$46.20. Independent living, trial reunification, and residential services rates would also be increased.	Federal	NA
	Local	NA
	GF/GP	NA
		5,290,000
		0
		\$8,910,000
21. Foster Care Administrative Rates – Continuation of County Hold-Harmless Provision	Gross	NA
Retains current county hold-harmless policy that requires DHHS to pay 100% of the foster care administrative rates to private agencies for all new cases beginning October 1, 2013 and 100% of the recent rate increases.	GF/GP	NA
		\$0
		\$0
22. Supplemental County Payments – One-Time Funding	Gross	\$5,000,000
Eliminates supplemental county child care fund payments of \$5.0 million GF/GP provided in FY 2016-17 supplemental Act 340 of 2016.	GF/GP	\$5,000,000
		(\$5,000,000)
		(\$5,000,000)

HEALTH AND HUMAN SERVICES

Major Budget Changes from FY 2016-17 YTD Appropriations

FY 2016-17 YTD **Enacted Change**
(as of 2/8/17) **From YTD**

23. Foster Parent Support and Michigan Youth Opportunities Initiative (MYOI) Expansion	FTE	NA	11.0
Includes 11.0 additional FTE positions and \$3.6 million Gross (\$2.8 million GF/GP) to fund the expansion of programs to support foster care parents and the MYOI program. Funding would support 10 additional MYOI coordinators and expand the program to all 83 counties; includes support for one statewide foster care recruitment supervisor. Adds boilerplate Sec. 594 directing funding to support five Regional Resource Teams to help recruit and retain foster parents.	Gross	NA	\$3,591,400
	Federal	NA	783,500
	GF/GP	NA	\$2,807,900
24. Foster Care Relative Caregiver Licensure Payments	Gross	NA	\$1,000,000
Includes \$1.0 million GF/GP funding for increased payments for completed relative caregiver licensure. Payments for completed licensure before 180 days is increased from \$2,300 to \$4,500; after 180 days, the payment is increased from \$2,300 to \$3,500. Modifies Sec. 574 boilerplate.	GF/GP	NA	\$1,000,000
25. Juvenile Justice Facilities Staffing Increase	FTE	84.0	10.0
Includes 10.0 FTEs and \$924,000 Gross (\$462,000 GF/GP) to comply with new minimum staffing requirements mandated by the federal Prison Rape Elimination Act. In order to comply, both state juvenile facilities, Shawono and Bay Pines, require 5.0 additional FTEs.	Gross	\$9,954,700	\$924,000
	Federal	220,300	462,000
	Local	5,377,900	0
	GF/GP	\$4,356,500	\$462,000
26. Family Preservation Programs – One-Time Funding	FTE	1.0	(1.0)
Eliminates one-time funding of \$6.1 million federal TANF and the related 1.0 FTE for family preservation programs; ongoing funding for family preservation programs is maintained at current-year funding and staffing levels.	Gross	\$6,098,200	(\$6,098,200)
	Federal	6,098,200	(6,098,200)
	GF/GP	\$0	\$0
27. GF/GP-Funded Refugee Assistance – One-Time Funding	Gross	\$1,000,000	(\$850,000)
Eliminates \$1.0 million GF/GP added in FY 2016-17 in PA 340 of 2016 for refugee assistance services and includes \$150,000 GF/GP for a one-time Refugee Assistance Grant.	GF/GP	\$1,000,000	(\$850,000)
28. Other Program Reductions	Gross	NA	(\$1,250,000)
Reduces \$1.0 million Gross (\$600,000 GF/GP) funding for Emergency Services Local Office Allocations (ESLOA) and \$250,000 TANF for FIP Suspicion-Based Drug Testing Pilot.	Federal	NA	(650,000)
	GF/GP	NA	(\$600,000)
29. Michigan Corner Store Initiative	Gross	NA	\$100
Includes \$100 placeholder for the Michigan Corner Store Initiative and adds Sec. 651 of boilerplate directing funding to be used for grants to small food retailers to increase availability of fresh and nutritious foods in low and moderate income areas.	GF/GP	NA	\$100
30. Farmers Markets Wireless Equipment – One-Time Funding	Gross	NA	\$500,000
Includes \$500,000 Gross (\$250,000 GF/GP) one-time funding for the purchase of wireless equipment to be used in farmers markets to enable individuals to use Bridge cards for payment.	Federal	NA	250,000
	GF/GP	NA	\$250,000
31. FTE Adjustments	FTE	NA	(31.0)
Eliminates 60.0 FTE authorizations in the following two line items to align FTE authorizations with the amount of funding available to support the positions: Child Welfare Field Staff – Caseload Compliance (50.0), Family Preservation Programs (10.0); adds 29.0 FTEs to Public Assistance Field Staff.	Gross	NA	\$0
	GF/GP	NA	\$0

HEALTH AND HUMAN SERVICES

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>	FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
32. Donated Funds Positions FTE Reduction	FTE	538.0
Eliminates 250.0 FTE authorizations from the Donated Funds Positions line item to better align FTE authorizations with the amount of currently-filled positions and the funding available to support those FTEs. Reduces funding by \$28.3 million Gross (\$0 GF/GP).	Gross	\$60,878,700
	IDG	238,900
	Federal	31,152,400
	Private	18,420,200
	Local	11,067,200
	GF/GP	\$0
		(250.0)
		(\$28,300,000)
		0
		(14,152,400)
		(5,309,900)
		(8,837,700)
		\$0
33. TANF Offset of GF/GP Funding	Gross	NA
Appropriates \$10.5 million TANF reserve funding to the FIP line item to offset \$10.5 million GF/GP.	TANF	NA
	GF/GP	NA
		10,539,200
		(\$10,539,200)
BEHAVIORAL HEALTH		
34. Direct Care Wage Increase	Gross	NA
Increases Medicaid mental health funding \$45.0 million Gross (\$14.2 million GF/GP) to provide a \$0.50 per hour increase for direct care workers and requires in boilerplate Sec. 1009 that DHHS contractually mandate these funds be fully passed through to agencies for paying direct care worker's wages and includes wage reporting provisions. A FY 2015-16 legislative boilerplate report directed DHHS to review current challenges of recruiting and retaining direct care staff, and one of the findings was uncompetitive wages compared to other available entry-level wages.	Federal	NA
	GF/GP	NA
		\$45,000,000
		30,838,500
		\$14,161,500
35. State Psychiatric Hospital Staffing Enhancement	FTEs	1,613.6
Provides \$7.2 million Gross (\$4.9 million GF/GP) to increase state psychiatric hospital staffing by 72.0 FTEs. Amount reflects a 3.4% increase in Gross appropriations.	Gross	\$208,960,000
	Federal	34,738,400
	Local	14,685,300
	Restricted	17,633,000
	GF/GP	\$141,903,300
		72.0
		\$7,173,200
		2,308,900
		0
		0
		\$4,864,300
36. Behavioral Health Integration Pilot Project Implementation	FTEs	0.0
Includes \$3.1 million Gross (\$1.0 million GF/GP) to support implementation costs related to the pilot projects and demonstration models within boilerplate Sec. 298. Funding would support an independent project facilitator, evaluation costs, modifications to state contracts, and 3.0 FTEs.	Gross	\$0
	Federal	0
	GF/GP	\$0
		3.0
		\$3,088,200
		2,088,200
		\$1,000,000
37. Mental Health and Wellness Commission	Gross	\$17,350,000
Increases Mental Health and Wellness Commission allocation by \$3.8 million Gross (\$1.3 million GF/GP) for a psychiatric transition unit for children residing at the Hawthorn Center state psychiatric hospital for children and reduces funding to other program recommendations \$2.2 million Gross (\$745,600 GF/GP).	Federal	9,425,000
	GF/GP	\$7,925,000
		998,600
		\$546,400
38. Medical Marijuana Regulatory Revenue	Gross	\$0
Recognizes \$1.4 million in restricted medical marijuana regulatory revenue to increase access to substance use disorder prevention, treatment, and education programming. Assumes some programs would be eligible for federal matching funds.	Federal	0
	Restricted	0
	GF/GP	\$0
		1,839,300
		1,423,900
		\$0
		\$0
39. Pediatric and Adult Opioid Abuse Pilot Project	Gross	NA
Provides \$305,000 GF/GP for a pilot project to create early detection of pediatric opioid abuse and to reduce opioid dependency and addiction in adult patients.	GF/GP	NA
		\$305,000
		\$305,000
40. Behavioral Health Administration Grants – One-Time Funding	Gross	NA
Provides \$100,000 GF/GP for Special Olympics Michigan and \$100,000 GF/GP for Oakland Hope Food Pantry.	GF/GP	NA
		\$200,000
		\$200,000

HEALTH AND HUMAN SERVICES

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>		<u>FY 2016-17 YTD (as of 2/8/17)</u>	<u>Enacted Change From YTD</u>
41. Civil Service Charges	Gross	\$1,499,300	(\$1,100,000)
Reduces civil services charges line within behavioral health services unit \$1.1 million GF/GP, funding is transferred into Civil Services unit within Department of Technology, Management, and Budget.	GF/GP	\$1,499,300	(\$1,100,000)
42. University Autism Programs – One-Time Funding	Gross	\$1,000,000	(\$500,000)
Transfers university autism program funding to the one-time basis unit and reduces \$500,000 GF/GP.	GF/GP	\$1,000,000	(\$500,000)
POPULATION HEALTH			
43. Flint Drinking Water Emergency – One-Time Funding	FTE	0.0	4.5
Reduces funding for assistance to residents exposed to lead in the City of Flint by \$1.1 million Gross (\$7.4 million GF/GP). One-time funding of \$14.0 million Gross (\$1.7 million GF/GP) and 4.5 FTEs are provided for food and nutrition services including Double Up Food Bucks, health services at child and adolescent health centers and schools, water filter cartridges and filter replacements, lead testing of drinking water at local food service establishments and additional supports and services. Restricted funding includes Healthy Michigan Fund and \$100 of the Drinking Water Declaration of Emergency Reserve Fund. Sec. 1905 is related boilerplate.	Gross	\$15,138,100	(\$1,096,400)
	TANF	3,520,000	(20,000)
	Federal	2,050,000	(2,050,000)
	Restricted	473,900	8,387,800
	GF/GP	\$9,094,200	(\$7,414,200)
44. Health Innovations Grant Program Elimination	Gross	\$1,000,000	(\$1,000,000)
Eliminates funding for health innovations one-year mini-grant program of \$1.0 million GF/GP, first funded in FY 2013-14, and eliminates related Sec. 1143.	GF/GP	\$1,000,000	(\$1,000,000)
45. Early Primary Care Pilot Program	Gross	\$0	\$1,000,000
Provides \$1.0 million GF/GP for a new early primary care pilot program to place interested and qualified physicians in medically underserved areas for 2 years following the first year of the physician's residency. The physician will receive a salary and financial assistance with repayment of medical education loans. Sec. 1147 is related boilerplate.	GF/GP	\$0	\$1,000,000
46. Island Hospital/Clinic Funding	Gross	\$325,000	\$200,000
Provides \$200,000 GF/GP in the Primary Care Services line item for increased funding for island hospitals, clinics, and health care access including \$100,000 for Beaver Island and \$100,000 for Mackinac Island.	GF/GP	\$325,000	\$200,000
47. Oaklawn Hospital Grant – One-Time Funding	Gross	NA	\$850,000
Provides \$850,000 GF/GP as one-time funding to a hospital that qualifies for rural hospital access payments and is located in a county with a population between 130,000 and 140,000. Sec. 1915 is related new boilerplate.	GF/GP	NA	\$850,000
48. Lead Poisoning Elimination – One-Time Funding	Gross	\$0	\$1,250,000
Includes \$1.3 million GF/GP as one-time funding toward implementation of recommendations of the Child Lead Poisoning Elimination Board, created as a two-year advisory commission under Executive Order 2016-9 (which will be superseded October 1, 2017 by the Child Lead Exposure Elimination Commission established by Executive Order 2017-2). Includes Sec. 1907 related boilerplate.	GF/GP	\$0	\$1,250,000
49. Vapor Intrusion Response	FTEs	8.5	6.5
Provides increase of \$815,000 GF/GP and 6.5 FTEs to annualize and continue the new vapor intrusion response program, initiated in the FY 2016-17 supplemental Act 340 of 2016, and adds new related boilerplate Sec. 1180.	Gross	\$1,368,800	\$815,000
	GF/GP	\$1,368,800	\$815,000

HEALTH AND HUMAN SERVICES

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>		FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
50. Drinking Water, Lead Testing, Toxicology, and Response	FTEs	11.5	7.0
Provides increase of \$1.1 million Gross (reduction of \$2.1 million GF/GP) and 7.0 FTEs to annualize costs for a new drinking water office, and for enhancements to childhood lead testing, toxicology and response programs, initiated in the FY 2016-17 supplemental Act 340 of 2016, and adds new related boilerplate Sec. 1181. Restricted funding is Healthy Michigan Fund.	Gross	\$2,148,900	\$1,067,800
	Restricted	0	3,216,700
	GF/GP	\$2,148,900	(\$2,148,900)
51. Public Health Administration for New Initiatives	FTEs	0.0	6.0
Provides \$961,800 from the Healthy Michigan Fund and 6.0 FTEs for administration support for new and enhanced public health initiatives that were first funded for a partial year in the FY 2016-17 supplemental Act 340 of 2016, including vapor intrusion response, drinking water, childhood lead testing, toxicology and response.	Gross	\$0	\$961,800
	Restricted	0	961,800
	GF/GP	\$0	\$0
52. Lead Abatement Expansion	FTEs	4.0	0.0
Recognizes increase of \$10,000 of available federal funding for lead abatement of homes, initially focusing on Flint. Funding was initially appropriated in the FY 2016-17 supplemental Act 340 of 2016. Sec. 1182 is related boilerplate.	Gross	\$23,470,000	\$10,000
	Federal	23,470,000	10,000
	GF/GP	\$0	\$0
53. Indigent Primary Care and Dental Care – One-Time Funding – VETOED	Gross	\$0	\$0
Governor vetoed one-time funding of \$300,000 GF/GP to support primary care clinic and dental health clinic services for indigent individuals, striking the line item and related boilerplate Sec. 1914.	GF/GP	\$0	\$0
54. Traumatic Brain Injury Treatment – VETOED	Gross	\$0	\$0
Governor vetoed \$1.0 million GF/GP to support use of pediatric traumatic brain injury assessment and treatment interactive software in hospitals, striking the line item and related boilerplate Sec. 1228. This project was previously funded in part in FY 2014-15 and in prior fiscal years.	GF/GP	\$0	\$0
55. Diabetes Program	Gross	\$3,049,100	\$200,000
Provides \$200,000 GF/GP of increased funding for diabetes programs, to be allocated to the Michigan Kidney Foundation.	Federal	2,851,600	0
	Restricted	197,500	0
	GF/GP	\$0	\$200,000
56. Emergency Medical Services – VETOED	Gross	\$6,563,600	\$0
Governor vetoed \$182,000 GF/GP for emergency medical services in the Upper Peninsula, striking related boilerplate Sec. 1350.	Federal	1,124,600	0
	Restricted	4,004,900	0
	GF/GP	\$1,434,100	\$0
57. Prenatal Diagnosis Clearinghouse – One-Time Funding	Gross	\$0	\$150,000
Provides one-time funding of \$150,000 GF/GP to develop a website providing information regarding prenatally diagnosed conditions related to the Public Health Code (as proposed under Senate Bill 367). Sec. 1908 is related boilerplate.	GF/GP	\$0	\$150,000
58. Population Health Federal Grant Adjustments	Gross	NA	\$8,400,000
Recognizes \$8.4 million of additional public health federal funds including new violence prevention grants of \$1.0 million, increase in local reimbursements for Medicaid outreach totaling \$3.5 million, and increase in Preventive Health and Health Services Block Grant funds being directed to local health services for \$1.5 million, and chronic disease prevention for \$2.4 million.	Federal	NA	8,400,000
	GF/GP	NA	\$0

HEALTH AND HUMAN SERVICES

Major Budget Changes from FY 2016-17 YTD Appropriations

**FY 2016-17 YTD
(as of 2/8/17)** **Enacted Change
From YTD**

59. Alternative Pregnancy and Parenting Support Program

Provides \$250,000 federal TANF funds for increased funding for alternative pregnancy and parenting support program which promotes childbirth and alternatives to abortion. Sec. 1307 is related boilerplate.

Gross	\$400,000	\$250,000
TANF	400,000	250,000
GF/GP	\$0	\$0

AGING AND ADULT SERVICES AGENCY

60. Senior In-Home Services

Provides increase of \$2.1 million GF/GP for senior in-home services. Together with a FY 2016-17 increase, the program funding will meet demand as of September 30, 2016, including waiting lists. YTD shown is for in-home services only in the Community Services line item.

Gross	\$8,024,300	\$2,053,400
GF/GP	\$8,024,300	\$2,053,400

61. Senior Meals and Nutrition Services

Provides increase of \$1.5 million GF/GP for senior home-delivered meals to bring the program funding to a level that will meet demand as of September 30, 2016, including waiting lists. Federal grant increases totaling \$1.7 million for senior meals services are also recognized.

Gross	\$39,044,000	\$3,210,200
Federal	27,657,000	1,700,000
Private	300,000	0
GF/GP	\$11,087,000	\$1,510,200

62. Alzheimer's In-Home Care Pilot Completion

Removes \$150,000 GF/GP for a 3-year pilot program of in-home support and care for persons with Alzheimer's Disease, completed as of September 30, 2017. Removes related Sec. 1424 boilerplate.

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

MEDICAL SERVICES

63. Special Hospital Payments

Reduces quality assurance assessment program (QAAP)-funded special hospital payments a total of \$168.1 million Gross (\$20.0 million GF/GP) based on Hospital Rate Adjustment (HRA) increasing \$30.4 million Gross (reducing \$42.8 million GF/GP) and Medicaid Access to Care Initiative (MACI) reducing \$198.5 million Gross (increasing \$22.8 million GF/GP).

Gross	NA	(\$168,055,000)
Federal	NA	(104,412,700)
Restricted	NA	(43,620,100)
GF/GP	NA	(\$20,022,200)

64. Neonatology Rate Increase

Provides \$4.2 million Gross (\$1.5 million GF/GP) to increase Medicaid neonatology rates up to 75% of Medicare rates. Sec. 1791 is related new boilerplate.

Gross	NA	\$4,215,100
Federal	NA	2,730,500
GF/GP	NA	\$1,484,600

65. Hospice Room and Board

Adds \$500,000 GF/GP for hospice room and board payments that are not eligible for federal Medicaid reimbursement. Also revises boilerplate Sec. 1856 to request reporting information.

Gross	\$2,500,000	\$500,000
GF/GP	\$2,500,000	\$500,000

66. Medicaid Non-Emergency Medical Transportation

Includes \$1.4 million Gross (\$500,000 GF/GP) to expand the use of local public transportation entities to coordinate non-emergency medical transportation.

Gross	NA	\$1,419,600
Federal	NA	919,600
GF/GP	NA	\$500,000

67. Ambulance QAAP

Includes \$10.3 million Gross (\$0 GF/GP) to add QAAP-funded supplemental Healthy Michigan Plan ambulance payments. Current year only included traditional Medicaid in the supplemental payment calculation.

Gross	\$44,112,000	\$10,290,000
Federal	32,312,400	9,698,400
Restricted	15,665,200	591,600
GF/GP	(\$3,865,600)	\$0

68. New Nursing Facility Quality Pool

Creates a new QAAP-funded nursing facility quality pool totaling \$73.0 million Gross (reduces \$8.2 million GF/GP in state retainer savings). Adds boilerplate Sec. 1646 directing these new payments to be based on CMS 5-star quality ratings, patient satisfaction surveys, Medicaid utilization, and number of licensed beds.

Gross	\$1,658,317,700	\$73,000,000
Federal	1,069,171,700	47,289,400
Local	6,618,800	0
Private	2,100,000	0
Restricted	271,352,900	33,954,300
GF/GP	\$309,074,300	(\$8,243,700)

HEALTH AND HUMAN SERVICES

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>		<u>FY 2016-17 YTD (as of 2/8/17)</u>	<u>Enacted Change From YTD</u>
69. Court-Appointed Guardianship Rate Increase	Gross	NA	\$1,419,600
Provides \$1.4 million Gross (\$500,000 GF/GP) to increase monthly court-appointed guardianship reimbursement rate from \$83 to \$95.	Federal	NA	919,600
	GF/GP	NA	\$500,000
70. Adult Home Help Mobile Biometric Verification System	Gross	NA	\$1,500,000
Includes \$1.5 million Gross (\$150,000 GF/GP) to develop a mobile electronic visit verification solution for the Medicaid adult home help program.	Federal	NA	1,350,000
	GF/GP	NA	\$150,000
71. Program of All-inclusive Care for the Elderly (PACE) Expansion	Gross	\$87,874,800	\$18,414,300
Adds \$18.4 million Gross (\$6.5 million GF/GP) to support enrollment increases within existing programs and for two new PACE sites in Newaygo County and in central Michigan. Increase is offset with assumed long-term care savings. Funding supports an annual per member per month increase of 1.0%.	Federal	57,250,400	11,928,800
	GF/GP	\$30,624,400	\$6,485,500
72. Michigan Dental Registry	Gross	NA	\$500,000
Provides \$500,000 GF/GP for a Dental Registry in support of enhanced dental benefits for the Healthy Kids Dental program and to explore enhanced dental benefits for pregnant women Medicaid beneficiaries.	GF/GP	NA	\$500,000
73. Immunization Grant	Gross	\$1,500,000	\$240,000
Provides \$240,000 GF/GP for Medicaid health plan immunization grant supporting a statewide media campaign for improving the state's immunization rates.	Federal	1,000,000	0
	GF/GP	\$500,000	\$240,000
74. Medicaid Direct Primary Care Pilot – One-Time Funding	Gross	\$0	\$5,724,000
Includes \$5.7 million Gross (\$2.0 million GF/GP) on a one-time basis for a Medicaid direct primary care pilot program. Adds boilerplate Sec. 1913 outlining the pilot program.	Federal	0	3,708,000
	GF/GP	\$0	\$2,016,000
75. Authority Health Graduate Medical Education (GME) – One-Time Funding	Gross	\$2,800,000	(\$2,800,000)
Eliminates Authority Health GME funding of \$2.8 million Gross (\$1.4 million GF/GP) provided in FY 2016-17 supplemental Act 340 of 2016.	Federal	1,400,000	(1,400,000)
	GF/GP	\$1,400,000	(\$1,400,000)
76. Other State Restricted Revenue Adjustments	Gross	NA	\$0
Revises the following three restricted funds based on projected available revenues for a net increase of \$4.7 million, which is used to offset a like amount of GF/GP:	Restricted	NA	4,729,000
<ul style="list-style-type: none"> Increases Merit Award Trust Fund \$26.5 million. Increases Healthy Michigan Fund \$9.6 million. Reduces Medicaid Benefits Trust Fund \$31.4 million. 	GF/GP	NA	(\$4,729,000)

Major Boilerplate Changes from FY 2016-17

GENERAL SECTIONS

Sec. 232. Line Item Spending Plans – NEW

Requires approved spending plans and certain related revenue and spending detail to be provided by DHHS to the Legislature for each appropriation line item by January 15; and prohibits DHHS from appropriating additional GF/GP or related federal or state restricted funds without providing a written 30-day notice to the Legislature.

Major Boilerplate Changes from FY 2016-17

Sec. 274. Capped Federal Funds and Maintenance of Effort – REVISED

Revises subsection (2), which directs that capped federal funds shall not be used for economics adjustments in the Governor's proposed budget, to allow for the use of capped federal funds for economics if there is a reasonable expectation for increased federal funding from capped sources proposed to be used.

