FY 2016-17 GENERAL OMNIBUS BUDGET
Summary: Conference Report
House Bill 5294 (H-1) CR-1

Mary Ann Cleary, Director

TOTAL APPROPRIATIONS BY BUDGET AREA

Budget Area (Bill Page) [Summary Page]	FY 2015-16	
	Gross	GF/GP
Capital Outlay (31) [2]	$501,600	$501,600
Non-Flint Supplemental (727) [7]	(239,862,000)	118,467,400
Flint-Related Supplemental (757) [15]	114,320,000	87,320,000
TOTAL	**($125,040,400)**	**$206,289,000**

Budget Area (Bill Page) [Summary Page]	FY 2016-17	
	Gross	GF/GP
Agriculture and Rural Development (1) [19]	$94,101,300	$49,926,900
Corrections (37) [24]	2,002,729,000	1,951,957,900
Education (93) [32]	331,975,200	76,181,200
Environmental Quality (125) [40]	513,549,400	47,736,400
General Government (158) [44]		
Attorney General (159) [46]	*101,485,800*	*42,840,500*
Civil Rights (163) [48]	*16,248,500*	*13,021,300*
Executive Office (165) [50]	*5,636,300*	*5,636,300*
Legislature (166) [51]	*141,903,600*	*137,227,800*
Legislative Auditor General (168) [53]	*23,651,900*	*16,123,900*
State (170) [54]	*248,015,600*	*22,109,600*
Technology, Management, and Budget (176) [56]	*1,301,191,700*	*485,518,600*
Treasury (182) [61]	*1,885,142,900*	*235,445,800*
Talent and Economic Development (191) [67]	*1,145,994,300*	*179,388,900*
Subtotal: General Government	4,869,270,600	1,137,312,700
Health and Human Services (343) [73]	24,841,836,800	4,374,548,300
Insurance and Financial Services (516) [90]	66,257,200	150,000
Judiciary (527) [93]	298,234,000	189,157,400
Licensing and Regulatory Affairs (549) [97]	418,062,400	43,721,100
Military and Veterans Affairs (587) [103]	174,100,200	55,243,600
Natural Resources (622) [108]	398,254,100	39,910,000
State Police (654) [112]	649,476,100	402,662,800
Transportation (687) [118]	4,114,503,600	8,500,000
TOTAL	**$38,772,349,900**	**$8,377,008,300**

Note: Appropriation figures include all proposed appropriation amounts, including amounts designated as one-time.

FY 2015-16: CAPITAL OUTLAY
Summary: Conference Report
Article II, House Bill 5294 (H-1) CR-1

Capital Outlay Analyst: Ben Gielczyk

Budget Area	Gross	GF/GP
Capital Outlay – Planning Authorizations	$1,500	$1,500
Capital Outlay – Construction Authorizations	100	100
SUBTOTAL	**$1,600**	**$1,600**
Capital Outlay Planning Grant	$500,000	$500,000
TOTAL	**$501,600**	**$501,600**

Overview

House Bill 5294, Article II contains $1,500 GF/GP for 15 planning authorizations, $100 GF/GP for one construction authorization, and $500,000 GF/GP for one planning grant. 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.

The total cost of the planning authorizations contained within House Bill 5294, Article II is $491.7 million, with a state share of $232.7 million and an institution share of $259.1 million. The current available capacity below the statutory bond cap is approximately $922.3 million. Annual rental rates are typically between 7% and 9% of the total state share per year. With the total state share being $232.7 million, the annual debt service payments for these projects is estimated to be between $16.3 million and $20.9 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.

House Bill 5294, Article II includes a construction authorization for the Ferris State University – Swan Building Annex Renovation approved for planning authorization in 2015 PA 241. Total project costs are $30.0 million; university share is $7.5 million; and state share is $22.5 million. Annual debt service payments for this project are estimated to be between $1.6 million and $2.0 million GF/GP over 15 to 17 years.

House Bill 5294, Article II also includes a $500,000 GF/GP planning grant for the DHHS – Caro Center modernization. No current cost estimate exists for the project; however, once a suitable space is identified a project cost would be estimated. Construction authorization would be required for the project to proceed.

FY 2015-16 Supplemental Appropriation Items		Appropriation Change
CAPITAL OUTLAY – PLANNING 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 would involve the construction of a 62,000 sq. ft. new structure. The facility would allow the university to address needs for classroom and laboratory space for health care-related fields. The building would include mediated classrooms, dry laboratory space, at least one lecture hall auditorium, and designated student collaboration space.	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.	GF/GP	$100

FY 2015-16 Supplemental Appropriation Items		Appropriation Change
3. Grand Valley State University – Health and Medical Sciences Laboratory and Classroom Building	**Gross** GF/GP	**$100** $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 160,000 sq. ft. laboratory, classroom, and faculty office building on the GVSU Pew Grant 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 labs, classrooms, faculty and staff offices, equipment storage and support space, conference and meeting rooms, and student study and support spaces.		
4. Lake Superior State University – Center for Freshwater Research and Education	**Gross** GF/GP	**$100** $100
Total project cost is $11.8 million. University share is $3.0; state share is $8.9 million. The project would consist of the renovation and expansion of 16,000 sq. ft. The current facility includes 3,500 sq. ft. The newly renovated building would include a visitor center, classroom space for K-12 groups, modern research space, a fish health laboratory, additional hatchery space, office space for visiting scientists, space to expand community outreach programs, ADA compliance upgrades, and high-speed data capabilities.		
5. University of Michigan – Ann Arbor – School of Dentistry Renovation and Addition	**Gross** GF/GP	**$100** $100
Total project cost is $122.0 million. University share is $92.0 million; state share is $30.0 million. The project would include the renovation of 120,000 sq. ft. (approximately 30% of existing space) and the addition of 31,000 sq. ft. (8% increase) 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.		
6. University of Michigan – Dearborn – Engineering Laboratory Building Replacement	**Gross** GF/GP	**$100** $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.		
7. University of Michigan – Flint – Murchie Science Building Expansion	**Gross** GF/GP	**$100** $100
Total project cost is $39.0 million. University share is $9.8 million; state share is $29.3 million. The project would include the design and construction of an 80,000 sq. ft. addition to the Murchie Science Building. The addition would include new instructional class laboratories, interactive teaching classrooms, new faculty offices, collaboration space, a STEM tutoring and skill development center, and a general science lab for Genesee Early College.		
8. Western Michigan University – College of Aviation Renovation and Addition	**Gross** GF/GP	**$100** $100
Total project cost is $20.0 million. University share is $5.0 million; state share is $15.0 million. The project would renovate and add additional space at the existing College of Aviation located in Battle Creek. The project would address current and future enrollment needs, energy deficiencies, space appropriateness, and safety concerns by adding classrooms, composites/paint labs, simulation center, research center, student briefing rooms, office space, and improvements in energy, life safety, and accessibility codes.		
9. Delta College – Saginaw Center	**Gross** GF/GP	**$100** $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 35,000 sq. ft. facility to provide educational programming to the City of Saginaw and southeastern Saginaw County. The college currently leases a 21,000 sq. ft., 1950s era elementary school in Buena Vista. Programmatically, the facility would support general education classes, skilled trades, health care, and classes offering an 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.		

FY 2015-16 Supplemental Appropriation Items		Appropriation Change
10. Kellogg Community College – Regional Manufacturing Technology Center Renovation/Addition	**Gross** GF/GP	**$100** $100
Total project cost is $4.3 million. Community college share is $2.2 million; state share is $2.2 million. The project would include the renovation of approximately 40,000 sq. ft. and the addition of approximately 8,400 sq. ft. of new space. The renovation would address deficiencies in the current facility's envelope, security, plumbing, mechanical, and electrical systems. The addition would include classroom space for the Workforce Solutions/Customized training department. In addition, the project would address lifecycle issues with building finished (flooring, wall coverings, etc.).		
11. Monroe County Community College – Renovation of East and West Technology Buildings	**Gross** GF/GP	**$100** $100
Total project cost is $7.5 million. Community college share is $3.8 million; state share is $3.8 million. The project would include the renovation of exterior and interior spaces, including a number of classrooms and labs which are currently offline due to their previous use as heavy industrial teaching spaces. The resulting project would combine the twin buildings into one multi-functional facility. The renovated facility would include a student success center (includes relocation of multiple services), addition of student collaborative work spaces and commons areas, renovated classroom and lab space to support expansion of the viticulture and enology program, and renovation of the veterans lounge and office.		
12. Muskegon Community College – Health and Wellness Center	**Gross** GF/GP	**$100** $100
Total project cost is $14.1 million. Community college share is $8.5 million; state share is $5.6 million. The project would include the renovation of the existing health center space (17,000 sq. ft.) and the addition of new space (60,000 sq. ft.) to increase healthy lifestyle opportunities for students and community members. The project would also include a simulation lab for students in health-related training programs and a nurse managed primary care center to provide greater health access for residents of the community.		
13. Northwestern Michigan College – West Hall Innovation Center Renovation and Expansion	**Gross** GF/GP	**$100** $100
Total project cost is $14.5 million. College share is $7.2 million; state share is $7.2 million. The project would include the renovation of 20,000 sq. ft. of an existing 50 year-old building and the addition of 18,000 sq. ft. of new space. The project would include 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. The renovation would include upgrades to the emergency management notification system, additional barrier free restrooms, HVAC heating and cooling upgrades, and window replacements.		
14. Southwestern Michigan College – Nursing and Health Education Building Renovation and Expansion	**Gross** GF/GP	**$100** $100
Total project cost is $8.0 million. College share is $4.0 million; state share is $4.0 million. The project would include the renovation of the original 12,000 sq. ft. structure by using selective site and building demolition; replacing exterior cladding, windows, and roofing; energy efficiency upgrades; reallocation of interior spaces by removing and adding partition walls; new handicap accessible restrooms; interior finishes for walls, floors, and ceilings; replacement of mechanical, plumbing, and electrical systems; and site improvements and landscape. The 10,000 sq. ft. additional would add significant instructional space, simulation labs, and lecture space.		
15. Department of Natural Resources – Coolwater Rearing Hatchery Improvements	**Gross** GF/GP	**$100** $100
Total project cost is $12.2 million. State share is $12.2 million. The project would address needs at Thompson State Fish Hatchery and the Little Manistee Weir. The project would include the construction of a 2,000 sq. ft. fully-outfitted coolwater fish production facility at Thompson State Fish Hatchery as well as new rearing ponds to improve and consolidate walleye fingerling production. Other critical improvements at the Thompson State Fish Hatchery include the upgrade of critical life support systems (replacing automated fish feeders, upgrading water supplies, improving water heating capabilities). The Little Manistee Weir project would include replacing the backup generator, replacing concrete holding ponds, and renovating the spawn building.		
16. Department of Health and Human Services – Caro Center Modernization	**Gross** GF/GP	**$500,000** $500,000
Includes $500,000 GF/GP to support a planning grant for the Department of Health and Human Services Caro Center Modernization. No current cost estimate exists for the project; however, once a suitable plan was identified a project cost would be estimated. The planning would allow the department to explore alternative infrastructure options for the Caro Center facility.		

FY 2015-16 Supplemental Appropriation Items		Appropriation Change
CAPITAL OUTLAY – CONSTRUCTION AUTHORIZATIONS		
17. Ferris State University – Swan Building Annex Renovation	**Gross**	**$100**
Provides construction authorization for the Ferris State University Swan Building Annex Renovation. Total project cost is $30.0 million. University share is $7.5 million; state share is $22.5 million. The project would involve the renovation of 47,086 sq. ft. of existing space and the addition of 34,462 sq. ft. of new space to provide updated and expanded academic and laboratory space for welding engineering technology and advanced manufacturing engineering technology which the university determined had outgrown their current space. The Swan Building was built in 1966 and the project would include major renovations including complete building mechanical, electrical, and plumbing upgrades to the existing portion of the Swan Building Annex. The project received planning authorization in 2015 PA 241.	GF/GP	$100

FY 2015-16 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 – Ferris State University – Swan Building Annex Renovation
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. (SBO letter dated May 12, 2016).

Capital Outlay Projects - HB 5294 (H-1) CR-1, Article II

Planning Authorizations/Grants	Conference		
	Total Cost	State Share	Inst. Share
Universities			
Central Michigan - Center for Integrated Health Studies	$26,000,000	$19,500,000	$6,500,000
Eastern Michigan - Strong Hall Renovation	39,536,000	29,652,000	$9,884,000
GVSU - Health & Medical Sciences Laboratory and Classroom Building	70,000,000	29,000,000	$41,000,000
Lake Superior State - Center for Freshwater Research and Education	11,800,000	8,850,000	$2,950,000
U of M - Ann Arbor - School of Dentistry Renovation and Addition	122,000,000	30,000,000	$92,000,000
U of M - Dearborn - Engineering Lab Building Replacement	90,000,000	30,000,000	$60,000,000
U of M - Flint - Murchie Sciences Building Addition	39,000,000	29,250,000	$9,750,000
Western Michigan - College of Aviation Renovation and Addition	20,000,000	15,000,000	$5,000,000
Subtotal Universities	**$418,336,000**	**$191,252,000**	**$227,084,000**
Community Colleges			
Delta College - Saginaw Center	12,739,000	6,369,500	6,369,500
Kellogg - Regional Manufacturing Tech Center Renovation and Addition	4,300,000	2,150,000	2,150,000
Monroe - Renovations to East and West Tech Buildings	7,500,000	3,750,000	3,750,000
Muskegon - Health and Wellness Center	14,100,000	5,640,000	8,460,000
Northwestern MI - West Hall Innovation Center Renovation & Expansion	14,499,400	7,249,700	7,249,700
Southwestern MI - Nursing and Health Education Building	8,000,000	4,000,000	4,000,000
Subtotal Community Colleges	**$61,138,400**	**$29,159,200**	**$31,979,200**
State Agencies			
DNR - Coolwater Rearing Hatchery Improvements	12,242,500	12,242,500	0
DHHS - Caro Center- *see Note(2)*	NA	NA	NA
Subtotal State Agencies	**$12,242,500**	**$12,242,500**	**$0**
TOTAL	**$491,716,900**	**$232,653,700**	**$259,063,200**
Construction Authorizations			
Universities			
Ferris State University - Swan Building Annex Renovations	$30,000,000	$22,500,000	$7,500,000
TOTAL	**$30,000,000**	**$22,500,000**	**$7,500,000**

Notes:
(1) State Share is capped at $30.0 million
(2) DHHS - Caro Center would receive a $500,000 GF/GP planning grant under HB 5294 (H-1) CR-1, Article II

FY 2015-16: GENERAL SUPPLEMENTAL APPROPRIATIONS
Summary: Conference Report
Article XX, House Bill 5294 (H-1) CR-1

HFA Director: Mary Ann Cleary
HFA Deputy Director: Kyle I. Jen

Budget Area	Gross	GF/GP
Corrections	$13,400,000	$13,400,000
Education	(3,500,000)	(4,700,000)
Environmental Quality	500,000	500,000
Health and Human Services	(299,155,700)	79,581,500
Insurance and Financial Services	2,225,000	1,775,100
Judiciary	5,300,000	467,000
Legislature	7,200,000	7,200,000
Licensing and Regulatory Affairs	5,853,300	2,470,000
Military and Veterans Affairs	8,866,600	7,425,000
Natural Resources	9,000,000	3,000,000
State	3,800,000	3,800,000
State Police	11,178,800	11,178,800
Technology, Management, and Budget	(10,830,000)	(13,630,000)
Transportation	0	0
Treasury	1,300,000	1,000,000
SUBTOTAL	**($244,862,000)**	**$113,467,400**
Infrastructure Reserve Deposit	$5,000,000	$5,000,000
TOTAL	**($239,862,000)**	**$118,467,400**

Overview

Article 20 of the FY 2016-17 general omnibus budget bill contains FY 2015-16 supplemental appropriations. In total, these appropriations would reduce Gross appropriations in the state budget by $244.9 million, while increasing GF/GP appropriations by $113.5 million. Additionally, authorization is included to deposit $5.0 million GF/GP into the new Michigan Infrastructure Fund. These appropriation amounts exclude appropriations related to the Flint water emergency, which are contained in Article 21 of the bill.

The largest appropriation changes contained in the article reflect consensus cost and other technical adjustments to the Medicaid budget, including a Gross reduction of $523.8 million (no GF/GP impact) for Healthy Michigan Plan costs due to caseload levels for the program plateauing and an increase of $319.6 million Gross ($90.2 million GF/GP) for the traditional Medicaid program tied to Long Term Care and other cost adjustments. Other appropriations and boilerplate changes contained in the article are described below.

FY 2015-16 Supplemental Appropriation Items		Appropriation Change
CORRECTIONS		
1. Restoration of Reduced Funding for Health Care	**Gross**	**$13,400,000**
Restores $13.4 million GF/GP of a $15.0 million reduction that was included in the current year budget and anticipated to be achieved as a result of implementing an integrated healthcare delivery system with one vendor managing physical health care, mental health care, and pharmaceutical services. The consolidated contract went into effect June 1, 2016 and will result in a partial-year savings of $1.6 million GF/GP in FY 2015-16.	GF/GP	$13,400,000
EDUCATION		
2. Child Development and Care (CDC) Caseload Adjustment	**Gross**	**($3,500,000)**
Reduces the Child Development and Care subsidy by $3.5 million Gross based on consensus caseload estimates.	Federal	1,200,000
	GF/GP	($4,700,000)

FY 2015-16 Supplemental Appropriation Items		Appropriation Change
ENVIRONMENTAL QUALITY		
3. Western Michigan University Geological Research	**Gross**	**$500,000**
Provides $500,000 GF/GP for the research of Michigan's geological resources. Research will be conducted through Western Michigan University. The study will include the mapping of resources to identify their potential social and economic benefits and the protection of associated resource values.	GF/GP	$500,000
HEALTH AND HUMAN SERVICES		
4. Sexual Assault Evidence Kit Funding	**Gross**	**$25,000**
Includes $25,000 GF/GP funding to implement PA 318 of 2014, the Sexual Assault Evidence Kit Tracking and Reporting Act.	GF/GP	$25,000
5. Child Welfare Caseload Adjustments	**Gross**	**($3,413,000)**
Reduces funding for child welfare programs by $3.4 million Gross (GF/GP increased by $3.3 million) based on the May Consensus Agreement between the State Budget Office, Senate Fiscal Agency, and House Fiscal Agency:	TANF	(602,200)
	Federal	(6,113,700)
	GF/GP	$3,302,900
• Child Care Fund is increased $6.7 million GF/GP.		
• Adoption Subsidies program is reduced $5.6 million Gross ($1.7 million GF/GP) from 25,064 cases at $745.00 per month to 24,742 cases at $735.83 per month.		
• Guardianship program is increased $477,000 Gross ($265,700 GF/GP) from 900 cases at $825.94 per month to 1,013 cases at $773.05 per month.		
• Foster Care program is reduced $4.4 million Gross ($2.0 million GF/GP) from 6,175 cases at annual cost of $27,877 to 5,950 cases at an annual cost of $28,187.		
• Family Support Subsidies are reduced by $602,200 Gross ($0 GF/GP) from 6,616 cases at $221.11 per month to 6,390 cases at the same monthly rate.		
6. Public Assistance Caseload Adjustments	**Gross**	**($97,579,600)**
Reduces funding for public assistance programs by $97.6 million Gross ($5.6 million GF/GP) based on the May Consensus Agreement between the State Budget Office, Senate Fiscal Agency, and House Fiscal Agency:	TANF	(6,448,700)
	Federal	(85,553,200)
	GF/GP	($5,577,700)
• Food Assistance Program (FAP) is reduced by $84.7 million Gross ($0 GF/GP) from 809,100 cases at $239.26 per month to 801,800 cases at $242.61 per month.		
• Family Independence Program (FIP) is reduced $9.7 million Gross ($3.3 million GF/GP) from 25,473 cases at $359.25 per month to 23,569 cases at $353.96 per month.		
• State Disability Assistance (SDA) program is reduced $2.1 million Gross ($1.3 million GF/GP) from 5,566 cases at $209.88 per month to 4,591 cases at $216.16 per month.		
• State Supplementation program is reduced $1.0 million GF/GP from 276,585 cases at $19.04 per month to 273,475 cases at $18.94 per month.		
7. Crime Victim Assistance Services	**Gross**	**$5,000,000**
Adds $5.0 million to reflect increased federal grant award for crime victim justice assistance services, including crisis counseling, training and technical assistance, personal and legal advocacy, therapy, shelter, and referral. The funds are available due to the federal Victims of Crime Act (VOCA) Fund annual cap being increased by law, accessing a substantial balance in the Fund for all state formula grants. A significant increase is also proposed in the FY 2016-17 DHHS budget.	Federal	5,000,000
	GF/GP	$0
8. Traditional Medicaid Cost Adjustments	**Gross**	**$319,589,900**
Increases funding for traditional Medicaid program by $319.6 million Gross ($90.2 million GF/GP) based on the May Consensus Agreement between the State Budget Office, Senate Fiscal Agency, and House Fiscal Agency. Adjustments include the review of caseload, utilization, inflation, and financing changes.	Federal	222,583,200
	Restricted	6,849,900
	GF/GP	$90,156,800
9. Healthy Michigan Plan Cost Adjustments	**Gross**	**($523,778,000)**
Reduces funding for the Healthy Michigan Plan program by $523.8 million Gross ($0 GF/GP) based on the May Consensus Agreement between the State Budget Office, Senate Fiscal Agency, and House Fiscal Agency. Adjustments include the review of caseload, utilization, inflation, and financing changes.	Federal	(523,778,000)
	GF/GP	$0
10. State Children's Health Insurance Program (SCHIP) Funding Increase	**Gross**	**$0**
Reclassifies a portion of Medicaid costs financed at the regular Federal Medical Assistance Percentage (FMAP) of 65.60% to the enhanced SCHIP federal match rate of 98.92%. The additional federal funds offset an equal amount of GF/GP.	Federal	15,000,000)
	GF/GP	($15,000,000)

FY 2015-16 Supplemental Appropriation Items		Appropriation Change
11. Merit Award Trust Fund	**Gross**	**$0**
Offsets $3.7 million Merit Award Trust Fund shortfall with $3.7 million GF/GP.	Restricted	(3,674,500)
	GF/GP	$3,674,500
12. Graduate Medical Education	**Gross**	**$0**
Unappropriates and reappropriates $162.9 million Gross ($56.0 million GF/GP) for Graduate Medical Education payments to hospitals to allow for repeal and replacement of current boilerplate requirements (see Sec. 306 below).	Federal	0
	GF/GP	$0
13. Immunization Education Work Project	**Gross**	**($2,000,000)**
Removes $2.0 million in unrealized private revenue for immunization education activities and transfers associated $500,000 GF/GP from the immunization program line item to the Medicaid health plan services line item. Current boilerplate section 1182 is repealed and replaced with section 302, which designates $500,000 GF/GP as a work project to contract with Medicaid health plans for immunization education activities.	Private	(2,000,000)
	GF/GP	$0
14. SIGMA Readiness Project	**Gross**	**$1,500,000**
Provides $1.5 million GF/GP for a SIGMA readiness project for DHHS. SIGMA is the Statewide Integrated Governmental Management Applications project underway to replace and improve the state's financial data system.	GF/GP	$1,500,000
15. Oscoda County Groundwater Contamination – Special Project	**Gross**	**$1,000,000**
Provides $1.0 million GF/GP for a special project related to groundwater contamination in Oscoda County, for water filters, water quality monitoring and a long-term alternative public water supply, working with the Department of Environmental Quality. Sec. 305 is related boilerplate.	GF/GP	$1,000,000
16. Human Trafficking Grants – Special Project	**Gross**	**$500,000**
Provides $500,000 GF/GP for a grants program to address human trafficking.	GF/GP	$500,000
INSURANCE AND FINANCIAL SERVICES		
17. Autism Coverage Reimbursement Program	**Gross**	**$2,225,000**
Includes spending authorization to support the pro-rated reimbursement of eligible health insurance carriers for approved, yet unpaid, claims associated with the diagnosis and treatment of autism spectrum disorder (ASD) submitted through April 30, 2016. Reimbursements are administered under the Autism Coverage Reimbursement Program (ACRP) and are financed with money from the Autism Coverage Fund (ACF), which was depleted during November 2015, subsequent to rapidly escalating submissions of reimbursement claims.	Restricted	449,900
	GF/GP	$1,775,100
JUDICIARY		
18. Statewide Electronic Filing System	**Gross**	**$5,000,000**
Includes authorization to receive $5.0 million in state restricted electronic filing fee revenue to support implementation, operation, and maintenance of a statewide electronic filing system.	Restricted	5,000,000
	GF/GP	$0
19. Representation of Juvenile Lifers	FTE	6.0
Includes $300,000 GF/GP and 6.0 FTE positions for SADO to provide post-conviction representation of juvenile lifers in re-sentencings as a result of the U.S. Supreme Court decision on the *Montgomery v. Louisiana* case.	**Gross**	**$300,000**
	GF/GP	$300,000
20. Indigent Defense Training	**Gross**	**$0**
Includes $167,000 GF/GP, and reduces IDG funding by a like amount, to reflect discontinued MCOLES grant funding from the Department of State Police. Funding is used by SADO for indigent defense trainings.	IDG	(167,000)
	GF/GP	$167,000
LEGISLATURE		
21. Legislative Redistricting	**Gross**	**$450,000**
Includes $450,000 GF/GP to cover costs associated with House and Senate redistricting, including equipment, supplies, and services needed for tracking and reporting census and reapportionment information.	GF/GP	$450,000
22. Legislative IT Systems Design Project	**Gross**	**$3,000,000**
Includes $3.0 million GF/GP to cover the design, development, and implementation of a legislative-wide integrated computer system.	GF/GP	$3,000,000

FY 2015-16 Supplemental Appropriation Items		Appropriation Change
23. Criminal Justice Policy Commission	**Gross**	**$500,000**
Includes $500,000 GF/GP to cover the administrative and operational costs associated with the Criminal Justice Policy Commission.	GF/GP	$500,000
24. Capitol Historic Site	**Gross**	**$3,250,000**
Includes $3.3 million GF/GP for the State Capitol Historic Site restoration, renewal, and maintenance. Specifically, the funds would cover the costs of additional equipment and services for scheduled maintenance and restoration.	GF/GP	$3,250,000
LICENSING AND REGULATORY AFFAIRS		
25. Video Franchise Assessments	**Gross**	**$83,300**
Spending authorization to spend-down the remaining fund balance for video franchise assessments levied pursuant to the Uniform Video Services Local Franchise Act of 2006, the authority to collect which was subject to a sunset provision beginning on December 31, 2015; however, no authorization to expend these monies was included in the FY 15-16 LARA budget; consequently, LARA is seeking authorization to expend the fund balance on expenses incurred in implementing the Act between October 1 and December 31, 2015.	Restricted	83,300
26. Higher Education Compacts	**Gross**	**$300,000**
Spending authorization for revenue generated by statutory fees levied on and collected from accredited colleges and universities located within and without the state and authorized to participate in reciprocal agreements between the state and other states or higher education compacts entered into by LARA pursuant to the Higher Education Authorization and Distance Education Reciprocal Exchange Act of 2015. This revenue would be expended by LARA to support departmental administrative expenses incurred under the Act.	Restricted GF/GP	300,000 $0
27. Michigan Automated Prescription System (One-Time)	**Gross**	**$2,470,000**
Spending authorization to support the one-time expenses incurred to upgrade the information technology components of the Michigan Automated Prescription System (MAPS), which is accessed to identify and prevent drug diversion by tracking controlled substances prescriptions, in accordance with the recommendations of the Michigan Prescription Drug and Opioid Abuse Task Force. (Originally included in the Executive Recommendation and the House- and Senate-passed bills for the FY 2016-17 LARA budget.)	GF/GP	$2,470,000
28. First Responder Presumed Coverage Fund (One-Time)	**Gross**	**$3,000,000**
Spending authorization to support the First Responder Presumed Coverage Fund created by 2014 PA 515 and which, upon appropriation, provides workers' compensation benefits to eligible firefighters diagnosed with statutorily specified cancers who are ineligible for or denied other disability pension benefits; supported with revenue from the Forest Development Fund, appropriated by HB 5631 as passed by the House, into which proceeds from the sale of contracts to harvest timber on state lands are deposited.	Restricted	3,000,000
MILITARY AND VETERANS AFFAIRS		
29. National Guard Tuition Assistance Program and Fund	**Gross**	**$5,741,600**
Appropriates the current $3.7 million GF/GP appropriation from the National Guard Tuition Assistance Program to the National Guard Tuition Assistance Fund, along with an additional $2.0 million GF/GP (corresponding to the FY 2014-15 lapse for the program). Then appropriates $3.7 million in restricted funds out of the Tuition Assistance Fund in order to support Tuition Assistance Program expenditures for FY 2015-16. The remaining $2.0 million would be carried forward for expenditure in FY 2016-17.	Restricted GF/GP	3,741,600 $2,000,000
30. Grand Rapids Home for Veterans	**Gross**	**$0**
Provides $2.3 million GF/GP to offset a projected shortfall in income and assessments restricted revenue supporting the Grand Rapids Home for Veterans, due to declining veteran homes member census and the inability of veterans to pay the maximum assessment.	Restricted GF/GP	(2,300,000) $2,300,000
31. Veterans Homes Medicaid Certification	**Gross**	**$1,400,000**
Provides $1.2 million GF/GP to support the state homes for veterans Medicaid consultant contract and $200,000 GF/GP to support staffing adjustments for compliance with Medicaid certification at the D.J. Jacobetti Home for Veterans.	GF/GP	$1,400,000

FY 2015-16 Supplemental Appropriation Items		Appropriation Change
32. AFSCME Arbitration	**Gross**	**$500,000**
Provides $500,000 GF/GP for severance pay to the Residential Care Aides laid off from the Grand Rapids Home for Veterans in March, 2013. Under the collective bargaining agreement between the State and Michigan Council 25, AFSCME, AFL-CIO employees who are indefinitely laid off are eligible for severance payments.	GF/GP	$500,000
33. Grand Rapids Home Staff Augmentation	**Gross**	**$625,000**
Provides $625,000 GF/GP to support contracted positions with expertise in turnaround management and nursing administration to assist the Michigan Veterans Health System address recent audit findings and ensure modern, quality care.	GF/GP	$625,000
34. Nursing Services Contracts	**Gross**	**$600,000**
Provides $600,000 GF/GP to increase the wages of contracted nursing assistants and acquire supplemental staffing through a secondary contract with another nursing service provider.	GF/GP	$600,000
NATURAL RESOURCES		
35. Off-Road Vehicle Trail Projects	**Gross**	**$4,000,000**
Appropriates $4.0 million in restricted funding for off-road vehicle trail projects including infrastructure repair and improvements.	Restricted	4,000,000
	GF/GP	$0
36. Dam Management Program	**Gross**	**$3,000,000**
Provides $3.0 million GF/GP to expand the dam management grant program. These competitive grants are awarded for the removal or maintenance of failing dams from private and public land.	GF/GP	$3,000,000
37. Milliken State Park Improvements (Capital Outlay)	**Gross**	**$800,000**
Appropriates $800,000 in federal funding for shoreline and aquatic habitat improvements along the Detroit River in Milliken State Park. This grant was awarded to DNR by the United States Fish and Wildlife Service (USFWS).	Federal	800,000
	GF/GP	$0
38. East Tawas State Harbor Project (Capital Outlay)	**Gross**	**$100,000**
Appropriates $100,000 in federal funding for the ongoing East Tawas state harbor project. This funding comes from an increase in Michigan's annual apportionment from USFWS's Boating Infrastructure Grant Program.	Federal	100,000
	GF/GP	$0
39. Negwegon State Park Land Acquisition (Capital Outlay)	**Gross**	**$900,000**
Appropriates $900,000 in federal funding for the acquisition of land adjacent to Negwegon State Park in Alpena County. This acquisition will connect two units of the park to improve preservation and conservation. Funding comes from USFWS's National Coastal Wetlands Conservation Grant Program.	Federal	900,000
	GF/GP	$0
40. Petoskey State Park Land Acquisition (Capital Outlay)	**Gross**	**$200,000**
Appropriates $200,000 in federal funding for the acquisition of land bordering Petoskey State Park. This acquisition will improve conservation of threatened animal and plant species' habitat as well as provide a rest area along the Iron Belle Trail. Funding comes from the National Oceanic and Atmospheric Administration.	Federal	200,000
	GF/GP	$0
STATE		
41. ExpressSOS Technology Upgrades	**Gross**	**$3,800,000**
Appropriates $3.8 million GF/GP for ExpressSOS technology upgrades needed as a result of changes made in PA 174 of 2015, which increased registration fees.	GF/GP	$3,800,000
STATE POLICE		
42. Trooper Recruit Training Costs	**Gross**	**$428,800**
Provides $428,800 GF/GP to support the one-time training costs for the 12 additional recruits added to the trooper recruit school beginning in June 2016.	GF/GP	$428,800
43. Disaster and Emergency Contingency Fund Deposit	**Gross**	**$10,000,000**
Provides $10.0 million GF/GP to replenish the Disaster and Emergency Contingency Fund, which is anticipated to be depleted in FY 2015-16 by the Flint water emergency and other state emergencies.	GF/GP	$10,000,000
44. Homeland Security – Energy Disaster Strategy	**Gross**	**$750,000**
Provides $750,000 GF/GP funding to support the development of a statewide strategy and implementation plan to help ensure energy disaster preparedness in the event of widespread, long-duration power outages.	GF/GP	$750,000

FY 2015-16 Supplemental Appropriation Items		Appropriation Change
TECHNOLOGY, MANAGEMENT, AND BUDGET		
45. State Building Authority Rent	**Gross**	**($26,500,000)**
Provides for a reduction of $26.5 million GF/GP as a result of savings from the State Building Authority's July 2015 refunding deal.	GF/GP	($26,500,000)
46. Legal Services	**Gross**	**$11,000,000**
Includes $11.0 million GF/GP for potential litigation involving the Governor and Attorney General in their official capacity and for securing outside legal advice on major statewide issues not unique to a single agency.	GF/GP	$11,000,000
47. Retirement Services	**Gross**	**$2,800,000**
Includes $2.8 million in state restricted funds to support modifications costs associated with transitioning the Office of Retirement Services from MAIN to SIGMA.	Restricted	2,800,000
	GF/GP	$0
48. Special Projects.	**Gross**	**$1,000,000**
Includes $1.0 million GF/GP for special projects.	GF/GP	$1,000,000
49. Education Commission	**Gross**	**$400,000**
Includes $400,000 GF/GP for support costs related to the 21st Century Education Commission, established by Executive Order 2016-6.	GF/GP	$400,000
50. Civil Service Commission Training	**Gross**	**$325,000**
Includes $325,000 GF/GP to enhance manager training for state employees to further support performance and transformation initiatives.	GF/GP	$325,000
51. State Trooper Pension Supplemental Payment	**Gross**	**$145,000**
Includes $145,000 GF/GP to provide an additional payment to State Police retirees (and beneficiaries) who retired before October 1, 1986 and whose annual pension is less than $16,000. This payment is pursuant to PA 168 of 2015.	GF/GP	$145,000
TREASURY		
52. Supervision of General Property Tax Law - Office of Fiscal Responsibility	**Gross**	**$1,000,000**
Includes $1.0 million GF/GP to provide additional assistance to local units of government in areas experiencing financial distress through the Office of Fiscal Responsibility. Funds will support legal, financial, consulting, and accounting services.	GF/GP	$1,000,000
53. Office of Collections - Driver Responsibility Program Administrative Expenses	**Gross**	**$300,000**
Includes $300,000 in driver responsibility fee revenue to cover ongoing administrative expenses related to the driver responsibility fee program and the community service option alternative to paying driver responsibility fees under 2014 PA 283.	Restricted	300,000
GENERAL		
54. Michigan Infrastructure Fund (Boilerplate Appropriation)	**Gross**	**$5,000,000**
Includes $5.0 million GF/GP boilerplate appropriation for deposit in the Michigan Infrastructure Fund to be created by amendatory legislation. The funds could be used to offset future infrastructure expenses in local units of government throughout the state of Michigan. The funds would need to be appropriated out of the new fund prior to expenditure.	GF/GP	$5,000,000

FY 2015-16 Supplemental Boilerplate Items

GENERAL

Sec. 203. Michigan Infrastructure Fund
Appropriates $5.0 million into fund, as described in appropriation item #54 above.

HEALTH AND HUMAN SERVICES

Sec. 301. Authority for Adjustments to Federal Fund Sources
Provides authority for DHHS to realign federal fund sources as part of the year end closing process, including capped federal, TANF, and other federal revenues. The realignment shall not alter line item gross amounts or total federal revenue amounts, and shall not produce a net increase in TANF authorization. Requires a report to the Legislature on realignments carried out for the previous fiscal year under this authority.

FY 2015-16 Supplemental Boilerplate Items

Sec. 302. Immunization Education Work Project
Designates any unencumbered or unallotted funds to support education activities about immunizations through the Medicaid health plans as a work project. Estimates the total available FY 2015-16 amount at $500,000.

Sec. 303. Community Mental Health Services Program (CMHSP) Notification
Requires a CMHSP to provide at least 30 days' notice before reducing, terminating, or suspending services with the exception of services that are no longer medically necessary.

Sec. 304. Home Help Criminal History Background Check Request for Proposal (RFP)
Permits DHHS to issue a RFP for criminal history background checks for adult home help providers.

Sec. 305. Special Project – Groundwater Contamination
Requires DHHS to work with the Department of Environmental Quality to expend $1.0 million appropriated to provide water filters, water quality monitoring and a long-term alternative public water supply for residents affected by groundwater contaminated by perfluorinated compounds in Oscoda county.

Sec. 306. Graduate Medical Education (GME) Quality Data
Requires hospitals receiving GME payments to submit quality data to a nonprofit organization using consensus-based nationally endorsed standards to help patients and payers identify hospital campuses likely to have superior outcomes, requires quality data to include perinatal care, hospital-acquired infection, and serious reportable events, and requires hospitals to also make the quality data available on their website. Replaces section 1805 of current DHHS budget, which would be repealed under this bill.

INSURANCE AND FINANCIAL SERVICES

Sec. 401. Fees for Customized Listings
Permits DIFS to provide customized lists of non-confidential information to interested parties and charge reasonable fees, which are appropriated upon receipt to offset related expenses and lapse to appropriate restricted fund accounts.

Sec. 402. Autism Coverage Fund
Allocates $2.25 million from the Autism Coverage Fund, pursuant to 2012 PA 101, for pro-rated reimbursements of health insurance carriers for approved paid claims for the diagnosis and treatment of autism spectrum disorders received under the Autism Coverage Reimbursement Program.

Sec. 403. Autism Coverage Fund Tie-Bar
Stipulates that DIFS may not be expended from the appropriation in Sec. 402 unless and until SB 1007 is enacted into law permitting the proration of reimbursements for claims received prior to April 30, 2016.

LEGISLATURE

Sec. 501. Legislative Redistricting
Designates funding as work project with a tentative completion date of September 30, 2020.

Sec. 502. Integrated Computer System
Designates funding as work project with a tentative completion date of September 30, 2019.

Sec. 503. Criminal Justice Policy Commission
Designates funding as work project with a tentative completion date of September 30, 2019.

Sec. 504. Capitol Historic Site
Designates funding as work project with a tentative completion date of September 30, 2020.

LICENSING AND REGULATORY AFFAIRS

Sec. 601. First Responder Presumed Coverage Claims
Designates unexpended funds appropriated for the payment of workers' compensation claims from the First Responder Presumed Coverage Fund as a work project appropriation to be carried forward until the tentative completion date of September 30, 2020.

STATE

Sec. 701. ExpressSOS Technology Upgrades
Designates funding as work project with a tentative completion date of September 30, 2020.

STATE POLICE

Sec. 801. Trooper Recruit Training Costs
Modifies schedule of programs to reflect increased appropriation.

TRANSPORTATION

FY 2015-16 Supplemental Boilerplate Items

Sec. 901. Special Projects
Allocates $2.0 million for a rural county primary road project in Oceana County and designates unexpended as a work project with a tentative completion date of September 30, 2017.

REPEALERS

Sec. 1001. (1) Information, Communications and Technology (ICT) Innovations Fund
Repeals section 831 in the Technology, Management, and Budget Act. This would eliminate the ICT Innovations Fund, thereby lapsing the $3.9 million remaining in the fund to the General Fund.

Sec. 1001. (2) DHHS Sections
- Repeals section 1182 in the Health and Human Services budget related to unrealized program of private and state match funding for immunization education activities. State funds are redirected in this supplemental.
- Repeals DHHS Section 1805 requiring hospitals receiving GME payments to submit quality data to a specified national nonprofit organization and requiring DHHS to withhold a hospital's fourth quarter GME payment until the hospital submits the quality data. Sec. 306 above replaces this section.

FY 2015-16: FLINT-RELATED SUPPLEMENTAL APPROPRIATIONS
Summary: Conference Report
Article XXI, House Bill 5294 (H-2) CR-1

HFA Director: Mary Ann Cleary
HFA Deputy Director: Kyle I. Jen

Budget Area	Gross	GF/GP
Attorney General	$1,300,000	$0
Education (Department)	25,600,000	6,000,000
Environmental Quality	33,350,000	33,350,000
Health and Human Services	14,790,000	8,690,000
Natural Resources	250,000	250,000
State Police	6,000,000	6,000,000
Technology, Management, and Budget	18,900,000	18,900,000
Treasury	14,130,000	14,130,000
TOTAL	**$114,320,000**	**$87,320,000**

Overview

State Budget Office (SBO) supplemental request 2016-6 contains recommended FY 2015-16 supplemental appropriation adjustments totaling a net $147.5 million Gross ($121.8 million GF/GP). These appropriators are for services provided to the residents of Flint in response to the Emergency Declaration made on January 5, 2016. $30.0 million GF/GP of that amount was appropriated by 2016 PA 24 to reimburse the City of Flint's Water Enterprise Fund in an amount equal to credits posted to customers' accounts. Many of the remaining recommended appropriations within SR 2016-6 were included in SB 777, as passed by the Senate, which was considered and modified into the current Article XXI of HB 5294 and is discussed below.

FY 2015-16 Supplemental Appropriation Items		Appropriation Change
1. Attorney General	**Gross**	**$1,300,000**
Spending authorization for legal services related to the Flint drinking water declaration of emergency provided by the Department of Attorney General.	Restricted	$1,300,000
2. Education (Department)	**Gross**	**$25,600,000**
Spending authorization for:	Federal	19,600,000
• $8.0 million to subsidize partial-year half-day child care services for 0-3 children in Flint households making less than 300% of the federal poverty level.	GF/GP	$6,000,000
• $100,000 for information to childcare providers on identification and intervention services for children demonstrating developmental delays.		
• $9.5 million ($6.0 million GF/GP) to expand provisions for reimbursement, vouchers, and/or delivery of programs providing fruits and vegetables to children and families.		
• $8.0 million reserved for future childcare services for children impacted by the Flint water emergency, designated as a work project through FY 2017-18.		
3. Environmental Quality	FTE	4.0
Spending and staff authorization for:	**Gross**	**$33,350,000**
• $25.0 million for a grant awarded to the City of Flint for the replacement of lead service lines for high-risk, high-hazard homes in Flint.	GF/GP	$33,350,000
• $4.5 million for expenses related to the declaration of emergency which may include Flint water system needs or Flint Water Response Team efforts.		
• $3.9 million to the Great Lakes Water Authority (fmr. Detroit Sewer and Water Department) for service from July 2016 through September 2016.		

FY 2015-16 Supplemental Appropriation Items		Appropriation Change
4. Health and Human Services	**Gross**	**$14,790,000**
Spending authorization for:	Federal	6,100,000
• $8.7 million for needs related to the City of Flint water and lead exposure crisis; including $3.0 million for a contract with Wayne State University to assess linkage between Legionella and lead-contaminated drinking water, $1.5 million for cognitive behavioral therapy and outreach for children through community mental health agencies including case management, $1.3 million for nutritional programs, $1.3 million for a statewide childhood lead poisoning prevention program, $500,000 for child and adolescent health center funding, $500,000 for interpretation services for the deaf and hard of hearing and bilingual support for Arabic and Spanish speakers, $430,000 for mobile food bank and additional food bank resources for nutrition services to mitigate lead exposure, $260,000 for evidence-based home visiting programs to promote parenting skills and identify developmental delays in children.	GF/GP	$8,690,000
• $6.1 million in TANF funds allocated for future services for children impacted by the Flint water emergency, designated as a work project through FY 2017-18.		
5. Natural Resources	**Gross**	**$250,000**
Spending authorization for a seasonal employment program for youth to provide services for those affected by the Flint water crisis, including distribution of bottled water and filters.	GF/GP	$250,000
6. State Police	**Gross**	**$6,000,000**
Spending authorization for the purchase and distribution of water filters, filter cartridges, and bottled water in addition to other related expenses; money for similar purposes was appropriated to the Department of Health and Human Services ($1.0 million GF/GP for water filters under 2015 PA 143 and $4.6 million GF/GP for bottled water and water filters under 2016 PA 3), which continues to be expended to qualify for federal matching funds (25.0% state / 75.0% federal) provided via the Federal Emergency Management Agency through August 14, 2016, at which time the state is anticipated to become responsible for supporting all expenses of purchasing and distributing water filters and cartridges.	GF/GP	$6,000,000
7. Technology, Management, and Budget	**Gross**	**$18,900,000**
Appropriates GF/GP to the Drinking Water Emergency Reserve Fund, which could only be expended upon appropriation or legislative transfer and would remain within the Fund at the close of the fiscal year.	GF/GP	$18,900,000
8. Treasury	**Gross**	**$14,130,000**
Spending authorization for:	GF/GP	$14,130,000
• $12.8 million for reimbursement of the City of Flint's Water Enterprise Fund for credits to equal to 65.0% for residential customers and 20.0% for other customers of the amount billed for water, beginning with the billing period containing April 30, 2014 through the billing period containing the date upon which the declaration of emergency expires; unexpended funds would lapse to the General Fund after December 31, 2016. This spending authorization is in addition to the $30.0 million appropriated by 2016 PA 24 for similar reimbursements, the entire balance of which has been encumbered and the unexpended balance of which lapses to the General Fund after September 30, 2016.		
• $1.4 million for expenses incurred by the program management office of Mission Flint and other purposes related to the Flint water emergency.		

FY 2015-16 Supplemental Boilerplate Items

GENERAL SECTIONS

Sec. 201. State Spending From State Resources and Payments to Local Units of Government
Specifies amount of state spending from state resources, and the amount to be paid to local units of government.

Sec. 202. Applicability of Management and Budget Act
Subjects appropriations in the article to the Management and Budget Act, 1984 PA 431.

ATTORNEY GENERAL

Sec. 301. Flint Water Emergency Legal Services
Stipulates that the department may expend money appropriated from the Lawsuit Settlement Proceeds Fund for expenses related to the Flint water emergency.

FY 2015-16 Supplemental Boilerplate Items

EDUCATION (DEPARTMENT)

Sec. 401. Flint Water Emergency Allocations
Stipulates that funds appropriated via line item shall be allocated to address childcare and nutrition needs, including expanding eligibility for half-day childcare services to children up to three years old residing within Flint households earning up to 300% of the federal poverty line, expanding eligibility to support the purposes of the Early Childhood Education Partnership, providing information to childcare providers on identification and intervention services for children demonstrating developmental delays, and expanding programs for reimbursement and vouchers for and home delivery of fruits and vegetables to children and families. Also requires the department to amend definitions and eligibility requirements of the Child Care and Development Fund State Plan and authorizes the department to make allocations of federal TANF funds for food and nutrition needs of families impacted by the Flint water emergency.

Sec. 402. Federal Child Care and Development Fund
Allocates $8.0 million from the federal Child Care and Development Fund for future childcare services for children impacted by the Flint water emergency; designated as a work project through FY 2017-18.

ENVIRONMENTAL QUALITY

Sec. 501. Great Lakes Water Authority
Stipulates that funds appropriated via line item shall be allocated to pay up to $3.9 million to the Great Lakes Water Authority (fmr. Detroit Water and Sewerage Department), subject to a legal agreement, for water service from July 2016 through September 2016.

Sec. 502. Needs Related to Declaration of Emergency
Stipulates that funds appropriated via line item shall be allocated for expenses related to the Flint water emergency, which may include water system needs and Flint Water Response Team efforts.

Sec. 503. Replacement of Lead Service Lines
Stipulates that funds appropriated via line item shall be granted to the City of Flint to support up to $25.0 million for the replacement of lead service lines for high-risk, high-hazard homes in Flint, the grant is subject to a signed agreement and requirement that the City provide a work plan, limitation on the amount expended per household, and prohibition on use of fund for permitting fees; unexpended fund would lapse to the General Fund after September 30, 2017 and the Auditor General would be required to conduct preliminary and final audits.

HEALTH AND HUMAN SERVICES

Sec. 601. Flint Water Emergency Allocations
Stipulates that funds appropriated via line item shall be allocated to address needs related to the Flint water emergency, including nutrition support and food bank resources, intensive services and outreach for children including evidence-based home visiting programs, assessment of potential linkages between the Flint water emergency and diseases, support for child and adolescent health centers and the Children's Healthcare Access Program, the Childhood Lead Poisoning Prevention Program, and interpretation services.

Sec. 602. Temporary Assistance for Needy Families Funds
Allocates $6.1 million in federal Temporary Assistance for Needy Families funds to provide services for families impacted by the Flint water emergency; designated as a work project through FY 2017-18.

Sec. 603. Payments to Licensed Private Child Welfare Agencies
Stipulates that the department shall compensate licensed private child welfare agencies under contract to provide foster care, independent living, and residential treatment services in the water catchment are within Flint for the increased level of required care and supervision mandated by the department between 1/11/16 and 5/31/16 via a $321,000 lump-sum payment.

NATURAL RESOURCES

Sec. 701. Summer Youth Employment Program
Stipulates that funds appropriated via line item shall be allocated to support a limited summer youth employment program.

STATE POLICE

Sec. 801. ***Flint Water Emergency Allocations***
Stipulates that the funds appropriated via line item shall be allocated to address needs related to the Flint water emergency, including purchase of water and replacement filter cartridges.

TECHNOLOGY, MANAGEMENT, AND BUDGET

Sec. 901. Drinking Water Emergency Reserve Fund
Creates and deposits $18.9 million GF/GP into the Drinking Water Emergency Reserve Fund, which, upon appropriation or legislative transfer, would be available for expenditure and which would not lapse to the General Fund.

FY 2015-16 Supplemental Boilerplate Items

Sec. 902. Integrity Oversight Monitor
Permits the department to expend money from the Drinking Water Emergency Reserve Fund to contract with an integrity oversight monitor to ensure legal compliance, detect misconduct, and promote best practices in the expenditure of funds and specifies the process to select the monitor, that no person shall interfere with the monitor carrying out its duties, that state entities shall provide assistance to the monitor, that the monitor shall coordinate with the Auditor General, and that the monitor shall submit detailed reports and recommendations biennially.

TREASURY

Sec. 1001. Water Bill Credit Reimbursement – Allocation
Allocates $12.8 million GF/GP to support reimbursement of the City of Flint's Water Enterprise Fund for credits posted on customers' water bills and requires quarterly reporting to the Legislature.

Sec. 1002. Water Bill Credit Reimbursement – Stipulations
Stipulates various prohibitions, restrictions, conditions, and limitations on the amount appropriated for the reimbursements, including forbidding administrative charges, expenditure without authorization from the state treasurer, and reimbursement of sewer services, while specifying the formula for calculating the credits for residential and other customers, that these credits shall reflect rates consistence with those at billing, that reimbursement shall only be made if the overall collection rate exceeds 70.0% (waivable by the state treasurer upon notification of the Legislature), that the state treasurer shall submit month performance reports to the Legislature regarding collection rates, that unexpended funds lapse to the General Fund after December 31, 2016, and that the state treasurer and Auditor General shall audit reimbursements.

Sec. 1003. Flint Water Emergency Allocations
Stipulates that the funds appropriated via line item shall be allocated to address needs related to the Flint water emergency, including Mission Flint expenses.

FY 2016-17: DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
Summary: Conference Report
Article I, House Bill 5294 (H-1) CR-1

Analyst: William E. Hamilton

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Conference	*Difference: Conference From FY 2015-16 YTD* *Amount*	*%*
IDG/IDT	$317,300	$323,200	$323,200	$323,200	$323,200	*$5,900*	*1.9*
Federal	10,427,900	10,471,200	10,471,200	10,471,200	10,471,200	*43,300*	*0.4*
Local	0	0	0	0	0	*0*	*--*
Private	128,100	130,700	130,700	130,700	130,700	*2,600*	*2.0*
Restricted	32,647,100	32,629,300	34,129,300	32,629,300	33,249,300	*602,200*	*1.8*
GF/GP	43,073,600	48,036,900	47,488,000	49,536,900	49,926,900	*6,853,300*	*15.9*
Gross	**$86,594,000**	**$91,591,300**	**$92,542,400**	**$91,091,300**	**$94,101,300**	***$7,507,300***	***8.7***
FTEs	460.0	479.0	477.0	479.0	479.0	*19.0*	*4.1*

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3)"House" reflects House Bill 5294 (H-1) as passed the House, April 27, 2016. (4)"Senate" reflects Senate Bill 800 (S-1) as passed the Senate, May 4, 2016.

Overview

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

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
1. Information Technology	**Gross**	**$1,372,500**	**$378,000**
Executive: Recommended increase of $378,000 Gross, ($257,000 GF/GP) to reflect ongoing costs of new licensing and inspection system.	IDG	3,200	0
House/Senate/Conference concur with Executive.	Restricted	64,600	121,000
	GF/GP	$1,304,700	$257,000
2. Food Safety and Quality Assurance	FTEs	91.0	2.0
Executive: Proposed $1.2 million GF/GP increase, with 2.0 additional FTE positions, for program to assist producers implement on-farm food produce safety standards under the Food Safety Modernization Act (FSMA).	**Gross**	**$13,537,800**	**$300,000**
House did not include funding or FTE increase; Senate concurred with Executive. Conference provides $300,000 GF/GP increase and 2.0 position increase in FTEs.	Federal	1,250,900	0
	Restricted	4,620,500	0
	GF/GP	$7,666,400	$300,000
3. Farmland and Open Space Preservation	FTEs	7.0	0.0
Executive: Proposed baseline increase of $500,000 GF/GP to offset decline in restricted Agriculture Preservation Fund revenue use to support program, commonly referred to as the PA 116 program.	**Gross**	**$905,200**	**$500,000**
Senate concurred with Executive; House provided $1.0 million GF/GP increase. Conference does not include GF/GP increase; increases restricted Agriculture Preservation Fund revenue by $500,000 based on assumed passage of House Bill 5189.	Restricted	583,600	500,000
	GF/GP	$321,600	$0
4. Qualified Forest Program	FTE	9.0	0.0
Executive: Reduces baseline GF/GP support by $130,000.	**Gross**	**$2,682,500**	**($130,000)**
House/Senate/Conference concur with Executive.	Restricted	284,900	0
	GF/GP	$2,397,600	($130,000)

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
5. Commercial Forestry Audit Program	**Gross**	**$300,000**	**($300,000)**
Executive: Eliminated funding for this program; the current year budget included sufficient funding to complete the final two years of the three-year commercial forestry audit.	GF/GP	$300,000	($300,000)
House/Senate/Conference: Concur with Executive.			
6. Laboratory Services	FTEs	37.0	5.0
Executive: Reflected two programmatic changes: Elimination of Agriculture Equine Industry Development Fund (AEIDF) revenue ($600,200), to reflect transfer of horse race testing program to Michigan Gaming Control Board (MGCB); $2.1 million GF/GP increase in funding for Geagley Laboratory to support additional staffing/equipment upgrades for food safety and export market testing programs.	**Gross**	**$5,322,000**	**$1,469,800**
	IDG	212,900	0
	Federal	781,100	0
	Restricted	2,123,500	(600,200)
	GF/GP	$2,204,500	$2,070,000
House: Concurs with Executive; Senate: Provides $200,000 less GF/GP than Executive. Conference: Concurs with Executive/House.			
7. Consumer Protection Program	FTEs	40.0	1.0
Executive: Reflected $1.0 million GF/GP increase for consumer protection programs at the Heffron Metrology Laboratory.	**Gross**	**$6,072,200**	**$1,040,000**
	Restricted	6,071,600	0
House: Concurs with Executive; Senate: $820,000 GF/GP less than Executive. Conference: Concurs with Executive/House.	GF/GP	$600	$1,040,000
8. Diagnostic Center for Population and Animal Health	**Gross**	**$0**	**$0**
House and Senate had provided funding for MSU Diagnostic Laboratory. Although not included in Conference report for House Bill 5268, $500,000 GF/GP is included in Higher Education budget.	GF/GP	$0	$0
9. Rural Development (Value-Added) Grants	**Gross**	**$1,200,000**	**$300,000**
Current year total of $1.2 million reflects $650,000 in ongoing, and $550,000 in one-time funding. Executive recommends total of $500,000 GF/GP; renames program "Value-added grants."	GF/GP	$1,200,000	$300,000
House: Concurs with Executive; Senate: Provides $1.5 million GF/GP; $1.0 million more than Executive. Conference includes $1.5 million GF/GP ($500,000 on-going; $1.0 million one-time); program defined in Sec. 701.			
***10. Rural Development Fund Grant Program* – NEW**	**Gross**	**$0**	**$2,000,000**
Executive: Includes $2.0 million from Rural Development Fund for new grant/loan program for projects that address expansion and sustainability of agriculture, mining, forestry, oil and gas exploration, and tourism. Fund revenue is generated from a nonferrous metal mining severance tax established in Public Act 411 of 2012.	Restricted	0	2,000,000
House/Senate/Conference concur with Executive.			
***11. Healthy Food Assistance Program* – NEW**	**Gross**	**$0**	**$0**
House included $100 placeholder; not included in Conference report.	GF/GP	$0	$0
12. County Fairs Capital Improvement Grants	**Gross**	**$300,000**	**$170,000**
Executive: Eliminated program that provides matching grants for county fair improvement projects. House/Senate retain current year funding.	GF/GP	$300,000	$170,000
Conference includes additional $150,000 for special grant projects and rolls $20,000 *Shows and expositions* line into this line.			
13. Shows and Expositions	**Gross**	**$20,000**	**($20,000)**
Executive: Eliminated GF/GP program that provides grants for agricultural shows and expositions. House concurred with Executive. Senate retains current year funding. Conference rolls into *County fairs capital improvement grants*, above.	GF/GP	$20,000	($20,000)
14. Horse Racing Programs	FTEs	1.0	(1.0)
Executive: Eliminated 1.0 FTE position for fairs and racing administration functions. Retains current year funding for horse racing awards and purse supplements, but increases Thoroughbred sire stakes by $80,000 and reduces Thoroughbred breeders' awards by a like amount.	**Gross**	**$3,667,200**	**$0**
	Restricted	3,667,200	0
House/Senate/Conference concur with Executive.			

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
15. One-Time Capital Equipment for Geagley Laboratory	**Gross**	**$150,000**	**($150,000)**
Executive: Eliminated one-time GF/GP authorization.	GF/GP	$150,000	($150,000)
House/Senate/Conference concur with Executive.			
16. Tree Fruit Research (One-Time)	**Gross**	**$500,000**	**$0**
Executive: Eliminated one-time GF/GP authorization for grant program.	GF/GP	$500,000	$0
House/Senate concur with Executive. Conference retains current year funding.			
***17. Vital Agriculture Infrastructure Grant Program* – NEW**	**Gross**	**$0**	**$220,000**
House included a new grant line item. Conference includes as a one-time funding item.	GF/GP	$0	$220,000
18. Grape and Wine Council	**Gross**	**$856,500**	**$170,000**
Conference includes one-time GF/GP funding, in addition to on-going	Restricted	856,500	0
restricted fund support.	GF/GP	$0	$170,000
***19. Animal Agriculture Initiative* – NEW**	**Gross**	**$0**	**$899,000**
Conference includes funding for new program; $500,000 as one-time,	GF/GP	$0	$899,000
$399,000 as on-going.			
20. Eastern Market Food Innovation Zone (One-Time)	**Gross**	**$0**	**$0**
Senate had included $200,000 for new line item grant. Not included in	GF/GP	$0	$0
Conference report.			
21. Muskegon Farmer's Market Food Incubator (One-Time)	**Gross**	**$0**	**$0**
Senate had included $100 placeholder for new line item grant. Not included	GF/GP	$0	$0
in Conference report.			
22. Refined Petroleum Fund/GF/GP Offset	**Gross**	**NA**	**$0**
Conference concurs with Executive/Senate and reduces Refined Petroleum	Restricted	NA	(1,500,000)
Fund (RPF) support by $1.5 million and offsets with GF/GP in *Laboratory*	GF/GP	NA	$1,500,000
services and *Consumer protection* programs.			
23. Technical Revenue Adjustments – GF/GP	**Gross**	**NA**	**($99,100)**
Executive: Unspecified reductions as follows: Food and dairy, ($48,400);	GF/GP	NA	($99,100)
PPPM, ($20,700); and Environmental stewardship, ($30,000).			
House/Senate/Conference concur with Executive.			
24. Technical Revenue Adjustments – Federal and Restricted	**Gross**	**NA**	**($315,900)**
Executive: Adjusted federal and restricted revenue in various line items to	Federal	NA	(91,800)
reflect best estimates of available federal grants and restricted revenue	Restricted	NA	(224,100)
sources. House/Senate Conference concur with Executive.	GF/GP	NA	$0
25. Economic Adjustments	**Gross**	**NA**	**$1,313,100**
Executive reflected increased costs of $1.3 million Gross ($727,500 GF/GP)	IDG	NA	5,900
for negotiated salary and wage increases (1.0% ongoing, 1.5% lump sum),	Federal	NA	135,100
insurance rate increases, actuarially required retirement contributions, and	Private	NA	2,600
other economic adjustments. House/Senate/Conference concur with	Restricted	NA	442,000
Executive.	GF/GP	NA	$727,500
26. End of Five-Year Early Retirement Sick Leave Payouts	**Gross**	**NA**	**($237,600)**
Executive recognized the end of employee accumulated sick-leave payouts	Restricted	NA	(136,500)
from 2010 early retirement incentive; those payments had been spread over	GF/GP	NA	($101,100)
5 years and will end in FY 2015-16. House/Senate/Conference concur with			
Executive.			

Major Boilerplate Changes From FY 2015-16

GENERAL SECTIONS ***(Secs. 201 through 232)***The current year budget act, 2015 PA 84, includes a number of general or standard boilerplate sections: **Sec. 201,** Total state spending/spending to local units; **Sec. 202**, Reference to Management and Budget Act; **Sec. 203**, Abbreviations; **Section 205**, New or expanded program metrics; **Sec. 206**, Contingency appropriations; **Sec. 207**, Transparency website; **Sec. 208**, Use of Internet to fulfill reporting requirements; **Sec. 209**, Preference for American/Michigan goods/services; **Sec. 210**, Deprived/depressed communities; **Sec. 212**, Record retention; **Sec. 215**, Discipline of employees communicating with Legislature; **Sec. 218**, Out-of-state travel report; **Sec. 228**, Report on GF/GP lapses; **Sec. 229**, Report on restricted fund revenue and balances; **Sec. 230**, Use of attorneys other than the Attorney General; **Sec. 231**, Website metrics/scorecard; **Sec. 232**, Legacy costs.

Conference retains all of the current year standard sections, in some cases with minor modifications. At the request of the State Budget Office, many of these sections have been renumbered.

Sec. 301. Miscellaneous Fees Revenue/Expenditures **– MODIFIED**
Authorizes department to receive/expend revenue to cover expenses related to publications, audits, sales, inspections, and other department functions; requires legislative notification 30 days prior to proposing fee increases; requires annual report on fees charged by department. Conference: Modifies to clarify.

Sec. 302. Grant Notification – MODIFIED
Requires notice of grants made to local units of government, institutions of higher education, or non-profit organizations.
Conference: Modifies to clarify; requires Legislative notification of grants 7 days prior to issuing grants.

Sec. 401. Food Safety Report/Food and Dairy Division Report **– MODIFIED**
Sec. 402 of current year budget act requires a report on food-borne outbreaks and emergencies related to food safety.
Conference: Modifies/expands to require an annual Food and Dairy Division report due April 1 of each year.

Sec. 403. Food Safety & Modernization Act Program (FSMA) **– NEW**
Conference: Includes new section indicating legislative intent that the department established FSMA education and training program; authorizes use of federal funds in addition to those appropriated in Part 1.

Sec. 451. Bovine TB Whole-Herd Testing **– RETAINED**
Conference: Retains requirement that department to pay for the costs of whole-herd testing and individual animal testing in the Modified Accredited Zone, including indemnity and compensation for animal injury.

Sec. 452. Animal Industry Division Annual Report **– NEW**
Conference: Includes new annual report on activities of the Animal Industry Division due April 1 of each year.

Sec. 453. Indemnification Payments **– MODIFIED**
Current section authorizes the department to provide for indemnity pursuant to Animal Industry Act; limits indemnification orders to $100,000 per order; and requires report on reason for, amount of, and person to whom indemnification is to be paid. Subsection (2) currently authorizes the department to indemnify for livestock killed by wolves, coyotes, or cougars. Subsection (3) currently indicates that the appropriation in Part 1 for indemnification is for indemnification under Subsection (2) and related department costs; requires a report, due March 1. Conference: Modifies to correct statute reference.

Sec. 454. Bovine TB **– RETAINED**
Directs department to collaborate with USDA and work to eradicate Bovine TB.
Conference: Retains.

Sec. 456. Electronic Animal Identification **– NOT INCLUDED**
Current year language prohibits the use of appropriated funds to enforce electronic ID programs for domestic animals.
Conference: Not included.

Sec. 457. Bovine TB Quarterly Report **– MODIFIED**
Conference: Modifies language; retains quarterly reporting.

Sec. 458. Aquaculture **– MODIFIED**
Conference: Retains current language that directs the department to provide inspection and testing of aquaculture facilities and researchers; deleted reference to VHS.

Sec. 459. Bovine TB Testing, Legislative Intent **– RETAINS**
Conference: Retains section that indicates Legislative intent that the department not conduct whole-herd testing of any one herd in a TB-free zone more often than once every four years, except under specific conditions.

Sec. 501. Pesticide and Plant Pest Management Annual Report **– NEW**
Conference: Includes new annual report on activities of PPPM Division due April 1 of each year.

Major Boilerplate Changes From FY 2015-16

***Sec. 601. Environmental Stewardship/MAEAP* – RETAINED**
Conference: Retains section that indicate the purpose of the line item is to support department agriculture pollution prevention programs, including groundwater and freshwater protection programs under Part 87 of the Michigan Natural Resources and Environmental Protection Act, 1994 PA 451, and technical assistance in implementing conservation grants available under the federal Farm Bill of 2014.

***Sec. 602. Environmental Stewardship Division Annual Report* – NEW**
Conference: Includes new annual report on activities of ESD Division due April 1 of each year.

***Sec. 604. Appropriation of Excess Federal Revenues* – MODIFIED**
Section authorizes the department to expend federal revenues in excess of the appropriation under section 107 in part 1 upon notification of the Legislature. Conference: Modifies to clarify.

***Sec. 609. Commercial Forestry Audit Program* – DELETED**
Conference deletes current language that describes intent of the program; program will be completed in FY 2015-16.

***Sec. 651. Laboratory Program Annual Report* – NEW**
Conference: Includes new annual report on activities of Laboratory Division due April 1 of each year.

***Sec. 652. Laboratory Program Turnaround Times* – NEW**
Conference: Includes new section on laboratory turnaround time metrics.

***Sec. 701. Value Added Grant Program* – MODIFIED**
Current law guides administration of the program. Conference modifies provisions governing grant program.

***Sec. 706. Agriculture Development Division Annual Report* – NEW**
Conference: Includes new annual report on activities of Agriculture Development Division due April 1 of each year.

***Sec. 709. Grape and Wine Industry Council Report* – RETAINED**
Conference: Retains current reporting requirement.

***Sec. 711. Rural Development Fund/Program* – NEW**
Conference: Directs department to work with Rural Development Fund Board; references 2012 PA 41.

***Sec. 801. Ag Equine Industry Development Fund* – RETAINED**
Requires that all appropriations in part 1 from the AEIDF be spent for equine-related purposes.
Conference: Retains.

***Sec. 802. Ag Equine Industry Development Fund* – RETAINED**
Requires proportional reductions on program reductions if revenues to the AEIDF decline.
Conference: Retains.

***Sec. 804. Michigan Gaming Control Board* – RETAINED**
Requires MGCB to use actual expenditure data in determining regulatory costs.
Conference: Retains.

***Sec. 805. County Fair Capital Grant Program* – MODIFIED**
Provides for matching program for county fair capital grants appropriated in part 1.
Conference: Modifies to exclude fairs that received awards in prior year from receiving awards from the program, incorporates *Shows and expositions* grants; identifies capital projects.

***Sec. 806. Shows and Expositions Grants* – DELETED**
Conference: Incorporated into Sec. 805 above.

FY 2016-17: DEPARTMENT OF CORRECTIONS
Summary: Conference Report
Article V, House Bill 5294 (H-1) CR-1

Analyst: Robin R. Risko

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Conference	*Difference: Conference From FY 2015-16 YTD* *Amount*	*%*
IDG/IDT	$225,000	$0	$0	$225,000	$0	*($225,000)*	*(100.0)*
Federal	5,568,700	5,523,700	5,523,700	5,568,700	5,523,700	*(45,000)*	*(0.8)*
Local	8,533,200	8,692,800	8,692,800	8,533,200	8,692,800	*159,600*	*1.9*
Private	0	0	0	0	0	*0*	*--*
Restricted	43,950,700	35,711,700	35,711,700	42,950,700	36,554,600	*(7,396,100)*	*(16.8)*
GF/GP	1,903,948,400	1,979,457,900	1,979,457,900	1,904,448,500	1,951,957,900	*48,009,500*	*2.5*
Gross	**$1,962,226,000**	**$2,029,386,100**	**$2,029,386,100**	**$1,961,726,100**	**$2,002,729,000**	***$40,503,000***	***2.1***
FTEs	14,190.3	14,065.6	14,065.6	14,190.3	13,819.9	*(370.4)*	*(2.6)*

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (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 May 1, 2016, the department was responsible for 103,803 Michigan offenders: 42,416 prisoners, 45,065 probationers, and 16,322 parolees.

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
1. Correctional Facility Closure	FTE	NA	(237.7)
Executive does not include. House does not include. Senate reduces FTE positions by 511.7 and includes a savings of $47.0 million from closing two state correctional facilities. Conference reduces FTE positions by 237.7 and includes a savings of $27.0 million as a result of closing the Pugsley Correctional Facility. Savings will be achieved from a combination of the following: eliminate $24,863,100 in funding used for operation of the facility; reduce funding for education programs by $842,700; reduce funding for clinical and mental health care by $2,326,400; reduce funding for prison store operations by $78,400; and increase funding by $1,041,200 for Northern Region Administration and Support to cover transition costs.	**Gross**	**NA**	**($27,069,400)**
	Restricted	NA	(78,400)
	GF/GP	NA	($26,991,000)
2. Savings from Managing Prison Populations – Housing Units	**Gross**	**NA**	**$0**
Executive includes a savings of $4,991,000 from taking housing units off-line. Due to reduced prisoner population pressures, select housing units at the Carson City, Marquette, Central Michigan, Egeler, and Cotton Correctional Facilities are not planned for use in FY 2016-17. House concurs. Senate does not include the savings. Conference does not include the savings. Funding will be used at the facilities to cover costs associated with prisoners who are transferred to these facilities from the Pugsley Correctional Facility when it closes.	GF/GP	NA	$0
3. Savings from Managing Prison Populations – Closure of Kinross	FTE	NA	(55.7)
Executive reduces FTE positions and includes a full-year savings of $3.4 million from closure of the Kinross Correctional Facility and transfer of the prisoners to the former Hiawatha Correctional Facility. Closure took place in the fall of 2015 and a partial-year savings of $2.0 million was included in the FY 2015-16 budget. House concurs. Senate concurs. Conference concurs.	**Gross**	**NA**	**($3,400,000)**
	GF/GP	NA	($3,400,000)

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
4. Savings from Managing Prison Populations – Leased Beds	**Gross**	**$5,250,000**	**($3,209,000)**
Executive includes a net savings of $1.6 million from in-sourcing leased beds. It has been determined, on a marginal cost basis, that it is more cost-effective for the department to house prisoners in state correctional facilities instead of leasing beds from county jails. The current year appropriation for Leased Beds is $5.3 million. After taking the $1.6 million in savings, the remaining $3.6 will be reallocated to correctional facility line items and to prison food service to cover costs of the prisoners moving from county jails to department-operated facilities. House concurs. Senate does not include the savings. Conference concurs with the Executive, but includes an additional savings of $1.6 million, which leaves $2.0 million to be reallocated to cover costs of prisoners transferring back from county jails.	GF/GP	$5,250,000	($3,209,000)
5. County Jail Reimbursement Program	**Gross**	**$13,597,100**	**$1,467,500**
Executive does not include. House does not include. Senate does not include. Conference includes an additional $1.5 million to increase reimbursement rates to counties for housing eligible felons, who otherwise may have been sentenced to prison, in county jails. Rates will increase by $5.00 per offender per day.	Restricted	5,900,000	0
	GF/GP	$7,697,100	$1,467,500
6. Lease Facility in Baldwin	**Gross**	**NA**	**$0**
Executive does not include. House does not include. Senate includes an additional $5.0 million for the department to lease the North Lake Correctional Facility building located in Baldwin, Michigan for the department's use. Conference does not include.	GF/GP	NA	$0
7. State Employees to Operate Facility in Baldwin	FTE	NA	0.0
Executive does not include. House does not include. Senate includes 263.0 FTE positions and $26.6 million for the department to operate the leased North Lake Correctional Facility building in Baldwin. Conference does not include.	**Gross**	**NA**	**$0**
	GF/GP	NA	$0
8. Future Correctional Facility	**Gross**	**NA**	**$100**
Executive does not include. House does not include. Senate does not include. Conference includes a $100 placeholder for a potential future correctional facility.	GF/GP	NA	$100
9. Infrastructure Improvements	**Gross**	**NA**	**$0**
Executive does not include. House does not include. Senate includes an additional $14.0 million for the department to make infrastructure improvements and repairs needed at state correctional facilities. Conference does not include.	GF/GP	NA	$0
10. One-Time Funding for New Custody Staff Training	**Gross**	**$9,079,500**	**$8,506,100**
Executive includes one-time funding for training an additional 350 corrections officers to meet projected attrition needs. With the additional funding added to the current year base of $9.1 million, the department will be able to train roughly 730 new officers. House concurs. Senate includes $7.5 million to train 310 officers. Conference concurs with the Executive.	GF/GP	$9,079,500	$8,506,100
11. Goodwill Flip the Script	**Gross**	**$2,000,000**	**($500,000)**
Executive includes a savings of $2.0 million from eliminating the program. House reduces current year funding by $500,000. Senate includes an additional $500,000. Conference concurs with House and includes a total of $1.5 million for Goodwill Flip the Script.	GF/GP	$2,000,000	($500,000)
12. Parole Sanction Certainty Pilot Program	**Gross**	**$500,000**	**$940,000**
Executive includes a savings of $500,000 from eliminating the program. House retains current year funding. Senate includes an additional $940,000. Conference concurs with Senate and includes a total of $1.4 million for the Parole Sanction Certainty Pilot Program.	GF/GP	$500,000	$940,000

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
13. Supervising Region Incentive Program	**Gross**	**NA**	**$2,999,900**
Executive does not include. House does not include. Senate includes funding to provide incentives to field operations administration regions that implement supervision practices, procedures, and sanctions directed at parole and probation revocation reduction within the region. Conference concurs with Senate on including $3.0 million. Of that, $2,518,600 is on-going GF/GP funding and $481,300 is one-time.	GF/GP	NA	$2,999,900
14. Criminal Justice Reinvestment	**Gross**	**NA**	**$4,573,300**
Executive does not include. House does not include. Senate includes an additional $15.0 million for new or expanded evidence-based programs targeted at reducing recidivism and incarceration rates among probationers and parolees. Conference includes an additional $4.6 million.	GF/GP	NA	$4,573,300
15. Rebidding of Various Service Contracts	**Gross**	**NA**	**$0**
Executive includes $6.8 million in additional funding to cover anticipated costs of rebidding reentry services contracts, substance abuse treatment services contracts, and outpatient and residential sex offender treatment services contracts. House concurs. Senate does not include. Conference does not include.	GF/GP	NA	$0
16. Drug Treatment for Prisoners with Hepatitis C	**Gross**	**$18,265,000**	**$10,535,000**
Executive includes $17.3 million to cover increased costs of the expanded drug treatment protocol for treatment of prisoners with Hepatitis C. House includes $12.3 million. Senate does not include any additional funding. Conference includes $10.5 million.	GF/GP	$18,265,000	$10,535,000
17. Restoration of Reduced Funding for Health Care	**Gross**	**($15,000,000)**	**$11,200,000**
Executive restores $11.2 million of a $15.0 million reduction that was included in the current year budget and anticipated to be achieved as a result of implementing an integrated healthcare delivery system with one vendor managing physical health care, mental health care, and pharmaceutical services. The consolidated contract took effect June 1, 2016 and will result in a full-year savings of $3.8 million GF/GP in FY 2016-17. House concurs. Senate concurs. Conference concurs.	GF/GP	($15,000,000)	$11,200,000
18. Mental Health and Sex Offender Programming for Prisoners	FTE	NA	9.0
Executive includes 17.0 additional FTE positions (8.0 psychologists, 8.0 social workers, and 1.0 technician) and an additional $2.0 million to address the increased caseload and waiting lists for mental health treatment services and sex offender programming. House concurs. Senate includes 9.0 FTE positions and $1.0 million. Conference concurs with Senate.	**Gross**	**NA**	**$1,035,000**
	GF/GP	NA	$1,035,000
19. Medication-Assisted Treatment Reentry Pilot Program	**Gross**	**NA**	**$500,000**
Executive does not include. House includes additional funding for the department to establish a medication-assisted treatment reentry pilot program to provide prerelease treatment and post-release referral for opioid-addicted and alcohol-addicted offenders. The intent is for offenders to receive one injection prior to being released from custody and to be connected with an aftercare plan. Senate does not include. Conference concurs with House.	GF/GP	NA	$500,000
20. Reduced Prisoner Health Care	**Gross**	**NA**	**($1,500,000)**
Executive does not include. House does not include. Senate includes a savings of $3.0 million in prisoner health care costs due to the decline in prisoner population. Conference includes a savings of $1.5 million.	GF/GP	NA	($1,500,000)
21. Life in Recovery Treatment Program	**Gross**	**NA**	**$0**
Executive includes additional funding for a new treatment service targeted at repetitive relapse prevention for probation violators. House concurs. Senate does not include. Conference does not include.	GF/GP	NA	$0

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
22. Health Care Services On-Site	**Gross**	**NA**	**($200,000)**
Executive does not include. House does not include. Senate includes a savings of $2.4 million in the Transportation line item as a result of certain medical procedures being performed in-house versus off-site. Conference includes a savings of $200,000.	GF/GP	NA	($200,000)
23. Reduced Pharmaceutical Costs	**Gross**	**NA**	**$0**
Executive does not include. House does not include. Senate includes a savings of $5.1 million in pharmaceutical costs in anticipation of the health care contract vendor negotiating eligibility to participate in the 340B drug pricing program. Conference does not include.	GF/GP	NA	$0
24. Prisoner Education - Vocational Village	**Gross**	**$35,852,400**	**$2,000,000**
Executive does not include. House includes an additional $1.5 million for the department to focus on providing career-based educational programming for prisoners, to include vocational trade programs and employment readiness programs. Senate includes an additional $3.0 million for expansion of the Vocational Village. The goal of the vocational village is to provide vocational trade programs and employment readiness skills. Conference includes an additional $2.0 million.	Federal	1,722,100	0
	Restricted	6,982,900	0
	GF/GP	$27,147,400	$2,000,000
25. Prisoner Programming	**Gross**	**$11,124,000**	**$0**
Executive does not include. House includes an additional $1.0 million for the department to provide violence prevention, assaultive offender, sexual offender, substance abuse treatment, thinking for a change, and any other programming that is required as a condition of parole to prisoners who are past their earliest release date as a result of not having received the required programming. Senate does not include. Conference does not include.	GF/GP	$11,124,000	$0
26. Trinity Food Service Contract Adjustment	**Gross**	**$52,558,900**	**$1,535,000**
Executive includes additional funding to cover the contract requirement that payment rates be adjusted annually by the greater of 1% or the change in the Consumer Price Index - All Urban Consumers, U.S. City Average for Food Away from Home. That CPI has averaged a 2.6% increase over the last 10 years. The amount of additional funding assumes the same percentage increase in FY 2016-17. House concurs. Senate concurs. Conference concurs.	GF/GP	$52,558,900	$1,535,000
27. Federal Regulations on Telephone Rates	**Gross**	**$11,782,900**	**($4,800,000)**
Executive decreases total spending authorization and reduces state restricted funding to reflect recent rate changes made by the Federal Communications Commission (FCC) to telephone services for prisoners. Rates charged to prisoners will be capped at amounts that are lower than amounts currently paid. This will result in less revenue going into the Program and Special Equipment Fund. The revenue is used for equipment purchases, prisoner programming, and prisoner education. Additional GF/GP funding is included to partially offset the reduction in revenue in an effort to hold harmless the funding for prisoner education. House concurs. Senate concurs. Conference concurs.	Restricted	11,782,900	(6,674,000)
	GF/GP	$0	$1,874,000
28. DTMB Rate Adjustments	**Gross**	**NA**	**$1,612,800**
Executive includes an additional $1,775,600 to cover costs of service rate changes that DTMB will make in FY 2016-17. DTMB will follow a new financial model for the provision of information technology services resulting in additional costs for all state departments. Increases in rates are partially offset by Vehicle Travel Service rate savings that are expected to occur ($162,800). House concurs. Senate concurs. Conference concurs.	GF/GP	NA	$1,612,800
29. Increased Information Technology Bandwidth	**Gross**	**NA**	**$1,021,800**
Executive incudes additional funding to cover costs of increasing information technology bandwidth in an effort to eliminate problems with system slowness and operational outages at 27 correctional facilities and 113 field operations offices. House concurs. Senate concurs. Conference concurs.	GF/GP	NA	$1,021,800

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
30. One-Time Funding for Ballistic Vests Executive includes an additional $981,300 in GF/GP funding for the department to purchase 1,400 ballistic vests for parole and probation staff and 170 ballistic vests for transportation officers. The estimated cost is roughly $625 per vest. House concurs. Senate concurs with including additional funding, but recommends paying for the vests with state restricted Program and Special Equipment Fund revenue instead of with GF/GP. Conference includes $481,300 and concurs with the Senate on the fund source shift.	**Gross**	**NA**	**$481,300**
	Restricted	NA	481,300
	GF/GP	NA	$0
31. Smart Device Access Fees Executive includes additional funding to cover fees charged by DTMB for smart device access to state e-mail, mobile device management, DTMB-IT staff support, and security services. House concurs. Senate concurs with including additional funding, but recommends paying fees with state restricted Program and Special Equipment Fund revenue instead of with GF/GP. Also, $32,000 GF/GP to pay fees is already included in the budget. Senate recommends paying this portion with state restricted Program and Special Equipment Fund revenue as well. Conference concurs with the Senate.	**Gross**	**NA**	**$408,000**
	Restricted	NA	440,000
	GF/GP	NA	($32,000)
32. Utility Fee Adjustments Executive includes additional funding to cover increased water and sewer charges at six correctional facilities. The City of Muskegon increased sewage rates by 11%, impacting Brooks ($43,200) and Muskegon ($29,000); the City of St. Louis increased water rates by 36%, impacting Central Michigan ($73,700) and St. Louis ($96,500); and Kinross Charter Township increased water rates by 25%, impacting Kinross ($21,600) and Chippewa ($23,800). House concurs. Senate concurs. Conference concurs.	**Gross**	**NA**	**$287,800**
	GF/GP	NA	$287,800
33. Prison Industries Transportation Adjustment Executive includes authorization for Correctional Industries Revolving Fund revenue to be used to partially fund the Transportation line item. Transportation staff will be assuming more transport responsibilities for Prison Industries operations. House concurs. Senate concurs. Conference concurs.	**Gross**	**NA**	**$255,000**
	Restricted	NA	255,000
34. Prison Store Operations Adjustment Executive reduces state restricted prisoner store revenue and FTE positions as a result of a change in the way the vendor handles distribution of prisoner store orders. House concurs. Senate concurs. Conference concurs.	FTE	63.0	(28.0)
	Gross	**$5,649,200**	**($2,400,000)**
	Restricted	5,649,200	(2,400,000)
35. Technical Adjustments Executive makes internal FTE adjustments, funding adjustments, and transfers throughout the budget, which have no overall Gross or GF/GP impact. Adjustments are made in order to more accurately reflect employee counts and where expenditures occur as a result of reorganization within the department. House concurs. Senate concurs. Conference concurs.	**Gross**	**NA**	**$0**
	GF/GP	NA	$0
36. Eliminate FTE Positions Executive eliminates authorization for 58.0 FTE positions in the Prison Industries Operations line item to more accurately reflect the employee count. This is a technical adjustment which has no impact on current staffing levels. House concurs. Senate concurs. Conference concurs.	FTE	NA	(58.0)
	Gross	**NA**	**$0**
	GF/GP	NA	$0
37. Public Safety Initiative Executive does not include. House does not include. Senate reduces the appropriation for the Public Safety Initiative line item from $4.5 million to $3.0 million. Conference does not reduce funding.	**Gross**	**NA**	**$0**
	GF/GP	NA	$0

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
38. Program and Fund Source Adjustments	**Gross**	**NA**	**($356,100)**
Executive makes the following program and fund source adjustments to align spending authorization with available revenues: (adjustments have no GF/GP impact on the budget)	IDG	NA	(225,000)
	Federal	NA	(131,100)
• Eliminates IDG funding received from DHHS for food service that was provided by MDOC to DHHS at the Maxey facility which is now closed ($225,000)			
• Eliminates Federal School Lunch Program line item and fund source due to the department's non-participation in the program since 2014 ($812,800)			
• Increases authorization to receive additional federal Residential Substance Abuse Treatment funding ($64,600)			
• Increases authorization to receive additional federal Medicaid funding for reimbursement of off-site medical expenses which qualify under the Healthy Michigan Plan ($117,100)			
• Increases authorization by $500,000 to receive an additional $749,000 in federal Second Chance Act grant funding to be used for computer service technician programs at Gus Harrison and Cotton Correctional Facilities; authorization currently exists in the budget for $250,000.			
House concurs. Senate concurs. Conference concurs.			
39. Early Out Payouts	**Gross**	**$1,346,800**	**($1,346,800)**
Executive recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentive, which were spread out over five years. House concurs. Senate concurs. Conference concurs.	Restricted	1,300	(1,300)
	GF/GP	$1,345,500	($1,345,500)
40. Economic Adjustments	**Gross**	**NA**	**$35,925,700**
Executive reflects a net increase in costs for negotiated salary and wage amounts (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required retirement contributions, private rent costs, building occupancy charges, and worker's compensation costs. House concurs. Senate concurs. Conference concurs.	Federal	NA	86,100
	Local	NA	159,600
	Restricted	NA	581,300
	GF/GP	NA	$35,098,700

Major Boilerplate Changes From FY 2015-16

***Sec. 403. Effective Process Improvement and Communications (EPIC) Program* – DELETED**
Requires MDOC to report on the scope and purpose of the EPIC program, the areas of MDOC receiving resources for EPIC, budgetary savings expected to result from EPIC, areas where MDOC policy has changed as a result of EPIC, and the number of employees assigned to EPIC. Executive deletes. House deletes. Senate retains. Conference deletes.

***Sec. 414. County Jail Reimbursement Program* – MODIFIED**
Requires MDOC to administer the County Jail Reimbursement Program, which offers counties per diem payments for housing certain offenders in jails; specifies reimbursement criteria and rates; requires counties receiving funding to report on annual average jail capacity and annual average jail occupancy. Executive retains. House retains. Senate retains. Conference modifies to include $5.00 per day per offender rate increases.

***Sec. 421. Parole Sanction Certainty Pilot Program* – MODIFIED**
Requires MDOC to distribute funding to accredited rehabilitation organizations in Berrien, Calhoun, Kalamazoo, Macomb, Muskegon, Oakland, and Wayne counties for operation and administration of a pilot program to be utilized as a condition of parole for technical parole violators; requires reports from organizations on program performance measures, number of individuals participating in programs, number of individuals returning to prison after participating in programs, and outcomes of participants completing programs. Executive deletes. House retains. Senate modifies to include Genesee, Kent, and Saginaw counties. Conference concurs with the Senate.

***Sec. 422. Prisoners Reviewed for Parole* – NEW**
Requires MDOC to report on outcomes of prisoners who have been reviewed for parole, to include number of prisoners reviewed, number of prisoners granted or denied parole, number of parole decisions deferred, number of times prisoners were reviewed before being granted or denied parole, how far prisoners were past their earliest release dates at time of review, how likely prisoners were to parole, reason for parole denial or deferment, and specifics about required prisoner programming. Executive does not include. House does not include. Senate includes. Conference includes Senate language with revisions.

Major Boilerplate Changes From FY 2015-16

***Sec. 425. Medication-Assisted Treatment Reentry Pilot Program* – NEW**
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 the medication at no cost to the department; requires MDOC to provide participating offenders with one injection prior to being released from custody and to connect offenders with an aftercare plan; requires MDOC to report follow-up information on offenders who receive the injections. Executive does not include. House includes. Senate does not include. Conference includes.

***Sec. 434. Programs to Employ Parolees in Agricultural Settings* – DELETED**
Requires MDOC to explore opportunities to collaborate with Michigan colleges and universities on establishing programs that will employ parolees in agricultural settings. Executive deletes. House retains. Senate deletes. Conference deletes.

***Sec. 503. Vendor Contracts* – NEW**
Requires MDOC to issue quarterly reports on all vendor contracts, including the start and expiration dates, site visits completed by the department for each vendor, and the number and amount of fines for service-level agreement noncompliance for each vendor, broken down by area of noncompliance. Executive does not include. House does not include. Senate includes. Conference includes Senate language, but revises "quarterly" reports to "biannual" reports.

***Sec. 508. Maintenance and Utility Costs at Facilities* – MODIFIED**
Requires MDOC to report maintenance and utility costs and plans for capital improvement costs for each correctional facility. Executive deletes. House retains. Senate modifies to require MDOC to report on unspent balances of all capital outlay projects. Conference concurs with the Senate and revises due date of report from October 1 to January 1.

***Sec. 509. Study on Michigan State Industries Program* – DELETED**
Requires MDOC to conduct a study on the Michigan State Industries program that focuses on determining which industries within the 10 identified prosperity regions have the maximum benefit to prisoners in providing marketable skills and leading to employment; requires a report on current labor force trends in the prosperity regions and on how Michigan State Industries operations can work in coordination with local communities to determine the industries that would produce the greatest number of employable prisoners upon release. Executive deletes. House deletes. Senate retains. Conference deletes.

***Sec. 602. Supervising Region Incentive Program* – NEW**
Requires funding for the supervision region incentive program to be used to provide incentives to field operations administration regions that implement supervision practices, procedures, and sanctions directed at parole and probation revocation reduction within the region; specifies eligibility requirements for receiving incentive funding; requires a report on region participation, avoided costs of incarceration, avoided costs to victims, and avoided costs of the probation or parole revocation process. Executive does not include. House does not include. Senate includes. Conference includes only the requirement that funding be used to fund an incentive program for field operations administration regions in accordance with the supervising region incentive act.

***Sec. 604. Criminal Justice Reinvestment* – NEW**
Requires funding for criminal justice reinvestment to be used only for evidence-based programs designed to reduce recidivism among probationers and parolees; requires funded programs first to be reviewed by the Criminal Justice Policy Commission; requires RFPs to be issued and bidders to be evaluated by a joint evaluation committee before acceptance of bids. Executive does not include. House does not include. Senate includes. Conference includes only the requirement that funding be used for evidence-based programs designed to reduce recidivism among probationers and parolees.

***Sec. 615. (2) Parolable Lifers* – NEW**
Requires MDOC to report the following on parolable lifers who have served more than 25 years: name, identification number, prefix, offense, county of conviction, age when offense was committed, current age, race, gender, security classification, dates of parole board reviews, parole guideline scores, and the Parole Boards' reason for the decision not to release. Executive does not include. House includes. Senate does not include. Conference includes.

***Sec. 805. Health Care Coverage for Dependents* – DELETED**
Requires MDOC to determine eligibility of prisoners aged 26 years and under for dependent health care coverage. Executive deletes. House deletes. Senate retains. Conference deletes.

***Sec. 806. Mental Health and Sex Offender Programming* – NEW**
Requires funding appropriated for the 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. Executive includes. House includes. Senate includes. Conference includes.

***Sec. 807. Hepatitis C* – NEW**
Requires funding for Hepatitis C to be used only for the purchase of specialty medication for treatment of Hepatitis C in the prison population; requires a report on the amount spent on specialty medication, number of prisoners treated, amount of any rebates received, and outstanding rebates expected to be received. Executive does not include. House does not include. Senate includes. Conference includes.

Major Boilerplate Changes From FY 2015-16

***Sec. 814. Psychotropic Medications for Prisoners* – DELETED**
Requires MDOC to assure psychotropic medications are available, when deemed medically necessary by licensed medical service providers, to prisoners diagnosed with mental illness but not enrolled in mental health services. Executive deletes. House deletes. Senate retains. Conference deletes.

***Sec. 901. Leasing of Facilities, Purchasing Private Facilities, and Reopening Closed Facilities* – NEW**
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 the citizens of the state to house prisoners in one of those settings, rather than in a facility currently operated by the department; requires a report that documents the acquisition, lease, reopening, and modernization costs, taxes, utilities, and expected future capital repair and upgrades at the facilities. Executive does not include. House does not include. Senate does not include. Conference includes.

***Sec. 902. Vocational Village* – NEW**
Requires MDOC to use $3.0 million appropriation to expand the vocational village program. Executive does not include. House does not include. Senate includes. Conference includes, but revises the amount to $2.0 million to reflect the amount appropriated.

***Sec. 908. High School Diploma in lieu of High School Equivalency* – NEW**
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 in lieu 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 that would be required to provide prisoners with a high school diploma in lieu of a high school equivalency. Executive does not include. House includes. Senate includes, but changes due date of report from October 15 to April 1. Conference changes due date of report to December 1.

***Sec. 909. Educational Programming* – NEW**
Requires MDOC to focus on providing career-based educational programming for prisoners, to include vocational trade programs and employment readiness programs. Executive does not include. House includes. Senate does not include. Conference includes.

***Sec. 913. (1) Prisoner Programming* – NEW**
Requires MDOC to provide violence prevention programming, assaultive offender programming, sexual offender programming, substance abuse treatment programming, thinking for a change programming, and any other programming that is required as a condition of parole to prisoners who are past their earliest release date as a result of not having received the required programming. Executive does not include. House includes. Senate does not include. Conference includes.

***Sec. 945. Overcrowding in Central Michigan Correctional Facility Visiting Room* – DELETED**
Requires MDOC to investigate options for increasing the visiting capacity at the Central Michigan Correctional Facility in order to ease visiting room overcrowding; requires MDOC to report on the progress being made to address visiting room overcrowding. Executive deletes. House deletes. Senate retains. Conference deletes.

***Sec. 1000. Increased Information Technology Bandwidth* – NEW**
Requires 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. Executive includes. House includes. Senate includes. Conference includes.

***Sec. 1012. Faith-Based Reentry Programs* – DELETED**
Allows priority to be given to funding reentry or rehabilitation programs that have been demonstrated to reduce prison violence and recidivism, such as faith-based initiatives. Executive deletes. House deletes. Senate retains. Conference deletes.

***Sec. 1100. New Custody Staff Training* – NEW**
Requires funding appropriated for new custody staff training to be used to increase the training capacity for new custody staff by 350 officers for the purpose of addressing higher than normal attrition of corrections officers and decreasing overtime costs. Executive includes. House includes. Senate does not include. Conference includes.

FY 2016-17: DEPARTMENT OF EDUCATION
Summary: Conference Report
Article VI, House Bill 5294 (H-1) CR-1

Analyst: Samuel Christensen

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Conference	*Difference: Conference From FY 2015-16 YTD* *Amount*	*%*
IDG/IDT	$0	$0	$0	$0	$0	*$0*	*--*
Federal	215,640,900	225,355,900	225,356,000	225,355,800	239,821,900	*24,181,000*	*11.2*
Local	5,633,700	5,557,200	5,557,200	5,557,200	5,557,200	*(76,500)*	*(1.4)*
Private	2,033,300	2,034,200	2,034,200	2,034,200	2,034,200	*900*	*0.0*
Restricted	7,669,600	7,780,700	7,780,700	8,380,700	8,380,700	*711,100*	*9.3*
GF/GP	77,583,700	76,381,200	76,321,800	80,381,300	76,181,200	*(1,402,500)*	*(1.8)*
Gross	**$308,561,200**	**$317,109,200**	**$317,049,900**	**$321,709,200**	**$331,975,200**	***$23,414,000***	***7.6***
FTEs	594.5	602.5	602.5	603.5	603.5	*9.0*	*1.5*

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (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 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
1. Multi-Tiered Systems of Supports (MTSS) Implementation Monitoring and Assistance	FTE	45.0	3.0
	Gross	**$9,174,400**	**$500,000**
Executive provides $500,000 GF/GP and 3.0 FTEs to the Office of Field Services to establish a team of consultants to monitor and support implementation of a FY 2015-16 School Aid budget requirement that districts implement MTSS in grades K-3 in order to receive at-risk funding.	Federal	8,874,900	0
	Restricted	77,000	0
	GF/GP	$222,500	$500,000
House, Senate, and Conference concur with the Executive.			
2. Early/Middle Colleges (EMC) Expansion Supports	FTE	27.0	2.0
	Gross	**$4,748,800**	**$395,000**
Executive provides $395,000 GF/GP and 2.0 FTEs to the Office Career and Technical Education to support technical assistance and monitoring of EMCs, which have increased from 9 in FY 2011-12 to approximately 119 projected for FY 2016-17.	Federal	3,818,600	0
	GF/GP	$930,200	$395,000
House, Senate, and Conference concur with the Executive.			
3. Special Education Task Force Recommendations	**Gross**	**$8,920,000**	**$100,000**
Executive provides $300,000 GF/GP to the Office of Special Education to implement findings from the Special Education Reform Task Force to design and distribute parent-friendly information for Individualized Education Plans (IEPs) and support mediator training.	Federal	8,440,900	0
	Private	110,100	0
	Restricted	44,000	0
	GF/GP	$325,000	$100,000
House and Senate concur with the Executive.			
Conference reduces executive recommendation of $300,000 by $200,000 for a total of $100,000 for special education task force recommendations.			