Sec. 298. Behavioral Health Integration – REVISED

Replaces current language, which requires DHHS to work with a workgroup to make recommendations on policy and financing to improve coordination of Medicaid behavioral health and physical health services, including goals, a detailed plan, annual benchmarks, and requiring legislative authorization for certain funding changes, with:

- (1) Requirement to enter into an agreement with a project facilitator to establish performance outcome metrics, finalize implementation milestones, provide guidance and conflict resolution, and other necessary oversight;
- (2) Requirement to work with a willing CMHSP in Kent County to pilot a full physical and behavioral health integrated service model;
- (3) Requirement to pilot up to 3 fully financially integrated physical and behavioral health services using single contracts with Medicaid health plans in a manner that allows the CMHSP in the pilot area to be a provider of behavioral health services;
- (4) Requirement for DHHS to begin implementation by October 1 and to work toward implementation by March 1;
- (5) Requirement for any and all realized benefits and cost savings from integrating physical and behavioral health services, for the duration of the pilots and demonstrations, be reinvested into behavioral health services and supports in the county where the savings occurred;
- (6) Statement of legislative intent that the primary purpose of the pilots and demonstrations to test how the state can improve health outcomes and maximize efficiencies;
- (7) Requirement to contract with a state research university to evaluate the pilots and demonstrations and evaluate their replicability;
- (8) Allocation of \$3.1 million and requirement to provide a spending plan of these funds;
- (9) Requirement for DHHS to report on time frame for implementation, barriers, and remedies to the barriers to implementation;
- (10) Requirement for managing entities of the pilots and demonstrations to report on outcomes.

CHILDREN SERVICES – CHILD WELFARE

Sec. 512. Foster Care Services by Relatives – NEW

Requires detailed report on relative foster care placements and licensure waivers granted.

Sec. 546. Foster Care Agency Administrative Rates – REVISED

Establishes foster care administrative rate of \$37 for private child placing agencies; establishes general independent living administrative rate of \$28; requires payments for independent living plus services at statewide per diem; increases administrative rate for foster care services by \$8, provided county match rate is eliminated; requires increase to private providers of residential services, provided that county match rate is eliminated. Revises by setting the general foster care rate, independent living rate, and trial reunification services rate all at \$46.20.

Sec. 550. CCF – County Reimbursement Restrictions – NEW

Prohibits DHHS to offset against reimbursements payments to counties and shall not seek reimbursement for charges DHHS received over 12 months prior; prohibits counties to seek reimbursement for charges that are more than 12 months after date of service.

Sec. 551. CCF County Clarification Requests Response Deadline – NEW

Requires DHHS to respond within 30 days to a county email clarification request.

Sec. 552. County CCF Review Results – NEW

Requires DHHS to provide a county's CCF review's results to the county within 60 days.

Sec. 558. Child Welfare Training Institute (CWTI) Report – REVISED

Requires DHHS to maximize use of training programs or courses provided through the CWTI and requires courses be made available to employees of private service providers; requires DHHS to conduct a workgroup on reducing required amount of centralized CWTI training class time; requires report on workgroup findings; requires report on number of programs and courses provided and annual cost for each. Revises to require a report that identifies the policies and procedures related to modernizing the child welfare training programs.

HEALTH AND HUMAN SERVICES

Major Boilerplate Changes from FY 2016-17

Sec. 564. Parent-Child and Parent-Caseworker Visitations – REVISED

Requires DHHS to develop policy for parent-child visitations, requires local offices to meet a 50% success rate, after accounting for factors outside of the caseworker's control; requires caseworkers to achieve a success rate of 65% for parent-caseworker visitations, after accounting for factors outside of the caseworker's control; requires report. Revises to require an 85% success rate for both parent-caseworker meetings and parent-child visitations.

Sec. 567. Medical Passports – REVISED

Requires foster care caseworkers to complete medical passports and requires medical passports to be transferred within 2 weeks from date of placement or return home; requires report. Revises by deleting language that requires medical passports be transferred within 2 weeks of placement or return home.

Sec. 568. Adoption Subsidy Negotiations – DELETED

Deletes requirement that DHHS pay a minimum adoption subsidy rate that is not less than 95% of the family foster care rate, including the determination of care rate.

Sec. 590. Muskegon Covenant Academy – VETOED

Governor vetoed \$280,000 to the Muskegon Covenant Academy, a charter high school for students ages 16 to 22 who have dropped out or are at risk of not graduating on time. Includes legislative intent language that funding is intended to be the second year out of 3 years of continuous funding for program.

PUBLIC ASSISTANCE

Sec. 625. Legal Services Association of Michigan (LSAM) – REVISED

Requires DHHS to contract with LSAM to provide assistance to individuals who have applied or wish to apply for federal disability benefits and allocates \$500,000. Revises by reducing allocation to \$250,000.

Sec. 630. Family Independence Program (FIP) Suspicion-Based Drug Testing Pilot Program – DELETED

Deletes requirement that DHHS implement a suspicion-based drug testing pilot program for FIP recipients.

Sec. 650. Food Assistance Program Able-Bodied Adults Without Dependents Waiver – NEW

Requires DHHS to apply the food assistance eligibility requirements as prescribed in 7 CFR 273.24(a)-(d) on a statewide basis beginning May 1, 2018. (*Executive signing letter states section is considered unenforceable.*)

FIELD OPERATIONS AND SUPPORT SERVICES

Sec. 809. Pathways to Potential – PARTIALLY VETOED

Dictates that the purposes of the Pathways to Potential Program is to improve certain student metrics by specified percentages; also allocates \$75,000 to the School Success Partnership Program and \$60,000 to an Early Learning Neighborhood Collaborative. *Governor vetoed subsections (2) and (3) which allocate \$75,000 to School Success Partnership Program and \$60,000 to an Early Neighborhood Learning Collaborative, respectively.*

BEHAVIORAL HEALTH SERVICES

Sec. 941. Medicaid Spenddown Allocation – DELETED

Deletes allocation of no less than \$3.0 million to CMHSPs for costs related to Medicaid spenddown beneficiaries having to satisfy monthly deductible requirements.

Sec. 994. National Accreditation Review Criteria for Behavioral Health Services – REVISED

Requires DHHS to consider a CMHSP, PIHP, or subcontracting provider agency that is reviewed and accredited by a national accrediting entity for behavioral health care services to be in compliance with state program review and audit requirements, contingent upon federal approval; requires a report; requires DHHS to continue to comply with state and federal law and not initiate an action that negatively impacts beneficiary safety; defines "national accrediting entity." Revises to require that DHHS request, if necessary, federal approval by January 1 and requires any savings from this action be reinvested back into services.

Sec. 1011. Kalamazoo Community Mental Health and Substance Abuse Services Opioid Genomics Pilot – VETOED

Governor vetoed requirement that DHHS provides \$850,000 to Kalamazoo Community Mental Health and Substance Abuse Services to develop a genomic based demonstration program to predict opioid response and abuse and to analyze cost savings to Medicaid.

Major Boilerplate Changes from FY 2016-17

Sec. 1057. Hawthorn Center and Caro Center Evaluation – REVISED

Requires DHHS to evaluate the condition of the Hawthorn Center and Caro Center, to evaluate the cost effectiveness of improvements, and to recommend improvements. Revises by striking requirement to evaluate Caro Center.

Sec. 1060. State Psychiatric Hospital Staffing Workgroup – NEW

Requires DHHS to convene a workgroup to address mandatory overtime, staff turnover, and staff retention at the state psychiatric hospitals; requires report.

Sec. 1061. Caro Regional Mental Health Center – NEW

Requires DHHS to only use the funds appropriated for the Caro Regional Mental Health Center to support a psychiatric hospital at its current location, includes legislative intent that the Caro Regional Mental Health Center remain open and operational at its current location and that any capital outlay funding be used for planning and construction at the current location instead of a new location.

LOCAL HEALTH AND ADMINISTRATIVE SERVICES

Sec. 1230. School-Based Children's Dental Health Pilot – NEW

Requires DHHS to consider the development and implementation of a school-based pilot program for children up to grade 7 for oral health assessments, primary dental services, and referrals, collaborating with the Department of Education, and local and nonprofit entities. Program goals include improving oral and physical health, and reducing rates of childhood tooth decay.

FAMILY, MATERNAL, AND CHILD HEALTH

Sec. 1314. Promotion of Early and Regular Prenatal Care – NEW

Requires DHHS to seek to enhance outreach efforts to encourage early, continuous, and routine prenatal care upon confirmation of pregnancy, and to seek to ensure that Department programs, policies and practices promote prenatal and obstetrical care by supporting access, eliminating barriers, promoting best practices, and encouraging optimal prenatal habits. DHHS is to track birth and maternal outcomes of these efforts.

MEDICAL SERVICES

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

Requires DHHS to annually certify that rates paid to Medicaid health plans and specialty prepaid inpatient health plans are actuarially sound, to notify the legislature upon rate certification and approval, and to take into account for Medicaid policy bulletins issued after the most recent actuarial soundness process concluded. Revises to require DHHS to ensure any new or revised state policy bulletins are not promulgated to materially impact certified rates in a negative manner.

Sec. 1790. Ambulance QAAP Revenue – NEW

Includes legislative intent language that any restricted funding used for ambulance provider reimbursements come from an ambulance QAAP with a base narrowly tailored to ambulance services and shall not include other municipal services.

Sec. 1801. Primary Care Rates – REVISED

Requires DHHS to continue the increase in Medicaid rates to primary care service providers and establish policies to limit the rate increase to practitioners that solely practice primary care; requires a report. Revises by adding physicians who are licensed by the state and working as a primary care provider in general practice to the list of eligible primary care providers who are eligible for the Medicaid rate increase.

Sec. 1805. Graduate Medical Education (GME) Quality Data – REVISED

Requires hospitals receiving GME payments to submit quality data utilizing consensus-based nationally endorsed standards to be posted on a public website, lists specific quality reporting information, and requires hospitals to also post quality data on the hospital's website. Revises by adding requirement to withhold 25% of a hospital's GME payment if the hospital does not submit the required data by January 1, 2018.

Sec. 1806. Common Formulary for Medicaid Health Plans – REVISED

Allows DHHS to establish performance standards to measure implementation progress of a common formulary; requires that ongoing implementation of the common formulary consider DHHS's preferred drug list; allows health plans to use evidence-based utilization management techniques in the implementation of the common formulary; requires health plans and DHHS to continue to emphasize the value of increased e-prescribing and electronic medical records. Revises to require DHHS to monitor progress in implementing the common formulary; require DHHS to develop policies to operate the common formulary to ensure fair and full public participation; requires report.

HEALTH AND HUMAN SERVICES

Major Boilerplate Changes from FY 2016-17

Sec. 1855. Unused PACE Slots – NEW

Requires DHHS, if funds are available, to allow PACE programs to increase then number of program slots if the local PACE program provides documentation of its ability to expand capacity, and to allow PACE programs to enroll more than 10 new members per month to address unmet demand.

Sec. 1859. Medicaid Research Activities – NEW

Requires DHHS to partner with Medicaid health plans to develop and implement strategies for the use of information technology research activities for the purpose of improving health, increasing quality of care, and reducing cost of care.

Sec. 1867. Psychotropic Medicine Best Practices Workgroup – NEW

Requires DHHS to convene a workgroup to identify best practices and to develop protocols for prescribing psychotropic medications; requires report.

INFORMATION TECHNOLOGY

Sec. 1904. Child Care Fund (CCF) County Partial Reimbursements Requirement – NEW

Requires DHHS to make partial CCF reimbursements to counties for undisputed charges within 45 business days of receipt of required forms and documentation, and requires DHHS to make any information technology system modifications needed to meet this requirement by March 1.

<u>FY 2016-17 Supplemental Appropriations (Article XX)</u>	<u>FY 2016-17 YTD (as of 2/8/17)</u>	<u>FY 2016-17 Supplemental Change</u>
1. Traditional Medicaid Cost Adjustments	Gross \$13,420,787,900	(\$254,959,300)
Includes a reduction of \$255.0 million Gross (\$122.7 million GF/GP) for traditional Medicaid program caseload/utilization/inflation and financing adjustments based on adjustments agreed to at the May Consensus Revenue Estimating Conference. Total includes a \$15.4 million GF/GP increase to offset the decline in disproportionate share hospital (DSH) payment savings.	Federal 8,713,156,200	(119,172,400)
	Local 47,005,700	0
	Private 2,100,000	0
	Restricted 1,884,179,700	(13,087,400)
	GF/GP \$2,774,346,300	(\$122,699,500)
2. Healthy Michigan Plan Cost Adjustments	Gross \$3,519,320,900	\$315,621,000
Provides an increase of \$315.6 million Gross (\$11.3 million GF/GP) for Healthy Michigan Plan caseload/utilization/inflation adjustments based on adjustments agreed to at the May Consensus Revenue Estimating Conference. Gross increase is due to the annual average caseload increasing from approximately 600,000 to 650,000.	Federal 3,388,487,600	304,331,800
	Local 633,100	0
	Restricted 119,599,800	0
	GF/GP \$10,600,400	\$11,289,200
3. Public Assistance Caseload Adjustments	Gross \$171,482,200	(\$9,942,500)
Reduces public assistance programs by \$9.9 million Gross (\$2.0 million GF/GP) for caseload adjustments to the Family Independence Program, State Disability Assistance Payments, and state supplemental payments for the federal Supplemental Security Income (SSI) program.	Federal 54,285,100	(7,461,500)
	Restricted 16,269,600	(511,300)
	GF/GP \$100,927,500	(\$1,969,700)
4. Child Welfare Caseload Adjustments	Gross \$619,918,000	\$7,342,100
Increases child welfare programs by \$7.3 million Gross (\$20.0 million GF/GP) for caseload adjustments to Foster Care, Adoption Subsidy, the Guardianship Assistance Program, and the Child Care Fund. Also includes a fund source shift of TANF and GF/GP for an increase of \$9.6 million GF/GP.	Federal 312,887,400	(12,967,300)
	Local 2,424,000	299,700
	Private 14,194,000	51,100
	GF/GP \$290,412,600	\$19,958,600
5. Behavioral Health Integration Implementation Costs	FTE 0.0	3.0
Includes \$2.8 million Gross (\$1.0 million GF/GP) to support administrative costs of implementing and evaluating pilot projects included in FY 2017-18 boilerplate section 298.	Gross \$0	\$2,810,800
	Federal 0	1,810,800
	GF/GP \$0	\$1,000,000

HEALTH AND HUMAN SERVICES**FY 2016-17 Supplemental Appropriations (Article XX)**

		FY 2016-17 YTD (as of 2/8/17)	FY 2016-17 Supplemental Change
6. Prepaid Inpatient Health Plans	Gross	\$0	\$5,000,000
Provides \$5.0 million GF/GP to Macomb County Community Mental Health Services to address changes in the capitated per-member-per-month that occurred October 1 and April 1, 2017.	GF/GP	\$0	\$5,000,000
7. Healthy Michigan Plan Health Initiatives	Gross	\$1,000,000	\$0
Increases GF/GP by \$462,500 to replace a reduction of \$462,500 in federal matching funds from 96.25% to 50% for a legislative boilerplate initiative relating to Healthy Michigan Plan health initiative outreach.	Federal	962,500	(462,500)
	GF/GP	\$37,500	\$462,500
8. Medicaid Cloud-Based Analytics Platform	Gross	\$830,000	\$170,000
Increases GF/GP by \$383,900 to replace a reduction of \$383,900 in federal matching funds from 96.25% to 50% for a legislative boilerplate initiative relating to a Medicaid cloud-based analytics platform. Also provides an additional \$170,000 Gross (\$85,000 GF/GP) for the cloud-based analytics platform for a total program allocation of \$1.0 million Gross (\$500,000 GF/GP).	Federal	798,900	(298,900)
	GF/GP	\$31,100	\$468,900
9. Special Hospital Payments	Gross	NA	(\$52,554,900)
Reduces special hospital payments by \$52.6 million Gross (increases \$15.2 million GF/GP) based on the Hospital Rate Adjustment (HRA) increasing by \$145.9 million Gross (reducing \$7.8 million GF/GP) and the Medicaid Access to Care Initiative (MACI) reducing by \$198.5 million Gross (increasing \$23.0 million GF/GP).	Federal	NA	(23,905,700)
	Restricted	NA	(43,805,500)
	GF/GP	NA	\$15,156,300
10. Ambulance Quality Assurance Assessment Program (QAAP) Implementation Delay	Gross	\$44,112,000	(\$26,376,500)
Reduces QAAP-funded supplemental ambulance payments by \$26.4 million Gross (\$0 GF/GP) assuming the ambulance QAAP will not be implemented during FY 2016-17. The state retainer savings are also adjusted, requiring an additional \$2.4 million GF/GP.	Federal	32,312,400	(17,184,300)
	Restricted	15,665,200	(11,618,300)
	GF/GP	(\$3,865,600)	\$2,426,100
11. Program of All-Inclusive Care for the Elderly (PACE)	Gross	\$87,874,800	\$900,000
Provides \$900,000 Gross (\$313,700 GF/GP) to increase the number of available PACE enrollment slots.	Federal	57,250,400	586,300
	GF/GP	\$30,624,400	\$313,700
12. Healthy Michigan Plan Nursing Facility QAAP	Gross	\$0	\$5,000,000
Creates a \$5.0 million Gross (\$0 GF/GP) QAAP-funded nursing facility supplemental payment within Healthy Michigan Plan.	Federal	0	4,812,500
	Restricted	0	187,500
	GF/GP	\$0	\$0
13. Special Medicaid Reimbursements	Gross	NA	\$23,162,500
Increases special Medicaid reimbursements by \$23.2 million Gross (\$0 GF/GP) for Specialty Network Access Fee (SNAF), physician adjustor payments, dental adjustor payments, and the state psychiatric DSH payment based on projected costs. Amount reflects adjustments for both traditional Medicaid and Healthy Michigan Plan. GF/GP is not used as state matching funds for these special Medicaid reimbursements.	Federal	NA	40,947,400
	Local	NA	(2,419,300)
	Restricted	NA	(15,365,600)
	GF/GP	NA	\$0
14. FY 2015-16 Federal Medicaid Overpayment	Gross	NA	\$0
Includes \$18.0 million GF/GP to offset a reduction in federal reimbursement due to claiming duplicate federal reimbursements during FY 2015-16. These duplicate reimbursement requests, and the receipt of duplicate federal reimbursements, meant the state received too much in federal Medicaid matching funds during the previous fiscal year. Available accrued restricted revenues are also used to offset the federal funding reduction.	Federal	NA	(34,000,000)
	Restricted	NA	16,000,000
	GF/GP	NA	\$18,000,000

HEALTH AND HUMAN SERVICES

<u>FY 2016-17 Supplemental Appropriations (Article XX)</u>	FY 2016-17 YTD (as of 2/8/17)	FY 2016-17 Supplemental Change
<p>15. Double Up Food Bucks Includes \$750,000 GF/GP to match a three-year federal USDA Food Insecurity Nutrition Incentives grant to provide additional funding for the Double Up Food Bucks program. Funding will be used to enhance the program in targeted areas throughout the state and fund the program year-round.</p>	<p>Gross GF/GP</p>	<p>NA NA</p> <p>\$750,000 \$750,000</p>

FY 2016-17 Supplemental Boilerplate Changes (Article XX)

Sec. 501. Cloud-Based Analytics Platform

Requires DHHS to allocate \$500,000 of GF/GP and any associated federal match for the use of a cloud-based analytics platform to identify areas of best practice, cost reduction, opportunities for quality improvement, and comparative cost analysis.

Sec. 502. Prepaid Inpatient Health Plans

Allocates \$5.0 million to the prepaid inpatient health plan in Macomb County.

Sec. 503. Section 298 Implementation Costs

Requires DHHS to develop financially integrated and behavioral health pilot projects and demonstration models to alter behavioral health financial and services delivery systems; requires a report on the time frame for implementation, barriers to implementation, remedies to address barriers, and policy changes necessary for implementation; requires DHHS to enter into an agreement with a project facilitator, with at least 5 years of experience, to establish performance metrics and comprehensive project plans.

Sec. 504. Program of All-Inclusive Care for the Elderly

Expresses legislative intent that \$900,000 be used to provide additional slots for two operating PACE programs.

HIGHER EDUCATION

Summary of FY 2017-18 Enacted Appropriations

Article III, 2017 Public Act 108 (House Bill 4313)

Analyst: Perry Zielak

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 Enacted	Difference: Enacted From FY 2016-17 YTD	
						Amount	%
	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	101,526,400	111,526,400	111,526,400	111,526,400	111,526,400	10,000,000	9.8
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	237,209,500	235,743,500	235,743,500	235,743,500	238,443,500	1,234,000	0.5
GF/GP	1,243,904,500	1,289,954,500	1,273,854,500	1,282,954,500	1,279,254,500	35,350,000	2.8
Gross	\$1,582,640,400	\$1,637,224,400	\$1,621,124,400	\$1,630,224,400	\$1,629,224,400	\$46,584,000	2.9

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

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>	<u>FY 2016-17 YTD (as of 2/8/17)</u>	<u>Enacted Change From YTD</u>
1. University Operations Grants	Gross \$1,400,345,000	\$28,000,000
Increases university operations funding by \$28.0 million GF/GP, a 2.0% increase. The increase is distributed under the performance funding formula, where 50% is allocated based on each university's share of operational funding appropriated in the baseline year of FY 2010-11, while the remaining increase is distributed based on other formula components (weighted completions, research and development spending, and comparison to Carnegie peers). Attainment of performance funding is conditioned on restraining resident undergraduate tuition and fee increases to 3.8%, which is double the rate of inflation (set at 4.2% in the current year), or \$475. Projected funding increases for individual universities range from 1.5 to 2.7%.	Restricted 231,219,500	0
	GF/GP \$1,169,125,500	\$28,000,000
2. Michigan Competitive Scholarship	Gross \$18,361,700	\$8,000,000
Increases funding for Michigan Competitive Scholarships by \$8.0 million GF/GP, a 43.6% increase, awarded to students with a qualifying ACT/SAT score and demonstrated financial need. The increase raises the maximum per-student annual award from \$575 to \$1,000. Total funding for the scholarship would be \$26.4 million (\$8.0 million GF/GP).	Federal 18,361,700	0
	GF/GP \$0	\$8,000,000
3. Tuition Incentive Program	Gross \$53,000,000	\$5,300,000
Increases funding for Tuition Incentive Program by \$5.3 million in federal Temporary Assistance for Needy Families (TANF) funds, a 10% increase, which pays for Medicaid-eligible students' tuition costs for associate's degrees. Also includes a fund shift of \$4.7 million from GF/GP to federal TANF funding, bringing total funding to \$58.3 million TANF.	Federal 48,300,000	10,000,000
	GF/GP \$4,700,000	(\$4,700,000)

HIGHER EDUCATION

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>		<u>FY 2016-17 YTD (as of 2/8/17)</u>	<u>Enacted Change From YTD</u>
4. Tuition Grant Program	Gross	\$35,021,500	\$3,000,000
Increases funding for Tuition Grant program by \$3.0 million GF/GP, an 8.6% increase, which provides need-based tuition assistance to students at Michigan independent (i.e. private, non-profit) colleges and universities. The increase raises the maximum per-student annual award from \$1,512 to \$2,000. Total funding for the program would be \$38.0 million (\$6.4 million GF/GP).	Federal	31,664,700	0
	GF/GP	\$3,356,800	\$3,000,000
5. Michigan Public School Employee Retirement System (MPERS)	Gross	\$5,890,000	\$815,000
Increase funding by \$815,000 School Aid Fund (SAF) for MPERS. This includes a reduction of \$4.3 million SAF for the state's share of the universities' unfunded liability to MPERS, a \$2.7 million SAF increase to lower the annual payroll growth assumption in determining universities' share of unfunded accrued liability costs from 3.5% to 2%, and a \$2.4 million SAF increase to cover the reduction in the assumed rate of return for MPERS from 8% to 7.5%. The state's share is the difference between the unfunded accrued liability to the system and the employer contribution cap of 25.73% of payroll for the seven universities with MPERS employees (Central, Eastern, Ferris, Lake Superior State, Michigan Tech, Northern, and Western). Total funding for the state share of MPERS would be \$6.7 million SAF.	Restricted	5,890,000	815,000
	GF/GP	\$0	\$0
6. MPERS Normal Cost Offset	Gross	\$0	\$419,000
Adds \$419,000 SAF to reimburse universities for the normal cost increase to reduce the assumed rate of return for MPERS from 8% to 7.5%.	Restricted	0	419,000
	GF/GP	\$0	\$0
7. MSU AgBioResearch and Extension Programs	Gross	\$61,915,700	\$1,250,000
Increases funding for Michigan State's AgBioResearch program by \$670,000 GF/GP and Extension program by \$580,000 GF/GP, a 2.0% increase for both programs.	GF/GP	\$61,915,700	\$1,250,000
8. Removal of One-Time Funding	Gross	\$500,000	(\$500,000)
Eliminates \$500,000 GF/GP of one-time funding for MSU's Diagnostic Center for Population and Animal Health.	GF/GP	\$500,000	(\$500,000)
9. North American Indian Tuition Waiver Funding	Gross	\$0	\$300,000
Adds \$300,000 GF/GP to partially address the estimated \$6.1 million difference between state aid and the cost to universities for the tuition waivers.	GF/GP	\$0	\$300,000

Major Boilerplate Changes from FY 2016-17

Sec. 244. Postsecondary Student Data System – REVISED

Adds reporting deadline of October 15 while specifying that universities must provide its longitudinal data sets for the prior academic year to the Center for Educational Performance and Information (CEPI).