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
4. School Safety Consultant	FTE	82.6	1.0
Executive provides $180,000 GF/GP and 1.0 FTE to the Office of School Support Services to support school emergency planning for MDE and coordinate with the State Police and the Attorney General in providing consistent statewide leadership and guidance on school safety issues.	**Gross**	**$15,087,200**	**$180,000**
House, Senate, and Conference concur with the Executive.	Federal	14,240,500	0
	Local	11,700	0
	Restricted	157,300	0
	GF/GP	$677,700	$180,000
5. Home Visit Program Management and Coordination	FTE	64.0	1.0
Executive provides $175,000 GF/GP and 1.0 FTE to the Office of Great Start to manage the home visit program that was part of the FY 2015-16 School Aid budget early literacy initiative.	**Gross**	**$22,808,600**	**$175,000**
House, Senate, and Conference concur with the Executive.	Federal	15,681,700	0
	Private	250,000	0
	Restricted	64,100	0
	GF/GP	$6,812,800	$175,000
6. E-Rate Technical Assistance for Districts	FTE	59.7	1.0
Executive provides $162,500 GF/GP and 1.0 FTE to the Office of Educational Improvement and Innovation Services to support an E-Rate consultant to coordinate district applications and projects, which may allow for increased chances in receiving grants since the Federal Communications Commission (FCC) is considering greater intra-state coordination as a requirement to receive funds. Technology Readiness Infrastructure Grants (TRIG) have funded E-Rate coordination of district applications and projects through the School Aid budget; however, in the School Aid budget TRIG is scheduled to be removed in the FY 2016-17 budget, so this appropriation would continue these operations.	**Gross**	**$9,362,500**	**$162,500**
House, Senate, and Conference concur with the Executive.	Federal	6,500,600	0
	Restricted	556,900	0
	GF/GP	$2,305,000	$162,500
7. Chief Information Officer	FTE	11.0	1.0
Executive did not include.	**Gross**	**$2,092,100**	**$200,000**
House did not include.	Federal	152,700	0
Senate includes a $100 GF/GP and 1 FTE placeholder to State Board of Education/Office of the Superintendent for a Chief Information Officer.	Private	28,100	0
	Restricted	739,100	0
Conference includes $200,000 GF/GP and 1 FTE for a Chief Information Officer.	GF/GP	$1,172,200	$200,000
8. Low Incidence Outreach Program	**Gross**	**NA**	**$300,000**
Executive does not include.	Restricted	NA	300,000
House does not include.			
Senate provides $300,000 to the Michigan schools for the deaf and blind to support the low incidence outreach program for document reproduction and services; conferences, workshops, and training classes, and the use of specialized equipment, facilities and software.			
Conference concurs with Senate.			
9. Library Fees	**Gross**	**NA**	**$300,000**
Executive does not include.	Restricted	NA	300,000
House does not include.			
Senate provides $300,000 to the Library of Michigan for document reproduction and services; conferences, workshops, and training classes; and the use of specialized equipment, facilities, and software.			
Conference concurs with Senate.			
10. One-Time: Flint Declaration of Emergency Child Development and Care (CDC)	**Gross**	**$0**	**$8,050,100**
Executive includes one-time, half-year funding of $8.1 million federal Child Care Development Fund (CCDF) to provide subsidized childcare to all 0-3 children in Flint for half-day services, regardless of household income, with additional funding available for transfer from a $50.0 million Flint Emergency Reserve Fund proposed in the FY 2015-16 supplemental for DTMB.	Federal	0	8,050,000
House concurs with the Executive but revises to provide subsidized childcare for household income up to 300% rather than removing the household income cap altogether.	Restricted	0	100
Senate concurred with the Executive.			
Conference concurs with House.			

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
11. One-Time: Voluntary Water Testing	**Gross**	**NA**	**$4,500,000**
Executive did not include.	GF/GP	NA	$4,500,000
House did not include.			
Senate includes $4.0 million GF/GP to reimburse local schools for the cost to test water for lead, with a cap of $1,000 per school building.			
Conference includes $4.5 million GF/GP to reimburse local schools (public and private school instructional buildings) for the cost to test water for lead, with a cap of $950 per school building.			
12. One-Time: Certification Fees Subsidy	**Gross**	**NA**	**$500,000**
Executive includes $500,000 GF/GP to support declining teacher certification fee revenue in a number of line items, for which a fee increase is requested for FY 2017-18.	GF/GP	NA	$500,000
House, Senate, and Conference concur with the Executive.			
13. Financial Independence Team (FIT) Operations	**Gross**	**$499,500**	**($250,000)**
Executive reduces FIT by $250,000 GF/GP ($252,800 remaining). The FIT, added in FY 2014-15, is tasked with implementing early warning systems for distressed schools in need of financial attention.	GF/GP	$499,500	($250,000)
House, Senate, and Conference concur with the Executive.			
14. Educator Evaluations	**Gross**	**$2,500,000**	**($1,000,000)**
Executive reduces Educator Evaluations by $1.0 million ($1.5 million remaining). Funding in FY 2015-16 was used for staffing, compliance monitoring, and information technology systems modifications.	GF/GP	$2,500,000	($1,000,000)
House, Senate, and Conference concur with the Executive.			
15. Early Out 5-Year Payouts	**Gross**	**$201,400**	**($201,400)**
Executive recognizes the end of employee accumulated leave-time payouts	Federal	179,500	(179,500)
from the 2010 early retirement incentive, which were spread out over 5 years.	GF/GP	$21,900	($21,900)
House, Senate, and Conference concur with the Executive.			
16. Educator Talent and Policy Coordination	FTE	NA	0.0
Executive reflects a new section within the MDE consisting of an	**Gross**	**NA**	**$0**
appropriation of $2.6 million gross ($627,400 federal, $239,600 state	Federal	NA	0
restricted, and $1.7 million GF/GP) and 17.0 FTEs. The FTEs and funding	Restricted	NA	0
do not indicate increases to the MDE, but instead are transfers from other units and line items.	GF/GP	NA	$0
House, Senate, and Conference concur with the Executive.			
17. Child Development and Care – Increase Entrance Threshold	**Gross**	**$124,200,000**	**$7,666,100**
Executive maintains current law.	Federal	93,719,300	7,666,100
House provides a $100 federal CCDF place holder within the Child development and care public assistance line item, with the intent to increase to the entrance threshold from 121% of the federal poverty guidelines to 125% of the federal poverty guidelines.	GF/GP	$30,480,700	$0
Senate maintains current law.			
Conference provides $7.7 million federal CCDF in the child development and care public assistance line item to increase the entrance threshold from 121% of the federal poverty guidelines to 125% of the federal poverty guidelines.			
18. Child Development and Care – FY 2016-17 Caseload Consensus	**Gross**	**$124,200,000**	**$2,100,000**
Conference increases gross appropriation by $2.1 million ($6.8 million federal	Federal	93,719,300	6,800,000
CCDF increase and $4.7 million GF/GP decrease) to align with consensus caseload estimates and consensus cost per case estimates.	GF/GP	$30,480,700	($4,700,000)
19. State Board of Education Per Diem Payments	**Gross**	**$24,400**	**$0**
Executive maintains current law.	GF/GP	$24,400	$0
House reduces State Board of Education per diem payments by $24,400 GF/GP, which reduces the line item to $0.			
Senate maintains current law.			
Conference maintains current law.			

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
20. State Board of Education Travel Expenditures	FTE	11.0	0.0
Executive maintains current law.	**Gross**	**$2,092,100**	**$0**
House removes $35,000 GF/GP from the State board/superintendent operations line item by deleting Sec. 302 for State Board of Education travel expenditures.	Federal	152,700	0
	Private	28,100	0
	Restricted	739,100	0
Senate maintains current law.	GF/GP	$1,172,200	$0
Conference maintains current law.			
21. Economic Adjustments	**Gross**	**NA**	**$2,407,400**
Executive provides for increased costs of $2.4 million Gross ($451,100 GF/GP) for negotiated salary and wage increases (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required retirement contributions, and other economic adjustments.	Federal	NA	1,829,000
	Private	NA	900
	Restricted	NA	126,400
	GF/GP	NA	$451,100
House, Senate, and Conference concur with the Executive.			

Major Boilerplate Changes From FY 2015-16

***Sec. 203. Definitions* – REVISED**
Deletes the definitions for "IMLS" meaning Institute of Museum and Library Services and "Fund-raising activity" meaning an ongoing fund-raising activity that is scheduled to take place at more than 1 time during a school day or throughout the school day, both of which were terms removed from boilerplate.
Executive revises this section by deleting subsection definitions for "IMLS" and "Fund-raising activity."
House concurs with the Executive.
Senate concurs with the Executive but adds an additional definition for "ACT", which means the American College Testing Corporation.
Conference concurs with the Senate.

***Sec. 208. Personnel Records* – REVISED**
Directs that MDE require districts to retain teacher personnel records regarding sexual misconduct.
Executive deletes this section.
House maintains current law.
Senate maintains current law but changes the section number to 221.
Conference concurs with the Senate.

***Sec. 216. Communication with the Legislature* – REVISED**
Prohibits MDE from taking disciplinary action against an employee for communicating truthfully and factually with a legislator or his/her staff.
Executive deletes this section.
House maintains current law.
Senate maintains current law but changes the section number to 222.
Conference concurs with the Senate.

***Sec. 218. Records Retention* – REVISED**
Requires MDE to retain all reports funded from appropriations according to federal and state guidelines for short-term and long-term retention of records.
Executive deletes this section.
House concurs with the Executive.
Senate maintains current law but changes the section number to 223.
Conference concurs with the Senate.

***Sec. 219. Contingency Funds* – REVISED**
Increases federal contingency funds from $5.0 million to $10.0 million.
Executive revises this section.
House, Senate, and Conference concur with the Executive.

***Sec. 220. Timely Data* – REVISED**
Requires MDE to provide data requested by legislature, staff, and fiscal agencies in a timely manner; subjects the State Board/Superintendent Operations line item to a penalty of 1% of state funds if reasonably requested data is not received within 30 days of if reports required by boilerplate or statute are not submitted within 30 days after it is due.
Executive deletes this section.
House maintains current law.
Senate concurs with the Executive.
Conference concurs with the House but revises the section number to 227.

Major Boilerplate Changes From FY 2015-16

***Sec. 226. Inter-Departmental Coordination of Services* – NEW**
Requires that the Department work with other departments to streamline services and resources to reduce duplication and increase efficiency.
Executive does not include this section.
House does not include this section.
Senate adds this section.
Conference concurs with the Senate.

***Sec. 233. Requests for Proposals* – REVISED**
Prohibits 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.
Executive deletes this section.
House maintains current law.
Senate concurs with the Executive.
Conference concurs with house but changes the section number to 228.

***Sec. 234. Performance Measures* – REVISED**
Requires MDE to report a list of specific benchmarks intended to measure the performance or return on taxpayer investment of each new program or program expansion for which funds appropriated in part 1 are greater than $500,000. Requires the department to provide an update on program progress and expenditures as it relates to those benchmarks by November 1, 2015.
Executive deletes this section.
House maintains current law and updates date.
Senate revises section number to 224 and updates the date.
Conference concurs with the Senate.

***Sec. 235. Contract Notification* – REVISED**
Currently requires MDE to notify the House and Senate before entering into a contract that exceeds $1.0 million or seeking a federal waiver from, or amending the federal waiver from, the No Child Left Behind Act of 2001. The revision would remove notification for MDE to notify the House and Senate before entering into a contract that exceeds $1.0 million. Adds the State Budget Director to the list of organizations that the MDE shall notify when it intends to seek a federal waiver from the No Child Left Behind Act of 2001 or an amendment to a federal waiver.
Executive revises to remove notifications to the House and Senate before entering into a contract that exceeds $1.0 million and adds the State Budget Director to No Child Left Behind Act of 2001 waivers.
House adds the State Budget Director to all notification requirements under this section. The House does not remove notifications to the House and Senate for MDE entering into a contract that exceeds $1.0 million and revises to remove the reference to "No Child Left Behind Act of 2001" and leaves the reference as "federal waiver or an amendment to a federal waiver."
Senate revise the section number to section 225.
Conference concurs with House but changes the section number to 229.

***Sec. 236. Nonpublic School Mandates* – REVISED**
Requires MDE to compile a report that identifies mandates required by nonpublic schools by April 1, 2016.
Executive deletes this section.
House maintains current law and updates years.
Senate concurs with the Executive.
Conference revises the report to reflect only new nonpublic school mandates from the previous year, or lack thereof, as well as changing the section number to 230.

***Sec. 237. Fund-raising* – DELETED**
Provides that MDE shall establish an upper limit on the number and frequency of fund-raising activities that may take place in a public school during hours that allow the sale of food and beverage items that do not meet nutritional standards, and the upper limit is not less than 2 fund-raising activities a week.
Executive deletes this section.
House, Senate, and Conference concur with the Executive.

***Sec. 302. Travel Expenditures* – RETAINED**
Prohibits spending over $35,000 for in-state and out-of-state travel for Board of Education members.
Executive maintains current law.
House deletes this section, which also reduces $35,000 GF/GP in the State Board/Superintendent operations line item.
Senate maintains current law.
Conference maintains current law.

Major Boilerplate Changes From FY 2015-16

***Sec. 350. Special Education Reform Task Force Guidelines* – NEW**
Provides increased funds for the Office of Special Education to address the Special Education Reform Task Force Guidelines to design and distribute parent-friendly information for Individualized Education Plans (IEPs), as well as train mediators knowledgeable about the dispute resolution system and state and federal mandates pertaining to the rights and protections of students with disabilities.
Executive adds this section as section 901.
House revises this section to section 350, as well as requiring parent-friendly information distributed to new and existing parents with a student with a disability.
Senate concurs with the Executive.
Conference concurs with the House.

***Sec. 408. Carry Forward of Programmatic Service Funds* – REVISED**
Allows the Michigan schools for the deaf and blind to carry forward funds available for expenditure into the next succeeding year for the low incidence program; conferences, workshops, and training classes; and the use of specialized equipment, facilities, and software for required services.
Executive maintains current law.
House concurs with the Executive.
Senate revises this section to remove the boilerplate appropriation and create a $300,000 (restricted fund revenue) line item under section 106, Michigan schools for the deaf and blind.
Conference concurs with the Senate.

***Sec. 502. Student Teaching Credits* – RETAINED**
Authorizes teacher preparation institutions to provide alternative programs in which one-half of all student teaching credits can be earned through substitute teaching.
Executive deletes this section.
House, Senate, and Conference maintain current law.

***Sec. 503. Professional Development Coordination* – NEW**
Requires the department to coordinate professional development with the Michigan Virtual Learning Research Institute (MVU) and external stakeholder.
Executive, House and Senate do not include this section.
Conference adds this section as number 503.

***Sec. 507. Teacher Certification Test* – NEW**
Requires the department to adopt a teacher certification test for all new elementary teachers to ensure they have the skills to deliver evidence-based literacy instruction.
Executive does not include this section.
House does not include this section.
Senate adds this section.
Conference concurs with the Senate.

***Sec. 601. Financial Independence Team (FIT)* – DELETED**
Details the purpose of the Financial Independence Team which will work with Treasury to develop a financial early warning system and provide assistance to distressed districts and intermediate districts.
Executive deletes this section.
House, Senate, and Conference concur with the Executive.

***Sec. 701. MTSS K-3 At-Risk Funding Report* – NEW**
Requires the MDE to produce a report detailing the progress made by districts with grades K-3 receiving at-risk funding under section 31a of the State Aid Act in implementing multi-tiered systems of supports in the prior school fiscal year.
Executive adds this section.
House, Senate, and Conference concur with the Executive.

***Sec. 801. Funds for Required Services* – REVISED**
Allows funds collected by MDE through the Library of Michigan fir document reproduction, workshops, and equipment are available for expenditure and may be carried into the next fiscal year..
Executive maintains current law.
House concurs with the Executive.
Senate revises this section to remove the boilerplate appropriation and create a $300,000 (restricted fund revenue) line item under section 117, Library of Michigan.
Conference concurs with the Senate.

***Sec. 803. Keep Library Functions Together* – RETAINED**
Provides intent that the State maintain the Library of Michigan and its component programs, except for the genealogy collections, together in a state department.
Executive deletes this section.
House, Senate, and Conference maintain current law.

Major Boilerplate Changes From FY 2015-16

***Sec. 806. State Aid to Libraries – Early Literacy Focus* – DELETED**
Provides intent to the department to utilize the increased funding for state aid to libraries in support to local library operations and programming for early literacy and third grade reading proficiency.
Executive deletes this section.
House, Senate, and Conference concur with the Executive.

***Sec. 901. Federal and Private Grants* – REVISED**
Requires department to notify Legislature within 10 days of receiving a federal or private grant appropriated in part 1 under federal and private grants line.
Executive deletes this section.
House maintains current law but shifts to section number 325 with a new heading to align with where the appropriation is now located, Central Support.
Senate concurs with the Executive.
Conference concurs with the House.

***Sec. 1001. Number of Childcare Providers* – REVISED**
Requires a report by November 1, 2015 on the number of childcare providers (by type) receiving payment for childcare services on October 1, 2015.
Executive deletes this section.
House maintains current law and updates years.
Senate concurs with the Executive.
Conference concurs with the House.

***Sec. 1003. Early Childhood Investment Corporation Annual Report* – REVISED**
Requires the department to submit an annual report on all funding appropriated to the Early Childhood Investment Corporation (ECIC) for FY 2014-15 by February 15. Report must detail the amounts of grants awarded, grant recipients, the activities funded by each grant, and an analysis of the work of each grantee. Also requires contracts for early childhood comprehensive systems planning to be bid through a statewide RFP process.
Executive deletes this section.
House maintains current law and updates fiscal years.
Senate maintains current law but changes from using a specified fiscal year for reporting requirements to using the phrase "during the previous fiscal year" for reporting requirements.
Conference concurs with the Senate.

***Sec. 1004. Child Development and Care (CDC) Program Expansion* – REVISED**
Requires the department to expend the increased funding for the Child Development and Care (CDC) program on increasing the number of low-income children in high quality learning programs, increasing the number of children ready for school at kindergarten entry, and increasing the number of children who are reading at grade level by the end of third grade.
Executive deletes this section.
House maintains current law and revises this section by removing the word "increased" from the first sentence.
Senate concurs with the Executive.
Conference concurs with House.

***Sec. 1008. Child Development and Care (CDC) Increase to Entrance Threshold* – NEW**
Requires the department to increase the entrance threshold of the child development and care program from 121% of the federal poverty guidelines to 125% of the federal poverty guidelines.
Executive does not include this section.
House adds this section.
Senate does not include this section.
Conference concurs with the House and provides $7.7 million federal CCDF to increase the entrance threshold to 125% of the federal poverty guidelines, as well as changing the section number to 1009.

***Sec. 1008. Home Visit Program Coordination* – NEW**
Requires the department of Education to coordinate with the department of Health and Human Services to provide services to families for home visits.
Executive does not include this section.
House does not include this section.
Senate adds this section.
Conference concurs with the Senate.

***Sec. 1009. Flint Declaration of Emergency Work Project Boilerplate* – NEW**
Requires that drinking water declaration of emergency appropriations of $8.0 million be put into a work project with a tentative completion date of September 30, 2018 if not expended fully by September 30, 2017.
Executive does not include this section.
House adds this section.
Senate does not include this section.
Conference concurs with the House and revises the section number to 1010.

Major Boilerplate Changes From FY 2015-16

***Sec. 1021. Home Visit Program Coordination* – NEW**
Requires the department of Education renegotiate the ACT WorkKeys test so that the costs for registering and providing students with the National Career Readiness Certificate is included in the contract cost and not charge the student.
Executive does not include this section.
House does not include this section.
Senate adds this section.
Conference concurs with the Senate.

***Sec. 1101. Flint Declaration of Emergency* – NEW**
Requires that from the funds for the Flint declaration of emergency, the MDE must do the following activities: the pilot expansion of child development and care eligibility to children ages birth to three for half-day childcare services by removing household income as a determinate of eligibility; and provide information to childcare providers on identification and intervention services for children demonstrating potential developmental delays associated with exposure to lead.
Executive adds this section.
House revises the section to increase the household income threshold for the Flint declaration of emergency to 300% of the federal poverty guidelines rather than removing income as a determinate of eligibility. The House also requires reporting requirements related to children ages birth to three within Flint for the following data: of children eligible and participating in CDC services, caseloads, identification for developmental delays or other medical conditions, children receiving medical screenings or referrals, number of parents in the household, provider training on developmental delays and lead exposure, .and number and types of parent or caretakers on the impact of developmental delays and available services.
Senate concurs with the Executive.
Conference concurs with the House.

***Sec. 1102. Lead Water Testing* – NEW**
Provides $4.0 million for the reimbursement of up to $1,000 per school building for the costs of conducting lead water testing, as well as requiring the department of Education to establish a statewide protocol and reporting requirements.
Executive does not include this section.
House does not include this section.
Senate adds this section.
Conference revises the initial Boilerplate section to provide $4.5 million GF/GP for the reimbursement of up to $950 per school building for the costs for water testing, fixture replacement, filter purchases, plumbing assessments, and/or technical assistance incurred from July, 2016, to September 30, 2017.

***Sec. 1201. FY 2016-17 Appropriations* – REVISED**
Expresses intent that FY 2016-17 appropriations are anticipated to be the same as FY 2015-16 appropriations, except for adjustments for changes in caseloads, federal match rates, economic factors, and available revenue.
Executive deletes this section.
House concurs with the Executive.
Senate revises the years and fiscal years.
Conference Concurs with the Senate.

FY 2016-17: DEPARTMENT OF ENVIRONMENTAL QUALITY
Summary: Conference Report
Article VII, House Bill 5294 (H-1) CR-1

Analyst: Austin Scott

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Conference	*Difference: Conference From FY 2015-16 YTD* Amount	%
IDG/IDT	$9,115,300	$9,225,700	$9,225,700	$9,225,700	$9,225,700	*$110,400*	*1.2*
Federal	138,079,100	138,687,200	138,687,200	138,687,200	138,687,200	*608,100*	*0.4*
Local	0	0	0	0	0	*0*	*--*
Private	546,000	555,300	555,300	555,300	555,300	*9,300*	*1.7*
Restricted	305,341,200	317,344,800	315,844,800	317,344,800	317,344,800	*12,003,600*	*3.9*
GF/GP	46,914,200	47,686,400	56,186,400	47,686,400	47,736,400	*822,200*	*1.8*
Gross	**$499,995,800**	**$513,499,400**	**$520,499,400**	**$513,499,400**	**$513,549,400**	***$13,553,600***	***2.7***
FTEs	1,226.0	1,238.0	1,238.0	1,238.0	1,238.0	*12.0*	*1.0*

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

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 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
1. Flint Declaration of Emergency (one-time)	FTE	NA	10.0
Executive provides 10.0 FTEs and $5.4 million GF/GP for corrosion control, water quality testing in high risk locations, and water connection service payments for October 2016 through December 2016. Additional funding would be available for transfer from a $50.0 million Flint Emergency Reserve Fund proposed as an FY 2015-16 supplemental appropriation in the DTMB budget. House, Senate, and Conference concur with Executive.	**Gross**	**NA**	**$5,400,100**
	Restricted	NA	100
	GF/GP	NA	$5,400,000
2. Flint Declaration of Emergency – Removal of FY 2015-16 Supplemental Funding	**Gross**	**$13,086,500**	**($13,086,500)**
Executive removes $13.1 million Gross ($12.1 million GF/GP) from FY 2015-16 Flint supplemental funding (2015 PA 143 and 2016 PA 3). Flint emergency response efforts are continued in FY 2016-17 by the above appropriation. House, Senate, and Conference concur with Executive.	Restricted	1,000,000	(1,000,000)
	GF/GP	$12,086,500	($12,086,500)
3. Water Pollution Control and Drinking Water Revolving Fund (one-time)	**Gross**	**$84,993,000**	**$2,950,000**
Executive provides $3.0 million in one-time GF/GP to meet the state match for a federal grant for drinking water revolving fund loans. These low-interest loans are provided to water suppliers to finance the construction, upgrades, or expansions of safe public drinking water systems. House, Senate, and Conference concur with Executive.	Federal	71,543,000	0
	Restricted	11,400,000	0
	GF/GP	$2,050,000	$2,950,000
4. Contaminated Lake and River Sediment Cleanup Program (one-time)	**Gross**	**$1,565,000**	**$700,000**
Executive provides $700,000 in one-time Clean Michigan Initiative (CMI) contaminated sediments funding for investigation and remediation projects within the Detroit and Rouge Rivers, which are among DEQ's Areas of Concern sites. House, Senate, and Conference concur with Executive.	Restricted	1,565,000	700,000
	GF/GP	$0	$0

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
5. Environmental Cleanup and Redevelopment Program	**Gross**	**$15,000,000**	**$14,900,000**
Executive appropriates remaining $14.9 million CMI response activities funding to begin cleanup efforts at 13 high priority sites in the following counties: Antrim (2), Cass, Charlevoix, Emmet, Gratiot, Houghton, Ingham, Lake, Lapeer, Livingston, Saint Joseph, and Washtenaw. House, Senate, and Conference concur with Executive.	Restricted	15,000,000	14,900,000
	GF/GP	$0	$0
6. Oil, Gas, and Mineral Services (one-time)	FTE	59.0	0.0
Executive provides $4.0 million in one-time GF/GP for oil, gas, and mineral services to help offset a reduction in available oil and gas regulatory funding due to decreased gas prices. House provides $3.5 million in one-time GF/GP. Senate and Conference concur with Executive.	**Gross**	**$12,012,800**	**$4,000,000**
	Restricted	12,012,800	0
	GF/GP	$0	$4,000,000
7. Refined Petroleum Product Cleanup Program	**Gross**	**$20,000,000**	**$1,500,000**
Executive shifts $1.5 million in refined petroleum funding (RPF) from the Department of Agriculture and Rural Development (MDARD) to DEQ to better align RPF with the fund's remediation and redevelopment purpose. This shift is the first of a three year plan; funding in MDARD is replaced with GF/GP. House does not include shift. Senate and Conference concur with Executive.	Restricted	20,000,000	1,500,000
	GF/GP	$0	$0
8. Water Withdrawal Assessment Program	FTE	4.0	0.0
Executive provides $800,000 CMI clean water funding to implement program recommendations made by the Water Use Advisory Council. Recommendations include improvements to the Water Withdrawal Assessment Tool on the DEQ website. House, Senate, and Conference concur with Executive.	**Gross**	**$611,900**	**$800,000**
	Restricted	240,500	800,000
	GF/GP	$371,400	$0
9. Five-Year Early Out Sick Leave Payments	**Gross**	**NA**	**($243,300)**
Executive recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentive, which were spread out over 5 years; removes $243,300 Gross ($43,800 GF/GP). House, Senate, and Conference concur with Executive.	IDG	NA	(8,200)
	Federal	NA	(53,300)
	Restricted	NA	(138,000)
	GF/GP	NA	($43,800)
10. Revenue Adjustments	FTE	NA	4.0
Executive reduces federal and restricted authorization by a combined $7.0 million and adds 4.0 FTEs to the underground storage tank cleanup program to reflect available funding. Includes a $150,000 reduction in federal funding for the Office of the Great Lakes (replaced by restricted funding), a $1.5 million reduction in CMI authorization for Brownfield grants, and a $5.4 million reduction in oil and gas regulatory fund authorization for oil, gas, and mineral services. House, Senate, and Conference concur with Executive.	**Gross**	**NA**	**($7,012,400)**
	Federal	NA	(150,000)
	Restricted	NA	(6,862,400)
	GF/GP	NA	$0
11. Economic Adjustments	**Gross**	**NA**	**$3,595,700**
Executive reflects increased costs of $3.6 million Gross ($552,500 GF/GP) for negotiated salary and wage increases (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required retirement contributions, and other economic adjustments. House, Senate, and Conference concur with Executive.	IDG	NA	118,600
	Federal	NA	811,400
	Private	NA	9,300
	Restricted	NA	2,103,900
	GF/GP	NA	$552,500
12. Statewide School Water Testing for Lead	**Gross**	**NA**	**$0**
House provides $9.0 million GF/GP for reimbursements to public and private pre-kindergarten through twelfth grade schools for costs associated with testing for lead in water. Senate and Conference do not include this appropriation.	GF/GP	NA	$0
13. Saginaw River Dredging Project – Phase I	**Gross**	**NA**	**$50,000**
Conference provides $50,000 million GF/GP for phase I of a dredging project in the Saginaw River.	GF/GP	NA	$50,000

Major Boilerplate Changes From FY 2015-16

***Sec. 207. Retention of Reports* – DELETED**

Requires DEQ to retain copies of all reports funded from appropriations. Senate retains, Executive, House, and Conference delete.

Major Boilerplate Changes From FY 2015-16

***Sec. 215. Performance Benchmarks* – DELETED**
Requires report of benchmarks to measure performance or return for each new program or program increase over $500,000; includes intent language that any new program include a list of benchmarks in future. Executive and House delete, Senate retains; Conference deletes (see Sec. 240 in General Government).

***Sec. 220. Disciplinary Action Against State Employees* – RETAINED**
Prohibits DEQ from disciplining state employees for communicating with members of the Legislature and their staffs. Executive deletes, House, Senate, and Conference retain.

***Sec. 221. Rule Promulgation* – RETAINED**
Requires a report on any policy changes made to implement a public act; DEQ is not allowed to adopt a rule that will apply to a small business if it has a disproportionate economic impact. Executive deletes, House, Senate, and Conference retain.

***Sec. 223. FTE Report by Line Item* – DELETED**
Requires DEQ to report on the number of funded FTEs and number of FTEs funded by line item. Senate retains, Executive, House, and Conference delete.

***Sec. 235. Clean Michigan Initiative Report* – NEW**
Requires DEQ to prepare an annual report on projects funded by Clean Michigan Initiative (CMI) funds and remaining CMI fund balances. House adds new section, Conference concurs.

***Sec. 305. Refined Petroleum Fund* – RETAINED**
States legislative intent to restore $70.0 million Refined Petroleum Fund transferred to General Fund in FY 2006-07. Executive deletes, House, Senate, and Conference retain.

***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. Executive deletes, House, Senate, and Conference revise with updated site list.

***Sec. 309. Brownfield Grants Program Work Project Language* – DELETED**
Provides that Brownfield Grants Program funds are work project appropriations and allows carry-forward of remaining funds; requires projects to be accomplished by contract; tentative completion date is September 30, 2020. Executive deletes, House, Senate, and Conference concur.

***Sec. 311. Enbridge Settlement Report* – DELETED**
Requires DEQ to submit a report detailing the remediation & redevelopment actions funded by the May 2015 Enbridge settlement. Senate retains, Executive, House, and Conference delete.

***Sec. 312. Perfluorinated Compounds Study and Workgroup* – NEW**
Requires DEQ to 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 NREPA. Senate adds new section, Conference concurs.

***Sec. 402. Water Quality and Use Initiative* – RETAINED**
Requires 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. Executive and Senate delete, House and Conference retain.

***Sec. 406. Groundwater Discharge Permit Fee Revision* – DELETED**
Requires DEQ to work with stakeholders to revise the ground water discharge permit fee prior to September 30, 2016. Executive deletes, House, Senate, and Conference concur.

***Sec. 407. Contaminated Lake and River Sediment Cleanup Program* – NEW**
Allows unexpended funds appropriated for the contaminated lake and river sediment cleanup program to be considered work project appropriations and carry forward into the succeeding fiscal year. The program will perform contaminated lake and river sediment cleanups estimated to cost $2.3 million with a tentative completion date of September 30, 2021. Executive adds new section, House, Senate, and Conference concur.

***Sec. 410. Lake Erie Report* – NEW**
Requires DEQ to compile a report on the status of the implementation plan for the western Lake Erie basin collaborative agreement. Senate adds new section, Conference concurs.

***Sec. 501. Air Quality Program* – DELETED**
Directs DEQ to use the increase in air quality funding to administer Michigan's air quality program and maintain compliance with the federal Clean Air Act, also includes 1.0 FTE authorization dedicated to oversight of air quality programs in the Upper Peninsula. Executive deletes, House, Senate, and Conference concur.

Major Boilerplate Changes From FY 2015-16

***Sec. 502. Air Quality Penalties* – DELETED**
Prohibits DEQ from issuing additional penalties for violations committed by a facility's previous owner, unless compelled by a legal agreement. House retains, Executive, Senate, and Conference delete.

***Sec. 603. Stormwater, Asset Management, and Wastewater (SAW) Grants Report* – RETAINED**
Requires report to be posted on DEQ website which contains a summary document of each completed asset management plan for each awarded SAW grant; requires that local governments retain copies of their plan for 15 years. Executive and Senate delete, House and Conference retain.

***Sec. 801. Flint Declaration of Emergency* – NEW**
Allows the funds appropriated for the Flint declaration of emergency to be expended to keep Flint on the Detroit water system, to cover staff, lab and testing costs, and to cover contract costs. Executive adds new section, House, Senate, and Conference concur.

***Sec. 803. Flint Supplemental Funding Report* – NEW**
Requires a report on the use of the supplemental funds appropriated in FY 2015-16 for the Flint declaration of emergency. House adds new section, Conference concurs.

***Sec. 2001. FY 2016-17 Anticipated Appropriations* – DELETED**
States intent that FY 2016-17 line item appropriations will be the same as those for FY 2015-16 with certain economic adjustments. Executive deletes, House, Senate, and Conference concur.

FY 2016-17: TOTAL GENERAL GOVERNMENT
Summary: Conference Report
Article VIII, House Bill 5294 (H-1) CR-1

Analysts: Ben Gielczyk
Perry Zielak

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Conference	*Difference: Conference From FY 2015-16 YTD* *Amount*	*%*
IDG/IDT	$742,192,600	$760,146,600	$760,158,300	$760,158,300	$760,158,300	*$17,965,700*	*2.4*
Federal	825,221,900	832,556,900	832,523,500	832,523,500	826,723,500	*1,501,600*	*0.2*
Local	17,050,900	17,085,700	17,021,000	12,021,000	12,021,000	*(5,029,900)*	*(29.5)*
Private	6,253,300	6,064,500	6,064,500	6,064,500	6,064,500	*(188,800)*	*(3.0)*
Restricted	2,092,887,000	2,150,408,700	2,153,660,400	2,136,895,100	2,126,990,600	*34,103,600*	*1.6*
GF/GP	1,181,022,600	1,147,340,600	1,094,451,200	1,146,743,400	1,137,312,700	*(43,709,900)*	*(3.7)*
Gross	**$4,864,628,300**	**$4,913,603,000**	**$4,863,878,900**	**$4,894,405,800**	**$4,869,270,600**	***$4,642,300***	***0.1***
FTEs	8,717.2	8,752.7	8,736.7	8,747.7	8,759.7	*42.5*	*0.5*

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

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

Summary pages for individual department/agency budgets contained within the current FY 2015-16 General Government appropriations bill follow this page.

Major Boilerplate Changes From FY 2015-16

***Sec. 207. New Program Metrics* – DELETED**

Requires benchmarks to be developed by November 1 by the department or agency receiving funding for a new program for which funds in excess of $500,000 are appropriated. Metrics developed are in addition to those metrics required under section 447 of the Management and Budget Act. Executive deletes. House retains. Senate revises to require SBO to rank new or enhanced programs based on estimated return on taxpayer investment. Requires SBO to use performance as a basis for any increase in funds for programs. Conference deletes section.

***Sec. 211. Budget Stabilization Fund Pay-in* – REVISED**

Appropriates $95.0 million of GF/GP revenue into the Countercyclical Budget and Economic Stabilization Fund (BSF). Executive revises to eliminate a Budget Stabilization Fund pay-in. Stipulates that 25% of unassigned GF/GP fund balance for FY 2015-16 shall be deposited in the Budget Stabilization Fund. House concurs with Executive changes. Senate does not include language stipulating a deposit into the BSF. Conference revises to eliminate Budget Stabilization Fund pay-in. Stipulates that 25% of unassigned GF/GP fund balance for FY 2016-17 shall be deposited in the Budget Stabilization Fund.

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

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

***Sec. 215. Disciplinary Action Against State Employees* – RETAINED**

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

***Sec. 217. General Fund Restrictions* – NEW**

Prohibits using General Fund appropriations where federal funds and private grants funds are available for the same purpose. House and Conference include as new section.

Major Boilerplate Changes From FY 2015-16

***Sec. 221. Reporting Requirement on Policy Changes* – RETAINED**
Requires departments to report on policy changes made in order to implement enacted legislation. Executive deletes. House, Senate, and Conference retain.

***Sec. 229. Initiatives and Recommendations Related to Savings Identified in Audit Reports* – RETAINED**
Requires departments to report on their efforts and progress made toward achieving savings and efficiencies identified by the auditor general in audit reports. Executive deletes. House, Senate, and Conference retain.

***Sec. 240. New Program Metrics* – NEW**
Conference adds language requiring that the State Budget Office provide a list of new programs and program enhancements that exceed $500,000. Also requires identified programs to use program-specific measuring metrics in addition to the metrics required under Section 447 of the Management and Budget Act. SBO will provide a report on the metrics and performance progress of identified programs by September 30 and expresses intent that future program funding increases be based on prior performance.

FY 2016-17: DEPARTMENT OF ATTORNEY GENERAL
Summary: Conference Report
Article VIII, House Bill 5294 (H-1) CR-1

Analyst: Perry Zielak

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Conference	*Difference: Conference From FY 2015-16 YTD* *Amount*	*%*
IDG/IDT	$28,533,900	$28,989,700	$28,989,700	$28,989,700	$28,989,700	*$455,800*	*1.6*
Federal	9,278,600	9,476,700	9,476,700	9,476,700	9,476,700	*198,100*	*2.1*
Local	0	0	0	0	0	*0*	*--*
Private	0	0	0	0	0	*0*	*--*
Restricted	17,281,700	17,578,900	20,178,900	17,578,900	20,178,900	*2,897,200*	*16.8*
GF/GP	37,013,400	39,140,500	39,140,600	41,040,500	42,840,500	*5,827,100*	*15.7*
Gross	**$92,107,600**	**$95,185,800**	**$97,785,900**	**$97,085,800**	**$101,485,800**	***$9,378,200***	***10.2***
FTEs	524.5	533.0	533.0	533.0	533.0	*8.5*	*1.6*

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (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 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
1. State Defense Costs	**Gross**	**NA**	**$3,000,000**
Conference adds $3.0 million GF/GP in one-time funding for increased litigation costs in the defense of state agencies and state actors associated with the Flint water crisis.	GF/GP	NA	$3,000,000
2. Lawsuit Settlement Proceeds Fund	**Gross**	**NA**	**$2,600,000**
House adds $2.6 million in restricted fund authorization to allow for Attorney General to spend lawsuit settlement proceeds on the costs of all associated expenses related to the Flint water crisis. Associated boilerplate restricts spending to a cap of $2.6 million. Senate adds as boilerplate appropriation but does not include in Part 1. Conference concurs with House.	Restricted	NA	2,600,000
	GF/GP	NA	$0
3. Prescription Drug Abuse Unit	FTE	NA	4.5
Executive provides $700,000 GF/GP in one-time funding and 4.5 FTEs to strengthen the statewide drug enforcement strategy. House concurs. Senate concurs. Conference concurs.	**Gross**	**NA**	**$700,000**
	GF/GP	NA	$700,000
4. Juvenile Life without Parole	**Gross**	**NA**	**$700,000**
Senate adds $700,000 GF/GP for investigations, crime victim rights, prosecutions and appeals for retroactive juvenile life without parole cases. Conference concurs but makes funding one-time.	GF/GP	NA	$700,000
5. Home Protection Unit	FTE	475.5	4.0
Executive adds $600,000 GF/GP and 4.0 FTEs for the Home Protection Unit, which assists home-owners defrauded from foreclosure-related crimes. House concurs. Senate concurs. Conference concurs.	**Gross**	**$81,501,200**	**$600,000**
	IDG	28,371,500	0
	Federal	6,589,700	0
	Restricted	16,877,700	0
	GF/GP	$29,662,300	$600,000

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
6. Five-year Early Out Deferred Sick Leave Payments	**Gross**	**NA**	**($472,200)**
Executive recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentive, which were spread out over 5 years. House concurs. Senate concurs. Conference concurs.	Restricted	NA	(467,200)
	GF/GP	NA	($5,000)
7. Human Trafficking Commission	**Gross**	**$81,501,200**	**$390,000**
Executive appropriates $390,000 Gross for prosecutions and public awareness regarding human trafficking in Michigan. House concurs. Senate concurs. Conference concurs.	IDG	28,371,500	0
	Federal	6,589,700	0
	Restricted	16,877,700	390,000
	GF/GP	$29,662,300	$0
8. Prosecuting Attorneys Coordinating Council (PACC) NextGen IT System	**Gross**	**NA**	**$0**
House adds $100 placeholder for PACC to upgrade legacy case management system to NextGen. Senate adds $1.2 million GF/GP for upgrades. Conference does not include.	GF/GP	NA	$0
9. Economic Adjustments	**Gross**	**NA**	**$1,940,700**
Executive includes cost increase of $1.9 million Gross ($750,000 GF/GP) for negotiated salary and wage amounts (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required retirement contributions, and other economic adjustments. House concurs. Senate concurs. Conference concurs.	IDG	NA	618,200
	Federal	NA	198,100
	Restricted	NA	374,400
	GF/GP	NA	$750,000

Major Boilerplate Changes From FY 2015-16

***Sec. 308. Litigation Expense Reimbursements* – REVISED**
Specifies appropriation cap of $500,000 from litigation expense reimbursements and allows for $500,000 of unexpended funds to be carried forward. Executive proposed raising cap to $1.5 million. House keeps cap at $500,000 and retains section. Senate concurs with Executive. Conference raises cap to $1.0 million.

***Sec. 313. Mortgage Fraud Prosecutions* – NEW**
Specifies that $600,000 be allocated for the investigation and prosecution of mortgage fraud. Executive adds new section. House concurs. Senate concurs. Conference concurs.

***Sec. 314. Lawsuit Settlement Proceeds for Declaration of Emergency Due to Drinking Water Contamination* – NEW**
Allows the department to use lawsuit settlement proceeds for associated expenses with the declaration of emergency due to drinking water contamination up to a maximum authorization of $2.6 million. Executive does not include. House adds new section. Senate concurs with House with minor differences. Conference concurs with House.

***Sec. 314a. Juvenile Life without Parole* – NEW**
Senate adds language specifying purpose of appropriation is for investigations, crime victim rights, prosecutions and appeals for retroactive juvenile life without parole cases. Also requires report by September 30. Conference concurs.

***Sec. 316. Sexual Assault Kit Testing* – REVISED**
Specifies that the department test the backlog of sexual assault kits outside of Wayne County, assist local prosecutions and investigations and provide victim services. Executive deletes. House retains with revision adding a reporting requirement on updates related to expenditures made from appropriated funds due January 30. Senate concurs with House. Conference concurs with House.

***Sec. 317. Declaration of Emergency Due to Drinking Water Contamination Report* – NEW**
Senate adds requirement that the department provide an accounting report of all funds spent for any legal costs or associated expenses related to the declaration of emergency in Flint. Also requires that all materials related to the investigation be persevered at an academic institution or related facility. Conference concurs although specifies that budget line items are referenced and all materials will be preserved according to existing retention policies.

FY 2016-17: DEPARTMENT OF CIVIL RIGHTS
Summary: Conference Report
Article VIII, House Bill 5294 (H-1) CR-1

Analyst: Perry Zielak

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Conference	*Difference: Conference From FY 2015-16 YTD* *Amount*	*%*
IDG/IDT	$286,700	$293,600	$293,600	$293,600	$293,600	*$6,900*	*2.4*
Federal	2,721,700	2,763,000	2,763,000	2,763,000	2,763,000	*41,300*	*1.5*
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	12,949,700	13,494,700	13,394,700	13,519,700	13,021,300	*71,600*	*0.6*
Gross	**$16,128,700**	**$16,721,900**	**$16,621,900**	**$16,746,900**	**$16,248,500**	***$119,800***	***0.7***
FTEs	135.0	138.0	137.0	138.0	135.0	*0.0*	*0.0*

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (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 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
1. Hispanic/Latino and Asian Pacific American Affairs Commissions	FTE	2.0	(2.0)
Conference incorporates Executive Order 2016-3, which moves the Hispanic/Latino Commission of Michigan and the Asian Pacific American Affairs Commission to the Department of Licensing and Regulatory Affairs (LARA).	**Gross**	**$365,700**	**($365,700)**
	GF/GP	$365,700	($365,700)
2. Division on Deaf and Hard of Hearing	FTE	NA	2.0
House adds $150,000 GF/GP in one-time funding and 1.0 FTE to the Division on Deaf and Hard of Hearing. Senate adds $150,000 GF/GP and 1.0 FTE in ongoing funding. Conference adds $250,000 GF/GP in one-time funding and 2.0 FTEs.	**Gross**	**NA**	**$250,000**
	GF/GP	NA	$250,000
3. Commission on Middle Eastern American Affairs	FTE	NA	(1.0)
Executive provides $100,000 GF/GP in one-time funding and 1.0 FTE for the Commission on Middle Eastern American Affairs, which was created by Executive Order 2015-6. House concurs. Senate concurs. Conference incorporates EO 2016-3 which moves the Commission to LARA.	**Gross**	**NA**	**($100,000)**
	GF/GP	NA	($100,000)
4. Five-year Early Out Deferred Sick Leave Payments	**Gross**	**NA**	**$70,800**
Executive recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentive, which were spread out over 5 years. House concurs. Senate concurs. Conference concurs.	GF/GP	NA	$70,800

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
5. Advocates and Leaders for Police and Community Trust	FTE	NA	0.0
Executive provides $250,000 GF/GP in one-time funding and 2.0 FTEs to strengthen outreach and education efforts between law enforcement and community leaders in three additional cities: Battle Creek, Traverse City, and Muskegon Heights. House does not include. Senate reduces increase to $125,000 GF/GP and 1.0 FTE. Conference does not include.	**Gross**	**NA**	**$0**
	GF/GP	NA	$0
6. Economic Adjustments	**Gross**	**NA**	**$286,200**
Executive reflects increased costs of $293,900 Gross ($245,700 GF/GP) for negotiated salary and wage amounts (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required retirement contributions, and other economic adjustments. House concurs. Senate concurs. Conference concurs but reduces adjustment by $7,700 GF/GP for removal of the Hispanic/Latino commission and the Asian Pacific American Affairs Commission.	IDG	NA	6,900
	Federal	NA	41,300
	Restricted	NA	0
	GF/GP	NA	$238,000

Major Boilerplate Changes From FY 2015-16

***Sec. 404. Operations Report* – RETAINED**
Requires the department to report on various details of department operations. Executive deletes. House retains section. Senate concurs with House. Conference concurs with House and Senate.

***Sec. 405. Federal Complaint Report* – RETAINED**
Required the department to notify the Legislature and State Budget Office prior to submitting a report or complaint to the U.S. Commission on Civil Rights or other federal department. Executive deletes. House retains section. Senate concurs with House. Conference concurs with House and Senate.

FY 2016-17: EXECUTIVE OFFICE
Summary: Conference Report
Article VIII, House Bill 5294 (H-1) CR-1

Analyst: Ben Gielczyk

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Conference	*Difference: Conference From FY 2015-16 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	5,531,100	5,636,300	5,636,300	5,636,300	5,636,300	*105,200*	*1.9*
Gross	**$5,531,100**	**$5,636,300**	**$5,636,300**	**$5,636,300**	**$5,636,300**	***$105,200***	***1.9***
FTEs	84.2	84.2	84.2	84.2	84.2	*0.0*	*0.0*

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

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

Major Budget Changes From FY 2015-16 YTD Appropriations		**FY 2015-16 Year-to-Date (as of 2/10/16)**	**FY 2016-17 Conference Change**
1. Executive Office Operations	**Gross**	**$4,002,900**	**$105,200**
Reflects increased costs of $105,200 Gross and GF/GP related to Executive Office staff and other operations. Executive, House, Senate, and Conference include.	GF/GP	$4,002,900	$105,200

Major Boilerplate Changes From FY 2015-16

There are no major boilerplate changes for FY 2016-17.