Sec. 249. Children of Veterans and Officer's Survivor Tuition Grant Programs – NEW

Adds language that funds appropriated for Children of Veterans and Officer's Survivor Tuition Grant Programs are restricted funding and unexpended funds shall not lapse to the general fund at the end of the fiscal year.

Sec. 250. Free Application for Federal Student Aid (FAFSA) Filing Requirement – NEW

Adds language that students must file a FAFSA to be considered for any grant or scholarship program administered by the Department of Treasury.

Sec. 251. State Competitive Scholarship Program – REVISED

Revises language that increases award amount for the Competitive Scholarship Program from \$575 to \$1,000 and adds language stating unexpended and unencumbered program funds shall carry forward to the next fiscal year as a work project.

Major Boilerplate Changes from FY 2016-17

Sec. 252. Tuition Grant Program – REVISED

Adds language that starting with the 2018-2019 academic year, students must apply before March 1 to be considered for a tuition grant award. Includes language that a tuition grant may not be renewed for more than 10 semesters or its equivalent in trimesters or quarters, or if a student has not completed using the grant within 10 years of determined eligibility by the Department of Treasury. Increases award amount from \$1,512 to \$2,000. Increases cap on individual colleges' total award amount from \$3.2 million to \$3.5 million. Revises reporting requirement deadline for independent colleges and universities from September 30 to October 31.

Sec. 254. Financial Aid Payment Schedule – REVISED

Revises payment schedule for the Tuition Incentive Program (TIP) to indicate universities receive 65% of TIP payments in the state's first fiscal quarter and 35% during the state's second fiscal quarter.

Sec. 256. Tuition Incentive Program – REVISED

Adds language indicating that students must be enrolled in a certificate or associate's degree program to qualify for TIP Phase 1 funding. Adds restrictions on program eligibility to students under 21 if attended a middle college and less than 6 years removed from high school graduation or achievement of equivalent certificate. Includes new language that starting in FY 2018-19, TIP will cover fees and tuition that does not exceed 3 times the in-district community colleges tuition rate. Adds reporting requirements to colleges on students receiving grants and recipients who complete a certificate or degree. Includes penalties for institutions that fail to comply with the reporting requirement. Adds requirement for unexpended program funds to continue to be available in the next fiscal year as a work project.

Sec. 263a. MSU AgBioResearch and Extension Programs – REVISED

Revises various reporting metrics of AgBioResearch and Extension programs around increasing the agricultural sector's economic impact. Deletes metric that aims to increase jobs in the food and agricultural sector by 10%.

Sec. 265. Performance Funding Criteria: Tuition Restraint – REVISED

Revises tuition restraint cap for universities to 3.8% or \$475.00, whichever is greater.

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

Revises language with updated Carnegie classification categories. Revises intent language to lower score for three-year improvement criteria starting in FY 2018-19. Adds intent language stating that more funding will be based on performance metrics in future years.

Sec. 268. Indian Tuition Waivers – REVISED

Changes reporting requirement from prior fiscal year to prior academic year, and adds language related to distribution of the \$300,000 appropriation to partially close the difference in program costs to universities.

Sec. 274d. Sexual Assault Reports – NEW

Adds requirement that universities must submit a Title IX annual report on sexual assault incidents, as required under the Campus Save Act of 2013, to the House and Senate subcommittees on Higher Education, the House and Senate fiscal agencies, and the State Budget Director.

Sec. 275. Veterans' Policies and Reports – REVISED

Revises language to require universities to provide veteran-related services.

Sec. 275c. Meningococcal Meningitis Vaccine Information – NEW

Adds language requiring universities to provide information around the causes and symptoms of meningococcal meningitis and to provide detail on where vaccines against meningitis may be obtained.

Sec. 282. Reallocation of King-Chavez-Parks (KCP) Funds – REVISED

Adds requirement that each institution shall submit a plan by April 15 to expend remaining program funds by the end of the fiscal year.

Sec. 283. Student Performance Reporting to High Schools – REVISED

Specifies that CEPI will use reported university data in its P-20 longitudinal data system to inform high schools and the public of the aggregate academic status of each institution's students for the previous academic year.

Sec. 284. Student Performance Reporting to Community Colleges – REVISED

Specifies that CEPI will use reported university data in its P-20 longitudinal data system to inform community colleges of the academic status of community college transfer students for the previous academic year.

HIGHER EDUCATION

Major Boilerplate Changes from FY 2016-17

Sec. 286a. Academic Program Partnerships – DELETED

Deletes a report on the number of academic program partnerships between community colleges, public universities and private colleges and universities.

<u>FY 2016-17 Supplemental Appropriations (Article XX)</u>		<u>FY 2016-17 YTD (as of 2/8/17)</u>	<u>FY 2016-17 Supplemental Change</u>	
1. Tuition Incentive Program		Gross	\$53,000,000	\$5,000,000
Increases funding by \$5.0 million in federal TANF funds to meet	Federal	48,300,000		5,000,000
anticipated costs of Tuition Incentive Program, increasing total	GF/GP	\$4,700,000		\$0
appropriation to \$58.0 million (\$4.7 million GF/GP).				

Summary: FY 2017-18 University Performance Funding Increases

University	Proportional to FY 2010-11		Performance Funding Proportional to Share of Total				Performance Funding Scored vs. National Carnegie Peers								*Total Performance Funding Increase	Proposed FY 2017-18 Appropriation	Percent Change	
	% of formula: 50.0%		11.1%		5.6%		33.3%											
	Funding per unit: \$0.0094 per dollar		\$175.07 per completion		\$0.0012 per dollar		\$6.02 per weighted point											
FY 2016-17 Year-to-Date Appropriation	FY 2010-11 Appropriation	Funding	Critical Skills Undergrad Completions	Funding	Research & Development Expenditures	Funding	6-year Grad Rate	Total Degrees	Instl. Support as % of Expend.	% Students Receiving Pell Grants	Total Undergrad Points	Total FY 2016 Undergrad FYES	FYES-Weighted Points	Funding				
Michigan State	\$275,862,100	\$283,685,200	\$2,796,217	2,967	\$546,758	\$328,397,061	\$402,143	2	3	2	0	7	36,765	257,355	\$1,631,916	\$5,377,000	\$281,239,100	1.9%
UM-Ann Arbor	308,639,000	316,254,500	3,117,245	3,033	558,932	701,964,000	859,599	3	3	2	0	8	27,880	223,041	1,414,327	5,950,100	314,589,100	1.9%
Wayne State	196,064,500	214,171,400	2,111,036	958	176,544	146,978,189	179,984	2	2	0	3	7	14,366	100,565	637,692	3,105,300	199,169,800	1.6%
Central	83,925,500	80,132,000	789,842	858	158,115	11,746,601	14,384	2	3	0	2	7	17,270	120,890	766,577	1,728,900	85,654,400	2.1%
Michigan Tech	48,097,500	47,924,200	472,377	922	169,898	52,321,902	64,071	3	2	2	0	7	5,595	39,168	248,370	954,700	49,052,200	2.0%
Western	107,440,900	109,615,100	1,080,450	1,102	202,988	16,982,080	20,796	0	2	2	2	6	16,603	99,616	631,677	1,935,900	109,376,800	1.8%
Eastern	73,593,800	76,026,200	749,372	901	166,040	3,160,633	3,870	0	3	2	2	7	14,798	103,585	656,842	1,576,100	75,169,900	2.1%
Oakland	49,920,700	50,761,300	500,342	1,214	223,628	8,744,299	10,708	2	2	2	0	6	15,258	91,548	580,516	1,315,200	51,235,900	2.6%
Grand Valley	68,227,900	61,976,400	610,887	1,350	248,864			3	3	2	0	8	19,957	159,657	1,012,401	1,872,200	70,100,100	2.7%
Saginaw Valley	29,114,000	27,720,700	273,236	465	85,692			2	2	2	0	6	7,706	46,233	293,171	652,100	29,766,100	2.2%
UM-Dearborn	24,803,300	24,726,200	243,720	438	80,624			2	2	2	2	8	5,801	46,411	294,295	618,600	25,421,900	2.5%
UM-Flint	22,549,300	20,898,000	205,987	581	107,069			0	2	2	2	6	5,241	31,446	199,405	512,500	23,061,800	2.3%
Ferris	52,259,900	48,619,200	479,228	1,357	250,027			2	3	2	2	9	10,624	95,616	606,312	1,335,600	53,595,500	2.6%
Northern	46,279,200	45,140,300	444,937	562	103,510			2	3	2	0	7	6,978	48,846	309,738	858,200	47,137,400	1.9%
Lake Superior	13,567,400	12,694,200	125,124	176	32,422			2	2	0	0	4	1,975	7,900	50,095	207,600	13,775,000	1.5%
TOTAL:	\$1,400,345,000	\$1,420,344,900	\$14,000,000	16,882	\$3,111,111	\$1,270,294,765	\$1,555,556	27	37	24	15	103	206,818	1,471,877	\$9,333,333	\$28,000,000	\$1,428,345,000	2.0%

Component	Source	Years	Notes
Critical skills undergrad completions	State HEIDI	FYs 2015-2016	STEM/health/etc.
Research & develop expends	Federal IPEDS	FY 2015	Carnegie research universities only
Six-year graduation rate	Federal IPEDS ^A	FYs 2011-2014	First-time, full-time degree seeking students
Total degree completions	Federal IPEDS ^A	FYs 2011-2014	Includes graduate degrees
Inst support as % of core expends	Federal IPEDS ^A	FYs 2011-2014	Measure of administrative costs
Pell grant students	Federal IPEDS ^A	FYs 2012-2014	Federal need-based aid for undergrads
Undergrad FYES	State HEIDI	FY 2016	Includes nonresident students

^A via Business Leaders for Michigan and Anderson Economic Group

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

*Requirements to receive funding increase:

1. Restrain FY 2017-18 resident undergraduate tuition/fee rate increase to 3.8% or \$475 (whichever is greater)
2. Participate in at least three reverse transfer agreements with community colleges
3. Maintain a dual enrollment credit policy that does not consider whether credits were used toward high school graduation
4. Actively participate in and submit timely updates to the Michigan Transfer Network

**DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
Summary of FY 2017-18 Enacted Appropriations
Article XI, 2017 Public Act 107 (House Bill 4323)**

Analyst: Marcus Coffin

	FY 2016-17 YTD as of 2/8/17	FY 2017-18 Executive	FY 2017-18 House	FY 2017-18 Senate	FY 2017-18 Enacted	Difference: Enacted From FY 2016-17 YTD	
						Amount	%
IDG/IDT	\$707,600	\$707,600	\$707,600	\$707,600	\$707,600	\$0	0.0
Federal	2,000,000	2,014,700	2,014,700	2,014,700	2,014,700	14,700	0.7
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	63,399,600	63,869,100	63,869,100	63,869,100	63,869,100	469,500	0.7
GF/GP	150,000	150,000	150,000	150,000	150,000	0	0.0
Gross	\$66,257,200	\$66,741,400	\$66,741,400	\$66,741,400	\$66,741,400	\$484,200	0.7
FTEs	342.5	342.5	342.5	342.5	342.5	0.0	0.0

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

Overview

The Department of Insurance and Financial Services (DIFS) is responsible for regulating, licensing, examining, evaluating, and promoting the insurance and financial industries operating within this state. The department also provides consumer protection by managing consumer information, handling consumer inquiries, and investigating consumer complaints. DIFS administers and enforces state statutes pertaining to: state-chartered banks and credit unions; mortgage brokers, lenders, and servicers; consumer finance entities; insurance companies, agents, and products; and health maintenance organizations.

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>		FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
1. Economic Adjustments	Gross	NA	\$484,200
Reflects increased costs 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, and other economic adjustments.	Federal	NA	14,700
	Restricted	NA	469,500
	GF/GP	NA	\$0
2. Technical Adjustments	Gross	NA	\$0
Reflects internal adjustments which have no overall Gross or GF/GP impact. Technical adjustments include the consolidation of the Regulatory Compliance, Market Conduct, and Licensing and the Insurance Rates and Forms line items into the Insurance evaluation line item.	GF/GP	NA	\$0

Major Boilerplate Changes from FY 2016-17

Sec. 207. Out-of-State Travel Requirements and Report – REVISED

Stipulates limitations regarding the conditions when DIFS may send employees on out-of-state travel, limits the expenditure of state funds on out-of-state professional development conferences, and requires a detailed annual report on out-of-state travel. Revises to include a provision that out-of-state travel must be approved by a departmental employee's immediate supervisor.

Sec. 217. Record Retention – DELETED

Deletes requirement for DIFS to retain all records in accordance with state and federal guidelines.

Major Boilerplate Changes from FY 2016-17

Sec. 220. *Healthy Michigan Plan Accounting Structure* – REVISED

Requires DIFS, in conjunction with the Department of Health and Human Services (DHHS), to maintain accounting structures within this state's accounting system that allow for the identification of expenditures associated with the Healthy Michigan Plan and requires DIFS to annually provide the Legislature with relevant accounting scripts and codes. Revises to eliminate the requirement that the department provide relevant accounting structures and business objects codes.

JUDICIARY
Summary of FY 2017-18 Enacted Appropriations
Article XII, 2017 Public Act 107 (House Bill 4323)

Analyst: Robin R. Risko

	FY 2016-17 YTD as of 2/8/17	FY 2017-18 Executive	FY 2017-18 House	FY 2017-18 Senate	FY 2017-18 Enacted	Difference: Enacted From FY 2016-17 YTD	
						Amount	%
IDG/IDT	\$1,550,000	\$1,550,600	\$1,550,600	\$1,550,600	\$1,550,600	\$600	0.0
Federal	6,433,500	6,464,100	6,464,100	6,464,100	6,464,100	30,600	0.5
Local	7,349,300	5,955,300	5,955,300	5,955,300	5,955,300	(1,394,000)	(19.0)
Private	957,800	969,600	969,600	969,600	969,600	11,800	1.2
Restricted	92,786,000	92,529,000	92,529,000	92,529,000	92,529,000	(257,000)	(0.3)
GF/GP	189,157,400	191,968,700	191,905,100	191,968,700	192,574,400	3,417,000	1.8
Gross	\$298,234,000	\$299,437,300	\$299,373,700	\$299,437,300	\$300,043,000	\$1,809,000	0.6
FTEs	510.0	501.0	501.0	499.0	501.0	(9.0)	(1.8)

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

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

Major Budget Changes from FY 2016-17 YTD Appropriations	FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
1. Trial Court Videoconferencing	Gross	NA
Includes \$687,300 to support continued maintenance, upgrades, and replacement of trial court videoconferencing equipment in courtrooms across the state, and \$127,700 for a contract to provide help desk services and troubleshooting assistance to trial courts.	GF/GP	NA
		\$815,000
2. Medication-Assisted Treatment Program	Gross	NA
Includes \$750,000 in ongoing funding to continue the medication-assisted treatment program, which targets new court admissions having heroin or other opiate drug disorders.	GF/GP	NA
		\$750,000
3. One-Time Funding for Compliance with U.S. Supreme Court Decision Regarding Juvenile Lifers	FTE	NA
Includes \$700,000 in one-time funding and authorization for 11.0 FTE positions for the State Appellate Defender Office (SADO) to ensure compliance with the U.S. Supreme Court ruling on the <i>Montgomery v. Louisiana</i> case.	Gross	NA
	GF/GP	NA
		11.0
		\$700,000
4. One-Time and Ongoing Funding for Pretrial Risk Assessment	FTE	NA
Includes \$300,000 in one-time funding, \$305,700 in ongoing funding, and 2.0 FTE positions to support the development of a pretrial risk assessment tool in an effort to increase the number of offenders who are released on personal recognizance while awaiting trial, instead of being remanded to jail until their hearings are scheduled.	Gross	NA
	GF/GP	NA
		2.0
		\$605,700

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>		FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
5. Security Costs for Hall of Justice	Gross	NA	\$363,000
Includes \$363,000 to cover costs for contracting with a private provider for security services at the Hall of Justice.	GF/GP	NA	\$363,000
6. Pre-Funding Judges' Retiree Healthcare	Gross	NA	\$0
Replaces \$286,000 of Court Fee Fund revenue with the same amount of GF/GP due to the pre-funding of judges' retiree healthcare. Court Fee Fund revenue supports judges' retiree healthcare costs pursuant to statute, MCL 38.2217(3). With the start of pre-funding retiree healthcare, the amount of Court Fee Fund revenue available for judicial salaries will be reduced, so GF/GP is increased to offset the reduction. Pre-funding will be done over 21 years.	Restricted	NA	(286,000)
	GF/GP	NA	\$286,000
7. One-Time Funding for Expansion of Problem Solving Courts	Gross	NA	\$219,300
Includes \$219,300 in one-time funding for expansion of problem solving courts.	GF/GP	NA	\$219,300
8. Annualize Funding for Legal Help Program	Gross	\$300,000	\$100,000
Includes \$100,000, which is three months of funding, for the Michigan Legal Help program. The program provides free around-the-clock legal information and assistance to individuals who represent themselves in civil legal matters. Ongoing funding for nine months, which replaced expired work project funding, was included in the FY 2016-17 budget.	GF/GP	\$300,000	\$100,000
9. FTE Authorization for Statewide E-File System	FTE	0.0	5.0
Includes authorization for 5.0 FTE positions for administration of the statewide electronic filing system. Funding for the system was first included in the FY 2015-16 budget.	Gross	\$8,500,000	\$0
	Restricted	8,500,000	0
	GF/GP	\$0	\$0
10. Transfer MIDC to DLARA	FTE	16.0	(16.0)
Eliminates \$2.3 million and 16.0 FTE positions associated with the Michigan Indigent Defense Commission to reflect the transfer of the Commission to DLARA, pursuant to Public Act 442 of 2016.	Gross	\$2,345,600	(\$2,345,600)
	GF/GP	\$2,345,600	(\$2,345,600)
11. Removal of One-Time Funding	FTE	11.0	(11.0)
Eliminates 11.0 FTE positions and \$1.7 million in one-time funding that was included in the FY 2016-17 budget. One-time funding was appropriated for SADO for compliance with the U.S. Supreme Court ruling on the <i>Montgomery v. Louisiana</i> case (\$700,000 and 11.0 FTEs), expansion of problem solving courts (\$250,000), and a medication-assisted treatment pilot program (\$750,000).	Gross	\$1,700,000	(\$1,700,000)
	GF/GP	\$1,700,000	(\$1,700,000)
12. Funding Adjustments	Gross	\$7,349,300	(\$1,455,900)
Reduces funding authorization for the Direct Trial Court Automation Support line item and the associated local user fees fund source by \$1.5 million in order to reflect available revenue, which is based on usage.	Local	7,349,300	(1,455,900)
	GF/GP	\$0	\$0
13. Judgeship Changes	Gross	NA	(\$483,300)
Reflects a net savings of \$483,300 from the following changes in judgeships: replacement of 1.0 Court of Appeals judge; elimination of 1.0 district court judge (2014 PA 60); retirement of 3.0 district and 1.0 circuit court judges (2012 PAs 16, 20, 22, and 35); restoration of 1.0 circuit court judge (2009 PA 228); and election of 2.0 circuit court judges (2014 PAs 56 and 58). The amount of savings is a result of the effective dates of the changes.	GF/GP	NA	(\$483,300)

JUDICIARY

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>		FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
14. Increased Funding for Veterans Courts	Gross	\$517,300	(\$80,900)
Retains \$436,400 of one-time GF/GP funding that was included in the FY 2016-17 budget, and transfers it from various employee-related line items to the Veterans Courts line item. A total of \$517,300 Gross (\$436,400 GF/GP) was included in the FY 2016-17 budget to cover costs of the negotiated 1.5% one-time lump sum payment for employees. Instead of eliminating all of the funding in the FY 2017-18 budget, \$80,900 Gross and the non-GF/GP-related fund sources are eliminated, but \$436,400 GF/GP is retained.	Federal	24,800	(24,800)
	Local	44,700	(44,700)
	Private	1,400	(1,400)
	Restricted	10,000	(10,000)
	GF/GP	\$436,400	\$0
15. Economic Adjustments	Gross	NA	\$4,321,700
Reflects a net increase of \$4.3 million Gross (\$4.1 million GF/GP) for negotiated salary and wage increases (3.0%), actuarially required retirement contributions, worker's compensation, building occupancy charges, and private rent.	IDG	NA	600
	Federal	NA	55,400
	Local	NA	106,600
	Private	NA	13,200
	Restricted	NA	39,000
	GF/GP	NA	\$4,106,900

Major Boilerplate Changes from FY 2016-17

Sec. 304. Judicial Data Warehouse – NEW

Authorizes members of the legislature to request data or reports from data collected in the judicial data warehouse; requires data to be made available to the public, unless disclosure is prohibited; requires data provided to be public and non-identifying information.

Sec. 316. Pretrial Risk Assessment – NEW

Requires SCAO to pilot a pretrial risk assessment tool in an effort to provide relevant information to judges so they can make evidence-based bond decisions; requires SCAO to report on plans for piloting the tool, including an implementation timeline; requires SCAO to report on costs associated with piloting the tool.

Sec. 322a. Michigan Indigent Defense Commission Receipt of Federal Funding – DELETED

Deletes language that authorizes the MIDC to receive and expend up to \$250,000 in federal Byrne grant funding and up to \$300,000 in other federal grant funding, if the funding is made available from the U.S. Department of Justice.

Sec. 323. Report on Juvenile Out-of-State Placements – DELETED

Deletes language that requires SCAO to provide courts with a quarterly listing of out-of-state placements of juveniles made by each court, an annual listing of per diem costs of public and private residential care facilities located or doing business in the state, and recidivism data for each facility, if available from DHHS.

Sec. 324. Additional Funding for Michigan Indigent Defense Commission – DELETED

Deletes language that requires additional funding appropriated for the MIDC to be used for bringing the criminal defense system into compliance with right to counsel requirements of the U.S. and Michigan constitutions; requires specific outcomes and performance measures to be identified.

Sec. 325. Michigan Indigent Defense Commission Report on Incremental Costs – DELETED

Deletes language that requires the MIDC to submit an annual report on incremental costs associated with the standard development process, compliance plan process, and collection of data from all indigent defense systems and attorneys providing indigent defense.