FY 2016-17: LEGISLATURE
Summary: Conference Report
Article VIII, House Bill 5294 (H-1) CR-1

Analyst: Ben Gielczyk

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Conference	*Difference: Conference From FY 2015-16 YTD* *Amount*	*%*
IDG/IDT	$0	$0	$0	$0	$0	*$0*	--
Federal	0	0	0	0	0	*0*	--
Local	0	0	0	0	0	*0*	--
Private	400,000	400,000	400,000	400,000	400,000	*0*	*0.0*
Restricted	4,192,000	4,275,800	4,275,800	4,275,800	4,275,800	*83,800*	*2.0*
GF/GP	131,872,300	136,577,800	137,352,800	138,077,800	137,227,800	*5,355,500*	*4.1*
Gross	**$136,464,300**	**$141,253,600**	**$142,028,600**	**$142,753,600**	**$141,903,600**	***$5,439,300***	***4.0***
FTEs	0.0	0.0	0.0	0.0	0.0	*0.0*	--

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

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

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
1. Legislature Operations	**Gross**	**$136,464,300**	**$4,789,300**
Executive includes $4.8 million Gross ($4.7 million GF/GP) to reflect increased costs related to legislative staff and other operations. House, Senate, and Conference concur.	Private	400,000	0
	Restricted	4,192,000	83,800
	GF/GP	$131,872,300	$4,705,500
2. Legislative Corrections Ombudsman Analyst	**Gross**	**$714,900**	**$0**
House includes $125,000 GF/GP to fund an additional analyst position within the Legislative Corrections Ombudsman. Executive, Senate, and Conference do not include.	GF/GP	$714,900	$0
3. Criminal Justice Policy Commission	**Gross**	**NA**	**$500,000**
House includes $500,000 GF/GP to support a study by the Criminal Justice Policy Commission on the costs and savings of redirecting 17-year-olds from the adult court to the family court and juvenile justice systems. Executive and Senate do not include. Conference concurs with House.	GF/GP	NA	$500,000
4. Michigan Veterans Facility Ombudsman	**Gross**	**NA**	**$150,000**
House includes $150,000 GF/GP to support the creation of a Veterans Facility Ombudsman to address complaints made at the veteran's homes of the state. Executive and Senate do not include. Conference concurs with House.	GF/GP	NA	$150,000

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
5. Criminal Justice Data Collection and Management Program	**Gross**	**NA**	**$0**
Senate includes $1.5 million GF/GP to support a Criminal Justice Data Collection and Management Program in the Criminal Justice Policy Commission that will submit semi-annual reports measuring recidivism rates across the state for those persons released, paroled, or on probation in the criminal justice system. Executive, House, and Conference do not include.	GF/GP	NA	$0

Major Boilerplate Changes From FY 2015-16

***Sec. 603. National Association Dues* – REVISED**
Requires the Legislative Council to distribute funds appropriated for payment of national association dues. Conference revises to require first $34,800 to be paid to the National Conference of Commissioners of Uniform State Laws with the remaining funds distributed accordingly by the Legislative Council.

***Sec. 609. Legislative Corrections Ombudsman Funds* – NOT INCLUDED**
States that the funds appropriated in part 1 for the Legislative Corrections Ombudsman include $125,000 that shall be used to fund an additional legislative corrections ombudsman analyst. House includes as new language. Executive, Senate, and Conference do not include.

***Sec. 610. Criminal Justice Policy Commission Study* – NEW**
States that $500,000 included in part 1 shall be used for a study to determine what the additional estimated annual costs to counties would be if 17-year-olds were redirected from the adult court and correctional systems into the family court and juvenile justice systems. The study shall also determine the estimated savings to the state corrections system, as well as any other financial or policy costs and benefits, from such a redirection. Provides that funds are work project appropriations with an anticipated completion date of April 1, 2018. House and Conference include as new section. Senate does not include.

***Sec. 618. Legislative Retirement Administration* – RETAINED**
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 the FY 2015-16. Executive deletes. House, Senate, and Conference retain.

***Sec. 619. Michigan Veterans Facility Ombudsman* – NEW**
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. House and Conference include as new section. Senate does not include.

***Sec. 619. Criminal Justice Data Collection and Management Program* – NOT INCLUDED**
Requires funds appropriated in part 1 to be used for a data and management program that will submit quarterly reports measuring recidivism rates across the state for persons released, paroled, or on probation. Senate includes as new section. Conference does not include.

FY 2016-17: LEGISLATIVE AUDITOR GENERAL
Summary: Conference Report
Article VIII, House Bill 5294 (H-1) CR-1

Analyst: Ben Gielczyk

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Conference	*Difference: Conference From FY 2015-16 YTD* *Amount*	*%*
IDG/IDT	$5,392,800	$5,558,600	$5,558,600	$5,558,600	$5,558,600	*$165,800*	*3.1*
Federal	0	0	0	0	0	*0*	*--*
Local	0	0	0	0	0	*0*	*--*
Private	0	0	0	0	0	*0*	*--*
Restricted	1,987,600	1,969,400	1,969,400	1,969,400	1,969,400	*(18,200)*	*(0.9)*
GF/GP	15,460,100	15,923,900	16,387,700	15,923,900	16,123,900	*663,800*	*4.3*
Gross	**$22,840,500**	**$23,451,900**	**$23,915,700**	**$23,451,900**	**$23,651,900**	***$811,400***	***3.6***
FTEs	0.0	0.0	0.0	0.0	0.0	*0.0*	*--*

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

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

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
1. Auditor General Operations	**Gross**	**$22,511,100**	**$811,400**
Executive includes $611,400 Gross ($463,800 GF/GP) to reflect increased costs related to Auditor General staff and other operations. House includes $1.1 million Gross ($927,600 GF/GP). Senate concurs with Executive. Conference includes $811,400 Gross ($663,800 GF/GP).	IDG	5,392,800	165,800
	Restricted	1,987,600	(18,200)
	GF/GP	$15,130,700	$663,800

Major Boilerplate Changes From FY 2015-16

There are no major boilerplate changes in FY 2016-17.

FY 2016-17: DEPARTMENT OF STATE
Summary: Conference Report
Article VIII, House Bill 5294 (H-1) CR-1

Analyst: Perry Zielak

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Conference	*Difference: Conference From FY 2015-16 YTD* *Amount*	*%*
IDG/IDT	$20,000,000	$20,000,000	$20,000,000	$20,000,000	$20,000,000	*$0*	*0.0*
Federal	1,460,000	1,460,000	1,460,000	1,460,000	1,460,000	*0*	*0.0*
Local	0	5,000,000	5,000,000	0	0	*0*	*--*
Private	100	100	100	100	100	*0*	*0.0*
Restricted	186,635,100	204,445,900	204,445,900	190,345,900	204,445,900	*17,810,800*	*9.5*
GF/GP	22,161,500	27,109,600	22,109,600	27,109,600	22,109,600	*(51,900)*	*(0.2)*
Gross	**$230,256,700**	**$258,015,600**	**$253,015,600**	**$238,915,600**	**$248,015,600**	***$17,758,900***	***7.7***
FTEs	1,593.0	1,593.0	1,593.0	1,593.0	1593.0	*0.0*	*0.0*

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

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

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
1. Increased Record Look-up Fee	**Gross**	**$21,945,300**	**$14,100,000**
Executive increases funding by $14.1 million state restricted from raising the record look-up fee from $8 to $11 to replace department mainframe legacy systems. House concurs. Senate does not include. Conference concurs with Executive and House.	Restricted	20,380,700	14,100,000
	GF/GP	$1,564,600	$0
2. State/Local Funding for Voting System Replacement	**Gross**	**NA**	**$5,000,000**
Executive appropriates $15.0 million Gross ($10 million GF/GP) in one-time funding for the purchase of new voting systems statewide. House reduces funding by $5.0 million GF/GP. Senate reduces $5.0 million in local funding (placed under Treasury Revenue Sharing). Conference funds at $5.0 million GF/GP total.	GF/GP	NA	$5,000,000
3. Removal of FY 2015-16 One-Time Appropriation	**Gross**	**$5,000,000**	**($5,000,000)**
Executive eliminates $5.0 million GF/GP from appropriation made for voting machines in PA 268 of 2015. House concurs. Senate concurs. Conference concurs.	GF/GP	$5,000,000	($5,000,000)
4. Five-year Early Out Deferred Sick Leave Payments	**Gross**	**NA**	**($598,800)**
Executive recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentive, which were spread out over 5 years. House concurs. Senate concurs. Conference concurs.	Restricted	NA	(568,100)
	GF/GP	NA	($30,700)
5. MI-Time Line Maintenance	**Gross**	**$83,462,100**	**$470,000**
Executive appropriates $470,000 state restricted for system support and maintenance of kiosks that allows customers to schedule an appointment time online. House concurs. Senate concurs. Conference concurs.	IDG	20,000,000	0
	Restricted	60,468,400	470,000
	GF/GP	$2,993,700	$0

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
6. Customer Delivery Services Fund Shift	**Gross**	**$83,462,100**	**$0**
Executive increases use of Transportation Administration Collection fund revenues by $500,000 to offset $500,000 GF/GP reduction. House concurs. Senate concurs. Conference concurs.	IDG	20,000,000	0
	Restricted	60,468,400	500,000
	GF/GP	$2,993,700	($500,000)
7. Economic Adjustments	**Gross**	**NA**	**$3,599,400**
Executive includes cost increase of $3.6 million Gross ($465,400 GF/GP) for negotiated salary and wage amounts (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required retirement contributions, and other economic adjustments. House concurs. Senate concurs. Conference concurs.	Restricted	NA	3,134,000
	GF/GP	NA	$465,400

Major Boilerplate Changes From FY 2015-16

***Sec. 703. Record Look-up Fees* – REVISED**
Executive increases the fee charged for the record look-up of vehicles and various other crafts from $8.00 to $11.00. House concurs. Senate does not include and retains current law. Conference concurs with Executive and House but adds quarterly reporting requirement.

***Sec. 716b. Business Application Modernization (BAM) Project Report* – RETAINED**
Requires the Department of State to report on funding expended for the BAM project since its inception. Executive deletes. House retains. Senate retains. Conference retains.

***Sec. 718. Buena Vista Township Branch Office* – RETAINED**
Requires Department of State to maintain a full-service branch office in Buena Vista Township. Executive deletes. House retains. Senate retains. Conference retains.

***Sec. 722. Bridge Card Fraud Work Group* – DELETED**
Requires the department to participate in a work group with the Department of Health and Human Services and the Michigan State Police to investigate methods to deter Bridge Card fraud and to report the findings. Executive deletes. House concurs. Senate concurs. Conference concurs.

***Sec. 722. Legacy System Modernization* – NEW**
Explains the purpose of modernizing legacy system mainframes. Executive adds as new section. House concurs but adds reporting requirement. Senate concurs with House. Conference concurs with House.

***Sec. 723. Voting Machines Replacement Program* – NEW**
Explains the purpose of the voting machines replacement program. Executive adds as new section. House concurs. Senate concurs. Conference concurs.

FY 2016-17: DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET
Summary: Conference Report
Article VIII, House Bill 5294 (H-1) CR-1

Analyst: Perry Zielak

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Conference	*Difference: Conference From FY 2015-16 YTD* *Amount*	*%*
IDG/IDT	$678,478,500	$696,904,100	$694,054,100	$694,054,100	$694,054,100	*$15,575,600*	*2.3*
Federal	7,997,300	4,958,200	4,958,200	4,958,200	4,958,200	*(3,039,100)*	*(38.0)*
Local	3,587,700	2,320,000	2,320,000	2,320,000	2,320,000	*(1,267,700)*	*(35.3)*
Private	190,100	0	0	0	0	*(190,100)*	*(100.0)*
Restricted	95,771,900	111,490,800	114,340,800	114,340,800	114,340,800	*18,568,900*	*19.4*
GF/GP	477,198,200	504,423,100	476,210,000	500,468,200	485,518,600	*8,320,400*	*1.7*
Gross	**$1,263,223,700**	**$1,320,096,200**	**$1,291,883,100**	**$1,316,141,300**	**$1,301,191,700**	***$37,968,000***	***3.0***
FTEs	2,850.0	2,873.0	2,862.0	2,868.0	2,883.0	*33.0*	*1.2*

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

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

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
1. DTMB Rate Authorization	**Gross**	**$596,060,800**	**$10,632,400**
Executive authorizes increase of $10.6 million GF/GP to collect increases in agencies' budgets for IT baseline and rated service model, mailing warehouse, and vehicle and travel service rate changes. House concurs. Senate concurs. Conference concurs.	IDG	482,154,900	10,632,400
	Local	2,209,900	0
	GF/GP	$111,696,000	$0
2. State Building Authority Rent	**Gross**	**$254,570,600**	**($8,000,000)**
Executive reduces $8.0 million GF/GP due to savings recognized through the cancellation of various leases in the July 2015 refunding deal. House concurs. Senate concurs. Conference concurs.	GF/GP	$254,570,600	($8,000,000)
3. Enterprise Identity Management System	FTE	NA	6.0
Executive includes $6.7 million GF/GP and 6.0 FTEs to create MiLogin, an enterprisewide single sign-in and identity management tool which allows for the establishment, management and authentication of user identities for statewide IT systems. House does not include. Senate concurs with Executive. Conference concurs with Executive and Senate.	**Gross**	**NA**	**$6,700,000**
	GF/GP	NA	$6,700,000
4. Information Technology Technical Adjustments	**Gross**	**$596,060,800**	**$5,551,500**
Executive aligns funding of the Information Technology IDGs with agency investment requests. House concurs. Senate concurs. Conference concurs.	IDG	482,154,900	5,551,500
	Local	2,209,900	0
	GF/GP	$111,696,000	$0

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
5. Removal of FY 2015-16 One-Time Appropriations	**Gross**	**$5,205,000**	**($5,205,000)**
Executive eliminates one-time funding of $5.2 million Gross ($4.6 million GF/GP) for various projects: Treasury –Technology Services ($3.0 million GF/GP), Litigation Fund ($1.0 million GF/GP), Technology Services Funding ($600,000 IDG), Cost Study of 2014 PA 555 ($500,000 GF/GP) and Special Projects ($105,000 GF/GP). House concurs. Senate concurs. Conference concurs.	IDG	600,000	(600,000)
	GF/GP	$4,605,000	($4,605,000)
6. Legal Services	**Gross**	**NA**	**$5,000,000**
Executive includes $5.0 million GF/GP in one-time funding for potential litigation involving the Governor and Attorney General in their official capacity and for securing outside legal advice on major statewide issues not unique to a single agency. $1.0 million GF/GP in one-time funding appropriated in FY 2015-16 for the Litigation Fund was eliminated. House does not include. Senate concurs with Executive. Conference concurs with Executive and Senate.	GF/GP	NA	$5,000,000
7. Information Technology Investment Fund	**Gross**	**NA**	**$4,500,000**
Executive includes $7.0 million GF/GP in one-time funding for a Department of Treasury legacy system replacement project and Project SIGMA updates. House concurs. Senate concurs. Conference reduces funding by $2.5 million GF/GP.	GF/GP	NA	$4,500,000
8. Cyber Security Improvements	**Gross**	**$9,063,500**	**$4,000,000**
Executive includes $5.0 million GF/GP to support the Cyber Security Improvement Program, which will enhance network security, develop a comprehensive security framework and asset security program, and implement an enterprisewide data loss prevention process. House reduces increase by $3.0 million GF/GP. Senate concurs with Executive. Conference reduces increase by $1.0 million GF/GP.	GF/GP	$9,063,500	$4,000,000
9. Office of Retirement Services Technology Upgrades	FTE	491.5	7.0
Executive includes $3.6 million in state restricted funds and 7.0 FTEs for IT infrastructure expansion, code libraries, data storage and access. The funding will also address more frequent system upgrades and other costs supporting customer service transactions. House concurs. Senate concurs. Conference concurs.	**Gross**	**$120,926,000**	**$3,631,100**
	IDG	93,717,000	2,579,700
	Restricted	21,964,200	1,051,400
	GF/GP	$5,244,800	$0
10. Capital Outlay – Enterprisewide Special Maintenance for State Facilities	**Gross**	**$31,500,000**	**($3,500,000)**
	IDG	2,000,000	0
Executive reduces funding by $3.5 million GF/GP for maintenance and upkeep projects at state-owned properties. House concurs. Senate concurs. Conference concurs.	GF/GP	$29,500,000	($3,500,000)
11. Office of Retirement Service IT Modernization and Enterprise Mandates	**Gross**	**NA**	**$2,850,000**
	IDG	NA	2,850,000
Executive includes $2.9 million Gross one-time funding for various IT projects, including Filenet upgrades and electronic banking capabilities. House concurs. Senate concurs. Conference concurs.			
12. Office of Good Government	FTE	132.5	6.0
Executive increases funding by $2.7 million Gross ($1.5 million GF/GP) and 6.0 FTEs for costs related to employee engagement and citizen surveys that support various transformational initiatives. House reduces funding increase by $1.5 million GF/GP. Senate concurs with Executive. Conference concurs with Executive and Senate.	**Gross**	**$17,362,900**	**$2,678,700**
	IDG	10,538,700	0
	Restricted	4,131,500	1,178,700
	GF/GP	$2,692,700	$1,500,000
13. Five-year Early Out Deferred Sick Leave Payments	**Gross**	**NA**	**($1,595,500)**
Executive recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentive, which were spread out over 5 years. House concurs. Senate concurs. Conference concurs.	IDG	NA	(883,600)
	Federal	NA	(19,600)
	Local	NA	(1,000)
	Restricted	NA	(426,000)
	GF/GP	NA	($265,300)

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
14. Enterprisewide Special Maintenance	**Gross**	**NA**	**$1,600,900**
Executive adds $10.0 million GF/GP of one-time funding for maintenance and upkeep projects at state-owned properties. House reduces funding by $3.0 million GF/GP. Senate concurs with Executive. Conference reduces funding by $8.4 million GF/GP.	GF/GP	NA	$1,600,900
15. Office of Urban Initiatives	**Gross**	**$2,500,000**	**($1,500,000)**
Executive reduces funding by $1.0 million GF/GP for urban and metropolitan initiatives respective to transportation, public services, land use/sustainability, housing, and workforce development. House reduces funding by $2.5 million GF/GP to zero out funding and eliminates 5.0 FTEs. Senate reduces line to $100 and eliminates 5.0 FTEs. Conference reduces funding by $1.5 million GF/GP.	GF/GP	$2,500,000	($1,500,000)
16. Civil Service Commission Provision of Human Resources to Department of Talent and Economic Development (TED)	FTE	316.0	4.0
	Gross	**$35,878,600**	**$710,000**
Executive transfers $710,000 in state restricted funds and 4.0 FTEs from TED to administer the department's human resources function. House concurs. Senate concurs. Conference concurs.	IDG	1,153,500	0
	Local	661,100	0
	Restricted	16,455,500	710,000
	GF/GP	$17,608,500	$0
17. Retirement Costs and Special Projects	**Gross**	**NA**	**$500,000**
Conference adds $500,000 GF/GP for retirement costs ($250,000 GF/GP on going), and special projects ($250,000 GF/GP in one-time funds).	GF/GP	NA	$500,000
18. Office of Performance and Transformation	**Gross**	**NA**	**$495,500**
Conference recognizes funding changes made in Executive Revision 2017-3, which creates the Office of Performance and Transformation in DTMB, incorporating the Office of Reinventing Performance in Michigan and the Office of Regulatory Reinvention from the Department of Licensing and Regulatory Affairs (LARA). $495,500 GF/GP and 10.0 FTEs are added to DTMB as a result of the reorganization.	GF/GP	NA	$495,500
19. Professional Development Funds	**Gross**	**$1,102,600**	**($152,600)**
Executive reduces funding by $152,600 IDG for adjustments to employer contributions for Professional Development Funds based on negotiated contracts. House concurs. Senate concurs. Conference concurs.	IDG	1,102,600	(152,600)
20. MSP Retirement Payment for Low-Income Retirees	**Gross**	**$27,209,000**	**$132,000**
Executive increases funding by $132,000 GF/GP for anticipated costs associated with the State Police Retirement Act amendment to provide an additional payment to State Police retirees who retired before October 1, 1986 (and to their beneficiaries) whose annual pension is less than $16,000. House concurs. Senate concurs. Conference concurs.	Restricted	21,964,200	0
	GF/GP	$5,244,800	$132,000
21. Bureau of Labor Market Information and Strategic Initiatives (LMISI)	**Gross**	**$5,376,400**	**$35,000**
Executive provides authorization for LMISI to begin collecting revenue from local customers for customized data. House concurs. Senate concurs. Conference concurs.	Federal	4,776,400	0
	Local	0	35,000
	GF/GP	$600,000	$0
22. Capital Area Relocation Project	**Gross**	**NA**	**$0**
Executive includes $7.5 million GF/GP in one-time funding for completion of the Capital Area Relocation project, which includes moving several departments around the Greater Lansing area. House does not include. Senate concurs with Executive. Conference concurs with House.	GF/GP	NA	$0
23. Regional Prosperity Grants	**Gross**	**$2,500,000**	**$0**
Senate reduces line to $100 placeholder, reducing total funding by $2.49 million GF/GP. Conference retains funding at $2.5 million GF/GP.	GF/GP	$2,500,000	$0
24. Public Safety Officers Survivors Benefits Program	**Gross**	**NA**	**$0**
Senate adds $58,000 GF/GP to provide enhanced benefits for survivors of public safety officers killed in the line of duty. Conference does not include.	GF/GP	NA	$0

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
25. Capital Outlay Planning Authorizations	**Gross**	**NA**	**$0**
Executive includes $900 GF/GP for four university, three community college and two state agency capital outlay planning authorizations: University of Michigan – Flint – Murchie Science Building addition, Saginaw Valley State University – College of Business and Management expansion, Wayne State University – STEM Innovation Learning Center, Eastern Michigan University – Strong Hall renovation, Kellogg Community College – Regional Manufacturing Technology Center renovation and addition, Wayne County Community College – Eastern Campus repurposing and upgrading, Northwestern Michigan College – West Hall Innovation Center renovation and expansion, Department of Natural Resources – Coolwater Rearing Hatchery improvements, and Department of Technology, Management, and Budget – Jackson State Office Building renovation. House does not include. Senate concurs with House. Conference concurs with House and Senate.	GF/GP	NA	$0
26. Technical Adjustments	**Gross**	**$268,036,700**	**$0**
Executive makes fund source adjustments for funding authorization alignment and Statewide Cost Allocation Plan adjustment. House concurs. Senate concurs. Conference concurs.	IDG	187,990,500	270,400
	Federal	4,934,700	0
	Local	60,100	0
	Restricted	34,870,700	26,200
	GF/GP	$40,180,700	($296,600)
27. Economic Adjustments	**Gross**	**NA**	**$8,904,000**
Executive includes cost increase of $8.9 million Gross ($2.1 million GF/GP) for negotiated salary and wage amounts (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required retirement contributions, and other economic adjustments. House concurs but slightly revises to remove $12,200 GF/GP adjustment made for the Office of Urban Initiatives. Senate concurs with House. Conference concurs with Executive.	IDG	NA	5,388,000
	Federal	NA	43,100
	Local	NA	16,000
	Private	NA	0
	Restricted	NA	1,398,000
	GF/GP	NA	$2,058,900

Major Boilerplate Changes From FY 2015-16

Note: Senate-passed bills renumber sections in the 900's.

Sec. 810. Notices of Invitations to Bid (ITBs) and Requests for Proposals (RFPs) **– RETAINED**
Requires DTMB to maintain website with notice of all ITBs and RFPs over $50,000; generally required ITBs and RFPs to be posted for at least 14 days prior to bid deadline. Executive deletes. House retains. Senate retains. Conference retains.

Sec. 816. Privatization RFPs **– RETAINED**
Requires RFP to be issued for purpose of privatization to include all factors to be used in evaluating and determining price. Executive deletes. House retains. Senate retains. Conference retains.

Sec. 819. Ronald Reagan Memorial Monument Fund **– DELETED**
Allows DTMB to collect and expend funds from the Ronald Reagan memorial monument fund. Executive deletes. House concurs. Senate concurs. Conference concurs.

Sec. 822. Report on Unclassified Salaries **– RETAINED**
Requires a report on individual appointee and unclassified salaries by January 1st. Executive deletes. House retains. Senate retains. Conference retains.

Sec. 822d. Report on Fees and Rates Charged to State Agencies **– RETAINED**
Requires a report on fees and rates charged to state agencies, along with justification for any increases from prior year. Executive deletes. House retains. Senate retains. Conference retains.

Sec. 822f. Regional Prosperity Initiative – **REVISED**
Executive makes various technical changes and additions to definitions within section. House concurs. Senate deletes. Conference concurs with Executive and House.

Sec. 822h. Office of Urban Initiatives **– REVISED**
Requires office to submit report on expenditures, economic impact and job growth initiatives for each urban and metropolitan area receiving funds. House revises to add any unexpended and unencumbered funds remaining by October 1, 2016 lapse to the general fund. Senate deletes. Conference concurs with House.

Sec. 822j. Office of Good Government **– NEW**
Executive adds section which explains the purpose of the Office of Good Government. House concurs. Senate concurs. Conference concurs.

Major Boilerplate Changes From FY 2015-16

***Sec. 822k. Hawthorn Center Appraisal* – NEW**
House adds new section that requires DTMB to work with the Department of Health and Human Services on an appraisal of state-owned lands and buildings at the Hawthorn Center Psychiatric Hospital Facility for Children and Adolescents. DTMB must also create a proposal for possible replacement of the facility and submit the appraisal and proposal to the Legislature by March 1, 2017. Senate does not include. Conference concurs with House but revises wording to require DTMB to conduct an evaluation of state owned building and lands and develop a recommendation for the future use of the facility.

***Sec. 922k. Public Safety Officers Benefit Program* – NOT INCLUDED**
Senate adds section stating purpose of the $58,000 allocation is for covering the costs of enhanced survivor benefits for local public safety officers as prescribed in Enrolled Senate Bill 218 of the 98th Legislature. Conference does not include.

***Sec. 822l. School Reform Office Hearings* – NEW**
House adds section requiring the School Reform Office (SRO) to hold at least one public hearing in the district that the SRO is considering for appointment of a CEO or dissolution of the district. Senate adds as Sec. 922o. Conference concurs but revises wording.

***Sec. 822m. Vendor Performance Tracking* – NEW**
Senate adds section requiring DTMB to establish a performance tracking system that collaborates with other departments of vendors awarded contracts through the procurement process. Conference concurs but revises wording.

***Sec. 822n. Contract Proposals Website* – NEW**
Senate adds section requiring DTMB to create a webpage that displays all contract proposals for all departments and agencies. Conference concurs but revises wording.

***Sec. 822o. School Reform Office Coordination with Department of Education* – NEW**
Senate adds section requiring the School Reform Office to coordinate with the Department of Education to streamline state services, reduce duplication and increase efficiency. Conference concurs.

***Sec. 828. Information Technology Related Appropriations and Expenditures* – RETAINED**
Requires detailed report on funding and expenditures for IT services and projects. Executive deletes. House retains. Senate retains. Conference retains.

***Sec. 829. Life-Cycle of Hardware and Software* – RETAINED**
Requires report that analyzes and makes recommendations on life-cycle of IT hardware and software. Executive deletes. House retains. Senate retains. Conference retains.

***Sec. 830. IT Contract Change Orders* – RETAINED**
Requires report of IT change orders and contract extensions for contracts greater than $50,000 entered to by DTMB. Executive deletes. House retains. Senate retains. Conference retains.

***Sec. 831. Information, Communications and Technology (ICT Innovation Fund)* – RETAINED**
Provides for administration and expenditure of ICT Innovation Fund created under prior-year budget acts. Executive deletes. House retains. Senate retains. Conference retains.

***Sec. 832. Child Support Enforcement System* – RETAINED**
Requires DTMB to notify legislature of potential or actual penalties for failure of Michigan Child Support Enforcement System to achieve federal certification; required additional reporting in the event of penalties being imposed. Executive deletes. House retains. Senate retains. Conference retains.

***Sec. 836. Information Technology Investment Fund* – NEW**
Executive adds section which explains the purpose of the Information Technology Investment Fund. House concurs. Senate concurs. Conference concurs.

***Sec. 837. Cyber Security Investment Projects* – NEW**
Executive adds section which explains the purpose of cyber security investment projects. House concurs. Senate concurs. Conference concurs.

***Sec. 838. Enterprise Identity Management Program* – NEW**
Executive adds section which explains the purpose of the Enterprise Identity Management Program. House does not include. Senate concurs with Executive. Conference concurs.

***Sec. 839. Office of Retirement Services (ORS) Information Technology Upgrade* – NEW**
Executive adds section which explains the purpose of the Office of Retirement Services' upgrades in information technology. House concurs. Senate concurs. Conference concurs.

***Sec. 862. Required Reports* – RETAINED**
Requires DTMB to provide various detailed reports to Joint Capital Outlay Subcommittee (JCOS) and fiscal agencies with status of each planning or construction project financed by the SBA. Executive deletes. House, Senate, and Conference retain.

FY 2016-17: DEPARTMENT OF TREASURY
Summary: Conference Report
Article VIII, House Bill 5294 (H-1) CR-1

Analyst: Ben Gielczyk

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Conference	*Difference: Conference From FY 2015-16 YTD* *Amount*	*%*
IDG/IDT	$9,500,700	$11,250,600	$11,262,300	$11,262,300	$11,262,300	*$1,761,600*	*18.5*
Federal	39,661,500	39,954,200	39,920,800	39,920,800	39,920,800	*259,300*	*0.7*
Local	9,029,700	9,265,700	9,201,000	9,201,000	9,201,000	*171,300*	*1.9*
Private	25,400	26,700	26,700	26,700	26,700	*1,300*	*5.1*
Restricted	1,606,455,600	1,615,304,400	1,615,956,100	1,615,890,800	1,589,286,300	*(17,169,300)*	*(1.1)*
GF/GP	280,379,300	234,945,800	234,130,500	235,692,300	235,445,800	*(44,933,500)*	*(16.0)*
Gross	**$1,945,052,200**	**$1,910,747,400**	**$1,910,497,400**	**$1,911,993,900**	**$1,885,142,900**	***($59,909,300)***	***(3.1)***
FTEs	1,911.5	1,916.5	1,912.5	1,916.5	1,916.5	*5.0*	*0.3*

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (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 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
1. Constitutional Revenue Sharing	**Gross**	**$783,866,100**	**($25,990,900)**
Executive decreases by $2.4 million in restricted sales tax revenues to adjust constitutional revenue sharing payments downward 0.3% from the FY 2015-16 budget act appropriated amount (3.9% above the January 2016 CREC estimate for FY 2015-16). FY 2016-17 Executive Recommended amount is based on January 2016 Consensus Revenue Estimating Conference (CREC) estimates. House and Senate concur. Conference updates FY 2017 Constitutional Revenue Sharing estimate for May 2016 CREC estimates. May 2016 CREC estimate is $12.1 million (1.6%) above May 2016 CREC estimate for FY 2015-16 Constitutional Revenue Sharing.	Restricted	783,866,100	(25,990,900)
2. City, Village, and Township Revenue Sharing	**Gross**	**$248,840,000**	**$0**
Executive removes $5.8 million in one-time restricted sales tax revenues for City, Village, and Township Revenue Sharing and removes per capita distribution component. By removing the one-time funding per capita distribution component, 101 CVTs (100 townships and 1 city) that were included in FY 2015-16 would not receive a payment in FY 2016-17. CVTs eligible for a higher per capita payment would be reduced to previous appropriation level. Maintains FY 2015-16 CVT Revenue Sharing ongoing funding level of $243.0 million. House retains FY 2015-16 funding levels so that all CVTs eligible for a payment in FY 2015-16 will be eligible for 100% of their FY 2015-16 payment in FY 2016-17. Senate reduces funding by $3.9 million. All CVTs that received a payment in FY 2015-16 would receive a 1.5% reduction. Conference concurs with House. The $5.8 million necessary to cover 101 CVTs is considered one-time.	Restricted	248,840,000	0

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
3. County Revenue Sharing/County Incentive Program	**Gross**	**$214,700,000**	**$2,567,500**
Executive increases county payments by $467,500 in restricted sales tax revenue to accommodate two new counties (Alcona and Charlevoix) coming online for state payments in FY 2016-17. Maintains full-funding levels for county revenue sharing. Maintains allocation of 80% of funding distributed through county revenue sharing and 20% through County Incentive Program. House concurs. Senate concurs with Executive and includes a 2% increase to all counties that have come online for state payments. Conference concurs with Executive and includes additional $2.1 million for County Revenue Sharing to provide 1% increase to all counties eligible to receive a state payment.	Restricted	214,700,000	2,567,500
4. Competitive Grant Assistance Program	**Gross**	**$0**	**$0**
Executive includes $11.0 million in restricted sales tax revenue ($5.2 million considered one-time) for the Competitive Grant Assistance Program. Funds would provide competitive grants to all local units of government that elect to combine government operations. Awards would be used to defray costs associated with consolidated services through mergers, interlocal agreements, and other cooperating efforts. House includes $5.2 million in restricted sales tax revenue as one-time funding for the Competitive Grant Assistance Program. Senate and Conference do not include.	Restricted	0	0
5. Payments in Lieu of Taxes	**Gross**	**$26,094,100**	**$1,304,700**
Executive increases by $1.3 million Gross ($1.1 million GF/GP) to support scheduled and statutorily-required payments in lieu of taxes (PILT). To accommodate increased estimates, each PILT line item is increased by 5%. House, Senate, and Conference concur.	Private	25,400	1,300
	Restricted	4,930,900	246,600
	GF/GP	$21,137,800	$1,056,800
6. General Obligation Bond Debt Service	**Gross**	**$156,449,000**	**($19,412,000)**
Executive reduces by a net of $19.4 million GF/GP due to scheduled and statutory-required debt service payment requirements. Reductions from payoffs and refundings were partially offset by debt service increase from $10.3 million in new bond issuances associated with the Strategic Water Quality Initiative. House, Senate, and Conference concur.	GF/GP	$156,449,000	($19,412,000)
7. Subject Matter Experts for IT Systems	FTE	0.0	4.0
Executive provides $750,000 GF/GP and 4.0 FTEs to provide testing and analytic review to assure IT systems are designed and tested properly during production and operation. House does not include. Senate and Conference concur with Executive.	**Gross**	**$0**	**$750,000**
	GF/GP	$0	$750,000
8. Change to Rated Service Model for IT Services	**Gross**	**$28,959,700**	**$1,563,000**
Executive includes $1.6 million Gross ($551,100 GF/GP) for transitional support to cover costs changes for department as they transition to a rated service model with DTMB for the delivery of IT services. House and Conference concur but alters fund sourcing to accurately reflect source of funds to cover costs. Includes $1.6 million Gross ($0 GF/GP). Senate concurs but alters fund sourcing. Differed by being $65,300 GF/GP higher and $65,300 restricted lower than House.	IDG	400,000	0
	Federal	618,800	0
	Local	1,200,000	0
	Restricted	16,530,000	1,563,000
	GF/GP	$10,210,900	$0
9. Grants	**Gross**	**$550,000**	**$571,600**
Executive removes $550,000 GF/GP for grants associated with the Chaldean Community Foundation ($250,000 GF/GP) and Urban Search and Rescue Taskforce ($300,000 GF/GP). House includes $500,000 GF/GP for Urban Search and Rescue, $500,000 GF/GP for the Impaired Driving Safety Commission (HB 5024), and $100,000 for Beat the Streets. Senate includes $100 placeholder for Financial Data Analytical Tool Reimbursement. Conference includes $500,000 GF/GP for Urban Search and Rescue (one-time); $100,000 GF/GP for Beat the Streets; $100,000 GF/GP for Gianna House; $76,000 GF/GP for plasma cutter matching grant at Lenawee ISD; and $345,600 GF/GP for a student loan delinquency counseling program.	GF/GP	$550,000	$571,600

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
10. Supervision of General Property Tax Law	FTE	88.0	0.0
House reduces by $600,000 GF/GP and shifts funds to support $600,000 in grants (See Item #9). Senate and Conference do not include.	**Gross**	**$14,899,500**	**$0**
	Local	140,000	0
	Restricted	3,489,400	0
	GF/GP	$11,270,100	$0
11. Fund Shifts to Replace General Fund	**Gross**	**NA**	**$0**
Executive includes net change of $0 Gross ($1.8 million GF/GP) to reflect replacement of General Fund with available IDG and restricted fund revenue. The following line items were affected: Office of Accounting Services ($105,600), Office of Collections ($1.1 million), and Office of Financial Services ($520,400). House, Senate, and Conference concur.	IDG	NA	1,644,400
	Restricted	NA	105,600
	GF/GP	NA	($1,750,000)
12. Five Year Early Out Deferred Sick Leave Payments	**Gross**	**$701,300**	**($701,300)**
Executive removes $701,300 Gross ($73,800 GF/GP). Recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentives, which were spread out over five years. House, Senate, and Conference concur.	IDG	25,700	(25,700)
	Federal	57,500	(57,500)
	Restricted	544,300	(544,300)
	GF/GP	$73,800	($73,800)
13. Casino Gaming Adjustments	FTE	141.0	1.0
Executive includes $868,300 Gross ($0 GF/GP) associated with the following casino gaming operations adjustments:	**Gross**	**$29,457,600**	**$868,300**
• Transfer in Horse Sample Testing from MDARD - $250,000 Gross ($0 GF/GP)	Restricted	29,457,600	868,300
• Ongoing support for IT services - $500,000 Gross ($0 GF/GP)			
• Includes additional auditor for tribal gaming operations - $118,300 Gross ($0 GF/GP) and 1.0 FTEs			
House, Senate, and Conference concur.			
14. Voting Machine Replacement Reimbursement	**Gross**	**NA**	**$0**
Senate includes $5.0 million Gross ($246,400 GF/GP) for payments to CVTs and counties that purchase voting machines approved by the Department of State. An equal payment would be made for each voting machine projected to be replaced in the next 3 years. Conference does not include.	Restricted	NA	0
	GF/GP	NA	$0
15. Other One-Time Appropriation Adjustments	**Gross**	**$29,900,000**	**($27,057,400)**
Executive provides a net reduction of $27.1 million GF/GP in one-time appropriations. Includes $2.8 million GF/GP to support development and implementation costs associated with new Free Individual Income Tax E-File system. Funding for the following items is removed: Personal property tax payments to reimburse local units for lost debt service millages ($19.3 million GF/GP); Online Business Portal ($600,000 GF/GP); Presidential Primary ($10.0 million GF/GP); and CVT Revenue Sharing ($5.8 million GF/GP). House concurs. Senate provides a net reduction of $26.1 million GF/GP. Senate includes the following one-time appropriations: $1.0 million GF/GP for a Student Loan Delinquency Pilot Program and $2.8 million GF/GP to support development and implementation costs associated with the new Free Individual Income Tax E-File system. Conference concurs with Executive but includes $100 placeholder for the drinking water declaration of emergency to allow for future transfers. NOTE: One-time appropriations for CVT Revenue Sharing is included in #2 and Urban Search and Rescue is included in #9.	Restricted	0	100
	GF/GP	$29,900,000	($27,057,500)
16. Economics Adjustments	**Gross**	**NA**	**$5,627,200**
Reflects increased costs of $5.6 million Gross ($1.1 million GF/GP) for negotiated salary and wage amounts (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required retirement contributions, and other economic adjustments. Executive includes. House, Senate, and Conference concur but alter fund sourcing to accurately reflect source of funds to cover costs. Includes $5.6 million Gross ($1.0 million GF/GP).	IDG	NA	142,900
	Federal	NA	316,800
	Local	NA	171,300
	Restricted	NA	3,958,500
	GF/GP	NA	$1,037,700

Major Boilerplate Changes From FY 2015-16

Note: Senate-passed bills renumber sections in the 1000's.

***Sec. 902a. Notification of Bond Refinancing and Restructuring* – RETAINED**
Requires Department of Treasury to report, within 30 days after a new refinancing or restructuring bond sale, on the annual debt service changes, change in principal and interest over the duration of the debt, and the projected change in present value of the debt service due to the refinancing. Executive deletes. House, Senate, and Conference retain.

***Sec. 904a. Financial Services Expenditure Appropriation* – REVISED**
Provides funds to pay expenditures for financial services provided by financial institutions through restricting revenue from common cash interest earnings and investment earnings. Executive revises to state that if the amounts of common cash interest earnings are insufficient to cover the costs, then miscellaneous revenues shall be used to fund the remaining balance of the expenditures. House retains current law. Senate and Conference concur with Executive.

***Sec. 917. Write-Offs and Advances* – RETAINED**
Appropriates funds for write-offs and advances for Treasury programs of not more than current-year authorizations that would otherwise lapse to General Fund; requires report on amounts appropriated. Executive revised to delete reporting requirement. House, Senate, and Conference retain current law.

***Sec. 918. Tax Orientation Workshops and Seminars* – DELETED**
Authorizes Treasury to receive and expend funds for tax orientation workshops and seminars, not to exceed actual costs. Executive, House, Senate, and Conference delete.

***Sec. 919. Contracted Audit and Collection Services* – REVISED**
Appropriates funds to contract with private auditing firms to audit for and collect unclaimed property due the state; requires report on firms employed, amounts collected, and costs of collection. Requires a review of current practices and a report, by March 31, to a joint subcommittee of the House and Senate subcommittees on General Government. Executive, House, Senate, and Conference revise to eliminate review of current practices and report by March 31.

***Sec. 927. Personal Property Tax Audits* – RETAINED**
Requires the Department of Treasury to submit annual progress reports regarding personal property tax audits. Executive deletes. House, Senate, and Conference retain current law.

***Sec. 934. Expending of Authority Revenues* – RETAINED**
Authorizes Treasury to expend revenues under various authorities for operation expense and grants to Civil Service Commission and State Employee's Retirement Fund; requires maintaining records to facilitate reimbursement. Executive revises to delete reporting requirement. House, Senate, and Conference retain current law.

***Sec. 936. Student Loan Delinquency Counseling Pilot Program* – NEW**
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. Senate includes as new Section 1036. Conference concurs with Senate and includes as new Section 936.

***Sec. 937. Michigan Accounts Receivable Collections System Report* – NEW**
Requires Department of Treasury to submit a report on the Michigan Accounts Receivable Collections System. States that report shall include information regarding current collection strategies, including vendors and contractors used; type, vale, and age of uncollected delinquent accounts; and liquidation rates for delinquent accounts. House includes as new language in 903a. Senate includes language as Section 1037; includes additional reporting requirements. Conference concurs with Senate and includes as new Section 937.

***Sec. 938. State Capitol Historic Site Payments* – NEW**
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. Senate includes as new Section 1040. Conference concurs with Senate and includes as new Section 938.

***Sec. 941. Tax Credit Report* – NEW**
Requires Treasury, in conjunction with the Michigan Strategic Fund, to report on the MEGA tax credits, Brownfield Redevelopment Tax Credit, Film Tax Credit, Photovoltaic Technology Tax Credit, Polycrystalline Silicone Manufacturing Tax Credit, Vehicle Battery Tax Credit, and any other certified credits. Conference includes as new section.

***Sec. 944. Pension Plan Consultant Report* – RETAINED**
Requires Treasury to retain a copy of any report received from a pension plan consultant and make available upon request. Executive deletes. House, Senate, and Conference retain.

Major Boilerplate Changes From FY 2015-16

***Sec. 949a. Personal Property Tax Reimbursements Performance Measures* – DELETED**
Specifies that the department shall identify specific outcomes and performance measures for the personal property tax reimbursements to local units of government. Provides example of performance metric/outcome stating that the department's role in reimbursing the local units will provide the department with the ability to establish the technical and administrative support needed to ensure the payment information provided is accurate and timely. Executive, House, Senate, and Conference delete.

***Sec. 949b. City Income Tax Administration Performance Measures* – DELETED**
Specifies that the department shall identify specific outcomes and performance measures for the administration of the city income tax program. Provides example of performance metric/outcome stating that the department shall track and reduce fraudulent returns by expanding compliance and enforcement services which will benefit Michigan cities by allowing the taxpayer to e-file the city return as part of the state return. Senate eliminates (2) which requires the department to identify specific outcomes and performance metrics. Conference deletes section.

***Sec. 949c. Operations Information Technology Services and Projects Performance Measures* – DELETED**
Specifies that the department shall identify specific outcomes and performance measures for the operations information technology services and projects. Provides example of performance metric/outcome stating that the funding will provide businesses with the opportunity for electronic business tax registration, authentication of taxpayers, and tax filing for more than 325,000 Michigan businesses. Executive, House, Senate, and Conference delete.

***Sec. 949d. Financial Review Commission Performance Measures* – REVISED**
Specifies that the department shall expand financial review commission efforts in FY 2015-16. The funds shall cover ongoing costs associated with the operation of the commission. Provides example of performance metric/outcome stating that the funding will allow the department to perform critical fiscal review to ensure the city of Detroit does not reenter distress following its exit from bankruptcy. Executive deletes. House updates to match fiscal year and continuing funding. Senate strikes (2) which requires the department to identify specific outcomes and performance measures. Conference concurs with House and includes additional metric reference to proposed new community district in Detroit.

***Sec. 949g. Urban Search and Rescue Task Force* – REVISED**
Allocates $300,000 to the urban search and rescue task force. Requires the task force to provide reports on FY 2014-15 revenues and expenditures, proposed FY 2015-16 grant expenditures, and a final report on FY 2015-16 grant expenditures. Executive deletes. House and Conference revise to update for fiscal year. Senate deletes.

***Sec. 1049h. Financial Data Analytical Tool Reimbursement Program* – NOT INCLUDED**
Provides that the funds appropriated in part 1 for the Financial Data Analytical Tool Reimbursement Program shall be used for grants to local units that chooses to use data analytical tools to assist the jurisdiction and that enters into a new or continues an existing licensing agreement for a data analytical tool with a vendor approved by DTMB. Requires DTMB to review and approve at least 2 and up to 4 approved vendors. Senate includes as new section. Conference does not include.

***Sec. 951. Competitive Grant Assistance Program* – NOT INCLUDED**
Executive includes direction for distribution of $11.0 million appropriated for assistance grants to cities, villages, townships, and counties that elect to merge government services, enter an interlocal agreement, or cooperate in the provision of services via a Competitive Grant Assistance Program; $5.2 million of total available funding considered one-time appropriation. Includes authorities, school districts, ISDs, public community colleges, and public universities; includes work project language. House includes new language but reduces funding to $5.2 million and removes authorities, school districts, ISDs, public community colleges, and public universities from eligible entities. Senate and Conference do not include.

***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 2014-15 payment to all CVTs that were eligible for a payment in FY 2014-15. In order to qualify for its eligible payment a CVT would be required to comply with the items listed under accountability and transparency. To qualify for county incentive payment counties would be required to comply with the items listed under accountability and transparency. Any unexpended funds would be deposited in the Financial Distressed CVTs program in Sec. 956. Executive revises to remove per capita payment option and 101 townships from eligibility for a CVT Revenue Sharing payment. Includes new language allowing entity that does not comply with accountability and transparency on December 1 to comply by April 1 and still receive full payments. Payments that were ultimately qualified for after December 1 would be deferred and paid in August payment. House retains current year language; updates references to accommodate new fiscal year. Senate revises to authorize payments equal to 98.45% of each CVTs FY 2015-16 eligible payment. Includes new language allowing entity that does not comply with accountability and transparency on December 1 to comply by February 1 and still receive full payments. Payments that were ultimately qualified for after December 1 would be deferred and paid in August payment. Conference concurs with House.

***Sec. 955. County Revenue Sharing* – REVISED**
Requires the county revenue sharing appropriation to be distributed by the department to eligible counties according to the Glen Steil State Revenue Sharing Act of 1971. Senate revises to increase county revenue sharing payments to all counties receiving a state payment by 2%. Conference revises to increase county revenue sharing payments to all counties receiving a state payment by $2.1 million (1.0%).

Major Boilerplate Changes From FY 2015-16

***Sec. 957. CVT Revenue Sharing Workgroup* – DELETED**
States legislative intent that a workgroup be formed, to include members of the Executive Branch, to explore a new nonconstitutional revenue sharing distribution formula. Executive, House, Senate, and Conference delete.

***Sec. 957. Competitive Grant Assistance Program Metrics* – NOT INCLUDED**
Specifies that the department shall identify specific outcomes and performance measures for the Competitive Grant Assistance Program. Provides nonexclusive list of performance metrics to be used. Executive and House include as new. Senate and Conference do not include.

***Sec. 1058. Voting Machine Replacement Reimbursement* – NOT INCLUDED**
Specifies distribution of $5.0 million appropriated for voting machine replacement to CVTs and counties that have purchased voting machines in a purchase agreement that is approved by and meets the specifications established by the Department of State. States that the reimbursement amount shall be calculated by the Department of Treasury by dividing the $5.0 million by the number of voting machines that the Department of State projects to need replacement over the next three years. Establishes appropriation as a work project appropriation. Senate includes as new section. Conference does not include.

***Sec. 963. Department of Health and Human Services Bridge Cards* – RETAINED**
Requires Lottery to notify lottery retailers that DHHS bridge cards are not to be used to purchase lottery tickets. Executive deletes. House, Senate, and Conference retain.