Sec. 401. Expansion of Problem Solving Courts – NEW

Requires \$68,000 of funding appropriated for veterans courts to be allocated to the veterans court in Kalamazoo.

JUDICIARY

FY 2016-17 Supplemental Appropriations (Article XX)

1. Michigan Justice Training Fund Grant Revenue

Includes authorization to receive \$34,600 in MCOLES grant funding that is available from the Department of State Police. Funding will be used to support the Judicial Institute (\$7,100) and the Appellate Public Defender program (\$27,500).

	FY 2016-17 YTD (as of 2/8/17)	FY 2016-17 Supplemental Change
Gross	NA	\$34,600
IDG	NA	34,600
GF/GP	NA	\$0

2. Community Dispute Resolution

Includes \$500,000 to provide additional grant funding to organizations that operate local dispute resolution centers. The centers provide conciliation, mediation, and other forms and techniques of voluntary dispute resolution as an alternative to the judicial process.

Gross	\$2,377,200	\$500,000
GF/GP	\$2,377,200	\$500,000

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
Summary of FY 2017-18 Enacted Appropriations
Article XIII, 2017 Public Act 107 (House Bill 4323)

Analyst: Marcus Coffin

	FY 2016-17 YTD as of 2/8/17	FY 2017-18 Executive	FY 2017-18 House	FY 2017-18 Senate	FY 2017-18 Enacted	Difference: Enacted From FY 2016-17 YTD	
						Amount	%
IDG/IDT	\$46,923,800	\$47,835,100	\$47,835,100	\$47,835,100	\$47,835,100	\$911,300	1.9
Federal	64,441,800	65,020,900	65,020,900	65,020,900	65,020,900	579,100	0.9
Local	251,600	250,000	250,000	250,000	250,000	(1,600)	(0.6)
Private	111,800	111,800	111,800	111,800	111,800	0	0.0
Restricted	266,872,300	285,341,900	283,230,600	276,862,500	277,037,600	10,165,300	3.8
GF/GP	43,721,100	43,016,600	44,016,600	43,016,600	44,416,600	695,500	1.6
Gross	\$422,322,400	\$441,576,300	\$440,465,000	\$433,096,900	\$434,672,000	\$12,349,600	2.9
FTEs	2,251.8	2,379.8	2,359.8	2,379.8	2,379.8	128.0	5.7

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 Department of Licensing and Regulatory Affairs (LARA) is the primary regulatory agency for this state. The department oversees regulation in a variety of areas, including: commercial and occupational activities; construction and fire safety; health care and human service; energy and public utilities; and liquor. Agencies within LARA are also responsible for implementing and enforcing workers' compensation requirements, occupational safety and health standards, and labor and wage laws. The department also provides vocational rehabilitation services for the blind and coordinates employment services for immigrants. Lastly, agencies within LARA conduct and adjudicate administrative hearings, supervise administrative rulemaking, and evaluate regulatory requirements and administrative processes for departments and agencies throughout state government.

Major Budget Changes from FY 2016-17 YTD Appropriations

		FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
1. Energy Package	FTE	19.0	0.0
Increases funding by \$54,500 for the Michigan Administrative Hearing System, \$47,500 for the Michigan Agency for Energy, and \$198,500 for the Michigan Public Service Commission. The funding increase will support the expanded scope of the department's responsibilities under PAs 341 and 342 of 2016.	Gross	\$2,810,000	\$300,500
	Restricted	2,810,000	300,500
	GF/GP	\$0	\$0
2. Medical Marihuana Facilities, Licensing, and Tracking Program	FTE	NA	108.0
Includes funding and FTE authorization to support the department's responsibilities in implementing the Medical Marihuana Facilities Licensing Act (PA 281 of 2016). Funding for the appropriation comes from the Marihuana Regulatory Fund, which receives revenues from license application fees and an annual assessment levied on licensed growers, processors, provisioning centers, and secure transporters of marihuana.	Gross	NA	\$10,000,000
	Restricted	NA	10,000,000
	GF/GP	NA	\$0
3. Michigan Indigent Defense Commission Transfer	FTE	NA	16.0
Includes funding and authorization for FTE positions to reflect the transfer of the Michigan Indigent Defense Commission from the Judiciary to LARA, pursuant to PA 439 of 2016. The appropriation will primarily cover staffing costs associated with the commission. These staff positions within the commission include administrative assistants, a grant manager, and regional administrators, among others.	Gross	NA	\$2,386,800
	GF/GP	NA	\$2,386,800

LICENSING AND REGULATORY AFFAIRS

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>		FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
4. First Responder Presumed Coverage Fund Administration	Gross	NA	\$200,000
Includes funding to support the administration of first responder claims pursuant to PA 515 of 2014. The authorization is supported by a portion of the revenue that is anticipated to be generated from the Medical Marihuana Excise Fund in FY 2017-18. The Medical Marihuana Excise Fund will receive revenues from the 3% excise tax that is levied on marihuana provisioning centers. The funding will be used for payroll for one FTE and for contractual services.	Restricted	NA	200,000
	GF/GP	NA	\$0
5. Increased Attorney General Costs for Unlicensed Activity Enforcement	Gross	NA	\$439,300
Increases funding to the Bureau of Professional Licensing in order to properly fund activities conducted by the Attorney General (AG) for enforcement against unlicensed regulatory activity. The AG's office previously handled unlicensed activity cases only for unlicensed builders. The AG's office is now responsible for handling unlicensed activity cases for Builders, Accountancy, and Real Estate Brokers and Salespersons, as well as criminal investigations for the three areas of activity.	Restricted	NA	439,300
	GF/GP	NA	\$0
6. Michigan Administrative Hearing Authorization (MAHS) Decrease	Gross	NA	(\$200,000)
Reduces funding to reflect a decreased level of service provision by MAHS for the Department of Corrections. There has been a decrease in the amount of services required due to a declining prisoner population in Michigan.	IDG	NA	(200,000)
	GF/GP	NA	\$0
7. Video Franchise Services Funding Restoration	Gross	NA	\$300,000
Includes funding to support the Video Franchise Services program using revenues from Public Utility Assessments, pursuant to PA 438 of 2016.	Restricted	NA	300,000
	GF/GP	NA	\$0
8. First Responder Presumed Coverage Claims	Gross	NA	\$1,780,000
Includes funding to cover payments of first responder presumed coverage claims. The appropriation is supported by revenues anticipated to be generated from the 3% medical marihuana excise tax.	Restricted	NA	1,780,000
	GF/GP	NA	\$0
9. Public Service Commission Natural Gas Pipelines – Federal Compliance	FTE	5.0	0.0
Increases funding for the Public Service Commission to cover the costs of meeting the mandated level of required inspection days for natural gas pipelines, which is determined by the Pipeline and Hazardous Materials Safety Administration (PHMSA). An additional 5.0 FTEs and \$770,000 in funds were appropriated in FY 2016-17 by PA 340 of 2016.	Gross	\$770,000	\$144,300
	Federal	623,700	115,100
	Restricted	146,300	29,200
	GF/GP	\$0	\$0
10. Ethnic Commission Service Expansion	Gross	\$473,000	\$75,000
Increases funding by \$25,000 (GF/GP) for each of the ethnic affairs commissions: the Hispanic/Latino commission of Michigan, the Asian Pacific American affairs commission, and the Commission on Middle Eastern American affairs. The funds will be used for the expansion of the programs offered by each of the commissions.	GF/GP	\$473,000	\$75,000
11. Childcare Licensing Background Checks	FTE	NA	4.0
Increases funding in order to conduct expanded background checks on childcare providers, as required by new federal rules associated with the Federal Child Care and Development Block Grant received by the Michigan Department of Education (MDE).	Gross	NA	\$800,000
	IDG	NA	800,000
	GF/GP	NA	\$0
12. Increase Direct Shipper Enforcement Fund Appropriation	Gross	NA	\$172,200
Increases funding for the Liquor Control Commission from the Direct Shipper Enforcement Fund, so that the commission can increase enforcement actions against unlicensed sellers of wine.	Restricted	NA	172,200
	GF/GP	NA	\$0

LICENSING AND REGULATORY AFFAIRS

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>		FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
13. Liquor Control Enforcement and License Investigation Revolving Fund		Gross	NA
Includes a \$175,000 appropriation from the Liquor Control Enforcement and License Investigation Revolving Fund. The funds will be used to conduct license investigations and enforcement activities pursuant to PA 434 of 2016.		Restricted	175,000
		GF/GP	\$0
14. Drinking Water Declaration of Emergency Placeholder		Gross	NA
Includes a \$100 placeholder in case the need should arise for funds to be appropriated to support the Flint declaration of emergency. The placeholder is from the Drinking Water Declaration of Emergency Reserve Fund.		Restricted	100
		GF/GP	\$0
15. Removal of One-Time Funding		Gross	\$4,960,000
Eliminates \$3.6 million (\$2.0 million GF/GP) in one-time funding that was included in the FY 2016-17 budget. \$2.0 million GF/GP was removed from the Fire Protection Grant Enhancement and \$1.6 million in restricted funds was eliminated for the Michigan Liquor Control Commission IT project. \$1.4 million in GF/GP was retained for Fire Protection Grant Enhancement.		Restricted	1,560,000
		GF/GP	\$3,400,000
16. Revenue Alignment and Reduction of Overstated Deducts		Gross	NA
Reduces federal, local, and restricted authorizations for a net decrease of \$3.0 million in order to accurately reflect available funds and to align with revenue estimates. Adjustments include:		Federal	(83,700)
<ul style="list-style-type: none"> Removal of the EPA Pollution Prevention Grant deduct due to the elimination of the award (\$83,700). A shift of \$1.0 million in authorization from the Tax Tribunal Fund to Corporation Fees in order to support MAHS due to declining revenues from the fees deposited to the Tax Tribunal Fund. Multiple reductions in overstated deducts of state restricted funds and the local stabilization authority contract. 		Local	(2,400)
		Restricted	(2,897,200)
		GF/GP	\$0
17. Economics Adjustment		Gross	NA
Reflects a net increase in costs 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, and other economics adjustments.		IDG	311,300
		Federal	393,700
		Local	800
		Restricted	1,380,200
		GF/GP	\$233,700

Major Boilerplate Changes from FY 2016-17

Sec. 207. Out-of-State Travel Requirements and Report Title – REVISED

Stipulates a set of conditions under which out-of-state travel is permissible and requires LARA to submit a report pertaining to out-of-state travel for state employees, including the dates of each travel occurrence and the related expenses and fund sourcing. Revised to include a requirement that out-of-state travel be approved by a departmental employee's immediate supervisor.

Sec. 217. Records Retention – DELETED

Deletes requirement for LARA to retain all records in accordance with state and federal guidelines.

Sec. 220. Healthy Michigan Plan Accounting Structure – REVISED

Requires LARA, in conjunction with the Department of Health and Human Services (DHHS), to maintain accounting structures within this state's accounting system that allow for the identification of expenditures associated with the Healthy Michigan Plan. Revises to eliminate the requirement that the department provide relevant accounting structures and business objects codes.

Major Boilerplate Changes from FY 2016-17

Sec. 301. Exploration of Carbon Dioxide Capture – DELETED

Deletes requirement that the Michigan Agency for Energy and the Michigan Public Service Commission explore sources of captured carbon dioxide and its use in enhanced oil recovery, also deletes the requirement for a report detailing the findings.

Sec. 301. Low-Income Energy Assistance Grants – NEW

Stipulates that funds supporting the grant program administered by the Michigan Agency for Energy on behalf of DHHS for low-income energy assistance are appropriated upon awarding of the grants, and may be expended for grant payments or administrative expenses for the operation of the program.

Sec. 402. Investigation of Direct Shipments of Wine and Report – REVISED

Requires that the LCC should use funds as required under Section 203 of the Michigan Liquor Control Code, PA 58 of 1998, to investigate illegal shipments of wine, and to report on these activities to the legislature. Revises to include requirements that the MLCC include in a report information regarding activities and resources dedicated to investigating illegal shipments of wine, and the results of these investigations.

Sec. 516. Sawmill Inspection Method and Report – DELETED

Deletes requirement that LARA submit a report to the subcommittees and fiscal agencies detailing findings from the department's inspections of wood products manufacturing facilities.

Sec. 517. Opioid Overprescribing Report – DELETED

Deletes requirements for LARA to submit a report to the House and Senate Appropriations Committees detailing departmental action taken for overprescribing and to provide information to prescribers on where they can obtain the current federal guidelines on prescribing of opioids.

Sec. 517. MAPS and Opioid Report – NEW

Requires LARA to submit a report detailing usage statistics for the MAPS system and the number of cases related to opioid overprescribing and dispensing.

Sec. 519. Performance Metrics for MAPS IT Upgrades and Staffing Enforcement – DELETED

Deletes requirements that LARA improve the functionality of the Michigan Automated Prescription System, consider releasing data that does not contain patient protected information, and that the department report on progress made.

Sec. 519. Medical Marijuana Facilities Licensing and Tracking Report – NEW

Requires LARA to submit a report regarding application determinations, timeliness, revenues, and expenses associated with the administration of the Medical Marijuana Facilities Licensing and Tracking program.

Sec. 708. First Responder Presumed Coverage Fund Receive and Expend Authorization – NEW

Stipulates that funds received in excess of the appropriation in part 1 for first responder presumed coverage claims from the first responder presumed coverage fund are appropriated in an amount sufficient to pay approved claims due in the current fiscal year.

Sec. 800. Michigan Indigent Defense Commission Receipt of Federal Funding – NEW

Authorizes the Michigan Indigent Defense Commission (MIDC) to receive and expend up to \$250,000 as an interdepartmental grant from the Department of State Police if Byrne formula grant funding is awarded to the MIDC; the commission may receive and expend federal grant funding from the United States Department of Justice in an amount not to exceed \$300,000.

Sec. 801. Michigan Indigent Defense Commission Report on Incremental Costs – NEW

Requires the Michigan Indigent Defense Commission to submit a report on the incremental costs associated with the standard development process, the compliance plan process, and the collection of data from all indigent defense systems and attorneys providing indigent defense.

Sec. 802. Ethnic Affairs Commissions Report – NEW

Requires the Michigan Office for New Americans to coordinate with the ethnic affairs commissions to produce a report pertaining to the activities that the ethnic affairs commissions undertake.

Sec. 1001. Performance Metrics for LCC IT Upgrades – DELETED

Requires the Liquor Control Commission to maintain customer service standards and to identify outcomes and performance metrics.

LICENSING AND REGULATORY AFFAIRS

<u>FY 2016-17 Supplemental Appropriations (Article XX)</u>	<u>FY 2016-17 YTD (as of 2/8/17)</u>		<u>FY 2016-17 Supplemental Change</u>
1. <i>Childcare Background Checks</i>	FTE	NA	8.0
Includes \$7.1 million in interdepartmental grants from the Michigan Department of Education to the Bureau of Community and Health Systems to add an additional 8.0 FTE positions to conduct childcare provider background checks. An estimated 85,000 background checks need to be conducted on all currently licensed childcare providers, staff, and individuals with unsupervised access to children in childcare settings. The background checks are necessary due to new federal requirements associated with the Federal Child Care and Development Block Grant, which is received by the Michigan Department of Education.	Gross	NA	\$7,092,300
	IDG	NA	7,092,300
	GF/GP	NA	\$0
2. <i>Unlicensed Regulatory Activities</i>	Gross	NA	\$439,300
Includes \$439,300 in restricted funds to the Bureau of Professional Licensing to support enforcement activities that the Attorney General undertakes in pursuing unlicensed regulatory activities. The Attorney General now conducts unlicensed activity cases and criminal investigations for builders, accountants, and real estate brokers and salespersons.	Restricted	NA	439,300
	GF/GP	NA	\$0
3. <i>Refined Petroleum Implementation</i>	Gross	NA	\$0
Includes a net-to-zero fund shift in order to implement PA 467 of 2016. Authorizes \$2.4 million from the Refined Petroleum Fund, while simultaneously eliminating the appropriation from Underground Storage Tank Fees and decreasing the appropriation from Aboveground Storage Tank Fees.	Restricted	NA	0
	GF/GP	NA	\$0
4. <i>Prescription Drug Monitoring</i>	Gross	NA	\$975,700
Includes authorization for the Bureau of Professional Licensing to receive two separate federal grants totaling \$975,700 for the Michigan Automated Prescription System (MAPS). One grant will be used to fund a pilot project that will allow electronic medical records and pharmacy systems to interface with MAPS. The other grant will be used to implement practitioner scorecards, which will allow for the identification of MAPS users who exhibit unusual prescribing patterns of schedule II-V substances.	Federal	NA	975,700
	GF/GP	NA	\$0
5. <i>Liquor Enforcement and License Wholesale Revolving Fund</i>	Gross	\$15,320,100	\$175,000
Provides \$175,000 from the Liquor Control Enforcement and License Investigation Revolving Fund to the Michigan Liquor Control Commission for license investigations and enforcement of PA 434 of 2016.	Restricted	15,320,100	175,000
	GF/GP	\$0	\$0
6. <i>Indigent Defense County Plan Development Costs</i>	Gross	NA	\$5,000,000
Includes \$5.0 million GF/GP for the Michigan Indigent Defense Commission. The money will be distributed to counties through grants, so that the counties can implement their plans to comply with LARA-approved standards for indigent defense.	GF/GP	NA	\$5,000,000

FY 2016-17 Supplemental Boilerplate Changes (Article XX)

Sec. 551. Bureau of Community and Health Systems

Establishes the appropriation for the Bureau of Community and Health Systems for childcare background checks as a work project account.

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
Summary of FY 2017-18 Enacted Appropriations
Article XIV, 2017 Public Act 107 (House Bill 4323)

Analyst: Kent Dell

	FY 2016-17 YTD as of 2/8/17	FY 2017-18 Executive	FY 2017-18 House	FY 2017-18 Senate	FY 2017-18 Enacted	Difference: Enacted From FY 2016-17 YTD	
						Amount	%
IDG/IDT	\$101,800	\$101,800	\$101,800	\$101,800	\$101,800	\$0	0.0
Federal	91,793,600	92,334,100	92,334,100	92,334,100	92,334,100	540,500	0.6
Local	1,522,400	1,528,400	1,528,400	1,528,400	1,528,400	6,000	0.4
Private	742,800	640,000	640,000	640,000	640,000	(102,800)	(13.8)
Restricted	24,696,000	22,332,600	22,332,600	22,332,600	22,332,600	(2,363,400)	(9.6)
GF/GP	58,243,600	63,067,500	62,067,500	63,067,500	62,567,500	4,323,900	7.4
Gross	\$177,100,200	\$180,004,400	\$179,004,400	\$180,004,400	\$179,504,400	\$2,404,200	1.4
FTEs	907.5	913.5	913.5	913.5	913.5	6.0	0.7

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

Major Budget Changes from FY 2016-17 YTD Appropriations

		FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
1. Grand Rapids Home for Veterans – Staff and Training	Gross	\$49,229,000	\$820,000
Includes \$820,000 GF/GP to support competency evaluated nursing assistant (CENA) staffing and training at the veterans' home. 2016 PA 340 included a supplemental appropriation of \$2.0 million GF/GP to support additional contractual nursing services required to maintain U.S. Department of Veterans Affairs direct care staffing standards.	Federal	20,999,900	0
	Restricted	6,532,500	0
	GF/GP	\$21,696,600	\$820,000
2. D.J. Jacobetti Home for Veterans – Staffing Increase	FTE	164.5	15.0
Includes 15.0 FTEs and \$800,000 GF/GP for increased staffing at the veterans' home in order to meet Centers for Medicare and Medicaid Services certification requirements.	Gross	\$21,250,600	\$800,000
	Federal	8,305,600	0
	Restricted	5,000,400	0
	GF/GP	\$7,944,600	\$800,000
3. National Guard Armory Maintenance (One-Time)	Gross	NA	\$2,500,000
Includes a one-time appropriation of \$2.5 million GF/GP for maintenance and repair projects at Michigan National Guard armories. Funds are matched 50-50 by the federal National Guard Bureau.	GF/GP	NA	\$2,500,000
	Gross	\$60,000	\$3,947,000
4. National Guard Tuition Assistance Fund	GF/GP	\$60,000	\$3,947,000
	Gross	\$1,000,000	\$1,000,000
5. Armory and Land Sales	Restricted	1,000,000	1,000,000
	GF/GP	\$0	\$0
	Gross	\$1,000,000	\$1,000,000

MILITARY AND VETERANS AFFAIRS

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>		FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
6. National Guard Operations – State Active Duty		Gross	\$338,200
Includes \$30,000 from the Mackinac Bridge Authority to support the activation of National Guard soldiers for the annual Mackinac Bridge walk.		IDG	101,800
		Federal	100,000
		Restricted	70,000
		GF/GP	\$66,400
			30,000
			\$0
7. Veterans Service Organization Grants		Gross	NA
Shifts \$72,000 GF/GP from the Michigan Veterans Affairs Agency administration line item to the Veterans Service Organization grants line item.		GF/GP	NA
			\$0
8. Michigan Veterans Affairs Agency – Veterans License Plate Fund		Gross	\$7,057,300
Includes \$50,000 from the recently established Michigan Veterans Engagement Fund, pursuant to 2014 PA 490, MCL 257.811b, to support the ongoing operations of the Michigan Veterans Affairs Agency.		Restricted	0
		GF/GP	\$7,057,300
			50,000
			\$0
9. Grand Rapids Home for Veterans – Accounting Service Staff		FTE	355.0
Transfers the accounting service staff FTEs to the Department of Technology, Management, and Budget.		Gross	\$49,229,000
		Federal	20,999,900
		Restricted	6,532,500
		GF/GP	\$21,696,600
			0
			0
			\$0
10. National Guard Tuition Assistance Program – Program Restructure		FTE	1.0
Includes a technical change with associated boilerplate language to allow funds deposited into the National Guard Tuition Assistance Fund to be authorized for expenditure as restricted funds in support of the National Guard Tuition Assistance Program.		Gross	\$3,505,000
		Restricted	3,505,000
		GF/GP	\$0
			(1.0)
			(\$3,505,000)
			\$0
			\$0
11. Removal of FY 2016-17 One-Time Appropriations and Placeholders		Gross	NA
Removes all FY 2016-17 one-time appropriations as well as a \$100 GF/GP place holder for veterans' homes planning and \$300,000 GF/GP for housing construction at Camp Grayling.		GF/GP	NA
			(\$4,100,100)
			(\$4,100,100)
12. Technical Adjustments		FTE	NA
Aligns authorizations with expected revenues, makes minor adjustments in appropriations and fund sources, and aligns FTEs, including:		Gross	NA
<ul style="list-style-type: none"> Reduction in private revenue authorization for the Michigan Youth ChalleNGe Academy. Reduction in rental fee revenue authorization for Headquarters and Armories. Removes authorizations associated with IT payroll and accounting services center personnel across the budget. Reduction in restricted authorization associated with the National Guard Tuition Assistance Program restructuring. Net zero adjustments in authorizations and FTEs between line items. 		Federal	NA
		Private	NA
		Restricted	NA
		GF/GP	NA
			(4,900)
			(102,800)
			(101,800)
			(\$3,100)
			0.0
			(\$212,600)
13. Economic Adjustments		Gross	NA
Includes economic adjustments, which reflect increased costs of \$1.1 million Gross (\$360,100 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.		Federal	NA
		Local	NA
		Restricted	NA
		GF/GP	NA
			545,400
			6,000
			163,400
			\$360,100

Major Boilerplate Changes from FY 2016-17

Sec. 201. State Spending and Appropriations Paid to Local Units of Government – REVISED

Provides for total state spending from state resources as well as total spending to local units of government. Updated to reflect FY 2017-18 appropriations.