***Sec. 964. Promotion and Advertising Appropriation* – REVISED**
Appropriates 1% of the Bureau of State Lottery's prior fiscal year's gross sales or $23.0 million, whichever is less, for promotion and advertising. Senate revises to increase amount to 1% or $25.0 million, whichever is less. Conference concurs with Senate.

***Sec. 978. Racing Commission Regulatory Changes* – RETAINED**
Requires the Michigan Gaming Control Board to determine the actual regulatory costs of conducting race dates; it would limit reimbursement to actual expenses; and the language specifies that in the case of reduced revenues, race dates can be reduced, after consultation with certified horsemen's organizations. Executive revises by striking language specifying that in the case of reduced revenues, race dates can be reduced, after consultation with certified horsemen's organizations and if a certified horsemen's organization funds more than the regular costs, the funds shall remain in the agriculture equine development fund for future race dates. House, Senate, and Conference retain current year law.

FY 2016-17: DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT
Summary: Conference Report
Article VIII, House Bill 5294 (H-1) CR-1

Analyst: Ben Gielczyk

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Conference	*Difference: Conference From FY 2015-16 YTD Amount*	*%*
IDG/IDT	$0	$0	$0	$0	$0	*$0*	*--*
Federal	764,102,800	773,944,800	773,944,800	773,944,800	768,144,800	*4,042,000*	*0.5*
Local	4,433,500	500,000	500,000	500,000	500,000	*(3,933,500)*	*(88.7)*
Private	5,619,000	5,619,000	5,619,000	5,619,000	5,619,000	*0*	*0.0*
Restricted	180,411,200	192,341,600	192,341,600	192,341,600	192,341,600	*11,930,400*	*6.6*
GF/GP	198,457,000	170,088,900	150,089,000	169,275,100	179,388,900	*(19,068,100)*	*(9.6)*
Gross	**$1,153,023,500**	**$1,142,494,300**	**$1,122,494,400**	**$1,141,680,500**	**$1,145,994,300**	***($7,029,200)***	***(0.6)***
FTEs	1,619.0	1,615.0	1,615.0	1,615.0	1,615.0	*(4.0)*	*(0.2)*

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (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 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
1. Business Attraction and Community Revitalization	**Gross**	**$114,000,000**	**$1,499,900**
Executive includes net increase of $1.5 million Gross: $2.0 million increase in 21st Century Jobs Trust Fund funding and $500,000 GF/GP decrease. Shifted $2.0 million 21st Century Jobs Trust Fund from Entrepreneurship Eco-System line item (See Item #2). Portion of overall funding considered one-time is reduced from $17.3 million GF/GP to $13.0 million GF/GP. House reduces by $11.5 million Gross ($13.5 million GF/GP). House concurs with transfer of $2.0 million 21st Century Jobs Trust Fund funding from Entrepreneurship Eco-System line (see Item #2). Senate includes increase of $1.5 million ($500,000 GF/GP). Conference includes increase of $1.5 million ($499,900 GF/GP). Of the total, $1.5 million ($499,900 GF/GP) is considered one-time appropriations.	Restricted	20,600,000	1,000,000
	GF/GP	$93,400,000	$499,900
2. Entrepreneurship Eco-System	**Gross**	**$21,400,000**	**($2,000,000)**
Executive removes $2.0 million 21st Century Jobs Trust Fund and shifts to Business Attraction and Community Revitalization (See Item #1). House, Senate, and Conference concur.	Restricted	21,400,000	(2,000,000)

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
3. Skilled Trades Training Program	**Gross**	**$25,600,000**	**$5,300,000**
Executive increases by $10.0 million Gross ($0 GF/GP). Funds will support expansion of program and help meet continued demand of Skilled Trades Training Program. Funds assist employers with designing training programs for potential employees lacking the requisite skills. House concurs with Executive inclusion of $10.0 million Gross (contingent fund, penalty and interest) and reduces by $5.0 million GF/GP for a net increase of $5.0 million Gross. Senate concurs with Executive increase of $10.0 million Gross. Reduces GF/GP fund sourcing by $3.7 million GF/GP and increase federal by $5.8 million and restricted by $7.9 million. Conference concurs with Executive inclusion of $10.0 million Gross (contingent fund, penalty and interest) and reduces by $4.7 million GF/GP for a net increase of $5.3 million Gross	Federal	0	0
	Restricted	15,600,000	10,000,000
	GF/GP	$10,000,000	($4,700,000)
4. Community Ventures	FTE	7.0	0.0
Executive includes $2.0 million GF/GP in one-time appropriations to supplement the ongoing Community Ventures program with a new Community Ventures - Challenge Match program. Private funds raised would be matched dollar for dollar up to $2.0 million. House and Conference do not include. Senate includes $1.0 million GF/GP.	**Gross**	**$9,800,000**	**$0**
	GF/GP	$9,800,000	$0
5. Financial Literacy Pilot Program	**Gross**	**$0**	**$0**
Executive includes $5.8 million Gross ($0 GF/GP) in one-time TANF funds for a competitive grant to operate a financial literacy pilot for Family Independence Program clients in up to three prosperity regions. Counseling sessions would be on a voluntary basis and focus on personal budgeting, debt reduction, establishing and improving credit, accessing safe and affordable banking services, building savings, and connecting to other support services through referrals. House concurs. Senate and Conference do not include.	Federal	0	0
6. Statewide Data System Integration	**Gross**	**$0**	**$8,778,500**
Executive includes $8.8 million Gross ($0 GF/GP) in one-time appropriations for the replacement of the state's current workforce reporting system with the Michigan Integrated Data System which will allow state to meet new federal workforce data reporting requirements. Funds will also support the enhancement of the Workforce Longitudinal Data System to enhance data integration and sharing between state agencies to measure effectiveness and outcomes of state and federal workforce and education programs. House, Senate, and Conference concur.	Federal	0	4,800,000
	Restricted	0	3,978,500
7. Human Resources Transfer	FTE	4.0	(4.0)
Executive removes $710,000 Gross ($0 GF/GP) and 4.0 FTEs associated with human services functions in DTED. Funds and FTEs are transferred to the Civil Service Commission with the establishment of DTED as an Executive department. House, Senate, and Conference concur.	**Gross**	**$710,000**	**($710,000)**
	Federal	535,400	(535,400)
	Restricted	174,600	(174,600)
8. Technical Adjustment to Revenue Sources	**Gross**	**$954,566,500**	**($8,587,700)**
Executive reduces various line items by $8.6 million Gross ($0 GF/GP) federal, local, private, and restricted fund sources to align with actual funds received. House, Senate, and Conference concur.	Federal	764,102,800	(1,881,400)
	Local	4,433,500	(3,933,500)
	Private	5,619,000	(8,000)
	Restricted	180,411,200	(2,764,800)
9. Five Year Early Out Deferred Sick Leave Payments	**Gross**	**$577,700**	**($577,700)**
Executive removes $577,700 Gross ($59,200 GF/GP). Recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentives, which were spread out over five years. House, Senate, and Conference concur.	Federal	386,200	(386,200)
	Restricted	132,300	(132,300)
	GF/GP	$59,200	($59,200)
10. Pure Michigan	**Gross**	**$33,000,000**	**$1,000,000**
Senate includes $1.0 million Gross ($0 GF/GP) in additional funds to support the Pure Michigan campaign. Conference concurs.	Restricted	33,000,000	1,000,000

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
11. Work Opportunity Program	**Gross**	**NA**	**$0**
Senate includes $500,000 GF/GP to support a new Work Opportunity Program that would allow businesses to be reimbursed for hiring qualified individuals. Conference does not include.	GF/GP	NA	$0
12. Project Placeholders – One-Time Appropriations	**Gross**	**NA**	**$0**
Senate includes $200 GF/GP for 2 project placeholders which include the Smartzone Grant Program and a grant to Kalamazoo Valley Community College – Healthy Living Campus. Conference does not include.	GF/GP	NA	$0
13. Other One-Time Appropriations	**Gross**	**$30,150,000**	**($18,150,000)**
Executive removes $30.2 million GF/GP in one-time appropriations for Film Incentives ($25.0 million GF/GP) and various one-time special grants ($5.2 million GF/GP). House concurs. Senate concurs with elimination of FY 2015-16 one-time funds. Includes $4.5 million Gross ($2.8 million GF/GP) in new one-time special grant funding for the following grants outlined in Section 846: Water Tower Capital Upgrades ($250,000); Capital Upgrade to Financially Distressed City ($960,000); Parking Redevelopment Grant ($800,000); Jobs for America's Graduates ($2.1 million); Plasma Cutting Machine ($76,000); Urban Search and Rescue Task Force ($300,000). Conference concurs with elimination of FY 2015-16 one-time funds. Includes $12.0 million in new one-time special grant funding for the 21 special grant projects listed in Section 1046.	Restricted	0	0
	GF/GP	$30,150,000	($18,150,000)
14. Sustainable Employment Pilot Program	**Gross**	**$0**	**$100**
House includes $100 GF/GP in one-time appropriations as a placeholder for a new sustainable employment pilot program. The program would focus on moving individuals off of government assistance programs and measure the corresponding savings to state government. Senate does not include. Conference concurs with House.	GF/GP	$0	$100
15. Protect and Grow	**Gross**	**$0**	**$3,000,000**
Conference includes $3.0 million GF/GP to support Protect and Grow which would inventory Michigan's defense assets and determine their economic impact, strategically invest to protect current defense industry assets, grow existing operations and identify and pursue new opportunities, and engage key leaders associated with Michigan's defense industry.	GF/GP	$0	$3,000,000
16. Economics Adjustments	**Gross**	**NA**	**$3,417,700**
Reflects increased costs of $3.4 million Gross ($341,100 GF/GP) for negotiated salary and wage amounts (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required retirement contributions, and other economic adjustments. Executive, House, Senate, and Conference include economic changes.	Federal	NA	2,045,000
	Private	NA	8,000
	Restricted	NA	1,023,600
	GF/GP	NA	$341,100

Major Boilerplate Changes From FY 2015-16

NOTE: Senate renumbered sections in the 800's.

***Reporting Requirements* – DELETED**
Executive eliminates numerous boilerplate reporting requirements deemed one-time, duplicative due to requirements present in statute, or that covered outdated program requirements. The following sections and subsections were deleted or revised to eliminate reporting requirements:
Sec. 990. Michigan State Housing Development Authority Housing Production Goals Annual Report
Sec. 991. Michigan Broadband Development Authority Report
Sec. 1005. Pure Michigan Slogan Revenue
Sec. 1007. MSF/MEDC Program Reporting Requirements
Sec. 1010. Jobs for Michigan Investment Fund Report
Sec. 1031. Spending Plan Report for Entrepreneurship Eco-System and Business Attraction and Community Revitalization
Sec. 1033. Film Incentives Status Report
Sec. 1053. MSF Status of Projects by Award Recipient Report
Sec. 1076. UIA Computer System Report
Sec. 1077. UIA Internet Claims Report
Sec. 1078. Internet Michigan Web Account Manager System Performance Metrics
With the exception of Sections 1031 and 1053, the House retained all reporting requirements and sections listed. With the exception of Sections 1010, 1031, 1033, and 1053 the Senate retained the reporting requirements and sections listed above. With the exception of Sections 991, 1031, 1033, and 1053 the Conference retained the reporting requirements and sections listed above. Dates are standardized to March 15.

***Sec. 1014. Michigan Core Communities Fund* – DELETED**
Outlines purposes and authorized uses of the fund; establishes policies and procedures for disseminating grants from the fund; requires notification before grant distribution. Executive, Senate, and Conference delete. House retains.

***Sec. 1033. Film Incentive Status Report* – REVISED**
Requires quarterly reports on the status of the film incentives approved under Section 29h of the MSF Act. Conference revises to require annual activities report from the Michigan Film and Digital Media Office.

***Sec. 1034. Business Incubator Program Dashboard* – RETAINED**
Requires each business incubator that received an award from the fund to submit a dashboard of indicators to gauge performance. Executive and Senate delete. House and Conference retain.

***Sec. 1035. Michigan Council for Arts and Cultural Affairs (MCACA) Arts and Cultural Grants* – RETAINED**
Requires MCACA to administer an arts and cultural grant program that maintains an equitable geographic distribution of funding and utilizes past arts and cultural grant programs as a guideline; requires MCACA to publish application criteria; authorizes MCACA to charge a non-refundable application fee to be used for expenses necessary to administer the programs; requires a report to the legislature. Executive revised to eliminate language prohibiting funds from being used for administration. House, Senate, and Conference retain current year language.

***Sec. 1037. Facility for Rare Isotope Beams Debt Service* – DELETED**
Caps reimbursement to Michigan State University at $91.0 million. Provides that the State Budget Director shall retain the authority and fiduciary responsibility associated with the maintenance of the public's financial and policy interests related to state-financed construction projects. Executive, Senate, and Conference delete. House retains.

***Sec. 1038. Facility for Rare Isotope Beams Progress Report* – NEW**
Requires a status report on the construction of the Facility for Rare Isotope Beams at Michigan State University. Senate includes as new section 838. Conference concurs with Senate and includes as new Section 1038.

***Sec. 1040. MAIN System Reporting* – RETAINED**
Requires MSF to use MAIN or a DTMB-administered successor program to report encumbrances and expenditures. Executive deletes. House, Senate, and Conference retain.

***Sec. 1041. Business Attraction and Community Revitalization Transfer of Funds* – RETAINED**
Requires MSF to request not more than 60% of the funds appropriated for Business Attraction and Community Revitalization prior to April 1. Executive deletes. House, Senate, and Conference retain.

***Sec. 1042a. Business Attraction and Community Revitalization Performance Metrics* – NOT INCLUDED**
Requires department to identify specific outcomes and performance metrics for the increased funds in part 1 associated with the Business Attraction and Community Revitalization line item. Provides nonexclusive list of performance metrics to be used. Executive includes as new. House, Senate, and Conference do not include.

***Sec. 1043. Tax Credit Report* – NEW**
Requires MSF to report on the MEGA tax credits, Brownfield Redevelopment Tax Credit, Film Tax Credit, Photovoltaic Technology Tax Credit, Polycrystalline Silicone Manufacturing Tax Credit, Vehicle Battery Tax Credit, and any other certified credits. Senate includes as new Section 847. Conference includes as new section 1043. States that MSF must work in conjunction with the Department of Treasury.

Major Boilerplate Changes From FY 2015-16

***Sec. 844. Unmanned Aerial Drone Development Grant* – NOT INCLUDED**
Stipulates that $500,000 of the funds appropriated in part 1 for Business Attraction and Community Revitalization shall be allocated to a consortium that develops unmanned aerial systems technology and has a teaming agreement or partnership with a FAA-designated testing site. Senate includes as new section. Conference does not include.

***Sec. 845. Van Andel Institute Grant* – NOT INCLUDED**
Stipulates that $1.0 million of the funds appropriated in part 1 for Entrepreneurship Eco-System be dedicated to the Van Andel Institute to be used to match federal, private and nonprofit grants, and private contributions. Senate includes as new section. Conference does not include section but includes $1.0 million in special grants and includes boilerplate language in Section 1046.

***Sec. 1046. Special Grants Award Listing* – NEW**
Specifies distribution of funds appropriated in part 1 for Special Grants. Senate includes as new Section 846. Conference includes as new Section 1046 with 21 projects:

***Sec. 848. Smart Zone Grant* – NOT INCLUDED**
Specifies requirements for distribution of $100 grant appropriated in part 1. Senate includes as new section. Conference does not include.

***Sec. 849. Aerospace Supplier Expansion Grant* – NOT INCLUDED**
Requires $100 of the funds appropriated in part 1 for Entrepreneurship Eco-System to be allocated as a grant to an aerospace supplier expansion grant to a Michigan association that has a developmental plan for an aerospace supplier network. Senate includes as new section. Conference does not include.

***Sec. 850. Business and Technology Accelerator Grant* – NOT INCLUDED**
Requires $100 from the funds appropriated in part 1 for Entrepreneurship Eco-System to be granted to a public or private technology university to start up a business and technology accelerator. Specifies that the accelerator shall be operated by a university, have federal matching dollars, and have partnerships or alliance agreements with Michigan Works!, businesses, and a local unit of government. Senate includes as new section. Conference does not include.

***Sec. 1050. Activities Classification Structure Data Book* – DELETED**
Requires Department of Talent and Economic Development (DTED) to publish the "activities classification structure data book" for Michigan community colleges; report on Indian Tuition Waivers granted; and compile information from community colleges on the number of associates degrees and other certificates awarded during the previous fiscal year. Executive retains. House, Senate, and Conference delete.

***Sec. 1056. Film Incentive Funds Transfer* – DELETED**
Requires the DTED to make a total payment of $19.1 million from the funds appropriation in part 1 to Film Incentives to the Michigan retirement systems for obligations purchased or guaranteed for the financing, construction, or operation of a film production studio. Executive, House, Senate, and Conference delete.

***Sec. 1061. Workforce Investment Act (WIA) Youth Grant Program* – RETAINED**
Allows Talent Investment Agency (TIA) to provide grants to non-profit organizations that offer programs to WIA-eligible youth focusing on entrepreneurship, work-readiness skills, job shadowing, and financial literacy. Executive deletes. House, Senate, and Conference retain.

***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 a Michigan company has utilized its favored status from the Investments in Manufacturing Communities Partnership to receive an award from the federal government. Revised to eliminate funding restrictions for program and process-centered training organization employers. Executive revised matching funds language to broaden federal match language to allow the department flexibility if new federal funding was available. Executive also struck language that prohibited funds from being distributed to program and process-centered training organization employers. House concurs with Executive changes on federal matching funds; retains language prohibiting funds from being distributed to program and process-centered training organization employers. Senate retains current law and adds (h) which directs use of TANF funds included as a fund source in part 1 for the Skilled Trades Training Program. Conference concurs with House.

***Sec. 1069. Michigan GED-to-School Program* – DELETED**
Stipulates that funds appropriated in part 1 for the program are to be used to cover the cost of the GED test free of charge to individuals meeting certain requirements. Requires Workforce Development Agency to develop procedures, provide program information, provide a full-year cost estimate, and provide a report. Executive, House, Senate, and Conference delete.

***Sec. 869. Work Opportunity Program* – NOT INCLUDED**
Specifies that funds appropriated in part 1 for the Work Opportunity Program are to be used to provide grants to employers for the hiring of qualified employees. Outlines requirements of program. Senate includes as new section. Conference does not include.

Major Boilerplate Changes From FY 2015-16

***Sec. 1070. Welfare-to-Work Workgroup* – DELETED**
Requires Workforce Development Agency to conduct a workgroup with DHHS and members of the Senate and House of Representatives, unless a workgroup and report were provided in FY 2014-15, to determine how the state can align the spending on Michigan Works! Job readiness programs with the declining family assistance program caseload. Requires report. Executive, House, Senate, and Conference delete.

***Sec. 1079. Interagency Agreement for TANF Funds* – NEW**
Requires TIA to extend into an interagency agreement with DHHS for the use of TANF funds. Requires report on use of TANF funds by TIA. Senate includes as new Section 880. Conference concurs with Senate and includes as new Section 1079.

***Sec. 1080. Community Ventures – Challenge Match* – NEW**
Stipulates that funding in part 1 for the Community Ventures – Challenge Match shall only be expended upon the commitment of matching dollars from private sources. States that private funds raised would be matched dollar for dollar up to $2.0 million. Executive includes as new Section 1069. House does not include. Senate includes as Section 881. Senate included $1.0 million in new funding in part 1 for match program and language specifies that an additional $1.0 million of ongoing funding may be used in the challenge match program. Conference includes new Section 1080 authorizing the use of up to $2.0 million for matching program ($1 for $1) if private funds are raised.

***Sec. 1081. Statewide Data System Integration Performance Metrics* – NEW**
Requires department to identify specific outcomes and performance metrics for the increased funds in part 1 associated with the Statewide Data System Integration line item. Provides nonexclusive list of performance metrics to be used. Executive, House, Senate, and Conference include as new section.

***Sec. 1082. Financial Literacy Pilot Guidance* – NOT INCLUDED**
Provides guidance on purpose and of Financial Literacy Pilot Program for Family Independence Program (FIP) and Temporary Assistance for Needy Families (TANF) eligible individuals. Executive and House include as new section. Senate and Conference do not include.

***Sec. 1083. Sustainable Employment Pilot Program* – NEW**
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. House includes as new section. Senate does not include. Conference concurs with House.

FY 2016-17: DEPARTMENT OF HEALTH AND HUMAN SERVICES
Summary: Conference Report
Article X, House Bill 5294 (H-1) CR-1

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

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Revised Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Conference	*Difference: Conference From FY 2015-16 YTD Amount*	*%*
IDG/IDT	$13,551,600	$13,513,700	$13,663,700	$13,513,700	$13,513,700	*($37,900)*	*(0.3)*
Federal	18,422,113,900	17,730,579,000	17,908,814,900	17,796,663,100	17,880,902,200	*(541,211,700)*	*(2.9)*
Local	123,339,800	123,812,700	124,445,800	123,892,300	124,445,800	*1,106,000*	*0.9*
Private	156,409,100	156,259,300	154,259,300	156,279,300	154,259,300	*(2,149,800)*	*(1.4)*
Restricted	2,217,821,600	2,328,800,000	2,359,233,400	2,342,745,600	2,294,167,500	*76,345,900*	*3.4*
GF/GP	4,153,708,200	4,355,003,000	4,312,425,900	4,350,767,400	4,374,548,300	*220,840,100*	*5.3*
Gross	**$25,086,944,200**	**$24,707,967,700**	**$24,872,843,000**	**$24,783,861,400**	**$24,841,836,800**	***($245,107,400)***	***(1.0)***
FTEs	15,443.0	15,560.5	15,560.5	15,505.5	15,576.5	*133.5*	*0.9*

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." 3) Revised Executive amount includes Executive Budget Revision 2017-1 issued on April 4, 2016.

Overview

The Department of Health and Human Services (DHHS) was created through the merger of the Department of Community Health (DCH) and the Department of Human Services (DHS) under Executive Order (EO) 2015-4. The Human Services portion of the DHHS budget includes 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. The Health Services portion of the DHHS budget provides funding for behavioral health (mental health and substance use disorder), public health, aging, crime victim, and medical services programs, including Medicaid and the Healthy Michigan Plan.

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
MEDICAID AND BEHAVIORAL HEALTH - GENERAL			
1. Traditional Medicaid Cost Adjustments	**Gross**	**$13,077,804,300**	**$487,619,600**
Executive increases $338.7 million Gross ($170.2 million GF/GP) for traditional Medicaid, MIChild, and Federal Medicare Pharmaceutical Program caseload, utilization, inflation, and financing adjustments. Includes $47.5 million GF/GP to offset Federal Medical Assistance Percentage (FMAP) decline from 65.60% to 65.15% due to relative growth in state's personal income and $29.8 million GF/GP reduction based on available federal Title XXI matching funds. Total caseload for traditional Medicaid program is projected at 1.65 million individuals. House revises Executive increase to $336.0 million Gross ($154.5 million GF/GP) by reducing children with serious emotional disturbance waiver cost projection $2.6 million Gross ($909,600 GF/GP), increasing GF/GP needed to offset declining FMAP $304,200 GF/GP, and including a technical adjustment increasing federal authorization $15.0 million in the health plan services line based on available Title XXI, enhanced FMAP for family planning, and Certified Public Expenditures to offset a like amount of GF/GP. Senate concurs with the Executive. Conference provides $487.6 million Gross ($195.0 million GF/GP) based on the May caseload consensus agreement between the State Budget Office, Senate Fiscal Agency, and House Fiscal Agency, concurring with House serious emotional disturbance waiver cost projections, concurring with House $304,200 GF/GP increase to offset declining FMAP, and offsetting an additional $15.0 million GF/GP from available Title XXI matching funds.	Federal	8,539,476,700	282,763,000
	Local	46,712,100	441,400
	Private	2,100,000	0
	Restricted	1,887,376,600	9,374,900
	GF/GP	$2,602,138,900	$195,040,300

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
2. Healthy Michigan Plan (HMP) Cost Adjustments	**Gross**	**$4,120,201,500**	**($460,560,700)**
Executive includes reduction of $513.3 million Gross (increase of $108.6 million GF/GP) for Healthy Michigan Plan caseload, utilization, inflation, and financing adjustments. Gross reduction is due to both caseload levelling off at roughly 600,000 individuals and adjustments to managed care capitated rates. Beginning January 1, 2017, the federal match rate reduces from 100% to 95%, requiring $108.6 million GF/GP increase. Executive utilizes $95.0 million of Hospital QAAP Retainer savings described below to offset bulk of match costs. House revises Executive amount to also include non-GF/GP matching funds needed for HMP special Medicaid reimbursements. Senate concurs with the Executive. Conference reduces HMP $460.6 million Gross (increases $110.6 million GF/GP) based on the May caseload consensus agreement and concurring with House non-GF/GP matching fund adjustment for special Medicaid reimbursements.	Federal	4,120,201,500	(597,416,000)
	Local	0	633,100
	Restricted	0	25,668,300
	GF/GP	$0	$110,553,900
3. Actuarial Soundness Adjustments	**Gross**	**$11,516,242,900**	**($18,911,600)**
Executive includes a net reduction of $18.9 million Gross ($4.6 million GF/GP) to provide $54.8 million Gross ($19.1 million GF/GP) for a 1.5% Medicaid health plans actuarial soundness adjustment, $34.2 million Gross ($11.9 million GF/GP) for a 1.5% Prepaid Inpatient Health Plans actuarial soundness adjustment, $29.2 million Gross ($1.1 million GF/GP) for a 2.0% Healthy Michigan Plan actuarial soundness adjustment, and a reduction of $137.2 million Gross ($36.7 million GF/GP) based on a one-year moratorium on the ACA health insurer fee beginning January 1, 2017. House reduces an additional $446,000 GF/GP and increases a like amount of federal funds based on revised fund sourcing for the ACA insurer fee. Senate concurs with the Executive. Conference concurs with the House.	Federal	9,031,879,700	(13,882,200)
	Local	39,846,400	0
	Restricted	1,189,849,500	0
	GF/GP	$1,254,667,300	($5,029,400)
4. Medicaid Managed Care Use Tax and Health Insurance Claims Assessment Adjustments	**Gross**	**NA**	**($479,536,600)**
Executive reduces $612.9 million Gross ($198.6 million GF/GP) to reflect (1) discontinuation of Use Tax on Medicaid Managed Care Organizations (MCOs) and associated actuarial soundness payments of $612.9 million Gross ($140.4 million GF/GP) to MCOs on January 1, 2017 and (2) offset of $58.2 million in GF/GP funds with restricted Health Insurance Claims Assessment (HICA) revenue from associated automatic increase in HICA from 0.75% to 1.0% on January 1, 2017. House reduces $466.1 million Gross ($181.5 million GF/GP) based on (1) updated MCO Use Tax projections and fund sourcing of $466.1 million Gross ($123.3 million GF/GP) and (2) concurs with HICA revenue projection. Senate concurs with the Executive. Conference reduces $479.5 million Gross ($165.0 million GF/GP) based on (1) updated MCO Use Tax projections and fund sourcing of $479.5 million Gross ($125.5 million GF/GP) and (2) a net HICA revenue increase of $39.4 million. HICA revenue is revised down $18.7 million from the Executive projection from an increase in the projected 2017 HICA credit, which is attributed to an increase in projected net GF/GP revenue from the 2016 MCO Use Tax used to calculate the 2017 HICA credit.	Federal	NA	(353,994,500)
	Restricted	NA	39,441,300
	GF/GP	NA	($164,983,400)
DEPARTMENTWIDE ADMINISTRATION			
5. DHHS Merger Line Item Changes, and Savings	**Gross**	**NA**	**($100,000)**
Executive includes numerous appropriation line item adjustments related to the 2015 merger creating DHHS, including consolidation of line items and appropriation units reflecting reorganization of programs and agencies, with no net impact on department appropriations; includes $100,000 GF/GP unrelated reduction for Departmentwide savings. House concurs with most line item changes, and increases the reduction to $3.0 million GF/GP as savings related to the merger. Senate concurs with most line item changes, and with the $100,000 GF/GP reduction. Conference concurs with the Executive except rejects a small number of line item rollups.	GF/GP	NA	($100,000)

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
6. Information Technology – Child Welfare Information System (MiSACWIS)	FTE	0.0	23.0
	Gross	**$151,516,300**	**$19,528,400**
Executive includes an increase of 50 FTEs and $22.3 million Gross ($7.7 million GF/GP), including $10.8 million ongoing and $11.5 million one-time funds, to continue implementation of improvements to the Michigan Statewide Automated Child Welfare Information System, to comply with new federal regulations and the Modified Settlement Agreement with Children's Rights, Inc., for improved monitoring of child protective services, and foster care and adoption cases. Year-to-date amount shown is for the Information Technology Projects and Services line item (although increase is provided in Departmentwide Administration line item). House provides $17.4 million Gross ($6.3 million GF/GP) for MiSACWIS improvements: $8.8 million ongoing, and $8.6 million one-time funds. Senate provides $9.8 million Gross ($1.0 million GF/GP) for MiSACWIS improvements: $4.0 million ongoing, and $5.8 million one-time funds. Conference includes total funding increase of $19.5 million Gross ($11.5 million GF/GP) and an increase of 23 FTEs; $8.0 million as ongoing and $11.5 million as one-time.	IDG	1,067,000	0
	TANF	12,087,200	0
	Federal	82,664,900	8,012,200
	Restricted	1,985,800	0
	GF/GP	$53,711,400	$11,516,200
7. Information Technology – Software Support, Service Model, and MMIS Analytics	**Gross**	**$201,717,400**	**$7,198,300**
	IDG	1,067,000	0
Executive increases funding by $7.2 million Gross ($2.5 million GF/GP) for costs to support information technology and Medicaid Management Information systems (MMIS) including encryption and security software, Medicaid fraud detection software, and transition to the new DTMB financial model for the provision of information technology services across all departments. Year-to-date amount shown includes the Information Technology Projects and Services line item and the MMIS line item. House concurs with the Executive, and also includes $100 GF/GP placeholder and Sec. 293 boilerplate for pilot analytics platform for Medicaid claims. Senate funds the 3 increases at $100 GF/GP each. Conference concurs with the Executive, and includes Sec 293 boilerplate to explore the analytics platform.	TANF	12,087,200	0
	Federal	105,285,900	4,656,000
	Private	20,000,000	0
	Restricted	1,985,800	0
	GF/GP	$61,291,500	$2,542,300
8. Economic Adjustments	**Gross**	**NA**	**$42,842,000**
	IDG	NA	231,000
Executive reflects increased costs of $42.8 million Gross ($17.1 million GF/GP) for the following economics adjustments for employees and other: negotiated salary and wage increases (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially determined retirement rate increases, and increases for worker's compensation, building occupancy, and food for state hospitals, centers, and juvenile justice facilities. Economics adjustments are also included for administrative hearings system and information technology charges. House concurs and includes adjustments to support Executive Budget Revision 2017-1, with some modifications to fund sourcing, including removal or increases from capped federal sources. Senate concurs with the Executive. Conference concurs with the Executive Budget Revision 2017-1.	TANF	NA	4,951,700
	Federal	NA	14,608,200
	Local	NA	658,800
	Private	NA	232,100
	Restricted	NA	835,900
	GF/GP	NA	$21,324,300
9. Discontinue 2010 Early Out Payouts	**Gross**	**$6,363,600**	**($6,363,600)**
	IDG	200	(200)
Executive recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentive, which were spread out over 5 years; total reduction taken is $6.4 million Gross ($2.5 million GF/GP). House, Senate, and Conference concur with the Executive.	TANF	995,400	(995,400)
	Federal	2,773,900	(2,773,900)
	Restricted	53,700	(53,700)
	GF/GP	$2,540,400	($2,540,400)
10. Michigan 2-1-1	**Gross**	**$500,000**	**$750,000**
House provides $950,000 GF/GP funding increase for Michigan 2-1-1 system including $450,000 ongoing, and $500,000 one-time for additional support during emergency and disaster events. (Michigan 2-1-1 YTD funding shown). Senate provides $100 placeholder for increased funding. Conference provides $750,000 GF/GP funding increase including $450,000 ongoing, and $300,000 one-time funding.	GF/GP	$500,000	$750,000

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
PUBLIC ASSISTANCE			
11. Food Assistance Program (FAP) Caseload Adjustment	**Gross**	**$2,419,025,900**	**($70,908,500)**
Executive increases FAP caseload costs by $13.8 million Gross ($0 GF/GP) for FY 2016-17, in addition to a proposed supplemental caseload cost reduction for FY 2015-16 of $84.7 million Gross ($0 GF/GP), for a total reduction of $70.9 million Gross ($0 GF/GP) compared to the original enacted FY 2015-16 budget. Funding supports 795,400 cases at an average cost of $246.01 per month; FAP caseload in December 2015 was 786,725. House, Senate, and Conference concur with Executive.	Federal	2,419,025,900	(70,908,500)
	GF/GP	$0	$0
12. Additional Public Assistance Caseload Adjustments	**Gross**	**$190,205,100**	**($22,112,900)**
Executive decreases funding for other public assistance programs by $5.4 million Gross ($2.5 million GF/GP) as follows:	TANF	42,731,900	(12,636,800)
• Family Independence Program (FIP) is reduced $3.9 million Gross ($953,600 GF/GP) adjusting the monthly caseload estimate from 25,473 cases at $362.93 per month to 25,800 cases at $365.61 per month.	Restricted	48,029,600	(1,819,200)
• State Disability Assistance (SDA) is reduced by $1.7 million GF/GP adjusting the monthly caseload estimate from 5,566 cases at $209.88 per month to 4,900 cases at $210.10 per month.	GF/GP	$99,443,600	($7,656,900)
• State Supplementation is increased by $163,300 GF/GP adjusting the monthly caseload estimate from 276,585 cases at $19.04 per month to 277,300 cases at the same monthly rate.			
House and Senate concur with Executive.			
Conference reduces Executive caseload projection $16.7 million Gross ($5.2 million GF/GP) for a total reduction of $22.1 million Gross ($7.7 million GF/GP) based on the May caseload consensus agreement.			
13. Family Independence Program (FIP) Clothing Allowance Increase	**Gross**	**$2,880,000**	**$3,390,000**
Executive includes additional $6.1 million federal Temporary Assistance to Needy Families (TANF) funding to expand the clothing allowance for FIP recipients to all school-age children receiving benefits instead of current policy that only children in "child-only" eligibility groups (adult caretakers not eligible for benefits) receive the allowance. Program is currently appropriated $2.9 million TANF funding; annual benefit would be increased from $140 per child to $200; adjusts boilerplate language (Sec. 669). House includes $4.8 million additional TANF to expand program to all eligible FIP children and increase benefit to $170. Senate and Conference increase program funding by $3.4 million TANF and expand allowance to all eligible children at the current-year level of $140.	TANF	2,880,000	3,390,000
	GF/GP	$0	$0
14. Multicultural Integration Funding	**Gross**	**$11,858,300**	**$1,445,500**
Executive increases funding by $1.5 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). Section 295 is related boilerplate. House, Senate, and Conference concur with Executive.	TANF	421,000	0
	Federal	694,500	0
	GF/GP	$10,742,800	$1,455,500
15. Maximize FAP Payments Through Heat and Eat Program	**Gross**	**NA**	**$0**
House includes $141.3 million Gross ($3.2 million GF/GP) to support participation in the Heat and Eat program. The LIHEAP line item is increased by $3.2 million GF/GP to make $21 energy assistance payments to an estimated 150,046 FAP cases to give them the Standard Utility Allowance making them eligible for additional FAP benefits. The FAP line item is increased by $138.2 million federal funding to recognize the additional FAP benefits that would be received (estimated as an average monthly increase of $76.73); includes boilerplate language to allocate the $3.2 million federal funding for $21 payments to certain FAP recipients (Sec. 656). Senate and Conference do not include funding.	Federal	NA	0
	GF/GP	NA	$0

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
CHILDREN'S SERVICES AGENCY – CHILD WELFARE			
16. Child Welfare Caseload Adjustments	**Gross**	**$621,109,300**	**($4,991,300)**
Executive increases funding for child welfare programs by $3.4 million Gross ($1.8 million GF/GP) as follows:	TANF	163,523,100	(3,578,800)
	Federal	191,130,500	231,600
• Foster care payments are increased by $1.0 million Gross (reduction of $8.7 million GF/GP) from 6,175 cases at $27,877 per year to 5,950 cases at $29,400 per year.	Private	2,805,900	(381,900)
	Local	14,194,000	0
• Adoption subsidies are reduced $6.0 million Gross (increase of $723,300 GF/GP) from 25,064 cases at $745.00 per month to 24,740 cases at $734.64 per month.	GF/GP	$249,455,800	($1,262,200)
• The Child Care Fund is increased $6.3 million GF/GP.			
• Guardianship assistance payments are increased by $2.7 million Gross ($3.5 million GF/GP) from 900 cases at $825.94 per month to 1,280 cases at $779.07 per month.			
• Family Support Subsidies are reduced by $682,200 Gross ($0 GF/GP) from 6,616 cases at $222.11 per month to 6,369 cases at the same monthly rate.			
House and Senate concur with Executive.			
Conference decreases Executive caseload projection $8.4 million Gross ($3.1 million GF/GP) for a total reduction of $5.0 million Gross ($1.3 million GF/GP) based on the May caseload consensus agreement.			
17. Foster Care Residential and Administrative Rates – Eliminate County Hold-Harmless Provision	**Gross**	**NA**	**$7,500,000**
	Federal	NA	1,945,000
Executive reduces funding by $6.1 million Gross ($5.2 million GF/GP) by rescinding the county hold-harmless provision that requires DHHS to pay 100% of the foster care administrative rates to private agencies for all new cases beginning October 1, 2013; also requires counties to pay 50% of the entire private residential rate and private agency administrative rate. House does not reduce funding and retains county hold-harmless policy for private foster care rates; includes $100 placeholder for private administration rates. Senate does not reduce funding, retains county hold-harmless policy, and includes additional $7.5 million GF/GP for private administration rates. Conference concurs with the Senate and revises fund sourcing to $7.5 million Gross ($5.6 million GF/GP).	GF/GP	NA	$5,555,000
18. County Prosecuting Attorney Contracts	**Gross**	**$2,561,700**	**$500,000**
Executive provides additional $500,000 federal funding to recognize the increase in contracts with county Prosecuting Attorneys for legal services concerning child welfare cases. House, Senate, and Conference concur with Executive.	Federal	2,561,700	500,000
	GF/GP	$0	$0
19. Child Care Fund – Federal TANF and GF/GP Fund Source Shift	**Gross**	**NA**	**$0**
Executive includes fund source shift of TANF and GF/GP funding in the Child Care Fund line item by replacing $43.0 million TANF funding with $43.0 million GF/GP. The GF/GP funding is available by replacing GF/GP in two line items with TANF in the following amounts: the Child Welfare Field Staff line item ($28.8 million) and the Family Independence Program line item ($15.0 million). Federal policy mandates that in-home care expenditures for youth in juvenile justice programs may no longer be funded with TANF or TANF MOE funding. The funding shift is net neutral to DHHS. House, Senate, and Conference concur with Executive.	TANF	NA	0
	GF/GP	NA	$0
20. Family Preservation Programs	FTE	23.0	1.0
Executive includes 1.0 FTE position and an additional $10.0 million federal TANF grant funds as one-time funding to expand the Parent Partner Program and the Family Reunification Program to additional counties over 3 years; includes boilerplate language (Sec. 1909). House includes 1.0 FTE position and $3.4 million TANF to fund the expansion for one year; Senate includes 1.0 FTE and $3.1 million TANF; Conference includes 1.0 FTE and $6.1 million. The $3.9 million in TANF reductions from the Executive Recommendation are used to offset GF/GP elsewhere in the budget.	**Gross**	**$38,857,500**	**$6,098,200**
	TANF	38,274,300	6,098,200
	Federal	583,200	0
	GF/GP	$0	$0

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
21. Adoption Family Support Network Parent-to-Parent Program	**Gross**	**$350,000**	**($100,000)**
Executive eliminates the $350,000 GF/GP funding for the Parent-to-Parent program which provides parent mentoring to adoptive parents; eliminates boilerplate language (Sec. 559). House concurs with Executive; Senate retains current-year funding; Conference reduces funding by $100,000.	GF/GP	$350,000	($100,000)
CHILDREN'S SERVICES AGENCY – JUVENILE JUSTICE			
22. In-Home Community Care Grants for Rural Counties	**Gross**	**$400,000**	**($400,000)**
Executive eliminates the $400,000 GF/GP funding for In-Home Community Care Grants which provides new grants for the expansion of in-home community-based programs for juvenile justice services in rural counties; eliminates boilerplate language (Sec. 587). House concurs with Executive; Senate includes current-year funding; Conference concurs with Executive.	GF/GP	$400,000	($400,000)
23. Program Reductions	**Gross**	**NA**	**($2,500,000)**
House reduces $750,000 GF/GP funding for Fostering Futures Scholarship Grants, $500,000 GF/GP funding for Emergency Services Local Office Allocations, and $250,000 TANF for FIP Suspicion-Based Drug Testing Pilot. Senate reduces Child Care Fund by $1.0 million GF/GP from anticipated savings based on the findings of an upcoming Auditor General audit and the Maxey facility by $250,000 GF/GP. Conference reduces Child Care Fund by $2.0 million GF/GP and the Maxey facility by $500,000 GF/GP.	TANF GF/GP	NA NA	0 ($2,500,000)
24. Program Increases	**Gross**	**NA**	**$1,405,000**
House includes $875,000 GF/GP funding to increase various programs including: SSI Advocacy Legal Services ($500,000), Food Bank Funding ($250,000), Indigent Burial Program ($75,000), and AgrAbility within Michigan Rehabilitation Services ($50,000); also includes $100 GF/GP placeholder for Pathways to Potential program and $100 GF/GP for Sexual Assault Comprehensive Services Program grants. Senate includes $2.5 million GF/GP funding to increase SSI Advocacy Legal Services ($500,000), Mass Agriculture Surplus System (MASS) through food banks ($700,000), Muskegon Covenant Academy ($280,000), JJ Vision 20/20 Program ($1.0 million), and AgrAbility ($50,000). Conference includes $1.4 million GF/GP funding to increase SSI Advocacy Legal Services ($500,000), food banks ($250,000), Indigent Burial Program ($75,000), Muskegon Covenant Academy ($280,000), Hope Network ($250,000), and AgrAbility ($50,000).	GF/GP	NA	$1,405,000
25. Capped Federal Revenues Fund Source	**Gross**	**NA**	**$0**
Executive rolls the "Capped Federal Revenues" fund source into the general "Total Federal Revenues" fund source. House, Senate, and Conference retain "Capped Federal Revenues" as a separate fund source.	Federal GF/GP	NA NA	0 $0
BEHAVIORAL HEALTH			
26. Mental Health and Wellness Commission	**Gross**	**$22,362,500**	**($5,512,500)**
Senate and Conference reduce ongoing funding for Mental Health and Wellness Commission recommendations $5.5 million Gross ($1.9 million GF/GP).	Federal GF/GP	12,573,500 $9,789,000	(3,648,500) ($1,864,000)
27. Community Mental Health Non-Medicaid Services	**Gross**	**$117,050,400**	**$3,000,000**
House provides $1.8 million GF/GP to support a 1.5% inflationary increase in non-Medicaid mental health services provided through Community Mental Health Services Programs (CMHSPs). Senate retains current year funding. Conference provides a $3.0 million GF/GP increase and includes Sec. 941 directing that these funds support costs related to Medicaid spenddown beneficiaries.	GF/GP	$117,050,400	$3,000,000
28. University Autism Programs	**Gross**	**$2,500,000**	**($1,500,000)**
House reduces $1.5 million GF/GP allocated for University Autism programs. University Autism program funding was moved from the One-Time Basis Unit in FY 2015-16. Senate retains current year funding. Conference concurs with the House.	GF/GP	$2,500,000	($1,500,000)

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
29. New Unit at Center for Forensic Psychiatry	FTE	556.3	51.0
Executive adds $7.6 million GF/GP to fund additional unit to serve 30 patients. Center provides psychiatric treatment to criminal defendants ruled incompetent to stand trial and/or acquitted by reason of insanity. Adds new boilerplate Sec. 1059 that identifies outcomes and performance measures: average wait times for persons ruled incompetent to stand trial and number of persons waiting to receive services. House concurs with the Executive. Senate provides funding for a half year. Conference concurs with the Executive and House.	**Gross**	**$72,538,000**	**$7,607,000**
	Federal	11,900	0
	Local	5,085,700	0
	Restricted	877,600	0
	GF/GP	$66,562,800	$7,607,000
30. Autism Navigator	**Gross**	**$0**	**$565,000**
Executive includes $1.1 million GF/GP in one-time funding for an assessment of the statewide rollout of the Medicaid Autism benefit and assistance to families of autistic children in finding services. Previously funded with $1.5 million in one-time restricted funding for FY 2014-15. House concurs with the Executive. Senate provides $100 placeholder. Conference provides $565,000 GF/GP.	GF/GP	$0	$565,000
31. Western Michigan University Opiate Prevention Pilot	**Gross**	**$0**	**$0**
House provides $850,000 GF/GP, on a one-time basis, for Homer Stryker MD School of Medicine to identify relevant biomarkers that predict the risk of opioid abuse and overdose by analyzing archived blood samples from overdose cases. Also includes boilerplate Sec. 1911 allocating the funds and describing the pilot program. Senate and Conference do not include.	GF/GP	$0	$0
PUBLIC HEALTH			
32. Flint Declaration of Emergency	**Gross**	**$17,307,000**	**($2,168,900)**
Executive provides $15.1 million Gross ($9.1 million GF/GP) in funding for evaluation and assistance to residents exposed to lead in the City of Flint, as one-time funding. This is a net reduction from the current Year-to-Date which includes two supplemental appropriations for Flint. FY 2016-17 funds are anticipated to be for partial year only. Services supported include food inspection of restaurants and public venues, nutritional services through existing programs, health services at child and adolescent health centers and schools, community mental health evaluation and care for children with elevated blood levels, and lead investigations and abatement planning for homes. Additional funding may be available for transfer from a $50.0 million Flint Emergency Reserve Fund in the DTMB budget, as well as a $6.1 million set aside in the DHHS budget, both proposed in a FY 2015-16 supplemental. House, Senate, and Conference concur with the Executive.	TANF	0	3,520,000
	Federal	2,845,000	(795,000)
	Restricted	3,552,000	(3,078,100)
	GF/GP	$10,910,000	($1,815,800)
33. Public Health – Federal Grant Adjustments	**Gross**	**NA**	**($13,801,900)**
Executive recognizes $1.2 million of increased public health federal funds including a new adult immunization program grant of $517,400, stroke registry grant increase of $390,000, and use of violence prevention grant carryforward funding of $290,700 for suicide prevention and violent death reporting. House concurs with the Executive. Senate concurs with the Executive, and also reduces authorization for the federal State Innovation Model (SIM) grant to $100 from $25.0 million. Conference concurs with the Executive, and also reduces SIM grant authorization from $25 to $10 million.	Federal	NA	(13,801,900)
	GF/GP	NA	$0
34. Public Health – Immunization and Other Reductions	**Gross**	**NA**	**($1,500,000)**
House makes the following reductions: reduces health innovations grants by $500,000 GF/GP, eliminates $250,000 for bone marrow transplant registry, and eliminates value of vaccines education matching program ($2.5 million Gross, $500,000 GF/GP) and related boilerplate. Senate makes no changes to these program appropriations. Conference reduces health innovations grants by $500,000, and also eliminates the value of vaccines education matching program and related Sec. 1182, and transfers the $500,000 GF/GP immunization funding to Medicaid health plan services line item for immunization education activities, and anticipated federal Medicaid matching funds. Sec. 1782 is related new boilerplate. Proposed FY 2015-16 supplemental includes a work project of the immunization GF/GP funding into FY 2016-17, and federal match is included in this bill.	Federal	NA	1,000,000
	Private	NA	(2,000,000)
	GF/GP	NA	($500,000)