Sec. 210. Contingency Funds – REVISED

Provides for contingency fund authorization, which can be appropriated via legislative transfer when the department receives higher than expected federal, state restricted, local, or private revenues. Revised to increase state restricted contingency funds to \$3.0 million and local contingency funds to \$500,000.

Sec. 214. Legacy Costs – REVISED

Provides for estimated retirement costs. Updated to reflect FY 2017-18 costs.

Sec. 234. One-Time Special Maintenance Carry Forward – DELETED

Deletes requirement to allow unexpended, one-time special maintenance funds to be carried forward into the subsequent fiscal year.

Sec. 303. Michigan Youth Challenge Academy – REVISED

Describes the purpose, staffing and training requirements, and outcome goals of the Michigan Youth Challenge Academy. Revised to allow unexpended private donations to be carried forward into the subsequent fiscal year.

Sec. 307. National Guard Tuition Assistance Program – REVISED

Requires the department to maintain the National Guard Tuition Assistance Program, and describes the program's purpose and goals. Revised to increase the participation goal from 1,000 to 1,100 National Guard members by the end of the program's fourth year, and include language requiring GF/GP funds deposited into the National Guard Tuition Assistance Fund in Part 1 to be appropriated as restricted funds in support of the National Guard Tuition Assistance Program.

Sec. 311. Information Technology Services and Projects – DELETED

Deletes the requirement that funds appropriated for information technology services and projects to be used as an interdepartmental grant to the Department of Technology, Management, and Budget.

Sec. 401. Board of Managers (Veterans Homes) – REVISED

Establishes the regulatory, governance, advisory, and advocacy roles of the veterans' homes' Board of Managers. Revised to include the Michigan Veterans' Facility Authority.

Sec. 402. Veterans' Homes Service and Care Requirements – REVISED

Establishes service and care standards, minimum training standards for competency evaluated nursing assistants, and reporting requirements for the Grand Rapids and D.J. Jacobetti Homes for Veterans. Revised to include the Michigan Veterans' Facility Authority.

Sec. 403. D.J. Jacobetti Home for Veterans CMS Certification – REVISED

Requires increased funding for the D.J. Jacobetti Home for Veterans to be used toward achieving Centers for Medicare and Medicaid Services (CMS) certification standards. Revised to state that the purpose is to obtain CMS certification by June 1, 2018.

Sec. 407. Grants to Veterans Service Organizations – REVISED

Establishes the purpose and goals of grants issued by the Michigan Veterans Affairs Agency to Veterans Service Organizations operating in the state to assist veterans to receive U.S. Department of Veterans Affairs veterans' benefits. Revised to remove statewide service hour goal of 116,500 hours and replace it with a statewide service hour goal based upon appropriations and a fixed hourly service rate at \$34 per hour.

Sec. 605. Veterans' Homes Planning – DELETED

Deletes the section associated with the FY 2016-17 placeholder for veterans' home planning, which establishes the purpose, restrictions, and reporting requirements of capital outlay projects for the construction or renovation of veterans' homes.

MILITARY AND VETERANS AFFAIRS

<u>FY 2016-17 Supplemental Appropriations (Article XX)</u>		<u>FY 2016-17 YTD (as of 2/8/17)</u>	<u>FY 2016-17 Supplemental Change</u>
1. National Guard Tuition Assistance Program	Gross	\$3,505,000	\$800,000
Includes \$800,000 GF/GP to support the National Guard Tuition Assistance Program. Funds available in the National Guard Tuition Assistance Fund did not support program demand in FY 2016-17.	Restricted	3,505,000	0
	GF/GP	\$0	\$800,000

DEPARTMENT OF NATURAL RESOURCES
Summary of FY 2017-18 Enacted Appropriations with Vetoes
Article XV, 2017 Public Act 107 (House Bill 4323)

Analyst: Austin Scott

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 Enacted	Difference: Enacted From FY 2016-17 YTD	
						Amount	%
IDG/IDT	\$1,375,900	\$232,200	\$232,200	\$232,200	\$232,200	(\$1,143,700)	(83.1)
Federal	72,765,400	70,095,700	70,095,700	70,095,700	70,095,700	(2,669,700)	(3.7)
Local	0	0	0	0	0	0	--
Private	7,446,400	7,446,000	7,446,000	7,446,000	7,446,000	(400)	(0.0)
Restricted	283,956,400	274,553,100	274,553,100	289,248,500	274,248,500	(9,707,900)	(3.4)
GF/GP	43,410,000	64,047,300	48,984,000	45,197,300	56,944,900	13,534,900	31.2
Gross	\$408,954,100	\$416,374,300	\$401,311,000	\$412,219,700	\$408,967,300	\$13,200	0.0
FTEs	2,243.8	2,270.8	2,261.8	2,268.8	2,267.8	24.0	1.1

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." (3) FY 2017-18 Enacted figures reflect Governor's vetoes totaling \$1.5 million GF/GP.

Overview

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

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>		<u>FY 2016-17 YTD</u> <u>(as of 2/8/17)</u>	<u>Enacted Change</u> <u>From YTD</u>
1. General Law Enforcement – Conservation Officers	FTE	273.0	11.0
Increases by 11.0 FTEs and \$1.7 million GF/GP for additional conservation officers in the Great Lakes enforcement and special investigations units.	Gross	\$40,506,000	\$1,718,600
	Federal	6,477,500	0
	Restricted	24,630,500	0
	GF/GP	\$9,398,000	\$1,718,600
2. Fisheries Resource Management – Conservation Officers	FTE	156.5	1.0
Increases by 1.0 FTE and \$108,900 GF/GP for additional conservation officer in the Great Lakes enforcement and special investigations units.	Gross	\$20,378,600	\$108,900
	Federal	4,205,800	0
	Private	136,200	0
	Restricted	15,777,400	0
	GF/GP	\$259,200	\$108,900
3. Recreation Improvements – Road Funding Revenue	FTE	NA	9.0
Adds 9.0 FTEs and \$2.8 million in restricted funding for recreational improvements made possible by increased road funding revenue as a result of Public Act 176 of 2015. This funding will be divided among forest recreation and trails, recreational boating, recreation improvement fund grants, and the snowmobile local grants program.	Gross	NA	\$2,817,500
	Restricted	NA	2,817,500
	GF/GP	NA	\$0
4. Forest Fire Equipment – Fire Equipment Replacement	Gross	\$581,500	\$350,000
Provides an additional \$350,000 in GF/GP funding to replace outdated forest fire equipment. Replacement will be determined by age and condition of equipment.	Restricted	581,500	0
	GF/GP	\$0	\$350,000

NATURAL RESOURCES

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>		FY 2016-17 YTD	Enacted Change
		(as of 2/8/17)	From YTD
5. Michigan Historical Center – Public Infrastructure Records		FTE	3.0
Provides an additional 3.0 FTEs and \$565,100 GF/GP funding to provide long-term access to public infrastructure records at the Michigan Historical Center.		Gross	\$565,100
		Federal	0
		Private	0
		Restricted	0
		GF/GP	\$565,100
6. Michigan Wildlife Council – Promotion of Wildlife Conservation		Gross	\$500,000
Provides an additional \$500,000 from the wildlife management public education fund to the Michigan Wildlife Council to promote the importance of wildlife conservation in Michigan.		Restricted	500,000
		GF/GP	\$0
7. Wildlife Management – Wetland Mitigation Banking Program		Gross	\$3,500
Increases by \$3,500 in federal funding to administer the Wetland Mitigation Banking Program. Wetland mitigation banking is the creation or restoration of wetlands to compensate for unavoidable impacts to wetlands at another location.		Federal	3,500
		GF/GP	\$0
8. Land Ownership Tracking System (One-Time)		Gross	(\$1,100,000)
Decreases by \$1.1 million Gross for the second year of funding for a project to convert an outdated land management IT system to a web-based system that can interact with current databases.		Federal	(100,000)
		Restricted	(2,900,000)
		GF/GP	\$1,900,000
9. Wildlife Management (One-Time)		Gross	\$1,000,000
Adds \$1.0 million in one-time GF/GP funding for chronic wasting disease mitigation.		GF/GP	\$1,000,000
10. Bay City State Recreation Area Playscape Reconstruction (One-Time) – VETOED		Gross	\$0
Governor vetoed \$500,000 GF/GP for the reconstruction of a playscape at Bay City State Recreation Area.		GF/GP	\$0
11. Invasive Species (One-Time)		Gross	\$200,000
Adds \$200,000 GF/GP for the invasive species control, mitigation, and prevention.		GF/GP	\$200,000
12. Mineral Extraction Summit (One-Time)		Gross	\$50,000
Provides \$50,000 GF/GP to help fund the Michigan Extractive Industry Summit event.		GF/GP	\$50,000
13. Off-road Vehicle Trail Improvement Grants (One-Time) – VETOED		Gross	\$0
Governor vetoed \$176,200 GF/GP to maintain existing ORV facilities, develop new facilities, and restore natural resources damaged by ORV use.		GF/GP	\$0
14. Onaway State Park, Pavilion Reconstruction (One-Time) – VETOED		Gross	\$0
Governor vetoed \$500,000 GF/GP for the reconstruction of a pavilion at Onaway State Park.		GF/GP	\$0
15. Shooting Range Construction, Repair, and Maintenance (One-Time)		Gross	\$250,000
Adds \$250,000 GF/GP for the construction, repair, and maintenance of shooting ranges.		GF/GP	\$250,000
16. Snowmobile Law Enforcement Grants (One-Time) – VETOED		Gross	\$0
Governor vetoed \$100,000 GF/GP for grants to local enforcement agencies for patrols along highway rights-of-way and/or groomed snowmobile trails.		GF/GP	\$0

NATURAL RESOURCES

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>		FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
17. Snowmobile Local Grants Program (One-Time) – VETOED	Gross	NA	\$0
Governor vetoed \$226,200 GF/GP for grants to local units of government, nonprofit incorporated snowmobile clubs, and other organizations to maintain existing snowmobile trails and expand trail system when possible.	GF/GP	NA	\$0
18. Removal of FY 2016-17 Supplemental Funding	Gross	\$9,800,000	(\$9,800,000)
Removes \$9.8 million Gross (\$1.7 million GF/GP) for FY 2016-17 supplemental appropriations included in Public Acts 340 and 382 of 2016. Appropriations included support for local and state boating infrastructure maintenance, recreational boating and improvement fund grants, snowmobile local grants, chronic wasting disease mitigation, and special maintenance on Mackinac Island (PA 340) as well as funding to address aquatic invasive species (PA 382).	Restricted	6,800,000	(6,800,000)
	GF/GP	\$3,000,000	(\$3,000,000)
19. Removal of FY 2016-17 One-Time Funding	Gross	\$5,050,000	(\$4,800,000)
Removes \$5.1 million Gross (\$1.7 million GF/GP) for one-time projects included in the previous fiscal year's budget. Projects included fisheries resource management, forest fire equipment, forestry investment (vegetative management system), invasive species funding, and water trail development.	Restricted	3,400,000	(3,400,000)
	GF/GP	\$1,650,000	(\$1,400,000)
20. Capital Outlay Project Adjustments	Gross	NA	\$7,399,900
Makes current services baseline adjustments to capital outlay projects by reducing federal and restricted funding and increasing GF/GP funding for a net increase of \$7.4 million Gross. Funding is increased for the following: state parks repair and maintenance (\$7.0 million GF/GP), wetlands restoration, enhancement, and acquisition, East Tawas state harbor, local boating infrastructure maintenance, state boating infrastructure and maintenance, and trail development (\$5.0 million GF/GP).	Federal	NA	(2,700,000)
	Restricted	NA	(1,900,100)
	GF/GP	NA	\$12,000,000
21. Technical Adjustments	Gross	NA	(\$1,171,500)
Reduces IDG/IDT and federal authorization and increases restricted authorization for a net decrease of \$1.2 million Gross to reflect available funds. Adjustments include realignment of appropriation authority for over-appropriated funds and the reclassification of interdepartmental grants as restricted funding where necessary.	IDG/IDT	NA	(1,156,000)
	Federal	NA	(139,900)
	Restricted	NA	124,400
	GF/GP	NA	\$0
22. Economic Adjustments	Gross	NA	\$2,421,200
Reflects increased costs of \$2.4 million Gross (\$292,300 GF/GP) for negotiated salary and wage increases (3.0% ongoing after removing the FY 2016-17 one-time 1.5% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG/IDT	NA	12,300
	Federal	NA	266,700
	Private	NA	(400)
	Restricted	NA	1,850,300
	GF/GP	NA	\$292,300

Major Boilerplate Changes from FY 2016-17

Sec. 219. Waterways Fund Projects – DELETED

Deletes report on activities of Waterways Commission during the previous fiscal year; list of completed Waterways Fund projects to be provided to Legislature and State Budget Director by January 31.

Sec. 505. Urban Deer Management – DELETED

Deletes requirement that the department to develop a plan for urban deer management.

Sec. 706. Grand River Waterway Study – DELETED

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

NATURAL RESOURCES

Major Boilerplate Changes from FY 2016-17

Sec. 809. Forest Fire Equipment Replacement – DELETED

Deletes requirement that DNR use increased funding available for forest fire equipment and forestry investment for the replacement of aging forest fire equipment. The department was also required to develop corresponding metrics to assess performance.

Sec. 903. Conservation Officers – NEW

Directs the use of the increased appropriation in part 1 for conservation officers to hire, train, and equip ten detectives and two support staff.

Sec. 1201. Forest Management and Timber Market Development Technology – DELETED

Deletes requirement that DNR use increased funding available for the increased timber harvest for the purpose of forest management and timber market development which includes investments in technology aimed at growing the timber economy. The department was also required to develop corresponding metrics to assess performance.

Sec. 1202. Land Ownership Tracking System – DELETED

Deletes requirement that DNR use increased funding available for the land ownership tracking system to implement a new electronic system to facilitate state land records management for the purpose of increasing access to public land records and updating systems. The department was also required to develop corresponding metrics to assess performance.

Sec. 1203. Invasive Species – DELETED

Deletes requirement that DNR use increased funding available for invasive species to prevent, detect, eradicate, and control invasive species.

Sec. 1201. Swimmer's Itch Pilot Program – REVISED

Designates \$250,000 GF/GP in part 1 to be distributed to a Michigan-based nonprofit organization for swimmer's itch mitigation and research. Revised to include a progress reporting requirement.

<u>FY 2016-17 Supplemental Appropriations (Article XX)</u>	<u>FY 2016-17 YTD (as of 2/8/17)</u>	<u>FY 2016-17 Supplemental Change</u>
1. Wildlife Management	FTE 218.5	0.0
Increases federal funding by \$4.3 million to align spending authority with available federal revenue from the United States Fish and Wildlife Service. Funding will be used to address White Nose Syndrome in cave-dwelling bats, implement wildlife habitat improvements, provide technological improvements for DNR field offices, and offset reductions in restricted funding.	Gross \$38,407,300	\$4,308,000
	Federal 20,522,900	4,308,000
	Private 315,700	0
	Restricted 14,755,600	0
	GF/GP \$2,813,100	\$0
2. Wetland Mitigation Bank Grants	Gross \$500,000	\$3,850,000
Provides \$3.9 million GF/GP funding for the initial development and construction of wetland mitigation banks to be used by the Michigan Municipal Wetland Alliance, agricultural producers, and blueberry farmers. Wetland mitigation banking is the creation or restoration of wetlands to compensate for unavoidable impacts to wetlands at another location.	GF/GP \$500,000	\$3,850,000
3. Swimmer's Itch Pilot Program	Gross \$250,000	\$0
Includes a net \$0 re-appropriation of line item funding in order to include boilerplate that authorizes work project status (Sec. 602).	GF/GP \$250,000	\$0

FY 2016-17 Supplemental Boilerplate Changes (Article XX)

Sec. 601. Wetland Mitigation Bank Grants

Establishes the appropriation for Wetland Mitigation Bank Grants as a work project account.

Sec. 602. Swimmer's Itch Pilot Program

Establishes the appropriation for the Swimmer's Itch Pilot program as a work project account.

SCHOOL AID

Summary of FY 2017-18 Enacted Appropriations with Vetoes

Article I, 2017 Public Act 108 (House Bill 4313)

Analysts: **Bethany Wicksall**
Samuel Christensen

	FY 2016-17 YTD as of 2/8/17	FY 2017-18 Executive	FY 2017-18 House	FY 2017-18 Senate	FY 2017-18 Enacted	Difference: Enacted From FY 2016-17 YTD Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	1,818,632,700	1,726,943,500	1,726,943,500	1,726,943,500	1,726,943,500	(91,689,200)	(5.0)
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	12,124,309,400	12,360,145,300	12,367,507,200	12,365,762,000	12,638,230,400	513,921,000	4.2
GF/GP	218,900,000	215,000,000	215,000,000	195,000,000	213,690,000	(5,210,000)	(2.4)
Gross	\$14,161,842,100	\$14,302,088,800	\$14,309,450,700	\$14,287,705,500	\$14,578,863,900	\$417,021,800	2.9

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." (3) FY 2017-18 Enacted figures reflect Governor's vetoes totaling \$1.3 million.

Overview

The School Aid budget makes appropriations to the state's 536 local school districts, 300 public school academies, the Education Achievement System, and 56 intermediate school districts (ISDs) for operations and certain categorical programs. It also appropriates funds to the Center for Educational Performance and Information, the Workforce Development Agency, and other entities to implement certain grants and other programs related to K-12 education.

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>	FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
1. Foundation Allowance – Increase (Secs. 22a and 22b)	Gross \$9,105,000,000	\$153,300,000
Increases foundation allowances from \$60 to \$120 using the 2x formula at a cost of \$153.3 million. Increases the minimum foundation allowance from \$7,511 to \$7,631, and the state maximum guaranteed foundation allowance from \$8,229 to \$8,289.	Restricted 8,932,597,200	153,300,000
	GF/GP \$172,402,800	\$0
2. Foundation Allowance – Shared-time Instruction for Nonpublic and Homeschool Pupils (Secs. 22a and 22b)	Gross \$115,000,000	(\$2,000,000)
Caps the maximum FTE for which a nonpublic school pupil may be counted in a shared-time program at 0.75 FTE, reducing costs by \$2.0 million. See major boilerplate changes in Sec. 6(4)(ii) and Sec. 166b.	Restricted 115,000,000	(2,000,000)
	GF/GP \$0	\$0
3. At-Risk (Sec. 31a)	Gross \$378,988,200	\$120,011,800
Increases by \$120.0 million to a total of \$499.0 million and revises the distribution formula from	Restricted 378,988,200	120,011,800
<ul style="list-style-type: none"> • 11.5% x District Foundation x Free Lunch Eligible Pupils to • 11.5% x Statewide Weighted Average Foundation x Economically Disadvantaged Pupils. Caps newly eligible Hold Harmless and Out-of-Formula districts at 30% funding. Fully funding the new formula would cost \$575.0 million, so payments will be prorated. Previously eligible districts will receive an estimated \$777 per eligible pupil and newly eligible districts will receive an estimated \$233 per pupil. See major boilerplate changes in Sec. 31a.	GF/GP \$0	\$0
4. High School Per Pupil Bonus (Sec. 22n) – NEW	Gross \$0	\$11,000,000
Includes \$11.0 million to provide districts with an additional \$25 per pupil in grades 9-12 to reflect the higher costs of high school instruction.	Restricted 0	0
	GF/GP \$0	\$11,000,000

SCHOOL AID

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>		<u>FY 2016-17 YTD (as of 2/8/17)</u>	<u>Enacted Change From YTD</u>
5. <i>MPSERS Assumed Rate of Return (AROR) – Employer Normal Cost Increase Offset (Sec. 147a(2)) – NEW</i>	Gross	\$0	\$48,969,000
Reimburses districts, ISDs, and district libraries for the employer normal cost increases related to the AROR reduction from 8.0% to 7.5% at a cost of \$48.9 million for FY 2017-18 and a total cost of \$97.8 million in FY 2018-19, once fully phased-in over 2 years.	Restricted	0	48,940,000
	GF/GP	\$0	\$29,000
6. <i>MPSERS Assumed Rate of Return (AROR) – Unfunded Liability State Share (Sec. 147c(1))</i>	Gross	\$982,800,000	(\$22,016,000)
Includes a 2-year phase-in to reduce the MPSERS AROR from 8.0% to 7.5% at a cost of \$90.8 million FY 2017-18 and double that in FY 2018-19. The FY 2017-18 costs are offset by savings due to improved health care cost experience and higher rates of investment returns during the most recent 5-year actuarial smoothing period. Total costs for the State Share are reduced by \$22.0 million to \$960.8 million for FY 2017-18.	Restricted	982,200,000	(22,070,000)
	GF/GP	\$600,000	\$54,000
7. <i>MPSERS One-Time Deposit (Sec. 147c(2)) – NEW</i>	Gross	\$0	\$200,000,000
Appropriates \$200.0 million to make additional payments toward reducing the amortization period of the 2010 early retirement incentive costs.	Restricted	0	200,000,000
	GF/GP	\$0	\$0
8. <i>MPSERS Employer Defined Contribution Match (Sec. 147e) – NEW</i>	Gross	\$0	\$23,100,000
Appropriates \$23.1 million from the MPSERS retirement obligation reform reserve fund to reimburse districts, ISDs, and community colleges for the costs of a higher hybrid plan normal cost and a larger employer contribution for the new Defined Contribution plan in Senate Bill 401.	Restricted	0	23,100,000
	GF/GP	\$0	\$0
9. <i>Career and Technical Education (CTE) Programs (Sec. 61a)</i>	Gross	\$36,690,300	\$1,160,000
Maintains current funding for both CTE added costs and CTE programs in restaurant management and culinary training. Adds \$1.0 million for competitive grants to up to 3 ISDs to hire CTE counselors. Additionally, provides \$160,000 for CTE counselors for 2 school districts (Owosso and Corunna).	Restricted	36,690,300	1,160,000
	GF/GP	\$0	\$0
10. <i>Career and Technical Education (CTE) – Early/Middle College and Dual Enrollment (Sec. 61b)</i>	Gross	\$9,000,000	(\$1,000,000)
Reduces funding for CTE early/middle colleges by \$1.0 million to a total of \$8.0 million.	Restricted	9,000,000	(1,000,000)
	GF/GP	\$0	\$0
11. <i>Career and Technical Education (CTE) – Equipment Upgrades (Sec. 61c)</i>	Gross	\$3,200,000	\$6,400,000
Increases by \$6.4 million to a total of \$9.6 million to expand the CTE equipment grant program begun in FY 2016-17, and includes a \$300,000 earmark to district mechatronic grants.	Restricted	3,200,000	6,400,000
	GF/GP	\$0	\$0
12. <i>Flint Water Emergency Funds (Sec. 11s)</i>	Gross	\$10,142,600	(\$1,412,500)
Reduces funding by \$1.4 million to Flint School District and Genesee ISD related to providing additional services for early childhood and supplemental school services, bringing the total to \$8.7 million for FY 2017-18. Funds would be allocated to expanded Great Start Readiness Program (GSRP) eligibility (\$3.0 million), school nurses and social workers (\$2.6 million) in Flint schools, ISD support to Flint residents that attend districts other than Flint (\$2.5 million), and nutrition programs (\$605,000).	Restricted	0	0
	GF/GP	\$10,142,600	(\$1,412,500)
13. <i>State School Reform/Redesign (SRO) (Sec. 21)</i>	Gross	\$5,000,000	(\$5,000,000)
Eliminates funding to districts in which the SRO has assigned a CEO.	Restricted	5,000,000	(5,000,000)
	GF/GP	\$0	\$0

SCHOOL AID

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>		<u>FY 2016-17 YTD (as of 2/8/17)</u>	<u>Enacted Change From YTD</u>
14. Competency-Based Education District Grants (Sec. 21j) – NEW	Gross	\$0	\$500,000
Adds \$500,000 for competitive grants to districts that provide an education model that allows the use of multiple and innovative methods to determine pupils' achievement of grade-level competencies and Michigan merit curriculum credit.	Restricted	0	0
	GF/GP	\$0	\$500,000
15. Partnership Model Districts (Sec. 21h) – NEW	Gross	\$0	\$6,000,000
Provides \$6.0 million (along with \$641,800 and 4.0 FTEs in the MDE budget) for interventions in districts identified as needing additional academic supports. Target districts are those not yet under the authority of the School Reform Office.	Restricted	0	6,000,000
	GF/GP	\$0	\$0
16. Technology Regional Data Hubs (Sec. 22m) – NEW	Gross	\$0	\$2,200,000
Provides \$2.2 million for the Michigan Data Hub Network to upgrade school data infrastructure, promote data integration systems, ensure data security and privacy, provide actionable and consistent statewide reports and dashboards, create a governance model to facilitate a sustainable model for the future, and evaluate future data initiatives.	Restricted	0	2,200,000
	GF/GP	\$0	\$0
17. School Based Health Centers (Sec. 31a(7))	Gross	\$5,557,300	\$500,000
Increases by \$500,000 and changes the spending directive from child and adolescent health centers to funding primary health care services provided to children and adolescents up to age 21.	Restricted	5,557,300	500,000
	GF/GP	\$0	\$0
18. Local Produce in School Meals (Sec. 31j)	Gross	\$250,000	\$125,000
Maintains current funding to support districts in the purchase of locally grown fruits and vegetables for use in school lunches and adds an additional \$125,000 to expand to Prosperity Region 9.	Restricted	0	0
	GF/GP	\$250,000	\$125,000
19. Early Literacy District Grants (Sec. 35 and 35a)	Gross	\$24,900,000	\$5,500,000
Revises to increase by \$5.5 million and includes the following:	Restricted	22,900,000	3,000,000
• Maintains \$1.0 million for MDE implementation.	GF/GP	\$2,000,000	\$2,500,000
• Increases funding for literacy coaches by \$3.0 million bringing it to a total of \$6.0 million.			
• Rolls up a total of \$20.9 million for professional development, diagnostic tools funding, and added instructional time and distribute to districts in an amount equal to \$210 per 1 st grade FTE. Caps the funding that may be used for professional development at 5% and for diagnostic tools at 5%.			
• Increases Michigan Education Corps by \$1.5 million bringing it to a total of \$2.5 million.			
20. Bilingual/English Language Learners (Sec. 41)	Gross	\$1,200,000	\$4,800,000
Replaces the current bilingual education grants with \$6.0 million allocated to districts that use the WIDA Access and WIDA Alternative Access assessments to provide services to English language learners (ELL). Allocates \$620 per ELL FTE with scores between 1.0 and 1.9 and \$410 per ELL FTE with scores between 2.0 and 2.9.	Restricted	1,200,000	4,800,000
	GF/GP	\$0	\$0
21. Michigan Behavior and Learning Support Initiative (MiBLSI) (Sec. 54b)	Gross	\$1,125,000	\$475,000
Increases by \$475,000 to a total \$1.6 million to continue to pilot the implementation of positive behavioral intervention and supports and to support a statewide structure to support local initiatives for an integrated behavior and reading program.	Restricted	1,125,000	475,000
	GF/GP	\$0	\$0
22. Information Technology Certifications (Sec. 64d) – NEW	Gross	\$0	\$1,000,000
Adds \$1.0 million as 1 st of 3 years to provide information technology education opportunities to students attending districts, ISDs, or PSAs, CTE programs, and Community Colleges.	Restricted	0	0
	GF/GP	\$0	\$1,000,000

SCHOOL AID

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>		<u>FY 2016-17 YTD (as of 2/8/17)</u>	<u>Enacted Change From YTD</u>
23. Online Career Preparation (Sec. 67a) – NEW	Gross	\$0	\$1,000,000
Includes \$1.0 million for an online career preparation tool.	GF/GP	\$0	\$1,000,000
24. School Bus Driver Safety Instruction (Sec. 74)	Gross	\$1,625,000	\$400,000
Adds \$400,000 for payments to state colleges and or universities and intermediate districts providing school bus driver safety instruction.	Restricted	1,625,000	400,000
	GF/GP	\$0	\$0
25. Advanced Placement (AP) Incentive Program (Sec. 94)	Gross	\$250,000	\$500,000
Increases by \$500,000 for a total of \$750,000 for the AP incentive Program, which the department awards funds to cover all or part of the test or registration fees for the AP test or international baccalaureate.	Restricted	250,000	500,000
	GF/GP	\$0	\$0
26. Center for Educational Performance and Information (CEPI) (Sec. 94a)	Gross	\$12,366,700	\$4,042,800
Provides an additional \$4.0 million in ongoing support for CEPI to replace Federal funds that have been available through work projects for several years which are used for the support of longitudinal data collection and a web-based school data portal.	Federal	193,500	0
	GF/GP	\$12,173,200	\$4,042,800
27. Value-added Growth Model (Sec. 95b) – NEW	Gross	\$0	\$2,500,000
Provides \$2.5 million GF/GP to adopt a statewide value-added growth and projection analytics system.	Restricted	0	0
	GF/GP	\$0	\$2,500,000
28. Civics Education (Sec. 99c) – VETOED	Gross	\$0	\$0
Governor vetoed \$60,000 GF/GP for a grant for the delivery of programs that exemplify best practices in civic education.	GF/GP	\$0	\$0
29. FIRST Robotics (Sec. 99h)	Gross	\$2,500,000	\$300,000
Maintains current year appropriation levels for FIRST Robotics and adds \$300,000 GF/GP for competitive grants to nonpublic schools for FIRST Robotics or Science Olympiad programs.	Restricted	0	0
	GF/GP	\$2,500,000	\$300,000
30. Cyber Security Competition Grants (Sec. 99k) – NEW	Gross	\$0	\$500,000
Adds \$500,000 for competitive grants to districts to support teams for grades 6-12 participating in cybersecurity competitive events through either the Michigan High School Cyber Challenge or CyberPatriot.	Restricted	0	0
	GF/GP	\$0	\$500,000
31. MiSTEM Grants (Sec. 99r and 99s)	Gross	\$9,549,300	\$3,235,000
Revises to an increase of \$3.2 million and includes the following:	Federal	5,249,300	(549,300)
• Adds \$250,000 for a director and staff for the MiSTEM Network in Sec. 99r.	Restricted	3,000,000	3,234,300
• Maintains \$50,000 for MiSTEM Advisory Council administration.	GF/GP	\$1,300,000	\$550,000
• Increases to \$2.9 million for MiSTEM Council grants.			
• Maintains \$3.3 million SAF and decreases to \$4.7 million Federal for the last year of existing Math/Science Centers.			
• Adds \$1.5 million for ISD transition costs (\$85,000) and partial-year costs of starting the MiSTEM Network regional centers (\$1.4 million).			
• Decreases to \$150,000 for the Van Andel Institute.			
32. Online Algebra Tool (Sec. 99t)	Gross	\$1,500,000	(\$400,000)
Reduces by \$400,000 to a total of \$1.1 million for statewide access to an online algebra tool.	GF/GP	\$1,500,000	(\$400,000)
33. Online Mathematics Tool (Sec. 99u) – VETOED	Gross	\$0	\$0
Governor vetoed \$1.0 million for an online mathematics tool for students statewide aligned to state standards with personalized learning pathways and highly qualified, live teachers.	GF/GP	\$0	\$0

SCHOOL AID

Major Budget Changes from FY 2016-17 YTD Appropriations		FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
34. Statewide Student Assessments (Sec. 104)	Gross	\$40,144,400	\$815,000
Reduces by \$185,000 for the kindergarten readiness assessment pilot, but adds \$1.0 million for implementation of a Michigan kindergarten entry observation tool for an ISD in prosperity region 9 with at least 3,000 kindergarten students.	Restricted	33,894,400	815,000
	Federal	6,250,000	0
	GF/GP	\$0	\$0
35. Digital Literacy Preparation Pilot (Sec. 104e) – VETOED	Gross	\$0	\$0
Governor vetoed \$250,000 for the implementation of a pilot to assess pupil digital literacy skill levels.	GF/GP	\$0	\$0
36. Adult Education (Sec. 107)	Gross	\$25,000,000	\$2,000,000
Adds \$2.0 million for grants to not more than 5 pilot programs at \$400,000, which are additional to the currently funded pilot program to connect adult education participants with employers.	Restricted	25,000,000	2,000,000
	GF/GP	\$0	\$0
37. Program Eliminations	Gross	\$5,410,000	(\$8,910,000)
Eliminate an additional 6 categorical programs including the following:	Restricted	5,410,000	(8,910,000)
• Sec. 20g – Dissolved District Transition Grants (\$1.9 million)	GF/GP	\$0	\$0
• Sec. 21g – Competency-Based Education Pilot (\$500,000)			
• Sec. 22g – Consolidation Incentive Grants (\$3.0 million)			
• Sec. 31c – Gang Prevention Programs (\$3.0 million)			
• Sec. 31h – Cooperative Education (Marshall/Albion) (\$300,000)			
• Sec. 63 – ISD Health Department Partnership for CTE/Health (\$250,000)			
38. School Breakfast and Lunch Programs (Sec. 31d and 31f)	Gross	\$538,195,100	\$12,000,000
Increases by a total of \$12.0 million including \$10.0 million additional Federal funds for the school lunch program and an additional \$2.0 million SAF for the school breakfast program to reflect updated reimbursement cost estimates.	Federal	513,200,000	10,000,000
	Restricted	24,995,100	2,000,000
	GF/GP	\$0	\$0
39. Federal Grant Reductions (Sec. 39a)	Gross	\$852,739,900	(\$91,139,900)
Reduces Federal grants estimated under the Every Student Succeeds Act (ESSA) to reflect revised estimates for anticipated federal funds, the majority of which are being reduced for FY 2016-17 as well.	Federal	852,739,900	(91,139,900)
	GF/GP	\$0	\$0
40. Foundation Allowance – Cost Revisions (Secs. 22a and 22b)	Gross	\$9,105,000,000	(\$38,000,000)
Reduces the state share of foundation allowance costs to reflect estimated increases in the local share due to increased taxable values and estimated decreases in pupils.	Restricted	8,932,597,200	(15,564,200)
	GF/GP	\$172,402,800	(\$22,435,800)
41. Special Education (Secs. 51a, 51c, 51d, 53a, 54, and 56)	Gross	\$1,414,046,100	(\$26,300,000)
Revises to reflect updated cost estimates, and provides \$500,000 in section 51a for ISDs to ensure that PSAs within their boundaries comply with sections 1701A, 1703, 1704, 1751, 1752, 1756, and 1757 of the Revised School Code, applicable rules, and the Individuals with Disabilities Education Act Public Law 108-446.	Federal	441,000,000	(10,000,000)
	Restricted	973,046,100	(16,800,000)
	GF/GP	\$0	\$500,000
42. Other Major Cost Adjustments	Gross	NA	\$0
Revises the following sections to reflect updated cost estimates:	Restricted	NA	0
11j – School Bond Redemption Fund reduced by \$1.0 million to \$125.5 million.	GF/GP	NA	\$0
11m – Cash Flow Borrowing Costs increased by \$3.5 million to \$6.5 million.			
26a – Renaissance Zone Reimbursements decreased by \$3.0 million to \$17.0 million.			
26c – Promise Zone Funding increased by \$500,000 to \$1.5 million.			

SCHOOL AID

Major Boilerplate Changes from FY 2016-17

Secs. 3(1)(2) and 4(1). Achievement Authority, Achievement School, Education Achievement System – DELETED
Deletes definitions and references to the Education Achievement Authority, which has been dissolved.

Sec. 6(4)(ii). Pupil Membership - Counting Shared-Time Pupils – REVISED

Revises the pupil membership definition to cap the maximum full-time-equated (FTE) pupil for which a nonpublic school pupil may be counted in a shared-time program at 0.75 FTE.

Sec. 6(4)(jj). Pupil Membership - Counting Dual Enrollment Across State Border – REVISED

Revises the pupil membership definition to allow for a district that borders another state or a public school academy operating at least grades 9 to 12 and is within 20 miles of a border with another state to count in membership a pupil who is enrolled in a course at a college or university that is located in the bordering state and within 20 miles of the border.

Sec. 6(4)(kk). Pupil Membership - Counting Middle College Pupils – REVISED

Revises the pupil membership definition to allow for a pupil in a middle college program to be counted for more than 1.0 FTE if the pupil is enrolled in more than the minimum number of instructional days and hours required under section 101 such that the pupil is expected to complete the 5-year program with both a high school diploma and 60 transferable college credits or an associate's degree in fewer than 5 years.

Sec. 8b(3). Cyber Public School Academies (PSAs) - Assignment of District Codes – REVISED

Adds provision that for a cyber PSA that does not provide instruction at a specific location, and is authorized by a non-statewide entity, the ISD of assignment shall be the ISD that would normally provide programs and services to the resident school district in which the administrative office of the cyber PSA is located. Also provides that the ISD required to provide programs and services remains the same for as long as the cyber PSA is operating.

Sec. 31a. At-Risk – REVISED

Revises to do the following:

- (1) Expands program goals from A) English Language Arts (ELA) proficiency in grade 3 and B) college and career ready high school graduates to include C) math proficiency in grade 8 and D) pupils attending school regularly.
- (2) Deletes the prohibition of funding to hold harmless or out-of-formula districts.
- (3) Expands the requirement that the district uses a multi-tiered systems of supports (MTSS) from K-3 to K-8, and uses a broader requirement for K-3 to comply with 3rd grade reading proficiency legislation, MCL 380.1280f.
- (4) Revises to base the district allocation formula on economically disadvantaged pupils rather than free lunch eligible pupils. Economically disadvantaged pupils are currently collected and reported by CEPI to the U.S. Department of Education and include pupils who are eligible for both free and reduced-price lunch, Temporary Assistance to Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), or are homeless, migrant, or in foster care. The expanded definition is estimated to increase the number of pupils for whom districts receive funding by 131,000.
- (5) Revises to base the district allocation formula on 11.5% times a statewide weighted average foundation allowance rather than each district's foundation allowance to eliminate the variation in per pupil funding among districts.
- (6) Allows a district to use up to 5% of its funds for professional development related to MTSS and improving the goal metrics.
- (7) Revises the definition of at-risk pupil for the provision of services to pupils who are economically disadvantaged or English language learners and who failed or are at risk of failing to be proficient in grade 3 ELA or grade 8 math or are chronically absent.
- (8) Adds that the MDE reporting form may not limit a district's ability to use funds as permissible in this section.
- (9) Revises to count prior-year EAA eligible pupils in the Detroit community district.

Sec. 32d. Great Start Readiness Program (GSRP) – REVISED

Adds Connect4Learning as an age-appropriate educational curriculum for GSRP and includes 2 new subsections: (1) Requires MDE to implement a process to review and approve at least 2 GSRP age-appropriate assessments by April 1, 2018; (2) Allows an ISD to approve the use of supplemental curricula and would require MDE to create a review process if it objects to a supplemental curriculum.

Major Boilerplate Changes from FY 2016-17

Sec. 39. Great Start Readiness Program (GSRP) Formula Allocation – REVISED

Revises as follows: (1) Eliminates the process whereby ISDs individually estimate the number of GSRP-children eligible and replaces it with an estimate provided by the MDE based on American Community Survey Census data. (2) Revises the formula allocation from being based on half-day slots to number of children served in a school day program. The allocation for a child in a school day program would remain \$7,250 per day, or \$3,625 if in blended GSRP/Head Start or part-day program. (3) Includes a hold harmless provision such that an ISD would be allocated under the initial round of funding an amount equal to the amount they received in the prior year or an amount necessary to fund their available capacity if it is less than the prior year. (4) Creates a statewide benchmark of the percent of eligible children served by the program in previous year, currently at 60%. If funds remain after the initial allocations, remaining funding would be distributed to ISDs based on their proportional share of unserved eligible children if the ISD is below the state benchmark.

Sec. 51a (14)(15)(16). Special Education in Public School Academies – REVISED

Revises as follows: (14) Requires a PSA that is not a cyber to enter into an agreement with the ISD in which it is located. If PSA fails to do so, it may not charge the ISD in which it is located or the resident ISD. (15) Eliminates the state aid penalty and requires that a cyber school shall directly receive its share of federal special education funds from the ISD in which it is located, and if the ISD fails to forward those funds, allows MDE to do so. (16) Requires that the ISD in which a cyber school is located must ensure that the cyber school complies with state and federal special education rules and law. Allocates up to \$500,000 in funds to reimburse the ISDs for the added costs of ensuring this compliance.

Sec. 104c. State Student Assessments – REVISED

Requires that MDE issue an RFP for a statewide summative assessment for grades 3 through 7 in Math and ELA that does not exceed 3 hours by October 1, 2017. Requires that by January 1, 2018, MDE shall approve a statewide summative assessment from that RFP. Requires that by October 1, 2017, MDE shall issue an RFP for not less than 3 benchmark assessments in grades 3 through 7 in Math and ELA that is computer adaptive and provides results within 48 hours. Requires that by January 1, 2018, MDE approve at least 2 benchmark assessments from that RFP.

Sec. 107. Adult Education – REVISED

Revises to postpone the 2nd phase of the new (initially begun in FY 2014-15) funding formula by one more year.

Sec. 147b. MPERS Retirement Obligation Reform Reserve Fund – REVISED

Deposits \$55.0 million into the reserve fund to pay for the increased costs in Sec. 147e related to the new hybrid and new DC plans proposed in HB 4647 and SB 401.

Sec. 147c(1). MPERS UAAL State Share – REVISED

Revises to require that funds appropriated for the state share be first allocated toward the pension UAAL and if there are remaining funds after then they be allocated toward other postemployment benefits (OPEB) for retiree healthcare.

Sec. 152b. Nonpublic Schools Reimbursements – REVISED

Revises to require that funds reimburse nonpublic schools for actual costs of complying with a health, safety, or welfare requirement mandated by state law or administrative rule. Adds that the cost of taking attendance, training fees, inspection fees, and criminal background checks be considered as costs of complying with the health, safety, and welfare requirements. Allows FY 2016-17 unexpended funds to be carried forward as a work project.

Sec. 160. Labor Day Waiver Hearing – NEW

Includes a new requirement that if a district requests a waiver to begin school before Labor Day, the district must hold a joint hearing with the MDE to be held in the district before said waiver can be granted.

Sec. 164g. Legal Action Against the State – NEW

Establishes a penalty in an amount equal to the amount spent if a district or ISD uses funds appropriated under this act to pay for an expense relating to any legal action initiated by the district or ISD against the state.

Sec. 164h. Collective Bargaining Agreement Penalty – NEW

Establishes a penalty equal to 5% of total state aid if a district or ISD enters into a collective bargaining agreement that does any of the following: establishes racial and religious preferences for employees; automatically deducts union dues from employee compensation; is in conflict with any state or federal laws regarding district transparency; has a method of compensation that does not comply with the requirements of section 1250 of the Revised School Code, MCL 380.1250.

Sec. 166b. Nonpublic Shared-Time Instruction – REVISED

Revises to eliminate requirement that shared-time instruction for nonpublic students be nonessential courses that occur during the regular school day and revises the requirement that it be "offered" to other students to be "available". Defines nonessential courses for K-8 and 9-12 and provides that courses taken for postsecondary credit and college courses are nonessential, while remedial courses for an essential course is also essential.

SCHOOL AID

<u>FY 2016-17 Supplemental Appropriations (Article XX)</u>	FY 2016-17 YTD (as of 2/8/17)		FY 2016-17 Supplemental Change
1. Cash Flow Borrowing (Sec. 11m)	Gross	\$3,000,000	\$2,500,000
Increases by \$2.5 million to a total of \$5.5 million to reflect updated cost estimates for the interest costs of inter-fund borrowing between the School Aid Fund and the General Fund to balance the timing of revenue collections and required state aid payments.	Restricted	3,000,000	2,500,000
	GF/GP	\$0	\$0
2. State Aid Payment Adjustments (Sec. 15)	Gross	NA	NA
Revises to permit the department to waive all or a portion of a district's adjusted school aid repayments and to extend repayment from a total of 5 to 10 years if the following all apply: district would experience a significant hardship in satisfying financial obligations; district would experience a significant hardship in its responsibility to provide instruction to its pupils; the district has taken corrective action to ensure that the circumstance that necessitated the adjustment does not recur. Prohibits MDE from reducing a district's allocation if the district was complying with Sec. 6(4)(jj) – See Major Boilerplate Changes above – as if it had been in place in the prior year.	Restricted	NA	NA
	GF/GP	NA	NA
3. School Reform Office (Sec. 21)	Gross	\$5,000,000	(\$5,000,000)
Eliminates funding for this section.	Restricted	5,000,000	(5,000,000)
	GF/GP	\$0	\$0
4. Foundation Allowances (Secs. 22a and 22b)	Gross	\$9,105,000,000	\$15,000,000
Increases by \$15.0 million to a total of \$9,120.0 million to reflect updated consensus cost estimates for pupil membership counts and taxable values. Also provides technical revisions to shift the reimbursement for the Detroit Community School District's absence of local school operating revenue with revenue from the Community District Education Trust Fund from Sec. 22a to Sec. 22b to align with the requirements of PA 193 of 2016.	Restricted	8,932,597,200	15,000,000
	GF/GP	\$172,402,800	\$0
5. Renaissance Zone Reimbursements (Sec. 26a)	Gross	\$20,000,000	(\$3,000,000)
Reduces reimbursement payments by \$3.0 million to a total of \$17.0 million to reflect the reduction in required payments due to both expiring renaissance zones and the impact of reimbursements for personal property tax reductions through the Local Community Stabilization Authority under PA 86 of 2014.	Restricted	20,000,000	(3,000,000)
	GF/GP	\$0	\$0
6. School Breakfast Programs (Sec. 31f)	Gross	\$2,500,000	\$2,000,000
Increases by \$2.0 million to a total of \$4.5 million to reflect actual FY 2015-16 costs. The initial FY 2016-17 appropriation had been reduced based on a one-time decline in required reimbursements in FY 2014-15.	Restricted	2,500,000	2,000,000
	GF/GP	\$0	\$0
7. Federal ESSA Grants (Sec. 39a)	Gross	\$852,739,900	(\$77,900,000)
Reduces Federal grants estimated under the Every Student Succeeds Act (ESSA) to reflect the following revised estimates for anticipated federal funds:	Federal	852,739,900	(77,900,000)
<ul style="list-style-type: none"> • \$30.0 million reduction in anticipated Title 1 grant funding bringing the total to \$535.0 million. • \$6.6 million reduction in anticipated School Improvement Grants (SIG) bringing the total to \$18.0 million. • \$40.5 million reduction in the Student Support and Academic Enrichment grants, which were newly added to the FY 2016-17 budget, down to a total of \$15.4 million. 	GF/GP	\$0	\$0

SCHOOL AID

FY 2016-17 Supplemental Appropriations (Article XX)

		FY 2016-17 YTD (as of 2/8/17)	FY 2016-17 Supplemental Change
8. Special Education (Secs. 51a, 51c, 51d, 53a, 54, and 56)	Gross	\$1,414,046,100	(\$41,100,000)
Reduces by a total of \$41.1 million to reflect revised consensus cost estimates based on actual FY 2015-16 year-end special education cost data. Total estimated special education costs for FY 2016-17 are \$1.4 billion (\$941.9 million SAF, \$431.0 million Federal).	Federal	441,000,000	(13,100,000)
	Restricted	973,046,100	(28,000,000)
	GF/GP	\$0	\$0
9. Career and Technical Education (CTE) – Early/Middle College (Sec. 61b)	Gross	\$9,000,000	(\$1,000,000)
Reduces appropriation by \$1.0 million to a total of \$8.0 million.	Restricted	9,000,000	(1,000,000)
	GF/GP	\$0	\$0
10. CEPI (Sec. 94)	Gross	\$12,366,700	(\$2,000,000)
Reduces current year funding levels by \$2.0 million GF/GP which will require the office to use the remaining balance in Federal work project funds.	Federal	193,500	0
	GF/GP	\$12,173,200	(\$2,000,000)
11. Civics Education (Sec. 99c) – VETOED	Gross	\$0	\$0
Governor vetoed \$60,000 GF/GP for a grant for the delivery of programs that exemplify best practices in civic education.	GF/GP	\$0	\$0
12. MiSTEM Council Staff (Sec. 99r)	Gross	\$0	\$75,000
Adds \$75,000 for the transitional MiSTEM Network Director and staff.	GF/GP	\$0	\$75,000