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
35. Zika Virus Public Health Education	**Gross**	**$0**	**$0**
House includes $150,000 of IDG funding from the Department of Natural Resources for Zika virus education and outreach, prevention, detection, monitoring, screening and testing as recommended by the Centers for Disease Control and Prevention; includes related Sec. 1183 boilerplate. Senate does not include. Conference does not concur; IDG funding not included in DNR budget.	IDG	0	0
	GF/GP	$0	$0
36. Public Health Dental Clinics	**Gross**	**$0**	**$1,550,000**
Senate includes $100 placeholder for dental clinics and related Sec. 1895 boilerplate. House does not include. Conference includes $1.55 million GF/GP for local health departments partnering with nonprofit dental providers for dental services for seniors, children, low-income uninsured, and adults enrolled in Medicaid, and related Sec. 1229 boilerplate.	GF/GP	$0	$1,550,000
37. Rural Home Visit Program	**Gross**	**$1,700,000**	**$550,000**
House and Senate restore $550,000 GF/GP for prenatal and early childhood home visiting program in the Upper Peninsula and rural areas of the northern Lower Peninsula, for total funding of $2.25 million. FY 2015-16 appropriation was reduced when unspent funds from the prior fiscal year were made available as a work project. Conference concurs.	GF/GP	$1,700,000	$550,000
38. Alternative Pregnancy and Parenting Support Program	**Gross**	**$50,000**	**$350,000**
House and Senate increase alternative pregnancy and parenting support program from $50,000 GF/GP to $400,000 federal TANF grant funds. The Conference concurs, but does not include work project language in related Sec. 1307 as included by the House.	TANF	0	400,000
	GF/GP	$50,000	($50,000)
CRIME VICTIM SERVICES			
39. Crime Victim Assistance Services	**Gross**	**$33,999,800**	**$44,279,300**
Executive adds $44.3 million to reflect increased federal grant award for crime victim justice assistance services including training and technical assistance for service providers, and direct services to crime victims. The funds are available due to the federal Victims of Crime Act (VOCA) Fund annual cap being increased by law, accessing a substantial balance in the Fund for all state formula grants. Year-to-date amount shown is all funding for Crime Victim Services Commission. House, Senate, and Conference concur with the Executive.	Federal	18,697,500	44,279,300
	Restricted	15,302,300	0
	GF/GP	$0	$0
AGING AND ADULT SERVICES AGENCY			
40. Implement Planned PACE Program Expansion	**Gross**	**$65,938,500**	**$26,585,900**
Executive increases the Program of All-Inclusive Care for the Elderly (PACE) line item by $26.6 million Gross ($9.3 million GF/GP) to fund additional slots at current PACE sites, and new slots to implement PACE expansion into Jackson County and Traverse City for qualified Medicaid recipients. Savings from the PACE expansion are assumed in the same amount from the Long Term Care Services line item for a net $0 DHHS budget adjustment. Also transfers the PACE line item back to the Medical Services unit; PACE was transferred to Aging and Adult Services Agency in FY 2015-16 budget as part of the Department merger. House concurs and makes a technical correction. Senate concurs with the Executive. Conference concur with the House.	Federal	43,254,000	17,320,700
	GF/GP	$22,684,500	$9,265,200
41. Senior Community and Nutrition Services	**Gross**	**$39,013,900**	**$2,500,000**
House provides a 5% increase in GF/GP funds supporting community services for seniors, totaling $836,700. Senate provides an increase of $5.0 million GF/GP for senior meals and nutrition services. Conference includes an increase of $2.5 million GF/GP for senior community services. YTD funding shown is for senior community services line item.	Federal	22,280,400	0
	GF/GP	$16,733,500	$2,500,000

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
MEDICAL SERVICES	FTE	36.0	0.0
	Gross	**$68,878,600**	**($9,109,900)**
42. Healthy Michigan Plan Administration	Federal	46,246,000	(3,609,900)
House removes $19.5 million Gross ($5.6 million GF/GP) for the Healthy Michigan Plan call center, leaving a $100 placeholder, and reduces Healthy Michigan Plan marketing and advertising $1.0 million Gross ($500,000 GF/GP). $4.2 million in TANF allocated for the call center are used to offset GF/GP elsewhere in the DHHS budget. Senate retains current year funding. Conference reduces $8.1 million Gross ($1.6 million GF/GP). $3.4 million in TANF reductions are used to offset GF/GP elsewhere in the budget for a total GF/GP savings of $5.0 million and concurs with House reduction to Healthy Michigan Plan marketing and advertising.	TANF	4,180,000	(3,430,400)
	GF/GP	$18,452,600	($2,069,600)
43. Integrated Service Delivery	FTE	NA	15.0
Executive adds $49.2 million Gross ($1.2 million GF/GP) for information technology costs to update and streamline the electronic application and enrollment process for services through DHHS. Ongoing funding is $12.3 million Gross ($1.2 million GF/GP) and one-time funding is $36.9 million federal (including $3.7 million in TANF funds). Executive also includes boilerplate Sec. 1506 describing the initiative and outlining outcomes and performance measures. House provides $24.6 million Gross ($615,400 GF/GP). $923,100 TANF in the Executive request are used to offset GF/GP elsewhere in the DHHS budget. House also renumbers boilerplate section to 1507. Senate provides $36.9 million Gross ($0 GF/GP) on a one-time basis. Conference provides $43.2 million Gross ($4.3 million GF/GP) and renumbers and revises boilerplate section to 1507. TANF cannot be used to draw down other federal revenues, so $3.7 million in TANF added by Executive is redirected elsewhere in the budget and offset GF/GP is appropriated here instead.	**Gross**	**NA**	**$43,230,500**
	Federal	NA	38,907,500
	TANF	NA	0
	GF/GP	NA	$4,323,000
44. Hospital QAAP Retainer	**Gross**	**$0**	**$0**
Executive replaces one-time increase in GF/GP retainer savings from hospital Quality Assurance Assessment Program (QAAP) of $92.9 million with ongoing retainer amount of $105.0 million tied to Healthy Michigan Plan special hospital payments, for a net GF/GP savings of $12.1 million. These adjustments require statute change. House, Senate, and Conference concur with the Executive.	Restricted	92,856,100	12,143,900
	GF/GP	($92,856,100)	($12,143,900)
45. Special Hospital Payments – Healthy Michigan Plan (HMP)	**Gross**	**$638,056,100**	**($28,495,100)**
Executive removes $92.9 million Healthy Michigan Plan Hospital Rate Adjustment, which was provided to keep hospitals held harmless on the whole from the one-time Hospital QAAP retainer increase. House revises Healthy Michigan Plan Hospital Rate Adjustment from $320.1 million to $375.0 million and Medicaid Access to Care Initiative from $318.0 million to $234.5 million based on DHHS's projected payment levels. Matching funds for HMP special Medicaid reimbursements are required beginning January 1, 2017 (see item #2 for base HMP fund sourcing adjustment). Senate increases HMP Hospital Rate Adjustment $12.1 million. Conference concurs with the House.	Federal	638,056,100	(27,426,600)
	Restricted	0	(1,068,500)
	GF/GP	$0	$0
46. Special Hospital Payments	**Gross**	**$208,799,300**	**$0**
Executive maintains payments at FY 2015-16 levels: $162.9 million Gross ($56.0 million GF/GP) for Graduate Medical Education, $34.9 million Gross ($12.0 million GF/GP) for Special Rural Hospitals, and $11.0 million Gross ($3.8 million GF/GP) for OB/GYN Hospital Lump Sum. House and Senate concur with the Executive. Conference transfers $25.0 million Gross for graduate medical education from traditional Medicaid financing to Healthy Michigan Plan financing, creating $7.8 million GF/GP savings.	Federal	136,972,300	7,800,000
	GF/GP	$71,827,000	($7,800,000)
47. Primary Care Rate Increase	**Gross**	**NA**	**$0**
Senate provides $21.3 million Gross ($7.4 million GF/GP) for a 6% primary care rate increase. Conference does not include.	Federal	NA	0
	GF/GP	NA	$0

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
48. Specialty Drugs – Hepatitis C and Cystic Fibrosis Executive adds $194.6 million Gross ($69.7 million GF/GP) to annualize costs for specialty drugs added to the Medicaid formulary in 2016 to treat Hepatitis C and Cystic Fibrosis. Total FY 2016-17 costs, including half-year costs added through FY 2015-16 legislative transfer, are $394.1 million Gross ($135.2 million GF/GP). Of total, $327.8 million Gross ($91.5 million GF/GP) is for estimated Hepatitis C treatment costs and $66.3 million Gross ($43.7 million GF/GP) is for estimated Cystic Fibrosis treatment costs; majority of Cystic Fibrosis treatment will be through Children Special Health Care Services. House provides $112.7 million Gross ($46.8 million GF/GP) to support a projected 5,250 persons receiving Hepatitis C treatments (revising the estimated full year cost to $245.9 million Gross ($68.6 million GF/GP)) and to concur with the Executive's Cystic Fibrosis treatment costs. Senate concurs with the Executive. Conference provides $105.0 million Gross ($44.7 million GF/GP). Total FY 2016-17 costs are $238.2 million Gross ($66.5 million GF/GP) for estimated Hepatitis C treatment costs and $66.3 million Gross ($43.7 million GF/GP) is for estimated Cystic Fibrosis treatment costs.	**Gross** Federal GF/GP	**$199,449,700** 133,934,900 $65,514,800	**$105,049,900** 60,385,900 $44,664,000
49. Specialty Drugs – Reserve Fund Executive creates one-time reserve fund of $86.1 million Gross ($30.0 million GF/GP) for potential costs associated with release of other new specialty drugs in FY 2016-17. House provides $43.0 million Gross ($15.0 million GF/GP). Senate provides $57.4 million Gross ($20.0 million GF/GP). Conference does not include.	**Gross** Federal GF/GP	**$0** 0 $0	**$0** 0 $0
50. Private Duty Nursing Rate Increase House includes $3.3 million Gross ($1.2 million GF/GP) to provide a 10% rate increase for private duty nursing services for Medicaid beneficiaries under the age of 21. House also includes boilerplate Sec. 1702 to describe the rate increase. Senate includes $6.6 million Gross ($2.3 million GF/GP) to provide a 20% rate increase and includes boilerplate Sec. 1883. Conference includes $4.9 million Gross ($1.7 million GF/GP) to provide a 15% rate increase and adjusts House Sec. 1702 accordingly.	**Gross** Federal GF/GP	**NA** NA NA	**$4,949,900** 3,224,900 $1,725,000
51. Hospice Room and Board Senate and Conference transfer in $2.5 million GF/GP of one-time FY 2015-16 funding to support hospice room and board costs for facilities are the state licensed but not federally certified.	**Gross** Federal GF/GP	**$107,768,400** 70,695,900 $37,072,500	**$2,500,000** 0 $2,500,000
52. Healthy Kids Dental Executive adds $25.6 million Gross ($8.9 million GF/GP) to complete expansion of Healthy Kids Dental, covering children ages 13 to 20 in Kent, Oakland, and Wayne Counties. Revises boilerplate Sec. 1894 to reflect expansion to children of all ages in those counties. House, Senate, and Conference concur with the Executive.	**Gross** Federal GF/GP	**$219,139,400** 143,150,200 $75,989,200	**$25,601,000** 16,679,100 $8,921,900
53. Adult Dental Services Senate provides $23.0 million Gross ($8.0 million GF/GP) to convert the current Medicaid fee-for-service adult dental program to a managed care program. Funding only supports cost for the last fiscal quarter. Conference does not include.	**Gross** Federal GF/GP	**$219,139,400** 143,150,200 $75,989,200	**$0** 0 $0
54. Pregnant Women Dental Rate Increase Conference provides $2.7 million Gross ($950,000 GF/GP) to increase the dental services reimbursement rate for services provided to pregnant women.	**Gross** Federal GF/GP	**$219,139,400** 143,150,200 $75,989,200	**$2,726,000** 1,776,000 $950,000
55. Ambulance Quality Assurance Assessment Program (QAAP) Executive expands QAAP-funded ambulance provider rate increase to managed care and Healthy Michigan Plan payments to ambulance providers. Executive also notes that the ambulance QAAP roll out has been delayed until April 1, 2016. House concurs and includes technical fund sourcing and authorization adjustments. Senate concurs and includes additional technical adjustments. Conference concurs with the House.	**Gross** Federal Restricted GF/GP	**$8,641,000** 5,668,500 3,972,500 ($1,000,000)	**$35,507,000** 26,718,800 11,667,200 ($2,879,000)

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
56. Court Appointed Guardianship Rate Increase House includes a $100 placeholder to increase rates paid for guardianship services provided for legally incapacitated adults. Senate does not include. Conference provides $2.7 million Gross ($950,000 GF/GP) to increase guardian rate from $60 to $83.	**Gross**	**NA**	**$2,726,000**
	Federal	NA	1,776,000
	GF/GP	NA	$950,000
57. Personal Care Services Rate Increase House adds $717,400 Gross ($250,000 GF/GP) to provide a $15 per month increase for adult foster care facilities and homes for the aged that provide personal care services to Medicaid beneficiaries. Senate does not include. Conference concurs with the House.	**Gross**	**$11,762,300**	**$717,400**
	Federal	7,716,100	467,400
	GF/GP	$4,046,200	$250,000
58. Direct Primary Care Pilot Senate provides $2.3 million Gross ($830,000 GF/GP) to support a Direct Primary Care Pilot. Senate also includes Sec. 1880 describing the pilot program. Conference does not include funding, but does include House Sec. 1701 directing DHHS to review and consider implementing a pilot program.	**Gross**	**NA**	**$0**
	Federal	NA	0
	GF/GP	NA	$0
59. Medicaid Health Plan Capitated Rate Reduction Conference reduces Medicaid health plan capitated rates $37.9 million Gross ($10.2 million GF/GP) with the assumption that the Medicaid health plans can achieve savings through efficiencies in Emergency Department utilization, Hospital re-admissions, and other utilization efficiencies.	**Gross**	**$8,707,739,100**	**($37,857,100)**
	Federal	7,059,889,800	(27,607,300)
	Local	14,617,500	0
	Restricted	1,168,471,000	0
	GF/GP	$464,760,800	($10,249,800)
60. University of Detroit Dental Clinic Program House adds $3.3 million GF/GP for the University of Detroit Dental program. Total $4.3 million allocation is distributed 50% on an ongoing basis and 50% on a one-time basis. Senate reduces allocation to a $100 placeholder. Conference adds $1.0 million GF/GP on an ongoing basis.	**Gross**	**$1,000,000**	**$1,000,000**
	GF/GP	$1,000,000	$1,000,000
61. Merit Award Trust Fund Adjustment Executive offsets $23.7 million in Merit Award Trust Fund revenue appropriated in the long term care services line item with GF/GP in order to redirect Merit Award Trust Fund revenue to pay costs related to Detroit Public Schools restructuring. House and Senate concur with the Executive. Conference offsets $74.6 million for Detroit Public Schools restructuring.	**Gross**	**$98,434,700**	**$0**
	Restricted	98,434,700	(74,626,800)
	GF/GP	$0	$74,626,800
62. Medicaid Benefits Trust Fund Adjustment Executive increases $17.5 million in Medicaid Benefits Trust Fund revenue to offset GF/GP based on anticipated tobacco tax collections and legal settlements. House and Senate concur with the Executive. Conference increases Medicaid Benefits Trust Fund revenue by $22.5 million.	**Gross**	**$324,146,200**	**$0**
	Restricted	324,146,200	22,500,000
	GF/GP	$0	($22,500,000)
ONE-TIME BASIS ONLY APPROPRIATIONS			
63. Current Year One-Time Basis Only Appropriations Executive removes the following one-time funding items that were included in the FY 2015-16 budget: $2.5 million GF/GP for Hospice services, $1.5 million GF/GP for pay for success contracts, $1.5 million GF/GP for Mental Health Commission recommendations, $800,000 Gross ($400,000 GF/GP) for employment and training support services, and $1.5 million GF/GP for drug policy initiatives. House includes a $100 placeholder for Hospice Services. Senate and Conference transfer one-time Hospice services funding to ongoing Medical Services unit.	**Gross**	**$7,800,000**	**($7,800,000)**
	Federal	400,000	(400,000)
	GF/GP	$7,400,000	($7,400,000)

Major Boilerplate Changes From FY 2015-16

GENERAL SECTIONS

***Sec. 204. Performance Metrics for New Programs or Program Increases* – DELETED**
Requires DHHS, in addition to metrics required under the Management and Budget Act, to identify program-specific metrics for new programs or enhancements in excess of $1.0 million. Executive deletes. House current law with revised date. Senate revises with $500,000 threshold and additional requirements. HB 5274 Conference concurs with the House. Omnibus Conference deletes from DHHS budget and includes similar language in General Government budget.

Major Boilerplate Changes From FY 2015-16

***Sec. 218. Basic Health Services* – REVISED**
Lists eight health services to be included in annual list of proposed basic health services that are to be available and accessible throughout the state, as required by Part 23 of the Public Health Code, 1978 PA 368. Executive and Senate delete. House current law and revised to "not limited to" the eight health services. Conference concurs with the House.

***Sec. 222. Notification and Report of Policy Changes* – REVISED**
Requires notification of policy changes 30 days before implementation; requires policy manual to be available on the DHHS website; and requires a report by April 1, 2016 on policy changes made to implement new public acts. Executive deletes. House current law but deletes 30 day notification (1). Senate current law. Conference concurs with the House.

***Sec. 231. Travel Reimbursement to Local County Board Members and Directors* – RETAINED**
Allocates up to $100,000 to reimburse counties for out-of-pocket travel costs of local county department board members and directors to attend one meeting each year of the Michigan County Social Services Association. Executive and Senate delete. House current law. Conference concurs with the House.

***Sec. 274. Capped Funds Restriction on Use for Economics Adjustments* – REVISED**
House revises with date change, deletion of report, and adds new language that the Executive shall not utilize capped federal funding for economics adjustments for FTEs or other economics costs that are included in the Governor's budget submission for the ensuing fiscal year. Senate revises date. Conference concurs with the House, and retains report.

***Sec. 275. Year-End Federal Funds Adjustments* – NEW**
Conference includes new language providing authority for the Executive to realign capped and other federal fund sources to maximize federal revenues as part of the year-end closing process, and requiring a report on the realignments.

***Sec. 288. Services and Administrative Limitations for New Contracts* – RETAINED**
Requires that after the first year of a contract, no less than 90% of a new department contract supported solely from state restricted or GF/GP funds and designated for a specific entity for the purpose of providing services to individuals be expended for those services Executive and House delete. Senate current law. Conference concurs with the Senate.

***Sec. 291. E-Verify* – REVISED**
Requires DHHS to use the E-Verify system to confirm that new employees and new employees of contractors and subcontractors paid from the appropriations in Part 1 are legally present in the United States. Executive deletes. House retains, deletes report. Senate current law. Conference concurs with the House.

***Sec. 298. Behavioral Health Integration* – NEW**
Executive proposes new language would require funding for Medicaid behavioral health services currently provided to Prepaid Inpatient Health Plans (PIHPs) to be transferred to Medicaid health plans by the end of FY 2016-17. Provides for process for stakeholders to develop an integration plan and ensure continuity of care. Requires health plans to contract with existing CMHSPs for provision of specialty services and supports. Requires report describing the integration plan. House proposes alternate new language requiring the Department work with a workgroup to make recommendations on policy and financing to improve coordination of behavioral and physical health services, states goals to consider and requirements for a detailed plan, suggests use of a pilot, and requires updates and a final report on the workgroup's recommendations; states that no funding paid in past years to PIHPs shall be transferred or paid to any other entity without specific legislative authorization. Senate renumbers to Sec. 296 and requires report on workgroup's proposal to enhance services and to reform financing payment process. Conference revises House language to also ensure access to community-based services and supports, to ensure transparent public oversight, governance, and accountability, to require annual benchmarks to measure progress of implementation, allows funding paid in the past years to PHIPs to be transferred only in cases of pilot programs.

CHILDREN'S SERVICES – CHILD WELFARE

***Sec. 501. Foster Care Time Limit Goals* – REVISED**
Establishes a goal that not more than 27% of foster children at any given time will have been in foster care for 24 months or more; Executive eliminates annual report; Senate retains language; House and Conference revise goal from 27% to 25%.

***Sec. 503. Child Welfare Performance-Based Funding* – REVISED**
Requires DHHS to continue to develop actuarially sound case rates for out-of-home child welfare services by DHHS and private providers. Executive deletes language that requires report on full cost analysis and that prohibits DHHS from phasing in the implementation of model into additional counties unless the county and associated entities agree. House revises language to require cost analysis report only if not provided in previous fiscal year; Senate revises language to include that the report must include background information and details about contractual costs covered by case rate and requires an MOU with counties to implement the model. Conference includes Senate new language concerning report and the requirement of an MOU with counties.

***Sec. 511. Physical and Mental Health Assessment Report* – REVISED**
Requires DHHS to track the number and percentage of foster children who received physical and mental health assessments. Executive deletes language; Senate retains language; House and Conference revise language to require semi-annual reports rather than quarterly reports.

Major Boilerplate Changes From FY 2015-16

***Sec. 513. Child Placements in Out-of-State Facilities* – REVISED**
Restricts placement of children in out-of-state facilities unless specified criteria are met. Executive deletes language that prohibits DHHS to fund child placement in out-of-state facilities without specified approval and language requiring annual report on per diem costs of each residential service provider; Senate retains language; House and Conference eliminate annual per diem costs report.

***Sec. 514. Child Protective Services Report* – REVISED**
Requires report on Child Protective Services; lists specific information and statistics to be included in the report. Executive deletes language; Senate retains language; House and Conference revise language by changing report date from January 1 to March 1.

***Sec. 515. Kent County Privatization Implementation* – REVISED**
Requires report that provides an update on the privatization of child welfare services in Kent County. Executive deletes language; House concurs with the Executive; Senate and Conference revise report date from March 1 to October 1.

***Sec. 525. On-Site Evaluations* – RETAINED**
Requires DHHS to use the same on-site evaluation process and noncompliance penalties for private-operated and state-operated residential facilities. Executive deletes language; House, Senate, and Conference retain language.

***Sec. 532. Licensing and Contract Compliance Review* – REVISED**
Requires collaboration between DHHS and representatives of private child and family agencies to revise and improve contract compliance and licensing review processes. Executive deletes language; House revises language by striking requirement that DHHS not conduct licensing reviews more than once every 2 years for certain agencies; Senate revises language to require that licensing reviews be not more than once every 3 years for certain agencies; Conference revises language to require these reviews not be conducted more than once every 4 years for certain agencies.

***Sec. 533. Child Welfare Payment Promptness* – REVISED**
Directs DHHS to make payments to child placing agencies within 30 days after receiving documentation for out-of-home care and in-home care services; requires report. Executive deletes language; House revises language referring to the recipients of the report; Senate and Conference revise to provide legislative intent that DHHS has burden to ensure timely payments are made and revises report to include the percentage of payments made to each agency over 30 days late.

***Sec. 546. Foster Care Agency Administrative Rates* – REVISED**
Establishes foster care administrative rate of $37 for private child placing agencies under contract with DHHS; establishes general independent living administrative rate of $28; requires payments for independent living plus services at the statewide per diem; increases administrative rate for foster care services by $3, provided that the county match rate is eliminated for this increase; requires DHHS to provide an increase to each private provider of residential services, provided that the county match rate is eliminated for this increase. Executive eliminates language requiring $3.00 administrative rate increase and language requiring an increase to private residential service providers; also strikes language that eliminates the county match requirements for these rate increases. House revises language by striking the $3.00 rate increase and increasing the base administrative rate from $37 to $40; requires DHHS to pay 100% of the administrative rate to providers; requires quarterly report on number of foster care cases administered by DHHS and by private providers; Senate and Conference retain current-year language, but raise private agency administrative rate increase from $3 to $8, thus increasing overall rate from $40 to $45.

***Sec. 558. Child Welfare Training Institute Report* – REVISED**
Requires DHHS to maximize use of training programs or courses provided through the Child Welfare Training Institute (CWI) and requires courses be made available to private service providers' employees. Executive deletes language that requires report on the training programs and courses provided; House concurs with the Executive. Senate includes new language allowing nationally accredited agencies to conduct their own staff training and prohibits DHHS from hiring private agency employees until 6 months after CWI training. Conference requires DHHS to conduct a workgroup to study reducing current 4 weeks of centralized training; requires report.

***Sec. 567. Medical Passports* – RETAINED**
Requires foster care caseworkers to complete medical passports and requires medical passport to be transferred within 2 weeks from date of placement or return home. Executive deletes language; House, Senate, and Conference retain language.

***Sec. 585. Private Agency Staff Training* – RETAINED**
Requires DHHS to make available at least 1 pre-service training class each month for caseworkers of private agencies. Executive deletes language; House, Senate, and Conference retain language.

***Sec. 589. Payment of Foster Care Administrative Rate* – REVISED**
Requires DHHS to pay 100% of the administrative rate for all new cases referred to foster care services providers beginning October 1, 2013. Executive deletes language; House moves language into Sec. 546; Senate retains language; Conference deletes reference to cases beginning on October 1, 2013.

Major Boilerplate Changes From FY 2015-16

PUBLIC ASSISTANCE

***Sec. 613. Indigent Burial* – REVISED**
Provides reimbursements for the final disposition of indigent persons, establishes maximum allowable reimbursements; Executive deletes language requiring $20 increase from previous year; Senate retains current language; House and Conference revise language to require that the adult burial with services allowance for reimbursement shall be $725, the adult burial without services allowance shall be $490, and the infant burial allowance shall be $170.

***Sec. 617. Law Enforcement Information Network (LEIN) Report* – RETAINED**
Requires report on the number and percentage of persons no longer eligible for public assistance because of their status in LEIN. Executive deletes language; House concurs with the Executive; Senate, and Conference retain current language.

***Sec. 625. Legal Services Association of Michigan* – REVISED**
Permits DHHS to contract with Legal Services Association of Michigan to provide assistance to individuals who have applied or wish to apply for federal disability benefits. Executive deletes language; House, Senate, and Conference include language to provide that up to $500,000 shall be paid to Legal Services Association of Michigan for SSI advocacy legal services.

***Sec. 656. Heat and Eat Program Funding* – NOT INCLUDED**
House includes language requiring DHHS to allocate $3.2 million federal LIHEAP funding for the program commonly referred to as Heat and Eat to enable additional Food Assistance Program (FAP) cases to receive additional FAP benefits; Senate and Conference do not include language.

CHILDREN'S SERVICES – JUVENILE JUSTICE

***Sec. 701. Residential Facility Contracts* – RETAINED**
Unless required from changes to federal or state law or at the request of a provider, prohibits signed contracts with private residential facilities to be altered without written consent from a representative of the private residential facility. Executive deletes language; House, Senate, and Conference retain language.

***Sec. 708. County Spending Plan Required* – REVISED**
Specifies that in order for counties to receive allocations from the Child Care Fund, they must submit a service spending plan by October 1 of each year; approval must be obtained prior to December 15; Executive eliminates required report. House revises language to only require report if 1 or more counties do not submit spending plan; Senate retains current language; Conference prohibits DHHS from requesting any additional revisions to a plan outside of originally requested revisions.

FIELD OPERATIONS AND SUPPORT SERVICES

***Sec. 805. Order of Selection* – RETAINED**
States legislative intent that MRS not implement an order of selection for vocational and rehabilitative services. Executive deletes language; House, Senate, and Conference retain language.

BEHAVIORAL HEALTH SERVICES

***Sec. 912. Salvation Army Harbor Light Contract* – REVISED**
Executive deletes requirement for DHHS to contract directly with the Salvation Army Harbor Light Program to provide non-Medicaid substance use disorder services. House retains language. Senate and Conference add condition that the local coordinating agency or DHHS confirm the program meets the standard of care, including use of medication assisted treatment.

***Sec. 920. Rate-Setting Process for PIHPs* – NEW**
House requires that the Medicaid rate-setting process for PIHPs include any state minimum wage increases; also states legislative intent that any Medicaid rate increase be also distributed to direct care employees. Senate requires DHHS to consider including state minimum wage increases in the rate-setting process and renumbers to Sec. 1011. Conference expands House language to require DHHS to include state and federal wage and compensation increases.

***Sec. 924. Timely Claims Process for PIHPs* – DELETED**
Requires that PIHPs contracting with DHHS to provide services to the Medicaid population adhere to the timely claims processing and payments procedure to claims submitted by health professionals and facilities as described in the Social Welfare Act. Executive and House delete language. Senate retains language. Conference deletes language.

***Sec. 940. Transferring and Withdrawing CMHSP Allocations* – NEW**
Conference requires DHHS to review CMHSP expenditures to identify projected lapses and surpluses and to encourage the board of the CMHSP with a projected lapse to concur with the recommendation to reallocate the lapse to other CMHSPs and requires DHHS to withdraw funds from a CMHSP if those funds were not expended in a manner approved by DHHS, including for services and programs provided to individuals residing outside of the CMHSP's geographic region.

***Sec. 942. CMHSP Notice of Reduction, Termination, or Suspension of CMHSP Provided Services* – NEW**
Conference requires a CMHSP to provide at least 30 days' notice before reducing, terminating, or suspending services to CMHSP clients, with the exception of services that no longer meet established criteria for medical necessity.

Major Boilerplate Changes From FY 2015-16

***Sec. 960. University Autism Programs* – REVISED**
Requires DHHS to allocate funds appropriated for university autism programs through a grant process. Executive adds outcomes and performance measurers: increase in behavioral analysts certified from a program, autism diagnosis services provided, and employment rate of employment program participants. House also adds requirement for universities to track and report initial employment of certified applied behavioral analysts. Senate retains language. Conference concurs with the House.

***Sec. 1004. Workgroup on PIHPs Capitation Payments* – REVISED**
Requires DHHS to continue to work with the workgroup created to make recommendations to achieve more uniformity in capitation payments made to the PIHPs; requires a progress report. Executive and House revise to require DHHS to provide implementation report. Senate deletes language. Conference replaces current language with requirement for DHHS to provide 90 days' notice before rebasing formula to either Medicaid behavioral health services or non-Medicaid mental health services.

***Sec. 1010(2)/Sec. 928(2). Redistribution of Lapsed Funds* – REVISED**
States intent that any lapsed funds from appropriation for Medicaid Mental Health Services be redistributed to individual CMHSPs and requires report on lapse amounts. Executive deletes; House retains language and renumbers to Sec. 1011. Senate retains language. Conference renumbers to Sec. 928(2) and revises redistribution to be based on local matching requirement for Medicaid rates.

***Sec. 1010. Kevin's Law* – NEW**
Executive allocates $2.0 million to address implementation of court ordered assisted outpatient treatment under the Mental Health Code (Kevin's Law). House concurs with Executive. Senate does not include. Conference revises to allocate "up to" $2.0 million for Kevin's Law.

STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES

***Sec. 1057. Hawthorn Center and Caro Center Evaluation* – NEW**
House requires DHHS to secure an appraisal of the Hawthorn Center and develop a proposal for possible replacement of the facility at the same or new location. Senate does not include. Conference requires DHHS to evaluate the condition of the Hawthorn Center and Caro Center, the cost effectiveness of improvements, and to recommend improvements.

HEALTH POLICY

***Sec. 1140. Free Health Clinic Funding* – RETAINED**
Allocates $250,000 to free health clinics from the funds appropriated for primary care services. Requires DHHS to distribute funds equally to each free health clinic. Executive and Senate delete. House current law. Conference concurs with the House.

***Sec. 1145. Payments to Indian or Tribal Facilities for Medical Services* – REVISED**
Directs DHHS to take steps necessary to assure that Indian Health Service, Tribal or Urban Indian Health Program facilities receive the maximum amount allowable under federal law for Medicaid services. Executive and House delete. Senate revises. Conference concurs with the Senate.

***Sec. 1150. Opioid Fraud Collaboration* – NEW**
Senate includes new language to require DHHS to coordinate with other state departments and Medicaid health plans to reduce fraud related to opioid prescribing within Medicaid. Conference concurs and revises to include law enforcement and other 2015 recommendations of the Prescription Drug and Opioid Abuse Task Force.

***Sec. 1151. Opioid Addiction Treatment Education Collaboration* – NEW**
Senate includes new boilerplate to require DHHS to coordinate with other state departments and Medicaid health plans to work with providers to inform Medicaid beneficiaries of opioid addiction treatment options when an opioid prescription is completed. House does not include. House does not include. Conference concurs and revises to include law enforcement and other recommendations of the 2015 Opioid Abuse Task Force.

FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES

***Sec. 1300. Report of Sexual and Maternal Health Demographics and Expenditures by Marital Status* – REVISED**
Requires report of an estimate of public funds administered for family planning, sexually transmitted infection prevention and treatment, pregnancies, and births. Executive and Senate delete. House revises to require DHHS to monitor, and provide report upon request. Conference concurs with the House.

WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM (WIC)

***Sec. 1340. Lowest Price Product Choice by WIC Participants* – REVISED**
Requires WIC program to encourage participants to choose the lowest price product available; all products must satisfy nutritional requirements of the federal program; WIC biannual food authorization guidelines are to reflect these changes. Executive deletes. House revises to direct DHHS to make national brand products available if determined cost effective. Senate revises to direct DHHS to include national brand peanut butter on WIC list of approved food items. Conference concurs with Senate.

Major Boilerplate Changes From FY 2015-16

MEDICAL SERVICES

***Sec. 1620. Pharmacy Dispensing Fee and Prescription Drug Co-payments* – REVISED**
Establishes the pharmacy dispensing fees and requires prescription co-payments for certain Medicaid and Healthy Michigan Plan (HMP) recipients. Executive revises to state that co-payments shall be consistent with the terms and conditions established by the Centers for Medicare and Medicaid Services linked to the HMP waiver. House concurs with Executive and replaces established pharmacy dispensing fees with requirement that dispensing fees follow federal covered outpatient drug final rules, take into consideration the state's long-term financial exposure, and are not lower than those in effect October 1, 2015. Senate retains current language. Conference replaces established pharmacy dispensing fees with requirement that dispensing fees follow federal covered outpatient drug final rules, take into consideration the state's long-term financial exposure, and are not lower than those in effect October 1, 2015.

***Sec. 1645. Nursing Home QAAP Calculation and Review* – NEW**
House requires DHHS to review and recalculate the nursing home QAAP calculation to reflect actual days of care instead of projected days of care by each nursing home and hospital long-term care unit. Senate does not include. Conference requires DHHS to review current nursing home QAAP calculation, report any excess collections greater than $1.0 million, and report on feasibility of creating a more accurate assessment and whether rebates can or cannot be made.

***Sec. 1670. MIChild Program Eligibility* – REVISED**
Establishes eligibility standards and other provisions for the MIChild Program. Executive and House revise to remove various specific program operation-related requirements. Senate removes fewer program requirements. Conference concurs with the Executive and House.

***Sec. 1801. Primary Care Rates* – REVISED**
Requires DHHS to use $33.3 million GF/GP plus associated federal match to continue to increase Medicaid rates to primary care service providers and establish policies to limit the rate increase to practitioners that solely practice primary care. Executive retains language. House adds neonatal medicine subspecialty to the list of primary care providers eligible for the rate increase. Senate retains language. Conference removes specific dollar amount and removes requirement for DHHS to evaluate inclusion of neonatal subspecialty, and includes reporting requirement.

***Sec. 1805. Graduate Medical Education (GME) Quality Data* – REVISED**
Requires hospitals receiving GME payments to submit quality data to a specified national nonprofit organization utilizing consensus-based nationally endorsed standards and requires DHHS to withhold fourth quarter GME payments if data is not submitted. Executive deletes language. House revises to permit hospitals to submit quality data to CMS Hospital Compare and strikes fourth quarter withhold provision. Senate requires GME payments to be withheld until submission of quality data. Conference revises to require submission of data to a nonprofit organization, requires the public website to provide information to compare safe practices by hospital campus, including perinatal care, hospital-acquired infection, and serious reportable events, strikes fourth quarter withhold provision, and requires the hospitals to also make their quality data available on their website.

***Sec. 1812. Graduate Medical Education Program Costs* – REVISED**
Requires hospitals receiving GME funds to submit report on direct and indirect costs associated with the residency training program; also requires report on marginal cost of adding one additional training slot, additional administrative costs, and postresidency retention rate; requires DHHS to hold a GME recipient's fourth quarter payment until required information is submitted; requires workgroup and report on metrics for distribution of GME funds, with intent that those metrics will be used to distribute GME funds beginning with FY 2016-17; provides for DHHS to seek a federal waiver to fulfill the requirements of the section if needed. Executive adds State Budget Office to report recipients. House concurs with Executive and requires DHHS to complete the report from most recent cost reports, to develop a template for hospitals to use for marginal and administrative costs, and strikes fourth quarter GME payment withhold. Senate requires GME payments to be withheld until submission of data. Conference concurs with the House.

***Sec. 1861. Nonemergency Medical Transportation Pilot* – REVISED**
Requires DHHS to encourage cooperation between Medicaid health plans, other health providers, and nonprofit entities to help facilitate a pilot nonemergency transportation system. Executive deletes language. House revises language for continued facilitation. Senate deletes language. Conference concurs with the House.

***Sec. 1870. MIDocs Consortium* – REVISED**
Requires DHHS to establish the MIDocs consortium, consisting of Michigan-based medical schools, with purpose of developing freestanding residency training programs in primary care and other ambulatory care-based specialties. Executive deletes language; House revises language for DHHS to continue to work with MIDocs consortium. Senate requires MIDocs to serve as the fiduciary for any state-appropriations for a pilot program, develop a grant making mechanism, identify new residency slots, and requires a report. Conference concurs with the House.

***Sec. 1874. Program of All-Inclusive Care for the Elderly Inclusion* – NEW**
Senate and Conference require DHHS to ensure PACE is included as an option, where available, in options counseling and enrollment brokering for aging services, requires DHHS to establish a workgroup, and to provide a report on workgroup findings.

Major Boilerplate Changes From FY 2015-16

***Sec. 1875. Prior Authorization for Certain Drugs* – NEW**
House, in Sec. 1704, and Senate, in Sec. 1875, prohibit DHHS and its contractual agents from requiring prior authorization for psychotropic medications and drugs for the treatment of cancer, HIV-AIDS, epilepsy/seizure disorder, or organ transplant therapy; defines "prior authorization." Conference, in Sec. 1875, applies prior authorization prohibition to DHHS and its contractual agents for psychotropic medications and drugs for the treatment of epilepsy/seizure disorder or organ transplant therapy, if those drugs were either carved out or not subject to prior authorization procedures as of May 9, 2016, defines "prior authorization".

ONE-TIME BASIS ONLY APPROPRIATIONS

***Sec. 1912. Mobile Electronic Service Verification Study* – NEW**
House provides $25,000 to commission a study to review the outcomes and performance improvements of developing and piloting a mobile electronic biometric identity verification product for home help services. Senate does not include. Conference concurs with the House.

FY 2016-17: DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
Summary: Conference Report
Article XI, House Bill 5294 (H-1) CR-1

Analyst: Paul B.A. Holland

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Conference	*Difference: Conference From FY 2015-16 YTD* *Amount*	*%*
IDG/IDT	$707,600	$707,600	$707,600	$707,600	$707,600	*$0*	*0.0*
Federal	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	*0*	*0.0*
Local	0	0	0	0	0	*0*	*--*
Private	0	0	0	0	0	*0*	*--*
Restricted	62,200,100	63,449,600	63,399,600	63,449,600	63,399,600	*1,199,500*	*1.9*
GF/GP	150,000	150,000	200,000	150,000	150,000	*0*	*0.0*
Gross	**$65,057,700**	**$66,307,200**	**$66,307,200**	**$66,307,200**	**$66,257,200**	***$1,199,500***	***1.8***
FTEs	343.0	343.0	342.5	343.0	342.5	*(0.5)*	*(0.1)*

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (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 the state and providing consumer protection by managing consumer information and inquiries and investigating consumer complaints. DIFS implements, administers, and enforces state statutes pertaining to state-chartered banks and credits unions; mortgage brokers, lenders, and servicers; various consumer finance entities; insurance companies, agents, and products; and health maintenance organizations. DIFS was created by Executive Order 2013-1 through the transfer of the authority, powers, duties, functions, and responsibilities of the former Office of Financial and Insurance Regulation from the Department of Licensing and Regulatory Affairs.

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
1. Technical Authorization Adjustments and Fund Shifts	**Gross**	**$3,332,100**	**$0**
Reflects net impact of multiple adjustments to spending and staff authorizations for numerous funds affecting various line items to more accurately reflect available and appropriate revenues and align authorization with actual operations; technical adjustments may involve increasing or decreasing spending or staff authorization or shifting authorization between fund sources within a single line item or transferring spending or staff authorization between line items. Executive includes; House, Senate, and Conference concur.	Restricted	3,332,100	0
2. Early Out Five-Year Payouts	**Gross**	**$138,500**	**($138,500)**
Recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentive, which were spread out over 5 years. Executive includes; House, Senate, and Conference concur.	Restricted	138,500	(138,500)
3. Economic Adjustments	**Gross**	**NA**	**$1,388,000**
Reflects increased costs for negotiated salary and wage increases (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required retirement contributions, and other economic adjustments. Executive includes; House, Senate, and Conference concur.	Restricted	NA	1,388,000
4. Economic Development Programs	FTE	4.0	(0.5)
Removes estimated spending and staff authorization ($50,000 restricted & 0.5 FTE) for economic development programing undertaken by the department. House includes; Senate does not concur, Conference concurs with House.	**Gross**	**$1,084,300**	**($50,000)**
	Restricted	934,300	(50,000)
	GF/GP	$150,000	$0

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
5. Actuarial Study of Insurance Mandate for Eating Disorders	**Gross**	**NA**	**$0**
Includes spending authorization ($50,000 GF/GP) to conduct or commission an actuarial study of the cost impact to consumers, insurers, and other stakeholders of a mandate requiring health insurers to provide coverage for the diagnosis and treatment of eating disorders. House includes; Senate does not concur, Conference concurs with Senate.	GF/GP	NA	$0

Major Boilerplate Changes From FY 2015-16

Note: Executive, House, and Senate variously renumbered several sections; section numbers below are referenced as they appear in HB 5306 (H-2) CR-1 with the section numbers as they appear under current law in parenthesis, if different.

***Sec. 207. Out-of-State Travel Requirements and Report* – NEW**
Stipulates various limitations regarding under which conditions DIFS may send employees on out-of-state travel, further limits the expenditure of state funds on out-of-state professional development conferences, and requires a detailed annual report on out-of-state travel. Senate includes; Conference concurs.

***Sec. 213 (229). Department Scorecard Website and Health Insurance Rate Filings Report* – REVISED**
Requires DIFS to maintain a department scorecard website that identifies, updates, and tracks key metrics to monitor the department's performance and submit a separate report on annual rate filings by health insurers. Executive modifies the delineated reporting requirements for rate filings; House rejects, but transfers rate filing report to separate section (Sec. 301); Senate retains current language; Conference concurs with House.

***Sec. 216 (205). Metrics for New Programs or Program Enhancements* – DELETED**
Requires LARA to provide a list identifying program-specific metrics intended to measure performance based on a return on taxpayer investment and update the Legislature on its progress in tracking metrics and the status of program success. Executive eliminates; House and Senate retain; Conference concurs with Executive.

***Sec. 217 (212). Record Retention* – RETAINED**
Requires DIFS to retain all records in accordance with state and federal guidelines. Executive eliminates; House, Senate, and Conference retain.

***Sec. 218 (215). Communications with the Legislature* – RETAINED**
Prohibits DIFS from taking disciplinary action against an employee for communicating with the Legislature. Executive eliminates; House, Senate, and Conference retain.

***Sec. (218). Out-of-State Travel Report* – DELETED**
Requires DIFS 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 of each travel occurrence. Conference eliminates due to addition of Sec. 207.

***Sec. (219). Office Space Consolidation Plan* – DELETED**
Requires DIFS to submit a report describing the amount of office space paid for and the amount actually utilized during the previous year and the amount estimated to be utilized during the current and subsequent years. Executive eliminates; House concurs; Senate retains; Conference concurs with House.

***Sec. 219 (232). Television and Radio Productions* – RETAINED**
Prohibits DIFS from developing or producing television or radio productions. Executive eliminates; House, Senate, and Conference retain.

***Sec. 220 (245). Healthy Michigan Plan Accounting Structure* – REVISED**
Requires DIFS in conjunction with the Department of Health and Human Services (DHHS) to maintain accounting structures within MAIN which will facilitate the identification of expenditures associated with the Healthy Michigan Plan and requires DIFS to annually provide the Legislature with relevant accounting scripts and reports. Executive eliminates requirement to provide accounting scripts and reports to the Legislature; House retains; Senate revises to require report only if accounting structures are changed; Conference concurs with Senate.

***Sec. 221 (246). Appropriation for Healthy Michigan Plan Statutory Reporting Requirement* – RETAINED**
Stipulates up to $150,000 appropriated from the General Fund shall only be expended on DIFS' reporting requirements pursuant to Subsection 105d(9) of The Social Welfare Act of 1939. Executive eliminates; House revises to specify up to $150,000 GF/GP; Senate retains; Conference concurs with Senate.

***Eating Disorder Insurance Mandate Actuarial Study* – NOT INCLUDED**
Stipulates that up to $50,000 appropriated from the General Fund shall be expended to conduct or commission an actuarial study of the cost impact of a mandate requiring health insurers to provide coverage for the diagnosis and treatment of eating disorders. House includes; Senate does not concur; Conference concurs with Senate.

Major Boilerplate Changes From FY 2015-16

***Sec. 301. Health Insurance Rate Filings Report* – NEW**
Requires DIFS to submit a report based on the annual rate filings from health insurers and delineates the information to be included. House includes by transferring the existing language from Sec. 213; Senate does not concur; Conference concurs with House.

***Sec. 310. Economic Development Report* – DELETED**
Requires DIFS to submit a report pertaining to the total amounts expended and number of FTEs utilized during the preceding fiscal year to support the economic development of the insurance or financial industries and to provide a detailed 2-year plan for DIFS activities to support the economic development of the insurance or financial industries. Executive eliminates; House concurs; Senate retains; Conference concurs with House.

***Sec. 303. Fees for Customized Listings* – NEW**
Permits DIFS to provide customized lists of non-confidential information to interested parties and charge reasonable fees; states that funds lapse to appropriate restricted fund accounts. Executive includes; House, Senate, and Conference concur.

***Sec. 802. Autism Coverage Reimbursement Program Reporting Requirements* – DELETED**
Requires DIFS to submit a report pertaining to the number of claims approved for reimbursement within each county, the amount expended for reimbursement of each carrier, and detailed claims statistics associated with the Autism Coverage Reimbursement Program authorized by 2012 PA 101. Executive eliminates; House concurs; Senate retains; Conference concurs with House.

FY 2016-17: JUDICIARY
Summary: Conference Report
Article XII, House Bill 5294 (H-1) CR-1

Analyst: Robin R. Risko

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Revised Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Conference	*Difference: Conference From FY 2015-16 YTD* *Amount*	*%*
IDG/IDT	$2,362,900	$1,550,000	$1,550,000	$1,550,000	$1,550,000	*($812,900)*	*(34.4)*
Federal	6,428,600	6,433,500	6,433,500	6,433,500	6,433,500	*4,900*	*0.1*
Local	7,229,000	7,349,300	7,349,300	7,349,300	7,349,300	*120,300*	*1.7*
Private	942,900	957,800	957,800	957,800	957,800	*14,900*	*1.6*
Restricted	84,245,800	92,786,000	92,786,000	92,786,000	92,786,000	*8,540,200*	*10.1*
GF/GP	183,642,200	190,057,400	190,057,400	188,334,800	189,157,400	*5,515,200*	*3.0*
Gross	**$284,851,400**	**$299,134,000**	**$299,134,000**	**$297,411,400**	**$298,234,000**	***$13,382,600***	***4.7***
FTEs	489.0	510.0	510.0	510.0	510.0	*21.0*	*4.3*

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (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 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
1. Statewide Electronic Filing System	**Gross**	**$100**	**$8,499,900**
Executive includes authorization for the judiciary to receive state restricted electronic filing fee revenue. Public Acts 230 through 235 of 2015 established the electronic filing fund to support implementation, operation, and maintenance of a statewide electronic filing system. Fees paid by parties filing civil actions will support the system. House concurs. Senate concurs. Conference concurs.	Restricted	100	8,499,900
2. Michigan Indigent Defense Commission	FTE	6.0	10.0
Executive includes an additional 10.0 FTE positions and $1.3 million to bring the Michigan criminal defense system into compliance with the right to counsel requirements of the United States and Michigan constitutions. House concurs. Senate includes $800,000. Conference concurs with Executive.	**Gross**	**$996,700**	**$1,300,000**
	GF/GP	$996,700	$1,300,000
3. Judges Salaries	**Gross**	**NA**	**$872,600**
Executive includes funding to cover costs of judicial salary increases authorized by Public Act 31 of 2016. Under the law, salaries for Court of Appeals, circuit, probate, and district court judges will be increased by the same percentage increase that civil service non-exclusively represented employees receive. House concurs. Senate does not include additional funding. Conference concurs with Executive.	GF/GP	NA	$872,600

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
4. One-Time Funding for Medication-Assisted Treatment Pilot Program – Statewide Opioid Task Force Initiative	**Gross**	**NA**	**$750,000**
	GF/GP	NA	$750,000
Executive includes $500,000 in one-time funding to establish a medication-assisted treatment pilot program, within existing drug treatment courts, to target new court admissions having heroin or other opiate drug disorders. House includes $1.0 million. Senate concurs with Executive. Conference includes $750,000.			
5. One-Time Funding for Compliance with U.S. Supreme Court Decision Regarding Juvenile Lifers	FTE	NA	11.0
	Gross	**NA**	**$700,000**
	GF/GP	NA	$700,000
Executive includes an additional 11.0 FTE positions and $1.1 million in one-time funding for the State Appellate Defender Office (SADO) to ensure compliance with the U.S. Supreme Court ruling on the *Montgomery v. Louisiana* case. SADO will provide post-conviction representation of juvenile lifers in resentencings. House concurs. Senate includes $700,000. Conference concurs with Senate.			
6. One-Time Funding for Expansion of Problem Solving Courts – Statewide Opioid Task Force Initiative	**Gross**	**NA**	**$500,000**
	GF/GP	NA	$500,000
Executive includes $1.0 million in one-time funding for expanding the number of veterans courts from 22 to 26 and for increasing the number of drug treatment court participants by 50 to 75 participants. House concurs. Senate includes $250,000. Conference includes $500,000 total, of which, $250,000 is designated as a one-time appropriation, and $250,000 is designated as on-going. Of the $250,000 in additional on-going appropriations, $125,000 is allocated to drug treatment courts and $125,000 to mental health courts.			
7. Michigan Legal Self-Help Website and Centers	**Gross**	**NA**	**$300,000**
	GF/GP	NA	$300,000
Executive includes funding for the Michigan Legal Help program which provides free around-the-clock legal information and assistance to individuals who represent themselves in civil legal matters. The funding replaces work project funding that has been utilized to fund the program since 2013. The $300,000 will cover expenses for nine months after work project funding is no longer available in December 2016. House concurs. Senate concurs. Conference concurs.			
8. Funding Adjustments for Michigan Judicial Institute	**Gross**	**$2,159,100**	**($395,700)**
	IDG	339,200	(339,200)
	Federal	169,200	(56,500)
	Private	59,300	0
	GF/GP	$1,591,400	$0
Executive removes $56,500 in federal Department of Justice grant funding that was budgeted but not received and decreases spending authorization by $339,200 to reflect discontinued Michigan Justice Training grant funding that was previously received from DSP. House concurs. Senate concurs. Conference concurs.			
9. Funding Adjustment for SADO	**Gross**	**$473,700**	**($306,700)**
	IDG	473,700	(473,700)
	GF/GP	$0	$167,000
Executive eliminates IDG funding to reflect discontinued Michigan Justice Training grant funding that was previously received from DSP and includes GF/GP funding to partially offset the loss of IDG funding so that SADO is able to continue indigent defense trainings. House concurs. Senate concurs. Conference concurs.			
10. Savings for Eliminated Judgeships	**Gross**	**NA**	**($259,700)**
	GF/GP	NA	($259,700)
Executive includes a savings from a combination of 1.0 Court of Appeals judgeship elimination by attrition (2012 PA 240), 3.0 district court and 1.0 circuit court judgeship retirements (2012 PAs 27, 33, 35, and 38), restoration of 1.0 circuit court judgeship (2009 PA 228), and election of 1.0 new district court and 2.0 new circuit court judges (2014 PAs 56, 58, and 60). House concurs. Senate concurs. Conference concurs.			

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
11. Swift and Sure Sanctions Program	**Gross**	**$4,250,000**	**($250,000)**
Executive retains current year funding for the Swift and Sure Sanctions Program. House reduces funding by $500,000 as a result of the line item typically lapsing funding at the close of the fiscal year. Senate includes an additional $800,000 for the Supreme Court to appoint up to one judge per county, for a total of up to five judges, to oversee specialty courts for the Swift and Sure Sanctions program in any county that had at least 325 individuals sentenced to prison in the previous calendar year. Conference reduces current year funding by $250,000.	Restricted	1,729,400	0
	GF/GP	$2,520,600	($250,000)
12. Early Out Payouts	**Gross**	**$58,800**	**($58,800)**
Executive recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentive, which were spread out over five years. House concurs. Senate concurs. Conference concurs.	Federal	500	(500)
	Local	6,800	(6,800)
	GF/GP	$51,500	($51,500)
13. Economic Adjustments	**Gross**	**NA**	**$1,731,000**
Executive reflects a net increase in costs for negotiated salary and wage amounts (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required retirement contributions, private rent costs, building occupancy charges, and worker's compensation costs. House concurs. Senate concurs. Conference concurs.	Federal	NA	61,900
	Local	NA	127,100
	Private	NA	14,900
	Restricted	NA	40,300
	GF/GP	NA	$1,486,800

Major Boilerplate Changes From FY 2015-16

***Sec. 209. Juvenile Justice Vision 20/20* – DELETED**
Expresses legislative intent that the State Court Administrative Office (SCAO) implement a database, if funding becomes available, that tracks statistical and demographic data on adjudicated juveniles for use by the circuit and probate courts, private juvenile justice agencies, and SCAO; establishes the project as a work project account; requires SCAO to report on the status of the implementation of the project. Executive deletes. House deletes. Senate retains. Conference deletes.

***Sec. 306. Collected and Uncollected Payments and Fees* – MODIFIED**
Requires SCAO to provide a statistical report, categorized by county, on collected and uncollected amounts of restitution payments, court fees, and other judgements placed on people within the counties for fiscal years 2009 through 2014. Executive deletes. House deletes. Senate retains, but revises reporting period to the year 2015. Conference concurs with the Senate.

***Sec. 320. Swift and Sure Sanctions Program* – MODIFIED**
Requires the appropriation to be expended for the Swift and Sure Sanctions program; requires SCAO to report on courts receiving funding, the number of offenders participating, criminal history of offenders, recidivism rates, and parameters of the program. Executive includes. House includes. Senate adds new language which authorizes the Supreme Court to appoint up to one judge per county, for a total of up to five judges, to oversee specialty courts for the Swift and Sure Sanctions program in any county that had at least 325 individuals sentenced to prison in the previous calendar year; authorizes counties to apply for reimbursement up to $160,000 for costs of judge or judges' support staff. Conference does not include new Senate language, but includes new language which reserves $500,000 of the appropriation for Swift and Sure Sanctions programs in counties that had more than 325 individuals sentenced to prison in the previous calendar year.

***Sec. 324. Additional Funding for Michigan Indigent Defense Commission* – NEW**
Requires additional funding appropriated for the Michigan Indigent Defense Commission to be used for bringing the Michigan criminal defense system into compliance with the right to counsel requirements of the United States and Michigan constitutions; requires specific outcomes and performance measures to be identified. Executive includes. House includes. Senate includes. Conference includes.

***Sec. 325. 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. Executive does not include. House includes. Senate does not include. Conference includes.

***Sec. 401. Expansion of Problem Solving Courts* – NEW**
Requires additional funding appropriated for drug treatment courts to be used for increasing the number of participants and decreasing recidivism rates. Executive includes. House includes. Senate does not include. Conference includes.

Major Boilerplate Changes From FY 2015-16

***Sec. 402. Compliance with U.S. Supreme Court Decision Regarding Juvenile Lifers* – NEW**
Requires SADO to ensure compliance with the U.S. Supreme Court ruling on the *Montgomery v. Louisiana* case and to ensure competent, resourced, and supervised counsel in cases involving the resentencing of juvenile lifers. Executive includes. House includes. House also adds a subsection which requires SADO to submit a report on the number of juvenile lifer cases investigated and prepared, to include a calculation of hours spent and a focus on incremental costs associated with investigating and conducting each case. Senate includes only the Executive language. Conference includes Executive and House language.

***Sec. 403. Medication-Assisted Treatment Pilot Program* – NEW**
Requires the Judiciary to establish a medication-assisted treatment pilot program to provide treatment for opioid-addicted and alcohol-addicted individuals who are referred and who voluntarily participate. Executive does not include. House does not include. Senate does not include. Conference includes.

FY 2016-17: DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
Summary: Conference Report
Article XIII, House Bill 5294 (H-1) CR-1

Analyst: Paul B.A. Holland

	FY 2015-16 YTD as of 2/10/16	Revised FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Conference	*Difference: Conference From FY 2015-16 YTD* *Amount*	*%*
IDG/IDT	$46,068,700	$46,923,800	$46,923,800	$46,923,800	$46,923,800	*$855,100*	*1.9*
Federal	63,674,900	63,818,100	63,818,100	63,818,100	63,818,100	*143,200*	*0.2*
Local	679,000	251,600	251,600	251,600	251,600	*(427,400)*	*(62.9)*
Private	341,300	314,100	111,800	314,100	111,800	*(229,500)*	*(67.2)*
Restricted	258,603,600	262,446,700	268,232,700	262,462,400	263,236,000	*4,632,400*	*1.8*
GF/GP	40,481,500	42,791,100	42,313,200	45,813,200	43,721,100	*3,239,600*	*8.0*
Gross	**$409,849,000**	**$416,545,400**	**$421,651,200**	**$419,583,200**	**$418,062,400**	***$8,213,400***	***2.0***
FTEs	2,221.8	2,230.8	2,226.8	2,229.8	2,227.8	*6.0*	*0.3*

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) "Executive" includes the revisions recommended by the Executive Budget Revision #2017-3.

Overview

The Department of Licensing and Regulatory Affairs (LARA) is primarily responsible for overseeing various agencies and programs that implement, administer, and enforce numerous statutes and rules regulating commercial and occupational, construction and fire safety, health care and human service, energy and public utility, and alcoholic beverage activities, entities, and facilities. Agencies within LARA are also responsible for implementing, administering, and enforcing workers' compensation requirements, occupational safety and health standards, and labor and wage laws, as well as providing vocational rehabilitation services for the blind and coordinating 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 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
1. Michigan Automated Prescription System (Partial One-Time)	FTE	NA	9.0
Increases spending and staff authorization by $4.5 million, of which $2.5 million is one-time, to support the upgrade of IT components and enhance the staffing for the Michigan Automated Prescription System (MAPS), which is accessed to identify and prevent drug diversion by tracking controlled substances prescriptions, in accordance with the recommendations of the Michigan Prescription Drug and Opioid Abuse Task Force. Executive includes; House and Senate concur; Conference concurs in part, but removes the one-time authorization and includes it as a supplemental for FY 2015-16.	**Gross**	**NA**	**$2,020,000**
	GF/GP	NA	$2,020,000
2. Electric Reliability and Resiliency Programs	FTE	183.0	4.0
Increases spending and staff authorization ($984,300 and 5.0 FTEs) to support interagency cooperation and programs implemented by the Michigan Agency for Energy (MAE) and the Public Service Commission (PSC) related to energy mandates, emergency coordination, electric resiliency, demand response, waste reduction, and reliability expenditures and funded with annual assessments levied on investor-owned and cooperative electric, natural gas, and telecommunication utilities. Executive includes; House rejects in part, but includes one new position for the PSC; Senate rejects; Conference concurs with the Executive in part, including four and rejecting one of the positions as well as expenses for modeling software.	**Gross**	**$33,802,700**	**$601,300**
	Federal	5,155,100	0
	Private	30,000	0
	Restricted	28,067,600	601,300
	GF/GP	$550,000	$0

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
3. Liquor Control Commission IT Systems (One-Time)	**Gross**	**NA**	**$1,560,000**
Includes one-time spending authorization to support the upgrade of three IT systems utilized by the Liquor Control Commission (LCC) to improve business processes related to the state's liquor wholesale operations. Executive includes; House, Senate, and Conference concur.	Restricted	NA	1,560,000
4. FY 2015-16 Flint Water Emergency Supplemental Appropriations	FTE	1.0	(1.0)
Removes spending and staff authorization supporting the inspection and replacement (if lead levels exceed 15 ppb) of plumbing fixtures installed in educational, human service, and healthcare facilities located within the City of Flint and performed under the direction of the Bureau of Construction Codes (BCC). Executive removes; House, Senate, and Conference concur.	**Gross**	**$2,200,000**	**($2,200,000)**
	Restricted	200,000	(200,000)
	GF/GP	$2,000,000	($2,000,000)
5. Detroit Demolition Permit Assistance	**Gross**	**$800,000**	**($800,000)**
Eliminates spending authorization which supported permitting activities administered by the Bureau of Construction Codes (BCC) and related to demolition and blight elimination projects undertaken within the City of Detroit; the City resumed these permitting duties during October 2015. Executive removes; House, Senate, and Conference concur.	Restricted	800,000	(800,000)
6. Distance Education Reciprocal Agreements	**Gross**	**$0**	**$300,000**
Includes spending authorization to support administrative expenses incurred under the Higher Education Authorization and Distance Education Reciprocal Exchange Act and financed with revenue generated by statutory fees levied on accredited colleges and universities located within and without the state and authorized to participate in reciprocal agreements between the state and other states or higher education compacts entered into by LARA pursuant to the Act. Executive includes; House, Senate, and Conference concur.	Restricted	0	300,000
7. Technical Authorization Adjustments and Fund Shifts	FTE	631.9	0.0
Reflects net impact of multiple adjustments to spending and staff authorizations for numerous funds affecting various line items to more accurately reflect available and appropriate revenues and align authorization with actual operations; technical adjustments may involve increasing or decreasing spending or staff authorization or shifting authorization between fund sources within a single line item or transferring spending or staff authorization between line items. Executive includes; House concurs in part, but differs in some particulars, resulting in further reductions to private and restricted authorization; Senate concurs with Executive; Conference concurs in part with Executive, including some House revisions resulting in reductions to private authorization.	**Gross**	**$110,954,700**	**($3,260,800)**
	IDG/IDT	20,995,000	(100,000)
	Federal	22,424,400	(595,200)
	Local	429,000	(429,000)
	Private	434,600	(232,300)
	Restricted	45,997,000	(1,195,300)
	GF/GP	$20,674,700	($709,000)
8. Early Out Five-Year Payouts	**Gross**	**$934,700**	**($934,700)**
Recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentive, which were spread out over 5 years. Executive includes; House, Senate, and Conference concur.	IDG/IDT	37,800	(37,800)
	Federal	263,300	(263,300)
	Restricted	616,100	(616,100)
	GF/GP	$17,500	($17,500)
9. Economic Adjustments	**Gross**	**NA**	**$6,549,700**
Reflects increased costs for negotiated salary and wage increases (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required retirement contributions, and other economic adjustments. Executive includes; House, Senate, and Conference concur.	IDG/IDT	NA	992,900
	Federal	NA	1,001,700
	Local	NA	1,600
	Private	NA	2,800
	Restricted	NA	3,982,500
	GF/GP	NA	$568,200

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
10. Bureau of Fire Services Plan Review Division	FTE	7.0	(2.0)
Reduces estimated spending and staff authorization ($500,000 GF/GP, 4.0 FTE) for the Plan Review Division of the Bureau of Fire Services (BFS) and transfers remaining related authorization ($350,000 restricted, 3.0 FTE) to the Bureau of Construction Codes (BCC) to perform plan review duties pursuant to the Fire Protection Code of 1941 in addition to its current plan review duties, pursuant to the Stille-Derossett-Hale Single State Construction Code Act of 1972, in effort to realize administrative efficiencies. House includes; Senate does not concur; Conference concurs in part, but retains spending authorization within the BFS and reduces staff reduction.	**Gross**	**$850,000**	**$0**
	Restricted	350,000	0
	GF/GP	$500,000	$0
11. Fire Protection Grants (One-Time)	**Gross**	**$9,273,900**	**$3,400,000**
Increases spending authorization ($3.4 million) for grants awarded to municipalities within which state-owned facilities (e.g., offices, prisons, hospitals, universities, warehouses) are located in lieu of taxes for fire protection services rendered; supported with revenue from the Liquor Purchase Revolving Fund, the balance of which lapses to the General Fund at the close of the fiscal year. House includes; Senate does not concur; Conference concurs in part, but finances with revenue from the General Fund and includes as a one-time appropriation.	Restricted	9,273,900	0
	GF/GP	$0	$3,400,000
12. Firefighter Training Grants	**Gross**	**$1,000,000**	**$1,000,000**
Increases spending authorization for grants awarded to counties to reimburse organized fire departments for firefighter training and other activities required under the Firefighter Training Council Act of 1966; support with revenue from the Fireworks Safety Fund, which has historically exceeded expenditures and is earmarked for these grants. House includes at $500,000; Senate concurs in part, but doubles the increase; Conference concurs with Senate.	Restricted	1,000,000	1,000,000
13. First Responder Presumed Coverage Fund	**Gross**	**$0**	**$0**
Increases spending authorization ($3.0 million) to support the First Responder Presumed Coverage Fund created by 2014 PA 515 and which, upon appropriation, provides workers' compensation benefits to eligible firefighters diagnosed with statutorily specified cancers who are ineligible for or denied other disability pension benefits; supported with revenue from the Forest Development Fund into which proceeds from the sale of contracts to harvest timber on state lands are deposited. House includes; Senate concurs in part, but finances with revenue from the General Fund; Conference rejects, but includes authorization of money appropriated from the Forest Development Fund by HB 5631 (H-2) within the supplemental for FY 2015-16 as a work project.	Restricted	0	0
	GF/GP	$0	$0
14. Offices of Regulatory Reinvention & Reinventing Performance in MI	FTE	10.0	(7.0)
Removes spending and staff authorization ($495,500 GF/GP, 4.0 FTE) for the Office of Regulatory Reinvention (ORR), which supervises the promulgation of administrative rules by departments and agencies throughout state government, and staff authorization (6.0 FTE) for the Office of Reinventing Performance in MI (RPM), which researches administrative processes and procedures to increase efficiency and effectiveness through modern managerial techniques, both of which were transferred from LARA to the Department of Technology, Management, and Budget via Executive Order 2016-4; while retaining the spending authorization for the RPM ($715,900 from Corporations Fees) and adding staff authorization (3.0 FTE) within the LARA administrative office to continue departmental process improvement activities. Executive includes in revision; House, Senate, and Conference concur.	**Gross**	**$1,182,600**	**($495,500)**
	Restricted	700,000	0
	GF/GP	$482,600	($495,500
15. Hispanic, Asian Pacific, and Middle Eastern Commissions	FTE	NA	3.0
Includes spending and staff authorization ($473,400 GF/GP, 3.0 FTE) for the Hispanic/Latino Commission of MI, Asian Pacific American Affairs Commission, and the Commission on Middle Eastern American Affairs which were transferred to LARA from the Department of Civil Rights via Executive Order 2016-3 and are charged with promoting the interests of and advising the state government on their respective ethic populations. Executive includes in revision; House, Senate, and Conference concur.	**Gross**	**NA**	**$473,400**
	GF/GP	NA	$473,400

Major Boilerplate Changes From FY 2015-16

Note: Executive, House, and Senate variously renumbered several sections; section numbers below are referenced as they appear in SB 793 (S-2) CR-1 with the section numbers as they appear under current law in parenthesis, if different.

***Sec. 207 (218). Out-of-State Travel Requirements and Report* – REVISED**
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 of each travel occurrence. Senate revises to stipulate various limitations regarding under which conditions LARA may send employees on out-of-state travel, further limit the expenditure of state funds on out-of-state professional development conferences, and require a detailed annual report on out-of-state travel; Conference concurs.

***Sec. 210 (223). Contingency Funds* – REVISED**
Permits appropriation of federal, state restricted, local, and private contingency funds up to specified amounts, subject to the legislative transfer process. House modifies amounts; Senate does not concur; Conference concurs with House.

***Sec. 216 (205). Metrics for New Programs or Program Enhancements* – DELETED**
Requires LARA to provide a list identifying program-specific metrics intended to measure performance based on a return on taxpayer investment and update the Legislature on its progress in tracking metrics and the status of program success. Executive eliminates; House and Senate retain; Conference concurs with Executive. Conference eliminates (see Sec. 240 in General Government).

***Sec. 217 (212). Record Retention* – RETAINED**
Requires LARA to retain all records in accordance with state and federal guidelines. Executive eliminates; House, Senate, and Conference retain.

***Sec. 218 (215). Communications with the Legislature* – RETAINED**
Prohibits LARA from taking disciplinary action against an employee for communicating with the Legislature. Executive eliminates; House, Senate, and Conference retain.

***Sec. 219. Office Space Consolidation Plan* – DELETED**
Requires LARA to submit a report describing the amount of office space paid for and the amount actually utilized during the previous year and the amount estimated to be utilized during the current and subsequent years. Executive eliminates; House concurs; Senate retains; Conference concurs with House.

***Sec. 219 (232). Television and Radio Productions* – RETAINED**
Prohibits LARA from developing or producing television or radio productions. Executive eliminates; House and Senate retain.

***Sec. 220 (245). Healthy Michigan Plan Accounting Structure* – REVISED**
Requires LARA in conjunction with the Department of Health and Human Services (DHHS) to maintain accounting structures within MAIN which will facilitate the identification of expenditures associated with the Healthy Michigan Plan and requires LARA to annually provide the Legislature with relevant accounting scripts and reports. Executive eliminates requirement to provide accounting scripts and reports to the Legislature; House retains; Senate revises to require report only if accounting structures are changed; Conference concurs with Senate.

***Sec. 223 (241). Informational, Training, and Special Events Revenues and Expenditures* – REVISED**
Stipulates that LARA may charge registration fees for events sponsored by LARA, that fees shall reflect costs of sponsoring events, that revenue generated by fees is appropriated for sponsorship costs, that excess revenue shall carry-forward, requires annual report pertaining to revenues and expenditures related to events, and limits authorization to $500,000. Executive eliminates reporting requirement; House retains; Senate concurs with Executive; Conference concurs with Senate.

***Sec. 226 (248). Regulatory Statistical Report* – REVISED**
Requires LARA to submit an annual report that specifies and summarizes statistical information pertaining to fees, revenues, expenditures, applications, determinations, timeliness, examinations, complaints, investigations, enforcement actions, administrative hearings, and adjudications for activities, entities, facilities, and industries regulated by agencies within LARA. Executive eliminates; House revises to recognize current regulatory agencies, remove agency-level summary reporting requirement, and redefine key terms; Senate retains current language; Conference concurs with House.

***Sec. 243. Reinventing Performance in Michigan MOUs* – DELETED**
Requires LARA to work to establish memorandums of understanding (MOUs) with participating state departments to devise a mechanism to recover costs related to services performed for the Reinventing Performance in Michigan (RPM) initiative and submit an annual report on the RPM and associated MOUs. Executive eliminates; House, Senate, and Conference concur.

***Sec. 227 (252). Departmental Employee Performance Monitoring Process* – RETAINED**
Stipulates legislative intent that LARA establish a consistent employee performance monitoring process and submit a report pertaining to planned or implemented changes to that process. Executive eliminates; House concurs; Senate retains; Conference concurs with Senate.

Major Boilerplate Changes From FY 2015-16

***Sec. 301. Exploration of Carbon Dioxide Capture* – NEW**
Directs the Michigan Agency for Energy (MAE) and Public Service Commission (PSC) to explore policies relating to carbon dioxide capture and sequestration that improve the state's regulatory structure. House includes; Senate does not concur; Conference concurs in part with House, but adds reporting requirement.

***Sec. 401. IT Upgrades to Mitigate Licensure Delays* – NEW**
Directs the Liquor Control Commission (LCC) to utilize its existing appropriation from the Liquor Purchase Revolving Fund to invest in information technology upgrades to expedite the measuring of distance between applicants and churches or schools. Senate includes; Conference concurs.

***Sec. 402. Investigation of Direct Shipments of Wine* – NEW**
Directs the Liquor Control Commission (LCC) to expend its existing appropriation from the Direct Shipper Enforcement Revolving Fund to investigate unlawful direct shipments of wine by unlicensed wineries and retailers and submit a related report to the Legislature. Senate includes; Conference concurs.

***BFS Plan Review Duties to the BCC* – NOT INCLUDED**
Stipulates that new FTEs allocated to the Bureau of Construction Codes (BCC) shall be utilized for the duties previously performed by the Plan Review Division of the Bureau of Fire Services (BFS). House includes; Senate does not concur; Conference concurs with Senate.

***Sec. 507. Medical Marihuana Program Report and Fees* – REVISED**
Requires LARA to submit a report pertaining to the revenue, expenditures, application determinations, and timeliness of the Medical Marihuana Program and other specified information. Executive eliminates delineated reporting requirements; House retains and transfers requirement to report number of registry cards within each county from Sec. 902; Senate retains current language; Conference concurs with House.

***Sec. 512. Public Availability of BHCS Disciplinary Actions* – DELETED**
Requires the Bureau of Health Care Services (BHCS), to the extent allowed under applicable laws, to make disciplinary actions taken against health professionals publically available through a license verification website. Executive eliminates; House concurs; Senate retains; Conference concurs with House.

***Sec. 514. Number of Child Care Licensing Consultants and Staff* – DELETED**
Requires the Bureau of Children and Adult Licensing (BCAL) to expend the interdepartmental grant from the Department of Education to increase the number of child care licensing consultants and staff who perform monitoring visits to licensees and applicants for licensure and submit a report to the Legislature detailing improvements achieved due to increased consultants and staff. Executive eliminates; House concurs; Senate retains; Conference concurs with House.

***Sec. 515. Authorization to Assess Regulatory Fees on Child and Adult Care Facilities* – NEW**
Authorizes LARA to assess and collect fees associated with the licensing and regulation of child care organizations and adult foster care facilities as defined pursuant to statute. Executive includes; House revises to require LARA to provide information necessary to shift spending authorization for revenue generated by the fees to a restricted fund for FY 2017-18; Senate concurs with Executive; Conference concurs with House.

***Sec. 516. Wood Products Manufacturing Facilities Inspection Method and Report* – NEW**
Stipulates intent that LARA establish a consistent method for inspecting wood products manufacturing facilities, directs LARA to focus on inspecting such facilities housing multiple LLCs, and requires LARA to submit a report pertaining to such inspections. Senate includes; Conference concurs in part, but makes revisions removing specification to focus on facilities with multiple LLCs and adding and modifying several specified reporting requirements.

***Sec. 517. Opioid Overprescribing Report* – NEW**
Requires LARA to submit a report pertaining to the overprescribing of opioids by licensed prescribers and actions undertaken by LARA in response to such overprescribing. Senate includes; Conference concurs in part, but makes revisions by adding and modifying several specified reporting requirements.

***Sec. 518. Notice of AFC, HFA, and LTC Facility Closing* – NEW**
Requires the Bureau of Community and health Systems (BCHS) to notify legislatures representing districts wherein licensed adult foster care home, home for the aged, and nursing home facilities receiving Orders of Suspension are located. Conference includes.

***Sec. 519. Performance Metrics for MAPS IT Upgrades and Staffing Enhancement* – NEW**
Requires LARA to provide improved efficiencies, functionality, and reporting capabilities of the Michigan Automated Prescription System (MAPS) and identify specific outcomes and performance metrics for the upgrade and enhancement of the MAPS. Executive includes; House concurs; Senate concurs in part, but does not include three of the performance metrics; Conference concurs in part, but makes revisions directing LARA to consider releasing statistical information for research purposes and modifying and adding various specific reporting requirements.

Major Boilerplate Changes From FY 2015-16

***First Responder Presumed Coverage Fund* – NOT INCLUDED**
Stipulates that the amount appropriated within the line item shall be deposited into the Fund created by Section 405 of the Worker's Disability Compensation Act of 1969. House includes; Senate does not concur; Conference rejects, but includes work project designation for appropriation included within the supplemental for FY 2015-16.

***Sec. 705. Vocational Rehabilitation Matching Funds* – RETAINED**
Requires the Bureau of Services for Blind People (BSBP) to work collaboratively with service organizations and governments to identify match dollars and maximize federal vocational rehabilitation funds. Executive eliminates; House, Senate, and Conference retain.

***Sec. 706. Youth Low-Vision Program Report* – DELETED**
Requires LARA to submit an annual report to the Legislature pertaining to the operations and expenditures of the Youth Low-Vision Program administered by the Bureau of Services for Blind People (BSBP). Executive eliminates; House concurs; Senate retains; Conference concurs with House.

***First Responder Presumed Coverage Fund* – NOT INCLUDED**
Stipulates that the money appropriated for the line item shall only be expended to pay authorized claims and administer the Fund pursuant to section 405 of the Worker's Disability Compensation Act of 1969. Senate includes; Conference rejects in favor of including Sec. 701.

***Sec. 902. Medical Marihuana Registry Cards Report and Grants to County Law Enforcement* – REVISED**
Requires LARA to submit a report pertaining to the number of medical marihuana registry identification cards issued or renewed in each county; stipulates that LARA award Medical Marihuana Operation and Oversight Grants to county sheriffs' offices; requires reports submitted by both county sheriffs' offices and LARA pertaining to the amounts, recipients, and uses of the grants; and permits county sheriffs' offices to distribute discretionary grants to municipal law enforcement agencies. Executive modifies reporting date and directs LARA to collaborate with law enforcement entities regarding the availability of grant funds; House concurs on the collaboration language but transfers requirement to report number of registry cards within each county to Sec. 507; Senate retains current language; Conference concurs with House.

***Sec. 903. Firefighter Training Grants* – REVISED**
Requires that the appropriation be expended for payments to counties and purposes pursuant to 1966 PA 291, stipulates intent pertaining to how the appropriation is disbursed to counties and specifying a minimum disbursement to each county, requires an annual report identifying potential and actual disbursements and other expenditures, and stipulates intent that unexpended disbursements lapse back into the restricted fund are appropriated in the next fiscal year. Executive revises to remove the declaration that the stipulations pertaining to disbursement of grants are legislative intent and eliminate intent language directing the Legislature to appropriate grant funds unexpended during the preceding year; House rejects the former and concurs with the latter revision; Senate retains current language; Conference concurs with House.

***Sec. 1001. Performance Metrics for LCC IT Upgrades* – NEW**
Requires LARA to maintain customer service standards of the Liquor Control Commission (LCC) and identify specific outcomes and performance metrics for the upgrades of LCC information technology systems. Executive includes; House, Senate, and Conference concur.

FY 2016-17: DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
Summary: Conference Report
Article XIV, House Bill 5294 (H-1) CR-1

Analyst: Kent Dell

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Conference	*Difference: Conference From FY 2015-16 YTD* *Amount*	*%*
IDG/IDT	$99,300	$101,800	$101,800	$101,800	$101,800	*$2,500*	*2.5*
Federal	90,208,600	91,793,600	91,793,600	91,793,600	91,793,600	*1,585,000*	*1.8*
Local	1,497,400	1,522,400	1,522,400	1,732,400	1,522,400	*25,000*	*1.7*
Private	739,600	742,800	742,800	742,800	742,800	*3,200*	*0.4*
Restricted	23,221,500	24,696,000	23,596,000	24,696,000	24,696,000	*1,474,500*	*6.3*
GF/GP	53,187,300	57,143,600	51,543,800	57,643,600	55,243,600	*2,056,300*	*3.9*
Gross	**$168,953,700**	**$176,000,200**	**$169,300,400**	**$176,710,200**	**$174,100,200**	***$5,146,500***	***3.0***
FTEs	897.5	897.5	902.5	907.5	907.5	*10.0*	*1.1*

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (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.

Budget Structure

The FY 2015-16 budget includes six line items within four appropriation units and incorporates schedules of programs in part 1. Executive retains this structure. House restructures the FY 2016-17 budget into five appropriation units containing forty-one separate line items, eliminating the schedule of programs budget structure. The Grand Rapids Home for Veterans is structured as one of the five appropriation units and consists of thirteen separate line items. Senate concurs with the Executive. Conference restructures the FY 2016-17 budget into five appropriation units containing twenty-eight separate line items, eliminating the schedule of programs budget structure. The Grand Rapids Home for Veterans is structured as one of the five appropriation units and consists of three separate line items.

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
1. Removal of FY 2015-16 One-Time Appropriations	**Gross**	**$5,000,000**	**($5,000,000)**
Executive removes the one-time appropriation of $3.0 million GF/GP for the purpose of Special Maintenance – National Guard as well as $2.0 million GF/GP for the Flint Declaration of Emergency. House, Senate, and Conference concur.	GF/GP	$5,000,000	($5,000,000)
2. Grand Rapids Home for Veterans Medicaid Certification Pilot (One-Time)	**Gross**	**NA**	**$1,000,000**
Executive includes one-time appropriation of $5.0 million GF/GP to renovate the fourth floor of the Grand Rapids Home for Veterans in order to meet Medicaid specifications House includes a $100 placeholder and appropriates $5.0 million GF/GP through boilerplate section 702 to a new Medicaid certification reserve fund. Senate concurs with the Executive. Conference includes $1.0 million GF/GP.	GF/GP	NA	$1,000,000
3. Grand Rapids Home for Veterans Revenue Shortfall Offset (Ongoing)	**Gross**	**$45,854,000**	**$0**
Executive includes $2.3 million GF/GP to offset a shortfall in income and assessments restricted revenue, due to declining veterans' home member census. House, Senate, and Conference concur.	Federal	21,773,000	0
	Restricted	8,717,100	(2,300,000)
	GF/GP	$15,363,900	$2,300,000

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
4. Grand Rapids Home for Veterans Staffing Increase	**Gross**	**$45,854,000**	**$1,800,000**
House includes $500,000 GF/GP and 5.0 FTEs to addressing staffing level concerns raised in the February 2016 Auditor General report. Conference includes $1.8 million GF/GP to increase the wages of contracted nursing aides in order to attract and retain personnel.	Federal	21,773,000	0
	Restricted	8,717,100	0
	GF/GP	$15,363,900	$1,800,000
5. D.J. Jacobetti Home for Veterans Medicaid Certification Pilot (Ongoing)	**Gross**	**$19,531,600**	**$1,120,000**
Executive includes $1.1 million GF/GP funding adjustment to improve nursing unit level and renovate the home to meet Medicaid specifications. House, Senate, and Conference concur.	Federal	7,991,200	0
	Restricted	4,881,300	0
	GF/GP	$6,659,100	$1,120,000
6. Adjustments Based upon Anticipated Federal Revenue – Veterans Homes	**Gross**	**$65,385,600**	**($986,000)**
Executive includes appropriation increases to utilize available federal revenues of $214,000 for the D.J. Jacobetti Home for Veterans. Federal Medicare authorization decreased to better align with anticipated federal revenue for the Grand Rapids ($1.1 million) and D.J. Jacobetti ($100,000) Homes for Veterans. House, Senate, and Conference concur.	Federal	29,764,200	(986,000)
	Restricted	13,598,400	0
	GF/GP	$22,023,000	$0
7. National Guard Tuition Assistance Fund	**Gross**	**$0**	**$60,000**
Executive includes $1.1 million GF/GP to seed the National Guard Tuition Assistance Fund. House removes. Senate appropriates $762,700. Conference appropriates $60,000 GF/GP.	GF/GP	$0	$60,000
8. National Guard Tuition Assistance Program	**Gross**	**$3,741,600**	**($236,600)**
Executive includes $3.5 million restricted from the National Guard Tuition Assistance Fund. House appropriates $2.4 million restricted from the National Guard Tuition Assistance Fund. Senate concurs with the Executive. Conference concurs with the Executive, although only $2.4 million is expected to be remaining in the Tuition Assistance Fund at the beginning of FY 2016-17.	Restricted	0	3,505,000
	GF/GP	$3,741,600	($3,741,600)
9. National Guard Armory Maintenance (One-Time)	**Gross**	**NA**	**$2,500,000**
Executive includes one-time appropriation of $2.5 million GF/GP to upgrade communication network connections at Army National Guard armories. House, Senate, and Conference concur.	GF/GP	NA	$2,500,000
10. Adjustments Based upon Anticipated Federal Revenue – Armory Operations	**Gross**	**$15,558,800**	**$1,500,000**
Executive includes authorization increases to utilize available federal revenues of $1.5 million for armory operations. House, Senate, and Conference concur.	Federal	7,823,200	1,500,000
	Restricted	346,400	0
	GF/GP	$7,389,200	$0
11. Michigan Youth ChalleNGe Academy	FTE	40.0	10.0
Senate includes $710,000 ($500,000 GF/GP) and 10.0 FTEs to increase staffing levels at the academy in order to address concerns raised by the Auditor General report. Conference includes $710,000 GF/GP and 10.0 FTEs.	**Gross**	**$4,541,300**	**$710,000**
	Federal	2,844,300	0
	Local	1,497,400	0
	Private	199,600	0
	GF/GP	$0	$710,000
12. Camp Grayling Housing Construction	**Gross**	**$15,000,000**	**$300,000**
Senate includes $300,000 GF/GP for housing construction at Camp Grayling. Conference concurs.	Federal	15,000,000	0
	GF/GP	$0	$300,000
13. Homeless Veterans Program (One-Time)	**Gross**	**NA**	**$300,000**
Conference includes $300,000 one-time GF/GP for the purpose of mitigating homelessness among Michigan veterans.	GF/GP	NA	$300,000
14. Veterans Service Grants Economic Adjustment	**Gross**	**$3,733,500**	**$30,000**
Senate includes a 1% ($37,300 GF/GP) economic adjustment for veterans service organization grants. Conference includes $30,000 GF/GP.	GF/GP	$3,733,500	$30,000

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
15. Veterans Homes Planning	**Gross**	**NA**	**$0**
House reduces the veterans home operations line item by $100 and includes a $100 placeholder for the purpose of possible capital outlay projects pertaining to this state's veterans homes. Conference concurs.	GF/GP	NA	$0
16. Early Out Deferred Sick Leave Payments	**Gross**	**NA**	**($125,800)**
Executive recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentive, which were spread out over five years. House, Senate, and Conference concur.	Federal	NA	(46,100)
	Restricted	NA	(34,100)
	GF/GP	NA	($45,600)
17. Economic Adjustments	**Gross**	**NA**	**$2,175,000**
Executive reflects increased costs of $2.2 million gross ($723,500 GF/GP) for negotiated salary and wage increases (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required contributions, and other economic adjustments. House, Senate, and Conference concur.	IDG	NA	2,500
	Federal	NA	1,112,200
	Local	NA	25,000
	Private	NA	3,200
	Restricted	NA	308,600
	GF/GP	NA	$723,500

Major Boilerplate Changes From FY 2015-16

***Sec. 215. Disciplinary Action Against State Employees* – RETAINED**
Protects department employees from disciplinary action due to communications with the Legislature. Executive deletes. House, Senate, and Conference retain.

***Sec. 216. Schedule of Programs Disclaimer* – DELETED**
Provides for funding and spending flexibility under the schedule of programs budget structure. Executive retains. House deletes. Senate retains. Conference deletes.

***Sec. 233. Intention to Sell Department Property* – RETAINED**
Requires the department to notify the legislature sixty days prior to publicly announcing the intent to sell department owned property. Executive deletes. House, Senate, and Conference retain.

***Sec. 234. One-Time Special Maintenance Appropriations Carry Forward* – RETAINED**
Authorizes the carry forward of one-time appropriations from the previous fiscal year. Executive deletes. House deletes. Senate and Conference retain.

***Sec. 240. New Program Metrics* –DELETED**
Requires the department to report performance-based, program-specific metrics to the legislature for any new program or program enhancement with funds in excess of $500,000. Executive deletes. House and Senate retain. Conference eliminates (see Sec. 240 in General Government).

***Sec. 300. Unclassified Positions* – REVISED**
Lists the authorized unclassified positions within the department. Executive revises to remove the Director – Public Safety Group unclassified FTE and replaces it with the new Chief Executive Officer for the Veteran Health System position. House, Senate, and Conference concur.

***Sec. 309. Starbase Grant* – REVISED**
Establishes the Starbase program. Executive revises to remove fourth graders as a target group for the program, specifying students in the fifth grade as the intended program targets. House, Senate, and Conference concur.

***Sec. 310. National Guard Tuition Assistance Program* – REVISED**
Establishes the National Guard Tuition Assistance Program. Executive revises to include language to ensure that all funds remaining in the National Guard Tuition Assistance Program lapse into the National Guard Tuition Assistance Fund at the end of a fiscal year. House, Senate, and Conference concur.

***Sec. 311. Information Technology Services and Projects* – RETAINED**
Requires the department to utilize an IDG to the Department of Technology, Management, and Budget for information technology services and projects. Executive deletes. House, Senate, and Conference retain.

***Sec. 406. Grants to Veterans Service Organizations* – RETAINED**
Requires the department to disburse grants to Veterans Service Organizations in order to achieve agency veterans service goals. Executive revises to remove language requiring a fixed number of service hours within each geographic region of state and adds language that bases the number of service hours on current appropriations for the Veteran Service Organization grant program and fixed hourly service rate. House, Senate, and Conference retain original language.

Major Boilerplate Changes From FY 2015-16

***Sec. 407. Veterans Trust Fund Administration* – REVISED**
Requires the department and the Michigan Veterans Trust Fund Board to provide emergency funds to veterans through the Michigan Veterans Trust Fund. Executive revises to remove legislative intent language regarding the expenditure of appropriated funds. House concurs, but retains the final sentence of subsection (3) regarding unexpended or unencumbered funds. Senate concurs with the Executive. Conference concurs with the House.

***Sec. 501. Veterans' Homes Service and Care Requirements* – REVISED**
Requires the department to administer the state's two veterans homes and specifies service and care requirements. Executive revises to combine with former section 503 in order to create a set of boilerplate language concerning veterans homes services and care requirements; remove language specifying federal requirements and replaces with language that requires providing the results of federal U.S. Department of Veterans Affairs certification as proof of compliance; remove language regarding contractor provided competency evaluated nursing assistants; change compliance reporting requirements from quarterly to annual; and include language requiring the department to report quarterly regarding the status of Medicaid certification efforts. House concurs, but retains original language regarding competency evaluated nursing assistants; removes minimum skilled nursing bed and domiciliary bed requirements for the Grand Rapids Home; and adds additional reporting requirements. Senate concurs, but retains original language regarding competency evaluated nursing assistants, minimum skilled nursing and domiciliary bed requirements, and adds additional reporting requirements. Conference concurs, but retains original language regarding competency evaluated nursing assistants; removes minimum skilled nursing bed and domiciliary bed requirements; removes minimum long-term care experience requirements for new competency evaluated nursing assistants; and combines House and Senate additional reporting requirements.

***Sec. 501b. Grand Rapids Home Staffing Increase* – DELETED**
House includes new language specifying the purpose of a $500,000 increase for the Grand Rapids Home to be used to increase staffing levels at the home in order to address concerns raised in the February 2016 Auditor General report. Conference deletes.

***Sec. 502. Medicaid Certification Pilot* – NEW**
Requires the department to pursue compliance with current Medicaid and Medicare services certification standards for the veterans' homes in order to increase federal revenue and provide better services. Executive includes. House, Senate, and Conference concur.

***Sec. 503. Quality of Care Standards* – NEW**
Senate includes reporting requirements regarding the quality of care improvements made by implementing the Medicaid certification upgrades. Conference concurs.

***Sec. 504. Board of Managers (Veterans Homes)* – REVISED**
Specifies the regulatory authority as well as advisory and advocacy roles of the veterans homes boards of managers. Executive revises to combine with former section 504. House, Senate, and Conference concur.

***Sec. 604. Land and Acquisitions* – RETAINED**
Authorizes the department to provide for the acquisition and disposition of National Guard armories as well as department-owned land. Executive revises to remove language requiring the department to provide a listing of property sales. House, Senate, and Conference retain original language.

***Sec. 605. Veterans Homes Planning* – NEW**
House includes language specifying the purpose of the funds appropriated for veterans homes planning, to include development of a long-term plan, renovating existing veterans homes, building one or more new veterans homes, and the acquisition of land or facilities for new veterans homes. Conference concurs.

***Sec. 701. One-Time Appropriations* – REVISED**
Specifies one-time appropriations and their purposes. Executive revises to remove FY 2015-16 language regarding one-time appropriations, which is replaced with language requiring the use of FY 2016-17 one-time appropriations for communications network upgrades on Army National Guard armories. House and Senate concur. Conference revises to reflect the purpose of the funds as special maintenance in order to received federal matching dollars for armory improvements.

***Sec. 702. Grand Rapids Home for Veterans Medicaid Certification Reserve Fund* – DELETED**
House includes language that creates the Medicaid certification reserve fund within the state treasury and appropriates $5.0 million GF/GP to the fund, and stipulates that the funds can only be expended upon appropriation or legislative transfer. Conference deletes.

***Sec. 1201. Anticipated Appropriations* – RETAINED**
Specifies estimated expected revenue and revenue adjustments based upon the January 2016 Consensus Revenue Estimating Conference. Executive deletes. House, Senate, and Conference retain.

***Sec. 1202. Michigan Veterans Affairs Agency Outreach* – RETAINED**
Requires the Michigan Veterans Affairs Agency to report the percentage of Michigan veterans contacted in quarterly subcommittee hearings. Executive deletes. House, Senate, and Conference retain.

Major Boilerplate Changes From FY 2015-16

***Sec. 1203. Michigan Veterans Affairs Agency Service Claims* – RETAINED**
Requires the Michigan Veterans Affairs Agency to maintain a minimum of 50% fully developed claims, as determined by the USDVA. Executive deletes. House, Senate, and Conference retain.

FY 2016-17: DEPARTMENT OF NATURAL RESOURCES
Summary: Conference Report
Article XV, House Bill 5294 (H-1) CR-1

Analyst: Austin Scott

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Conference	*Difference: Conference From FY 2015-16 YTD* Amount	%
IDG/IDT	$1,352,700	$1,375,900	$1,375,900	$1,375,900	$1,375,900	*$23,200*	*1.7*
Federal	77,128,000	72,365,400	72,365,400	72,365,400	72,365,400	*(4,762,600)*	*(6.2)*
Local	0	0	0	0	0	*0*	*--*
Private	8,157,700	7,446,400	7,446,400	7,446,400	7,446,400	*(711,300)*	*(8.7)*
Restricted	277,765,000	277,156,400	277,156,500	277,156,400	277,156,400	*(608,600)*	*(0.2)*
GF/GP	39,597,800	39,560,000	38,560,000	39,810,000	39,910,000	*312,200*	*0.8*
Gross	**$404,001,200**	**$397,904,100**	**$396,904,200**	**$398,154,100**	**$398,254,100**	***($5,747,100)***	***(1.4)***
FTEs	2,235.8	2,242.8	2,242.8	2,242.8	2,242.8	*7.0*	*(0.3)*

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

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

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
1. Land Ownership Tracking System (one-time)	**Gross**	**NA**	**$4,000,000**
Executive provides $4.0 million Gross to convert outdated land management IT system to a web-based system that can interact with current databases. House, Senate, and Conference concur with Executive.	Federal	NA	100,000
	Restricted	NA	3,900,000
	GF/GP	NA	$0
2. Forestry Investment – Vegetative Management System (one-time)	**Gross**	**NA**	**$2,100,000**
Executive provides $2.1 million from the Forest Development Fund to continue the replacement of the old timber sale system with the new Vegetative Management System which tracks timber sales, catalogs inventory, and interfaces with the Land Ownership Tracking System. House, Senate, and Conference concur with Executive.	Restricted	NA	2,100,000
	GF/GP	NA	$0
3. Invasive Species (one-time)	**Gross**	**NA**	**$1,000,000**
Executive provides $1.0 million GF/GP to prevent invasive carp from migrating into state waterways from outside of Michigan. House, Senate, Conference concur with Executive.	GF/GP	NA	$1,000,000
4. Fisheries Resource Management (one-time)	**Gross**	**NA**	**$600,000**
Executive provides $600,000 Gross ($300,000 GF/GP) for two web-based systems to replace current paper-based system for real-time fish harvest reporting by state-licensed commercial anglers, tribal fishers, and wholesale dealers. House, Senate, and Conference concur with Executive.	Restricted	NA	300,000
	GF/GP	NA	$300,000
5. Forest Management and Timber Market Development	FTE	169.0	7.0
Executive increases by 7.0 FTEs and $2.1 million from the Forest Development Fund to increase the state's sustainable timber supply. The additional FTEs include foresters, technicians, and forest economists. This funding will help DNR assess the impact of spruce budworm on 100,000 at-risk acres and develop the state's forest products economy. House, Senate, and Conference concur with Executive.	**Gross**	**$29,108,100**	**$2,125,000**
	Federal	2,193,300	0
	Private	914,600	0
	Restricted	26,000,200	2,125,000
	GF/GP	$0	$0

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
6. Forest Fire Equipment Replacement	**Gross**	**$431,500**	**$1,150,000**
Executive increases restricted funding for forest fire equipment replacement by $1.2 million ($150,000 ongoing and $1.0 million one-time). Departmental inventory includes 350 total pieces of forest fire equipment, over half of which are more than 20 years old. House, Senate, and Conference concur with Executive.	Restricted	431,500	1,150,000
	GF/GP	$0	$0
7. Recreation Passport Local Grants	**Gross**	**$1,000,000**	**$500,000**
Executive increases restricted authorization by $500,000 on a one-time basis. Recreation passport local grants are awarded by DNR to local units of government for the development of public recreation facilities. House, Senate, and Conference concur with Executive.	Restricted	1,000,000	500,000
	GF/GP	$0	$0
8. Capital Outlay Project Adjustments	**Gross**	**NA**	**$2,654,600**
Executive makes current services baseline adjustments to capital outlay projects by reducing federal funding and increasing restricted and GF/GP funding for a net increase of $2.7 million. House, Senate, and Conference concur with Executive.	Federal	NA	(1,970,500)
	Restricted	NA	4,375,100
	GF/GP	NA	$250,000
9. Removal of FY 2015-16 One-Time Appropriations	**Gross**	**NA**	**($20,537,000)**
Executive removes $20 million Gross ($1.1 million GF/GP) for one-time projects included in the previous fiscal year's budget. House, Senate, and Conference concur with Executive.	Federal	NA	(3,000,000)
	Private	NA	(750,000)
	Restricted	NA	(15,712,000)
	GF/GP	NA	($1,075,000)
10. Five-Year Early Out Sick Leave Payments	**Gross**	**NA**	**($816,800)**
Executive recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentive, which were spread out over 5 years; removes $816,800 Gross ($22,900 GF/GP). House, Senate, and Conference concur with Executive.	IDG	NA	(900)
	Restricted	NA	(793,000)
	GF/GP	NA	($22,900)
11. Revenue Adjustments	**Gross**	**NA**	**($4,240,800)**
Executive reduces federal and restricted authorization by a combined $4.2 million to reflect available funds. Major adjustments include changes to state park improvement fund and game and fish protection fund authorization. House, Senate, and Conference concur with Executive.	Federal	NA	(619,200)
	Restricted	NA	(3,621,600)
	GF/GP	NA	$0
12. Economic Adjustments	**Gross**	**NA**	**$5,367,900**
Executive reflects increased costs of $5.4 million Gross ($710,100 GF/GP) for negotiated salary and wage increases (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required retirement contributions, and other economic adjustments. House, Senate, and Conference concur with Executive.	IDG	NA	24,100
	Federal	NA	727,100
	Private	NA	38,700
	Restricted	NA	3,867,900
	GF/GP	NA	$710,100
13. Michigan Conservation Corps	**Gross**	**$1,000,000**	**$0**
House removes funding for the Michigan Conservation Corps (MCC). The MCC is a statewide summer employment program for at-risk youth and returning veterans up to 27 years of age. Funding is provided to partner organizations to hire individuals for work that is approved or managed by DNR employees. Senate and Conference do not remove funding.	GF/GP	$1,000,000	$0
14. Detroit Boat Club	**Gross**	**NA**	**$0**
House adds a $100 placeholder from the Michigan State Waterways Fund for capital outlay improvements to the Detroit Boat Club facility. Senate and Conference do not add a placeholder.	Restricted	NA	0
	GF/GP	NA	$0
15. Swimmer's Itch Pilot Program (one-time)	**Gross**	**NA**	**$250,000**
Senate provides $250,000 on-going GF/GP for a pilot program to address swimmer's itch in Michigan's inland lakes. Conference designates appropriation as one-time.	GF/GP	NA	$250,000
16. Water Trail Development (one-time)	**Gross**	**NA**	**$100,000**
Conference provides $100,000 one-time GF/GP for a special grant for water trail development.	GF/GP	NA	$100,000

Major Boilerplate Changes From FY 2015-16

***Sec. 217. Performance Benchmarks* – DELETED**
Requires report of benchmarks to measure performance or return for each new program or program increase of $500,000 or more; includes intent language that any future new program include list of benchmarks. Executive and House delete, Senate retains. Conference eliminates (see Sec. 240 in General Government).