SCHOOL AID LINE ITEM SUMMARY



Sec.		FY 2016-17			FY 2017-18	
		SB 801 (PA 249) Enacted	Change from FY17 YTD	PA 108 of 2017 Revised Supplemental	Change from FY17 YTD	PA 108 of 2017
11j	School Bond Redemption Fund	\$126,500,000		\$126,500,000	(\$1,000,000)	\$125,500,000
11m	Cash Flow Borrowing Costs	\$3,000,000	\$2,500,000	\$5,500,000	\$3,500,000	\$6,500,000
11s	Flint Declaration of Emergency	\$10,142,600		\$10,142,600	(\$1,412,500)	\$8,730,100
20f	Categorical Offset Payments	\$18,000,000		\$18,000,000		\$18,000,000
20g	Dissolved District Transition Grants	\$1,860,000		\$1,860,000	(\$1,860,000)	\$0
21	State School Reform/Redesign	\$5,000,000	(\$5,000,000)	\$0	(\$5,000,000)	\$0
21g	Competency-Based Funding Pilot	\$500,000		\$500,000	(\$500,000)	\$0
21h	Partnership Model Districts - NEW	\$0		\$0	\$6,000,000	\$6,000,000
21j	Competency-Based Education District Grants - NEW	\$0		\$0	\$500,000	\$500,000
22a	Foundations: Proposal A Obligation Payment	\$5,205,000,000	\$2,000,000	\$5,207,000,000	(\$23,200,000)	\$5,181,800,000
22b	Foundations: Discretionary Payment	\$3,900,000,000	\$13,000,000	\$3,913,000,000	\$137,500,000	\$4,037,500,000
22d	Isolated District Funding	\$5,000,000		\$5,000,000		\$5,000,000
22g	Consolidation Innovation Grants	\$3,000,000		\$3,000,000	(\$3,000,000)	\$0
22m	Technology Regional Data Hubs - NEW	\$0		\$0	\$2,200,000	\$2,200,000
22n	High School Per Pupil Bonus - NEW	\$0		\$0	\$11,000,000	\$11,000,000
24	Court-Placed Pupils	\$8,000,000		\$8,000,000		\$8,000,000
24a	Juvenile Detention Facility Programs	\$1,328,100		\$1,328,100	\$10,900	\$1,339,000
24c	Youth ChalleNGe Program	\$1,632,400		\$1,632,400	(\$104,000)	\$1,528,400
25f	Strict Discipline Academy	\$750,000		\$750,000		\$750,000
25g	Dropout Recovery Programs	\$750,000		\$750,000		\$750,000
26a	Renaissance Zone Reimbursement	\$20,000,000	(\$3,000,000)	\$17,000,000	(\$3,000,000)	\$17,000,000
26b	PILT Reimbursement	\$4,405,100		\$4,405,100		\$4,405,100
26c	Promise Zone Funding	\$1,000,000		\$1,000,000	\$500,000	\$1,500,000
31a	"At Risk" Pupil Support	\$378,988,200		\$378,988,200	\$120,011,800	\$499,000,000
31a(7)	School Based Health Centers	\$5,557,300		\$5,557,300	\$500,000	\$6,057,300
31a(8)	Hearing and Vision Screening	\$5,150,000		\$5,150,000		\$5,150,000
31b	Year-round Instruction Grants	\$1,500,000		\$1,500,000		\$1,500,000
31c	Gang Prevention and Intervention Programs	\$3,000,000		\$3,000,000	(\$3,000,000)	\$0
31d	State School Lunch Programs	\$22,495,100		\$22,495,100		\$22,495,100
31d	Federal School Lunch Programs	\$513,200,000		\$513,200,000	\$10,000,000	\$523,200,000
31f	School Breakfast Program	\$2,500,000	\$2,000,000	\$4,500,000	\$2,000,000	\$4,500,000
31h	Cooperative Education Grant	\$300,000		\$300,000	(\$300,000)	\$0
31j	Local Produce in School Meals	\$250,000		\$250,000	\$125,000	\$375,000
32d	Great Start Readiness Program	\$243,900,000		\$243,900,000		\$243,900,000
32p	Early Childhood Block Grants	\$13,400,000		\$13,400,000		\$13,400,000
32q	Early Learning Cooperative	\$175,000		\$175,000		\$175,000
35	Early Literacy Implementation	\$1,000,000		\$1,000,000		\$1,000,000
35a(2)	Early Literacy Professional Development	\$950,000		\$950,000	(\$950,000)	\$0
35a(3)	Early Literacy Diagnostic Tools	\$1,450,000		\$1,450,000	(\$1,450,000)	\$0
35a(4)	Early Literacy Teacher Coaches	\$3,000,000		\$3,000,000	\$3,000,000	\$6,000,000
35a(5)	Early Literacy Added Instructional Time	\$17,500,000		\$17,500,000	\$3,400,000	\$20,900,000
35a(6)	Early Literacy - Michigan Education Corps	\$1,000,000		\$1,000,000	\$1,500,000	\$2,500,000
39a(1)	Federal NCLB/ESSA Grant Funds	\$821,939,900	(\$77,900,000)	\$744,039,900	(\$90,339,900)	\$731,600,000
39a(2)	Other Federal Funding	\$30,800,000		\$30,800,000	(\$800,000)	\$30,000,000
41	English Language Learner Grants	\$1,200,000		\$1,200,000	\$4,800,000	\$6,000,000
51a(1)	Special Education - Federal Reimbursement	\$370,000,000		\$370,000,000		\$370,000,000
51a(2)	Special Ed ISD Foundation and Costs	\$271,600,000	(\$10,900,000)	\$260,700,000	(\$7,400,000)	\$264,200,000
51a(3)	Special Ed ISD Hold Harmless Payment	\$1,100,000	(\$100,000)	\$1,000,000	(\$100,000)	\$1,000,000
51a(6)	Special Ed Admin Rules Changes	\$2,200,000		\$2,200,000		\$2,200,000
51a(11)	Special Ed Foundations for Non Sec. 52 to ISDs	\$3,700,000	(\$200,000)	\$3,500,000	(\$100,000)	\$3,600,000
51a(16)	Special Ed ISD Compliance Reimbursement - NEW	\$0		\$0	\$500,000	\$500,000
51c	Special Ed Headlee Obligation (Durant)	\$644,500,000	(\$19,900,000)	\$624,600,000	(\$9,200,000)	\$635,300,000
51d	Special Education - Other Federal Grants	\$71,000,000	(\$10,000,000)	\$61,000,000	(\$10,000,000)	\$61,000,000
53a	Special Ed for Court Placed Pupils	\$10,500,000		\$10,500,000		\$10,500,000
54	Special Ed Michigan School Blind/Deaf	\$1,688,000		\$1,688,000		\$1,688,000
54b	Special Education Task Force Reforms (MiBLSI)	\$1,125,000		\$1,125,000	\$475,000	\$1,600,000
55	Conductive Learning Study	\$150,000		\$150,000		\$150,000
56	Special Ed ISD Millage Equalization	\$37,758,100		\$37,758,100		\$37,758,100
61a	Career & Tech Ed Programs	\$36,690,300		\$36,690,300	\$1,160,000	\$37,850,300
61b	Career & Tech Ed Early/Middle College	\$9,000,000	(\$1,000,000)	\$8,000,000	(\$1,000,000)	\$8,000,000
61c	Career & Tech Ed Equipment Upgrades	\$3,200,000		\$3,200,000	\$6,400,000	\$9,600,000
62	ISD Career & Tech Ed Millage Equalization	\$9,190,000		\$9,190,000		\$9,190,000
63	ISD/Health Department Partnership for CTE/Health	\$250,000		\$250,000	(\$250,000)	\$0
64b	Dual Enrollment Incentive Payments	\$1,750,000		\$1,750,000		\$1,750,000
64d/99u	Information Technology Certifications - NEW	\$0		\$0	\$1,000,000	\$1,000,000

SCHOOL AID LINE ITEM SUMMARY



Sec.		FY 2016-17			FY 2017-18	
		SB 801 (PA 249) Enacted	Change from FY17 YTD	PA 108 of 2017 Revised Supplemental	Change from FY17 YTD	PA 108 of 2017
65	Detroit PreCollege Engineering	\$340,000		\$340,000		\$340,000
67	Career and College Readiness Tools	\$3,050,000		\$3,050,000	(\$50,000)	\$3,000,000
67a	Online Career Preparation - NEW	\$0		\$0	\$1,000,000	\$1,000,000
74	School Bus Driver Safety Instruction	\$1,625,000		\$1,625,000	\$400,000	\$2,025,000
74	School Bus Inspections	\$1,695,600		\$1,695,600	\$9,700	\$1,705,300
81	ISD General Operations Support	\$67,108,000		\$67,108,000		\$67,108,000
94	Advanced Placement (AP) Incentive Program	\$250,000		\$250,000	\$500,000	\$750,000
94a	Center for Educational Performance and Information	\$12,173,200	(\$2,000,000)	\$10,173,200	\$4,042,800	\$16,216,000
94a	Center for Educational Performance and Info - Federal	\$193,500		\$193,500		\$193,500
95b	Statewide Evaluation Tool - NEW	\$0		\$0	\$2,500,000	\$2,500,000
98	Michigan Virtual University	\$7,387,500		\$7,387,500		\$7,387,500
99c	Civics Education - VETOED	\$0		\$0		\$0
99h	FIRST Robotics	\$2,500,000		\$2,500,000	\$300,000	\$2,800,000
99k	Cyber Security Competitions - NEW	\$0		\$0	\$500,000	\$500,000
99r	MiSTEM Staff - NEW	\$0	\$75,000	\$75,000	\$250,000	\$250,000
99s(2)(3)	MiSTEM Council and Grants - Council	\$1,050,000		\$1,050,000	\$1,850,000	\$2,900,000
99s(4)	MiSTEM Grants - Math and Science Centers - State	\$2,750,000		\$2,750,000	\$549,300	\$3,299,300
99s(4)	MiSTEM Grants - Math and Science Centers - Federal	\$5,249,300		\$5,249,300	(\$549,300)	\$4,700,000
99s(5)(6)	MiSTEM Centers Transition - NEW	\$0		\$0	\$1,485,000	\$1,485,000
99s(5)	MiSTEM Grants - Science Olympiad	\$250,000		\$250,000	(\$250,000)	\$0
99s(6)	MiSTEM Grants - Van Andel Education Institute	\$250,000		\$250,000	(\$100,000)	\$150,000
99t	Online Algebra Tool	\$1,500,000		\$1,500,000	(\$400,000)	\$1,100,000
99u	Online Mathematics Tool - VETOED	\$0		\$0		\$0
102d	Financial Data Analysis Tools	\$1,500,000		\$1,500,000		\$1,500,000
104	Education Assessments - State	\$33,894,400		\$33,894,400	\$815,000	\$34,709,400
104	Education Assessments - Federal	\$6,250,000		\$6,250,000		\$6,250,000
104d	Computer Adaptive Test	\$4,000,000		\$4,000,000		\$4,000,000
104e	Digital Learning Prep - VETOED	\$0		\$0		\$0
107	Adult Education	\$25,000,000		\$25,000,000	\$2,000,000	\$27,000,000
147a	MPSERS Cost Offset	\$100,000,000		\$100,000,000		\$100,000,000
147a(2)	MPSERS Normal Cost Offset - NEW	\$0		\$0	\$48,969,000	\$48,969,000
147c(1)	MPSERS State Share of Unfunded Liability Payments	\$982,800,000		\$982,800,000	(\$22,016,000)	\$960,784,000
147c(2)	MPSERS One-time Unfunded Liability Payment - NEW	\$0		\$0	\$200,000,000	\$200,000,000
147e	MPSERS SB 401 Added Costs - NEW	\$0		\$0	\$23,100,000	\$23,100,000
152a	Adair - Database Payment	\$38,000,500		\$38,000,500		\$38,000,500
152b	Nonpublic School Reimbursement	\$2,500,000		\$2,500,000		\$2,500,000
TOTAL APPROPRIATIONS		\$14,161,842,100	(\$110,425,000)	\$14,051,417,100	\$417,021,800	\$14,578,863,900
REVENUE BY SOURCE						
Federal Aid		\$1,818,632,700	(\$87,900,000)	\$1,730,732,700	(\$91,689,200)	\$1,726,943,500
School Aid Fund		\$12,052,309,300	\$17,335,000	\$12,069,644,300	\$489,511,000	\$12,543,130,300
MPSERS Retirement Obligation Reform Reserve Fund		\$0	\$0	\$0	\$23,100,000	\$23,100,000
Community District Trust Fund/Other Restricted Fund		\$72,000,100	\$0	\$72,000,100	\$0	\$72,000,100
General Fund/General Purpose		\$218,900,000	(\$39,860,000)	\$179,040,000	(\$3,900,000)	\$213,690,000
TOTAL REVENUE		\$14,161,842,100	(\$110,425,000)	\$14,051,417,100	\$417,021,800	\$14,578,863,900

**DEPARTMENT OF STATE POLICE
Summary of FY 2017-18 Enacted Appropriations
Article XVI, 2017 Public Act 107 (House Bill 4323)**

Analyst: Kent Dell

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 Enacted	Difference: Enacted From FY 2016-17 YTD	
						Amount	%
	\$26,580,400	\$26,221,600	\$26,221,600	\$26,221,600	\$26,221,600	(\$358,800)	(1.3)
Federal	94,186,800	83,662,500	83,662,500	83,662,500	83,662,500	(10,524,300)	(11.2)
Local	5,828,500	5,835,200	5,835,200	5,835,200	5,835,200	6,700	0.1
Private	78,100	178,100	178,100	178,100	178,100	100,000	128.0
Restricted	127,635,500	135,423,700	139,423,700	135,423,700	139,423,700	11,788,200	9.2
GF/GP	405,162,800	442,267,800	437,268,000	435,918,000	439,442,800	34,280,000	8.5
Gross	\$659,472,100	\$693,588,900	\$692,589,100	\$687,239,100	\$694,763,900	\$35,291,800	5.4
FTEs	3,229.0	3,440.0	3,434.0	3,440.0	3,440.0	211.0	6.5

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

Overview

The Michigan Department of State Police (MSP) is the state's primary law enforcement and emergency response authority, responsible for criminal law enforcement and investigation, traffic and motor carrier safety, and homeland security; in addition to the administration and implementation of various state programs, technologies, and specialized services intended to enhance the capabilities and coordination of federal, state, and local law enforcement agencies, the criminal justice system, and the entire public safety community.

Major Budget Changes from FY 2016-17 YTD Appropriations

		FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
1. Trooper Recruit School – Training Costs (One-Time)	Gross	NA	\$9,286,200
Includes \$9.3 million one-time GF/GP to cover the training-related costs of graduating 150 new State Police Troopers. The recruit school is expected to begin in July 2018.	GF/GP	NA	\$9,286,200
2. Trooper Recruit School – Annualize FY 2017-18	FTE	1,908.5	100.0
Includes \$3.0 million ongoing GF/GP and 100.0 FTE positions to support the first year equipment, salary, and benefits costs of the 150 new State Police Troopers expected to graduate from the July 2018 recruit school. Due to attrition, only 100.0 additional FTE positions are included.	Gross	\$279,967,400	\$2,937,800
	Federal	383,700	0
	Restricted	38,456,100	0
	GF/GP	\$241,127,600	\$2,937,800
3. Trooper Recruit School – Annualize FY 2016-17	Gross	\$279,967,400	\$5,237,700
Includes \$5.2 million ongoing GF/GP to support the equipment, salary, and benefits costs of the State Police Troopers who have graduated from the FY 2016-17 recruit schools.	Federal	383,700	0
	Restricted	38,456,100	0
	GF/GP	\$241,127,600	\$5,237,700
4. Trooper Recruit School Administrative – FY 2016-17	Gross	\$279,967,400	\$1,145,200
Includes \$1.1 million ongoing GF/GP to support the department-wide costs, such as fleet leasing and workers' compensation costs, of the State Police Troopers who have graduated from the FY 2016-17 recruit schools.	Federal	383,700	0
	Restricted	38,456,100	0
	GF/GP	\$241,127,600	\$1,145,200

Major Budget Changes from FY 2016-17 YTD Appropriations	FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
5. Medical Marihuana Regulation and Licensing	FTE	NA
Includes 48.0 additional FTEs and \$8.8 million from the Marihuana Regulatory Fund, pursuant to 2016 PA 281, to support medical marihuana regulatory and licensing functions. This includes department-wide administrative costs (\$2.6 million), forensic science services (\$874,500 and 8.0 FTEs), investigative services (\$4.3 million and 30.0 FTEs), commercial vehicle enforcement (\$709,200 and 7.0 FTEs), and intelligence operations (\$309,200 and 3.0 FTEs).	Gross	NA
	Restricted	48.0
	GF/GP	\$8,775,700
		8,775,700
		\$0
6. Disaster and Emergency Contingency Fund – Deposit (One-Time)	Gross	NA
Includes \$5.0 million one-time GF/GP to replenish the Disaster and Emergency Contingency Fund (DECF). The remaining \$3.7 million DECF balance has already been appropriated via administrative transfer and is expected to be depleted by the end of FY 2016-17.	GF/GP	NA
		\$5,000,000
		\$5,000,000
7. Forensic Science Expansion	FTE	248.0
Includes \$1.8 million GF/GP to support 14.0 additional FTEs, including 4.0 for firearms casework and 10.0 for controlled substances casework, as well as \$444,000 GF/GP to support inflation adjustments in supply and consumables costs.	Gross	\$41,556,700
	Federal	14.0
	Restricted	0
	GF/GP	\$2,284,000
		4,900,000
		9,884,000
		\$26,772,700
		\$2,284,000
8. Advanced 9-1-1 (One-Time)	Gross	NA
Includes \$2.2 million one-time GF/GP to maintain a statewide advanced 9-1-1 system administered by the Michigan State Police, which allows for voluntarily-provided supplemental health and safety information to be accessed by first responders in the event of an emergency.	GF/GP	NA
		\$2,200,000
		\$2,200,000
9. Computer Crimes Unit Expansion	FTE	NA
Includes \$1.3 million GF/GP to support 7.0 additional FTEs within the Intelligence Operations Division to prevent, detect, and investigate cyber-crimes.	Gross	NA
	GF/GP	7.0
		\$1,342,400
		\$1,342,400
10. Secure Cities Partnership – Equipment Replacement (One-Time)	Gross	NA
Includes \$1.0 million one-time GF/GP appropriated to the Secure Cities Partnership in order to replace end-of-lifecycle equipment used in support of the program, including body armor, Tasers, and in-car cameras.	GF/GP	NA
		\$1,000,000
		\$1,000,000
11. Fair and Impartial Policing – Training Grants (One-Time)	Gross	NA
Includes \$980,000 one-time GF/GP for grants to law enforcement agencies for U.S. Department of Justice fair and impartial policing training.	GF/GP	NA
		\$980,000
		\$980,000
12. Emergency Management and Homeland Security Division Expansion	FTE	60.0
Includes \$978,900 GF/GP to support 7.0 additional FTEs to increase training and planning capabilities for disasters and emergencies.	Gross	\$14,933,800
	Federal	7.0
	GF/GP	0
		\$978,900
		11,898,900
		\$3,034,900
		\$978,900
13. Forensic Science Biology Casework Support (One-Time)	Gross	NA
Includes \$730,000 one-time GF/GP to replace an anticipated reduction in federal funding for biology casework.	GF/GP	NA
		\$730,000
		\$730,000
14. Michigan International Speedway Traffic Control (One-Time)	Gross	NA
Includes \$725,000 GF/GP to support the one-time costs of MSP traffic control services provided for the Michigan International Speedway.	GF/GP	NA
		\$725,000
		\$725,000
15. OK2SAY Student Safety Hotline	FTE	NA
Includes \$608,300 GF/GP to replace funding from the depleted Student Safety Fund and 6.0 FTEs to support the continuation of the student safety hotline.	Gross	NA
	GF/GP	6.0
		\$608,300
		\$608,300

STATE POLICE

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>		<u>FY 2016-17 YTD (as of 2/8/17)</u>	<u>Enacted Change From YTD</u>
16. Sexual Assault Prevention and Education Initiative (One-Time) Provides \$600,000 one-time GF/GP for grants to higher education institutions to support on-campus sexual assault prevention and education initiatives.	Gross GF/GP	NA NA	\$600,000 \$600,000
17. Post Operations - Equipment Replacement Includes \$484,000 ongoing GF/GP in order to replace end-of-lifecycle equipment used in support of general policing operations, including body armor, Tasers, and in-car cameras.	Gross Federal Restricted GF/GP	\$279,967,400 383,700 38,456,100 \$241,127,600	\$484,000 0 0 \$484,000
18. Combined DNA Index System – Testing Costs and Supplies Includes \$400,700 GF/GP to support inflation adjustments in supply and testing costs associated with expanded DNA testing pursuant to 2014 PA 457.	Gross Restricted GF/GP	\$8,145,400 4,158,600 \$3,986,800	\$400,700 0 \$400,700
19. MCOLES Administration Includes \$521,200 GF/GP to support Michigan Commission on Law Enforcement Standards administrative and operational costs, and cover a reduction in Secondary Road Patrol and Training Funds pursuant to 2016 PA 289.	Gross Restricted GF/GP	NA NA NA	\$368,000 (153,200) \$521,200
20. Medical Marihuana Excise Tax Authorization – MCOLES Includes \$330,000 in support of standards and training/justice training grants. Pursuant to 2016 PA 281 Sec. 602(3)(e), the Michigan Commission on Law Enforcement Standards receives 5% of the Medical Marihuana Excise Fund.	Gross Federal Restricted GF/GP	\$9,094,500 175,700 8,176,600 \$742,200	\$330,000 0 330,000 \$0
21. Medical Marihuana Excise Tax Authorization – Investigative Services Includes \$330,000 in support of investigative services. Pursuant to 2016 PA 281 Sec. 602(3)(f), the Department of State Police receives 5% of the Medical Marihuana Excise Fund.	Gross IDG/IDT Federal Local Restricted GF/GP	\$28,626,500 6,776,800 6,206,300 2,079,000 6,100,800 \$7,463,600	\$330,000 0 0 0 330,000 \$0
22. Impaired Driving Safety Commission Fund Includes \$250,000 GF/GP for the Impaired Driving Safety Commission and a university-led study of the effects THC has on the ability to drive a motor vehicle, pursuant to 2016 PA 350.	Gross GF/GP	NA NA	\$250,000 \$250,000
23. Law Enforcement Job Task Analysis (One-Time) Provides \$200,000 one-time GF/GP to conduct a job task analysis in order to identify essential skills and abilities for core law enforcement positions. Lead by the Michigan Commission on Law Enforcement Standards, these analyses are typically conducted every ten years.	Gross GF/GP	NA NA	\$200,000 \$200,000
24. DTMB FTE for MIOC Includes \$137,900 GF/GP to support 1.0 information technology-related FTE from the Department of Technology, Management, and Budget tasked with supporting the Michigan Intelligence Operations Center.	Gross GF/GP	NA NA	\$137,900 \$137,900
25. Civil Air Patrol Includes \$20,000 GF/GP to ensure the Civil Air Patrol volunteer organization has adequate resources for training and supplies for its support of state emergency and disaster response operations.	Gross GF/GP	NA NA	\$20,000 \$20,000
26. Removal of FY 2016-17 One-Time and Emergency Appropriations Removes FY 2016-17 one-time appropriations as well as \$3.8 million expenditure authorization from the Disaster and Emergency Contingency Fund and \$6.2 million from the Department of Homeland Security for disaster-related expenditures.	Gross Federal Restricted GF/GP	NA NA NA NA	(\$18,696,000) (6,219,000) (3,777,000) (\$8,700,000)

Major Budget Changes from FY 2016-17 YTD Appropriations		FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
27. Transfers and Reorganization	FTE	NA	0.0
Includes multiple, net-zero shifts in FTEs and appropriations across the budget for the purpose of administrative reorganization.	Gross	NA	\$0
	GF/GP	NA	\$0
28. Technical Adjustments	FTE	NA	29.0
Includes technical adjustments across the budget to align FTEs and fund sources with expected revenues and adjust for cost allocations, including:	Gross	NA	(\$3,239,300)
	IDG/IDT	NA	(551,200)
<ul style="list-style-type: none"> Adjust allocations of costs by fund source for administration, information technology services, phone services, and rent and building occupancy charges. Align authorizations with expected revenues by fund source. 	Federal	NA	(4,528,100)
	Local	NA	(4,600)
	Private	NA	100,000
	Restricted	NA	4,448,400
	GF/GP	NA	(\$2,703,800)
29. Economic Adjustments	Gross	NA	\$10,875,400
Includes economic adjustments, which reflect increased costs of \$10.9 million Gross (\$8.6 million GF/GP) for negotiated salary and wage increases (3.0% ongoing after removing the FY 2016-17 one-time 1.5% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG/IDT	NA	192,400
	Federal	NA	222,800
	Local	NA	11,300
	Restricted	NA	1,834,300
	GF/GP	NA	\$8,614,600

Major Boilerplate Changes from FY 2016-17

Sec. 201. State Spending and Appropriations Paid to Local Units of Government – REVISED

Provides for total state spending from state resources as well as total spending to local units of government. Revised to reflect FY 2017-18 appropriations.