***Sec. 218. Retention of Reports* – RETAINED**
Requires DNR to retain copies of all reports funded from appropriations. Executive, and House delete, Senate and Conference retain.

***Sec. 219. Waterways Fund Projects* – RETAINED**
Requires DNR to report on activities of Waterways Commission during the previous fiscal year and provide list of completed Waterways Fund projects to the Legislature and State Budget Director by January 31, 2016 Executive deletes, House, Senate, and Conference retain.

***Sec. 220. Disciplinary Action Against State Employees* – RETAINED**
Prohibits DNR from disciplining state employees for communicating with the Legislature. Executive deletes, House, Senate, and Conference retain.

***Sec. 251. Invasive Species Initiative* – RETAINED**
Requires $3.6 million of funding for the Invasive Species Initiative be allocated for grants for prevention, detection, eradication, and control of invasive species. Executive deletes, House, Senate, and Conference retain.

***Sec. 252. Zika Virus Initiative Mosquito Abatement Program and IDG* – DELETED**
Designates $250,000 GF/GP of invasive species funding for a mosquito abatement program to fight Zika virus in Michigan. Also designates $150,000 GF/GP as an IDG to DHHS for Zika virus public health program. House adds new section, Senate and Conference delete.

***Sec. 253. Zika Virus Initiative Invasive Species List Addition and Mosquito Traps* – DELETED**
Adds the Asian tiger mosquito to the invasive species watch list. Also designates $100,000 GF/GP of invasive species funding to set traps in counties on Ohio border. House adds new section, Senate and Conference delete.

***Sec. 408. Land Transactions* – RETAINED**
Requires detailed report to Legislature on land purchases, sales, and exchanges. Executive deletes, House, Senate, and Conference retain.

***Sec. 501. Wildlife Management* – DELETED**
Requires DNR to use increased federal funding available from increased firearm and ammunition sales for the purpose of wildlife management which includes habitat restoration, conservation, and enhancement. Executive deletes, House, Senate, and Conference concur.

***Sec. 503. Invasive Species Order Enforcement* – RETAINED**
Requires report on efforts taken to enforce the Natural Resources Commission's invasive species order concerning raising feral swine in Michigan. Executive and House delete, Senate and Conference retain.

***Sec. 504. Cervid Operation Fees* – RETAINED**
Requires report on the use of registration fees from privately owned cervid operations. Executive deletes, House, Senate, and Conference retain.

***Sec. 505. Urban Deer Management* – NEW**
Requires the department to develop a plan for urban deer management. Conference adds new section.

***Sec. 602. Water Control Structure Certification* – RETAINED**
Directs Fisheries Division to not interfere with the certification process for dams and other water control structures. Executive and House delete, Senate and Conference retain.

***Sec. 603. Cormorant Management* – REVISED**
Requires quarterly report on the use of cormorant management funding; provides that the DNR must submit funding to the USDA to pay for increased taking of cormorants and their nests; any retained or additional funds for cormorant control must be used for program. Senate retains, Executive, House, and Conference revise requirement from quarterly report to annual report.

***Sec. 705. State Parks Capital Outlay and Maintenance Report* – DELETED**
Requires DNR to produce a report detailing its five-year plan for capital outlay and maintenance in state parks. Senate retains, Executive, House, and Conference delete.

***Sec. 801. Forest Management and Timber Market Development* – REVISED**
Requires DNR to use increased funding available from the increased timber harvest for the purpose of forest management and timber market development, including investments in technology and equipment aimed at growing the timber economy. Senate deletes, Executive, House, and Conference renumber section to 808 and revise to exclude technology and equipment enhancements and include a departmental requirement to develop corresponding metrics to assess performance.

Major Boilerplate Changes From FY 2015-16

***Sec. 802. Timber Marking* – REVISED**
Directs DNR, subject to forest certification process, to mark and prescribe treatment on 79,000 acres, prepare 76,500 acres for harvest at an average rate of 12.5 to 15.0 cords per acre; requires that the impact of timber harvest on wildlife habitat and recreation uses be considered; requires quarterly report. Senate retains, Executive, and House delete, Conference revises to require quarterly reports on departmental timber marking efforts.

***Sec. 805. Contract Foresters* – DELETED**
Allows DNR to hire sufficient contract foresters to mark timber. Senate retains, Executive, House, and Conference delete.

***Sec. 808. Gas and Oil Lease Development* – DELETED**
Requires DNR to develop a plan to motivate state-land oil and gas lessees to undertake warranted new operations. Senate retains, Executive, House, and Conference delete.

***Sec. 809. Forest Fire Equipment Replacement* – NEW**
Requires DNR to use increased funding available for forest fire equipment and forestry investment for the replacement of aging forest fire equipment. The department is also required to develop corresponding metrics to assess performance. Executive adds new section, House, Senate, and Conference concur.

***Sec. 901. Snowmobile Law Enforcement Grants* – RETAINED**
Provides snowmobile law enforcement grant funds to county law enforcement agencies in counties with state snowmobile trails. Executive deletes, House, Senate, and Conference retain.

***Sec. 902. Marine Safety Grants* – RETAINED**
Requires report on the Marine Safety Grant Program. Report to include watercraft registrations revenues, revenues and expenditures of the Marine Safety Fund, grant distribution methodology, and a list of grant awards by county. Executive deletes, House, Senate, and Conference retain.

***Sec. 1201. Forest Management and Timber Market Development* Technology – NEW**
Requires DNR to 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 is also required to develop corresponding metrics to assess performance. Executive adds new section, House, Senate, and Conference concur.

***Sec. 1202. Land Ownership Tracking System* – NEW**
Requires DNR to 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 is also required to develop corresponding metrics to assess performance. Executive adds new section, House, Senate, and Conference concur.

***Sec. 1203. Invasive Species* – NEW**
Requires DNR to use increased funding available for invasive species and control to prevent, detect, eradicate, and control invasive species. Executive adds new section, House, Senate, and Conference concur.

***Sec. 1204. Swimmer's Itch Pilot Program* – NEW**
Designates $250,000 GF/GP in part 1 to be distributed to a Michigan-based nonprofit organization for swimmer's itch mitigation and research. Conference adds new section.

***Sec. 2001. FY 2016-17 Anticipated Appropriations* – DELETED**
States legislative intent that FY 2016-17 line item appropriations will be the same as those for FY 2015-16 with certain economic adjustments. Executive deletes, House, Senate, and Conference concur.

FY 2016-17: DEPARTMENT OF STATE POLICE
Summary: Conference Report
Article XVI, House Bill 5294 (H-1) CR-1

Analyst: Kent Dell

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Conference	*Difference: Conference From FY 2015-16 YTD* *Amount*	*%*
IDG/IDT	$26,224,300	$26,580,400	$26,580,400	$26,580,400	$26,580,400	*$356,100*	*1.4*
Federal	90,945,900	87,967,800	87,967,800	87,967,800	87,967,800	*(2,978,100)*	*(3.3)*
Local	5,456,700	5,828,500	5,828,500	5,828,500	5,828,500	*371,800*	*6.8*
Private	76,700	78,100	78,100	78,100	78,100	*1,400*	*1.8*
Restricted	128,699,300	126,358,500	126,358,500	126,358,500	126,358,500	*(2,340,800)*	*(1.8)*
GF/GP	376,405,600	411,912,800	407,158,000	415,743,200	402,662,800	*26,257,200*	*7.0*
Gross	**$627,808,500**	**$658,726,100**	**$653,971,300**	**$662,556,500**	**$649,476,100**	***$21,667,600***	***3.5***
FTEs	3,134.0	3,253.0	3,234.0	3,272.0	3,229.0	*95.0*	*3.0*

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (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.

Budget Structure

The FY 2015-16 budget includes eight line items within eight appropriation units and continues to appropriate from fund types, while incorporating the schedules of programs and revenues within boilerplate. Executive restructures the FY 2016-17 budget to remove schedules of programs and revenues from boilerplate section 216 and incorporate them into the budget structure in part 1, while retaining eight line items within eight appropriation units. House restructures the FY 2016-17 budget into eight appropriation units containing twenty-nine separate line items, eliminating the schedule of programs budget structure. Senate concurs with the Executive. Conference restructures the FY 2016-17 budget into six appropriation units containing twenty-nine separate line items, eliminating the schedule of programs budget structure.

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
1. FY 2015-16 One-Time Appropriations	**Gross**	**$10,671,100**	**($10,171,100)**
Executive removes FY 2015-16 one-time appropriations, including $3.0 million federal grant for disaster assistance, $3.8 million state restricted for emergency operations in Flint, $100,000 GF/GP for the Flint emergency declaration, and $3.2 million GF/GP for the 129th Trooper Recruit School. House, Senate, and Conference concur.	Federal	3,000,000	(3,000,000)
	Restricted	3,871,100	(3,871,100)
	GF/GP	$3,800,000	($3,300,000)
2. 129th Trooper Recruit School (Ongoing)	**Gross**	**$256,957,200**	**$8,750,300**
Executive provides $8.8 million GF/GP to annualize the salary, benefit, and equipment costs of the 100 expected graduates of the 129th Trooper Recruit School. House, Senate, and Conference concur.	Restricted	35,364,900	0
	GF/GP	$221,592,300	$8,750,300

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
3. 130th Trooper Recruit School (Ongoing and One-Time)	FTE	1,345.0	65.0
Executive provides $4.5 million GF/GP for the one-time costs of training and outfitting for the 130th Trooper Recruit School, and $5.0 million ongoing GF/GP for the salary, benefit, and equipment costs of the 85 troopers expected to graduate by September 2017. House provides $3.4 million GF/GP for the one-time training costs and $3.8 million ongoing GF/GP for 64 new troopers. Senate concurs with the Executive and includes $300,000 ongoing GF/GP for 15 additional troopers (100 total). Conference includes $3.2 million one-time GF/GP and $3.8 million ongoing GF/GP for 65 new troopers.	**Gross**	**$205,570,100**	**$7,000,000**
	Restricted	35,364,900	0
	GF/GP	$170,205,200	$7,000,000
4. School Safety Initiative (One-Time)	**Gross**	**NA**	**$2,000,000**
Executive provides $4.0 million in GF/GP funding to support competitive grants for local safety initiatives to K-12 schools and county sheriffs' offices. House provides $2.0 million GF/GP for the School Safety Initiative grant program. Senate concurs with the Executive. Conference concurs with the House.	GF/GP	NA	$2,000,000
5. Secure Cities Expansion	FTE	0.0	9.0
Executive provides an increase of $1.5 million GF/GP and 9.0 FTEs to provide MSP law enforcement services to Muskegon Heights, Inkster, Hamtramck, Harper Woods, Highland Park, and Benton Harbor. Expands upon the Secure Cities Partnership, which currently includes the Cities of Detroit, Flint, Pontiac, and Saginaw. House, Senate, and Conference concur.	**Gross**	**$2,952,700**	**$1,463,500**
	GF/GP	$2,952,700	$1,463,500
6. Statewide Drug Enforcement Strategy	FTE	149.0	7.0
Executive provides $1.3 million GF/GP and 9.0 FTEs to deploy a statewide drug enforcement strategy focusing on prescription drug and opioid diversion, in accordance with recommendations of the Michigan Prescription Drug and Opioid Abuse Task Force. House, and Senate concur. Conference provides $753,200 GF/GP and 7.0 FTEs.	**Gross**	**$24,565,700**	**$753,200**
	IDG/IDT	712,400	0
	Local	11,400	0
	Private	76,700	0
	Restricted	1,197,100	0
	GF/GP	$22,568,100	$753,200
7. Cyber-Crimes Enforcement Expansion	FTE	339.5	7.0
Executive provides an Increase of $2.2 million GF/GP and 9.0 FTEs to expand the capacity to prevent, detect, and investigate cyber-crimes (YTD includes total appropriations and authorized FTEs for the Operational Support and the Criminal Investigations scheduled programs). House, and Senate concur. Conference provides $1.7 million GF/GP and 7.0 FTEs.	**Gross**	**$55,937,500**	**$1,706,300**
	IDG/IDT	712,400	0
	Federal	377,200	0
	Local	11,400	0
	Private	76,700	0
	Restricted	1,296,100	0
	GF/GP	$53,463,700	$1,706,300
8. Disaster and Emergency Contingency Fund Deposit (One-Time)	**Gross**	**$0**	**$0**
Executive replenishes the Disaster and Emergency Contingency Fund, anticipated to be depleted in FY 2015-16 by the Flint water emergency and other state emergencies, with $6.0 million GF/GP. House provides $4.5 million GF/GP to replenish the Disaster and Emergency Contingency Fund up to the statutory cap. Senate provides $5.5 million GF/GP. Conference removes the appropriation.	GF/GP	$0	$0
9. Homeland Security – Energy Disaster Strategy (One-Time)	**Gross**	**NA**	**$0**
Executive provides $750,000 GF/GP funding to support the development of a statewide strategy and implementation plan to help ensure energy disaster preparedness in the event of widespread, long-duration power outages. House removes the appropriation. Senate concurs with the Executive. Conference concurs with the House.	GF/GP	NA	$0
10. Michigan International Speedway Traffic Control (One-Time)	**Gross**	**$831,900**	**($31,900)**
Executive eliminates funding of $831,900 GF/GP to support MSP traffic control services provided for the Michigan International Speedway. House provides $400,000 GF/GP to be used as matching funds to assist Michigan International Speedway in covering the costs of MSP-provided traffic control services. Senate provides $800,000 GF/GP. Conference concurs with the Senate and designates the appropriation as one-time.	GF/GP	$831,900	($31,900)

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
11. State Capitol Complex Security	FTE	21.0	(1.0)
Executive removes funding for one FTE, to remove a vacant state property security officer position. House, Senate, and Conference concur.	**Gross**	**$2,362,700**	**($89,300)**
	GF/GP	$2,362,700	($89,300)
12. Forensic Scientist Positions	FTE	194.0	(4.0)
Executive removes funding for four vacant forensic scientist positions. House only removes two FTEs and $265,200 GF/GP. Senate retains all four FTEs and funding. Conference concurs with the Executive.	**Gross**	**$32,171,000**	**($530,400)**
	Federal	1,042,100	0
	Restricted	9,507,400	0
	GF/GP	$21,621,500	($530,400)
13. Advanced 9-1-1 (One-Time)	**Gross**	**NA**	**$2,200,000**
House provides $1.15 million GF/GP for matching funds to local units of government for the purpose of implementing, or maintaining, Smart 9-1-1. Senate provides $2.2 million GF/GP to implement a statewide advanced 9-1-1 system administered by the Michigan State Police. Conference concurs with the Senate, but designates the appropriation as one-time.	GF/GP	NA	$2,200,000
14. Drone Restrictions and Enforcement Study (One-Time)	**Gross**	**NA**	**$0**
Senate provides $500,000 GF/GP to administer a study regarding the regulation and enforcement of unmanned aerial vehicles. Conference removes the appropriation.	GF/GP	NA	$0
15. Roadside Saliva Testing Pilot	**Gross**	**NA**	**$0**
Senate shifts $100 from the Post Operations line item, to create a placeholder for a roadside marijuana testing pilot project. Conference concurs.	GF/GP	NA	$0
16. Technical Adjustments	**Gross**	**NA**	**($185,600)**
Executive aligns federal and local authorization to more accurately reflect actual revenues. House, Senate, and Conference concur.	Federal	NA	(485,600)
	Local	NA	300,000
	GF/GP	NA	$0
17. Early-Out Deferred Sick Leave Payments	**Gross**	**NA**	**($347,000)**
Executive recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentive, which were spread out over five years. House, Senate, and Conference concur.	IDG/IDT	NA	(17,300)
	Federal	NA	(47,400)
	Restricted	NA	(107,600)
	GF/GP	NA	($174,700)
18. Economic Adjustments	**Gross**	**NA**	**$9,149,600**
Executive provides for increased costs of $9.1 million gross ($6.5 GF/GP) for negotiated salary and wage increases (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required contributions, and other economic adjustments. Also includes adjustments for information technology and accounting service center staff. House, Senate, and Conference concur.	IDG	NA	385,300
	Federal	NA	555,200
	Local	NA	71,800
	Private	NA	1,400
	Restricted	NA	1,625,700
	GF/GP	NA	$6,510,200

Major Boilerplate Changes From FY 2015-16

Sec. 204. IDG Funding Received by the Department **– RETAINED**
Specifies grants received from other state departments. Executive and House deletes. Senate and Conference retain.

Sec. 205. IDG Funding Made Available to Other State Departments **– RETAINED**
Specifies grants to other state departments. Executive revises to remove all grants except the $1.5 million Byrne Justice Assistance Grant Program. House concurs with the Executive. Senate retains original language and adjusts totals. Conference concurs with the Senate.

Sec. 215. Disciplinary Action Against State Employees **– RETAINED**
Protects department employees from disciplinary action due to communications with the legislature. Executive deletes. House, Senate, and Conference retain.

Sec. 216. Schedules of Programs and Revenues **– DELETED**
Outlines the schedules of programs and revenues and associated appropriations. Executive revises to remove schedule of programs and revenues language from boilerplate and moves it to part 1; includes language specifying that the secondary road patrol funding is not subject to the spending flexibility associated with the schedule of programs budget structure. House deletes. Senate concurs with the Executive. Conference deletes.

Major Boilerplate Changes From FY 2015-16

***Sec. 221. Department Core Services* – REVISED**
Specifies the department's core service requirements. Executive revises to replace language regarding specific types of forensic analysis with the broad term "forensic analysis and biometric identification;" replaces language discussing traffic safety with "criminal investigations," and removes language pertaining to specific types of criminal investigations. House concurs with the Executive. Senate only revises language regarding state executive security and forensic analysis. Conference concurs with the Executive.

***Sec. 222. Post Closure or Consolidation* – RETAINED**
Requires the department to notify the legislature 90 days prior to recommending the closure or consolidation of any State Police posts. Executive and House deletes. Senate and Conference retain.

***Sec. 223. Privatization Project Plans* – RETAINED**
Requires the department to notify the legislature 90 days prior to attempting to privatize a project. Executive and House deletes. Senate and Conference retain.

***Sec. 235. Wayland Post* – DELETED**
Requires the department to discuss a possible joint public safety building with the City of Wayland. Executive deletes. House, Senate, and Conference concur.

***Sec. 240. Benchmarks for New Programs or Program Enhancements* – DELETED**
Requires the department to report performance-based, program-specific metrics to the legislature for any new program or program enhancement with funds in excess of $500,000. Executive deletes. House and Senate retain. Conference eliminates (see Sec. 240 in General Government).

***Sec. 241. Receive and Expend Authorization for Federal Funds* – NEW**
Conference includes language that authorizes the department to expend federal funds that it receives in excess of the federal funds appropriated in part 1.

***Sec. 250. Participation in MIBridges Fraud Work Group* – DELETED**
Requires the department to participate in a work group, along with the Departments of Health and Human Services and State, with the intent of identifying ways in which MIBridges benefits program fraud can be minimized. Executive deletes. House, Senate, and Conference concur.

***Sec. 301. Security Services for State Capitol Complex Facilities and State Secondary Complex* – REVISED**
Requires the department to provide security services to the State Capitol and its associated facilities. Executive revises to remove language requiring the department to pursue federal grants to improve Capitol Building security; replaces language concerning patrol hour requirements for the State Capitol Complex Facilities with language requiring an annual number of inspections of state owned and leased facilities. House concurs with the Executive. Senate concurs, but retains language regarding Capitol Building security. Conference concurs with the Executive.

***Sec. 304. Department Services* – REVISED**
Specifies the service requirement for Department Services. Executive revises to remove language referencing department operations outlined in public act and replaces it with general language outlining a list of grant and community service programs; remove requirement for administrative support for asset forfeiture reporting and adds language requiring administrative support for other grant programs and the department's community policing efforts. House deletes. Senate retains original language and added language requiring administrative support for other grant programs to the department's community policing efforts. Conference concurs with the Executive.

***Sec. 401. Training* – REVISED**
Specifies training requirements. Executive revises to remove language requiring the department to maintain staffing and resources necessary to develop and deliver training and replaces it with language simply requiring the department to develop and deliver training. House concurs and removes reporting requirements for motor carrier and state properties security recruit schools. Senate retains original language. Conference concurs with the Senate and adds a classroom occupancy goal of at least 55%.

***Sec. 402. Criminal Justice Information Center* – REVISED**
Requires the department to maintain and ensure compliance with Criminal Justice Information Center databases and applications. Executive revises to remove language regarding reporting requirements for concealed pistol license application revenues and the Concealed Weapon Enforcement Fund. House concurs with the Executive. Senate only removes the concealed weapon enforcement fund revenue reporting requirement. Conference concurs with the Senate.

Major Boilerplate Changes From FY 2015-16

***Sec. 403. Forensic Science* – REVISED**
Specifies the department's forensic science service requirements. Executive revises to remove language requiring the department to explore and information technology interface between the department forensic science division and at least one judicial system; replace backlog reduction language requiring annual percentage reductions in cases throughout the text and replaces it with a standardized requirement that the department maintain a 30-day turnaround time for forensic laboratory cases across discipline; and remove all language regarding the sexual assault kit initiative and sexual assault kit analysis and move it to a new section (Sec. 405). House concurs. Senate concurs with the Executive, but retains language requiring the department to explore an information technology interface between the department forensic science division and at least on judicial system. Conference concurs with the Senate.

***Sec. 405. Sexual Assault Kits* – NEW**
Executive includes new section consisting of the language regarding the sexual assault kit initiative and sexual assault kit analysis formerly included as subsection (12) in Sec. 403. House, Senate, and Conference concur.

***Sec. 405. Smart 9-1-1* – DELETED**
Senate includes a new section establishing a statewide enhanced 9-1-1 system, to be administered by the Michigan State Police. Conference deletes.

***Sec. 501. Michigan Commission on Law Enforcement Standards* – REVISED**
Specifies the service requirements of the Michigan Commission on Law Enforcement Standards. Executive revises to replace the requirement to update law enforcement standards within 30 days of the effective date of new legislation with a 120 day requirement. House concurs and revises the beginning date of the timeline from the effective date to the enactment date of new legislation. Senate concurs with the Executive. Conference concurs with the House.

***Sec. 601. General Law Enforcement and Traffic Safety* – REVISED**
Specifies the general law enforcement and traffic safety service requirements of the department. Executive revises to increase the minimum patrol hour requirements for statewide patrolling and distressed cities and include language requiring the department to enhance data analysis capabilities to assist in efforts to improve public safety in distressed cities. House concurs, but removes the additional language and further increases statewide patrol hour requirements. Senate concurs with the Executive. Conference concurs with the Executive, but further increases statewide patrol hour requirements.

***Sec. 602. Criminal Investigations* – REVISED**
Specifies the department's investigative service requirements. Executive revises to replace the minimum annual case clearance rate of 60% with a minimum of 62%; include language requiring the department to maintain staffing and resources necessary to increase opioid related investigations and partner with hometown security teams and multi-jurisdictional task forces to reduce opioid related crime; and remove requirement to annually provide four training opportunities to law enforcement partners regarding gambling law. House revises to retain training opportunity requirements, and includes opioid related investigations training; replace the minimum annual case clearance rate of 60% with a minimum of 62%; and include language requiring the department to maintain staffing and resources necessary to increase opioid related investigations and partner with hometown security teams and multi-jurisdictional task forces to reduce opioid related crime. Senate concurs with the Executive. Conference concurs with the House.

***Sec. 603. Tobacco Tax Fraud Investigations* – REVISED**
Specifies the department's requirement to enforce tobacco tax laws. Executive revises to include a requirement to report annually to the State Budget Office on expenditures and activities related to tobacco tax enforcement for the prior fiscal year. House concurs. Senate retains original language. Conference concurs with the Executive.

***Sec. 605. Michigan International Speedway Traffic Control* – DELETED**
House adds new language to specify that the purpose of the Michigan International Speedway traffic control appropriation is to provide for matching funds. Conference deletes.

***Sec. 701. Special Operations* – REVISED**
Specifies the department's specialized service requirements. Executive revises to include language requiring the department to maintain the staffing and resources necessary to increase the number of cases completed by the computer crimes unit and improve initiatives to assist law enforcement and criminal justice agencies statewide in investigatory assistance and evidentiary analysis. House revises to include language requiring the department to maintain the staffing and resources necessary to increase the number of cases completed by the computer crimes unit. Senate and Conference concur with the Executive.

Major Boilerplate Changes From FY 2015-16

***Sec. 702. Commercial Vehicle Regulation and Enforcement* – REVISED**
Specifies the department's commercial vehicle and school bus regulatory service requirements. Executive revises to include language requiring the department to maintain school bus inspections; remove language requiring the department to annually inspect a minimum of 50,000 commercial vehicles as well as maintain staffing and resources necessary to exercise the authority, powers, functions, and responsibilities concerning school bus inspection; and remove the requirement to report to the legislature the number school bus inspections by type and the requirement to maintain the capability to train a minimum of ten motor carrier officers. House concurs. Senate revises to remove commercial vehicle inspection minimum goal and the requirement to maintain staffing necessary to train ten motor carrier officers, and added language that does not allow the revenue collected under the Motor Carrier Act to lapse into the general fund at the end of a fiscal year. Conference concurs with the Executive, but adds language that does not allow the revenue collected under the Motor Carrier Act to lapse into the general fund at the end of a fiscal year.

***Sec. 703. Emergency Management and Homeland Security* – REVISED**
Specifies the department's role in coordinating emergency preparation and response efforts. Executive revises to remove the requirement to annually report to the legislature regarding the use of the Disaster and Emergency Contingency Fund during the prior fiscal year. House concurs and adds language requiring the department to report to the legislature monthly if funds from the Disaster and Emergency Contingency Fund are expended; and allows the department to spend funds appropriated to any line item for the purpose of rapidly responding to and mitigating a declared state disaster or emergency. Senate retains original language. Conference concurs with the House.

***Sec. 801. Secondary Road Patrol Program* – REVISED**
Requires the department of provide funding for the Secondary Road Patrol Program. Executive revises to replace quarterly reporting requirement with an annual reporting requirement and remove requirement that each county receiving a grant report its total budget for all patrol functions. House concurs, but retains the requirement that each county receiving a grant report its total budget for all patrol functions. Senate and Conference concur with the Executive.

***Sec. 901. One-Time Appropriations* – REVISED**
Specifies one-time appropriations and their purposes. Executive revised to remove FY 2015-16 language regarding one-time appropriations and replace it with language regarding the intent and restrictions of the School Safety Initiative one-time appropriation. House concurs. Senate concurs, but removes the requirement to award 20% of the funds to sheriffs' offices. Conference concurs with the Senate.

***Sec. 902. Sexual Assault Prevention and Education Initiative* – NEW**
House adds new language regarding the intent and restrictions of the Sexual Assault Prevention and Education Initiative one-time appropriation. Senate adds similar language and establishes the initiative as a work project. Conference concurs with the Senate.

***Sec. 903. Advanced 9-1-1* – NEW**
House adds new language regarding the intent for and restrictions of the Smart 9-1-1 Pilot one-time appropriation, to include paying local units of government up to half of the costs necessary to implement or maintain standard Smart 9-1-1 services as well as associated costs. Conference removes House language and incorporates language that establishes the Michigan State Police as the administrator for a statewide supplemental 9-1-1 program that is to be purchased from a private vendor and made available to any public safety answering point that voluntarily joins the network.

FY 2016-17: DEPARTMENT OF TRANSPORTATION
Summary: Conference Report
Article XVII, House Bill 5294 (H-1) CR-1

Analyst: William E. Hamilton

	FY 2015-16 YTD as of 2/10/16 (1)	FY 2016-17 Executive	FY 2016-17 House (3)	FY 2016-17 Senate (4)	FY 2016-17 Conference	*Difference: Conference From FY 2015-16 YTD* *Amount*	*%*
IDG/IDT	$3,928,500	$4,013,400	$4,013,400	$4,013,400	$4,013,400	*$84,900*	*2.2*
Federal	1,257,488,000	1,314,744,000	1,314,744,000	1,314,744,000	1,314,744,000	*57,256,000*	*4.6*
Local	50,293,500	50,418,500	50,418,500	50,418,500	50,418,500	*125,000*	*0.2*
Private	100,000	100,000	100,000	100,000	100,000	*0*	*0.0*
Restricted	2,184,391,400	2,745,527,700	2,745,527,700	2,645,527,700	2,736,727,700	*552,336,300*	*25.3*
GF/GP	400,000,000	10,400,000	0	10,400,000	8,500,000	*(391,500,000)*	*(97.9)*
Gross	**$3,896,201,400**	**$4,125,203,600**	**$4,114,803,600**	**$4,025,203,600**	**$4,114,503,600**	***$218,302,200***	***5.6%***
FTEs	2,912.3	2,912.3	2,912.3	2,912.3	2,912.3	*0.0*	*0.0*

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3)"House" reflects House Bill 5294 (H-1) as passed the House, April 27, 2016. (4)"Senate" reflects Senate Bill 800 (S-1) as passed the Senate, May 4, 2016.

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 1951 PA 51 (Act 51) to other state transportation funds and programs, including the State Trunkline Fund (STF) and the Comprehensive Transportation Fund (CTF), and to local road agencies. Revenue related to taxes on aviation fuel and aircraft registrations is credited to the State Aeronautics Fund (SAF) for aeronautics programs.

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
1. Debt Service	**Gross**	**$238,860,800**	**($935,500)**
House/Senate/Conference concur with Executive and provide $237.9 million to reflect anticipated debt service schedules. [Total outstanding transportation-related debt at September 30, 2015, was $1.8 billion.]	Federal	45,766,900	1,000
	Restricted	193,093,900	(936,500)
2. Support Services by Other State Departments	**Gross**	**$46,506,900**	**$813,800**
House/Senate/Conference concur with Executive and provide $47.3 million for Interdepartmental grants (IDGs) that authorize the reimbursement of other state departments from restricted transportation funds for services provided to those transportation funds. IDGs include $20.0 million MTF for Department of State vehicle registration tax collection program (unchanged from current year), and $2.7 million MTF for Department of Treasury motor fuel tax collection program ($15,900 less than current year). The net increase across all IDG line items reflects economic increases of $297,600, and a $516,200 net increase for cost allocation adjustments.	Restricted	46,506,900	813,800
3. Information Technology	**Gross**	**$31,429,600**	**$660,300**
House/Senate/Conference concur with Executive and increase baseline funding by $660,300 to reflect a change in the way the DTMB charges state agencies for IT services, referred to as a Rated Service Model.	Federal	520,500	0
	Restricted	30,909,100	660,300

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
4a. State Trunkline Road and Bridge Construction	**Gross**	**$839,663,400**	**$228,513,500**
Executive budget proposal had increased state trunkline road and bridge construction/preservation program to $1.1 billion, $218.1 million more than the current year. This increase reflected an increase of $184.3 million in STF revenue – in part due to increase in baseline MTF revenue and in part due to new revenue from the Road Funding Plan enacted in November, 2015 and effective January 1, 2017. Executive budget also reflected a $15.4 million increase in anticipated federal aid as a result of the *FAST Act*, the reauthorization of the federal surface transportation program; also $18.4 million increase in restricted Blue Water Bridge Fund revenue in anticipation of Blue Water Bridge Plaza project.	Federal	742,277,800	15,437,000
	Local	30,000,000	0
	Restricted	67,385,600	213,076,500
House concurred with Executive with one exception: the House increased STF revenue by $10.4 million reflecting an anticipated redirection from TEDF, Category A program. The redirection would be made in House Bill 4440.			
Senate concurs with Executive with one exception: the Senate is $35.2 million less in STF revenue than the Executive because the Senate does not assume the release of $100.0 million from the Road Funding Plan "Lockbox" – See note related to Boilerplate Section 505, below.			
Conference: Concurs with House.			
***4b. State Trunkline Road and Bridge Construction* – GF/GP**	**Gross**	**$214,847,250**	**($204,447,250)**
Current year budget includes two line items that effectively distribute $214.8 million GF/GP to the STF for the state trunkline road and bridge program. Executive retains $10.4 million GF/GP as one-time appropriation during ramp-up of the Road Funding Plan. House does not retain GF/GP funding for state trunkline road and bridge construction program.	GF/GP	$214,847,250	($204,447,250)
Senate concurs with Executive and retains $10.4 million in GF/GP support.			
Conference: Concurs with House.			
5. Local Federal Aid Road and Bridge Program	**Gross**	**$240,443,000**	**$32,068,000**
Conference concurs with Executive and recognizes the Act 51 mandated suballocation of federal aid highway funds in Michigan to local road agencies. Increase reflects anticipated federal aid revenue as a result of the *FAST Act*, the reauthorization of the federal surface transportation program.	Restricted	240,443,400	32,068,000
6. Local Bridge Program	**Gross**	**$26,828,600**	**$640,000**
Conference concurs with Executive and reflects Act 51 earmarks to this program.	Restricted	26,828,600	640,000
7a. MTF to Local Road Agencies	**Gross**	**$959,033,300**	**$283,062,800**
Executive budget had included MTF distribution to local road agencies of $1.2 billion – $797.5 million to county road commissions, and $444.6 million to cities/villages. This distribution reflected estimated MTF revenue and the Act 51 statutory formula. The increase in MTF revenue reflects estimates of baseline motor fuel and vehicle registration tax revenue, as well as additional revenue provided through the Road Funding Plan passed November, 2015 and effective January 1, 2017. House concurred with Executive.	Restricted	959,033,300	283,062,800
Senate included less MTF revenue than the Executive - $35.2 million less for county road commissions and $19.6 million less for cities and villages – because the Senate bill did not assume the release of $100.0 million from the Road Funding Plan "Lockbox" – See note related to Boilerplate Section 505, below.			
Conference: Concurs with House.			

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
***7b. State and Local Road and Bridge Programs* – GF/GP**	**Gross**	**$158,631,650**	**($158,631,650)**
Current year budget distributes $158.6 million GF/GP to local road agencies, $101.8 million to county road commissions, and $56.8 million to cities and villages.	GF/GP	$158,631,650	($158,631,650)
House/Senate/Conference concur with Executive and eliminate this GF/GP distribution.			
***8. Rail Grade Surface Crossing* – NEW**	**Gross**	**$0**	**$3,000,000**
House/Senate/Conference concur with Executive and include $3.0 million MTF for a new rail grade surface crossing program, established in 2015 PA 175, an amendatory act part of the Road Funding Package enacted November, 2015, and effective January 1, 2017.	Restricted	0	3,000,000
9. Transportation Economic Development Fund (TEDF)	**Gross**	**$38,770,500**	**($14,322,900)**
The current year budget assumes the redirection of $4.0 million in TEDF revenue: $2.0 million to the STF, and $2.0 million for Aeronautics programs. Executive budget assumed the end of the redirection of TEDF revenue and the full distribution to TEDF programs in accordance with 1987 PA 231. Senate concurred with the Executive.	Restricted	38,770,500	($14,322,900)
House redirected $10.4 million from TEDF, Category A program, to the State trunkline road and bridge construction program.			
Conference concurs with the House and redirects $10.4 million from TEDF, Category A program, to the State trunkline road and bridge construction program. This redirection is reflected in House Bill 4440 (H-4). Conference also reflects the Leadership Target decision to redirect an additional $9.4 million from the TEDF Category A to the state General Fund. This fund shift would be made in House Bill 5706.			
10. Aeronautics Services	FTEs	54.0	0.0
House/Senate/Conference concur with Executive and provide $768,200 (SAF) increases to reflect increase in dedicated aeronautics revenue from aviation funding package (Public Acts 258 through 262 of 2015). Of this increase, $518,200 would enhance the department's current aviation support programs; $250,000 would restore the Air Service Grant Program.	**Gross**	**$7,039,300**	**$768,200**
	Restricted	7,039,300	768,200
11. Bus Transit - Local Bus Operating Assistance	**Gross**	**$167,400,000**	**$18,850,000**
Executive recommended an increase in state operating assistance to local public transit agencies to $180.0 million CTF. Senate includes $170.0 million CTF, $10.0 million less than Executive, because the Senate does not assume the release of $100.0 million from the Road Funding Plan "Lockbox" – See note related to Boilerplate Section 505, below.	Restricted	167,400,000	18,850,000
House increased funding to $186.25 million by transferring $6.25 million CTF from the Transit Capital line.			
Conference concurs with House.			
12. Rail Operations and Infrastructure	**Gross**	**$103,090,400**	**$15,804,400**
Supports rail passenger service, including operating support for three Amtrak routes in Michigan, as well as capital assistance for the Detroit-Chicago high speed rail corridor. Executive budget increases CTF support to reflect increased CTF revenue. House/Senate/Conference concur with Executive.	Federal	60,100,000	0
	Local	100,000	0
	Private	100,000	0
	Restricted	42,790,400	15,804,400
13. Transit Capital	**Gross**	**$31,160,800**	**$22,746,300**
Executive budget reflects anticipated increase in federal funds available through the *FAST Act.* Increases in baseline CTF reflect amount needed to match available federal transit grants for local transit agencies. Senate concurs with Executive.	Federal	5,300,000	10,000,000
	Local	1,250,000	0
	Restricted	24,610,800	12,746,300
House would redirect $6.25 million CTF from this program to *Local Bus Operating*, as shown in Item #11, above. Conference concurs with House.			

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 Conference Change
***14. Transit Capital and Rail Infrastructure* – GF/GP**	**Gross**	**$25,000,000**	**($25,000,000)**
Current year budget includes $25.0 million GF/GP for transit capital and/or rail infrastructure projects. Executive budget eliminates this GF/GP line. House/Senate/Conference concur with Executive.	GF/GP	$25,000,000	($25,000,000)
15a. Airport Improvement Program	**Gross**	**$95,043,200**	**$2,780,800**
Executive reflects anticipated federal funding, related local matching funds, and available state restricted SAF revenue for the federal Airport Improvement Program. Net increase of $2.8 million reflects $4.8 million increase from aviation funding package (Public Acts 258 through 262 of 2015), less $2.0 million from elimination of the use of TEDF revenue. House/Senate/Conference concur with Executive.	Federal	79,000,000	0
	Local	12,508,500	0
	Restricted	3,534,700	2,780,800
***15b. Airport Improvement Program* – GF/GP**	**Gross**	**$1,521,100**	**($1,521,100)**
Current year budget includes $1.5 million GF/GP to provide matching funds for Airport Improvement Program grants. Executive budget eliminates this GF/GP line. House/Senate/Conference concur with Executive.	GF/GP	$1,521,100	($1,521,100)
***16. Detroit Metropolitan Wayne County Airport* – NEW**	**Gross**	**$0**	**$8,775,000**
Executive budget includes new earmark for Detroit Metro Airport and related fund source, the Qualified Airport Fund, established through amendment to the State Aeronautics Code in the aviation funding package (Public Acts 258 through 262 of 2015). House/Senate/Conference concur with Executive.	Restricted	0	8,775,000
***17. Special Grants (One-time)* – NEW**	**Gross**	**$0**	**$8,500,000**
Conference includes a new one-time line item to reflect Leadership target designation of three GF/GP funded road improvement projects: Right of way acquisition for US-31 in Berrien County; upgrading Weston road and Rodesiler highway in Lenawee county to provide an all-season truck route between M-52 and US-223; establishing access between M-53 and US 233 in Macomb County.	GF/GP	$0	$8,500,000
18. Economic Adjustments	**Gross**	**NA**	**$6,979,000**
Conference concurs with Executive/House/Senate and reflects increased costs of $6.9 million Gross ($0 GF/GP) for negotiated salary and wage increases (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required retirement contributions, and other economic adjustments.	IDG	NA	84,900
	Restricted	NA	6,894,100
19. End of Five-Year Early Retirement Sick Leave Payouts	**Gross**	**NA**	**($1,441,100)**
Conference concurs with Executive/House/Senate and recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentive, which were spread out over 5 years.	Restricted	NA	(1,441,100)

Major Boilerplate Changes From FY 2015-16

GENERAL SECTIONS *(Secs. 201 through 271)*

The current year budget act, 2015 PA 84, includes a number of General or standard boilerplate sections: Sec. 201, Total state spending/spending to local units; Sec. 202, Reference to Management and Budget Act; Sec. 203, Abbreviations; Section 204, New or expanded program metrics; Sec. 205, Report on federal law that impacts state law; Sec. 206, Contingency appropriations; Sec. 207, Transparency website; Sec. 208, Use of internet to fulfill reporting requirements; Sec. 209, Preference for American/Michigan goods/services; Sec. 210, Deprived/depressed communities; Sec. 215, Discipline of employees communicating with Legislature; Sec. 228, Report on GF/GP lapses; Sec. 229, Report on restricted fund revenue and balances; Sec. 233, Report on cost of services provided to local units of government; General; Sec. 235, Website metrics/scorecard; Sec. 260, Out-of-state travel report; Sec. 262, Use of attorneys other than the Attorney General; Sec. 270, Use of remanufactured parts; Sec. 271, Legacy costs.

Except as noted below, the Conference report retains all of the current year standard sections, in some cases with minor modifications. Note that at the request of the State Budget Office, many of these sections have been renumbered.

***Sec. 233. Report on Costs of Services Provided to Local Units of Government* – DELETED**
House/Senate/Conference delete current report on the cost of services provided to local units of government.

Major Boilerplate Changes From FY 2015-16

DEPARTMENTAL SECTIONS

***Sec. 306. Use of Transportation Funds by Other State Agencies/Biennial Audit* – MODIFIED**
Current law sets guidelines for use of transportation funds (Interdepartmental grants) by other state agencies; provides reporting requirements and biennial audit. Conference concurs with House and modifies to eliminate biennial audit and require a "risk-based" audit program.

***Sec. 308. Report on Prequalification Process* – DELETED**
Conference concurs with House/Senate and deletes report on the department's prequalification process.

***Sec. 319. Rest Area Maintenance* – RETAINED**
Current year requires the department to post signs/telephone numbers for reporting unclean and unsafe conditions at rest areas. House concurs with Executive and deletes. Conference concurs with Senate and retains.

***Sec. 383. Report on Use of State Airfleet* – MODIFIED**
Requires quarterly report on use of MDOT-owned aircraft; recovery of department costs. House had concurred with Executive and deleted subsection that indicates legislative intent that department work with Michigan State Police on employing fixed winged aircraft. Conference concurs with Senate and includes reporting requirement related to the subsection regarding MDOT/MSP fixed wing aircraft.

***Sec. 393. Best Practices for Public Transportation* – RETAINED**
Directs the department to promote best practices in public transportation, including transit vehicle rehabilitation to reduce life-cycle cost. House retained subsection 1, but deleted a reporting requirement. Conference concurs with Senate and retains reporting requirement.

***Sec. 395. Contingent Use of Capital Trunkline Funds for Maintenance* – NEW**
House/Senate/Conference concur with Executive and include new section that would allow the use of up to $10.0 million from the capital road and bridge construction line for highway maintenance activities to support safety-related, high-priority, and other deferred maintenance needs on the state trunkline system.

***Sec. 396. Solicitation of Proposals for Contractual Services* – NEW**
Conference includes modified House language that would direct the department to obtain assurance that contractors can perform proposed services.

MICHIGAN TRANSPORTATION FUND

***Sec. 505. Road Innovation Fund Report ("Lockbox")* – NEW**
Public Act 175 of 2015, part of the Road Funding Plan passed November, 2015, amended Act 51 to establish a Roads Innovation Task Force and Roads Innovation Fund. Public Act 175 also established a process for "releasing" money from the Roads Innovation Fund, specifically, MDOT could to expend money from the fund "*only after each house of the legislature approves a 1-time concurrent resolution on a record roll call vote to release money in the Roads Innovation Fund*." House budget assumes that $100.0 million in Roads Innovation Fund money will be released and distributed in accordance with the provisions of Section 10 of Act 51; Senate budget did not assume the release. Conference concurs with House and assumes the release of the "lockbox" money.

House/Senate/Conference include new boilerplate section, Section 505, that would require the department to prepare a report on the amount of MTF revenue withheld if the Roads Innovation Fund is not released on or before October 1, 2016.

STATE TRUNKLINE FUND

***Sec. 601. Road Construction Warranties* – RETAINED**
Current law directs the department to work with the road construction and engineering consulting community on warranty program; identifies warranty considerations; provides a general reporting requirement as well as a report specific to the Auditor General's report on monitoring of warranties. House concurs with Executive and deletes. Conference concurs with Senate and retains.

***Sec. 603. Traffic Congestion* – DELETED**
Directs department to consider traffic congestion as criteria in project selection. Conference concurs with House and deletes.

***Sec. 610. Dead Deer* – RETAINED**
Current law indicates legislative intent with regard to cleanup of dead deer and other large animal remains. House concurs with Executive and deletes. Conference concurs with Senate and retains.

***Sec. 612. Incentive/Disincentive* – RETAINED**
Requires department to establish guidelines for use of incentive/disincentive contracts; establishes a reporting requirement; report due January 1st of each year. House/Senate/Conference retain.

***Sec. 660. Use of Alternative Materials* – MODIFIED**
Encourages the department to examine the use of alternative road surface materials; use of crumb rubber from tires. Executive and House delete. Senate retains. Conference retains subsections 1 and 3; deletes subsection 3 dealing with crumb rubber.

Major Boilerplate Changes From FY 2015-16

TRANSIT AND RAIL RELATED FUNDS

Sec. 703. Rail Abandonment Notice – **RETAINED**
Requires notification of Legislature when railroad companies file for abandonment of lines. House concurs with Executive and deletes. Conference concurs with Senate and retains.

Sec. 704. Rail Operations and Infrastructure Report **– NEW**
Conference includes new Senate reporting requirement.

Sec. 705. City of Woodhaven Grade Separation **– NEW**
Conference includes new Senate intent language.

Sec. 706. Detroit/Wayne County Port Authority **– MODIFIED**
Conference modifies report due date to June 30.

Sec. 713. Commuter Rail Report **– DELETED**
Directs the department to report on status of commuter rail demonstration projects on or before November 1, 2015, including on the disposition of rail cars leased by the department. Executive deletes. House retains. Conference concurs with Senate and deletes.

AERONAUTICS FUND

Sec. 803. Third-party Management of MDOT Aircraft **– NEW**
Conference includes Senate language directing the department to request proposals for third party management of department aircraft.

ONE-TIME ONLY

Sec. 1001. Special Grants **– NEW**
Conference includes section specifying special road improvement project grants:
Berrien County – US-31 right of way acquisition; Lenawee County – Upgrading Weston Road and Rodesiler Highway to provide an all-season truck route between M-52 and US-223; Macomb County – M-53 at 33 Mile road access.

Sec. 1006. Detroit/Windsor Rail Tunnel **– DELETED**
Conference concurs with House/Senate and deletes report on project to construct a new rail tunnel under the Detroit River between Detroit and Windsor Ontario.