Sec. 204. IDG Funding Received by the Department – DELETED

Deletes detail on each interdepartmental grant received by the Department of State Police.

Sec. 214. Legacy Costs – REVISED

Provides for estimated retirement costs. Revised to update for FY 2017-18 costs.

Sec. 215. IDG Funding Made Available to Other State Departments – REVISED

Details each interdepartmental grant transferred by the Department of State Police to other departments. Revised to eliminate the interdepartmental grant details and retaining the language regarding the federal Byrne Justice Assistance Grant program.

Sec. 221. Contractual Services Reimbursement – REVISED

Requires the department to be reimbursed for services provided to local units of government, defines service cost models for reimbursement, and defines restrictions on reimbursable services provided to non-governmental entities. Revised to include sections that appropriate funds in excess of authorized amounts for reimbursed services, and requires any additional expenditure authorization approved under this section to be reported to Legislature within ten days after approval by the State Budget Office.

Sec. 224. Receive and Expend Authorization for Federal Funds – REVISED

Authorizes the department to expend federal funds that it receives in excess of the federal authorizations in Part 1. Revised to standardize reporting language; does not substantively change the intent of the section.

Sec. 402. Criminal Justice Information Center – REVISED

Requires the department to maintain and ensure compliance with Criminal Justice Information Center databases and applications. Revised to specify costs for the processing of traffic crash reports and remove the language regarding the sex offender registry.

Sec. 403. Forensic Science – REVISED

Specifies the department's forensic science service requirements. Revised to remove reference to the American Society of Crime Laboratory Directors/Laboratory Accreditation Board; remove deadline of December 31, 2017 for obtaining thirty-day average turnaround time across forensic science disciplines; remove subject specific subsections requiring the department to maintain thirty-day average turnaround times for each discipline; and move reporting requirements regarding DNA analysis retention protocol to Sec. 404.

STATE POLICE

Major Boilerplate Changes from FY 2016-17

Sec. 404. Biometrics and Identification – REVISED

Specifies the department's biometric and identification service requirements. Revised to include reporting requirements regarding DNA analysis retention protocol previously included in Sec. 403.

Sec. 405. Sexual Assault Kit Analysis – REVISED

Requires the department to annually report on sexual assault kits processed during the previous fiscal year and the remaining backlog. Revised to change the reporting date from October 31 to December 1.

Sec. 601. General Law Enforcement and Traffic Safety – REVISED

Specifies the general law enforcement and traffic safety service requirements of the department. Revised to increase required statewide patrol hours from 400,000 to 455,200 hours and changes patrol hour requirements for Belle Isle from 4,000 patrol hours to a minimum of 2,000 patrol hours.

Sec. 701. Special Operations – REVISED

Specifies the department's specialized service requirements. Revised to remove language regarding specialized units in order to separate special operations boilerplate into two sections to include one for the Michigan Intelligence Operation Center for Homeland Security and another for specialized units; increase the computer crimes unit caseload completion percentage from 20% to 40%, based on 2014-15 case completion numbers; and include a sixty-day average turnaround time requirement for digital forensic analysis cases.

Sec. 702. Specialized Support Services – NEW

Includes special operations unit service and availability requirements moved from Sec. 701, and includes additional subsection requiring the department to issue a report to the Legislature by April 2, 2018 regarding the best practices related to unmanned aerial vehicle (drones) enforcement.

Sec. 704. Emergency Management and Homeland Security – REVISED

Specifies the department's role in coordinating emergency preparation and response efforts. Revised to include an additional subsection requiring the department to report quarterly on the status of infrastructure vulnerabilities in the state.

Sec. 901 (Former). School Safety Initiative – DELETED

Deletes the FY 2016-17 one-time appropriations and requirements for the School Safety Initiative.

Sec. 901. Sexual Assault Prevention and Education Initiative – REVISED

The intent and restrictions of the Sexual Assault Prevention and Education Initiative one-time appropriation, to include awarding grants to institutions of higher education with a physical presence in this state for the purpose of preventing sexual assault on campuses, and establishes the initiative as a work project. Revised to reflect increased appropriations.

Sec. 1001. Anticipated Appropriations – REVISED

Establishes the intent of the Legislature to provide appropriations in the subsequent fiscal year. Revised to update date references.

<u>FY 2016-17 Supplemental Appropriations (Article XX)</u>	<u>FY 2016-17 YTD (as of 2/8/17)</u>	<u>FY 2016-17 Supplemental Change</u>	
1. Disaster and Emergency Contingency Fund - Deposit	Gross	NA	\$4,000,000
Includes \$4.0 million GF/GP to replenish the Disaster and Emergency Contingency Fund. As of May 19, 2017, the State Budget Office reports that the Disaster and Emergency Contingency Fund balance is approximately \$1.0 million.	GF/GP	NA	\$4,000,000
2. Flint Operational Costs	Gross	NA	\$3,908,100
Includes \$3.9 million from the Drinking Water Declaration of Emergency Reserve Fund to support warehouse costs (\$365,900), FEMA matching funds (\$1.4 million), logistical and IT support from DTMB (\$2.9 million), and printing costs related to fliers and mailers (\$250,000). The department will utilize existing appropriations to cover the difference between these costs and the appropriated \$3.9 million.	Restricted	NA	3,908,100
	GF/GP	NA	\$0

STATE POLICE

FY 2016-17 Supplemental Appropriations (Article XX)

3. Roadside Drug Testing Pilot

Includes \$150,000 GF/GP to support a five-county pilot project, administered by the Department of State Police, to assess the efficacy of roadside saliva testing for THC, pursuant to 2016 PA 243.

	FY 2016-17 YTD (as of 2/8/17)	FY 2016-17 Supplemental Change
Gross	\$100	\$150,000
GF/GP	\$100	\$150,000

TRANSPORTATION

**DEPARTMENT OF TRANSPORTATION
Summary of FY 2017-18 Enacted Appropriations
Article XVII, 2017 Public Act 107 (House Bill 4323)**

Analyst: William E. Hamilton

	FY 2016-17 YTD as of 2/8/17	FY 2017-18 Executive	FY 2017-18 House	FY 2017-18 Senate	FY 2017-18 Enacted	Difference: Enacted From FY 2016-17 YTD	
						Amount	%
IDG/IDT	\$4,013,400	\$4,039,300	\$4,039,300	\$4,039,300	\$4,039,300	\$25,900	0.6
Federal	1,314,744,000	1,340,301,200	1,340,301,200	1,340,301,200	1,340,301,200	25,557,200	1.9
Local	50,418,500	50,532,000	50,532,000	50,532,000	50,532,000	113,500	0.2
Private	100,000	100,000	100,000	100,000	100,000	0	0.0
Restricted	2,736,727,700	2,952,470,500	2,952,470,500	2,952,470,500	2,952,470,500	215,742,800	7.9
GF/GP	9,750,000	0	0	0	0	(9,750,000)	(100.0)
Gross	\$4,115,753,600	\$4,347,443,000	\$4,347,443,000	\$4,347,443,000	\$4,347,443,000	\$231,689,400	5.6
FTEs	2,918.3	2,918.3	2,727.3	2,918.3	2,826.3	(92.0)	(3.2)

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 state transportation budget supports state and local highway programs, public transportation programs, aeronautics programs, and administration of the Michigan Department of Transportation (MDOT). Approximately two-thirds of the revenue in this budget comes from state restricted revenue, with approximately one-third from federal sources. Most of the state-restricted revenue in this budget is constitutionally restricted – from motor fuel taxes and vehicle registration taxes – and is first credited to the Michigan Transportation Fund (MTF) and then distributed in accordance with Public Act 51 of 1951 (Act 51) to other state transportation funds and programs, including the State Trunkline Fund (STF), the Comprehensive Transportation Fund (CTF), and local road agencies. Revenue from aviation fuel and registration taxes and from an earmark of the Airport Parking Tax is credited to the State Aeronautics Fund for aeronautics programs.

Major Budget Changes from FY 2016-17 YTD Appropriations	FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
1. Debt Service	Gross \$237,925,300	(\$8,985,900)
Reduces appropriation for debt service by \$9.0 million reflecting anticipated debt service schedules. The reduction in federal-aid supported debt service reflects the 2016 refunding of \$607.1 million in federal grant anticipation notes. [Total outstanding transportation-related debt at September 30, 2016, was \$1,578.1 million.]	Federal 45,767,900	(7,984,600)
	Restricted 192,157,400	(1,001,300)
	GF/GP \$0	\$0
2. MDOT FTE Reductions	FTE NA	(92.0)
Eliminates 87.0 FTE positions from the following lines: Business Support, (2.0); Finance, (15.0); Planning Services, (3.0); Design and Engineering, (67.0). Shifts \$9.1 million in related STF funding to State trunkline road and bridge construction. Also eliminates 5.0 FTE positions from Aeronautics Services but does not shift State Aeronautics Fund support within the budget.	Gross NA	(\$9,135,000)
	Restricted NA	(9,135,000)
	GF/GP NA	\$0
3. State Trunkline Maintenance	FTE 743.7	50.0
Increases baseline funding by \$8.5 million STF targeted for improved drainage and flooding mitigation in Metropolitan Detroit. Also rolls up Welcome Center Operations, \$4.5 million STF and 50.0 FTEs positions, into this line from Design and Engineering Services.	Gross \$303,948,000	\$13,032,800
	Restricted 303,948,000	13,032,800
	GF/GP \$0	\$0

TRANSPORTATION

Major Budget Changes from FY 2016-17 YTD Appropriations	FY 2016-17 YTD (as of 2/8/17)	Enacted Change From YTD
4. State Trunkline Road and Bridge Construction	Gross \$1,062,702,900	\$78,053,900
Reflects an anticipated increase in federal aid of \$25.7 million; \$62.5 million increase in estimated available state restricted STF revenue; and a \$19.2 million reduction in state restricted Blue Water Bridge Fund revenue reflecting the end of one-time funding for Blue Water Bridge Plaza expansion project. Also includes an additional \$9.1 million STF increase as a result of the elimination of FTE positions and the related STF fund shift described in Item #2, above.	Federal 757,714,800	25,652,500
	Local 30,000,000	3,500
	Restricted 274,988,100	52,397,900
	GF/GP \$0	\$0
5. Local Federal Aid Road and Bridge Program	Gross \$272,511,000	\$5,889,300
Act 51 mandates that a portion of the federal-aid highway funds made available to the state be suballocated to local road agencies. Federal funds for local road agency construction and preservation programs would increase by \$5.9 million, reflecting anticipated available federal revenue and Act 51 directives.	Restricted 272,511,000	5,889,300
	GF/GP \$0	\$0
6. Local Agency Wetland Mitigation Fund Program	Gross \$4,000,000	(\$2,000,000)
Includes \$2.0 million MTF for this Act 51 earmark. [The current year funding of \$4.0 million is double the normal earmark amount because it effectively includes both FY 2015-16 and FY 2016-17 funding].	Restricted 4,000,000	(2,000,000)
	GF/GP \$0	\$0
7. Movable Bridge Fund	Gross \$10,000,000	(\$4,890,000)
Includes \$5.1 million MTF for this Act 51 earmark. [The current year funding of \$10.0 million is double the normal earmark amount because it effectively includes both FY 2015-16 and FY 2016-17 funding].	Restricted 10,000,000	(4,890,000)
	GF/GP \$0	\$0
8. Local Bridge Program	Gross \$27,468,600	\$814,300
Reflects Act 51 earmarks of MTF revenue to this program, including the dedication of one-half cent of the motor fuel tax on gasoline.	Restricted 27,468,600	814,300
	GF/GP \$0	\$0
9. MTF to Local Road Agencies	Gross \$1,233,570,100	\$138,530,600
Recognizes a total of \$1,372.1 million as the MTF distribution to local road agencies, an increase of \$138.5 million. County road commissions would receive \$880.9 million, an increase of \$88.9 million; cities/villages would receive \$491.2 million, an increase of \$49.6 million. These distributions reflect estimated MTF revenue and Act 51 statutory distribution formulas.	Restricted 1,233,570,100	138,530,600
	GF/GP \$0	\$0
10. Transportation Economic Development Fund (TEDF)	Gross \$24,447,500	\$17,671,600
The FY 2016-17 budget reflected the redirection of \$19.8 million in TEDF revenue – \$10.4 million to the STF and \$9.4 million to the state General Fund. The enacted FY 2017-18 budget is \$17.6 million more than the previous fiscal year reflecting the end of these TEDF revenue shifts, as well as a reduction in estimated interest revenue from TEDF fund balance.	Restricted 24,447,500	17,671,600
	GF/GP \$0	\$0
11. Local Bus Transit	Gross \$212,277,900	\$4,000,000
Recognizes anticipated increase in federal transit grant to non-urban transit agencies. Also includes an additional \$2.0 million CTF.	Federal 24,027,900	2,000,000
	Local 2,000,000	0
	Restricted 186,250,000	2,000,000
	GF/GP \$0	\$0
12. Intercity Services	Gross \$6,250,000	\$1,610,000
Increases baseline support by \$1.6 million CTF and recognition of addition local matching funds brings appropriation total to \$8.0 million.	Federal 4,500,000	0
	Local 50,000	110,000
	Restricted 1,700,000	1,500,000
	GF/GP \$0	\$0
13. Detroit/Wayne County Port Authority	Gross \$468,200	(\$268,200)
Reduces by \$266,200 CTF; state support would total \$200,000 CTF.	Restricted 468,200	(268,200)
	GF/GP \$0	\$0

TRANSPORTATION

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>		<u>FY 2016-17 YTD (as of 2/8/17)</u>	<u>Enacted Change From YTD</u>
14. Rail Operations and Infrastructure/Rail Freight Economic Dev.	Gross	\$118,894,800	\$5,864,700
Maintains support for operation of three Amtrak service routes in Michigan, capital assistance for the Detroit-Chicago high speed rail corridor, and a rail economic development program. The enacted budget adds \$5.9 million CTF for capital improvements along the high-speed rail corridor.	Federal	60,100,000	0
	Local	100,000	0
	Private	100,000	0
	Restricted	58,594,800	5,864,700
	GF/GP	\$0	\$0
The enacted budget also unrolls \$8.8 million into a new Rail freight economic development line item, supported with \$6.0 million from the Rail Freight Fund and \$2.8 million CTF.			
15. Transit Capital	Gross	\$53,907,100	\$5,496,400
Increases support by \$5.5 million CTF bringing the gross appropriation total to \$59.4 million. CTF funding is used match available federal transit grants to local transit agencies.	Federal	15,300,000	0
	Local	1,250,000	0
	Restricted	37,357,100	5,496,400
	GF/GP	\$0	\$0
16. Service Initiatives	Gross	\$2,889,200	\$500,000
Increases support by \$500,000 million CTF bringing appropriation total to \$3.4 million. CTF funding is used to match available federal transit grants for programs targeted for seniors.	Federal	1,650,000	0
	Local	325,000	0
	Restricted	914,200	500,000
	GF/GP	\$0	\$0
17. Capital Outlay – State Facilities/Salt Buildings	Gross	\$3,001,500	\$2,500,000
Includes \$2.5 million STF increase for salt buildings and containment systems at counties that perform state trunkline maintenance work for MDOT under contract.	Restricted	3,001,500	2,500,000
	GF/GP	\$0	\$0
18. Airport Improvement Program	Gross	\$97,824,000	(\$3,881,000)
Reduces spending authority by \$3.9 million to reflect anticipated reduction in State Aeronautics Fund revenue. Revenue from the redirection of aviation-related sales tax made in the 2015 aviation funding package (Public Acts 258 through 262 of 2015) has been less than originally estimated.	Federal	79,000,000	0
	Local	12,508,500	0
	Restricted	6,315,500	(3,881,000)
	GF/GP	\$0	\$0
19. Detroit Metropolitan Wayne County Airport	Gross	\$8,775,000	(\$2,275,000)
Reduces state support for the Detroit Metro Airport by \$2.3 million, bringing total appropriation to \$6.5 million. This is an earmark established through an amendment to the State Aeronautics Code made in the 2015 aviation funding package (Public Acts 258 through 262 of 2015). The reduction reflects revenue estimates.	Restricted	8,775,000	(2,275,000)
	GF/GP	\$0	\$0
20. End of One-Time GF/GP Special Projects/Grants	Gross	\$9,750,000	(\$9,750,000)
Eliminates \$8.5 million in one-time earmarks for projects in Berrien, Lenawee, and Macomb counties as well as a \$1.2 million earmark for erosion control grants to local road agencies. The enacted budget reflects the end of these one-time appropriations.	GF/GP	\$9,750,000	(\$9,750,000)
21. Asset Management Council	Gross	\$1,626,400	\$250,000
Includes \$250,000 MTF increase for increased costs of data collection and education efforts. This line had not been increased since first established in 2002.	Restricted	1,626,400	250,000
	GF/GP	\$0	\$0
22. Information Technology	Gross	\$32,364,500	\$1,000,000
Includes \$1.0 million STF increase to reflect increasing IT costs and increased use of e-construction technology.	Federal	520,500	0
	Restricted	31,844,000	1,000,000
	GF/GP	\$0	\$0

<u>Major Budget Changes from FY 2016-17 YTD Appropriations</u>	<u>FY 2016-17 YTD (as of 2/8/17)</u>	<u>Enacted Change From YTD</u>
23. Technical and Revenue Adjustments	Gross	NA
Reflects other technical and revenue adjustments to appropriated federal and state restricted revenue.	Federal	5,286,200
	Restricted	(1,127,700)
	GF/GP	\$0
24. Economic Adjustments	Gross	NA
Reflects increased costs of \$3.3 million Gross (\$0.0 GF/GP) for negotiated salary and wage increases (3.0% ongoing after removing the FY 2016-17 one-time 1.5% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	25,900
	Federal	603,100
	Local	3,500
	Restricted	2,623,400
	GF/GP	\$0

Major Boilerplate Changes from FY 2016-17

Sec. 397. Report on Work Project Balances/Federal Earmarks – NEW

Requires the department to report on work project balances and unexpended federal earmarks.

Sec. 398. Towards Zero Deaths – NEW

Includes new section directing the department to continue to work to eliminate road fatalities and serious injuries; direct department to prioritize use of median cable guardrail.

Sec. 403. Priority of Federal Transit Grants – NEW

Includes new section establishing priority for federal Section 5310 transit grants.

Sec. 505. Road Innovation Fund Report – DELETED

Deletes a report on the Roads Innovation Fund created as part of the November 2015 Road Funding Plan. Road Innovation Fund funds were released in 2016.

Sec. 601. Road Construction Warranties – REVISED

Revised to retain only subsection 5 which requires department to maintain documentation and to review and evaluate consultant evaluation requirements. [This section had required the department to work with the road construction and engineering consulting community on warranty program, identifies warranty considerations, and provides reporting requirements.]

Sec. 605. Flood Mitigation – NEW

Includes new section that establishes performance measures related to additional maintenance funding provided for flood mitigation.

Sec. 606. Project on I-94/between M60 and Sargent Road in Jackson County – NEW

Indicates Legislative intent that the department spend between \$2.0 million and \$3.0 million on engineering and design for rebuilding and modernization project.

Sec. 613. Report on Engineering Costs – NEW

Includes new reporting requirement on engineering costs including breakout of department and consultant costs, engineering as a percentage of construction costs.

Sec. 670. Rehabilitation of Winter Maintenance Trucks – NEW

Includes new section which directs the department to investigate costs of refurbishing winter maintenance trucks.

Sec. 704. Rail Operations and Infrastructure Report – REVISED

Revises current report on anticipated expenditures from the Rail Operations and Infrastructure line item; to changes "expenditures" to "obligations."

Sec. 705. City of Woodhaven Grade Separation – DELETED

Deletes section that indicates legislative intent that department assist the city of Woodhaven in establishing a rail/street grade separation.

Sec. 711. Rail Passenger Service (Amtrak) – REVISED

Revises report on rail passenger service to include additional report element – fare revenue and fare revenue as a percentage of operating cost.

TRANSPORTATION

Major Boilerplate Changes from FY 2016-17

Sec. 750. Rail Economic Development – NEW

Directs department to spend not less than \$2.5 million CTF from Rail Freight Economic Development line for rail freight economic development.

Sec. 803. MDOT-Owned Airplanes – REVISED

Revises section that currently requires the department to request proposals for management of the state airfleet to also require the department to sell of one of two state-owned turbo-prop planes.

Sec. 1001. One-time Special Projects – DELETED

Deletes one-time earmarks for projects in Berrien, Lenawee, and Macomb counties.

<u>FY 2016-17 Supplemental Appropriations (Article XX)</u>		FY 2016-17 YTD (as of 2/8/17)	FY 2016-17 Supplemental Change
1. Priority Roads Investment Program	Gross	\$0	\$3,000,000
Restores \$3.0 million of funding from Michigan Infrastructure Fund revenue that had been allocated for work associated with the Macomb sinkhole.	Restricted	0	3,000,000
	GF/GP	\$0	\$0
2. Installation of I-96 Cable Barrier	Gross	\$1,068,176,900	\$350,000
Adds \$350,000 in private funds to the State Trunkline Road and Bridge Construction line item for installation of a median cable barrier on I-96 near Webberville.	Federal	757,714,800	0
	Local	30,000,000	0
	Private	0	350,000
	Restricted	280,462,100	0
	GF/GP	\$0	\$0
3. Intercity Passenger and Freight/Intercity Services	Gross	\$6,250,000	\$960,000
Includes \$960,000 in private funds for the Detroit-Port Huron intercity bus service demonstration project. Private funds will be used to match federal funds.	Federal	4,500,000	0
	Local	50,000	0
	Private	0	0
	Restricted	1,700,000	960,000
	GF/GP	\$0	\$0



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